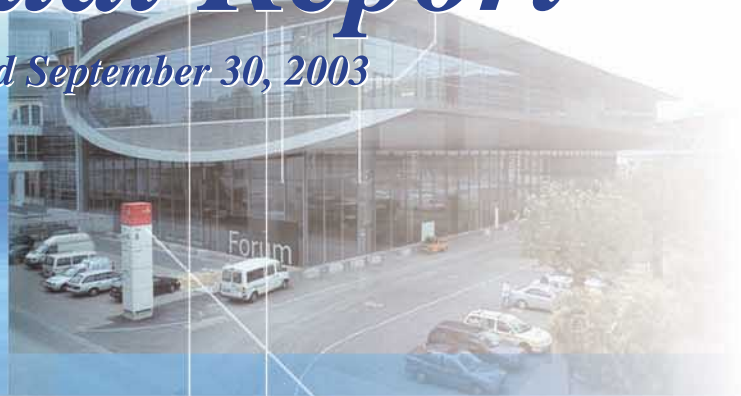


Semiannual Report

Six months ended September 30, 2003



CONSOLIDATED FINANCIAL HIGHLIGHTS

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2003 and 2002

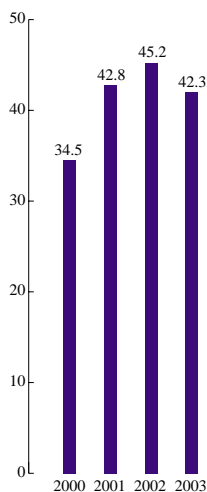
	Millions of Yen		Thousands of U.S. Dollars	Percent change
	2003	2002	2003	2003/2002
For each period:				
Net sales	¥ 42,324	¥ 45,211	\$381,297	-6.4%
Domestic	21,494	18,781	193,639	+14.4%
Overseas	20,830	26,430	187,658	-21.2%
Operating income.....	1,436	3,187	12,937	-54.9%
Net income	333	1,857	3,000	-82.1%
At the end of each period:				
Total assets	¥105,762	¥105,889	\$952,811	-0.1%
Shareholders' equity	55,596	55,625	500,865	-0.1%
	Yen		U.S. Dollars	
Per share of common stock:				
Net income	¥ 3.56	¥ 19.82	\$ 0.03	-82.0%
Interim cash dividends	5.00	5.00	0.05	+0.0%

Notes: 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥111 to U.S.\$ 1.

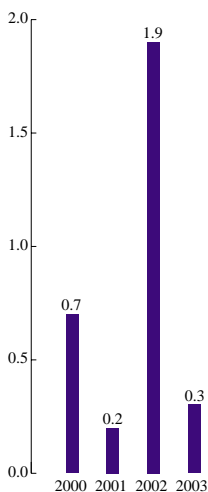
2. Net income per share amounts are computed based on the weighted average number of shares outstanding during each period.

3. The amounts of total assets and shareholders' equity in 2002 in the Consolidated Financial Highlights differ from those in the Consolidated Balance Sheets on pages 11 and 12, because the figures in the Consolidated Financial Highlights represent amounts as they stood as of September 30, 2002, while those in the Consolidated Balance Sheets were as of March 31, 2003.

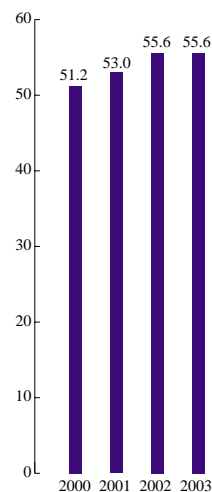
Net sales
Billion ¥



Net income
Billion ¥



Shareholders' equity
Billion ¥



T O O U R S H A R E H O L D E R S

The Fujitec Group has been striving to reduce costs and better meet market needs. Nevertheless, both sales and profits have declined during the interim period from the same period of the previous year, due to a harsher business environment than anticipated.

Performance

In the interim period ended September 30, 2003 the demand for elevators and escalators for commercial office buildings in major cities in North America and Europe remained low, while demand for institutional and public projects, such as subways, stadiums and airport expansion projects, remained steady in North American markets. In Asia, intensified price competition continued in Japan's price-driven construction industry. The only market in Asia with steady growth was China, where elevator demand remained strong, especially for residential buildings; however, the price appreciation of steel and other raw materials impacted the construction industry and affected profitability. In other Asian nations, demand remained flat from the previous year.

Amid these challenging business conditions, we have been steadily pursuing the goals outlined in the three-year Go for the Gold mid-term strategic plan, launched in April 2002. Under this plan, we have expedited structural reform to establish a more profitable management foundation, in order to more quickly respond to changes in the business environment.

Due the worsening business conditions and the impact of this year's three-month accounting period for the Company's subsidiary in Hong Kong, Fujitec (HK) Co., Ltd., resulting from a change of its closing date, consolidated orders received in the interim period dropped 5.6 percent from the same period during the previous year, to ¥47,679 million (U.S.\$430 million). Net sales decreased 6.4 percent, to ¥42,324 million (U.S.\$381 million).

In terms of profits, the intensified price competition drove down profitability, despite groupwide cost-cutting efforts. Consequently, operating income fell 54.9 percent from the same period in the previous year, to ¥1,436 million (U.S.\$13 million). Combined with an exchange loss due to the appreciation of the yen against the U.S. dollar, net income decreased 82.1 percent, to ¥333 million (U.S.\$3 million).

