FUJITEC

Change &

Charge

Annual Report 2006

Year ended March 31, 2006

Profile

Fujitec Co., Ltd. was established in 1948 as a specialized elevator manufacturer. Today, Fujitec builds upon its years of expertise and experience as an integrated manufacturer of a wide variety of people-moving systems, including elevators, escalators, moving walkways and vertical parking equipment. These state-of-the-art products are a result of Fujitec's integrated operations covering every phase of the products lifecycle from development to sales and installation to maintenance.

With the establishment of a base in Hong Kong in 1964, Fujitec became one of the first in the industry to expand overseas. With further operations established in Singapore, Venezuela, the United States, Argentina and elsewhere, we now have bases in 20 countries and areas, including 10 production sites in seven different nations. Our global network enables us to supply the world with safe, reliable and comfortable people-moving systems that others look up to.

To effectively cope with an ever-changing global marketplace and economy, Fujitec is divided into six economic blocks: the Americas, Japan, Europe, South Asia, East Asia and China. The management of these is consolidated under the leadership of the Big Wing. This structure allows Fujitec to respond quickly to market needs and engage in its finely-tuned business activity dedicated to each region.

Fujitec understands the value of both people and technology and remains committed to contributing in the development of advanced cities worldwide.

CONTENTS

Forward-looking Statements

This annual report contains forecasts and projections concerning the plans, strategies and performance of Fujitec Co., Ltd. and its consolidated subsidiaries. These forecasts and projections constitute forward-looking statements that are not historical facts, but are based on assumptions and beliefs in accordance with data currently available to management. These forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to, economic conditions, intense competition in the construction industry, demand, foreign exchange rates, tax systems, laws and regulations. This being so, Fujitec wishes to caution readers that actual results may differ materially from those projected.

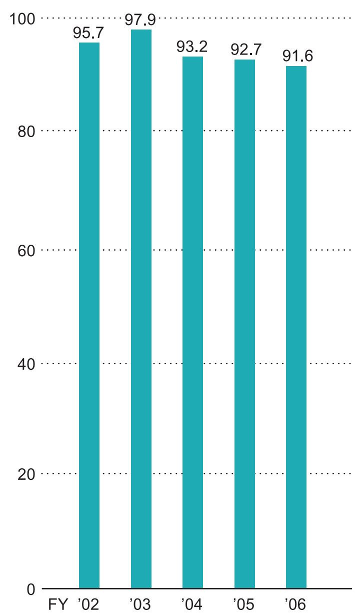
Consolidated Financial Highlights

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2006 and 2005

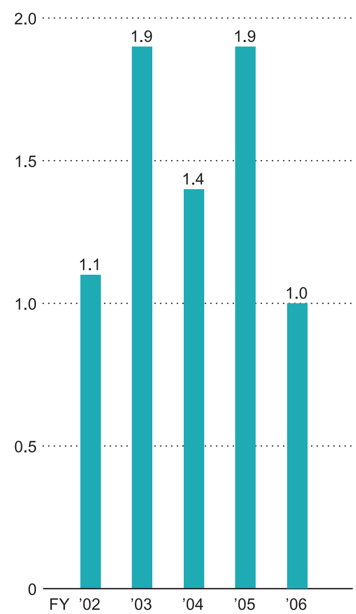
	Millions of yen		Thousands of U.S. dollars	Percent change
	2006	2005	**2006**	2006/2005
For the year				
Net sales	**¥ 91,627**	¥ 92,704	**$ 783,137**	-1.2%
Operating income	**2,634**	3,792	**22,513**	-30.5%
Net income	**1,021**	1,896	**8,726**	-46.1%
At year-end				
Total assets	**¥ 115,970**	¥ 101,967	**$ 991,197**	+13.7%
Shareholders' equity	**60,553**	54,540	**517,547**	+11.0%
	Yen		U.S. dollars	
Per share of common stock				
Net income	**¥ 10.58**	¥ 20.20	**$ 0.09**	-47.6%
Cash dividends	**10.00**	10.00	**0.09**	–

Notes: 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥117 to U.S.$ 1.
2. Net income per share amounts are computed based on the weighted average number of shares outstanding during each year. Bonuses to directors and corporate auditors are to be deducted from net income for purposes of the calculation.
3. During fiscal 2005, the accounts of Fujitec (Malaysia) Sdn. Bhd., FSP Elevators Private Ltd. (India) and Fujitec Maintenance (Singapore) Pte. Ltd., which are subsidiaries of Fujitec Singapore Corpn. Ltd., were newly included in the consolidation.
4. During fiscal 2006, the accounts of Fujitec Vietnam Co., Ltd., which is a subsidiary of Fujitec Singapore Corpn. Ltd., were newly included in consolidation.

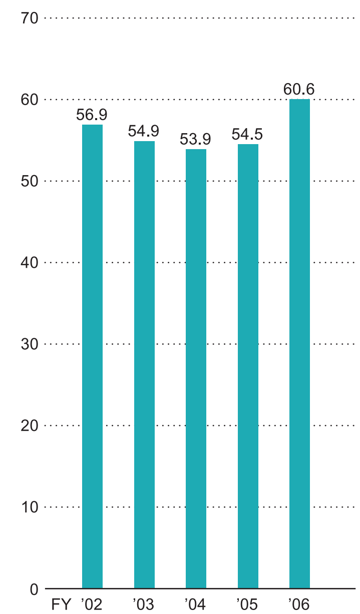
Net sales
(Billion ¥)



Net income
(Billion ¥)



Shareholders' equity
(Billion ¥)



To Our Shareholders

Summary

Review of the second year of the mid-term business plan “Change and Charge;” outlook for fiscal 2006

With completion of its new operating base, “Big Wing,” Fujitec opens a new chapter in its history to dramatically expand business.

Takakazu Uchiyama President and Chief Executive Officer

New Head Office/Product Development Center and Second Manufacturing Plant constructed in pursuit of higher operational efficiency

In May 2005, the groundbreaking ceremony was held for Fujitec’s new operating base, “Big Wing.” Less than one year later, the new Head Office/Product Development Center and Second Manufacturing Plant was completed on schedule in March 2006.

The Head Office’s relocation and integration of functions to Big Wing in Shiga Prefecture became a major project in the mid-term business plan, “Change and Charge,” which Fujitec has been carrying out company-wide.

In the elevator industry, companies are facing severe competition for orders and the development of new technologies and products. To outpace the competition, it is imperative that we increase and innovate our technological capabilities and quickly launch high value-added products that address market needs. With these goals in mind, we have concentrated all manufacturing areas, from development to production, into our new operating base in order to optimize the use of our available resources and pursue higher levels of efficiency.

With the completion of Big Wing, we reaffirm our determination to create new corporate values and culture, while vigorously implementing strategies for fundamental structural reform and organizational revitalization.

Despite continued high demand profitability was affected by soaring raw material costs and other negative factors.

In the fiscal year ended March 31, 2006, the global economy grew strong overall due to a trend of sustained expansion in the U.S. economy, economic recovery in Europe, sustained high economic growth in China and steady economic expansion in other Asian countries. The Japanese economy broke free of stagnation during the second half of the fiscal year, showing signs of steady recovery.

Despite these favorable conditions, the elevator industry, still faced a challenging environment. Although demand improved in both office and residential sectors in the North American market, profitability was affected by the soaring prices of oil and raw materials.

In Asia, the Chinese market continued to expand on the back of booming demand from large-scale residential development businesses, but profitability decreased. This outcome occurred as a result of pervasive increases in raw material prices and other unfavorable factors, such as intensified competition.

Likewise, conditions in Japan remained severe due to declines in public works projects and investments in construction, although the high-rise residential segment's demand for elevators remained solid.

Operating results for the fiscal year ended March 2006

In fiscal 2006, the second year of the mid-term business plan, we were fully determined to far exceed our targets, but failed to produce satisfactory results.

Consolidated net sales amounted to ¥91,600 million, a decline of 1.2 percent from the previous fiscal year. While sales increased in North America, South Asia and East Asia, domestic sales decreased by 9.3 percent. Operating income dropped 30.5 percent year-on-year to ¥2,600 million. Although the operating loss in Europe narrowed from the previous year, Japan and South Asia saw operating incomes decline. In other income/expenses, improvements were seen in net financial income/expenses due to an increase in the earnings that resulted from rising interest rates.

In special items, Fujitec booked a loss of ¥100 million due to the adoption of the new accounting standard for impairment of fixed assets recorded a special loss of ¥1,400 million of benefits for employees' early retirement program. As a result of these factors, income before taxes and minority interest fell by 58.1 percent year-on-year to ¥1,700 million. Tax expenses decreased by ¥1,500 million from the previous fiscal year, mainly due to expenses incurred from the allowance for doubtful accounts related to Fujitec UK Ltd., our consolidated subsidiary. As a result, net income totaled ¥1,000 million, a decline of 46.1 percent from the previous year.

Optimizing the 5,000-unit annual production capacity at Big Wing for further sales expansion

As stated earlier, with the completion of our new operating base, the current fiscal year is important for Fujitec to open a new chapter in our pursuit to dramatically expand business. We will use all our strength in our effort to deliver results that surpass the planned targets at the end of this accounting period before moving onto the next mid-term business plan.

Concerning technological innovation, we will develop original technologies and products that only Fujitec can deliver by making the most of our new elevator research tower, the tallest of its kind in the world, and our experiment building, which is equipped with state-of-the-art equipment to support R&D activities.

With respect to production, Fujitec now has an annual capacity of 5,000 standard and custom-made elevator units. As the next step, we will pursue further improvement and maximum efficiency of our production system.

By creating an efficient, fully integrated production system, we will be able to respond more quickly to customer needs. We strive to increase our market share and improve profitability by offering high quality, innovative products that live up to customer expectations.

Also, in the maintenance and modernization businesses, we are working to increase profits by providing a wide variety of service options to meet the diverse needs of our customers.

