



Semiannual Report

Six months ended September 30, 2004



Consolidated Financial Highlights

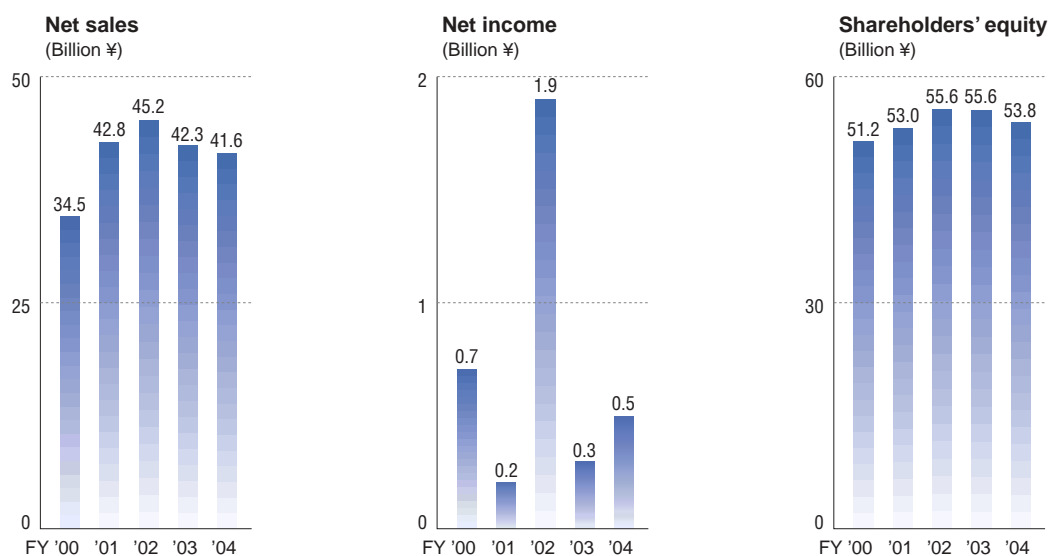
Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2004 and 2003

	Millions of Yen		Thousands of U.S. Dollars	Percent Change 2004/2003
	2004	2003	2004	
For each period:				
Net sales.....	¥ 41,637	¥ 42,324	\$ 385,528	-1.6%
Domestic.....	20,722	21,494	191,871	-3.6%
Overseas.....	20,915	20,830	193,657	+0.4%
Operating income.....	1,220	1,436	11,296	-15.0%
Net income.....	513	333	4,750	+54.0%
At the end of each period:				
Total assets.....	¥ 101,315	¥ 105,762	\$ 938,102	-4.2%
Shareholders' equity.....	53,772	55,596	497,889	-3.3%
Interim per share of common stock:				
Net income.....	¥ 5.48	¥ 3.56	\$ 0.05	+53.9%
Cash dividends.....	5.00	5.00	0.05	+0.0%

Notes: 1. U.S. dollar amounts are translated from Japanese yen, for convenience only, at the rate of ¥108 to U.S. \$ 1.

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

3. The amounts of total assets and shareholders' equity in 2003 in the Consolidated Financial Highlights differ from those in the Consolidated Balance Sheets on pages 10 and 11, because the figures in the Consolidated Financial Highlights represent amounts as they stood as of September 30, 2003, while those in the Consolidated Balance Sheets are as of March 31, 2004.



(Six-month periods ended September 30)

To Our Shareholders



With favorable conditions in the U.S. economy, East Asia being driven forward by growth rates in China, and a trend toward economic recovery in Europe, the world economy showed an overall tendency toward expansion in the interim period ending on September 30, 2004.

Likewise in Japan, with exports growing and capital investment expanding against a background of improved corporate earnings, the economy enjoyed a period of robust recovery.

Within this wider context, the elevator and escalator-related industry was aided by a basic trend toward recovery in the residential sector of the North American and European markets. Demand from the office sector, however, remained flat.

Meanwhile in Asia, demand from the Chinese market, mainly led by the residential sector, continued to be strong. In other Asian regions, however, the recovery of the economy failed to translate into demand for elevators, escalators, and related products. In addition, competition grew more intense.

In the Japanese market, the business environment remained harsh. While there were signs of a recovery in demand from super high-rise apartment blocks in city-center locations and from major retail businesses, it did not make up for the decreased public-sector investment.

Against this backdrop, Fujitec committed itself to the sale of products featuring innovative technologies. The new-generation BELTA™ elevator, the first in the world to be fitted with the unique TALON™ drive system, was delivered to projects in Germany and the Middle East, while in North America and East Asia, numerous orders for the new product were received.

Compared to the same period of the previous year, the consolidated total value of orders placed during the interim period increased in East Asia, but decreased in Japan, resulting in an overall decline of 0.5% to ¥47,441 million (U.S. \$439 million); consolidated net sales, at ¥41,637 million (U.S. \$386 million), declined by 1.6% from one year earlier.

