FUJITEC

Annual Report 2003

Year ended March 31, 2003

Fujitec Co., Ltd. is a global manufacturer of people-moving systems, including elevators, escalators and moving walkways. We also manufacture various equipment for parking systems. Since its founding in 1948, Fujitec has been contributing to the betterment of urban life by providing high-quality people-moving systems. Fujitec's position as a recognized market leader in today's extensive global market has been achieved through the research and development, marketing, manufacturing, installation, and service maintenance of superior products.

The delivery of the highest quality products and service is assured by the unique five-pole business structure of Fujitec Co., Ltd. Through its operational headquarters, located in the Americas, Japan, South Asia, East Asia and Europe, the Company shares its ideas, technologies and resources with people around the world, contributing to the economic growth of the various countries in which Fujitec conducts business.

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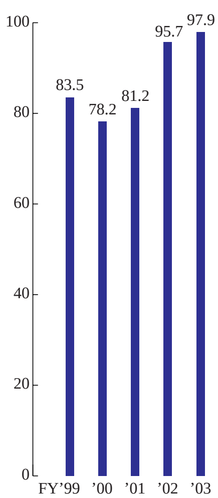
Consolidated Financial Highlights

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2003 and 2002

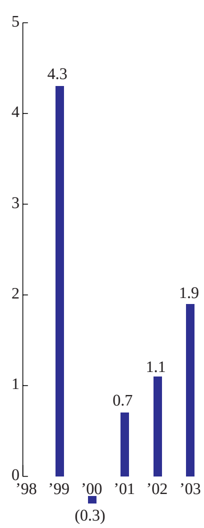
	Millions of Yen		Thousands of U.S. Dollars	Percent change
	2003	2002	**2003**	2003/2002
For the year				
Net sales	**¥ 97,938**	¥ 95,657	**$816,150**	+2.4%
Operating income	**4,335**	4,255	**36,125**	+1.9%
Net income	**1,863**	1,059	**15,525**	+75.9%
At year-end				
Total assets	**¥106,620**	¥133,227	**$888,500**	-20.0%
Shareholders' equity	**54,885**	56,884	**457,375**	-3.5%
	Yen		U.S. Dollars	
Per share of common stock				
Net income	**¥ 19.07**	¥ 11.30	**$ 0.16**	+68.8%
Cash dividends	**10.00**	8.00	**0.08**	+25.0%

Notes: 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥120 to U.S.$ 1.
2. Net income per share amounts are computed based on the weighted average number of shares outstanding during each year. For the fiscal 2003, the Company adopted a new accounting standard for computation of per share amount. The new standard requires that bonus to directors and corporate auditors are to be deducted from net income for purposes of the calculation.

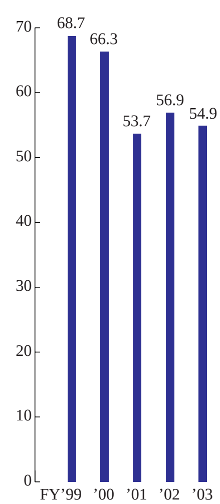
Net sales
(Billion ¥)



Net income (loss)
(Billion ¥)



Shareholders' equity
(Billion ¥)



To Our Shareholders

While fiscal 2003 was a challenging year, we at the Fujitec Group embarked on a number of fronts to increase the value for our shareholders and customers in fiscal 2004 and beyond.

Performance

During fiscal 2003, ended March 31, 2003 — the second year of our *Go for the Gold* three-year strategic plan — we encountered a difficult set of challenges. Demand fell in international markets, with the notable exception of China, where we have a strong presence.

Amid these demanding business conditions, we have been steadily pursuing the goals spelled out in the *Go for the Gold* plan, expediting structural reforms to establish a more profitable management foundation, capable of responding to changes in the business environment.

On the technology front, we have been optimizing Fujitec expertise to create the kind of innovative products that become industry standards.

Structural reform, technological excellence and aggressive marketing helped drive consolidated net sales for the fiscal year under review up 2.4 percent from the previous year, to ¥97,938 million (U.S.$816 million). In terms of profits, operating income rose slightly, to ¥4,335 million (U.S.$36 million), while net income soared 75.9 percent, to ¥1,863 million (U.S.$16 million). The hike in net income reflected the smaller impact of the write-down of investment securities in fiscal 2003 compared with the previous year, and came about despite the higher yen against the U.S. dollar during the period.

Key Priorities for Fiscal 2004

Demand is expected to remain in the doldrums in Europe and in Asia, excluding China. Meanwhile, in the U.S., full-fledged demand recovery is not projected for the foreseeable future. Thus, the business environment will become harsher than ever.

Against this backdrop, we will pursue the twin policies of developing a more profitable group structure and meeting our customer requirements globally. To move quickly toward success on both fronts, we will promote three key *innovations*.

First, we will focus on creating a more competitive cost structure. This will allow us to survive as a winner in the increasingly intense global competition of the 21st century. To further hone our cost-competitive edge while attaining higher quality, we will aggressively implement our global procurement programs, centering on China. We will also concentrate our management resources on growth sectors and more profitable business areas.

The second *innovation* we must pursue is bolstering our commitment to quality and setting higher targets. Quality is a key determinant of our success as a manufacturer. In pursuit of "quality first," we will make all-out efforts in implementing the new, companywide quality innovation programs we launched in 2003, in order to realize substantially improved results.

Our third *innovation* is increasing the speed of our operations. To surpass our competitors, we must reduce the lead time to deliver innovative products that fulfill customer dreams. Accordingly, the entire business process — in particular, product development — demands increased speed. To this end, we have strengthened our development capability by combining our resources in the United States, Singapore and Japan. We are also building on our development prowess by forming joint development alliances, such as with Shanghai University.

In addition, we will focus on marketing our strategic products worldwide: the BELTA™ elevator and the GS 8000™ escalator. The BELTA™ elevator incorporates the industry's premiere next-generation TALON™ drive system, while the GS 8000™ escalator offers cutting-edge technology and improved design for a new era. The GS 8000™ escalator also boasts cost-competitiveness, because it is producted at our subsidiary, Shanghai Huasheng Fujitec Escalator.

In the growing modernization business, we have launched a variety of solutions in product upgrades to older equipment and devices. Our expertise makes us well prepared to accommodate this burgeoning, potentially profitable business line.

Looking Ahead

Changes will continue to define the marketplace, and we certainly foresee many challenges. However, our global opportunities are also greater than ever. I have already mentioned several positive factors that are helping drive us forward. In order to maintain this momentum, I would like to take full advantage of our capabilities as a technology-oriented company, to develop high-value-added products at a faster pace — and launch them earlier — than our competitors. Thus, we can leverage Fujitec Group expertise in technology to seize the initiative in sales, and take the lead there as well.

Sure of our direction, we are pursuing strategies and taking action that will produce results. We believe in our competency to excel — a rich pool of technology, innovative products, strong customer service, efficient manufacturing, and talented and dedicated employees.

Fiscal 2004 is the last year of our *Go for the Gold* strategic plan. We will make every effort to attain the goals set in the plan, the springboard for our leap into a bright future.

To this end, we are also counting on the continuing support of our shareholders. Your trust is essential to our success, and we will strive to keep it.

Takakazu Uchiyama
President and Chief Executive Officer

THE AMERICAS

Total demand in North America remained low after the recession, although some demand emerged in specific sectors, such as orders for escalators from transportation authorities. In any event, full-fledged recovery never materialized. In South America, demand also remained sluggish.

Despite such challenging conditions, sales in the Americas increased 6.6 percent from the previous year, to ¥24,058 million (U.S.$200 million), thanks to robust backlog orders in the United States. Nevertheless, difficulties with construction projects and intensified price competition drove less profit than the previous year. Sales in the Americas accounted for 24.6 percent of net sales in fiscal 2003.

In the fiscal year under review, Fujitec elevators and escalators were supplied to a number of major league baseball and football stadiums in the United States, and we also received new orders from these venues for America's national sports. In addition, we were active in filling orders for high-rise residential buildings at various locations in the United States, and high-rise building modernization in Houston, as well as a variety of transportation authority projects.

Fujitec elevators operating at the IDX Tower

Fujitec installed its elevators at the USA Today/Gannette Headquarters

We completed a number of major projects throughout the region during fiscal 2003. In the United States, we finished installing a total of 21 elevators and escalators in April 2003 at the Great American Ball Park in Cincinnati — home of the Reds — among other stadium facilities. We also supplied 23 elevators to Plaza 5, a high-rise office building constructed in a multipurpose development district in New Jersey, and a total of 26 elevators and escalators to IDX Tower, an upscale office building in Seattle.

In Canada, we supplied a total of 15 elevators and escalators to Maritime Life, a multi-use high-rise building in Toronto, eight high-speed elevators to Surrey City Centre, a luxury office building in Vancouver, and 38 elevators, escalators and moving walkways to Calgary International Airport.

