

Business Strategy of Social Solutions

August 18, 2010

Fuji Electric Holdings Co., Ltd.

1. Business Outline

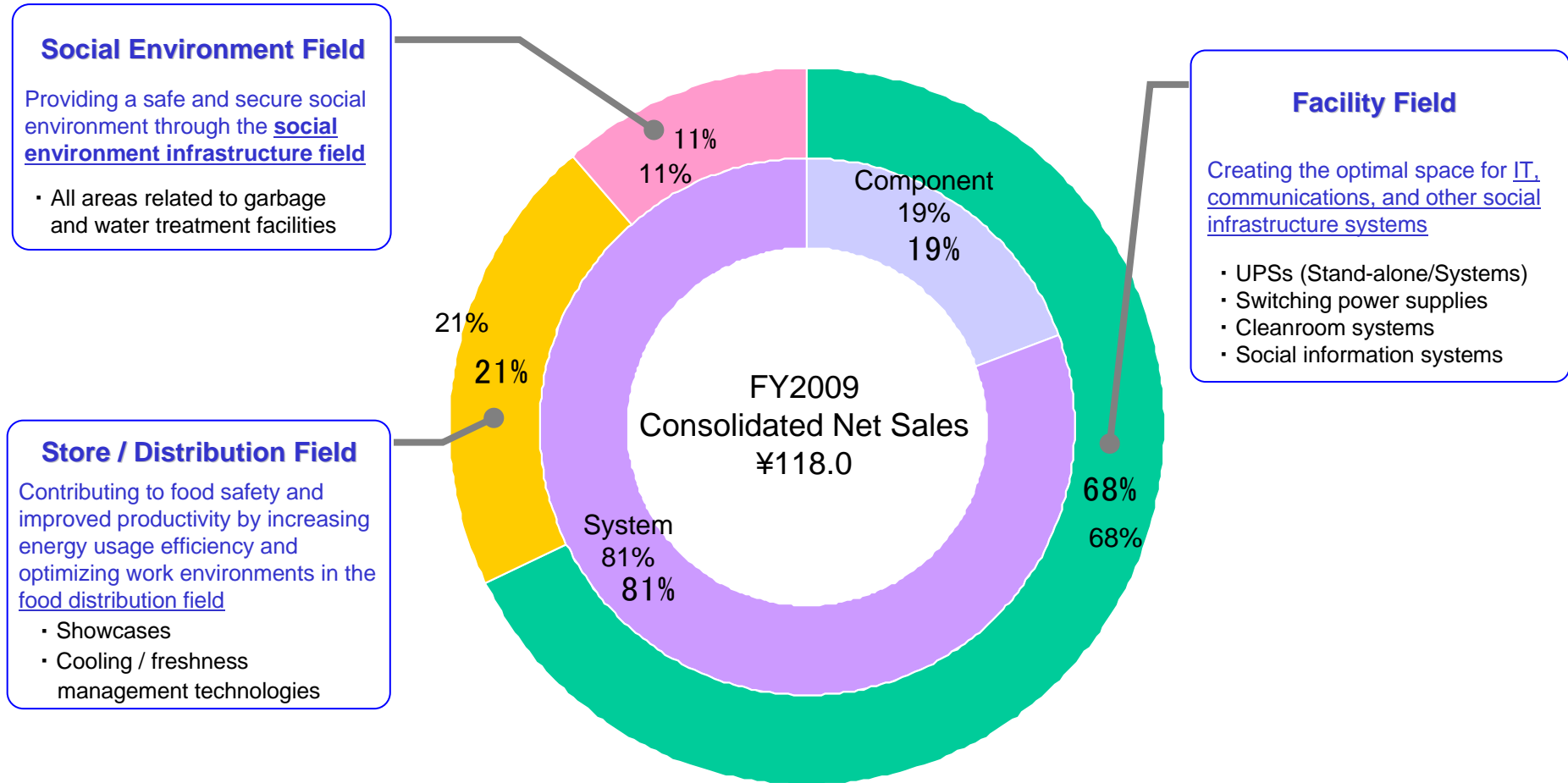
2. Business Policies

3. Growth Strategies





4. Overseas Strategies

5. Performance Trends / Targets

Business Organization



Major Fields and Products

	Facility Field	Store / Food Distribution Field
Major Fields	IDC / IT and communications / Industrial	Food distribution / Convenience stores / Super markets
Major Products	 <p>Switching power supplies Mini UPSs Medium- and large-capacity UPSs</p>  <p>Emergency power generation systems Localized air-conditioning systems</p>	 <p>STPP (Store total plan and produce) Store planning (Comprehensive energy saving) => Design => Implementation Ecolo units (Unit-assembly style store system)</p>  <p>Fuzzy control Micro-controller control Freshness management Showcases Energy saving systems</p>

Key components

- Mini UPSs—domestic market share 18% (No. 2) *1
- Medium- and large-capacity UPSs—domestic market share 32% (No. 1) *2