Implementing global strategies designed to increase market share around the world

In the past, Fujitec was managed under a five-pole global management structure, in which its companies were grouped according to five world economic blocks. Headquarters were created in each of the five-pole management units to ensure autonomous, decentralized management and optimize regional business. In order to respond to the rapidly changing global business climate, however, it became increasingly necessary to create a more efficient management structure. To achieve this, we shifted to a new consolidate management structure that helps facilitate speedy decision-making and optimizes global operations.

In addition to Big Wing, we have also concentrated management resources in China. This move is in response to the rapidly expanding Chinese elevator market, accounting for 120,000 new elevator installation annually, representing one-third of global demand. To strengthen our research and development capabilities in China's enormous elevator market, in November 2005 we established the

Shanghai R&D Center in Shanghai City. New model development and other R&D activities are currently under way at this facility, with Chinese and Japanese researchers working together to develop innovative products that target domestic as well as global markets.

Meanwhile, to increase escalator production, construction is underway on a new plant at Shanghai Huasheng Fujitec Escalator Co., Ltd. Currently, the company is capable of manufacturing 1,300 escalators and autowalks per year. With the added operations of the new plant, annual production capacity will double. After achieving this mark, Fujitec will strive to increase its share, not only in the Chinese market, but in markets worldwide.

Outlook

With Big Wing reaching full operations in fiscal 2006, we will accelerate our plan to innovate our development, design, purchasing and production systems as well as enhance operational efficiency. As a result of the increase in production capacity, we will also be able to increase the capabilities of our sales and marketing departments, and our field service structure for installation and maintenance.

With the completion of Big Wing, this landmark year symbolizes our long lasting commitment to be the global leader in quality and technology. Together, the entire staff will work as one on an even higher level than before to build a stable earnings base while pursuing further development in our business.
I ask for your continued support as we work to attain these goals.

July 31, 2006

Takakazu Uchiyama
President and Chief Executive Officer

Outline of Major Activities

North & South America

Despite the rising costs of raw materials, Fujitec enjoyed growth in North and South America and built a robust order backlog. During this fiscal year, Fujitec elevators and escalators were installed in numerous prominent projects and demonstrated capabilities of higher quality products and services.

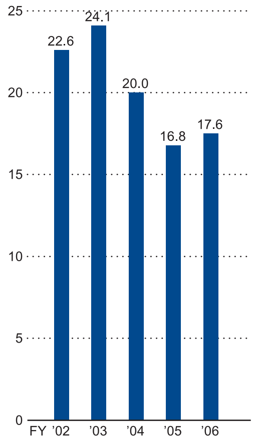
In the U.S. capital, Washington D.C., a large-scale redevelopment project named Potomac Yard was completed. A total of 20 Fujitec elevators are operating in the office building that forms the core of the complex. In Seattle, in the U.S., we received an order for a total of 14 Fujitec elevators and escalators for a new annex to the Seattle Sheraton Hotel to be constructed adjacent to the existing building of the first-class hotel.

In Calgary, Canada, we received an order for a total of 28 Fujitec elevators and escalators for the Livingstone Place Twin Towers, a high-class office complex.

In South America, a total of 15 Fujitec elevators and escalators are in full service at Centro Caballito in Argentina. The complex of commercial facilities and movie theaters recently opened as the largest of its kind in Buenos Aires.

Potomac Yard

Sales in the Americas
(Billion ¥)



Centro Caballito

Japan

The Japanese economy is steadily on the route to recovery, supported by home consumption; however the construction industry demand remains severe to low.

In Tokyo, Omotesando Hills, a multipurpose complex of commercial and residential facilities, opened in Omotesando, a cosmopolitan district renowned as one of Japan's leading fashion centers. This complex, designed by architect Tadao Ando, is served by nine Fujitec elevators, including those equipped with our audio-visual system.

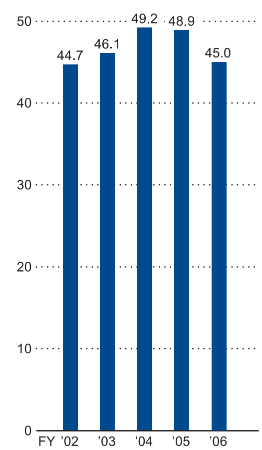
For the expansion of the Tokyo Waterfront New Transit System's Yurikamome line, Fujitec supplied 25 of its elevators and escalators to four new stations.

In Osaka, at Park Tower Nakanoshima Front, a newly constructed high-rise apartment building for urban dwellers, five of our high-speed elevators and CITYPARK vertical parking units are now in service.

In Kobe, the construction plan of the Kobe Art Center has been finalized. As a new regional center of art and culture, the 36-story building will house offices, residential units and a hall with a seating capacity of 1,100. Fujitec won a contract to supply eight elevators for the complex.

In the Tohoku region, Iwate Prefectural Iwai Hospital/Nanko Hospital opened as a state-of-the-art core medical institution. We provided a total of 15 Fujitec elevators, including glass-faced observation elevators installed in the entrance lobby.

Sales in Japan
(Billion ¥)




Omotesando Hills


Iwate Prefectural Iwai Hospital

Outline of Major Activities


The Grandiose


Bank of Shanghai Headquarters

East Asia

Led by China's continuing active construction demand, the regional economy is thriving.

In Hong Kong, The Grandiose, a large-scale redevelopment project for the area around the Tseung Kwan O subway station, was completed. The complex, consisting of three 51-story apartment buildings and commercial facilities, is served by 31 of our high-speed elevators and escalators.

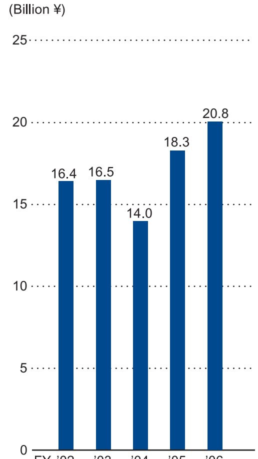
In Shanghai, construction of the Bank of Shanghai Headquarters is nearing completion. For the 46-story building, we supplied a total of 25 Fujitec elevators, including super high-speed models.

We also received major elevator orders for large-scale housing projects in China: 139 units for the Berlin Aiyue in Beijing, 114 units for the Wanda Mingyuan in Nanjing and 101 units for the Jubao Shanzhuang in Yangzhou.

In Taiwan, the first bullet train service is scheduled for commencement in early 2007. At Tainan and Hsinchu Stations, a total of 19 Fujitec elevators and escalators will be installed.

In South Korea, a state-of-the-art building was constructed as an extension to the Financial Supervisory Service office located in the heart of Seoul. The new building is served by 15 Fujitec elevators, including super high-speed models.

Sales in East Asia
(Billion ¥)



South Asia

Along with economic recovery, construction demand is gradually picking up in this region.

In Singapore, the prestigious office building, One George Street, was constructed in a central business district. The new building is served by 20 Fujitec elevators equipped with advanced functions.

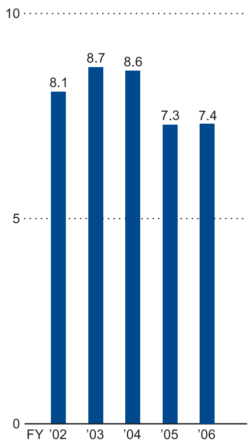
In Malaysia, a total of 49 Fujitec elevators and escalators are operating in the Kuala Lumpur Convention Center, an international conference hall where the East Asia Summit was held in December 2005.

In India, the high-class office building International Tech Park Chennai was constructed with a total of 15 Fujitec elevators installed.

In Indonesia, we received an order for 24 Fujitec elevators, including high-speed models, for Capital Residence, a luxury condominium to be constructed in the heart of Jakarta.

One George Street

Sales in South Asia
(Billion ¥)



Europe

Although business is steadily recovering, construction demand remains in a severe condition.

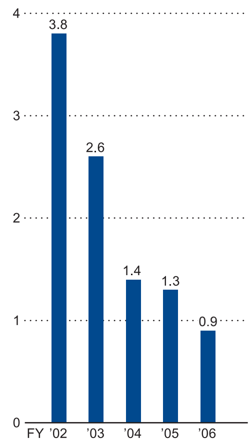
In Germany, the high-class office building Leipziger Platz was constructed in the heart of Berlin. Fujitec supplied 16 machine-room-less elevators for the building. In addition, 10 Fujitec escalators are in operation at Allianz Arena in Munich, a venue for the 2006 FIFA World Cup.

In London, United Kingdom, the high-class office building St. James is now served by five Fujitec elevators, including luxury glass-faced observation elevators.

Finally, in the Middle East, Fujitec received an order for 36 elevators for the Burj Dubai Business Park in the United Arab Emirates.

St. James

Sales in Europe
(Billion ¥)



Big Wing – a base for integrated production, from development to manufacturing

In May 2005, construction work began on the vast site of our new Head Office/R&D Facility and Second Manufacturing Plant, an area of approximately 150,000 m^2 extending over Hikone and Maibara cities in Shiga Prefecture. Construction was completed in March 2006, and the two facilities commenced the full-scale operations of Big Wing the following month.

Before the construction of Big Wing, the Shiga Plant -- Fujitec's First Manufacturing Plant at the same location -- had been running at full capacity to produce elevators since its establishment in April 2000. To meet ever-increasing market demands, we decided to integrate headquarters' functions into a new R&D and manufacturing base by relocating the existing R&D, production and corporate divisions from Ibaraki City, Osaka Prefecture, to the Shiga Plant's location.

The result, Big Wing, incorporates the former manufacturing plant into a new core operating base for integrated production, from product development and design to complete manufacturing.

The building is designed to let in abundant sunlight, creating a bright and open environment that helps encourage creativity.

In this new operating base, the entire staff works as one toward the further development of business.