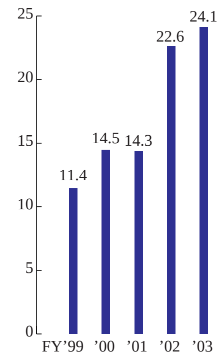
In South America, we supplied six elevators to El Faro, a high-rise residential building in Buenos Aires, Argentina.

Notable new orders we received during the fiscal year include 30 elevators to be installed at LA Country & USC Medical Center in the United States, and 14 elevators and escalators to Metrolimpo, a government office building in Caracas, Venezuela.

Rapid demand recovery in North America is not forecast for some time, presenting us with a challenging business environment. Therefore, our key priority in the Americas operations is to further improve profitability.

In the effort, we will focus on differentiating Fujitec from competitors by offering high-value-added products and a more diversified product mix. We will also aggressively pursue orders for modernization projects, while striving to cut costs further by streamlining our maintenance business.

Sales in the Americas
(Billion ¥)



Surrey City Center in Canada

A Fujitec panoramic elevator installed at Calgary International Airport

Fujitec elevators working at EI Faro in Argentina

The Japanese elevator and escalator industry faced still harsher business conditions than it has in the past. Fujitec has flexibly responded to intensified price competition in this difficult market environment, taking the marketing initiative to win orders for large projects centered in the Tokyo metropolitan area, as well as orders for station buildings and barrier-free facilities.

As a result, sales in Japan rose 3.1 percent from the previous year, to ¥46,213 million (U.S.$384 million), representing 47.1 percent of net sales. Operating income climbed significantly — by 72.7 percent — to ¥1,829 million (U.S.$15 million), due to diversified material procurement operations, improved productivity, and cost-cutting efforts, including the reduction of fixed expenses.

Roppongi Hills

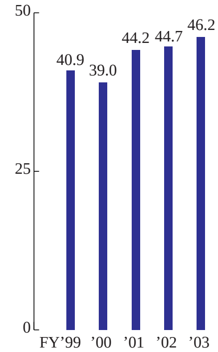
Intensified price competition in the market was a major factor squeezing profitability in this segment. We are taking a number of measures to address this issue.

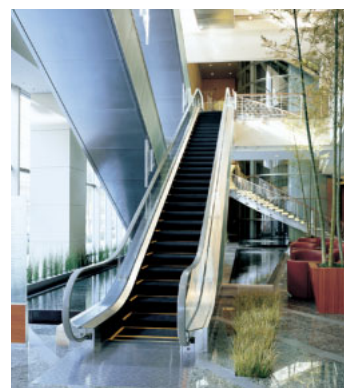
For our mainstay products, the space-saving machine-room-less ECEED™-e^2 elevators, we are working hard to reduce costs by maintaining volume, and thus enhancing production efficiency. To improve the cost-competitiveness of our custom-built models, which are more expensive than ready-made models to produce, we are implementing detailed cost-cutting measures for individual projects. We are also striving to win more orders for our RAKUL™ barrier-free elevators for train stations, and for lucrative niche products such as EDESSE™ elevators, which are installed in staircase-type residential buildings. Furthermore, we are pioneering new demand for the elevator entrance door with smoke protection function we announced in the autumn of 2002, by capitalizing on our proactive, value-added sales approach, unique to the industry.

During the fiscal year under review, a number of major urban development projects were completed in rapid succession. In Tokyo, we supplied a total of 62 elevators and escalators to Roppongi Hills, one of the largest-scale redevelopment projects in the nation. At its core location, Roppongi Hills Mori Tower, we installed seven FLEX-DD™ self floor level adjusting double-deck elevators featuring the world's first system of its kind. We also supplied many more elevators and escalators to a diversity of projects nationwide.

Notable new orders we received during the fiscal year include 35 escalators and other products for the Tsukuba Express Line, a new train route across the northeastern part of the Tokyo metropolitan area, and many units for urban projects in the Kansai area.

Sales in Japan
(Billion ¥)





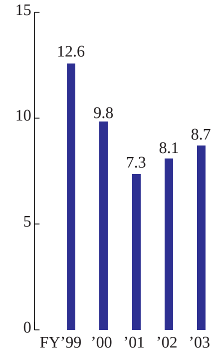
Fujitec escalators working at Grand Hyatt Tokyo in Roppongi Hills

Fujitec elevators operating at Tokyo Women's Medical University Hospital Ambulatory Care Center

Although public construction demand has been revitalized somewhat by governmental measures to stimulate economic growth, overall construction in South Asia remained slow, reflecting sluggish private demand. The shrinking market has intensified competition, forcing a succession of construction companies and developers into bankruptcy. Under these harsh conditions, we focused our regional sales activities on projects contracted by highly creditworthy construction companies.

Sales in South Asia increased 7.5 percent from the previous year, to ¥8,693 million (U.S.$72 million), accounting for 8.9 percent of net sales. Operating income rose significantly, by 28.5 percent, to ¥1,573 million (U.S.$13 million), thus increasing the ratio of operating income to sales.

Sales in South Asia
(Billion ¥)



Construction demand is expected to remain sluggish, particularly in the private sector, intensifying the competition for orders and leading to price declines. In response, we will introduce cost-competitive, Shanghai Huasheng Fujitec-made GS 8000™ escalators, and promote a sales strategy aimed at acquiring work in Singapore's HDB (Housing and Development Board) public sector renovation projects.

Notable projects completed during fiscal 2003 include the supply of a total of 64 elevators and escalators, including high-speed models, to the HDB's massive new headquarters and commercial complex — the HUB building — and a total of 48 elevators and escalators to government facilities in Malaysia.

Fujitec elevators operating at the First World Hotel in Malaysia

Major orders received during the fiscal year include 600 elevators for the modernization of high-rise residential buildings in Singapore by the HDB. In the modernization, elevators originally installed 20 years ago will be renovated over a three-year period. We expect an additional order of 100 units in the project.

Elsewhere in South Asia, we also received an order for a total of 53 elevators and escalators to be installed in the Malaysia high-tech research and development center known as Biopolis.

Singapore government housing development and a shopping mall

East Asia

In East Asia, demand stayed brisk in China, although in the rest of the region it remained slow. In this mixed demand environment, sales in East Asia were about the same as in fiscal 2002, standing at ¥16,496 million (U.S.$137 million). Operating income, however, decreased from fiscal 2002. Sales in East Asia accounted for 16.8 percent of net sales.

In Hong Kong and South Korea, where the construction industry was in a slump, Fujitec exercised greater selectivity in the orders it received, with a focus on ensuring profitability. In Taiwan, too, the construction business was sluggish overall, but the Company was able to play on the excellent reputation it has built in the market to win a steady flow of new orders.

Reflecting China's favorable economic growth and the corresponding robust demand for housing and office buildings, Fujitec's sales increased steadily. However, the increasing number of competitors entering the market is expected to intensify competition in the near future.

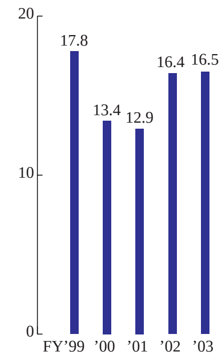
During the fiscal year under review, in Hong Kong we supplied 36 elevators to Ma Wan, a major residential development project on Ma Wan Island, near the international airport; 33 elevators and escalators to Leighton Hill, a luxury housing complex; and 57 elevators to Belchers, a high-rise residential complex. Notable new orders we received during the fiscal year in Hong Kong include 54 escalators and two shopping cart conveyor system for Kwan Tong project, a multi-purpose building in East Kowloon.

In Taiwan, we delivered and installed 105 elevators and escalators in Shin Kon Mitsukoshi Tainan New Life Square, the largest commercial facility in Asia. Notable new orders we received in Taiwan include 56 elevators and escalators for Miramar Shopping Mall in Taipei.

In China, we installed 27 elevators at Tian Yi Square, a commercial complex in Zhejiang, and 33 elevators at Yuan Yang Fengjing, a high-rise residential complex in Beijing. We also installed 46 escalators at Nanjing Grand Ocean Department Store.

In South Korea, we supplied many elevators to the Samsung Life Insurance *Su Sung* Building and the Samsung Fire Marine Insurance Building. New orders we received in South Korea during the fiscal year include 22 elevators for Hwa Soon Hospital.

Sales in East Asia
(Billion ¥)



Fujitec panoramic elevators operating at the Tae-Joon Park Digital Library in South Korea

Fujitec elevators installed at Tian Yi Square in China

EUROPE

Demand in Europe has been sluggish for several years, due to a rapid decline in construction demand, mainly in Germany. Reflecting this unfavorable business environment, sales in Europe declined 32.8 percent from the previous year, to ¥2,568 million (U.S.$21 million), and the Company registered an operating loss in the region. Sales in Europe accounted for 2.6 percent of net sales.

Notable projects completed during fiscal 2003 include the supply of 12 elevators to Darmstaedter Landstrasse, an office building located in a north Frankfurt business park in Germany.