On the profits front, rising steel prices and intensifying price competition contributed to declines in South Asia and East Asia, so that consolidated operating income fell 15% from the same period of the previous year to ¥1,220 million (U.S. \$11 million). Net income for the interim period grew by 54% to ¥513 million (U.S. \$5 million).

Looking ahead to the remainder of the fiscal year, the world economy is expected to continue its basic trend toward expansion, but there is increasingly widespread uncertainty about the future development of the U.S. and Chinese economies. Concern has also arisen over the possible effects of factors such as the altering demand for IT products and services and the

high price of crude oil and other commodities. The Japanese economy is also likely to experience increasingly decelerating trends due to decreasing exports, the surge in overseas commodities markets, and uncertain factors influencing the yen exchange rate.

Under such global business conditions, we at Fujitec will follow the course set by our three-year mid-term business plan, launched in 2004 under the keynote phrase Change & Charge. This will mean taking vigorous action to strengthen research and development, building a product range ever more responsive to market needs, and taking other measures based on exploitation of all group resources to achieve profit growth and business development. We ask for your continued support in the coming year.

December 2004



Takakazu Uchiyama
President and Chief Executive Officer

Improving Business Performance through the World Five-Pole Management Structure



Shaw Tower

The Americas

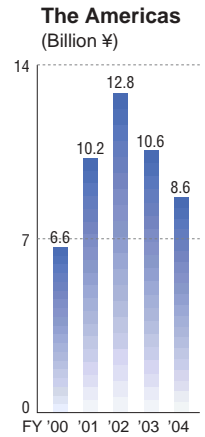
In the United States, we received an order for 45 elevators for the U.S. Census Bureau's new headquarters in the suburbs of Washington, D.C. In New York City, an order was received for ten elevators, including super high-speed models with a speed of 300 meters per minute, for the 60-story 350 West 42nd Street residential tower now under construction.

Meanwhile, a large number of escalators were successively delivered to subway stations in Chicago and Philadelphia. In addition, West Hollywood Gateway, a major shopping center, is now served by 21 Fujitec elevators and escalators.

In Canada, eleven Fujitec high-speed elevators are now in service at the Shaw Tower, a multi-purpose complex that has become one of Vancouver's tallest buildings. In South America, we were contracted to supply 23 new-type transit escalators for the Linea H subway line in the Argentine capital of Buenos Aires.

Change in Net Sales by Geographical Segment

(Six-month periods ended September 30)



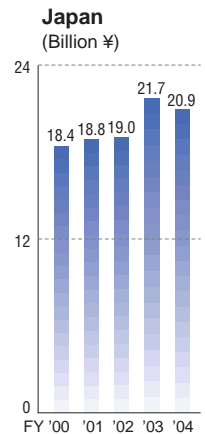
Osaka Securities Exchange Building

Japan

In Tokyo, we received an order for 18 elevators for the Tokyo Mid-town Project, a redevelopment of a site in Roppongi vacated by the Japan Defense Agency. Also in Tokyo, 25 elevators and escalators were ordered for new stations on the Yurikamome transit system serving the Tokyo Waterfront redevelopment area.

In Yokohama, Fujitec supplied and installed five elevators for the Yokohama Media Business Center, a state-of-the-art information facility, and 54 elevators, escalators, and autowalks for Stellar Town, one of the largest shopping malls in Saitama Prefecture.

In Osaka, the newly opened multi-purpose complex HERBIS ENT is equipped with 16 Fujitec elevators and escalators, including futuristic observation models. Meanwhile, six high-speed elevators were delivered to the Osaka Securities Exchange Building which is to be the hub of the Kansai region's economy.

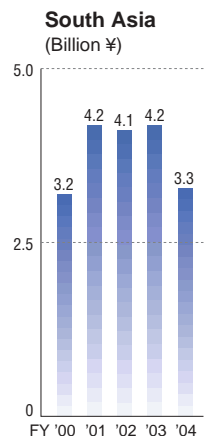


Bangkok University Communication Art Complex

South Asia

In Singapore, the biomedical science research and development hub Biopolis is served by a total of 53 Fujitec elevators and escalators. In the Malaysian administrative capital of Putrajaya, a newly completed government facility is equipped with 48 Fujitec elevators and escalators. Meanwhile, in Thailand, five elevators were installed at the Bangkok University Communication Art

Complex. Moving to India, we received an order for a total of 23 elevators and escalators for the new International Convention Centre under construction at Pune City near the international trading city of Mumbai (formerly Bombay) in the west of the country. For International Tech Park, an



upscale office building being built in southern India's largest city, Chennai (formerly Madras), Fujitec delivered 15 elevators. These units are subject to optimal control by the advanced group supervisory control system NEUROS.

The orders received from India during the period have given a strong impetus to our expansion into this new market.



Chonnam National University
Hwasun Hospital

East Asia

In Hong Kong, 56 Fujitec escalators are in service at the newly opened major commercial facility Millennium City Phase 5. Also in Hong Kong, in connection with a redevelopment project at Tseung Kwan O Station that involves the construction of a multi-purpose complex containing three 51-story residential towers and commercial facilities, an order was

received for 31 elevators and escalators including several units of the BELTA™ new-generation elevator. The Kowloon area is already served by 859 Fujitec products.