Fujitec's elevator research tower, the tallest of its kind in the world

The 170-meter-high elevator research tower, the tallest of its kind in the world, is the symbol of Big Wing. The observation deck sets atop the structure, offering a spectacular view. The research tower actually consists of two buildings, one for high-rise elevators and the other for mid-rise elevators, with a total of 13 test elevators to be installed. At this facility, Fujitec elevators -- including super-high-speed models that travel at 1,000 meters per minute -_ will be tested for quality and performance. Using the research tower, we also aim to develop a new generation of products and establish technologies that enhance the comfort, quietness and reliability of our elevators. The installation of the test elevators is currently underway and is scheduled for completion in October 2006.

Laboratory satisfies all elevator R&D testing needs

The two-story Laboratory building houses numerous testing rooms dedicated to specific elemental devices, such as electrical, electronic and mechanical. The laboratories include: the Mechanical Technology Laboratory for electric motors and traction drive units; the Electrical Environment Laboratory, which contains an anechoic chamber for electromagnetic wave measurement used for assessing the reliability of control panels and printed circuit boards; the Design Laboratory, in which the designs of cabs and fixture devices, such as lights and LED displays, can be evaluated using actual units; and the User-Interface Laboratory that helps develop more user-friendly elevators. Employing the latest testing equipment and measuring instruments, we strive to strengthen the foundation of basic technologies and develop products of higher precision and reliability.

State-of-the-art production system and equipment

In the past, Fujitec manufactured custom-made and standard commercial elevators at separate locations. With the completion of the Second Manufacturing Plant, we will pursue an integrated production system and further increases in production capacity. At the new plant, by making the most of the state-of-the-art production equipment and systems, we will be able to swiftly manufacture high performance, high quality products. In addition, with full operations starting in September 2006, the two plants will have a combined annual production capacity of 5,000 units, greatly increasing our capabilities.

Topics

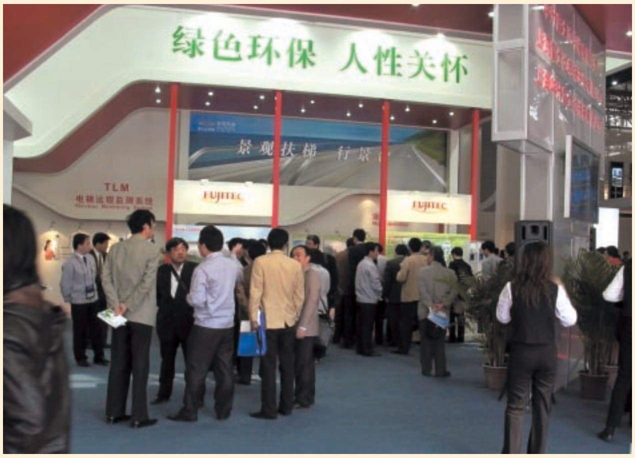
China International Elevator & Escalator Exhibition held on a grand scale

The 2006 China International Elevator & Escalator Exhibition was held on a grand scale for four days, from April 18th to the 21st, at the International Exhibition Center in Langfang, Hebei Province, China, approximately 50km from Beijing. At the exhibition, elevator manufacturers from around the world gathered to demonstrate their latest technologies and products. Within the large venue, covering an area of approximately 35,000 m^2, approximately 400 manufacturers of elevators, escalators, parts and components from within China and abroad exhibited their products.

Huasheng Fujitec Elevator Co., Ltd., our joint venture enterprise in China, was a part of the exhibition. In its display booth, the company showcased the new Talon Drive, the world's first drive system that moves an elevator car up and down by pressing the belt against ropes passed over a sheave. Also on display were AUVIS, a multi-informational audio-visual system for elevators, and ELVIC, a remote elevator monitoring system.

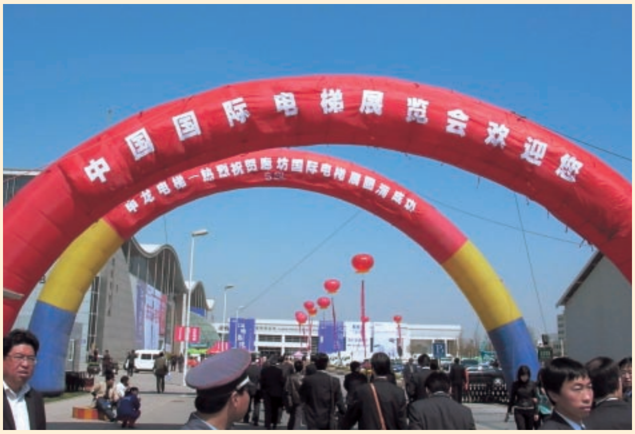
Huasheng Fujitec staff gave their customers, who visited the exhibition from around the world, a tour of the Huasheng plant, also located in Langfang.

Fujitec Co., Ltd. and Chinatex Corporation established Huasheng Fujitec in December 1995 as a joint venture investment. Since the plant commenced full-scale operations, production has increased steadily. In response to brisk demand in China, we plan to create a production system capable of manufacturing 5,000 units annually, thereby increasing our share of the Chinese market.



Fujitec exhibition booth attracted many visitors

Exhibition of Talon Drive, the first drive system of its kind in the world



International Exhibition Center, the venue

New escalator plant under construction in Shanghai

The construction of the new office building and escalator plant of Shanghai Huasheng Fujitec Escalator Co., Ltd. is progressing at a quick pace on the company's site, an expanse of approximately 150,000 m^2 in Song Jiang Industrial Zone in Shanghai, China. In November 2005, a groundbreaking ceremony was held for the new buildings, concurrently with the completion ceremony of the Fujitec Shanghai Technologies Co., Ltd. (Shanghai R&D Center) building, which was established on the same premises. Since breaking ground, construction has been progressing smoothly.

Fujitec Co., Ltd. and Chinatex Corporation established Shanghai Huasheng Fujitec in December 2001 as a joint venture investment. As a Fujitec escalator plant for the global market, the Shanghai factory has supplied many escalators and autowalks to hotels, commercial facilities and public transportation facilities both in China and around the world.

Shanghai Huasheng Fujitec will relocate its plant to increase production capacity in order to meet the booming demand in China as well as growing global demand. Currently, the company produces escalators and autowalks with an annual production capacity of 1,300 units. Upon completion of the new plant in October 2006, capacity will double. Shanghai Huasheng Fujitec will work with the Shanghai R&D Center to develop products of higher performance and quality, aiming to increase its share of the global market.

Construction site where work is progressing at a quick pace

Rendering of new escalator plant

Best Company Award Won in Hong Kong

Fujitec Hong Kong Co., Ltd., a key operating base in East Asia, received the Best Company Award in October 2005 from the Hong Kong Housing Authority.

Each year, an award is given to the company that has provided the most outstanding services from among all the companies that have installed their elevators or escalators in Housing Authority apartment buildings that year. For 2005, the Housing Authority chose Fujitec Hong Kong.

The selection criteria included information regarding product failure rates, failure recovery time, user complaints and how the company dealt with users during maintenance work.

The world's leading manufacturers supplied their products to the Housing Authority. The fact that Fujitec Hong Kong was selected as the award recipient is proof that the company consistently provides the best possible products and services, and that the entire staff works as one to improve customer satisfaction.

Having also received the Best Company Award in the new installation of elevators category in 2003 and 2004, Fujitec has now earned honors from the Housing Authority for the third consecutive year.

Granted Best Company Award by Hong Kong Housing Authority

Consolidated Financial Review

Operating Results

During the fiscal year ended March 31, 2006, consolidated net sales were ¥91,627 million (US$783 million), down 1.2 percent from the previous fiscal year. By geographical segment, net sales in Japan declined 8.0 percent to ¥45,004 million (US$385 million), reflecting a contraction in public sector projects and the impact of falling sales prices. In North America, growth in new construction projects in the second half of the year lifted net sales 4.4 percent to ¥17,574 million (US$150 million). In Europe, while signs of an economic recovery surfaced, net sales declined 30.8 percent to ¥920 million (US$8 million), primarily as the result of a shift in the Company's main operations to maintenance services. Net sales in South Asia were largely on a par with the previous year, edging up 0.5 percent to ¥7,376 million (US$63 million). East Asia, meanwhile, saw net sales climb 13.5 percent to ¥20,753 million (US$177 million) atop growth in housing and office demand, particularly in China.

As a result of the above, the ratio of overseas sales to consolidated net sales rose by 4.3 percentage points from 47.8 percent in the previous fiscal year, to 52.1 percent.

Operating income declined by 30.5 percent to ¥2,634 million (US$23 million). By region, operating income in Japan decreased 73.6 percent to ¥506 million (US$4 million), as the impact of lower sales and other factors outweighed efforts to pare back fixed expenses and other costs. Although the Company continued to operate at a loss in North America, signs of an improvement in profitability began to emerge in Europe. In South Asia, operating income was down 16.0 percent to ¥1,064 million (US$9 million), while operating income in East Asia edged up just 0.8 percent to ¥1,787 million (US$15 million), reflecting more intense sales competition and the growing impact of escalating raw material prices.

In other income (expenses), the Company booked as special losses an impairment loss of ¥118 million (US$1 million) in line with the adoption of accounting standards for the impairment of fixed assets, as well as ¥1,456 million (US$12 million) in severance payments to employees opting for early retirement. As a result, income before income taxes and minority interest decreased by 58.1 percent to ¥1,708 million (US$15 million).

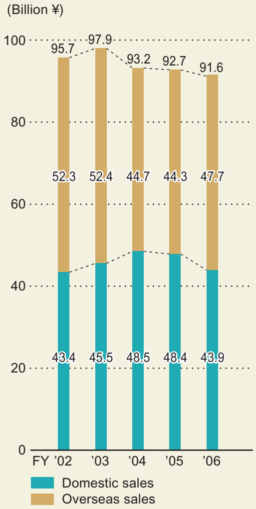
Income taxes, after the inclusion of a provision for allowance for doubtful accounts at consolidated subsidiary Fujitec UK Ltd., decreased ¥1,557 million from the previous fiscal year. Consequently, net income declined 46.1 percent to ¥1,021 million (US$9 million).