- Showcases for stores—domestic share of cases for convenience stores 22% *3

Major technologies

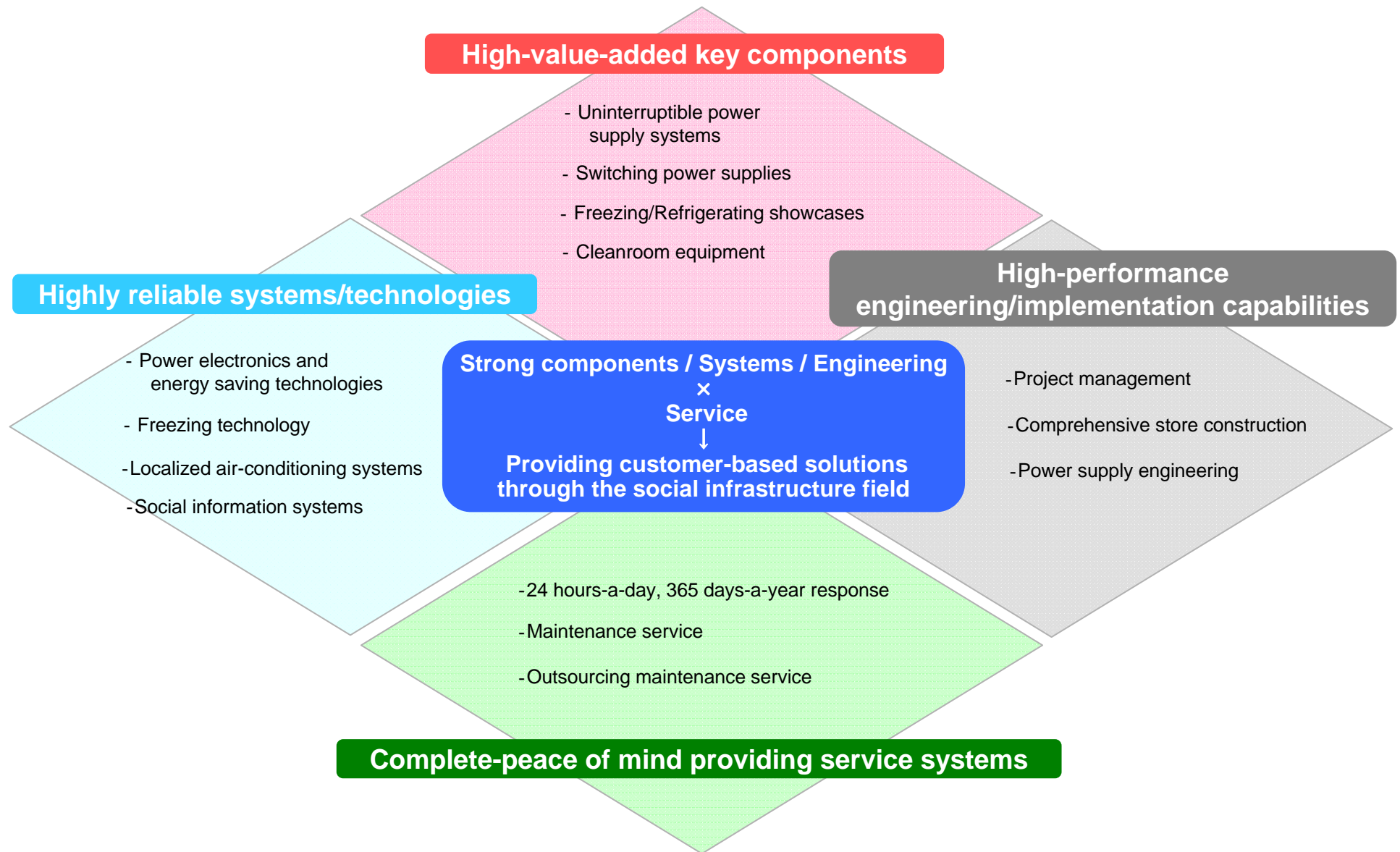
- High-efficiency power semiconductors technology
- High-efficiency circuit design technology
- Refrigeration/Freshness management technology
- Comprehensive store energy saving control technology

*1. Calculated by Fuji Electric based on figures publicly released by the Japan Electrical Manufacturers' Association (JEMA) and from surveys conducted by the Yano Research Institute (Monetary share after the merging of Fuji and TDK-Lambda Corporation)

*2. Calculated by Fuji Electric based on figures from surveys conducted by Denki Nichi nichu Shimbun (Volume share after the merging of Fuji and TDK-Lambda Corporation)

*3. Calculated by Fuji Electric based on figures compiled by the Japan Refrigeration and Air Conditioning Industry Association (Unit share)

Business Strengths



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External Environment

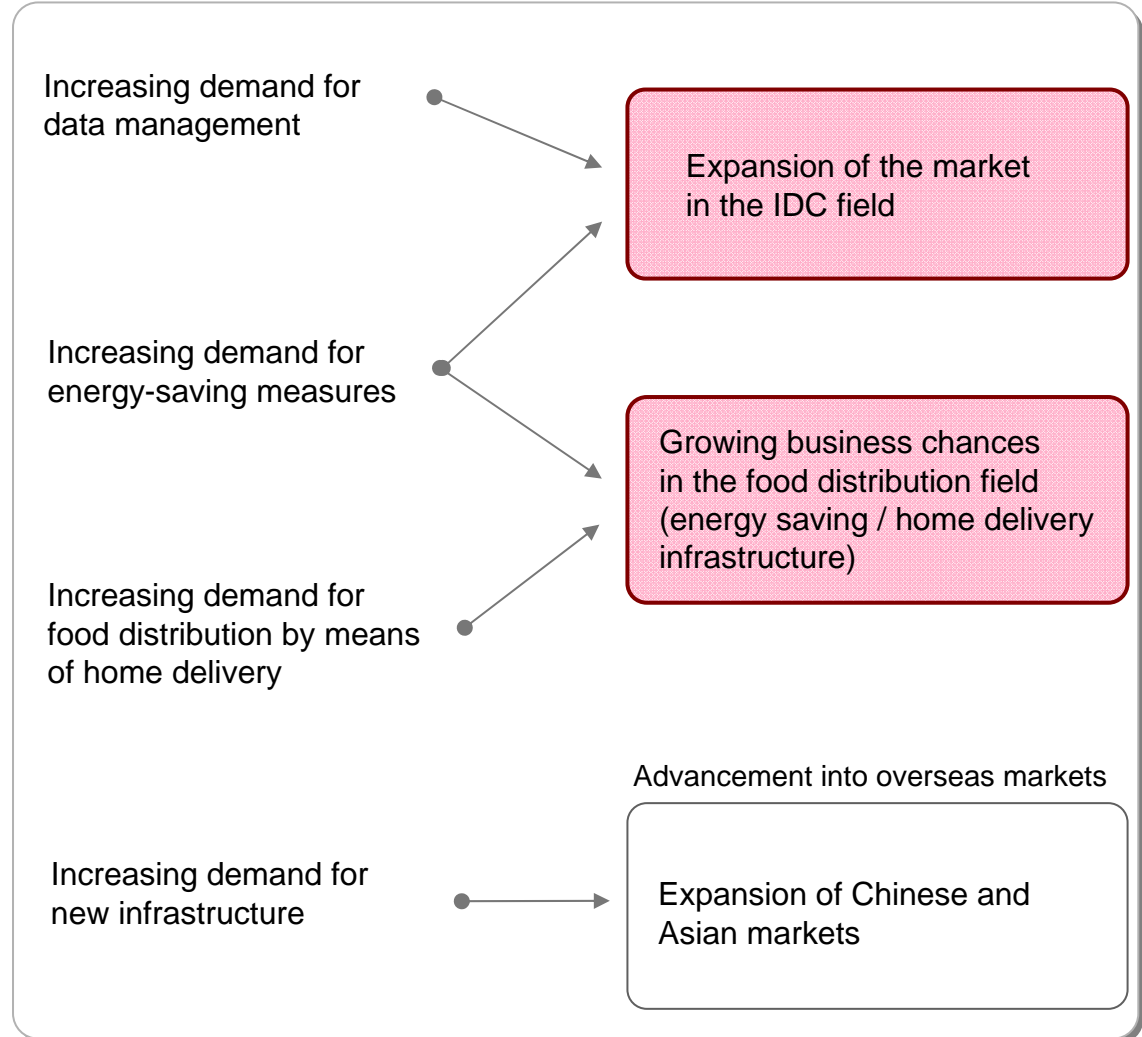
Development of an information society
Enhancement of information networks and transition to cloud computing

