

Semiannual Report 2010

Six months ended September 30, 2010



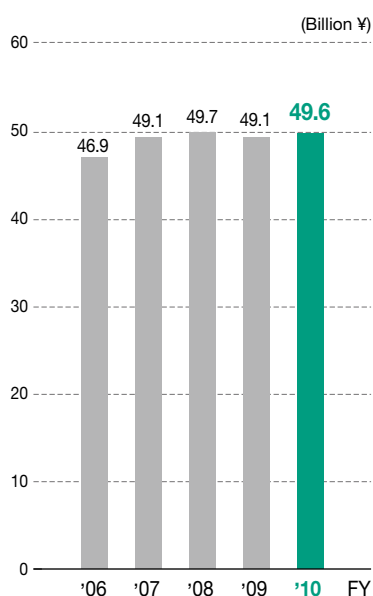
Consolidated Financial Highlights

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2010 and 2009

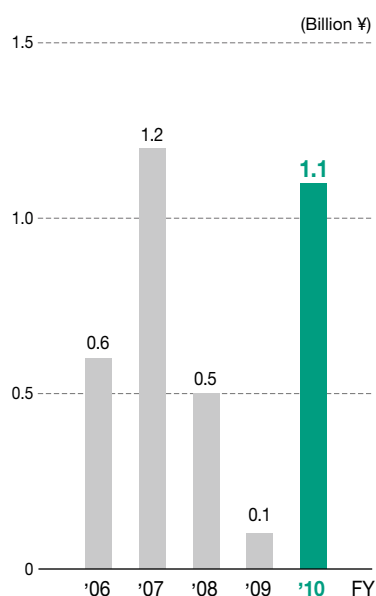
	Millions of yen		Thousands of U.S. Dollars	Percent change
	2010	2009	2010	2010/2009
For each period:				
Net sales	¥ 49,585	¥ 49,068	\$ 590,298	+1.1%
Domestic	23,093	21,644	274,917	+6.7%
Overseas	26,492	27,424	315,381	-3.4%
Operating income	2,284	634	27,190	+260.3%
Net income	1,135	76	13,512	+1393.4%
At the end of each period:				
Total assets	¥ 100,299	¥ 105,085	\$ 1,194,036	-4.6%
Net assets	62,653	60,777	745,869	+3.1%
Per share of common stock:				
Net income	¥ 12.14	¥ 0.82	\$ 0.14	+1380.5%
Interim cash dividends	5.00	4.00	0.06	—

Notes: 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥84 to US\$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 net assets in 2009 in the Consolidated Financial Highlights differ from those in the Consolidated Balance Sheets on pages 13 and 14, because the figures in the Consolidated Financial Highlights represent amounts as they stood as of September 30, 2009, while those in the Consolidated Balance Sheets are as of March 31, 2010.

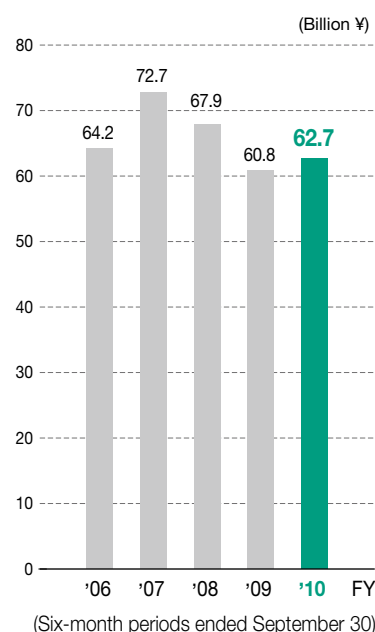
Net sales



Net income



Net assets



To Our Shareholders

We are pleased to report the following consolidated operating results of the Fujitec Group for the six-month period from April 1 to September 30, 2010 (cumulative figures for the second quarter of our 64th year).

The global economy overall for the second quarter followed a moderate recovery trend, but future uncertainty heightened as indications of the basic slowdown of the economies of China and the United States intensified. The Japan economy also followed a path of gradual recovery, but due to the rapid appreciation of the yen and an overall global economic downturn, a slowdown in exports and production was evident and the pace of the domestic recovery weakened. While demand in the elevator and escalator industry remained steady in the China market, a severe business climate persisted against the backdrop of sluggish construction markets in Japan, North America and Europe.

Under such circumstances, we actively pursued the sales expansion of our core products targeting new installation projects in our domestic market, but the orders received for new installations decreased due to the continuing sluggish real estate market. For modernization projects, in which existing elevators and escalators are upgraded to the latest systems and designs, orders received are steadily increasing through a further enhanced product lineup. As a result, the level of domestic orders received was ¥23,957 million (up 4.8% from the same period of the previous year). In the global markets, although orders decreased in South Asia, the orders increase in China led overseas orders to reach ¥26,795 million (up 5.2% from the same period of the previous year). As a result, the total orders received in the period under review were ¥50,752 million (up 5.0% from the same period of the previous year).