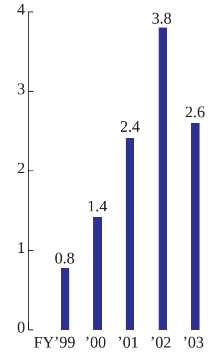
New orders received during the fiscal year include 16 elevators to be installed in Berlin head office building for the Central State Bank (Landeszentralbank) in Germany.

The German construction industry, which makes up the core demand in the European market, is projected to remain slow, thus leaving demand for elevators and escalators in Europe flat. Amid these market conditions, Fujitec plans to improve profitability by expanding sales of the first technology of its kind in elevator history — BELTA™ — and the Shanghai Huasheng Fujitec-made GS 8000™ escalator, released in 2002.

In the United Kingdom, 46 elevators and escalators are in service at the HSBC Headquarters building in Canary Wharf. Thirty elevators are scheduled for installation toward the end of 2003 at three stations on the new line extending from London to the Channel Tunnel.

In Middle East, we supplied luxury model elevators to the Four Seasons, a first-class hotel in Amman, and to the Middle East headquarters building of Citibank in Bahrain. Notable new orders we received during the fiscal year include 20 elevators for the Asyut High Court building, constructed in the central region of Egypt.

Sales in Europe
(Billion ¥)

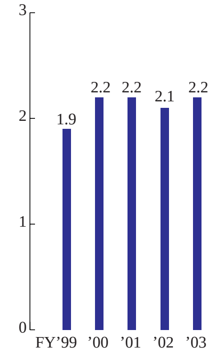


Darmstaedter Landstrasse in Germany (above) and Fujitec elevators working there

The headquarters building of HSBC in the United Kingdom

Research and development costs for fiscal 2003 increased 5.3 percent from the previous year, to ¥2,211 million (U.S.$18 million), equivalent to 2.3 percent of net sales.

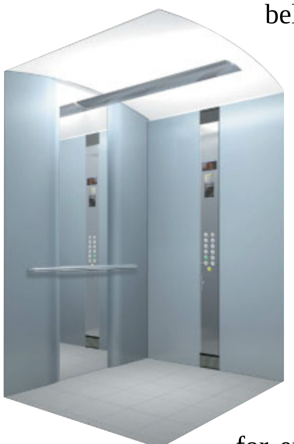
During the year, we developed a number of innovative products, such as the next-generation BELTA™ elevator and GS 8000™ escalators for the global market, while in Japan we released the industry's first elevator entrance door with smoke-protection capability.



Next-Generation BELTA™ Elevator

In fiscal 2002, we developed TALON™, the world's first elevator drive system of its kind. The innovative TALON™ system moves the elevator cab by driving a special belt, which is pressed against the rope on a sheave. This breakthrough system has been certified by Germany's world-renowned certification organization, TUEV.

During fiscal 2003, Fujitec released the cutting-edge BELTA™ elevator, incorporating the TALON™ drive system, to the worldwide market. In the BELTA™ Series, the weight of the elevator cab is reduced to minimize the load on the building. Furthermore, the compact drive system saves hoistway space, improves design flexibility, and reduces rope wear for extended service life. The interior of the elevator cab features refined design and user-friendly operating controls.



The interior of the elevator cab

Industry's First Elevator Entrance Door with Smoke-Protection Capability

Effective June 2002, the revised Japanese Building Law mandates the installation of equipment with a flame- and smoke-protection capability in order to protect the elevator hoistway from fire. In complying with the new legislation, Fujitec has collaborated with Toyo Shutter Co., Ltd. to develop and introduce to the domestic market an elevator entrance door with smoke-protection features.

Conventional elevator systems can produce a chimney effect in their hoistways, drawing smoke and heat up the shaft in the event of a fire. In addition, unlike ordinary fire doors, elevator entrance doors must open and close constantly, and so require a certain amount of gap at the entrance jamb. Therefore, it has been

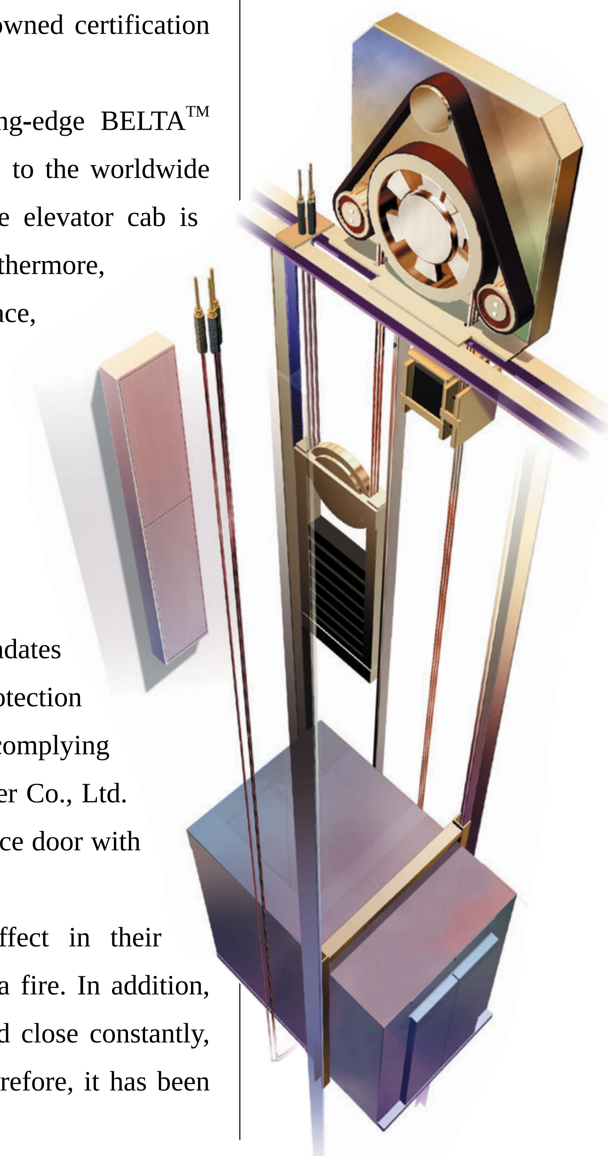
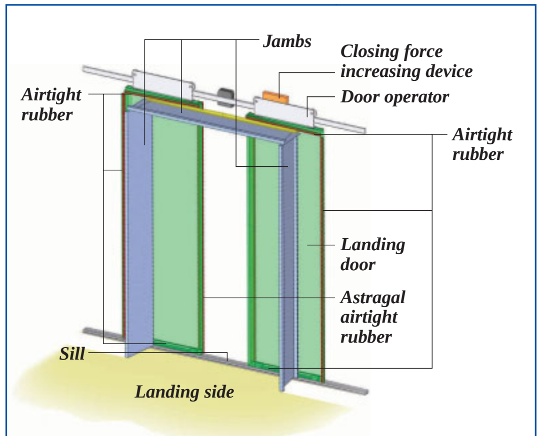


Image sketch of the TALON™ drive system considered difficult to provide the door with smoke-prevention performance. Manufacturers had to work around this by installing additional smoke-prevention equipment such as shutters, screens and sliding doors, all of which restricted the design flexibility of the elevator entrance jamb.



To overcome these drawbacks, Fujitec has added flame- and smoke-protection performance to the elevator entrance door itself, keeping the elevator shaft free from fire and smoke in emergency situations.

Elevator entrance door with smoke protection function

Approved by the Ministry of Land, Infrastructure and Transportation in March 2003, this first of its kind innovation has been attracting great attention throughout the industry and the public at large.

Because this breakthrough elevator entrance door creates a fire-protection zone in the elevator shaft, installation of the door — either with a new elevator or on an existing model — is by itself sufficient to provide the required fire-protection performance. Thus, by eliminating the need to install additional fire-prevention equipment, we have shortened the construction period and reduced construction costs.

Since the door can be installed in the same way as its conventional counterpart, it offers design flexibility without compromising the appearance of the entrance doorjambs. Moreover, the door is built for improved quietness and durability.

GS 8000™ Escalator

Fujitec has also released the new GS series escalator — the GS 8000™ — which offers state-of-the-art technology and improved design for a new era.

The GS 8000™ is enhanced with a unique, eye-catching design at the balustrade of landings, giving the escalator an impressive look. The new, easy-to-read arrowhead lamps announce the escalator direction to approaching users at a glance. The internal step drive structure has also been revamped to offer quieter operation with greater comfort.

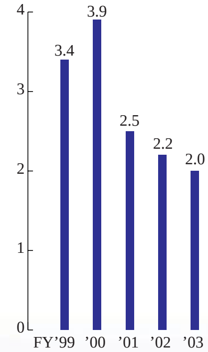
GS 8000™ elevators are global-standard models and comply with all regional regulations.

GS 8000™ escalator

Capital investment for fiscal 2003 decreased 8.5 percent from the previous year, to ¥2,047 million (U.S.$17 million), equivalent to 2.1 percent of net sales.