Growing environmental awareness
Institution of the Revised Energy Saving Law

Fewer children, aging population

Appearance of massive markets in emerging countries

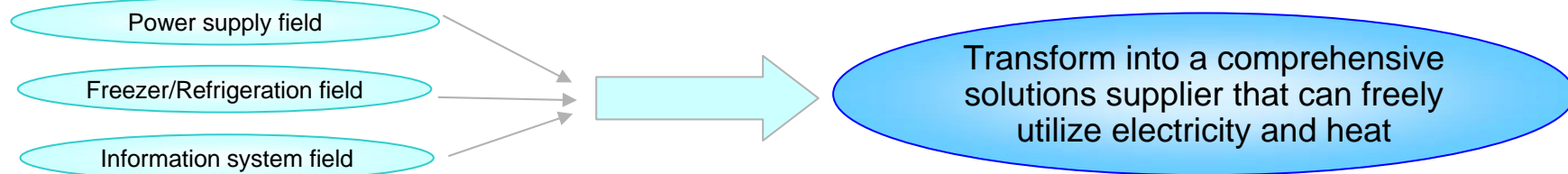
Social Solutions Market



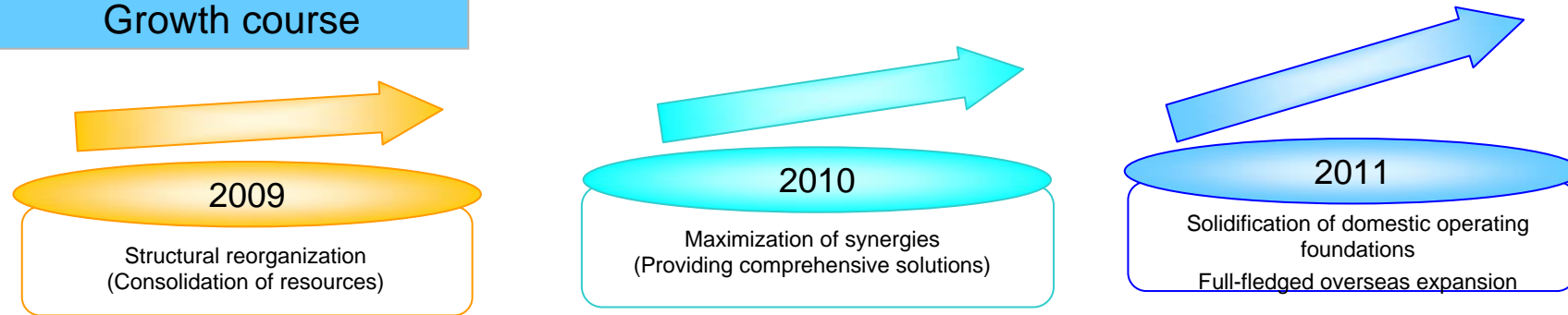
Basic Policy

Providing comprehensive solutions to contribute to the realization of a low-carbon society by consolidating the resources supporting social infrastructure

From individual optimization to comprehensive optimization



Growth course



Growth strategies

◆ IDC field
Develop comprehensive energy-saving solutions using strong components as the key

◆ Food distribution field
Develop comprehensive store energy-saving solutions
Expand business domain in the food distribution field