In Taiwan, 56 of our elevators and escalators are in operation at the newly opened Miramar Entertainment Park in Taipei, while orders were further received for 45 elevators and escalators for the Shin Kong Mitsukoshi Hsinyi New Life Square A4 project.

In South Korea, 24 Fujitec elevators and escalators came into service with the completion of Chonnam National University Hwasun Hospital. In Seoul orders were received from the Financial Supervisory Service for eight elevators and from the Kye Yang Hanwha high-grade apartment building for 25 machine-roomless elevators.



Lakeside Shopping Centre

Europe

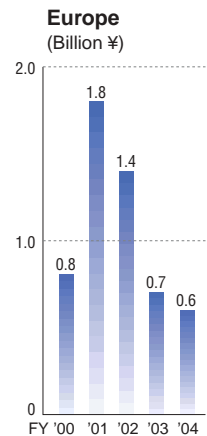
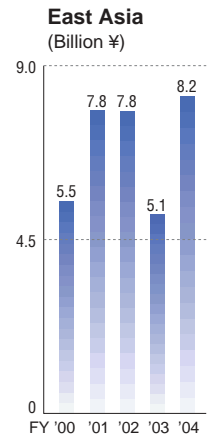
The Lion Plaza, a high-grade office building completed in London, is served by 16 of our high-grade elevators, including observation models. Meanwhile, at the Lakeside Shopping Centre, three of our futuristic observation elevators are in operation and are noted for the openness of their attractive glass-plated design.

In Germany, City Light, an office and commercial complex located on a main thoroughfare leading from one of Berlin's main railway stations, is served by a total of eight new-type escalators and other Fujitec products including the new-generation BELTA™ elevator, the world's first to be fitted with the TALON™ drive system.

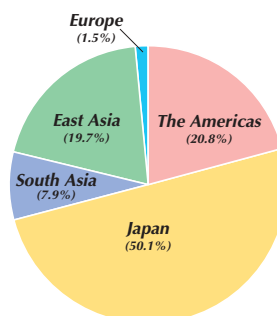
Turning lastly to the Middle East, an order was received for a large number of elevators and escalators for two major commercial facilities in Saudia Arabia, Sawary Mall and Coral Mall.

Change in Net Sales by Geographical Segment

(Six-month periods ended September 30)



Net Sales Composition by Geographical Segment
(Six-month period ended September 30, 2004)



Further Strengthening of Unique Product Development Capability



Groundbreaking ceremony at Fujitec Shanghai Technologies Co., Ltd.

Grand groundbreaking ceremony held for research and development facilities at Fujitec Shanghai Technologies Co., Ltd.

In preparation for the holding of the 2008 Olympic Games in Beijing and the Shanghai Expo 2010, China remains in the grip of a building boom. To set up a base within this growing market from which to undertake research and development into cutting-edge technology for elevators and escalators, we established Fujitec Shanghai Technologies Co., Ltd., in December 2003.



Rendering of R&D facilities at Fujitec Shanghai Technologies Co., Ltd.

On October 28, 2004, a memorable groundbreaking ceremony was held on the company premises in Shanghai's Song Jiang Industrial Zone to mark the start of work on a new building for the facilities.

Approximately 40 people attended, including President Ren Tianxiao of the China Elevator Association; Chairman Chao Boya of the China National Textiles Import & Export Corporation (which is our Chinese venture partner); Fujitec President Takakazu Uchiyama; and the presidents of Fujitec's China group companies. The ceremony went off to all-round satisfaction.

The Shanghai research and development facilities will engage in elevator and escalator development and design in partnership with Chinese engineers. In addition, the facilities will undertake joint research with renowned academic institutions such as Shanghai Jiao Tong University and advanced research bodies, thus bringing together the industry's most powerful technology and product capabilities.



China International Exhibition of Elevator Equipment & Technology

World's first elevator drive system of its kind displayed at major exhibitions in various countries

The 6th China International Exhibition of Elevator Equipment & Technology, at which manufacturers of people-moving systems from around the world unveiled their latest technologies, was held in April 2004 at Shanghai International Exhibition Center.

Fujitec displayed the new-generation BELTA™ elevator, the world's first to be fitted with the TALON™ drive system. TALON™ works by pressing a belt against the elevator rope. Many visitors to the exhibition enjoyed a test ride in the elevator and were impressed by the comfort of the ride.



TALON™ drive system elevator

In June, elevators fitted with the TALON™ drive system were again exhibited at the American Institute of Architects National Convention and Expo held in Chicago, and the Building Owners & Managers Association International's Office Building Show held in Toronto. Both shows attracted great interest from within the construction industry and from office building management professionals.

The new-generation product was also on show in September at the 26th Annual Convention of Architects held in the Caribbean territory of Puerto Rico. Fujitec's unique product development ability and outstanding technological ability were thus presented to audiences around the world.