Our manufacturing policy is designed to assure delivery of the same quality products from each of our plants to customers worldwide, and to promote procurement and manufacture at the optimal location for each product. To this end, for every product — ranging from single parts to finished models — we have been implementing thorough quality control and pursuing more efficient manufacturing at all Fujitec plants in the United States, Singapore, Indonesia, Taiwan, South Korea, Japan and China. Among them, our China plants have been playing a vital role in our global manufacturing strategy.

Capital investment
(Billion ¥)



With the Beijing Olympic Games planned for 2008 and the Shanghai Expo scheduled for 2010, the Chinese construction industry is gathering steam. In China, we operate Huasheng Fujitec Elevator Co., Ltd. for manufacturing elevators and Shanghai Huasheng Fujitec Escalator Co., Ltd. for producing escalators. These two companies not only help meet robust domestic demand, but also serve as highly cost-competitive strategic production bases for our entire group.

Fujitec elevators installed at China World Trade Center

Huasheng Fujitec Elevator, which was established in 1995 in the suburb of Beijing, delivers more than 1,000 elevators per year to commercial facilities and large residential developments all over China. Meanwhile, Shanghai Huasheng Fujitec Escalator, which was founded in 2002, supplies escalators not only to the market in China but worldwide, with an annual production target of 400 units.

Fujitec escalators working at the passenger terminal of the Beijing Capital International Airport

Amid intensifying price competition around the globe, the synergy of the two companies' plants is expected to drive further growth for Fujitec in the 21st century.

Financial Section

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Operating Results

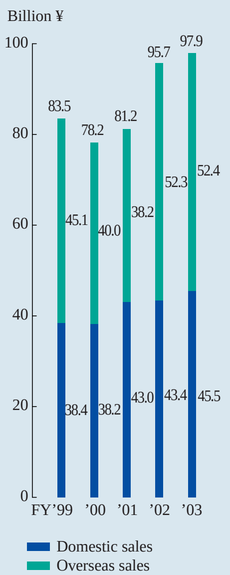
Worldwide demand for elevators, escalators and other people-moving systems is slow in general, except for China. In North America, demand began to regain stability after the recession triggered by the terrorist attacks in the United States. However, full-fledged recovery never materialized. There was also no rebound in Europe. In Japan, public investments declined, while private sector capital investments remained sluggish, resulting in flat demand. Only China has enjoyed favorable demand, reflecting the robust pace of housing and office construction. Demand remained depressed in the rest of Asia.

Amid such challenging business conditions, **net sales** for fiscal 2003 increased 2.4 percent, from ¥95,657 million in fiscal 2002, to ¥97,938 million (U.S.$816 million). Sales in Japan rose 3.1 percent from fiscal 2002, to ¥46,123 million (U.S.$384 million), due to the success of aggressive marketing efforts. Meanwhile, sales in the Americas increased 6.6 percent, to ¥24,058 (U.S.$200 million). In East Asia, sales remained almost the same as in fiscal 2002, amounting to ¥16,496 million (U.S.$137 million). This was mainly attributable to the steady sales increase in China surpassing declines in Hong Kong and Taiwan. Sales in South Asia climbed 7.5 percent, to ¥8,693 million (U.S.$72 million) led by favorable growth in Singapore. Sales in Europe decreased 32.8 percent, to ¥2,568 million (U.S.$21 million), due to a severe plunge in demand in Germany. As a result, the percentage of overseas sales to net sales declined from 54.7 to 53.5 percent.

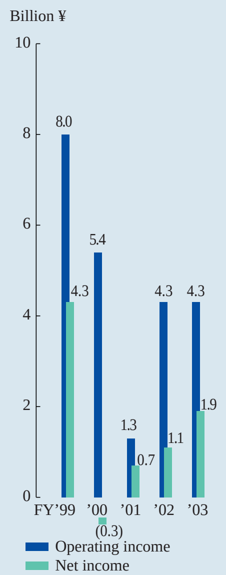
Although the Company strove to increase the effect of mass production and cut back the cost of materials amid intensified price competition, **operating income** only increased 1.9 percent from fiscal 2002, to ¥4,335 million (U.S.$36 million). The slight rise in operating income resulted from profit expansion in Japan, South Asia, China and Korea more than offsetting income declines in the Americas and Hong Kong, which experienced an increase in unprofitable construction projects and intensified price competition. The ratio of operating income to net sales remained the same as in fiscal 2002, standing at 4.4 percent.

Net income for fiscal 2003 soared 75.9 percent, to ¥1,863 million (U.S.$16 million). This hike in net income was mainly attributable to a decrease in the write-down of investment securities, coupled with a curtailment of the enterprise tax on an investment loss caused by the transfer of an overseas subsidiary, which exceeded a drop in fund management return, due to the falling money market rate, and a foreign currency exchange loss arising from the yen's appreciation toward the fiscal year-end. **Net income per share** grew from ¥11.30 in fiscal 2002 to ¥19.07 (U.S.$0.16) in fiscal 2003.

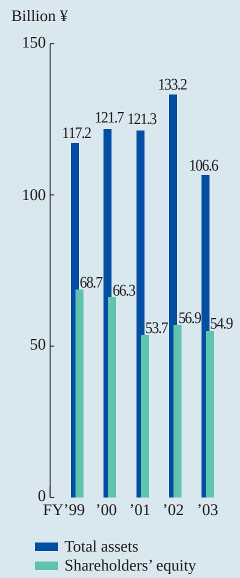
Domestic sales and overseas sales



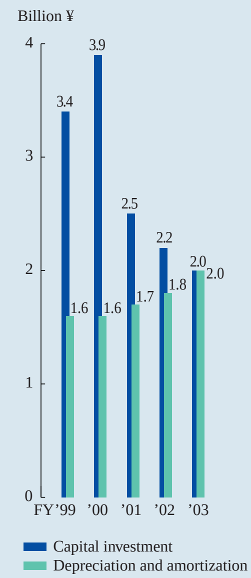
Operating income and net income (loss)



Total assets and shareholders' equity



Capital investment, and depreciation and amortization



Financial Position

Total assets at the end of fiscal 2003 decreased by ¥26,607 million (U.S.$222 million) from fiscal 2002, to ¥106,620 million (U.S.$889 million). The major reasons for this decline were a drop in commercial paper of ¥21,865 million (U.S.$182 million), due to the termination of Fujitec Capital Corporation (FCC), a fund management subsidiary in the United States; and a negatively expanded adjustment arising from the translation of foreign subsidiaries' accounts at the end of fiscal 2003 of ¥2,686 million (U.S.$22 million) compared with the end of fiscal 2002, affected by the 13 yen appreciation against the U.S. dollar during the period.

Shareholders' equity decreased by ¥1,999 million (U.S.$17 million), to ¥54,885 million (U.S.$457 million), due mainly to the negative adjustment arising from translation of foreign subsidiaries' accounts, which exceeded an increase in retained earnings. As a result, **the equity ratio** in fiscal 2003 rose by 8.8 percentage points from fiscal 2002, to 51.5 percent, while **shareholders' equity per share** declined by ¥21.91 (U.S.$0.18), to ¥585.04 (U.S.$4.88).

Cash Flows

Net cash provided by operating activities rose by ¥733 million (U.S.$6 million), to ¥4,338 million (U.S.$36 million). This was mainly attributable to increases in income before income taxes and minority interest, and interest and dividend income, and decelerated increase in trade notes and accounts receivable, which more than offset an increase in inventories and a decrease in trade notes and accounts payable.

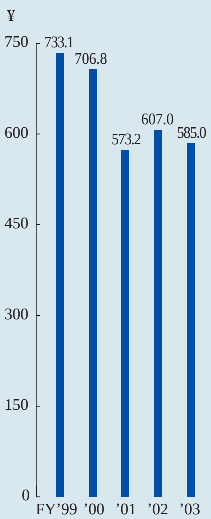
In terms of cash flows from investing activities, the Company registered ¥21,899 million (U.S.$182 million) as **net cash provided by investing activities** in fiscal 2003, while recording ¥9,077 million as net cash used in investing activities in the previous fiscal year. This reflects gains in funds, including decreases in commercial paper due to the termination of FCC, amounting to ¥20,851 million (U.S.$174 million), and time deposits totaling ¥3,039 million (U.S.$25 million), which exceeded significantly the payments for acquisition of fixed assets, among other items.

Net cash used in financing activities amounted to ¥24,334 million (U.S.$203 million), due mainly to repayment of preferred stock in accordance with the termination of FCC and a decrease in short-term debt.

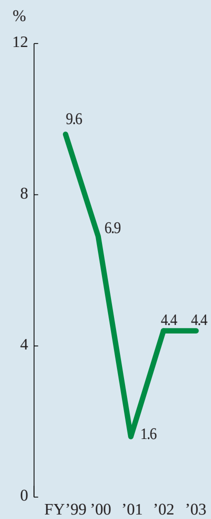
Interest-bearing debt at the end of fiscal 2003 stood at ¥12,774 million (U.S.$106 million).

As a result of the cash flow activities summarized above, **cash and cash equivalents** at the end of fiscal 2003 rose by ¥1,807 million (U.S.$15 million), to ¥21,173 million (U.S.$176 million).