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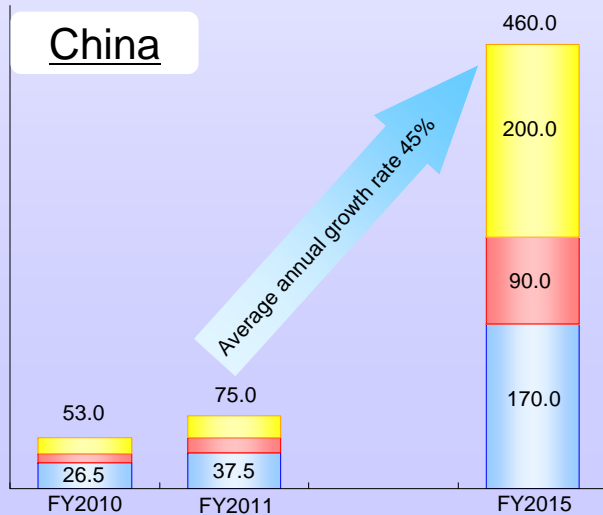
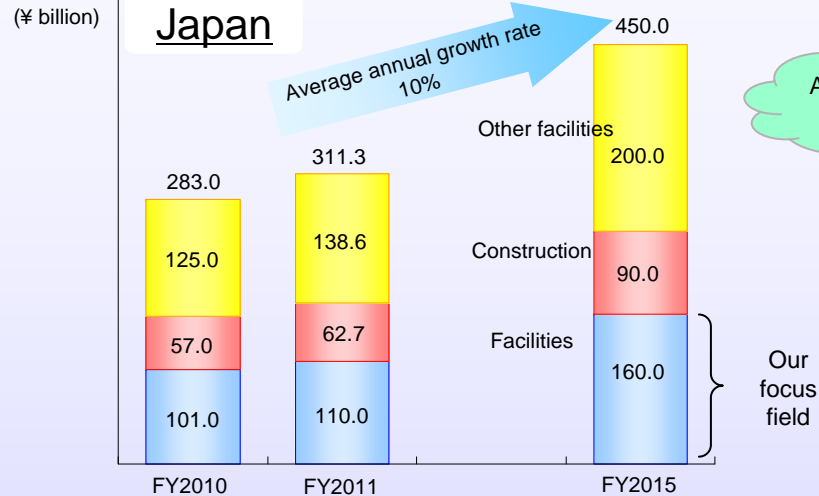
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Growth Strategies in the IDC Field: Market Trends

The rapidly expanding market for capital investment related to IDCs

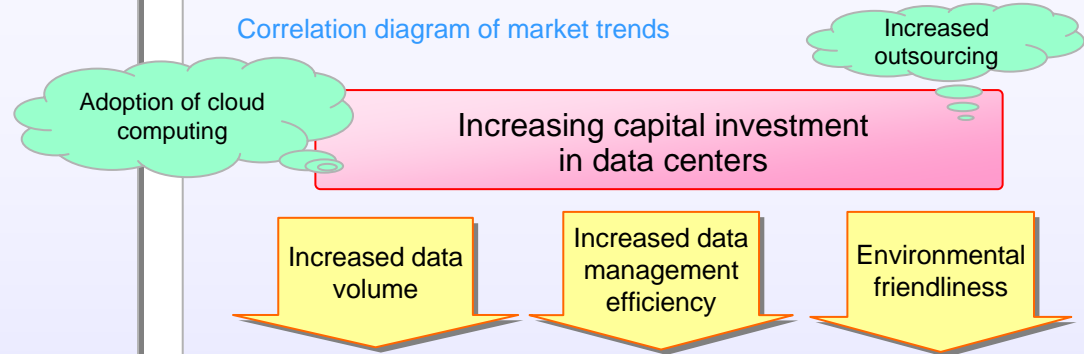
⇒Fuji Electric will focus on the facility field (Electricity facilities, air conditioning, racks, electrical power monitoring)



Japanese market: calculated by Fuji Electric based on forecast figures released by the Yano Research Institute
 Chinese market: calculated by Fuji Electric based on forecast figures released by CCID

Growing business chances in the IDC field
 —the progression of IDC-based business

Correlation diagram of market trends



Growing needs for differentiation and profitability
 (accelerated development of data center operations as a business)

Business scale (form)

Large-scale IDCs (Specialized IDC facilities) Small- to medium-sized IDCs (Floors of buildings and open spaces)

- Comprehensive solutions for IDCs**
- Pursuit of energy saving
 - Reduction of PUE index (Reduction of electrical power consumption)
 - Heat countermeasures
 - Effective utilization of high-density spaces
 - Localized cooling
 - Continuation of optimal operation (Peace of mind)
 - Reliability maintenance (24 hours-a-day, 365 days-a-year)

Energy saving for air conditioning

1. High-efficiency air-conditioning systems (Those that utilize natural refrigerants)
2. Localized air-conditioning systems (Those that reduce heat accumulation)

Clarification (Improving operational problems)

1. Watt-hour meter units (Intelligent distribution boards)
2. Environment monitoring sensors (Temperature / Wind speed)
3. Energy saving management systems (Real-time monitoring)

New energy utilization

1. Solar power generators
2. Fuel cells
3. cogeneration

Saving electrical power

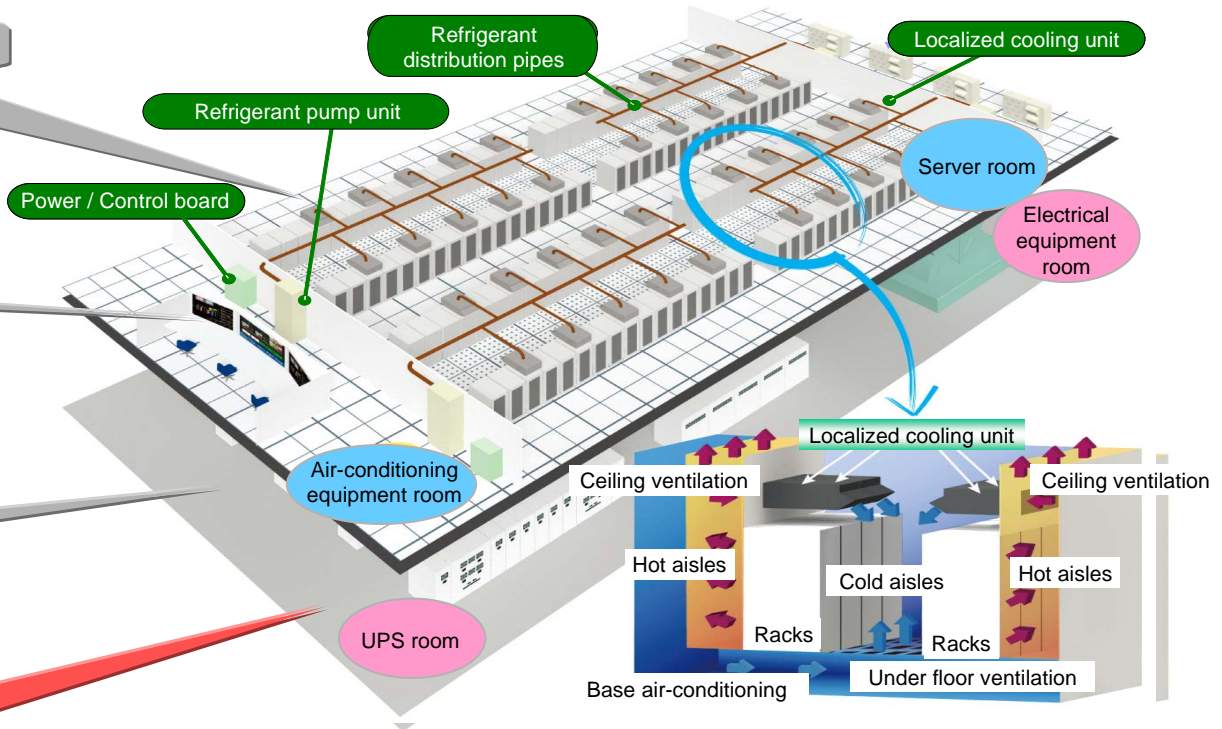
1. Power supply facilities (Top runner transformers)
2. High-efficiency UPSs (Industry leading efficiency: 98.5%)
3. Bus duct energy supply