TO OUR SHAREHOLDERS

Outlook

Demand for elevators and escalators in North America and Europe in the second half of the fiscal year is not expected to increase. Demand in Asian nations, excluding China, is also forecast to remain slow. In Japan, a price war among general contractors, stemming from a decrease in public work projects, along with declining demand for residential buildings, will affect our business, and we will face further intensified competition.



Under these challenging circumstances, the Fujitec Group will make an all-out effort to achieve its goals and maximize corporate value in fiscal year 2004, the final year of the Go for the Gold plan.

Specifically, we will continue to aggressively develop new products to meet the diverse needs of markets around the world, while addressing needs for energy-, material- and space-saving features that serve global environmental preservation. We will also improve our lineup of products and customer service menus by establishing a flexible and efficient system. In addition, we are expanding and enhancing our modernization packages for building renovation. With this approach, we aim to boost sales. At the same time, we will expand our global material procurement activities, promote mass production of standardized models, effectively utilize outsourcing and reduce fixed costs. We will also utilize low-cost manufacturing to full advantage by expanding production capacity in China. Together, these measures will surely serve to enhance our profitability.

We are counting on the continued patronage and support of our shareholders in the effort.

December 2003

A handwritten signature in blue ink, which appears to read 'T. Uchiyama'. The signature is fluid and cursive, written over a white background.

Takakazu Uchiyama
President and Chief Executive Officer

REVIEW OF OPERATIONS

The Americas

Due to negative factors, such as a declining number of new construction projects from the private sector, intensified price competition, and the appreciation of the yen against the U.S. dollar, sales in the Americas decreased 17.7 percent from the same period of the previous year, to ¥10,563 million (U.S.\$95 million). Operating losses totaled ¥146 million (U.S.\$1 million), which was the same as the corresponding period of the previous year.



Washington Convention Center

During the interim period, 69 Fujitec elevators and escalators were delivered to the Washington Convention Center, a state-of-the-art exhibition facility constructed in Washington D.C., the capital of the United States.

Japan

Despite the lingering recession, sales increased 13.9 percent from the same period of the previous year, to ¥21,654 million (U.S.\$195 million). The sales increase was mainly due to: the favorable demand for elevators and escalators for high-rise condominium buildings and shopping centers; and the introduction of new products — such as barrier-free elevators for station buildings and the industry's first elevator entrance doors with smoke-protection capability, announced in April 2003. However, decreased profitability from new installation business resulted in a 75.9 percent decline in operating income, to ¥367 million (U.S.\$3 million).

Fujitec delivered many elevators and escalators to a number of large projects completed during the interim period. These included the Parks Tower high-rise office building, which opened in the fall of 2003 in the Namba district of Osaka; the Roppongi Hills redevelopment project — one of the largest projects of its kind in Japan; and the high-rise building at Shiodome Shiosite.

Notable new orders received during the period included elevators for the National Gallery in Tokyo, Japan's quintessential art museum, and the luxurious Tokyo Prince Hotel Park Tower.



Parks Tower

REVIEW OF OPERATIONS

South Asia

Sales increased 2.9 percent from the corresponding period of the previous year, to ¥4,249 million (U.S.\$38 million). Operating income, on the other hand, declined 9.9 percent, to ¥774 million (U.S.\$7 million).



HDB high-rise residential buildings

In Singapore, following an order in January 2003 for 600 elevators in the modernization project for high-rise residential buildings managed by the Housing and Development Board (HDB), we received an additional order for 600 units in September 2003. This brings the cumulative number of units ordered by the HDB to 18,500 units.

In Malaysia, Fujitec received an order for 49 elevators and escalators for the Kuala Lumpur Convention Centre to be constructed in the central district of Kuala Lumpur.

East Asia

Since our subsidiary in Honk Kong, Fujitec (HK) Co., Ltd., had an irregular three-month interim period this fiscal year, and there was a sharp price rise in steel and raw materials in China, sales and operating income fell by 34.2 percent, from the corresponding period of the previous year, to ¥5,136 million (U.S.\$46 million), and by 48.9 percent, to ¥831 million (U.S.\$7 million), respectively.

During the interim period, Fujitec provided 42 elevators to the Lai Chi Kok 52-story condominium



Tian Yi Square

building in the West Kowloon district of Hong Kong. A total of 44 elevators manufactured by our Chinese subsidiary, Huasheng Fujitec Elevator Co., Ltd., were delivered to a luxury condominium building in Langfang, where Huasheng Fujitec is located. 27 Fujitec elevators are operating at Tian Yi Square, a commercial complex in Zhejiang, China.

REVIEW OF OPERATIONS

Fujitec received orders for 31 elevators and escalators for the upscale Ma Tau Kok condominium building overlooking Hong Kong's Victoria Harbour. An additional 25 elevators were ordered for the Bank of Shanghai Headquarters, a high-rise main office building in Shanghai, China.

Europe

As the number of new construction projects declined, sales decreased 48.9 percent from the same period of the previous year, to ¥722 million (U.S.\$7 million). Operating loss increased 10.1 percent, to ¥273 million (U.S.\$2 million).

Nine Fujitec elevators are operating at Messe Forum, a large-scale trade fair site in Frankfurt, Germany. Fujitec delivered elevators to the top-class Four Seasons Hotel in Amman, the capital of Jordan.