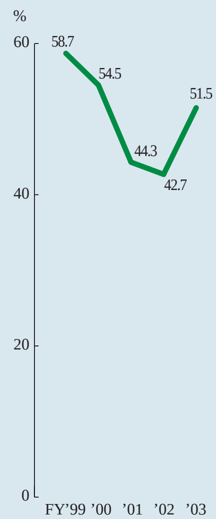
Shareholders' equity per share



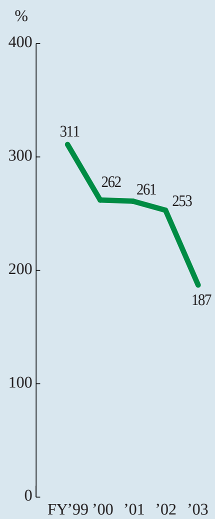
Operating income to net sales



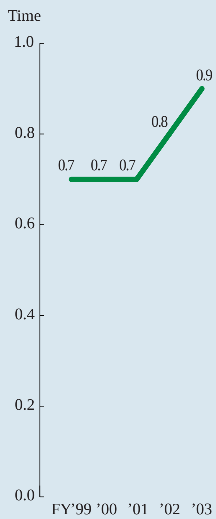
Shareholders' equity to total assets



Current ratio



Net sales to total assets



CONSOLIDATED BALANCE SHEETS

Fujitec Co., Ltd. and Consolidated Subsidiaries
March 31, 2003 and 2002

ASSETS	Millions of Yen 2003	Millions of Yen 2002	Thousands of U.S. Dollars (Note 1) 2003
Current assets:			
Cash and cash equivalents	¥ 21,173	¥ 19,366	$176,442
Time deposits	5,784	9,596	48,200
Marketable securities (Note 4)	—	21,865	—
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	158	123	1,316
Other	26,642	27,556	222,017
Allowance for doubtful accounts	(207)	(266)	(1,725)
	26,593	27,413	221,608
Inventories (Note 5)	17,540	17,813	146,167
Deferred income taxes (Note 6)	1,006	888	8,383
Other current assets	743	756	6,192
Total current assets	72,839	97,697	606,992
Investments and advances:			
Unconsolidated subsidiaries and affiliates	893	1,706	7,441
Investment securities (Note 4)	3,425	4,354	28,542
Advances	71	56	592
	4,389	6,116	36,575
Property, plant and equipment, at cost (Note 7)**:**			
Buildings	15,564	14,670	129,700
Machinery and equipment	17,247	17,240	143,725
	32,811	31,910	273,425
Accumulated depreciation	(19,171)	(18,644)	(159,758)
	13,640	13,266	113,667
Land	5,814	5,773	48,450
Construction in progress	189	879	1,575
	19,643	19,918	163,692
Other assets:			
Deferred income taxes (Note 6)	2,968	2,350	24,733
Intangible assets	4,205	4,688	35,041
Other	2,576	2,458	21,467
	¥106,620	¥133,227	$888,500

The accompanying notes are an integral part of these statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen 2003	Millions of Yen 2002	Thousands of U.S. Dollars (Note 1) 2003
Current liabilities:			
Short-term debt (Note 7)	¥ 7,634	¥ 11,201	$ 63,617
Current portion of long-term debt (Note 7)	5,113	67	42,608
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	59	22	492
Other	9,534	10,735	79,450
Advances from customers	7,696	7,286	64,133
Accrued income taxes (Note 6)	615	263	5,125
Accrued bonuses	1,387	1,745	11,558
Provision for losses on contracts	2,203	2,377	18,358
Other current liabilities	4,814	4,974	40,117
Total current liabilities	39,055	38,670	325,458
Long-term debt (Note 7)	41	5,165	342
Deferred income taxes (Note 6)	77	91	642
Accrued pension and severance payments (Note 12)	6,063	6,062	50,525
Total liabilities	45,236	49,988	376,967
Minority interest in consolidated subsidiaries (Note 8)	6,499	26,355	54,158
Contingent liabilities (Note 9)			
Shareholders' equity (Note 11)**:**			
Common stock, no par value:			
Authorized — 200,000,000 shares			
Issued — 93,767,317 shares			
at March 31, 2003 and 2002	12,534	12,534	104,450
Additional paid-in capital	14,566	14,566	121,383
Retained earnings	39,951	38,948	332,925
Net unrealized losses on securities	(491)	(198)	(4,092)
Adjustment arising from translation of foreign subsidiaries' accounts	(11,612)	(8,926)	(96,766)
	54,948	56,924	457,900
Treasury stock, at cost, 84,528 shares at March 31, 2003 and 47,024 shares at March 31, 2002	(63)	(40)	(525)
Total shareholders' equity	54,885	56,884	457,375
	¥106,620	¥133,227	$888,500

Consolidated Statements of Income

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2003 and 2002

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
Net sales	¥97,938	¥95,657	$816,150
Cost and expenses:			
Cost of sales	77,064	75,708	642,200
Selling, general and administrative	16,539	15,694	137,825
	93,603	91,402	780,025
Operating income	4,335	4,255	36,125
Other income (expenses):			
Interest and dividend income	608	1,543	5,067
Interest expense	(291)	(924)	(2,425)
Foreign currency exchange (loss) gain	(319)	273	(2,658)
Other, net	118	(86)	983
	116	806	967
Special items:			
Gain on sales of property, plant and equipment	31	30	258
Loss on disposal and sales of property, plant and equipment	(121)	(66)	(1,008)
Write-down of investment securities	(1,007)	(2,320)	(8,392)
Write-down of investment securities in an unconsolidated subsidiary	(35)	(180)	(292)
Loss on sales of investment securities in a consolidated subsidiary	(212)	—	(1,767)
Loss on sales of investment securities	—	(35)	—
Other, net	(5)	(17)	(41)
	(1,349)	(2,588)	(11,242)
Income before income taxes and minority interest	3,102	2,473	25,850
Income taxes (Note 6)**:**			
Current	1,017	884	8,475
Deferred	(609)	(237)	(5,075)
	408	647	3,400
Income before minority interest	2,694	1,826	22,450
Minority interest in income of consolidated subsidiaries	831	767	6,925
Net income	¥ 1,863	¥ 1,059	$ 15,525

	Yen		U.S. Dollars (Note 1)
Per share:			
Net income, based on the weighted average number of shares outstanding	¥ 19.07	¥ 11.30	$ 0.16
Cash dividends, applicable to the period	10.00	8.00	0.08

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, 2003 and 2002

	Thousands	Millions of Yen					
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Net unrealized losses on securities	Adjustment arising from translation of foreign subsidiaries' accounts	Treasury stock, at cost
Balance at April 1, 2001	93,767	¥12,534	¥14,566	¥38,792	¥(490)	¥(11,639)	¥ (33)
Net income	—	—	—	1,059	—	—	—
Cash dividends	—	—	—	(843)	—	—	—
Bonuses to directors and corporate auditors	—	—	—	(60)	—	—	—
Change in adjustment arising from translation of foreign subsidiaries' accounts	—	—	—	—	—	2,713	—
Change in net unrealized losses on securities	—	—	—	—	292	—	—
Treasury stock acquired, net (47,024 shares)	—	—	—	—	—	—	(7)
Balance at March 31, 2002	93,767	12,534	14,566	38,948	(198)	(8,926)	(40)
Net income	—	—	—	1,863	—	—	—
Cash dividends	—	—	—	(843)	—	—	—
Staff and workers' bonus and welfare fund	—	—	—	(17)	—	—	—
Change in adjustment arising from translation of foreign subsidiaries' accounts	—	—	—	—	—	(2,686)	—
Change in net unrealized losses on securities	—	—	—	—	(293)	—	—
Treasury stock acquired, net (84,528 shares)	—	—	—	—	—	—	(23)
Balance at March 31, 2003	93,767	¥12,534	¥14,566	¥39,951	¥(491)	¥(11,612)	¥ (63)

	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 losses on securities	Adjustment arising from translation of foreign subsidiaries' accounts	Treasury stock, at cost
Balance at March 31, 2002	93,767	$104,450	$121,383	$324,567	$(1,650)	$(74,383)	$(333)
Net income	—	—	—	15,525	—	—	
Cash dividends	—	—	—	(7,025)	—	—	—
Staff and workers' bonus and welfare fund	—	—	—	(142)	—	—	—
Change in adjustment arising from translation of foreign subsidiaries' accounts	—	—	—	—	—	(22,383)	—
Change in net unrealized losses on securities	—	—	—	—	(2,442)	—	—
Treasury stock acquired, net	—	—	—	—	—	—	(192)
Balance at March 31, 2003	93,767	$104,450	$121,383	$332,925	$(4,092)	$(96,766)	$(525)