Financial Position

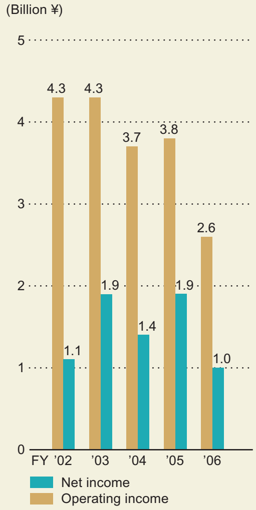
Total assets as of March 31, 2006 were ¥115,970 million (US$991 million), representing an increase of 13.7 percent from the previous fiscal year-end. Current assets stood at ¥67,698 million (US$579 million), up 6.2 percent year on year, primarily due to increases in trade notes and accounts receivable and inventories. Under fixed assets, property, plant and equipment, at cost, amounted to ¥27,249 million (US$233 million), or 37.6 percent higher than a year earlier. This primarily reflected an increase associated with construction of the Company's Head Office and Product Development Center, No. 2 Plant, and an elevator research tower in Hikone City, Shiga Prefecture (Japan).

Investments and advances amounted to ¥14,558 million (US$124 million), an increase of ¥3,211 million year on year, mostly as the result of an increase in investment securities due to higher stock prices.

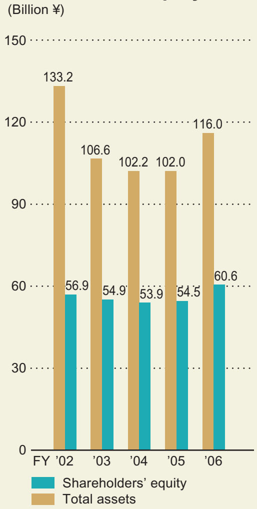
Domestic sales and overseas sales
(Billion ¥)



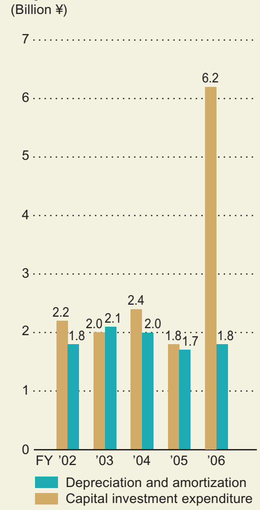
Operating income and net income
(Billion ¥)



Total assets and shareholders' equity
(Billion ¥)



Capital investment expenditure, depreciation and amortization
(Billion ¥)



Total liabilities as of March 31, 2006 stood at ¥50,822 million (US$434 million), an increase of 16.5 percent from a year ago. This result was attributable to increases in other liability items despite a decrease in long-term debt. Minority interest in consolidated subsidiaries totaled ¥4,595 million (US$39 million), a year-on-year increase of 20.7 percent.

Shareholders' equity at the end of the fiscal year was ¥60,553 million (US$518 million), ¥6,013 million higher than the previous fiscal year-end. This result reflected a contraction in the adjustment arising from translation of foreign subsidiaries' accounts, thanks to a weaker yen, as well as an increase in net unrealized gains on securities. The equity ratio declined 1.3 percentage points to 52.2 percent, while net assets per share increased ¥64.04 to ¥646.41 (US$5.52).

Capital Sources and Financial Liquidity

Currently, the Fujitec Group's procurement of operating capital through loans is realized in the form of short-term loans due within one year, which are generally raised by the individual consolidated subsidiaries in local currency. As of March 31, 2006, the value of outstanding short-term loans was ¥11,374 million (US$97 million). Long-term finance such as for capital investment is procured through long-term loans. The outstanding balance of long-term debt at the end of the fiscal year under review, including ¥2,100 million (US$18million) due within one year, was ¥3,907 million (US$33 million), of which the majority was loaned at fixed interest rates and denominated in yen.

The Company is of the opinion that cash flows from operating activities, loans and, where necessary, bond issues will be adequate to provide the operating capital required in the future to maintain growth and the long-term finance required for capital investment.

The Company maintains a ¥10 billion Japanese shelf registration for the offering of straight bonds.

Cash Flows

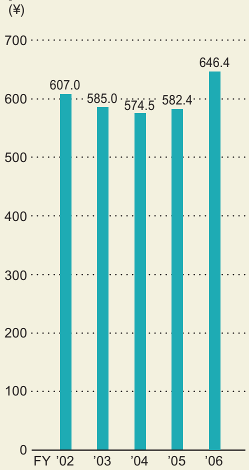
Net cash provided by operating activities was ¥1,298 million (US$11 million), ¥2,559 million less than in the previous fiscal year. This decline primarily reflected a year-on-year decrease in income before income taxes and minority interest of ¥2,370 million, as well as ¥1,763 million (US$15 million) in deprecation and amortization and ¥1,784 million (US$15 million) for the payment of income taxes.

Net cash used in investing activities was ¥28 million (US$0.2 million), ¥2,104 million less than a year earlier. While cash used for acquisitions of property, plant and equipment increased by ¥4,385 million year on year to ¥6,216 million, this was largely offset by an increase in time deposits, net, of ¥5,054 million, as well as increases in proceeds from sale of investment securities and proceeds from interest and dividend income.

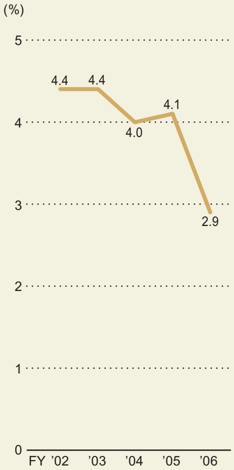
Net cash provided by financing activities was ¥219 million (US$2 million), ¥1,282 million more than net cash used in the previous year. Cash was mainly provided by an increase in short-term debt, net and an increase in proceeds from long-term debt.

As a result of the foregoing, cash and cash equivalents totaled ¥19,670 million (US$168 million) as of March 31, 2006, ¥3,586 million more than at the previous fiscal year-end.

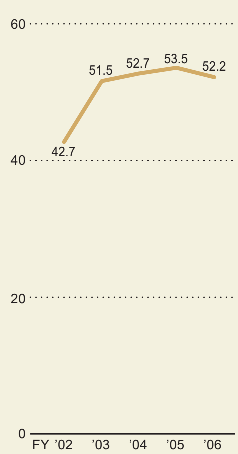
Shareholders' equity per share
(¥)



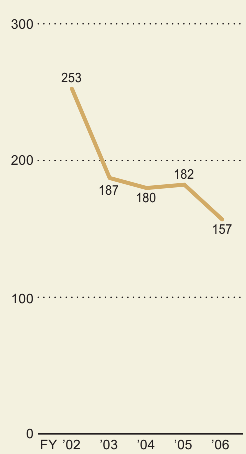
Operating income to net sales
(%)



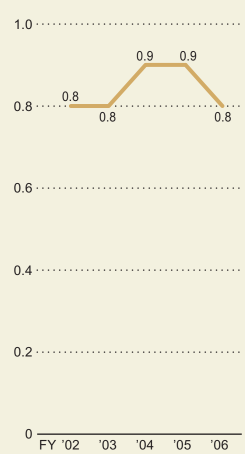
Equity ratio
(%)



Current ratio
(%)



Asset turnover
(Times)



Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
March 31, 2006 and 2005

ASSETS	Millions of Yen 2006	Millions of Yen 2005	Thousands of U.S. Dollars (Note 1) 2006
Current assets:			
Cash and cash equivalents	¥ 19,670	¥ 16,084	$ 168,120
Time deposits	482	4,752	4,120
Marketable securities (Note 3)	—	13	—
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	172	27	1,470
Other	26,944	24,726	230,291
Allowance for doubtful accounts	(299)	(228)	(2,556)
	26,817	24,525	229,205
Inventories (Note 4)	17,632	16,330	150,701
Deferred income taxes (Note 6)	1,908	979	16,308
Other current assets	1,189	1,034	10,162
Total current assets	67,698	63,717	578,616
Investments and advances:			
Unconsolidated subsidiaries and affiliates	1,077	1,177	9,205
Investment securities (Note 3)	9,782	6,025	83,607
Advances	3,699	4,145	31,615
	14,558	11,347	124,427
Property, plant and equipment, at cost :			
Buildings	21,069	15,387	180,077
Machinery and equipment	17,208	16,702	147,077
	38,277	32,089	327,154
Accumulated depreciation	(21,017)	(19,721)	(179,632)
	17,260	12,368	147,522
Land	7,014	6,965	59,949
Construction in progress	2,975	467	25,427
	27,249	19,800	232,898
Other assets:			
Deferred income taxes (Note 6)	78	1,220	667
Goodwill	2,216	1,937	18,940
Intangible assets	1,823	1,705	15,581
Other	2,348	2,241	20,068
	¥115,970	¥101,967	$ 991,197