Messe Forum

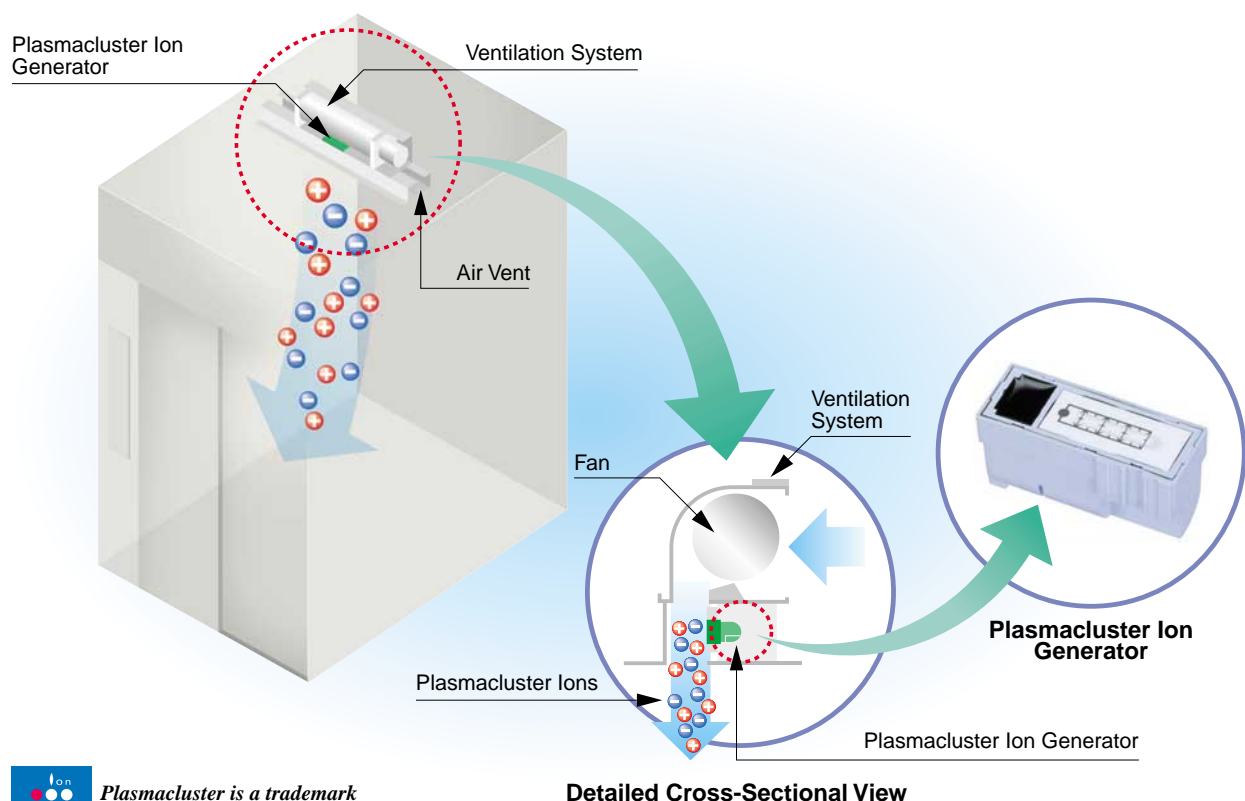
NEW PRODUCTS

The World's First "Plasmacluster™ Ion Generating System" for Elevators

Fujitec and Sharp Corporation have jointly developed a new elevator ventilation system designed to meet the need for heightened cleanliness and sanitation in public elevator environments. The system incorporates a Plasmacluster™ Ion Generating System, which cleans the air in the elevator to create a more comfortable space. While Plasmacluster Ion air purification systems are in use elsewhere, this marks the first time the technology has ever been successfully applied to elevators.

The Plasmacluster™ Ion Generating System — incorporated in the ventilation system mounted at the top of the elevator car — generates plasmacluster ions and releases them into the car. Plasmacluster ions inactivate airborne molds and viruses and deactivate airborne allergens, thus purifying the air inside the elevator.

Fujitec has already started installing this new ventilation system in its standard models, and plans to eventually offer the system as standard equipment in all elevators. The system will be introduced to Asia, the Americas and Europe, and promoted actively in the global markets.



Plasmacluster is a trademark of Sharp Corporation

MEMORIAL

In Commemoration of Shotaro Uchiyama, the Founder and Honorary Chairman of Fujitec

Shotaro Uchiyama, the founder and Honorary Chairman of Fujitec Co., Ltd. passed away on July 23, 2003. Mr. Uchiyama established Fujitec Co., Ltd. in 1948, and was involved in the management of the Company for 55 years.

Mr. Uchiyama always had a global vision. He traveled around the world to see the various markets with his own eyes. He was committed to the development of countries around the globe through the Fujitec Group's activities, and worked tirelessly to carry out the mission.

A farewell gathering to pay final respects to Mr. Uchiyama was held on August 29 in the Imperial Hotel in Osaka, Japan. Some 2,000 people from various fields attended the gathering and offered condolences.



Photo panels showing various Company highlights from the time of its founding forward



Paying tribute with flowers.