Consolidated Statements of Cash Flows

Fujitec Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2003 and 2002

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
Cash flows from operating activities:			
Income before income taxes and minority interest	¥ 3,102	¥ 2,473	$ 25,850
Depreciation and amortization	2,051	1,839	17,092
Provision for allowance for doubtful accounts	17	323	142
Provision for bonuses to employees	(353)	(132)	(2,942)
Provision (benefit) for losses on contracts	47	(422)	392
Interest and dividend income	(608)	(1,543)	(5,067)
Interest expense	291	924	2,425
Write-down of investment securities	1,007	2,320	8,392
Increase in trade notes and accounts receivable	(426)	(3,832)	(3,550)
(Increase) decrease in inventories	(250)	1,805	(2,083)
(Decrease) increase in trade notes and accounts payable	(983)	707	(8,192)
Increase (decrease) in advances from customers	877	(97)	7,308
Other, net	211	382	1,758
Bonuses paid to directors and corporate auditors	—	(60)	—
Sub-total	4,983	4,687	41,525
Payment of income taxes	(645)	(1,082)	(5,375)
Net cash provided by operating activities	4,338	3,605	36,150
Cash flows from investing activities:			
Decrease (increase) in time deposits, net	3,039	(5,348)	25,325
Decrease in commercial paper	20,851	216	173,758
Acquisitions of property, plant and equipment	(2,047)	(2,239)	(17,058)
Proceeds from sale of property, plant and equipment	121	89	1,008
Payment for purchase of investment securities	(512)	(7)	(4,266)
Investment in unconsolidated subsidiary	—	(759)	—
Acquisitions of businesses, net of cash acquired	—	(2,725)	—
Payment for long-term advances	—	(24)	—
Collections on long-term advances	—	205	—
Proceeds from interest and dividend income	624	1,610	5,200
Other, net	(177)	(95)	(1,475)
Net cash provided by (used in) investing activities	21,899	(9,077)	182,492
Cash flows from financing activities:			
(Decrease) increase in short-term debt, net	(3,173)	3,068	(26,442)
Proceeds from long-term debt	—	6	—
Repayment of long-term debt	(63)	(67)	(525)
Repayment of preferred stock	(18,875)	—	(157,291)
Proceeds from minority shareholders' payments	—	184	—
Payment of interest	(318)	(961)	(2,650)
Cash dividend paid	(843)	(843)	(7,025)
Cash dividend paid to minority shareholders	(972)	(263)	(8,100)
Other, net	(90)	(22)	(750)
Net cash (used in) provided by financing activities	(24,334)	1,102	(202,783)
Effect of exchange rate changes on cash and cash equivalents	(1,121)	1,314	(9,342)
Cash and cash equivalents increased by a newly consolidated subsidiary	1,025	—	8,542
Net increase (decrease) in cash and cash equivalents	1,807	(3,056)	15,059
Cash and cash equivalents at beginning of year	19,366	22,422	161,383
Cash and cash equivalents at end of year	¥21,173	¥19,366	$176,442

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, 2003 and 2002

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 ¥120=U.S. $1, the approximate effective rate of exchange at March 31, 2003. The inclusion of such United States dollar amounts is solely for convenience and is not intended to imply that Japanese yen, and assets and liabilities originating in Japanese yen, have been or could be readily converted, realized or settled in United States dollars at ¥120=U.S. $1 or at any other rate.

2. Summary of Significant Accounting Policies

(A) Principles of consolidation

The consolidated financial statements include the accounts of the Company and the following twelve significant subsidiaries (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)
P.T. Fujitec Indonesia (Indonesia)
Fujitec (HK) Co., Ltd. (Hong Kong)
Rich Mark Engineering Limited (Hong Kong)
Fujitec Taiwan Co., Ltd. (Taiwan)
Huasheng Fujitec Elevator Co., Ltd. (China)
Shanghai Huasheng Fujitec Escalator Co., Ltd. (China)
Fujitec Korea Co., Ltd. (Korea)

Effective April 1, 2002, the accounts of Shanghai Huasheng Fujitec Escalator Co., Ltd. were newly included in consolidation, due to their growing significance.

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

With respect to the closing dates of the consolidated subsidiaries, the closing date of two foreign subsidiaries, Fujitec (HK) Co., Ltd. and Rich Mark Engineering Limited, is the same as the consolidated balance sheet date (March 31), while the closing date of the other eleven foreign 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 Deliberation Council. Under the method, every monetary asset and liability denominated in foreign currency is translated into 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 Deliberation 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 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 were issued by the Business Accounting Deliberation 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 subsidy (Fujitec Canada Inc.) have recorded goodwill, which represents the excess of purchase price over fair value of net assets acquired. Until the year ended December 31, 2001, goodwill has been amortized on a straight-line basis over periods of between 20 to 40 years.

From the year ended December 31, 2002, the subsidiaries in the U.S.A. and Canada 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 the installation contract backlog acquired. The valuation amount of US$4,100 thousand is transferred to intangible assets from goodwill and is amortized over their useful lives.

Amortization of other intangible assets is calculated by 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) Severance payments and pension plan

The Company has two retirement benefit plans, an unfunded lump-sum severance payment 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 sheets dates represent 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 established guidelines. Payment of such benefits is subject to approval at the shareholders' meeting.

(J) 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.

(K) Research and development costs

Research and development costs are charged against income as incurred.

(L) 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 Deliberation Council.

Under the standard, deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

(M) 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 the 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, but the differential paid or received under the swap agreements are recognized and included in interest expense or income as incurred.

(N) 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.

From the year ended March 31, 2003, 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, be 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 in which they are paid.

(O) Cash and cash equivalents

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

(P) Treasury stock and reduction of legal reserves

Effective for the year ended March 31, 2003, the Company adopted Financial Accounting Standard No.1, “Accounting Standard for Treasury Stock and Reduction of Legal Reserves.” The effects of adopting the new standard were immaterial.

(Q) Consolidated balance sheet and consolidated statements of shareholders’equity

For the year ended March 31, 2003, the consolidated balance sheet and consolidated statements of Shareholders’ Equity were prepared in accordance with regulations concerning consolidated financial statements as amended.

(R) Reclassification of accounts

Certain reclassifications have been made in the 2002 financial statement to conform to the presentation for 2003.

3. Supplemental Cash Flow Information

On February 1, 2001, Fujitec Canada, Inc. acquired the operations of Canadian Elevator Ltd., and on April 1, 2001, Fujitec America, Inc. purchased certain operating assets of Serge Elevator Co., Inc. The total fair values of the net assets acquired at the dates of acquisition, and the related acquisition costs were as follows:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Current assets	¥ 162	$ 1,350
Property, plant and equipment	61	508
Goodwill	2,556	21,300
Current liabilities	(15)	(125)
Cost for acquisition	2,764	23,033
Accrued accounts payable	(39)	(325)
Net expenditures for the year ended March 31, 2002	¥2,725	$22,708

4. Marketable Securities and Investment Securities

At March 31, 2003 and 2002, held-to-maturity debt securities and other securities were as follows:

Held-to-maturity debt securities:

	Millions of Yen							
	2003				2002			
	Book value (Carrying amount)	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)	Book value (Carrying amount)	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Commercial paper	¥ —	¥ —	¥ —	¥ —	¥21,865	¥ —	¥ —	¥21,865

	Thousands of U.S. Dollars (Note 1)			
	2003			
	Book value (Carrying amount)	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Commercial paper	$ —	$ —	$ —	$ —

Other securities:

	Millions of Yen							
	2003				2002			
	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	¥3,502	¥45	¥842	¥2,705	¥4,448	¥251	¥559	¥4,140
Bonds and debentures	—	—	—	—	10	—	—	10
Other	101	—	19	82	113	—	34	79
	¥3,603	¥45	¥861	¥2,787	¥4,571	¥251	¥593	¥4,229

	Thousands of U.S. Dollars (Note 1)			
	2003			
	Cost	Gross unrealized gains	Gross unrealized losses	Book value (Estimated fair value)
Equity securities	$29,183	$375	$7,017	$22,541
Bonds and debentures	—	—	—	—
Other	842	—	158	684
	$30,025	$375	$7,175	$23,225

The carrying amounts of equity securities whose fair value is not readily determinable were ¥638 million (U.S.$5,317 thousand) and ¥125 million for the years ended March 31, 2003 and 2002, respectively.

5. Inventories

Inventories at March 31, 2003 and 2002 are comprised of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
Finished goods and semi-finished goods	**¥ 5,318**	¥ 3,035	**$ 44,317**
Work in process	**7,779**	9,891	**64,825**
Raw materials and supplies	**4,443**	4,887	**37,025**
	¥17,540	¥17,813	**$146,167**

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 42.05% for the years ended March 31, 2003 and 2002.

Income of the consolidated foreign subsidiaries is taxed at the rate of corporate income taxes, ranging from 16% to 25% for the year ended March 31, 2003.