The accompanying notes are an integral part of these statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen 2006	2005	Thousands of U.S. Dollars (Note 1) 2006
Current liabilities:			
Short-term debt (Note 7)	**¥ 11,374**	¥ 10,100	**$ 97,214**
Current portion of long-term debt (Note 7)	**2,100**	4	**17,949**
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	**58**	49	**496**
Other	**10,266**	10,183	**87,743**
Advances from customers	**6,960**	5,640	**59,487**
Income tax payable (Note 6)	**642**	1,570	**5,487**
Accrued bonuses	**1,053**	1,288	**9,000**
Provision for losses on contracts	**1,337**	1,168	**11,427**
Other current liabilities	**9,416**	5,045	**80,479**
Total current liabilities	**43,206**	35,047	**369,282**
Long-term debt (Note 7)	**1,807**	2,909	**15,444**
Deferred income taxes (Note 6)	**775**	58	**6,624**
Accrued pension and severance payments (Note12)	**5,034**	5,605	**43,026**
Total liabilities	**50,822**	43,619	**434,376**
Minority interest in consolidated subsidiaries	**4,595**	3,808	**39,274**
Contingent liabilities (Note 8)			
Shareholders' equity (Note 11):			
Common stock, no par value; Authorized: 300,000,000 shares at March 31, 2006 and 200,000,000 shares at March 31, 2005 Issued and outstanding: 93,767,317 shares at March 31, 2006 and 2005	**12,534**	12,534	**107,128**
Additional paid-in capital	**14,566**	14,566	**124,496**
Retained earnings	**41,344**	41,233	**353,367**
Net unrealized gains on securities	**3,676**	1,277	**31,419**
Adjustment arising from translation of foreign subsidiaries' accounts	**(11,473)**	(14,986)	**(98,060)**
	60,647	54,624	**518,350**
Treasury stock at cost: 137,726 shares at March 31, 2006 and 121,991 shares at March 31, 2005	**(94)**	(84)	**(803)**
Total shareholders' equity	**60,553**	54,540	**517,547**
	¥115,970	¥101,967	**$ 991,197**

Consolidated Statements of Income

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Net sales	**¥ 91,627**	¥ 92,704	**$ 783,137**
Cost and expenses:			
Cost of sales	**74,020**	73,205	**632,650**
Selling, general and administrative	**14,973**	15,707	**127,974**
	88,993	88,912	**760,624**
Operating income	**2,634**	3,792	**22,513**
Other income (expenses):			
Interest and dividend income	**731**	337	**6,248**
Interest expense	**(283)**	(176)	**(2,419)**
Foreign currency exchange gain	**88**	131	**752**
Other, net	**44**	119	**376**
	580	411	**4,957**
Special items:			
Gain on sales of property, plant and equipment	**65**	5	**556**
Loss on disposal and sales of property, plant and equipment	**(46)**	(102)	**(393)**
Gain on sales of investment securities	**8**	3	**68**
Write-down of investment securities	**—**	(27)	**—**
Benefits for employees' early retirement program	**(1,456)**	—	**(12,444)**
Reversal of loss on impairment of long-lived assets	**41**	—	**350**
Loss on impairment of long-lived assets	**(118)**	(4)	**(1,009)**
	(1,506)	(125)	**(12,872)**
Income before income taxes and minority interests	**1,708**	4,078	**14,598**
Income taxes (Note 6)**:**			
Current	**892**	1,689	**7,624**
Deferred	**(687)**	73	**(5,872)**
	205	1,762	**1,752**
Income before minority interests	**1,503**	2,316	**12,846**
Minority interests in net income of consolidated subsidiaries	**482**	420	**4,120**
Net income	**¥ 1,021**	¥ 1,896	**$ 8,726**

	Yen		U.S. Dollars (Note 1)
Per share:			
Net income, based on the weighted average number of shares outstanding	**¥ 10.58**	¥ 20.20	**$ 0.09**
Cash dividends, applicable to the year	**10.00**	10.00	**0.09**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Shareholders' Equity

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2006 and 2005

	Thousands	Millions of Yen					
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Net unrealized gains on securities	Adjustment arising from translation of foreign subsidiaries' accounts	Treasury stock, at cost
Balance at April 1, 2004	93,767	¥12,534	¥14,566	¥40,323	¥ 1,037	¥ (14,525)	¥ (69)
Net income	—	—	—	1,896	—	—	—
Cash dividends	—	—	—	(937)	—	—	—
Bonuses to directors and corporate auditors	—	—	—	(44)	—	—	—
Staff and workers' bonus and welfare fund	—	—	—	(5)	—	—	—
Change in adjustment arising from translation of foreign subsidiaries' accounts	—	—	—	—	—	(461)	—
Change in net unrealized gains on securities	—	—	—	—	240	—	—
Treasury stock acquired, net	—	—	—	—	—	—	(15)
Balance at March 31, 2005	93,767	12,534	14,566	41,233	1,277	(14,986)	(84)
Net income	—	—	—	**1,021**	—	—	—
Cash dividends	—	—	—	**(936)**	—	—	—
Staff and workers' bonus and welfare fund	—	—	—	**(4)**	—	—	—
Change in adjustment arising from translation of foreign subsidiaries' accounts	—	—	—	**30**	—	**3,513**	—
Change in net unrealized gains on securities	—	—	—	—	**2,399**	—	—
Treasury stock acquired, net	—	—	—	—	—	—	**(10)**
Balance at March 31, 2006	**93,767**	**¥ 12,534**	**¥ 14,566**	**¥ 41,344**	**¥ 3,676**	**¥ (11,473)**	**¥ (94)**

	Thousands	Thousands of U.S. Dollars (Note 1)					
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Net unrealized gains on securities	Adjustment arising from translation of foreign subsidiaries' accounts	Treasury stock, at cost
Balance at March 31, 2005	93,767	$107,128	$ 124,496	$ 352,419	$ 10,915	$(128,086)	$ (718)
Net income	—	—	—	**8,726**	—	—	—
Cash dividends	—	—	—	**(8,000)**	—	—	—
Staff and workers' bonus and welfare fund	—	—	—	**(34)**	—	—	—
Change in adjustment arising from translation of foreign subsidiaries' accounts	—	—	—	**256**	—	**30,026**	—
Change in net unrealized gains on securities	—	—	—	—	**20,504**	—	—
Treasury stock acquired, net	—	—	—	—	—	—	**(85)**
Balance at March 31, 2006	**93,767**	**$ 107,128**	**$ 124,496**	**$ 353,367**	**$ 31,419**	**$ (98,060)**	**$ (803)**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,708	¥ 4,078	$ 14,598
Depreciation and amortization	1,763	1,727	15,068
Provision for allowance for doubtful accounts	70	25	598
Benefit for bonuses to employees	(245)	(155)	(2,094)
Provision (benefit) for losses on contracts	5	(410)	43
Interest and dividend income	(731)	(337)	(6,248)
Interest expense	283	176	2,419
Write-down of investment securities	—	27	—
Benefits for employees' early retirement program	1,456	—	12,444
Loss on impairment of long-lived assets	118	4	1,009
(Increase) decrease in trade notes and accounts receivable	(448)	560	(3,829)
(Increase) decrease in inventories	(436)	888	(3,726)
(Decrease) increase in trade notes and accounts payable	(527)	486	(4,504)
Increase (decrease) in advances from customers	779	(1,848)	6,658
Bonuses paid to directors and corporate auditors	—	(44)	—
Other, net	(444)	19	(3,795)
Sub-total	3,351	5,196	28,641
Payment for employees' early retirement program	(269)	—	(2,299)
Payment of income taxes	(1,784)	(1,339)	(15,248)
Net cash provided by operating activities	1,298	3,857	11,094
Cash flows from investing activities:			
Decrease (increase) in time deposits, net	4,569	(485)	39,051
Acquisitions of property, plant and equipment	(6,216)	(1,831)	(53,128)
Proceeds from sale of property, plant and equipment	143	24	1,222
Proceeds from sale of investment securities	526	31	4,496
Payment for purchase of investment securities	(229)	(4)	(1,957)
Investment in unconsolidated subsidiary	—	(253)	—
Payment for long-term advances	(15)	(14)	(128)
Collections on long-term advances	474	22	4,051
Proceeds from interest and dividend income	735	320	6,282
Other, net	(15)	58	(128)
Net cash used in investing activities	(28)	(2,132)	(239)
Cash flows from financing activities:			
Increase in short-term debt, net	645	437	5,513
Proceeds from long-term debt	1,000	—	8,547
Repayment of long-term debt	(4)	(12)	(34)
Proceeds from minority shareholders' investment	186	—	1,590
Purchase of minority shareholders' interest	(29)	(16)	(248)
Payment of interest	(286)	(177)	(2,445)
Cash dividend paid	(937)	(937)	(8,009)
Cash dividend paid to minority shareholders	(346)	(343)	(2,957)
Other, net	(10)	(15)	(85)
Net cash provided by (used in) financing activities	219	(1,063)	1,872
Effect of exchange rate changes on cash and cash equivalents	2,097	(315)	17,923
Net increase in cash and cash equivalents	3,586	347	30,650
Cash and cash equivalents at beginning of year	16,084	15,737	137,470
Cash and cash equivalents at end of year	¥ 19,670	¥ 16,084	$ 168,120

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2006 and 2005

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 Annual 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 ¥117=U.S. $1, the approximate effective rate of exchange at March 31, 2006. 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 ¥117=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 sixteen significant subsidiaries (together the "Companies").

Fujitec America, Inc. (U.S.A.)
Fujitec Canada, Inc. (Canada)
Fujitec UK Ltd. (United Kingdom)
Fujitec Deutschland GmbH (Germany)
Fujitec Singapore Corpn. Ltd. (Singapore)
Fujitec Maintenance (Singapore) Pte. Ltd. (Singapore)
P.T. Fujitec Indonesia (Indonesia)
Fujitec (Malaysia) Sdn. Bdn. (Malaysia)
FSP Elevator Private Ltd. (India)
Fujitec Vietnam Co., Ltd. (Vietnam)
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)

The accounts of Fujitec Vietnam Co., Ltd. were newly included in consolidation, effective October 1, 2005, due to the inception of corporation as a subsidiary of Fujitec Singapore Corpn. Ltd.

The closing date of the above consolidated subsidiaries is December 31.

In preparing the consolidated financial statements, using consolidated subsidiaries' accounts, based on their own closing dates, the necessary adjustments were made for the intercompany transactions incurred from the consolidated subsidiaries' closing date to the consolidated balance sheet date.