PUE: Power Usage Effectiveness

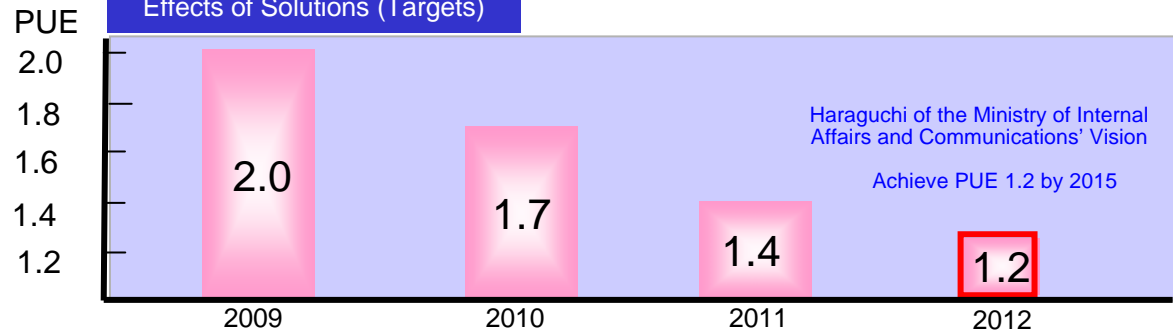
A figure that displays the energy effectiveness of data centers

(PUE=Overall electrical power consumption of the data center ÷ electrical power consumption of servers and other IT equipment)

The PUE of a data center with the highest possible effectiveness would be PUE=1.0.



Effects of Solutions (Targets)



- Switch over to inverters used in freezing equipment
- Intelligent boards
- Measuring units
- Transformers used to lower voltage

- High-efficiency UPSs
- Backed-up localized air conditioning

- Free cooling systems
- External air cooling
- Energy saving management systems

- Rack cooling systems
- Utilization of snow ice
- DC electrical current
- LED lighting

Ultra-high-efficiency uninterruptible power supply systems

Industry leading level of ultra-high-efficiency: 98.5%
 ⇒ 77% reduction in annual energy loss volume

Characteristics

Efficiency: 98.5% (98.2% for units currently in operation)

Space saving: 30% miniaturization realized
 (Units currently in operation: 2,800 mm × 2,000 mm)

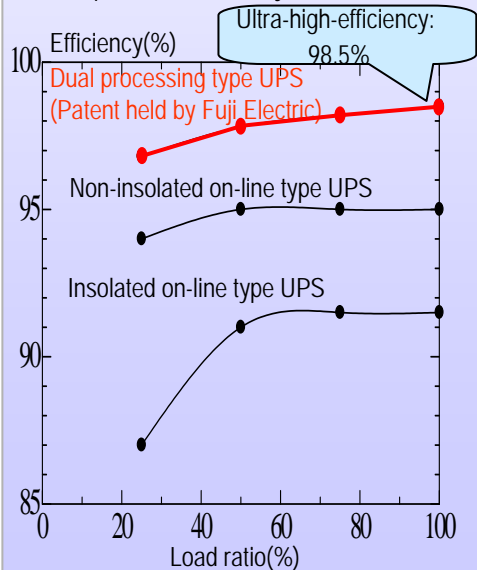
Improved reliability: compatible with backup systems

Lead-free: reduced life cycle costs through the use of lithium ion capacitors (LIC) (Replaced after 15 years)



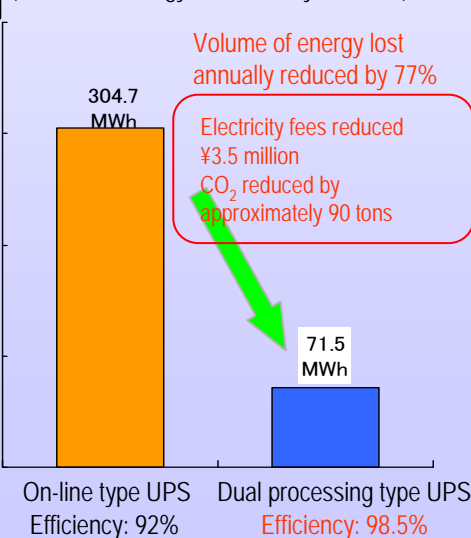
<500kVA>

<Comparison of efficiency>



<Energy saved>

(Volume of energy lost annually: 500kVA)