Consolidated Financial Review

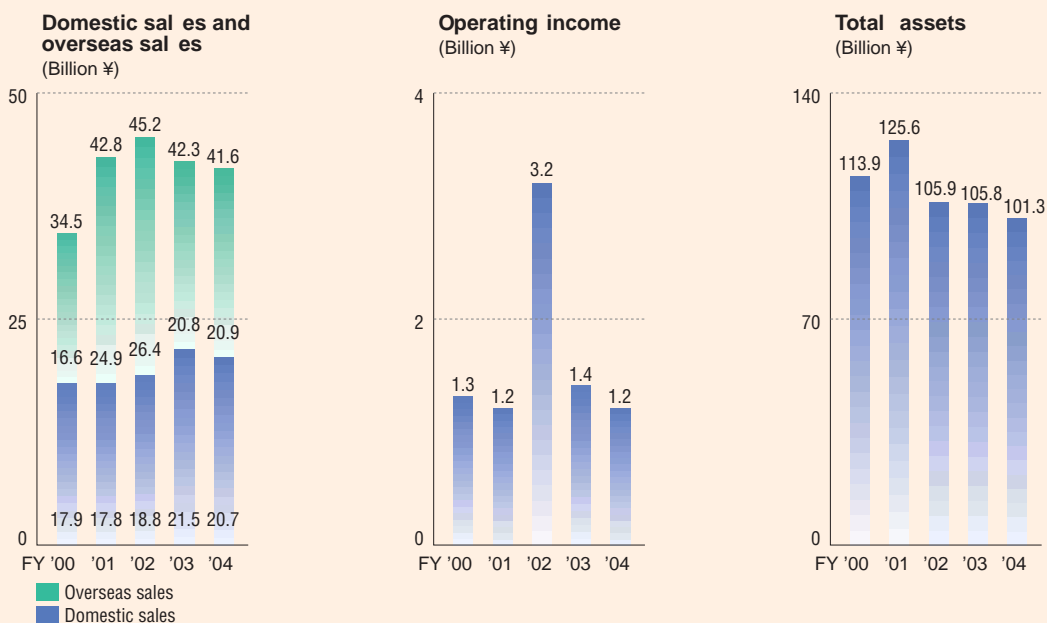
Operating Results

Consolidated orders received during the interim period ended September 30, 2004, showed increases in some areas compared to the same period of the previous year, notably in East Asia. With the decrease registered in Japan, however, the overall figure showed a decline of 0.5% from one year earlier to ¥47,441 million (U.S. \$439 million). Net sales were boosted in East Asia — where the Hong Kong subsidiary was no longer affected by the change in its fiscal closing date, which had impacted figures in the previous interim period — and by growth in China; in North America, Europe, and South Asia, on the other hand, demand for elevators, escalators and related products failed to recover and net sales declined. The upshot was an overall slight increase in overseas net sales, but as domestic net sales declined by 3.6% compared to the same period of the previous year, consolidated net sales saw a fall of 1.6% to ¥41,637 million (U.S. \$386 million). Orders in hand at the end of the period stood at ¥87,209 million (U.S. \$807 million), a 3.7% increase from the fiscal year-end of March 2004. At ¥20,915 million (U.S. \$194 million), overseas net sales accounted for 50.2% of consolidated net sales.

Looking at the consolidated profit and loss account for the interim period, while the losses in North America and Europe were reduced slightly, the rise in steel prices, intensified competition, and other factors led to reduced operating income in South Asia and East Asia, so that overall operating income fell by 15.0% from the same period of the previous year to ¥1,220 million (U.S. \$11 million). Due among other things to foreign currency exchange gains caused by the yen's depreciation toward the end of the period, income before income taxes and minority interest increased by 7.9% over the same period of the previous year to ¥1,504 million (U.S. \$14 million). Net income for the period grew by 54.0% to ¥513 million (U.S. \$5 million).

Financial Position

Total assets at the end of the period stood at ¥101,315 million (U.S. \$938 million), a decrease of ¥898 million compared to the fiscal year-end of March 2004. The chief factors in this were a fall of ¥527 million in current assets, due among other things to a fall in trade notes and accounts receivable, and, in the area of non-current assets, a decline of ¥540 million in the value of investment securities caused by a fall in the stockmarket.



Total liabilities, at ¥44,000 million (U.S. \$407 million), showed a reduction of ¥651 million from the previous fiscal year-end. The main cause of this was the change to a system of paying employee bonuses in a single lump sum once a year, which reduced accrued bonuses by ¥1,086 million.

Regarding shareholders' equity, although the depreciation of the yen reduced the amount deducted for adjustment arising from translation of foreign subsidiaries' accounts, revaluation of investment securities also led to reduced unrealized gains, resulting in a decline of ¥94 million from the previous fiscal year-end to ¥53,772 million (U.S. \$498 million). Shareholders' equity per share declined by ¥0.42 from the previous fiscal year-end to ¥574.1 (U.S. \$5.32). Because of decreases of ¥651 million in liabilities and ¥153 million in minority interest, the equity ratio advanced by 0.4 of a percentage point from 52.7% at the previous fiscal year-end to 53.1%.