For net sales, domestic net sales were ¥23,093 million (up 6.7% from the same period of the previous year) and overseas net sales were ¥26,492 million (down 3.4% from the same period of the previous year) and total net sales were ¥49,585 million (up 1.1% from the same period of the previous year). For profit and loss, operating income was ¥2,284 million, up ¥1,650 million from the same period of the previous year due to significant domestic improvements in Japan. Special items recorded a net loss of ¥451 million, mainly due to the reassessment of bad debt loss in the U.S. consolidated subsidiary. As a result of the ¥138 million decrease in income taxes from the same period of the previous year, quarterly net income increased ¥1,059 million to ¥1,135 million from the same period of the previous year. The interim dividend for the current period was ¥5 per share, based on the business performance of the period.

While the global economy will continue to follow a path of gradual recovery, we think it will take time for a full-scale recovery to take hold. We expect that competition in the elevator and escalator markets will be tougher in a limited growth scenario, reflecting sluggish demand in the major advanced countries, and the business environment surrounding the Fujitec Group will continue to be severe.

We started a new Medium-Term Management Plan, “One Goal, One Fujitec” in 2010 and in it we address the challenges of improving our presence in global markets, enhancing our corporate value and expanding profits through the united effort of the entire Group. For those purposes, Fujitec will promote the expansion of sales and production systems with an emphasis on the Asia market, strengthen our modernization business in mature markets and develop new products to lead the world as a specialized manufacturer of elevators and escalators.

I would like to ask our shareholders for their continued support.

November 2010



Takakazu Uchiyama

President and Chief Executive Officer

Outline of Major Activities

North & South America

In Denver, Colorado, the United States, nine elevators, including high-speed models are now in operation in a hotel and luxury housing complex, the “Four Seasons Private Residences Denver.” In New Jersey, Fujitec delivered a total of 59 elevators and escalators to the “New Meadowlands Stadium,” home of the New York Giants and New York Jets of the NFL.

In Canada, we received an order for 12 elevators, including high-speed models, for “The L Tower” a 61-story luxury condominium to be built in the center of Toronto.

In Buenos Aires, Argentina’s capital, Fujitec received an order for modernization work for nine elevators as a large-scale renovation project was planned for a 30-story office building.

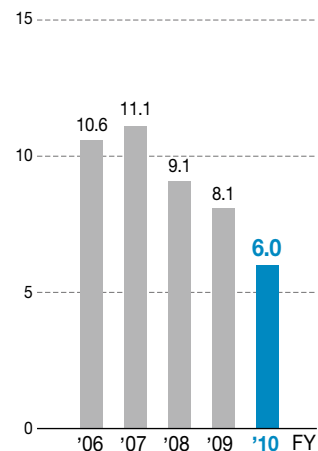


The Four Seasons Private Residences Denver (U.S.A.)



The L Tower (Canada)

Sales in North America
(Billion ¥)



Japan



Sendai Trust Tower (Miyagi, Japan)

In Sendai, Miyagi Prefecture, the “Sendai Trust Tower,” the tallest structure in the Tohoku Region, was completed. In that building, which includes offices, commercial facilities and a foreign-affiliated urban hotel, “The Westin Sendai,” 37 elevators, including high-speed models, and four escalators are now in operation.

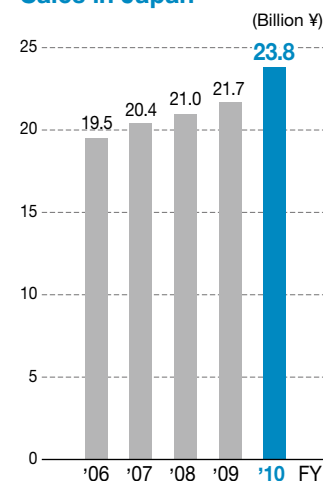
In Tokyo, we delivered 21 elevators to the “Haneda Airport International Terminal Building,” which opened in October 2010, and in Osaka, we delivered 11 elevators to “CHASKA Chayamachi,” a hotel, housing and commercial facilities complex, designed by the world-famous architect, Mr. Tadao Ando.

In addition, in Tokyo, we received orders for 16 elevators and escalators for Teikyo Heisei University’s “Nakano Campus” to be completed in 2013 and 32 elevators and escalators for the “Mori Building Loop Road (Kanjo) No. 2” under the Loop Road No. 2 Redevelopment Plan, which will be the second tallest structure in Tokyo.

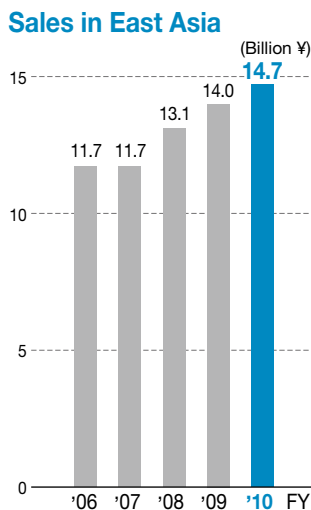
Additionally, in response to the demand for upgrading to the latest systems, we received a bulk order for modernization work for 30 elevators for the “Kita-Osaka Logistics Warehouse” and we also completed numerous other modernization projects throughout Japan.