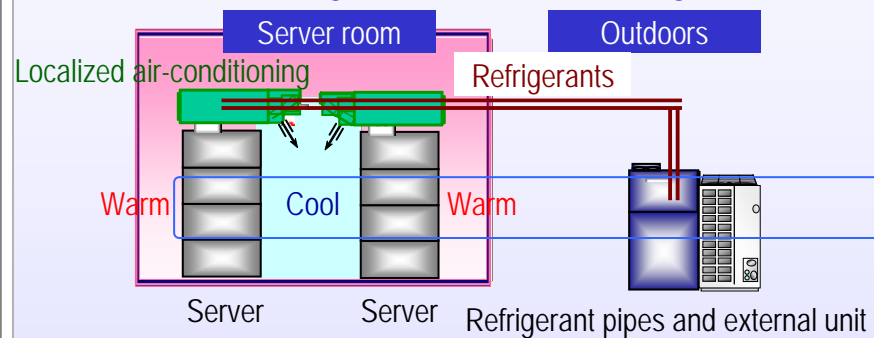
Volume of energy lost annually reduced by 77%
 Electricity fees reduced ¥3.5 million
 CO₂ reduced by approximately 90 tons

Data is a comparison to Fuji Electric's 500kVA unit and is calculated by the Company using the index of 15 ¥/kWh

Localized air-conditioning unit

Improved efficiency of server space usage

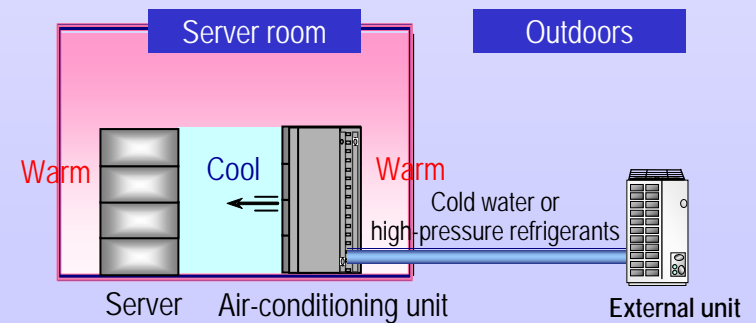
<Method using localized air-conditioning units>



Efficiency of server space usage ⇒ high

Risk of leakage ⇒ low (Condensation: Low, Water piping: No)

<Traditional method>



Efficiency of server space usage ⇒ low

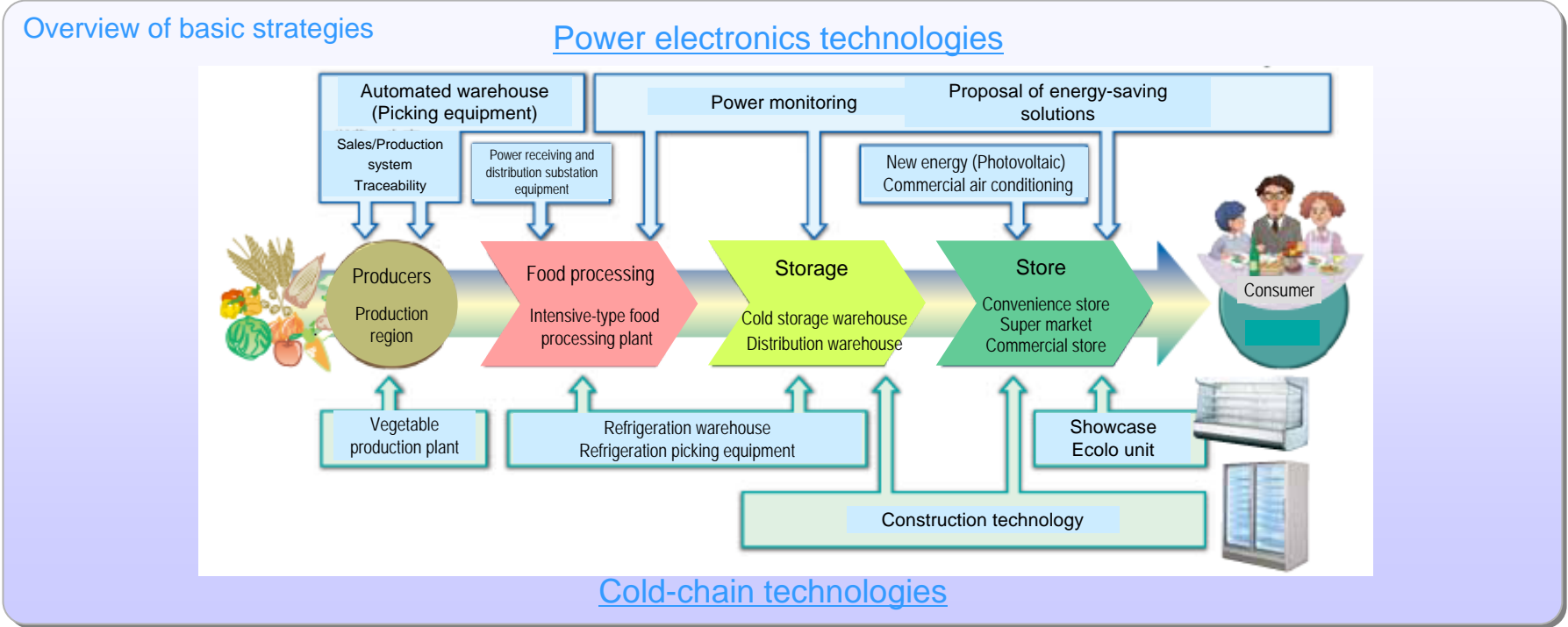
Risk of leakage ⇒ high (Condensation: Yes, Water piping: Yes)

Realize comprehensive solutions for food distribution by leveraging Fuji Electric's total engineering capabilities and strong technologies