All significant intercompany transactions and accounts have been eliminated. Investments in unconsolidated subsidiaries (more than 50% owned) and affiliates (20% to 50% owned) are carried at cost due to their immateriality as a whole. If a decline in value below the cost of an individual security is judged to be material, and other than temporary, the carrying value of the individual security is written down.

(B)Translation of foreign currency transactions

The Company adopted the Accounting Standards for Foreign Currency Transactions issued by the Business Accounting Council. Under the method, every monetary asset and liability denominated in foreign currency is translated into Japanese yen at the rate of exchange in effect at the balance sheet date.

(C)Translation of consolidated foreign subsidiaries' accounts

The accounts of foreign consolidated subsidiaries are translated into Japanese yen in accordance with the statements issued by the Business Accounting Council. As specified by the statements, assets and liabilities of foreign consolidated subsidiaries are translated into Japanese yen at the exchange rates in effect at the balance sheet dates, and the items of shareholders' equity are translated at the historical rates at the dates of acquisition. Profit and loss accounts are translated into Japanese yen at the annual average rates.

Any resulting translation differences are stated as "Adjustment arising from translation of foreign subsidiaries' accounts" in the accompanying consolidated financial statements.

(D)Revenue recognition

Generally, most of the contracts are on a short-term basis and the Companies record profits or losses on the completed contract method, except for certain foreign subsidiaries which record income from long-term construction contracts on the percentage-of-completion method. Maintenance services not covered by warranty are provided on a fee basis and revenues from such services are included in net sales.

Certain subsidiaries recognize the total estimated loss currently when estimates indicate that a loss will be incurred on a contract.

(E)Marketable securities, investment securities and investments in unconsolidated subsidiaries and affiliates

The Company adopted the Accounting Standards for Financial Instruments, which was issued by the Business Accounting Council. In accordance with the standards, securities are classified into trading securities, held-to-maturity debt securities, equity investments in unconsolidated subsidiaries and affiliates, and other securities that are not classified in any of the above categories.

Held-to-maturity debt securities are stated at amortized cost adjusted for the amortization of premiums and the accretion of discounts to maturity. Investments in unconsolidated subsidiaries and affiliates are valued at cost, as determined by the moving average method. Marketable equity securities and debt securities not classified as held-to-maturity are classified as other securities. Other securities with a fair market value are carried at fair value with unrealized gains and losses, net of tax, reported as a separate component of shareholders' equity. The amortized cost of debt securities in this category is adjusted for the amortization of premiums and the accretion of discounts to maturity. Realized gains and losses, and significant declines in value judged to be other than temporary on those securities, are charged to income. Securities without a fair market value have been stated at cost as determined by the moving average method.

(F)Inventories

Inventories are stated at cost, which is determined primarily by the specific identification method for finished goods and work in process, and by the average method for all other inventories, except for certain foreign subsidiaries' inventories which are all stated at the lower of cost determined by FIFO method or market.

(G)Property, plant and equipment, and depreciation

Property, plant and equipment, including significant renewals and additions, are carried at cost.

Depreciation is principally computed by the declining-balance method over the estimated useful lives of the assets, except for foreign subsidiaries which adopt the straight-line method.

Until the year ended March 31, 1998, the depreciation for buildings of the domestic companies was computed by the declining balance method. Buildings which were acquired on or after April 1, 1998 are depreciated by the straight-line method, according to the revision in Japanese corporation income tax law.

Maintenance and repairs, including minor renewals and improvements, are charged to income as incurred.

(H)Intangible assets

The U.S. subsidiary (Fujitec America, Inc.) and the Canadian subsidiary (Fujitec Canada, Inc.) have recorded goodwill, which represents the excess of the purchase price over fair value of net assets acquired. Until the year ended December 31, 2001, goodwill was amortized on a straight-line basis over periods of between 20 to 40 years. From the year ended December 31, 2002, the U.S. and Canadian subsidiaries adopted a revised accounting standard of goodwill. The standard requires that goodwill no longer be amortized, but tested, at least annually, for impairment.

Effective January 1, 2002, Fujitec America, Inc., completed the process of valuing identifiable intangible assets related to service maintenance contracts and installation contract backlog acquired. The valuation amount of U.S. $4,100 thousand was transferred to intangible assets from goodwill and is amortized over their useful lives.

Amortization of other intangible assets is calculated on the straight-line basis over their estimated useful lives.

The Company reviews the carrying amount of intangible assets for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable.

(I) Impairment of fixed assets

The Company evaluates the carrying value of fixed assets to be held for use in the business. If the carrying value of a fixed asset is impaired, a loss is recognized based on the amount by which the carrying value exceeds its recoverable amount. The recoverable amount is the higher of the net selling price or the value in use of the assets, which is determined as the discounted cash flows generated from the continuing use of the individual asset or the asset group. The Company adopted the new Japanese accounting standard "Accounting Standard for Impairment of Fixed Assets" which became effective for the year beginning on or after April 1, 2005. Due to the adoption of the above-mantioned accounting standard, income before income taxes and minority interests decreased by ¥118 million (U.S.$1,009 thousand) compared with what would been reported if the new accounting standard had not been applied.

(J) Severance payments and pension plan

The Company has two retirement benefit plans, an unfunded lump-sum severance payment plan and a defined benefit pension plan, which cover substantially all employees of the Company. Upon retirement or termination of employment, employees are generally entitled to a lump-sum payment or annuity, in addition to a certain lump-sum payment, and the amount of the benefit is determined by their current basic rate of pay, length of service and conditions under which the termination occurs. The accrued pension and severance payments for employees at the balance sheet dates represents the estimated present value of projected benefit obligation in excess of the fair value of the plan assets.
The U.S. subsidiary (Fujitec America, Inc.) has a defined contribution pension plan covering substantially all its employees.
The Korean subsidiary accrues annually the liability for employees' severance benefits at 100% of the amounts that would be required if all its employees were to terminate their employment under voluntary conditions at the balance sheet dates.

The Company accrues the unfunded retirement liability for a lump-sum benefit to directors and corporate auditors of the Company based on the established guidelines. Payment of such benefits is subject to approval at the shareholders' meeting.

(K)Leases

Under accounting principles generally accepted in Japan, finance leases other than those which are deemed to transfer the ownership of the leased assets to lessees are accounted for by a method similar to that applicable to operating leases.

(L) Research and development costs

Research and development costs are charged against income as incurred.

(M)Income taxes

The Company adopts the asset and liability method of tax effect accounting, in accordance with the Financial Accounting Standard on Accounting for Income Taxes, issued by the Business Accounting Council.
Under the standard, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases.

(N)Derivative and hedging activities

The Companies use derivative financial instruments to manage their exposure to foreign exchange and interest rate fluctuations. Foreign exchange forward contracts and interest rate swap contracts are utilized by the Companies to reduce foreign currency exchange risk and interest rate risk. The Companies do not enter into derivatives for trading or speculative purposes.

The Companies adopted an accounting standard for derivative financial instruments and an accounting standard for foreign currency transactions. These standards require that: a) all derivatives be recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions be recognized in the income statement and b) if a derivative qualifies for hedge accounting because of a high correlation and effectiveness between the hedging instrument and the hedged item, the gains or losses are deferred until maturity of the hedged transaction.

Time deposits denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contract qualifies for hedge accounting.

Interest rate swaps are utilized to hedge interest rate exposure of long-term debt. The interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value rather the differential paid or received under the swap agreements is recognized and included in interest expense or income as incurred.

(O)Net income and cash dividends per share

Net income per share of common stock is based upon the weighted average number of shares of common stock outstanding during each year.

The Company adopted Financial Accounting Standard No.2, "Accounting Standard for Net Profit Per Share" and Guidance of Financial Accounting Standard No.4, "Guidance for Appropriation of Accounting Standard for Net Profit Per Share." The standard requires that bonuses to directors and corporate auditors, which are not available to common stockholders, are deducted from net income for the calculation.

Cash dividends per share represent actual amounts applicable to the respective years for which the dividends were proposed by the Board of Directors of the Company. Dividends are charged to retained earnings in the year which they are paid.

(P)Cash and cash equivalents

The Companies consider all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

(Q)Reclassification of accounts

Certain reclassifications have been made in the 2005 financial statement to conform to the presentation for 2006.

3. Marketable Securities and Investment Securities

At March 31, 2006 and 2005, other securities were as follows:

Other securities:

	Millions of Yen							
	2006				2005			
	Cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)	Cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Equity securities	**¥ 3,450**	**¥ 6,515**	**¥ 316**	**¥ 9,649**	¥ 3,247	¥ 2,462	¥ 309	¥ 5,400
Other	**2**	**—**	**—**	**2**	2	—	—	2
	¥ 3,452	**¥ 6,515**	**¥ 316**	**¥ 9,651**	¥ 3,249	¥ 2,462	¥ 309	¥ 5,402

	Thousands of U.S. Dollars(Note1)			
	2006			
	Cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Equity securities	**$ 29,487**	**$ 55,684**	**$ 2,701**	**$ 82,470**
Other	**17**	**—**	**—**	**17**
	$ 29,504	**$ 55,684**	**$ 2,701**	**$ 82,487**

The carrying amounts of equity securities whose fair value is not readily determinable were ¥131 million (U.S. $ 1,120 thousand) and ¥636 million for the years ended March 31, 2006 and 2005.

4. Inventories

Inventories at March 31, 2006 and 2005 are comprised of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
Finished goods and semi-finished goods	**¥ 3,604**	¥ 3,626	**$ 30,803**
Work in process	**8,764**	7,951	**74,906**
Raw materials and supplies	**5,264**	4,753	**44,992**
	¥ 17,632	¥ 16,330	**$ 150,701**

5. Impairment of Long-lived Assets

For impairment testing of long-lived assets, the Company generally groups fixed assets used for normal operations at the business unit level for which profits are reasonably controllable. Also, the Company assesses the recoverability of individual assets not used in normal operations or that are idle. The Company reviewed its long-lived assets for impairment as of the year ended March 31, 2006 and, as a result, recognized an impairment loss for the telephone subscription rights of ¥118 million ($1,009 thousand) in 2006. These charges were recorded with special items in the consolidated statement of income.