Sales in Japan



East Asia



In Taiwan, a total of 61 elevators, escalators and moving walks are in operation in the “Shin Kong Mitsukoshi Department Store, Kaohsiung Zuoying,” commercial facilities adjacent to Zuoying Station in Kaohsiung. We have thus delivered large numbers of elevators, escalators and moving walks to “Shin Kong Mitsukoshi” throughout Taiwan.

In Hong Kong, Fujitec received an order for a total of seven elevators, including ultra-high speed models, and escalators for the “Queen’s Road Commercial Development,” a state-of-the-art building in the center of the Central Business District.

In Seoul, Korea, “Sky Park,” a large commercial facilities complex with a land surface area of 150,000m², is being constructed adjacent to Gimpo International Airport. We received an order for 64 escalators, including high-rise models for hotel, department store, shopping center and movie theater facilities.

In China, we received large scale orders from various regions, including an order for 102 elevators for “Jiangxi Xinyu Ronghui Jiangshan Yujing,” a large housing project in Xinyu, Jiangxi Province, and an order for 117 elevators for a large housing project in Mianyang, Sichuan Province.



Shin Kong Mitsukoshi Department Store, Kaohsiung Zuoying (Taiwan)



Sky Park (Korea)

South Asia

In Singapore, the “Resorts World at Sentosa,” a large scale resort, was completed on Sentosa Island. A total of 181 Fujitec elevators and escalators are in operation throughout the facilities, comprising Universal Studios, the second location in Asia after Japan, six hotels and a casino.

In Malaysia, 21 elevators, including high-speed models, are scheduled to be delivered to a luxury condominium, “Mont Kiara 28,” comprising two buildings each 40 stories above ground and six below near the capital, Kuala Lumpur.

In India, which is now experiencing rapid growth, we received an order for 22 elevators, escalators and moving walks for the “Marriott Hotel & Magna Mall” in Bangalore, in the southern part of India where IT companies are concentrated, and eight luxury elevators for a prestigious hotel, the “Park Hyatt” now being constructed in Chennai.

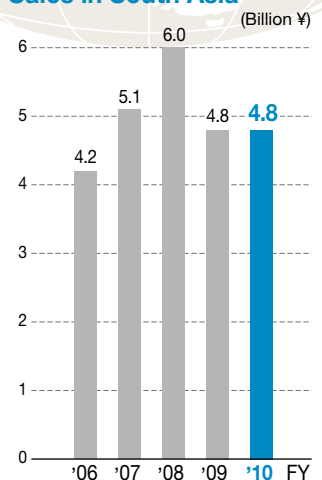


Resorts World at Sentosa (Singapore)



Marriott Hotel & Magna Mall (India)

Sales in South Asia



Europe & The Middle East

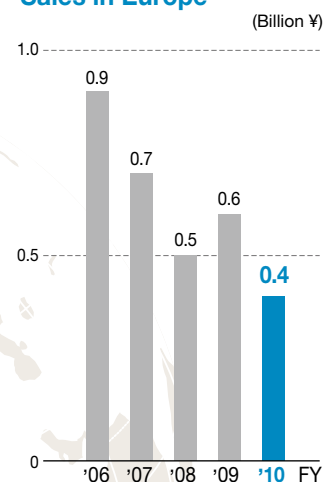


Sharjah Financial Center (U.A.E.)

In the United Arab Emirates, the “Sharjah Financial Center,” a complex featuring a super high-rise building 56 stories above ground and four below, consisting of offices and a hotel, is now being built in the center of Sharjah, the third largest city in the Emirates, and 28 elevators including ultra-high speed models will be delivered.

At the elevator hall, our state-of-the-art “destination reservation guidance system” will be introduced, which has gained a great deal of attention as it is expected to promote optimum group supervisory control functions.

Sales in Europe



New Products

New-Generation Elevator Group Supervisory Control Systems Released Worldwide!

Fujitec has developed innovative group supervisory control systems, which can quickly and efficiently respond to complicated traffic demands to control operation of multiple elevators installed in high-rise buildings, large facilities and tower apartments and condominiums. We released the products in October 2010 around the world.



Rendering of elevator hall with
“Destination Reservation Guidance System”

Virtual Passenger Optimization Method

The system controls elevator operation while predicting traffic demand in the entire building, including passengers expected to arrive at the elevator hall in the future. In tower apartments and condominiums, which are rapidly increasing in number, the average wait time can be reduced up to 10% (compared to our conventional products).

Destination Reservation Guidance System

This system will significantly improve transport efficiency by allowing passengers to register the destination floor in advance, followed by selection of the optimum elevator by the System.

The user registers a destination floor with the “Destination Floor Registration Panel” installed at the front of (or within) the elevator hall. Upon completion of the registration, the assigned elevator is announced and the “Destination Floor Indicator” installed above the landing door of each elevator displays the destination floor.

This product has gained much attention as the latest generation elevator group supervisory control system because it is able to ease congestion during the up-peak incoming period in an office building and reduce the journey time by up to 30% (compared to our conventional products).