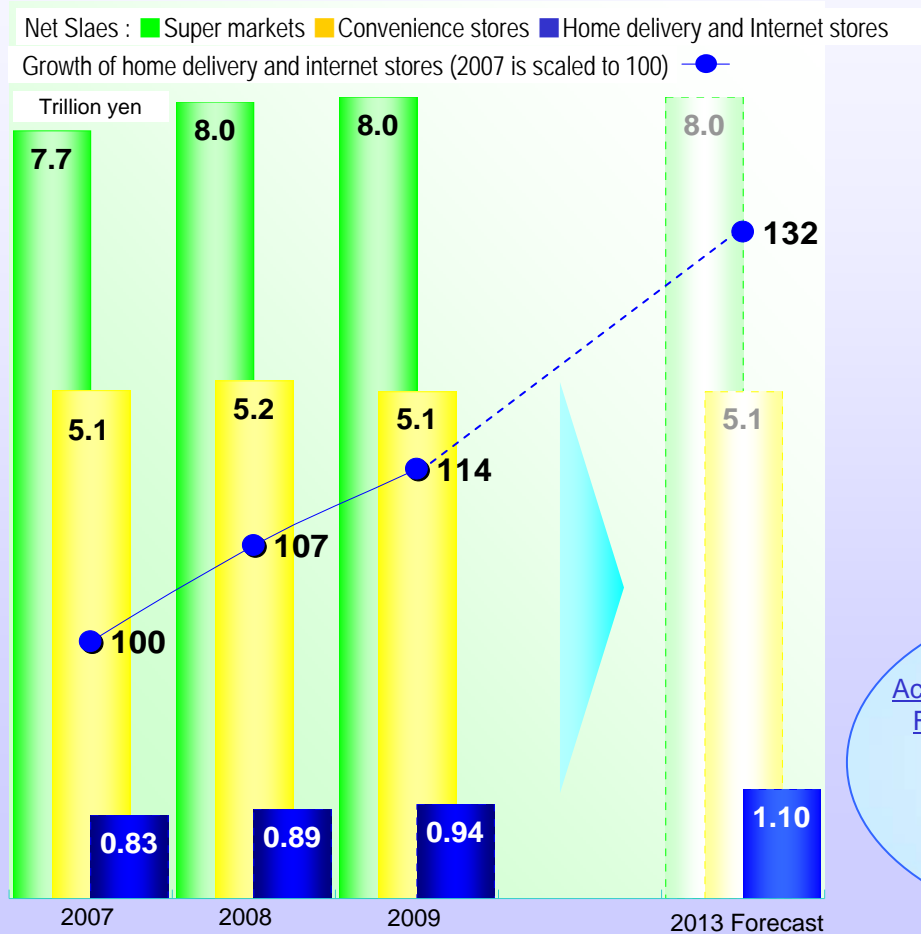
- STPP (Store total plan and produce)
Store planning⇒design/layout/implementation
⇒construction⇒maintenance
- Energy management system
- Freezing/Refrigeration, freshness management, current control
- Power receiving and distribution substation equipment, various electric equipment
- Complete service system

The only one supplier that can offer service from store planning and construction, to maintenance

A total planner for the entire food distribution chain, from the production region all the way to consumers



Food product sales trends and forecasts for retailers (super markets / convenience stores)



Source: compiled by Fuji Electric based on data provided by the Yano Research Institute
(Values for food and drink products only)

Growing business chances in the food distribution field

Sluggish growth of sales of food and drink products in super markets and convenience stores

Fewer openings of new super markets and convenience stores

Convenience stores

Super markets

Acceleration of industry reorganization
Focus on supporting current stores

Total number of convenience stores as of the end of 2009: 45,000

— Market for renovating existing convenience stores

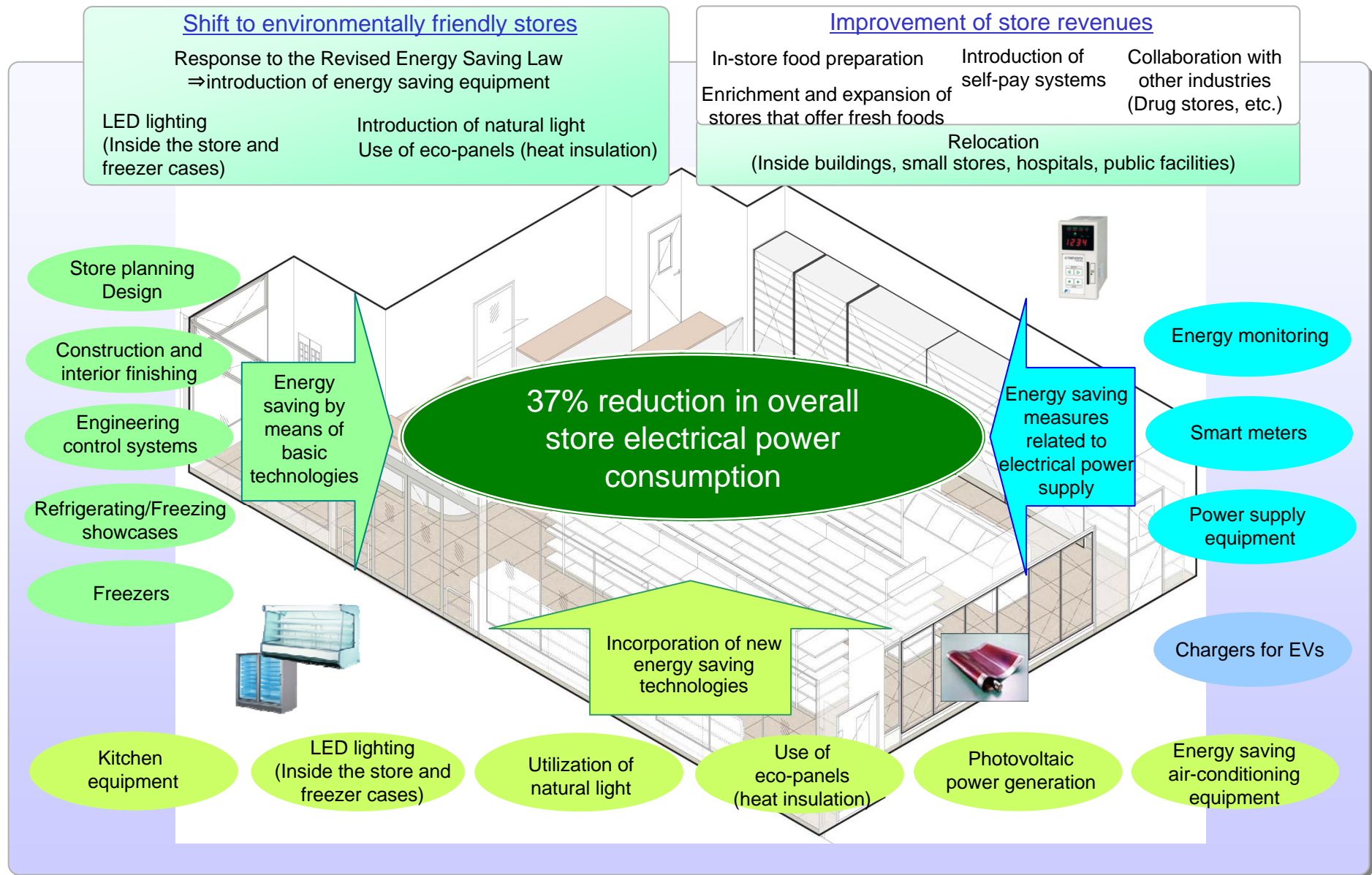
Shift to home delivery and internet stores