6. Income Taxes

The Company is subject to corporate income tax, inhabitant tax and enterprise tax, based on income which, in the aggregate, indicates a normal statutory tax rate of approximately 40.69% for the years ended March 31, 2006 and 2005.

Income of the consolidated foreign subsidiaries is taxed at the rate of corporate income taxes, ranging from 15% to 25% for the year ended March 31, 2006.

At March 31, 2006 and 2005, a reconciliation of the Company's statutory tax rate and the effective income tax rate is as follows:

	2006	2005
Statutory tax rate	**40.69%**	40.69%
Non-deductible expenses	**1.63**	0.80
Per capita inhabitant tax	**6.91**	2.89
Effect of foreign tax rate differences	**(26.14)**	(9.46)
Others	**(11.10)**	8.27
Effective tax rate	**11.99%**	43.19%

The tax effects of temporary differences that give rise to significant deferred tax assets and liabilities at March 31, 2006 and 2005 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Deferred tax assets:			
Accrued pension and severance payments	**¥ 1,901**	¥ 2,142	**$ 16,248**
Accrued bonuses	**379**	524	**3,239**
Provision for losses on contracts	**210**	201	**1,795**
Others	**1,552**	472	**13,265**
Total deferred tax assets	**4,042**	3,339	**34,547**
Deferred tax liabilities:			
Unrealized losses on inventories	**(19)**	(39)	**(162)**
Depreciation	**(72)**	(70)	**(615)**
Unrealized gains on securities	**(2,522)**	(876)	**(21,555)**
Others	**(218)**	(213)	**(1,864)**
Total deferred tax liabilities	**(2,831)**	(1,198)	**(24,196)**
Net deferred tax assets	**¥ 1,211**	¥ 2,141	**$ 10,351**

7. Short-term Debt and Long-term Debt

Short-term debt represents notes payable to banks with an average interest rate of 2.25% per annum at March 31,2006. Long-term debt at March 31, 2006 and 2005 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
With collateral:			
Loans, from O.D.F.C. in the United States, due through 2005 with interest rate at 2.0% per annum	**¥ —**	¥ 4	**$ —**
Without collateral:			
Loans, from banks and insurance companies due through 2011 at average interest rate 0.97% per annum	**3,900**	2,900	**33,333**
Other	**7**	9	**60**
	3,907	2,913	**33,393**
Less, portion due within one year	**2,100**	4	**17,949**
	¥ 1,807	¥ 2,909	**$ 15,444**

The aggregate annual maturities of long-term debt outstanding as of March 31, 2006 are as follows:

Year ending March 31,	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2007	¥ 2,100	$ 17,949
2008	2	17
2009	802	6,855
2010	3	25
2011	1,000	8,547
	¥ 3,907	$ 33,393

8. Contingent Liabilities

At March 31, 2006 and 2005, contingent liabilities were as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Guarantees of bank loans	**¥ 20**	¥ 16	**$ 171**
Trade notes receivable discounted	**—**	28	**—**
Total	**¥ 20**	¥ 44	**$ 171**

9. Derivative Financial Instruments

The Company enters into derivative financial instruments (”derivatives”), including foreign currency forward contracts and currency swaps, to hedge foreign currency exchange risk associated with certain assets and liabilities denominated in foreign currencies. Additionally, the Company enters into interest rate swap agreements to manage its interest rate exposure on certain liabilities.

It is the Company’s policy to use derivatives only for the purpose of reducing market risks associated with assets and liabilities. The Company does not hold or issue derivatives for trading purposes.

Because the counterparties to the derivatives are limited to major international financial institutions, the Company does not anticipate any losses arising from credit risk.

Under the Company's guidelines, the execution and control of derivatives are controlled by the Finance Headquarters of the Company. Each derivative transaction is reported to the General Manager of the Finance Headquarters, where evaluation and analysis of derivatives are made.

The fair value of the Companies' derivative financial instruments at March 31, 2006 is as follows:

	Millions of Yen			Thousands of U.S. Dollars(Note1)		
	2006			**2006**		
Foreign currency forward contracts:	Contract amount	Fair value	Unrealized loss	Contract amount	Fair value	Unrealized loss
Pay U.S. dollars/ Receive Japanese Yen	**¥ 109**	**¥ 116**	**¥ 7**	**$ 1,028**	**$ 1,094**	**$ 66**

The above swap transactions were entered into for the purpose of minimizing foreign exchange risks pertaining to the U.S. dollar accounts receivable from a consolidated subsidiary.

Derivatives which qualify for hedge accounting for the years ended March 31, 2006 and 2005, and such amounts which are assigned to the associated assets and liabilities and are recorded on the balance sheets at March 31, 2006 and 2005, and are excluded from market value information disclosure.

10. Leases

The Company leases certain machinery and equipment. Total lease payments under these leases were ¥145 million (U.S. $ 1,239 thousand) and ¥161 million for the years ended March 31, 2006 and 2005, respectively.

Pro forma information relating to acquisition costs, accumulated depreciation and future minimum lease payments for property held under finance leases which do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2006 and 2005, is as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Machinery and equipment	**2006**	2005	**2006**
Acquisition costs	**¥ 1,128**	¥ 1,171	**$ 9,641**
Accumulated depreciation	**662**	559	**5,658**
Net leased property	**¥ 466**	¥ 612	**$ 3,983**

Future minimum lease payments under finance leases as of March 31, 2006 and 2005 were as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Due within one year	**¥ 137**	¥ 145	**$ 1,171**
Due after one year	**329**	467	**2,812**
Total	**¥ 466**	¥ 612	**$ 3,983**

The acquisition costs and future minimum lease payments under finance leases include imputed interest expense.

Depreciation expense which is not reflected in the accompanying consolidated statements of income, computed by the straight-line method, would have been ¥145 million (U.S. $ 1,239 thousand) and ¥161 million for the years ended March 31, 2006 and 2005, respectively.

Obligations under non-cancelable operating leases as of March 31, 2006 and 2005 were as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Due within one year	**¥ 15**	¥ 16	**$ 128**
Due after one year	**1**	13	**9**
Total	**¥ 16**	¥ 29	**$ 137**

11. Shareholders' Equity

On October 1, 2001, an amendment (the "Amendment") to the Commercial Code of Japan became effective.

The Amendment eliminates the stated par value of the Company's outstanding shares which results in all outstanding shares having no par value as of October 1, 2001. The Amendment also provides that shares issued after September 30, 2001 will have no par value. Before the Amendment, the Company's shares had a par value of ¥50 per share.

Under the Commercial Code, at least 50% of the newly issued share price is required to be designated as the stated capital. Accordingly, proceeds in excess of the amount designated as stated capital have been credited to a additional paid-in capital.

The Commercial Code of Japan provides that an amount equal to at least 10% of cash dividends and other distributions from retained earnings paid by the Company be appropriated as a legal reserve until an aggregated amount of additional paid-in capital and the legal reserve equals 25% of stated capital, and this legal reserve and additional paid-in capital exceeding 25% of stated capital may be reduced by resolution of the shareholders.

12. Severance Payments and Pension Plan

The following tables set forth the changes in benefit obligation, plan assets and funded status of the Company at March 31, 2006 and 2005.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Projected benefit obligation	**¥ 10,893**	¥ 12,263	**$ 93,103**
Fair value of plan assets	**(5,632)**	(5,413)	**(48,137)**
Funded status:			
Benefit obligation in excess of plan assets	**5,261**	6,850	**44,966**
Unrecognized net transition obligation at date of adoption	**—**	—	**—**
Unrecognized prior service cost	**—**	—	**—**
Unrecognized actuarial differences	**(429)**	(1,447)	**(3,667)**
Accrued pension liability recognized in the consolidated balance sheets	**¥ 4,832**	¥ 5,403	**$ 41,299**

Severance and pension costs of the Company for the years ended March 31, 2006 and 2005 were as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Service cost	**¥ 686**	¥ 627	**$ 5,863**
Interest cost	**238**	279	**2,034**
Expected return on plan assets	**(135)**	(120)	**(1,154)**
Amortization:			
Transition obligation at date of adoption	**—**	—	**—**
Prior service cost	**—**	—	**—**
Actuarial losses	**184**	142	**1,573**
Net periodic benefit cost	**¥ 973**	¥ 928	**$ 8,316**

Assumption used in the accounting for the defined benefit plans for the years ended March 31, 2006 and 2005 is as follows:

	2006	2005
Method of attributing benefit to periods of service	**straight-line basis**	straight-line basis
Discount rate	**2.0%**	2.0%
Long-term rate of return on plan assets	**2.5%**	2.5%
Amortization period for actuarial losses	**10years**	10years

Accrued severance payments to directors and corporate auditors of Japan amounting to ¥202 million (U.S. $1,726 thousand) as of March 31, 2006 and ¥202 million as of March 31, 2005 were included in "Accrued pension and severance payments" in the accompanying consolidated balance sheets.

13. Research and Development Costs

Research and development costs for the years ended March 31, 2006 and 2005 were ¥1,834 million (U.S. $ 15,675 thousand) and ¥1,726 million, respectively.