CONSOLIDATED FINANCIAL REVIEW

Operating Results

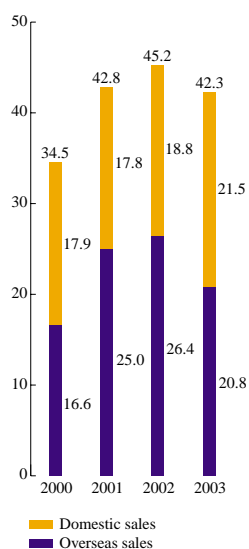
Orders received during the interim period ended September 30, 2003 decreased 5.6 percent from the same period of the previous year, to ¥47,679 million (U.S.\$430 million). This decrease was attributable to a decline in orders in the United States, Hong Kong and Singapore, which more than offset increased orders in Japan, China and Taiwan. **Net Sales** for the interim period dropped 6.4 percent from the corresponding period of the previous year, to ¥42,324 million (U.S.\$381 million); thus, **orders in hand** at the end of the period amounted to ¥89,824 million (U.S.\$809 million). Overseas sales totaled ¥20,830 million (U.S.\$188 million), representing 49.2 percent of net sales.

Faced with intensified price competition, the Fujitec Group strove to reduce costs, including material expenses. Nevertheless, **operating income** decreased 54.9 percent from the same period of the previous year, to ¥1,436 million (U.S.\$13 million). Coupled with reduced fund management income resulting from lower money market rates, and an exchange loss due to the appreciation of the yen against the U.S. dollar toward the end of the interim period, **net income** for the period fell by 82.1 percent from the same period of the previous year, to ¥333 million (U.S.\$3 million).

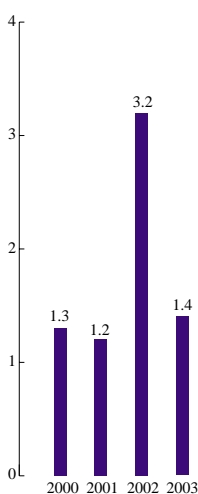
Broken down into geographic segments, sales expanded in Japan, while sales in East Asia declined, due partially to the irregular three-month interim period for the Company's subsidiary in Hong Kong, Fujitec (HK) Co., Ltd., which resulted from a change of its closing date. Sales in the Americas and Europe also declined, reflecting sluggish growth in new works.

Operating income in Japan substantially declined, affected by the completion of less profitable works during the period. Operating income in East Asia also fell to half the level of the same period of the

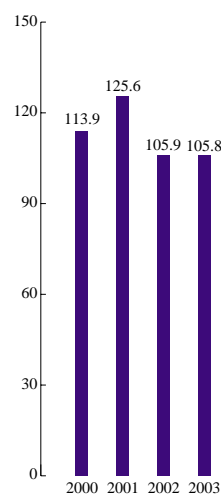
Domestic sales and overseas sales
Billion ¥



Operating income
Billion ¥



Total assets
Billion ¥



CONSOLIDATED FINANCIAL REVIEW

previous year, due mainly to increases in steel material prices in China and the decreased profit at Fujitec (HK) Co., Ltd. pursuant to the change of its closing date. Profitability remained almost on a par with the same period of the previous year in the Americas and Europe.

Financial Position

Current assets for the interim period decreased by ¥6,765 million (U.S.\$61 million), while fixed assets rose by ¥5,907 million (U.S.\$53 million). In the aggregate, **total assets** declined by ¥858 million (U.S.\$8 million), to ¥105,762 million (U.S.\$953 million).

Shareholders' equity for the interim period rose to ¥55,596 million (U.S.\$501 million), reflecting expanded unrealized gains on securities due to rises in stock prices in Japan. Thus, the **equity ratio** climbed by 1.1 percentage points from the previous fiscal year-end, to 52.6 percent, and **shareholders' equity per share** increased by ¥8.44 (U.S.\$0.08), to ¥593.48 (U.S.\$5.35).

Cash Flows

Net cash provided by operating activities decreased by ¥1,234 million (U.S.\$11 million) from the same period of the previous year, to ¥731 million (U.S.\$7 million). This decline was mainly attributable to a plunge in income before income taxes and minority interests of ¥1,531 million (U.S.\$14 million) from the corresponding period of the previous year. Depreciation and amortization dropped slightly, to ¥916 million (U.S.\$8 million). Payment of income taxes amounted to ¥453 million (U.S.\$4 million).

In terms of cash flows from investing activities, ¥3,671 million (U.S.\$33 million) was registered as **net cash used in investing activities** for the interim period. Meanwhile, ¥25,055 million was recorded as net cash provided by investing activities for the previous interim period, reflecting a decrease in commercial paper resulting from the termination of a fund management subsidiary of Fujitec America, Inc. in the United States, Fujitec Capital Corporation (FCC).

Net cash used in financing activities for the interim period stood at ¥2,963 million (U.S.\$27 million), which included ¥2,662 million (U.S.\$24 million) for acquisitions of minority interest in the Company's subsidiary, Fujitec Singapore Corpn. Ltd. Net cash used in investing activities for the previous interim period increased significantly, due mainly to repayment of preferred stocks resulting from the termination of FCC.

Interest-bearing debt at the end of the interim period totaled ¥13,417 million (U.S.\$121 million).

As a result of the cash flow activities summarized above, **cash and cash equivalents** at the end of the interim period decreased by ¥5,697 million (U.S.\$51 million) from the previous fiscal year-end, to ¥15,476 million (U.S.\$139 million).