At March 31, 2003 and 2002, a reconciliation of the Company's statutory tax rate and the effective income tax rate is as follows:

	2003	2002
Statutory tax rate	**42.05%**	42.05%
Non-deductible expenses	**1.14**	1.39
Per capita inhabitant tax	**3.61**	4.45
Effect of foreign tax rate differences	**(4.63)**	(23.66)
Realized loss on sale of a consolidated subsidiary	**(30.00)**	—
Others	**0.96**	1.92
Effective tax rate	**13.13%**	26.15%

The tax effects of temporary differences that gave rise to significant deferred tax assets and liabilities at March 31, 2003 and 2002 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
Deferred tax assets:			
Accrued pension and severance payments	**¥2,281**	¥2,328	**$19,008**
Accrued bonuses	**484**	384	**4,033**
Provision for losses on contracts	**346**	360	**2,883**
Unrealized losses on securities	**326**	144	**2,717**
Write-down of investment securities in a subsidiary	**508**	—	**4,233**
Others	**270**	299	**2,251**
Total deferred tax assets	**4,215**	3,515	**35,125**
Deferred tax liabilities:			
Unrealized losses on inventories	**(14)**	(33)	**(117)**
Depreciation	**(77)**	(91)	**(642)**
Others	**(227)**	(244)	**(1,891)**
Total deferred tax liabilities	**(318)**	(368)	**(2,650)**
Net deferred tax assets	**¥3,897**	¥3,147	**$32,475**

7. Short-Term Debt and Long-Term Debt

Short-term debt represents notes payable to banks with an average interest rate of 1.43% per annum at March 31, 2003.

Long-term debt at March 31, 2003 and 2002 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
With collateral:			
Loans, from O.D.F.C. in the United States,			
due through 2005 with interest rate at 2.0% per annum	**¥ 32**	¥ 48	**$ 267**
Other	**9**	9	**75**
Without collateral:			
Loans, from Haofeng (H.K.) Co. Ltd. in Hong Kong			
due through 2002 with interest rate at 5.8% per annum	**—**	53	**—**
Loans, from banks and insurance companies			
due through 2004 at average interest rate 0.87% per annum	**5,100**	5,100	**42,500**
Other	**13**	22	**108**
	5,154	5,232	**42,950**
Less, portion due within one year	**5,113**	67	**42,608**
	¥ 41	¥5,165	**$ 342**

The aggregate annual maturities of long-term debt outstanding as of March 31, 2003 are as follows:

Year ending March 31,	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2003	¥5,113	$42,608
2004	15	125
2005	8	67
2006	2	17
2007	2	17
2008 and thereafter	14	117
	¥5,154	$42,951

At March 31, 2003, the following assets are pledged as collateral for loans and construction contracts:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Property, plant and equipment (at net book value)	¥1,361	$11,342

In addition, all the assets of the Singapore subsidiary are pledged as collateral for its construction contracts, totaling 3,991 thousand Singapore dollars (U.S.$2,302 thousand) as of December 31, 2002.

8. Minority Interest

The consolidated financial statements include the accounts of Fujitec Capital Corporation (FCC), which was incorporated in the United States of America with the limited purpose of issuing shares of Auction Preferred Stock and acquiring, owning and managing assets, primarily cash and short-term money market instruments (principally, commercial paper). All the common stock of FCC is owned by Fujitec America, Inc. (FAI), a wholly-owned U.S. subsidiary of the Company. FCC had issued Auction Preferred Stock totaling U.S.$150million, none of which is owned by FAI. The preferred interests in FCC were reflected as a part of minority interest in the consolidated financial statements until the fiscal year ended March 31, 2002.

During February 2002, due to decreasing interest rates in the United States of America, FCC began to liquidate outstanding investments (principally, commercial paper) and to redeem the outstanding auction preferred stock. As of June 30, 2002, all auction preferred stock has been redeemed and FCC effectively has ceased operations and has been liquidated. The effect of these transactions was to reduce investments and minority interests by approximately U.S.$166 million and U.S.$150 million, respectively.

9. Contingent Liabilities

At March 31, 2003 and 2002, contingent liabilities were as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
Guarantees of bank loans	**¥5,342**	¥5,648	**$44,517**
Trade notes receivable discounted	**42**	133	**350**
Total	**¥5,384**	¥5,781	**$44,867**

10. Leases

The Company and its consolidated subsidiaries lease certain machinery and equipment. Total lease payments under these leases were ¥145 million (U.S.$1,208 thousand) and ¥137 million for the years ended March 31, 2003 and 2002, 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, 2003 and 2002, is as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
Machinery and equipment			
Acquisition costs	**¥1,231**	¥1,159	**$10,258**
Accumulated depreciation	**514**	369	**4,283**
Net leased property	**¥ 717**	¥ 790	**$ 5,975**

Future minimum lease payments under finance leases as of March 31, 2003 and 2002 were as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
Due within one year	**¥ 133**	¥137	**$1,108**
Due after one year	**584**	653	**4,867**
Total	**¥717**	¥790	**$5,975**

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.$1,208 thousand) and ¥137 million for the years ended March 31, 2003 and 2002, respectively.

Obligations under non-cancelable operating leases as of March 31, 2003 and 2002 were as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
Due within one year	**¥ 23**	¥ 26	**$192**
Due after one year	**51**	81	**425**
Total	**¥ 74**	¥107	**$617**

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 stated capital. Accordingly, proceeds in excess of the amount designated as stated capital have been credited as 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, 2003 and 2002.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
Projected benefit obligation	**¥10,928**	¥9,730	**$91,067**
Fair value of plan assets	**(3,764)**	(3,741)	**(31,367)**
Funded status:			
Benefit obligation in excess of plan assets	**7,164**	5,989	**59,700**
Unrecognized net transition obligation at date of adoption	**—**	—	**—**
Unrecognized prior service cost	**—**	—	**—**
Unrecognized actuarial differences	**(1,675)**	(471)	**(13,958)**
Accrued pension liability recognized in the consolidated balance sheets	**¥ 5,489**	¥5,518	**$45,742**

Severance and pension costs of the Company for the years ended March 31, 2003 and 2002 were as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
Service cost	**¥603**	¥551	**$5,025**
Interest cost	**284**	273	**2,367**
Expected return on plan assets	**(112)**	(104)	**(933)**
Amortization:			
Transition obligation at date of adoption	**—**	—	**—**
Prior service cost	**—**	—	**—**
Actuarial losses	**50**	29	**416**
Net periodic benefit cost	**¥825**	¥749	**$6,875**

Assumption used in the accounting for the defined benefit plans for the years ended March 31, 2003 and 2002 is as follows:

	2003	2002
Method of attributing benefit to periods of service	straight-line basis	straight-line basis
Discount rate	2.5%	3.0%
Long-term rate of return on plan assets	3.0%	3.0%
Amortization period for actuarial losses	10 years	10 years

Accrued severance payments to directors and corporate auditors in Japan amounting to ¥573 million (U.S.$4,775 thousand) as of March 31, 2003 and ¥544 million as of March 31, 2002 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, 2003 and 2002 were ¥2,211 million (U.S.$18,425 thousand) and ¥2,100 million, respectively.

14. Segment Information

Information by geographic area for the years ended March 31, 2003 and 2002 is summarized as follows:

(A) Geographic segment information

(1) Operating income (loss):

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	2003
Japan			
Net sales: Customers	¥ 46,123	¥ 44,744	$384,358
Intersegment	4,388	5,667	36,566
	50,511	50,411	420,924
Operating expenses	48,682	49,352	405,683
Operating income	1,829	1,059	15,241
The Americas			
Net sales: Customers	24,058	22,569	200,483
Intersegment	10	30	83
	24,068	22,599	200,566
Operating expenses	24,937	22,759	207,808
Operating loss	(869)	(160)	(7,242)
Europe			
Net sales: Customers	2,568	3,821	21,400
Intersegment	18	7	150
	2,586	3,828	21,550
Operating expenses	3,030	4,167	25,250
Operating loss	(444)	(339)	(3,700)
South Asia			
Net sales: Customers	8,693	8,087	72,442
Intersegment	8	32	67
	8,701	8,119	72,509
Operating expenses	7,128	6,895	59,400
Operating income	1,573	1,224	13,109
East Asia			
Net sales: Customers	16,496	16,436	137,467
Intersegment	707	595	5,892
	17,203	17,031	143,359
Operating expenses	14,853	14,024	123,775
Operating income	2,350	3,007	19,584
Total			
Net sales: Customers	¥ 97,938	¥ 95,657	$816,150
Intersegment	5,131	6,331	42,758
	103,069	101,988	858,908
Elimination	(5,131)	(6,331)	(42,758)
Consolidated net sales	97,938	95,657	816,150
Operating expenses	98,630	97,197	821,916
Elimination	(5,027)	(5,795)	(41,891)
Consolidated operating expenses	93,603	91,402	780,025
Operating income	4,439	4,791	36,992
Elimination	(104)	(536)	(867)
Consolidated operating income	¥ 4,335	¥ 4,255	$ 36,125

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

(1) The Americas ...... U.S.A., Canada and Brazil
(2) Europe .... United Kingdom and Germany
(3) South Asia .... Singapore and Indonesia
(4) East Asia .... Hong Kong, Taiwan, China and Korea