Corporate Social Responsibility Activities

We are promoting a variety of CSR activities in environmental conservation, greening and safety activities!

Fujitec is actively working on a variety of CSR activities, from measures to combat global warming and maintain the natural environment to educational activities for “safety and security.”

As part of our efforts to combat global warming, we participated in June 2010 in the “CO₂ Reduction/Lights-Down Campaign” by the Japanese Ministry of the Environment and turned off neon signs at every business base to reduce CO₂ emissions by about 900kg.

For maintaining the natural environment, in August 2010, we made a contribution to the “Konotori Fund,” under which Toyooka City, Hyogo, where our escalator development and production base “Big Step” is located, is promoting the operation of a program to return storks to the wild.

In September 2010, we also made a contribution to the “Green Fund,” used by the Greening Society of Shiga Prefecture, where our elevator development and production base “Big Wing” is located, to promote forest improvements and tree planting programs in parks and along streets.

In addition, as accidents involving children frequently occur in elevators and on escalators, we created “Ride Elevators & Escalators Correctly!,” a safety booklet which introduces how to ride correctly, and donated about 10,000 copies of the booklet to elementary schools and libraries in areas where our business bases are located.

Fujitec will continue to promote our CSR activities to contribute to our society and communities.



Safety Booklet in which our Fujitec mascot “TECKY” introduces the workings of elevators and escalators and how to ride them correctly.

Financial Section

Consolidated Financial Review

(Japanese yen amounts have been translated into U.S. dollars using the exchange rate of ¥84 to US\$1.)

Summary of Business Performance for the First Six-Month Period of the Fiscal Year ending March 31, 2011

The global economy during the first six-month period of the fiscal year ending March 31, 2011, showed signs of gradual recovery, although there was a downward trend in the economies of the United States and China, which intensified the sense of uncertainty about the future. With regard to the Japan economy, a slowdown in exports and production also became apparent due to the effects of the rapid appreciation of the Japanese yen and a slowdown in the global economy, which resulted in a business recovery slowdown in Japan.

For the elevator and escalator industry, demand remained firm in the China market, while the construction markets in Japan, North America and Europe were experiencing slowdowns, which brought about a severe business environment.

As for our business performance, the level of orders received from the domestic market was ¥23,957 million, an increase of 4.8% over the same period last year. Although the real estate market conditions remained stagnant and orders for new installation projects decreased, our innovative product lineup, in terms of safety, economic efficiency and design, was expanded for existing elevators and escalators, which increased the volume of modernization orders at a steady rate. In overseas markets, orders received totaled ¥26,795 million, an increase of 5.2% over the same period last year, due to an increase in China, although orders received decreased in South Asia. As a result, consolidated orders received totaled ¥50,752 million, an increase of 5.0% over the same period last year.

Consolidated Operating Results

Consolidated sales for the first six-month period of the fiscal year ending March 31, 2011, increased by ¥517 million over the same period last year to ¥49,585 million. This was due to an increase of 6.7% in domestic sales on a year-to-year basis, although overseas sales decreased by 3.4% on a year-to-year basis mainly due to the decrease in new installation projects in North America.

The amount of backlogged orders received from the domestic market was ¥38,130 million, an increase of 2.4% compared to the end of the previous fiscal year, with modernization work increasing while the number of new installation projects decreased. On the other hand, the amount of backlogged orders received in overseas markets totaled ¥62,231 million, nearly the same as the end of the previous fiscal year. The total amount of backlogged orders received increased by 0.9% compared to the end of the previous fiscal year to ¥100,361 million.

Operating income increased by ¥1,650 million on a year-to-year basis to ¥2,284 million, due to improvements in the domestic market. The net loss of special items stood at ¥451 million, mainly due to the reassessment of bad debt loss in our subsidiary in the United States. Income taxes decreased by ¥138 million on a year-to-year basis.

As a result, accumulated net income for the first six-month period of the fiscal year ending March 31, 2011, was ¥1,135 million.

Operating Results By Region

In Japan, sales increased by 9.3% on a year-to-year basis to ¥25,385 million due to the completion of a large installation project. Operating income increased by ¥1,849 million on a year-to-year basis to ¥276 million due to a decrease in the provision for losses on contracts in addition to the effects of cost reduction efforts.

In North America, sales decreased by 26.0% on a year-to-year basis to ¥5,968 million due to a decrease in new installation projects. Operating loss of ¥150 million was posted due to the increased cost basis of new installation projects.

In Europe, sales decreased by ¥186 million on a year-to-year basis to ¥370 million due to a decrease in the sales of escalators. Operating income of ¥12 million was recorded due to a decrease in fixed costs.

In South Asia, sales decreased by 0.6% on a year-to-year basis to ¥4,869 million. Operating income increased by ¥66 million on a year-to-year basis to ¥763 million due to cost reductions in new installation projects.

In East Asia, sales increased by 0.7% on a year-to-year basis to ¥15,476 million. Operating income increased by ¥111 million on a year-to-year basis to ¥1,522 million due to improvements in profit in new installation projects in Hong Kong.