14. Segment Information

Information by geographical area for the years ended March 31, 2006 and 2005 is summarized as follows:

(A) Geographical segment information

(1) Operating income(loss):

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	**2006**
Japan			
Net sales: Customers	**¥ 45,004**	¥ 48,922	**$ 384,650**
Intersegment	**3,685**	3,402	**31,496**
	48,689	52,324	**416,146**
Operating expenses	**48,183**	50,404	**411,821**
Operating income	**506**	1,920	**4,325**
North America			
Net sales: Customers	**17,574**	16,827	**150,205**
Intersegment	**15**	10	**128**
	17,589	16,837	**150,333**
Operating expenses	**18,091**	17,360	**154,624**
Operating loss	**(502)**	(523)	**(4,291)**
Europe			
Net sales: Customers	**920**	1,329	**7,863**
Intersegment	**15**	10	**128**
	935	1,339	**7,991**
Operating expenses	**1,093**	1,739	**9,342**
Operating loss	**(158)**	(400)	**(1,351)**
South Asia			
Net sales: Customers	**7,376**	7,341	**63,043**
Intersegment	**104**	90	**889**
	7,480	7,431	**63,932**
Operating expenses	**6,416**	6,165	**54,838**
Operating income	**1,064**	1,266	**9,094**
East Asia			
Net sales: Customers	**20,753**	18,285	**177,376**
Intersegment	**921**	946	**7,872**
	21,674	19,231	**185,248**
Operating expenses	**19,887**	17,458	**169,974**
Operating income	**1,787**	1,773	**15,274**

Total	Millions of Yen 2006	Millions of Yen 2005	Thousands of U.S. Dollars (Note 1) 2006
Net sales: Customers	¥ 91,627	¥ 92,704	$ 783,137
Intersegment	4,740	4,458	40,513
	96,367	97,162	823,650
Elimination	(4,740)	(4,458)	(40,513)
Consolidated net sales	91,627	92,704	783,137
Operating expenses	93,670	93,126	800,599
Elimination	(4,677)	(4,214)	(39,975)
Consolidated operating expenses	88,993	88,912	760,624
Operating income	2,697	4,036	23,051
Elimination	(63)	(244)	(538)
Consolidated operating income	¥ 2,634	¥ 3,792	$ 22,513

Note :
Each segment outside Japan represents the following nations and regions:
(1) North America................U.S.A. and Canada
(2) Europe...........................United Kingdom and Germany
(3) South Asia......................Singapore and Indonesia
(4) East Asia........................China, Hong Kong, Taiwan and Korea

(2) Assets:

	Millions of Yen 2006	Millions of Yen 2005	Thousands of U.S. Dollars (Note 1) 2006
Japan	¥ 54,148	¥ 48,081	$ 462,803
North America	13,712	11,528	117,197
Europe	776	863	6,632
South Asia	8,875	8,556	75,855
East Asia	33,557	27,844	286,812
Sub-total	111,068	96,872	949,299
Net of elimination and common use assets	4,902	5,095	41,898
Total	¥ 115,970	¥ 101,967	$ 991,197

Note :
The common use assets included in the item "Net of elimination and common use assets" consist primarily of working assets (cash and marketable securities), and long-term investment (investment in securities and unconsolidated subsidiaries and affiliates) maintained for general corporate purposes, totaling ¥10,858 million (U.S. $ 92,803 thousand) at March 31, 2006 and ¥7,201 million March 31, 2005.

(B) Overseas sales

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
The Americas	¥ 17,798	¥ 16,910	$ 152,120
South Asia	7,443	7,381	63,615
East Asia	20,316	18,023	173,641
Other areas	2,155	1,977	18,419
Total	¥ 47,712	¥ 44,291	$ 407,795
Percentage of overseas sales to net sales	52.1%	47.8%	

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 Americas.............U.S.A., Canada, Argentina and Venezuela
   (2) South Asia.................Singapore, Philippines and Malaysia
   (3) East Asia....................China , Hong Kong, Taiwan and Korea
   (4) Other areas................Europe and Middle East

15. Subsequent Event

The following appropriation of retained earnings at March 31, 2006 was approved at the annual meeting of shareholders held on June 28, 2006:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Cash dividends	¥ 468	$ 4,000
Bonuses to directors and corporate auditors	26	222

Report of Independent Auditors

The Board of Directors
Fujitec Co., Ltd.

We have audited the accompanying consolidated balance sheets of Fujitec Co., Ltd. and consolidated subsidiaries as of March 31, 2006 and 2005, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above, expressed in Japanese yen, present fairly, in all material respects, the consolidated financial position of Fujitec Co., Ltd. and consolidated subsidiaries as of March 31, 2006 and 2005, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan.

As discussed in note 2 (l) to the consolidated financial statements, the Company adopted "Accounting Standard for Impairment of Fixed Assets," issued by the Business Accounting Council, for the year beginning April 1, 2005.

The amounts stated in U.S. dollars have been translated on the basis set forth in Note 1 to the consolidated financial statements.

Osaka, Japan

June 29, 2006

Yukoh Audit Corporation

YUKOH AUDIT CORPORATION

Consolidated 5-Year Summary

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

	Millions of Yen					Thousands of U.S. Dollars
	2006	2005	2004	2003	2002	**2006**
For the fiscal year:						
Net sales	**¥ 91,627**	¥ 92,704	¥ 93,237	¥ 97,938	¥ 95,657	**$ 783,137**
Domestic	**43,915**	48,413	48,536	45,507	43,352	**337,231**
Overseas	**47,712**	44,291	44,701	52,431	52,305	**445,906**
Operating income	**2,634**	3,792	3,735	4,335	4,255	**22,513**
Net income	**1,021**	1,896	1,385	1,863	1,059	**8,726**
Depreciation and amortization	**1,763**	1,727	1,992	2,051	1,839	**15,068**
Acquisition of property, plant and equipment	**6,216**	1,831	2,432	2,047	2,239	**53,128**
At the fiscal year-end:						
Total assets	**¥115,970**	¥101,967	¥102,213	¥106,620	¥133,227	**$ 991,197**
Shareholders' equity	**60,553**	54,540	53,866	54,885	56,884	**517,547**
	Yen					U.S. Dollars
Per share amount:						
Net income	**¥ 10.58**	¥ 20.20	¥ 14.26	¥ 19.07	¥ 11.30	**$ 0.09**
Cash dividends	**10.00**	10.00	10.00	10.00	8.00	**0.09**
Shareholders' equity	**646.41**	582.37	574.52	585.04	606.95	**5.52**

Notes:
1. During fiscal 2003, the accounts of Shanghai Huasheng Fujitec Escalator Co., Ltd. were newly included in consolidation.
2. During fiscal 2003, the company sold all quotas of Fujitec Brasil Ltda., of which accounts had been included in consolidation from fiscal 2000. Accordingly, the accounts of Fujitec Brasil Ltda., were excluded from consolidation in fiscal 2003.
3. During fiscal 2003, the accounts of Fujitec Capital Corporation, a U.S. subsidiary of Fujitec America, Inc., which was liquidated during August 2002, were excluded from consolidation.
4. During fiscal 2005, the accounts of Fujitec (Malaysia) Sdn. Bhd., FSP Elevators Private Ltd. (India) and Fujitec Maintenance (Singapore) Pte. Ltd., which are subsidiaries of Fujitec Singapore Corpn. Ltd., were newly included in consolidation.
5. Net income per share amounts are computed based on the weighted average number of shares outstanding during each year. Bonuses to directors and corporate auditors are to be deducted from net income for purposes of the calculation.
6. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥117 to U.S.$ 1.
7. During fiscal 2006, the accounts of Fujitec Vietnam Co., Ltd., which is a subsidiary of Fujitec Singapore Corpn. Ltd., were newly included in consolidation.

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

Overseas Liaison Offices

Beijing, Bangkok, Dubai, and Montevideo

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

Fujitec maintenance (Singapore) Pet.Ltd.
installation and maintenance

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

Indonesia
P. T. Fujitec Indonesia
Manufacturing, installation and maintenance

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

Philippines
Fujitec, Inc.
Marketing, installation and maintenance

India
FSP Elevators Private Ltd.
Marketing, installation and maintenance

East Asia

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

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

Fujitec Shanghai Technologies Co., Ltd.
Research and development

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

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

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

Europe

Germany
Fujitec Deutschland GmbH
Marketing, installation and maintenance

United Kingdom
Fujitec UK Ltd.
Marketing, installation and maintenance

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

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

Board of Directors

Chairman Kenji Otani

President and Chief Executive Officer
Takakazu Uchiyama*

Directors
Akira Sumimoto
Masakazu Kawai
Iwataro Sekiguchi
Katsuhiro Harada
Kunihiko Sawa

*Representative director

Corporate Auditors
Tomozo Taya
Tomihisa Kuroishi
Susumu Monma

(As of June 28, 2006)

Shareholders' Information

Fujitec Co., Ltd.
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Shiga 522-8588, Japan
Telephone: +81-749-30-7111
Facsimile: +81-749-30-7056

Date of Establishment
February 9, 1948

Paid-in Capital
¥12,533,933,095

Common Stock
Authorized: 300,000,000 shares
Issued: 93,767,317 shares
Number of shareholders: 4,359

Major Shareholders	Number of shares held (Thousands)	Percentage of total number of shares in issue(%)
Uchiyama International, Limited	10,025	10.69%
Mellon Bank Treaty Clients Omnibus	5,852	6.24%
The Master Trust Bank of Japan, Ltd.	5,824	6.21%
Fuji Electric Holdings Co., Ltd.	5,089	5.42%
Credit Suisse Zurich	4,560	4.86%
Resona Bank, Ltd.	4,203	4.48%
CGML - IPB Customer Collateral Account	3,993	4.25%
State Street Bank and Trust Company 505019	2,766	2.94%
Aozora Bank, Ltd.	2,388	2.54%
Morgan Stanley & Co. International Limited	2,141	2.28%

Annual Meeting of Shareholders
The annual meeting of shareholders of the Company is normally held in June each year.

Stock Exchange Listings
Japan: Tokyo and Osaka stock exchanges

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Stock Transfer Agency Department
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Tokyo 105-8574, Japan
Business office:
The Chuo Mitsui Trust and Banking Company, Limited
Osaka Branch
Stock Transfer Agency Department
2-21, Kitahama 2-chome, Chuo-ku,
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Auditors
Yukoh Audit Corporation

(As of March 31, 2006)

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