CONSOLIDATED BALANCE SHEETS

Fujitec Co., Ltd. and Consolidated Subsidiaries
September 30 and March 31, 2003

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2003	March 31 2003	September 30 2003
Current assets:			
Cash and cash equivalents	¥ 15,476	¥ 21,173	\$139,423
Time deposits	3,869	5,784	34,856
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	82	158	739
Other	24,042	26,642	216,594
Allowance for doubtful accounts	(235)	(207)	(2,117)
	<u>23,889</u>	<u>26,593</u>	<u>215,216</u>
Inventories	20,643	17,540	185,973
Deferred income taxes	1,072	1,006	9,658
Other current assets	1,125	743	10,135
Total current assets	<u>66,074</u>	<u>72,839</u>	<u>595,261</u>
Investments and advances:			
Unconsolidated subsidiaries and affiliates	1,031	893	9,288
Investment securities	4,829	3,425	43,505
Advances	4,167	71	37,540
	<u>10,027</u>	<u>4,389</u>	<u>90,333</u>
Property, plant and equipment, at cost:			
Buildings	15,714	15,564	141,568
Machinery and equipment	17,618	17,247	158,721
	<u>33,332</u>	<u>32,811</u>	<u>300,289</u>
Accumulated depreciation	(19,823)	(19,171)	(178,586)
	<u>13,509</u>	<u>13,640</u>	<u>121,703</u>
Land	6,838	5,814	61,603
Construction in progress	194	189	1,748
	<u>20,541</u>	<u>19,643</u>	<u>185,054</u>
Other assets:			
Deferred income taxes	2,512	2,968	22,631
Intangible assets	4,178	4,205	37,640
Other	2,430	2,576	21,892
	<u>¥105,762</u>	<u>¥106,620</u>	<u>\$952,811</u>

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

Fujitec Co., Ltd. and Consolidated Subsidiaries
September 30 and March 31, 2003

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2003	March 31 2003	September 30 2003
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	¥ 8,292	¥ 7,634	\$ 74,703
Current portion of long-term debt	5,113	5,113	46,063
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	86	59	775
Other	9,084	9,534	81,838
Advances from customers	8,104	7,696	73,009
Accrued income taxes	1,226	615	11,045
Accrued bonuses	1,371	1,387	12,351
Provision for losses on contracts	2,148	2,203	19,351
Other current liabilities	4,382	4,814	39,477
Total current liabilities	39,806	39,055	358,612
Long-term debt	24	41	216
Deferred income taxes	83	77	748
Accrued pension and severance payments	6,406	6,063	57,712
Total liabilities	46,319	45,236	417,288
Minority interest in consolidated subsidiaries (Note 3)	3,847	6,499	34,658
Contingent liabilities (Note 4)			
Shareholders' equity:			
Common stock, no par value;			
Authorized 200,000,000 shares;			
Issued:			
93,767,317 shares at September 30 and March 31, 2003	12,534	12,534	112,919
Additional paid-in capital	14,566	14,566	131,225
Retained earnings	39,739	39,951	358,009
Net unrealized gains (losses) on securities	435	(491)	3,919
Adjustment arising from translation of foreign subsidiaries' accounts	(11,612)	(11,612)	(104,613)
	55,662	54,948	501,459
Treasury stock at cost: 90,653 shares at September 30, 2003 and 84,528 shares at March 31, 2003	(66)	(63)	(594)
Total shareholders' equity	55,596	54,885	500,865
	¥105,762	¥106,620	\$952,811

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF INCOME

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2003 and 2002

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
Net sales	¥42,324	¥45,211	\$381,297
Cost and expenses:			
Cost of sales	32,638	33,956	294,036
Selling, general and administrative	8,250	8,068	74,324
	40,888	42,024	368,360
Operating income	1,436	3,187	12,937
Other income (expenses):			
Interest and dividend income	142	381	1,279
Interest expense	(98)	(196)	(882)
Foreign currency exchange losses	(115)	(252)	(1,036)
Other, net	33	76	297
	(38)	9	(342)
Special items:			
Gain on sales of property, plant and equipment	4	30	36
Gain on sales of investment securities	4	—	36
Loss on disposal and sales of property, plant and equipment	(12)	(84)	(108)
Loss on sales of investment securities	(2)	—	(18)
Write-down of investment securities	—	(7)	—
Loss on sale of a consolidated subsidiary	—	(213)	—
Other, net	—	1	—
	(6)	(273)	(54)
Income before income taxes and minority interest	1,392	2,923	12,541
Income taxes:			
Current	1,086	975	9,784
Deferred	(232)	(432)	(2,090)
	854	543	7,694
Income before minority interest	538	2,380	4,847
Minority interest in income of consolidated subsidiaries	205	523	1,847
Net income	¥ 333	¥ 1,857	\$ 3,000
Per share:			
		Yen	U.S. Dollars (Note 1)
Net income, based on the weighted average number of shares outstanding	¥ 3.56	¥ 19.82	\$ 0.03
Interim cash dividends	5.00	5.00	0.05

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month period ended September 30, 2003 and 2002