Cash Flows

Net cash provided by operating activities at ¥1,534 million (U.S. \$14 million) expanded by ¥803 million from the same period of the previous year. This was mainly due to a reduction in the amount of increase in inventories from one year earlier. For the interim period, net income before taxes and minority interest amounted to ¥1,504 million (U.S. \$14 million). Depreciation and amortization came to ¥805 million (U.S. \$7 million) and payment of income taxes to ¥641 million (U.S. \$6 million).

Net cash used in investing activities, which consisted mainly of investment of time deposits (with a deposit term of more than three months) to the value of ¥4,328 million (U.S. \$40 million) and acquisition of property, plant, and equipment, increased by ¥1,065 million from the ¥3,671 million of the same period of the previous year to ¥4,736 million (U.S. \$44 million).

Net cash used in financing activities, which were made up of dividend payments and other items, totaled ¥739 million (U.S. \$7 million), a reduction of ¥2,224 million from the same period of the previous year. The difference was attributable mainly to expenses of ¥2,662 million in the same period of previous year for the purchase of minority shareholders' interest in the Singapore subsidiary.

After accounting for the movements outlined above, cash and cash equivalents at the end of the interim period stood at ¥11,832 million (U.S. \$110 million), a decline of ¥3,905 million from the previous fiscal year-end.

Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
September 30 and March 31, 2004

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2004	March 31 2004	September 30 2004
Current assets:			
Cash and cash equivalents.....	¥ 11,832	¥ 15,737	\$ 109,556
Time deposits.....	8,773	4,407	81,231
Marketable securities.....	12	—	111
Trade notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	384	187	3,556
Other.....	21,493	24,857	199,009
Allowance for doubtful accounts	(154)	(213)	(1,426)
	<u>21,723</u>	<u>24,831</u>	<u>201,139</u>
Inventories	18,819	17,064	174,250
Deferred income taxes.....	596	940	5,519
Other current assets	1,829	1,132	16,935
Total current assets.....	<u>63,584</u>	<u>64,111</u>	<u>588,741</u>
Investments and advances:			
Unconsolidated subsidiaries and affiliates	1,169	1,022	10,824
Investment securities.....	5,146	5,686	47,648
Advances.....	4,149	4,154	38,417
	<u>10,464</u>	<u>10,862</u>	<u>96,889</u>
Property, plant and equipment, at cost:			
Buildings.....	15,471	15,198	143,250
Machinery and equipment	17,075	17,017	158,102
	<u>32,546</u>	<u>32,215</u>	<u>301,352</u>
Accumulated depreciation.....	(19,863)	(19,412)	(183,917)
	<u>12,683</u>	<u>12,803</u>	<u>117,435</u>
Land	6,820	6,795	63,148
Construction in progress.....	131	97	1,213
	<u>19,634</u>	<u>19,695</u>	<u>181,796</u>
Other assets:			
Deferred income taxes.....	1,747	1,526	16,176
Intangible assets	3,636	3,644	33,667
Other	2,250	2,375	20,833
	<u>¥ 101,315</u>	<u>¥ 102,213</u>	<u>\$ 938,102</u>

The accompanying notes are an integral part of these statements.

Consolidated Balance Sheets

Fujitec Co., Ltd. and Consolidated Subsidiaries
September 30 and March 31, 2004

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	September 30 2004	March 31 2004	September 30 2004
Current liabilities:			
Short-term debt.....	¥ 9,940	¥ 9,745	\$ 92,037
Current portion of long-term debt	10	12	93
Trade notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	32	58	296
Other.....	9,549	9,275	88,417
Advances from customers.....	7,794	7,456	72,167
Accrued income taxes.....	910	1,048	8,426
Accrued bonuses	357	1,443	3,305
Provision for losses on construction contracts	1,437	1,607	13,305
Other current liabilities	4,969	5,012	46,009
Total current liabilities.....	34,998	35,656	324,055
Long-term debt.....	2,910	2,915	26,944
Deferred income taxes.....	61	81	565
Accrued pension and severance payments	6,031	5,999	55,843
Total liabilities.....	44,000	44,651	407,407
Minority interest in consolidated subsidiaries	3,543	3,696	32,806
Contingent liabilities (Note 3)			
Shareholders' equity:			
Common stock, no par value:			
Authorized — 200,000,000 shares			
Issued and outstanding — 93,767,317 shares	12,534	12,534	116,056
Additional paid-in capital.....	14,566	14,566	134,870
Retained earnings	40,318	40,323	373,315
Net unrealized gains on securities	735	1,037	6,805
Adjustment arising from translation of foreign subsidiaries' accounts.....	(14,307)	(14,525)	(132,472)
	53,846	53,935	498,574
Treasury stock, at cost: 103,606 shares at September 30, 2004 and 94,795 shares at March 31, 2004	(74)	(69)	(685)
Total shareholders' equity	53,772	53,866	497,889
	¥ 101,315	¥ 102,213	\$ 938,102