Financial Position

Total assets as of the end of the first six-month period of the fiscal year ending March 31, 2011, stood at ¥100,299 million, a decrease of ¥10,800 million compared to the end of the previous fiscal year. This was mainly due to the decreases in trade notes and accounts receivable and inventories.

Total liabilities decreased by ¥9,397 million compared to the end of the previous fiscal year to ¥37,646 million. This was mainly due to the decreases in trade notes and accounts payable, short-term debt and advances from customers.

Net assets were ¥62,653 million, a decrease of ¥1,403 million compared to the end of the previous fiscal year. This was mainly due to the decrease in valuation adjustments of net unrealized gains on securities and foreign currency translation adjustments, although retained earnings in the first six-month period increased.

The consolidated shareholders' equity ratio at the end of the first six-month period increased by 4.7 points compared to the end of the previous fiscal year to 58.3%. Net assets per share were ¥624.78, a decrease of ¥11.47 compared to the end of the previous fiscal year.

The Fujitec Group's operating and capital investment needs are generally met through internal or debt financing. Debt financing for the Group's operating funds is limited to short-term debt due within one year. In principle, consolidated subsidiaries will finance operating funds in their respective local currencies. As of September 30, 2010, the balance of outstanding short-term debt stood at ¥2,583 million. On the other hand, the Group's long-term funding requirements, such as for production equipment, are met, in principle, through the financing of long-term debt. As of September 30, 2010, the balance of outstanding long-term debt (including the current portion of long-term debt) was ¥4,615 million, including debts in U.S. dollars or Japanese yen.

The Fujitec Group is confident that cash flows from operating activities, debt and, where necessary, funding from capital markets will be sufficient to provide the operating funds required in the future to sustain growth of the Group as well as long-term financing essential for such capital investments as production equipment.

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

Cash Flows

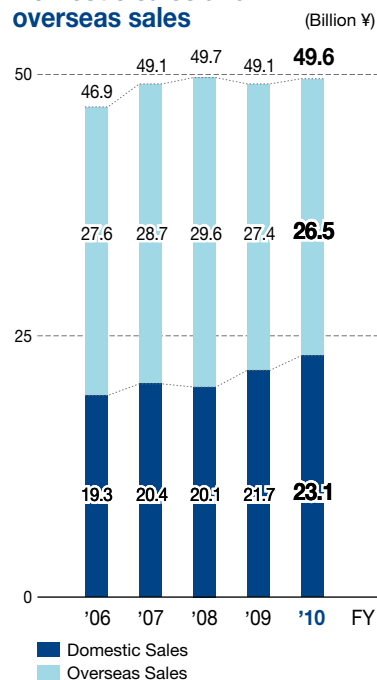
Net cash provided by operating activities was ¥4,121 million. The main contributors were the ¥1,883 million in income before income taxes and minority interests for the first six-month period, the inflows from the decrease in trade notes and accounts receivable and inventories, in addition to outflows from the decrease in trade notes and accounts payable, advances from customers and the payment of income taxes.

Net cash used in investing activities was ¥828 million. The main factors were ¥2,125 million in expenditures for acquisitions of property, plant and equipment, the net decrease to ¥618 million for deposits and withdrawals in time deposits (longer than 3 months maturity) and an inflow of ¥571 million in proceeds from the sale of property, plant and equipment.

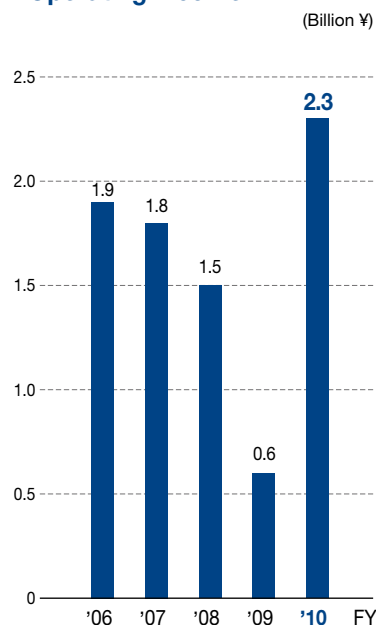
Net cash used in financing activities was ¥3,855 million. The main factor was a decrease to ¥2,817 million for short-term debt, along with cash dividends paid.

As a result, cash and cash equivalents at the end of the first six-month period of the fiscal year ending March 31, 2011, totaled ¥7,016 million, a decrease of ¥824 million compared to the end of the previous fiscal year.