(2) Assets:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
Japan	**¥ 47,397**	¥ 47,636	**$394,975**
The Americas	**13,934**	16,654	**116,117**
Europe	**1,245**	1,824	**10,375**
South Asia	**11,165**	11,976	**93,042**
East Asia	**28,881**	29,871	**240,675**
Sub-total	**102,622**	107,961	**855,184**
Net of elimination and common use assets	**3,998**	25,266	**33,316**
Total	**¥106,620**	¥133,227	**$888,500**

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 ¥6,762 million (U.S.$56,350 thousand) at March 31, 2003.*

(B) Overseas sales

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2003	2002	**2003**
The Americas	**¥24,176**	¥22,815	**$201,467**
East Asia	**16,471**	17,000	**137,258**
South Asia	**8,750**	8,351	**72,917**
Other areas	**3,034**	4,139	**25,283**
Total	**¥52,431**	¥52,305	**$436,925**
Percentage of overseas sales to net sales	**53.5%**	54.7%	

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, Brazil and Argentina
(2) East Asia .... Hong Kong, Taiwan, China and Korea
(3) South Asia .... Singapore, The Philippines and Malaysia
(4) Other areas .... United Kingdom, Germany and Saudi Arabia

15. Subsequent Event

(1) The following appropriation of retained earnings at March 31, 2003 was approved at the general meeting of shareholders held on June 26, 2003:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Cash dividends	¥468	$3,900
Bonuses to directors and corporate auditors	71	592

Report of Independent Certified Public Accountants

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, 2003 and 2002, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 the consolidated financial position of Fujitec Co., Ltd. and consolidated subsidiaries as of March 31, 2003 and 2002, 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.

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 26, 2003

Yukoh Audit Corporation

YUKOH AUDIT
CORPORATION
Certified Public Accountants

CONSOLIDATED 5-YEAR SUMMARY

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

	2003	2002	2001	2000	1999	2003
	Millions of Yen					Thousands of U.S. Dollars
For the fiscal period:						
Net sales	¥ 97,938	¥ 95,657	¥ 81,173	¥ 78,169	¥ 83,495	$816,150
Domestic	45,507	43,352	43,018	38,139	38,402	379,225
Overseas	52,431	52,305	38,155	40,030	45,093	436,925
Operating income	4,335	4,255	1,324	5,362	8,039	36,125
Net income (loss)	1,863	1,059	718	(343)	4,276	15,525
Depreciation and amortization	2,051	1,839	1,733	1,639	1,588	17,092
Acquisition of property, plant and equipment	2,047	2,239	2,525	3,866	3,388	17,058
At the fiscal year-end:						
Total assets	¥106,620	¥133,227	¥121,317	¥121,693	¥117,171	$888,500
Shareholders' equity	54,885	56,884	53,730	66,265	68,741	457,375
Per share amount:	Yen					U.S. Dollars
Net income (loss)	¥ 19.07	¥ 11.30	¥ 7.66	¥ (3.66)	¥ 45.61	$ 0.16
Cash dividends	10.00	8.00	10.50	11.00	11.00	0.08
Shareholders' equity	585.04	606.95	573.21	706.82	733.11	4.88

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. Accordingly, the account of Fujitec Brasil Ltda. was excluded from consolidation.

3. During fiscal 2000, the accounts of Fujitec Brasil Ltda. were newly included in consolidation.

4. For fiscal 2001, "Adjustment arising from translation of foreign subsidiaries' accounts," which had been previously classified as an asset in the consolidated balance sheets, has been reclassified to be included within "Shareholders' equity" and reflected in "Minority interest in consolidated subsidiaries" in the consolidated balance sheets, in accordance with the revised Accounting Standards for Foreign Currency Transactions.

5. Net income (loss) per share amounts are computed based on the weighted average number of shares outstanding during each year. For the fiscal 2003, the Company adopted a new accounting standard for computation of per share amount. The new standard requires that bonuses to directors and corporate auditors 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 ¥120 to U.S.$ 1.

Board of Directors

Honorary Chairman

Shotaro Uchiyama

Chairman

Kenji Otani*

President and Chief Executive Officer

Takakazu Uchiyama*

Executive Vice Presidents

Masamichi Hayashi*

Yasuhiro Kamitakehara*

**Representative Directors*

Directors

Akira Sumimoto

Masakazu Kawai

Iwataro Sekiguchi

Katsuhiro Harada

Takeo Kato

Corporate Auditors

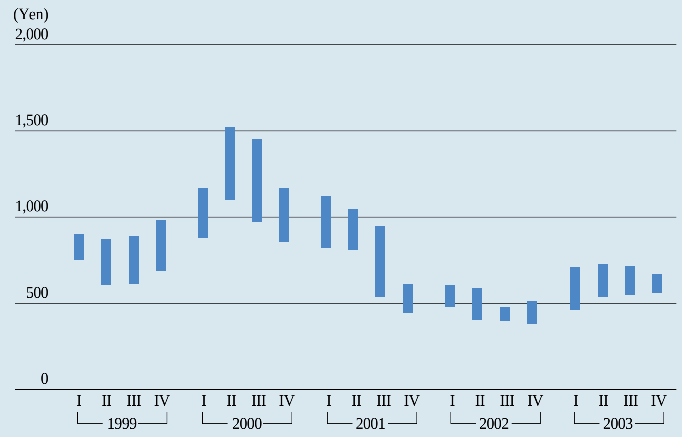
Tomozo Taya

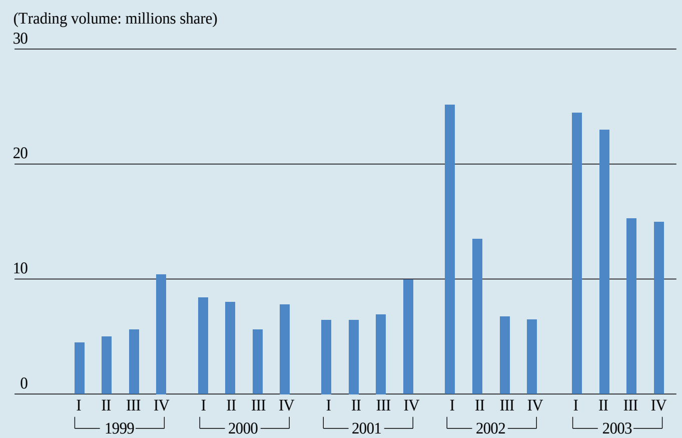
Tomihisa Kuroishi

Susumu Monma

As of June 26, 2003

Stock Price Range and Trading Volume on the Tokyo Stock Exchange





Global Network

The Americas

United States

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

Canada

Fujitec Canada, Inc.
Marketing, installation and maintenance

Venezuela

Fujitec Venezuela C.A.
Marketing, installation and maintenance

Argentina

Fujitec Argentina S.A.
Marketing, installation and maintenance

Guam

Fujitec Pacific, Inc.
Marketing, installation and maintenance

Japan

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

South Asia

Singapore

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

Philippines

Fujitec, Inc.
Marketing, installation and maintenance

Indonesia

P.T. Fujitec Indonesia
Manufacturing, installation and maintenance

Malaysia

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

East Asia

Hong Kong

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

Korea

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

Taiwan

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

China

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

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

Europe

United Kingdom

Fujitec UK Ltd.
Marketing, installation and maintenance

Germany

Fujitec Deutschland GmbH
Marketing, installation and maintenance

Saudi Arabia

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

Egypt

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

Overseas Liaison Offices

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

Shareholders' Information

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

Date of Establishment
February 9, 1948

Paid-in Capital
¥12,533,933,095

Common Stock
Authorized: 200,000,000 shares
Issued: 93,767,317 shares
Number of shareholders: 5,551

Major Shareholders

	Number of shares held (Thousands)	Percentage of total number of shares in issue (%)
Uchiyama International, Limited	9,056	9.7%
Boston Safe Deposit BSDT Treaty Clients Omnibus	6,057	6.5%
The Master Trust Bank of Japan, Ltd.	5,817	6.2%
Japan Trustee Services Bank, Ltd.	5,597	6.0%
Fuji Electric Co., Ltd.	5,089	5.4%
Resona Bank, Ltd.	4,661	5.0%
Mizuho Corporate Bank, Ltd.	3,978	4.2%
Matsushita Electric Industrial Co., Ltd.	2,867	3.1%
Aozora Bank, Ltd.	2,388	2.5%
Trust & Custody Services Bank, Ltd.	1,812	1.9%

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

Stock Exchange Listings
Japan: Tokyo and Osaka stock exchanges
Overseas: Luxembourg and Singapore stock exchanges

Transfer Agent
The Chuo Mitsui Trust and Banking Company, Limited
Stock Transfer Agency Department
33-1, Shiba 3-chome, Minato-ku,
Tokyo 105-8574, Japan
Its business office
The Chuo Mitsui Trust and Banking Company, Limited
Osaka Branch
Stock Transfer Agency Department
2-21, Kitahama 2-chome, Chuo-ku,
Osaka 541-0041, Japan
Telephone: 06-6202-7361

Auditors
Yukoh Audit Corporation

As of March 31, 2003

FUJITEC CO.,LTD.

http://www.fujitec.com

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