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2004 and 2003

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2004	2003	2004
Net sales	¥ 41,637	¥ 42,324	\$ 385,528
Cost and expenses:			
Cost of sales	32,448	32,638	300,445
Selling, general and administrative expenses	7,969	8,250	73,787
	40,417	40,888	374,232
Operating income	1,220	1,436	11,296
Other income (expenses):			
Interest and dividend income	163	142	1,509
Interest expense	(83)	(98)	(768)
Foreign currency exchange gain (loss)	135	(115)	1,250
Other, net.....	111	33	1,028
	326	(38)	3,019
Special items:			
Gain on sales of property, plant and equipment	3	4	28
Gain on sales of investment securities	—	4	—
Loss on disposal and sales of property, plant and equipment	(26)	(12)	(241)
Loss on sales of investment securities.....	—	(2)	—
Write-down of investment securities.....	(15)	—	(139)
Other, net.....	(4)	—	(37)
	(42)	(6)	(389)
Income before income taxes and minority interest	1,504	1,392	13,926
Income taxes:			
Current	501	1,086	4,639
Deferred.....	313	(232)	2,898
	814	854	7,537
Income before minority interest	690	538	6,389
Minority interest in income of consolidated subsidiaries	177	205	1,639
Net income	¥ 513	¥ 333	\$ 4,750
Per share:			
Net income, based on the weighted average number of shares outstanding	¥ 5.48	¥ 3.56	\$ 0.05
Interim cash dividends	5.00	5.00	0.05

The accompanying notes are an integral part of these statements.

Consolidated Statements of Shareholders' Equity

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2004 and 2003

	Thousands	Millions of Yen					
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Net unrealized gains (losses) on securities	Adjustment arising from translation of foreign subsidiaries' accounts	Treasury stock, at cost
Balance at March 31, 2003	93,767	¥ 12,534	¥ 14,566	¥ 39,951	¥ (491)	¥ (11,612)	¥ (63)
Net income	—	—	—	333	—	—	—
Cash dividends	—	—	—	(468)	—	—	—
Bonuses to directors and corporate auditors	—	—	—	(71)	—	—	—
Staff and workers' bonus and welfare fund.....	—	—	—	(6)	—	—	—
Change in net unrealized gains on securities	—	—	—	—	926	—	—
Treasury stock acquired	—	—	—	—	—	—	(3)
Balance at September 30, 2003	<u>93,767</u>	<u>¥ 12,534</u>	<u>¥ 14,566</u>	<u>¥ 39,739</u>	<u>¥ 435</u>	<u>¥ (11,612)</u>	<u>¥ (66)</u>
Balance at March 31, 2004	93,767	¥ 12,534	¥ 14,566	¥ 40,323	¥ 1,037	¥ (14,525)	¥ (69)
Net income	—	—	—	513	—	—	—
Cash dividends	—	—	—	(468)	—	—	—
Bonuses to directors and corporate auditors	—	—	—	(44)	—	—	—
Staff and workers' bonus and welfare fund.....	—	—	—	(6)	—	—	—
Change in adjustment arising from translation of foreign subsidiaries' accounts	—	—	—	—	—	218	—
Change in net unrealized gains on securities	—	—	—	—	(302)	—	—
Treasury stock acquired	—	—	—	—	—	—	(5)
Balance at September 30, 2004	<u>93,767</u>	<u>¥ 12,534</u>	<u>¥ 14,566</u>	<u>¥ 40,318</u>	<u>¥ 735</u>	<u>¥ (14,307)</u>	<u>¥ (74)</u>

	Thousands	Thousands of U.S. Dollars (Note 1)					
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Net unrealized gains (losses) on securities	Adjustment arising from translation of foreign subsidiaries' accounts	Treasury stock, at cost
Balance at March 31, 2004	93,767	\$ 116,056	\$ 134,870	\$ 373,361	\$ 9,601	\$ (134,491)	\$ (639)
Net income	—	—	—	4,750	—	—	—
Cash dividends	—	—	—	(4,333)	—	—	—
Bonuses to directors and corporate auditors	—	—	—	(407)	—	—	—
Staff and workers' bonus and welfare fund.....	—	—	—	(56)	—	—	—
Change in adjustment arising from translation of foreign subsidiaries' accounts	—	—	—	—	—	2,019	—
Change in net unrealized gains on securities	—	—	—	—	(2,796)	—	—
Treasury stock acquired	—	—	—	—	—	—	(46)
Balance at September 30, 2004	<u>93,767</u>	<u>\$ 116,056</u>	<u>\$ 134,870</u>	<u>\$ 373,315</u>	<u>\$ 6,805</u>	<u>\$ (132,472)</u>	<u>\$ (685)</u>