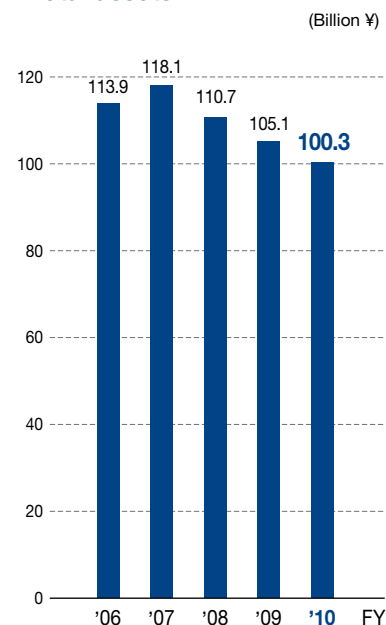
Domestic sales and overseas sales



Operating income



Total assets



Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
September 30 and March 31, 2010

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2010	March 31 2010	September 30 2010
Current assets:			
Cash and cash equivalents	¥ 7,016	¥ 7,840	\$ 83,524
Time deposits	12,257	13,438	145,917
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	73	92	873
Other	24,801	29,999	295,247
Allowance for doubtful accounts	(462)	(413)	(5,500)
	24,412	29,678	290,620
Inventories	10,353	12,454	123,250
Deferred tax assets	1,156	1,300	13,762
Other current assets	2,382	1,981	28,357
Total current assets	57,576	66,691	685,430
Investments and long-term loans:			
Investments in unconsolidated subsidiaries and affiliates	1,313	1,302	15,631
Investment securities	4,221	5,103	50,250
Long-term loans	1,921	1,924	22,869
	7,455	8,329	88,750
Property, plant and equipment, at cost:			
Buildings	25,686	25,323	305,786
Machinery and equipment	14,821	14,700	176,440
Leased assets	42	67	500
	40,549	40,090	482,726
Accumulated depreciation	(17,609)	(16,903)	(209,631)
	22,940	23,187	273,095
Land	6,833	6,851	81,345
Construction in progress	782	1,043	9,310
	30,555	31,081	363,750
Other assets:			
Deferred tax assets	58	53	690
Goodwill	919	1,006	10,940
Intangible assets	2,079	2,276	24,750
Other	1,657	1,663	19,726
Total	¥ 100,299	¥ 111,099	\$ 1,194,036

The accompanying notes are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2010	March 31 2010	September 30 2010
Current liabilities:			
Short-term debt	¥ 2,583	¥ 5,472	\$ 30,750
Current portion of long-term debt	1,013	1,072	12,060
Lease obligations	8	11	95
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	23	29	274
Other	10,362	11,817	123,357
Advances from customers	6,279	7,751	74,750
Accrued income taxes	621	1,025	7,393
Accrued bonuses to employees	572	1,305	6,810
Provision for losses on contracts	2,632	2,792	31,333
Other provisions	338	305	4,024
Other current liabilities	4,044	6,055	48,143
Total current liabilities	28,475	37,634	338,989
Long-term debt	3,602	3,613	42,881
Lease obligations	12	15	143
Deferred tax liabilities	772	1,329	9,190
Accrued pension and severance payments	4,575	4,261	54,464
Retirement benefits for directors	191	191	2,274
Other long-term liabilities	19	—	226
Total liabilities	37,646	47,043	448,167
Contingent liabilities (Note 3)			
Net assets:			
Shareholders' equity			
Common stock, no par value;			
Authorized: 300,000,000 shares			
Issued: 93,767,317 shares at September 30 and March 31, 2010	12,534	12,534	149,214
Additional paid-in capital	14,566	14,566	173,405
Retained earnings	49,802	49,228	592,881
Treasury stock at cost: 190,235 shares at September 30, 2010 and 188,458 shares at March 31, 2010	(127)	(127)	(1,512)
Total shareholders' equity	76,775	76,201	913,988
Valuation and translation adjustments			
Net unrealized gains on securities	323	834	3,845
Deferred gain on hedge transactions	3	1	36
Foreign currency translation adjustments	(18,636)	(17,496)	(221,857)
Total valuation and translation adjustments	(18,310)	(16,661)	(217,976)
Minority interests	4,188	4,516	49,857
Total net assets	62,653	64,056	745,869
Total	¥ 100,299	¥ 111,099	\$ 1,194,036

Consolidated Statements of Income

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2010 and 2009

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	2010
Net sales	¥ 49,585	¥ 49,068	\$ 590,298
Cost and expenses:			
Cost of sales	40,048	40,973	476,763
Selling, general and administrative expenses	7,253	7,461	86,345
	47,301	48,434	563,108
Operating income	2,284	634	27,190
Other income (expenses):			
Interest and dividend income	191	430	2,274
Interest expense	(90)	(166)	(1,071)
Subsidy income	101	119	1,202
Foreign currency exchange loss	(168)	(108)	(2,000)
Other, net	16	101	190
	50	376	595
Special items:			
Gain on sales of property, plant and equipment	570	4	6,786
Loss on sales and disposal of property, plant and equipment	(8)	(47)	(95)
Loss from write-down of investment securities	(91)	—	(1,083)
Other, net	(922)	—	(10,976)
	(451)	(43)	(5,368)
Income before income taxes and minority interests	1,883	967	22,417
Income taxes:			
Current	367	488	4,369
Deferred	(72)	(55)	(857)
	295	433	3,512
Income before minority interests	1,588	534	18,905
Minority interests in net income of consolidated subsidiaries	453	458	5,393
Net income	¥ 1,135	¥ 76	\$ 13,512
Per share:			
	Yen		U.S. Dollars (Note 1)
Net income, based on the weighted average number of shares outstanding	¥ 12.14	¥ 0.82	\$ 0.14
Cash dividends, applicable to the period	5.00	4.00	0.06