	Thousands	Millions of Yen					
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Net unrealized gains (losses) on securities	Adjustment arising from translation of foreign subsidiaries' accounts	Treasury stock, at cost
Balance at March 31, 2002	93,767	¥12,534	¥14,566	¥38,948	¥ (198)	¥ (8,926)	¥ (40)
Net income	—	—	—	1,857	—	—	—
Cash dividends	—	—	—	(375)	—	—	—
Staff and workers' bonus and welfare fund.....	—	—	—	(15)	—	—	—
Change in adjustment arising from translation of foreign subsidiaries' accounts	—	—	—	—	—	(2,517)	—
Net unrealized losses on securities.....	—	—	—	—	(203)	—	—
Treasury stock acquired, net	—	—	—	—	—	—	(6)
Balance at September 30, 2002	93,767	¥12,534	¥14,566	¥40,415	¥ (401)	¥(11,443)	¥ (46)
Balance at March 31, 2003	93,767	¥12,534	¥14,566	¥39,951	¥ (491)	¥(11,612)	¥ (63)
Net income	—	—	—	333	—	—	—
Cash dividends	—	—	—	(468)	—	—	—
Bonuses to directors and corporate auditors....	—	—	—	(71)	—	—	—
Staff and workers' bonus and welfare fund.....	—	—	—	(6)	—	—	—
Net unrealized gains on securities.....	—	—	—	—	926	—	—
Treasury stock acquired, net	—	—	—	—	—	—	(3)
Balance at September 30, 2003	93,767	¥12,534	¥14,566	¥39,739	¥ 435	¥(11,612)	¥ (66)

	Thousands	Thousands of U.S. Dollars (Note1)					
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Net unrealized gains (losses) on securities	Adjustment arising from translation of foreign subsidiaries' accounts	Treasury stock, at cost
Balance at March 31, 2003	93,767	\$112,919	\$131,225	\$359,919	\$ (4,423)	\$(104,613)	\$ (568)
Net income	—	—	—	3,000	—	—	—
Cash dividends	—	—	—	(4,216)	—	—	—
Bonuses to directors and corporate auditors....	—	—	—	(640)	—	—	—
Staff and workers' bonus and welfare fund.....	—	—	—	(54)	—	—	—
Net unrealized gains on securities.....	—	—	—	—	8,342	—	—
Treasury stock acquired, net	—	—	—	—	—	—	(26)
Balance at September 30, 2003	93,767	\$112,919	\$131,225	\$358,009	\$ 3,919	\$(104,613)	\$ (594)

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2003 and 2002

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,392	¥ 2,923	\$ 12,541
Depreciation and amortization	916	967	8,252
Provision for allowance for doubtful accounts	(4)	34	(36)
Provision for accrued pension and severance payments	340	390	3,063
(Benefit) provision for losses on contracts.....	(48)	128	(432)
Interest and dividend income	(142)	(381)	(1,279)
Interest expense	98	195	883
Write-down of investment securities	—	7	—
Decrease in trade notes and accounts receivable	2,751	4,479	24,784
Increase in inventories.....	(3,096)	(4,390)	(27,892)
Decrease in trade notes and accounts payable	(474)	(1,339)	(4,270)
Increase in advances from customers	385	497	3,468
Other, net	(863)	(1,334)	(7,775)
Bonuses paid to directors and corporate auditors.....	(71)	—	(640)
Sub-total	<u>1,184</u>	<u>2,176</u>	<u>10,667</u>
Payment of income taxes	(453)	(211)	(4,081)
Net cash provided by operating activities.....	<u>731</u>	<u>1,965</u>	<u>6,586</u>
Cash flows from investing activities:			
Decrease in time deposits, net.....	1,896	3,968	17,081
Decrease in commercial paper	—	21,659	—
Acquisitions of property, plant and equipment	(1,683)	(924)	(15,162)
Payment for purchase of investment securities	(143)	(9)	(1,288)
Payment for long-term advances.....	(4,109)	(10)	(37,018)
Collections on long-term advances	12	7	108
Proceeds from interest and dividend income	154	396	1,387
Other, net	202	(32)	1,820
Net cash (used in) provided by investing activities	<u>(3,671)</u>	<u>25,055</u>	<u>(33,072)</u>
Cash flows from financing activities:			
Increase (decrease) in short-term debt	604	(3,161)	5,441
Repayment of long-term debt	(15)	(33)	(135)
Repayment of preferred stock	—	(19,606)	—
Acquisitions of minority interest.....	(2,662)	—	(23,982)
Payment of interest	(98)	(222)	(883)
Cash dividends paid	(468)	(375)	(4,216)
Cash dividends paid to minority shareholders	(321)	(886)	(2,892)
Other, net	(3)	(74)	(27)
Net cash used in financing activities	<u>(2,963)</u>	<u>(24,357)</u>	<u>(26,694)</u>
Effect of exchange rate changes on cash and cash equivalents	206	(1,040)	1,855
Net (decrease) increase in cash and cash equivalents	<u>(5,697)</u>	<u>1,623</u>	<u>(51,325)</u>
Cash and cash equivalents at beginning of period	<u>21,173</u>	<u>19,366</u>	<u>190,748</u>
Cash and cash equivalents at end of period	<u>¥15,476</u>	<u>¥20,989</u>	<u>\$139,423</u>

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fujitec Co., Ltd. and Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Fujitec Co., Ltd. (the “Company”) and its consolidated subsidiaries have been prepared from the consolidated financial statements filed with the Director of the Kanto Local Finance Bureau, as required by the Securities and Exchange Law of Japan, in conformity with accounting principles and practices generally accepted in Japan.