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, 2004 and 2003

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2004	2003	2004
Cash flows from operating activities:			
Income before income taxes and minority interest	¥ 1,504	¥ 1,392	\$ 13,926
Depreciation and amortization.....	805	916	7,454
Benefit for allowance for doubtful accounts	(31)	(4)	(287)
Benefit for accrued bonuses to employees	(1,086)	(15)	(10,056)
Provision for accrued pension and severance payments	16	340	148
Benefit for losses on construction contracts	(184)	(48)	(1,704)
Interest and dividend income.....	(163)	(142)	(1,509)
Interest expense	83	98	769
Write-down of investment securities.....	15	—	139
Decrease in trade notes and accounts receivable.....	3,308	2,751	30,629
Increase in inventories	(1,675)	(3,096)	(15,509)
Increase (decrease) in trade notes and accounts payable.....	190	(474)	1,759
Increase in advances from customers	271	385	2,509
Bonuses paid to directors and corporate auditors.....	(44)	(71)	(407)
Other, net.....	(834)	(848)	(7,722)
Sub-total.....	2,175	1,184	20,139
Payment of income taxes	(641)	(453)	(5,935)
Net cash provided by operating activities.....	1,534	731	14,204
Cash flows from investing activities:			
Increase (decrease) in time deposits, net	(4,328)	1,896	(40,074)
Acquisitions of property, plant and equipment	(482)	(1,683)	(4,463)
Payment for purchase of investment securities	(4)	(7)	(37)
Payment for long-term advances	(2)	(4,109)	(19)
Investment in unconsolidated subsidiaries	(146)	(136)	(1,352)
Collections on long-term advances	14	12	130
Proceeds from interest and dividend income	156	154	1,444
Other, net.....	56	202	519
Net cash used in investing activities	(4,736)	(3,671)	(43,852)
Cash flows from financing activities:			
Increase in short-term debt, net.....	151	604	1,398
Repayment of long-term debt.....	(6)	(15)	(56)
Purchase of minority shareholders' interest.....	(9)	(2,662)	(83)
Payment of interest.....	(85)	(98)	(787)
Cash dividend paid	(468)	(468)	(4,333)
Cash dividend paid to minority shareholders	(317)	(321)	(2,935)
Other, net.....	(5)	(3)	(46)
Net cash used in financing activities	(739)	(2,963)	(6,842)
Effect of exchange rate changes on cash and cash equivalents.....	36	206	333
Net decrease in cash and cash equivalents.....	(3,905)	(5,697)	(36,157)
Cash and cash equivalents at beginning of period.....	15,737	21,173	145,713
Cash and cash equivalents at end of period.....	¥ 11,832	¥ 15,476	\$ 109,556

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, 2004 and 2003

1. Basis of Presenting Consolidated Financial Statements

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

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

The United States dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating Japanese yen into United States dollars on a basis of ¥108=U.S. \$1, the approximate effective rate of exchange at September 30, 2004. 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 ¥108=U.S. \$1 or at any other rate.

2. Summary of Significant Accounting Policies

(A) Principles of Consolidation

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

Fujitec America, Inc. (U.S.A.)
Fujitec Canada, Inc. (Canada)
Fujitec UK Ltd. (United Kingdom)
Fujitec Deutschland GmbH (Germany)
Fujitec Singapore Corpn. Ltd. (Singapore)
P.T. Fujitec Indonesia (Indonesia)
Huasheng Fujitec Elevator Co., Ltd. (China)
Shanghai Huasheng Fujitec Escalator 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)

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

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

(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, 2004.

3. Contingent Liabilities

At September 30, 2004, contingent liabilities were as follows:

	Millions of Yen	Thousands of U.S. Dollars (Note 1)
Guarantees of bank loans.....	¥ 62	\$ 574

4. Subsequent Event

On November 12, 2004, the Board of Directors of the Company declared interim cash dividends of ¥468 million (U.S. \$4,333 thousand), or ¥5 (U.S. \$0.05) per share, to be paid on December 8, 2004, to shareholders.

Notes to Consolidated Financial Statements

Fujitec Co., Ltd. and Consolidated Subsidiaries
Six-month periods ended September 30, 2004 and 2003

5. Segment Information

Information by geographical area for the six-month periods ended September 30, 2004 and 2003 is summarized as follows:

(A) Geographical segment information

Operating income (loss):