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, 2010 and 2009

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	2010
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 1,883	¥ 967	\$ 22,417
Depreciation and amortization	1,167	1,083	13,893
Provision (benefit) for bonuses to employees	(715)	(405)	(8,512)
Increase of accrued pension and severance payments	355	388	4,226
Provision for losses on contracts	(108)	1,745	(1,286)
Interest and dividend income	(191)	(430)	(2,274)
Interest expense	90	166	1,071
Gain on sales of property, plant and equipment	(570)	(4)	(6,786)
Bad debt loss	907	—	10,798
Loss on sales and disposal of property, plant and equipment	8	47	95
Decrease (increase) in trade notes and accounts receivable	3,572	(1,806)	42,524
Decrease in inventories	1,840	4	21,905
Increase (decrease) in trade notes and accounts payable	(1,160)	206	(13,810)
Increase (decrease) in advances from customers	(1,274)	2,120	(15,167)
Other, net	(955)	(847)	(11,368)
Sub-total	4,849	3,234	57,726
Payment of income taxes	(728)	(425)	(8,666)
Net cash provided by operating activities	4,121	2,809	49,060
Cash flows from investing activities:			
Net decrease in time deposits	618	919	7,357
Acquisitions of property, plant and equipment	(2,125)	(1,758)	(25,298)
Purchase of intangible assets	(43)	—	(512)
Proceeds from sale of property, plant and equipment	571	22	6,798
Proceeds from interest and dividend income	155	448	1,845
Other, net	(4)	(46)	(47)
Net cash used in investing activities	(828)	(415)	(9,857)
Cash flows from financing activities:			
Net decrease in short-term debt	(2,817)	(2,424)	(33,536)
Proceeds from long-term debt	—	140	—
Payment of interest	(70)	(174)	(833)
Cash dividends paid	(561)	(469)	(6,679)
Cash dividends paid to minority shareholders	(336)	(281)	(4,000)
Repayment to a minority shareholder	—	(811)	—
Other, net	(71)	(89)	(845)
Net cash used in financing activities	(3,855)	(4,108)	(45,893)
Effect of exchange rate changes on cash and cash equivalents	(261)	587	(3,108)
Net decrease in cash and cash equivalents	(823)	(1,127)	(9,798)
Cash and cash equivalents at beginning of period	7,840	9,389	93,333
Cash and cash equivalents of newly consolidated (excluded) subsidiary	(1)	856	(11)
Cash and cash equivalents at end of period	¥ 7,016	¥ 9,118	\$ 83,524

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2010 and 2009

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 quarterly consolidated financial statements filed with the Director of the Kanto Local Finance Bureau, as required by the Financial Instruments and Exchange Act 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 ¥84=US\$1, the approximate effective rate of exchange at September 30, 2010. 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 ¥84=US\$1 or at any other rate.

2. Summary of Significant Accounting Policies

(A) Principles of Consolidation

The consolidated financial statements as of September 30, 2010 include the accounts of the Company and the following 17 (18 as of September 30, 2009) 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)
FSP Pte. Ltd. (Singapore)
P.T. Fujitec Indonesia (Indonesia)
Fujitec (Malaysia) Sdn. Bhd. (Malaysia)
Fujitec India Private Ltd. (India)
Fujitec, Inc. (Philippines)
Huasheng Fujitec Elevator Co., Ltd. (China)
Shanghai Huasheng Fujitec Escalator Co., Ltd. (China)
Fujitec Shanghai Sourcing Center Co., Ltd. (China)
Fujitec (HK) Co., Ltd. (Hong Kong)
Rich Mark Engineering Limited (Hong Kong)
Fujitec Taiwan Co., Ltd. (Taiwan)
Fujitec Korea Co., Ltd. (Korea)

From the second quarter ended September 30, 2010, the accounts of Fujitec Vietnam Co., Ltd. (Vietnam) were excluded from consolidation due to the decrease of its materiality.

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

In preparing the consolidated financial statements, using consolidated subsidiaries' accounts, based on their own interim closing dates, the necessary adjustments were made for the significant intercompany transactions incurred from the consolidated subsidiaries' interim 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) 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, 2010, except for the followings:

(1) Change in accounting policy

Adoption of accounting standard for asset retirement obligations:

Starting from April 1, 2010, the Company has adopted the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 issued March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 issued March 31, 2008). The impact of this change on the financial statements for the period is immaterial.

(2) Simplified accounting procedure

Depreciation of property, plant and equipment:

For property, plant and equipment depreciated using the declining balance method, planned depreciation expenses, which are applicable to the fiscal year according to a reasonable budget of property, plant and equipment, are allocated to this period on a pro-rata basis.

3. Contingent Liabilities

At September 30, 2010, contingent liabilities were as follows:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Guarantees of bank loans	¥ 3	\$ 36
Trade notes receivable discounted	40	476
Total	¥ 43	\$ 512

4. Subsequent Event

On November 5, 2010, the Board of Directors of the Company declared interim cash dividends of ¥468 million (US\$5,570 thousand), or ¥5 (US\$0.06) per share, to be paid on December 1, 2010, to shareholders.