For the purpose of this semiannual report, certain reclassifications have been made to the consolidated financial statements issued domestically, in order to present these statements in a form which is more familiar to readers of these statements outside Japan. However, such reclassifications have no effect on net income or retained earnings.

The United States dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen into United States dollars on a basis of ¥111=U.S. \$1, the approximate effective rate of exchange at September 30, 2003. The inclusion of such United States dollar amounts is solely for convenience and is not intended to imply that Japanese yen, and assets and liabilities originating in Japanese yen, have been or could be readily converted, realized or settled in United States dollars at ¥111=U.S. \$1 or at any other rate.

2. Summary of Significant Accounting Policies

(A) Principles of consolidation

The consolidated financial statements include the accounts of the Company and the following twelve significant subsidiaries.

Fujitec America, Inc. (U.S.A.)
Fujitec Canada, Inc. (Canada)
Fujitec UK Ltd. (United Kingdom)
Fujitec Deutschland GmbH (Germany)
Fujitec Singapore Corpn. Ltd. (Singapore)
P.T. Fujitec Indonesia (Indonesia)
Fujitec (HK) Co., Ltd. (Hong Kong)
Rich Mark Engineering Limited (Hong Kong)
Fujitec Taiwan Co., Ltd. (Taiwan)
Huasheng Fujitec Elevator Co., Ltd. (China)
Shanghai Huasheng Fujitec Escalator Co., Ltd. (China)
Fujitec Korea Co., Ltd. (Korea)

In the fiscal year ended March 31, 2003, the accounts of Shanghai Huasheng Fujitec Escalator Co., Ltd. were newly included in consolidation, due to their growing significance.

During September 2002, the Company sold all quotas of Fujitec Brasil Ltda., a Brazilian subsidiary of the Company. Accordingly, the account of Fujitec Brasil Ltda. was excluded from consolidation for the year ended March 31, 2003. Because Fujitec Capital Corporation, a U.S.A. subsidiary of Fujitec America, Inc., was liquidated in August 2002, the account of Fujitec Capital Corporation was excluded from consolidation for year ended March 31, 2003.

The interim closing date of the consolidated subsidiaries is June 30.

Fujitec (HK) Co., Ltd. and Rich Mark Engineering limited, for which the closing date is originally March 31, have changed their closing date from March 31 to December 31 in the fiscal year commenced April 1, 2003. Accordingly, their fiscal period for this year is only nine months and their interim period is three months from April 1 to June 30, 2003.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fujitec Co., Ltd. and Consolidated Subsidiaries

(B) Accounting principles

The semiannual consolidated financial statements are prepared in accordance with the same accounting principles as those listed in the Notes to Consolidated Financial Statements for the fiscal year ended March 31, 2003.

3. Contingent Liabilities

At September 30, 2003, contingent liabilities were as follows:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Guarantees of bank loans	<u>¥ 2,453</u>	<u>\$ 22,099</u>

4. Subsequent Event

On November 14, 2003, the Board of Directors of the Company declared interim cash dividends of ¥468 million (U.S.\$4,216 thousand), or ¥5 (U.S.\$0.05) per share, to be paid on December 10, 2003, to shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fujitec Co., Ltd. and Consolidated Subsidiaries

5. Segment Information

Information by geographic area for the interim period ended September 30, 2003 and 2002 is summarized as follows:

(A) Geographic segment information

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
Operating income (loss):			
Japan			
Net sales: Customers	¥21,654	¥19,018	\$195,081
Intersegment	2,337	2,894	21,054
	23,991	21,912	216,135
Operating expenses	23,624	20,390	212,829
Operating income	367	1,522	3,306
The Americas			
Net sales: Customers	10,563	12,840	95,162
Intersegment	3	23	27
	10,566	12,863	95,189
Operating expenses	10,712	13,009	96,505
Operating loss	(146)	(146)	(1,316)
Europe			
Net sales: Customers	722	1,414	6,505
Intersegment	7	10	63
	729	1,424	6,568
Operating expenses	1,002	1,672	9,027
Operating loss	(273)	(248)	(2,459)
South Asia			
Net sales: Customers	4,249	4,129	38,279
Intersegment	9	6	81
	4,258	4,135	38,360
Operating expenses	3,484	3,276	31,387
Operating income	774	859	6,973
East Asia			
Net sales: Customers	5,136	7,810	46,270
Intersegment	351	356	3,162
	5,487	8,166	49,432
Operating expenses	4,656	6,540	41,946
Operating income	831	1,626	7,486
Total			
Net sales: Customers	¥42,324	¥45,211	\$381,297
Intersegment	2,707	3,289	24,387
	45,031	48,500	405,684
Elimination	(2,707)	(3,289)	(24,387)
Consolidated net sales	42,324	45,211	381,297
Operating expenses	43,478	44,887	391,694
Elimination	(2,590)	(2,863)	(23,334)
Consolidated operating expenses	40,888	42,024	368,360
Operating income	1,553	3,613	13,990
Elimination	(117)	(426)	(1,053)
Consolidated operating income	¥ 1,436	¥ 3,187	\$ 12,937

Note: Each segment outside Japan represents the following nations and regions:

- (1) The AmericasU.S.A., Canada and Brazil
- (2) Europe.....United Kingdom and Germany
- (3) South AsiaSingapore and Indonesia
- (4) East AsiaHong Kong, Taiwan, China and Korea

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fujitec Co., Ltd. and Consolidated Subsidiaries

(B) Overseas sales

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
The Americas	¥10,561	¥12,968	\$ 95,144
East Asia.....	5,020	7,781	45,225
South Asia	4,291	4,162	38,658
Other areas	958	1,519	8,631
Total	¥20,830	¥26,430	\$187,658
Percentage of overseas sales to net sales.....	49.2%	58.5%	

Notes:

1. Overseas sales are the sum of export sales of the Company and net sales of consolidated subsidiaries to each segment after elimination of all intercompany transactions.

