

October 30, 2008

Company Name: Fuji Electric Holdings Co., Ltd.

Representative: Haruo Ito, President and Representative Director

(Code Number: 6504, listed in 1st section of TSE, OSE and NSE; and FSE)

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## Announcement of Revised Financial Result Forecasts and Expected Dividends

Fuji Electric Holdings Co., Ltd. today issued revised consolidated financial result forecasts and expected dividends for FYE March 31, 2009 based on recent trends in its performance. This announcement is to revise the forecasts originally issued on July 29, 2008 as follows:

### 1. Revised consolidated financial result forecasts for FYE March 31, 2009 (April 1, 2008 through March 31, 2009)

#### 1) Consolidated financial result forecasts

(¥ million)

	Sales	Operating Income/Loss	Ordinary Income/Loss	Net Income/Loss	Net Income/Loss Per Share
Previous forecasts (A)	890,000	22,500	22,500	8,000	11.19 yen
Revised forecasts (B)	850,000	10,000	10,000	0	0.00 yen
Difference (B – A)	-40,000	-12,500	-12,500	-8,000	-11.19 yen
Change (%)	-4.5%	-55.6%	-55.6%	-100.0%	-100.0%
FYR: Results for FYE March 31, 2008	922,172	35,883	35,808	16,792	23.49 yen

#### 2) Net sales and operating income/loss forecasts by segment

(¥ billion)

	Sales			Operating Income/Loss		
	Previous Forecasts	Revised Forecasts	Difference	Previous Forecasts	Revised Forecasts	Difference
Energy & Electric Systems	544.0	533.0	-11.0	20.0	20.0	0
Electronic Devices	202.0	176.0	-26.0	1.0	-13.0	-14.0
Retail Systems	148.0	146.0	-2.0	2.0	2.5	+0.5
Others	49.0	49.0	0	1.5	2.0	+0.5
Eliminations/ Corporate	-53.0	-54.0	-1.0	-2.0	-1.5	+0.5
Total	890.0	850.0	-40.0	22.5	10.0	-12.5

### 2. Reasons for the revisions

The economic condition surrounding the Fuji Electric Group is becoming increasingly tough. As a result of taking financial results for the second quarter of fiscal 2008 (accumulated period) and future economic environment into consideration, both the company's sales and operating income/loss are expected to fall short of previous forecasts, in particular in Electronic Devices .

Sales in Electronic Device are expected to be significantly lower than previous forecast. This is due mainly to the following factors: 1) our lack of appropriate measures to respond to a deterioration in the semiconductor market, 2) an insufficient expansion of semiconductor sales for the energy-saving and infrastructure field, 3) our failure of securing steady sales because of delay in product specification verification and approval by new customers and an insufficient customer trend research. The operating income is also expected to significantly fall short of previous

forecast due to declined sales and deteriorated productivity. In Energy & Electric Systems, sales are expected to be lower than previous forecast due to deteriorated condition in the component product market, but the operating income is expected to be on track with previous forecast, thanks to effects of structural reform, business consolidation and company-wide cost reduction efforts. In Retail Systems, sales are expected to fall short of previous forecast due to sluggish market condition, but the operating income is expected to exceed previous forecast, thanks to the structural reform and revenue-oriented reform implemented last year and company-wide cost-cutting efforts.

Contributory factors to a decline in consolidated net income were a one-time expense for structural reform for rebuilding of revenue base and a reversal of deferred tax assets along with a deterioration in profitability in Electronic Devices.

Amid this situation, we will reorganize Electronic Devices segment to make it correspond to its business size through fixed-cost reduction and radial cost-cutting programs. In addition, its manufacturing organization will also be restructured to make it more efficient through various measures including overseas transfer. In semiconductors subsegment, we will continue to expand sales in the strong-performing energy-saving and infrastructure field and further focus on key products. In magnetic disks subsegment, we will accelerate activities to promote product specification verification and approval by new customers and work on productivity improvement for high-end products such as ECC media. Further, group-wide efforts will also be actively made to improve financial performance, including radical cost reductions and collaborative efforts between Energy & Electric Systems and Electronic Devices in the environment and energy field. In this way, we will strive to construct a solid revenue base insusceptible to external business environment.

### 3. Revised dividend forecasts

Record date	Dividend Per Share (Yen)		
	End of 2Q	Year-end	Full-year
Expected dividend announced on July 29, 2008	¥4.00	¥4.00	¥8.00
Expected dividend announced today		TBD	TBD
FYE March 31, 2009	¥4.00		
FYE March 31, 2008	¥4.00	¥4.00	¥8.00

### 4. Reasons for the revisions

The Fuji Electric Group's basic policy is to return profits to shareholders while securing sufficient retained earnings to invest in R&D, plant and equipment required for Fuji Electric Group's future growth. To achieve this, we will enhance shareholders' equity and reinforce our management base by boosting Group's earnings power.

Our consolidated financial result for the second quarter (accumulated period) of fiscal 2008 was within a predicted range and a certain amount of earned surplus carried forward is secured. Taking these factors into consideration, the Company has decided to pay a dividend applicable to the second quarter of fiscal 2008 of ¥4.00 per share. However, due to the many uncertainties in consolidated financial result forecasts as explained above, the expected dividend for FYE March 31, 2009 is to be determined and announced as soon as second half and next year situations are fully identified.

#### **Cautionary Statements:**

Statements made in this document regarding estimates or projections are forward-looking statements based on management's judgments and assumptions in light of information currently available. Actual results may differ materially from those projections as a result of uncertainties inherent in such judgments and assumptions, as well as changes in business operations or other internal or external conditions. Accordingly, management gives no guarantee regarding the reliability of any information contained in these forward-looking statements.