5. Segment Information

Information by geographical area for the six-month periods ended September 30, 2010 and 2009 is summarized as follows:

(A) Geographical segment information

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	2010
Japan			
Net sales: Customers	¥ 23,786	¥ 21,702	\$ 283,167
Intersegment	1,599	1,531	19,036
	25,385	23,233	302,203
Operating expenses	25,109	24,806	298,917
Operating income (loss)	276	(1,573)	3,286
North America			
Net sales: Customers	5,954	8,056	70,881
Intersegment	14	12	167
	5,968	8,068	71,048
Operating expenses	6,118	7,951	72,833
Operating income (loss)	(150)	117	(1,785)
Europe			
Net sales: Customers	369	552	4,393
Intersegment	1	4	12
	370	556	4,405
Operating expenses	358	558	4,262
Operating income (loss)	12	(2)	143
South Asia			
Net sales: Customers	4,811	4,796	57,274
Intersegment	58	101	690
	4,869	4,897	57,964
Operating expenses	4,106	4,200	48,881
Operating income	763	697	9,083
East Asia			
Net sales: Customers	14,665	13,962	174,583
Intersegment	811	1,409	9,655
	15,476	15,371	184,238
Operating expenses	13,954	13,960	166,119
Operating income	1,522	1,411	18,119
Total			
Net sales: Customers	¥ 49,585	¥ 49,068	\$ 590,298
Intersegment	2,483	3,057	29,560
	52,068	52,125	619,858
Elimination	(2,483)	(3,057)	(29,560)
Consolidated net sales	49,585	49,068	590,298
Operating expenses	49,645	51,475	591,012
Elimination	(2,344)	(3,041)	(27,904)
Consolidated operating expenses	47,301	48,434	563,108
Operating income	2,423	650	28,846
Elimination	(139)	(16)	(1,656)
Consolidated operating income	¥ 2,284	¥ 634	\$ 27,190

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

North AmericaU.S.A. and Canada
 EuropeUnited Kingdom and Germany
 South AsiaSingapore and Malaysia
 East AsiaChina, Hong Kong, Taiwan and Korea

(B) Overseas sales

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2010	2009	2010
The Americas	¥ 6,067	¥ 8,137	\$ 72,226
South Asia	4,808	4,797	57,238
East Asia	13,885	13,218	165,298
Other areas	1,732	1,272	20,619
Total	¥ 26,492	¥ 27,424	\$ 315,381
Percentage of overseas sales to net sales	53.4%	55.9%	

Notes:

- 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.
- Each segment outside Japan represents the following nations and regions:
 - The AmericasU.S.A., Canada and Argentina
 - South AsiaSingapore, Malaysia and India
 - East AsiaChina, Hong Kong, Taiwan and Korea
 - Other areasEurope and Middle East

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

Uruguay

Fujitec Uruguay S.A.
Marketing, installation and
maintenance

Guam

Fujitec Pacific, Inc.
Marketing, installation and
maintenance

Overseas Liaison Offices

Beijing and Dubai

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

FSP Pte. 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

Fujitec India 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, marketing,
installation and maintenance

Fujitec Shanghai Technologies Co., Ltd.
Research and development

Fujitec Shanghai Sourcing Center Co., Ltd.
Procurement and Manufacturing

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 and Middle East

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

President and Chief Executive Officer
Takakazu Uchiyama*

Executive Vice President
Iwataro Sekiguchi*

Directors
Masahiko Nogi
Yoshio Kitagawa
Hiroshi Nishigaki
Yasuo Hanakawa
Kazuo Inaba
*Representative director

Corporate Auditors
Toshiyuki Matsubara
Masanobu Nakano
Terumichi Saeki

(As of September 30, 2010)

Shareholders' Information

Fujitec Co., Ltd.
Big Wing, Hikone,
Shiga 522-8588, Japan
Telephone: +81-749-30-6650
Facsimile: +81-749-30-7057

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: 3,739

Major Shareholders	Number of shares held (Thousands)	Share holding ratio (%)
Citigroup Global Markets Inc. - Securities Safekeeping Account 418	13,852	14.77%
Uchiyama International, Limited	10,025	10.69%
Fuji Electric Holdings Co., Ltd.	5,089	5.42%
Credit Suisse AG Zurich	4,721	5.03%
The Master Trust Bank of Japan, Ltd. (trust account)	4,502	4.80%
Resona Bank, Ltd.	4,203	4.48%
Japan Trustee Services Bank, Ltd. (trust account 4)	3,127	3.33%
Japan Trustee Services Bank, Ltd. (trust account)	2,474	2.63%
Mellon Bank Treaty Clients Omnibus	2,302	2.45%
Mizuho Corporate Bank, Ltd.	1,989	2.12%

Annual Meeting of Shareholders

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

Stock Exchange Listings

Tokyo and Osaka 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

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: +81-6-6202-7361

Auditors

Grant Thornton Taiyo ASG

(As of September 30, 2010)