2. Each segment outside Japan represents the following nations and regions:

(1) The AmericasU.S.A., Canada, Brazil and Argentina

(2) East Asia.....Hong Kong, Taiwan, China and Korea

(3) South Asia.....Singapore, Philippines and Malaysia

(4) Other areas.....United Kingdom, Germany and Saudi Arabia

GLOBAL NETWORK

The Americas

United States

Fujitec America, Inc.
R&D, manufacturing, marketing, installation and maintenance

Canada

Fujitec Canada, Inc.
Marketing, installation and maintenance

Venezuela

Fujitec Venezuela C.A.
Marketing, installation and maintenance

Argentina

Fujitec Argentina S.A.
Marketing, installation and maintenance

Guam

Fujitec Pacific, Inc.
Marketing, installation and maintenance

Japan

Fujitec Co., Ltd.
R&D, manufacturing, marketing, installation and maintenance

South Asia

Singapore

Fujitec Singapore Corpn. Ltd.
R&D, manufacturing, marketing, installation and maintenance

Philippines

Fujitec, Inc.
Marketing, installation and maintenance

Indonesia

P.T. Fujitec Indonesia
Manufacturing, installation and maintenance

Malaysia

Fujitec (Malaysia) Sdn. Bhd.
Marketing, installation and maintenance

East Asia

Hong Kong

Fujitec (HK) Co., Ltd.
Manufacturing, marketing, installation and maintenance

Korea

Fujitec Korea Co., Ltd.
Manufacturing, marketing, installation and maintenance

Taiwan

Fujitec Taiwan Co., Ltd.
Manufacturing, marketing, installation and maintenance

China

Huasheng Fujitec Elevator Co., Ltd.
Manufacturing, marketing, installation and maintenance

Shanghai Huasheng Fujitec Escalator Co., Ltd.
Manufacturing, installation and maintenance

Europe

United Kingdom

Fujitec UK Ltd.
Marketing, installation and maintenance

Germany

Fujitec Deutschland GmbH
Marketing, installation and maintenance

Saudi Arabia

Fujitec Saudi Arabia Co., Ltd.
Marketing, installation and maintenance

Egypt

Fujitec Egypt Co., Ltd.
Marketing, installation and maintenance

Overseas Liaison Offices

Beijing, Shanghai, Bangkok, Jakarta,
Pune, Dubai, and Montevideo

DIRECTORS AND CORPORATE AUDITORS

Chairman

Kenji Otani*

President and Chief Executive Officer

Takakazu Uchiyama*

Executive Vice Presidents

Masamichi Hayashi*

Yasuhiro Kamitakehara*

**Representative Directors*

Directors

Akira Sumimoto

Masakazu Kawai

Iwataro Sekiguchi

Katsuhiko Harada

Takeo Kato

Corporate Auditors

Tomozo Taya

Tomihisa Kuroishi

Susumu Monma

SHAREHOLDERS' INFORMATION

Fujitec Co., Ltd.

28-10, Shoh 1-chome, Ibaraki,
Osaka 567-8510, Japan
Telephone: 072-622-8151
Facsimile: 072-622-1654

Date of Establishment

February 9, 1948

Paid-in Capital

¥12,533,933,095

Common Stock

Authorized: 200,000,000 shares

Issued: 93,767,317 shares

Number of shareholders: 7,193

Major Shareholders

	Number of shares held (Thousand)	Percentage of total number of shares in issue (%)
Uchiyama International, Limited	9,056	9.7
The Melon Bank Treaty Clients Omnibus	6,004	6.4
Fuji Electric Co., Ltd.	5,089	5.4
Resona Bank, Ltd.	4,661	5.0
Japan Trustee Services Bank, Ltd.	4,652	5.0
Mizuho Corporate Bank, Ltd.	3,978	4.2
The Master Trust Bank of Japan, Ltd.	3,769	4.0
Matsushita Electric Industrial Co., Ltd.	2,867	3.1
Aozora Bank, Ltd.	2,388	2.5
UFJ Bank Limited	1,663	1.8

Annual Meeting of Shareholders

The annual meeting of shareholders of the Company is normally held in June each year in Ibaraki, Osaka, Japan.

Stock Exchange Listings

Japan: Tokyo and Osaka stock exchanges

Overseas: Luxembourg and Singapore stock exchanges

Transfer Agent

The Chuo Mitsui Trust and Banking Company, Limited
Stock Transfer Agency Department
33-1, Shiba 3-chome, Minato-ku, Tokyo
105-8574, Japan

Its business office

The Chuo Mitsui Trust and Banking Company, Limited
Osaka Branch
Stock Transfer Agency Department
2-21, Kitahama 2-chome, Chuo-ku,
Osaka 541-0041, Japan
Telephone: 06-6202-7361

Auditor

Yukoh Audit Corporation

As of September 30, 2003