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2004	2003	2004
Japan			
Net sales: Customers	¥ 20,863	¥ 21,654	\$ 193,176
Intersegment	1,879	2,337	17,398
	<u>22,742</u>	<u>23,991</u>	<u>210,574</u>
Operating expenses	22,325	23,624	206,713
Operating income	<u>417</u>	<u>367</u>	<u>3,861</u>
North America			
Net sales: Customers	8,647	10,563	80,065
Intersegment	7	3	65
	<u>8,654</u>	<u>10,566</u>	<u>80,130</u>
Operating expenses	8,721	10,712	80,750
Operating loss	<u>(67)</u>	<u>(146)</u>	<u>(620)</u>
Europe			
Net sales: Customers	630	722	5,833
Intersegment	3	7	28
	<u>633</u>	<u>729</u>	<u>5,861</u>
Operating expenses	795	1,002	7,361
Operating loss	<u>(162)</u>	<u>(273)</u>	<u>(1,500)</u>
South Asia			
Net sales: Customers	3,270	4,249	30,278
Intersegment	55	9	509
	<u>3,325</u>	<u>4,258</u>	<u>30,787</u>
Operating expenses	2,715	3,484	25,139
Operating income	<u>610</u>	<u>774</u>	<u>5,648</u>
East Asia			
Net sales: Customers	8,227	5,136	76,176
Intersegment	503	351	4,657
	<u>8,730</u>	<u>5,487</u>	<u>80,833</u>
Operating expenses	8,015	4,656	74,213
Operating income	<u>715</u>	<u>831</u>	<u>6,620</u>
Total			
Net sales: Customers	¥ 41,637	¥ 42,324	\$ 385,528
Intersegment	2,447	2,707	22,657
	<u>44,084</u>	<u>45,031</u>	<u>408,185</u>
Elimination	(2,447)	(2,707)	(22,657)
Consolidated net sales	<u>41,637</u>	<u>42,324</u>	<u>385,528</u>
Operating expenses	42,571	43,478	394,176
Elimination	(2,154)	(2,590)	(19,944)
Consolidated operating expenses	<u>40,417</u>	<u>40,888</u>	<u>374,232</u>
Operating income	1,513	1,553	14,009
Elimination	(293)	(117)	(2,713)
Consolidated operating income	<u>¥ 1,220</u>	<u>¥ 1,436</u>	<u>\$ 11,296</u>

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

- (1) North AmericaU.S.A. and Canada
- (2) EuropeUnited Kingdom and Germany
- (3) South AsiaSingapore and Indonesia
- (4) East Asia.....China, Hong Kong, Taiwan and Korea

Notes to Consolidated Financial Statements

Fujitec Co., Ltd. and Consolidated Subsidiaries

Six-month periods ended September 30, 2004 and 2003

(B) Overseas sales

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2004	2003	2004
The Americas	¥ 8,686	¥ 10,561	\$ 80,426
South Asia	3,338	4,291	30,907
East Asia	8,005	5,020	74,120
Other areas	886	958	8,204
Total	¥ 20,915	¥ 20,830	\$ 193,657
Percentage of overseas sales to net sales.....	50.2%	49.2%	

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

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

(1) The AmericasU.S.A., Canada and Argentina (and Venezuela in 2004)

(2) South AsiaSingapore, Philippines and Malaysia

(3) East AsiaChina, Hong Kong, Taiwan and Korea

(4) Other areasUnited Kingdom, Germany and Middle East

Global Network

North America

United States

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

Canada

Fujitec Canada, Inc.
*Marketing, installation and
maintenance*

Guam

Fujitec Pacific, Inc.
*Marketing, installation and
maintenance*

South America

Venezuela

Fujitec Venezuela C.A.
*Marketing, installation and
maintenance*

Argentina

Fujitec Argentina S.A.
*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*

Malaysia

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

Indonesia

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

East Asia

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*

China

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

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

Fujitec Shanghai Technologies Co., Ltd.
Research and development

Europe

Germany

Fujitec Deutschland GmbH
*Marketing, installation and
maintenance*

United Kingdom

Fujitec UK Ltd.
*Marketing, installation and
maintenance*

Saudi Arabia

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

Egypt

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

Overseas Liaison Offices

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

Directors and Corporate Auditors

Chairman	Kenji Otani*
President and Chief Executive Officer	Takakazu Uchiyama*
	<i>*Representative director</i>
Directors	Akira Sumimoto Masakazu Kawai Iwataro Sekiguchi Katsuhiko Harada Kuniyasu Takeda
Corporate Auditors	Tomozo Taya Tomihisa Kuroishi Susumu Monma

(As of September 30, 2004)

Shareholders' Information

Fujitec Co., Ltd.
28-10, Shoh 1-chome, Ibaraki,
Osaka 567-8510, Japan
Telephone: +81-72-622-8151
Facsimile: +81-72-622-1654

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: 6,095

Major Shareholders

	Number of shares held (Thousands)	Percentage of total number of shares in issue (%)
Uchiyama International, Limited	9,056	9.7%
Mellon Bank Treaty Clients Omnibus	7,680	8.2%
The Master Trust Bank of Japan, Ltd.	7,654	8.2%
Fuji Electric Holdings Co., Ltd.	5,089	5.4%
Japan Trustee Services Bank, Ltd.	4,350	4.6%
Resona Bank, Ltd.	4,203	4.5%
Credit Suisse First Boston Zurich	3,098	3.3%
Matsushita Electric Industrial Co., Ltd.	2,867	3.1%
Aozora Bank, Ltd.	2,388	2.5%
Mizuho Corporate Bank, Ltd.	1,989	2.1%

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 stock exchange

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

Yukoh Audit Corporation

(As of September 30, 2004)