Total sales of food and drink products through home delivery and internet stores in fiscal 2010: approx. ¥1 trillion

— Market for developing infrastructure for home delivery of food products

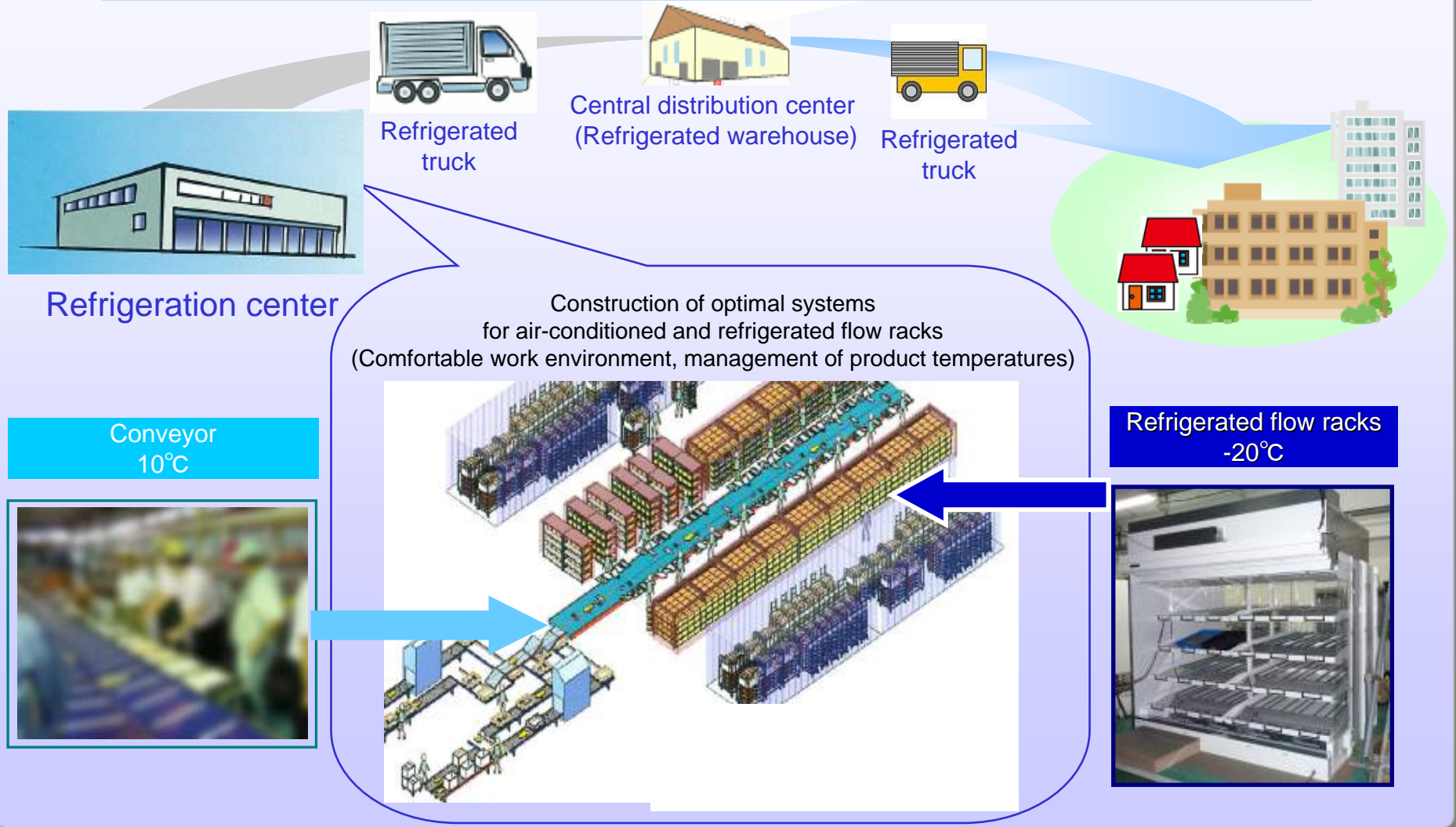
Total number of convenience stores as of the end of 2009: compiled by Fuji Electric based on data provided by Japan Franchise Association

Growth Strategies in the Food Distribution Field: Comprehensive Solutions for Convenience Stores



Growth Strategies in the Food Distribution Field: Refrigeration Preservation and Picking

Response to the construction and expansion of cold chains
accompanying increasing sales of food products through home delivery services
(Refrigeration preservation, refrigeration picking, refrigerated shipping)



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Full-fledge Overseas Expansion Starting Fiscal 2011

Target Regions

China and Asia

Focus Fields

- Advance into the IDC field
- Food distribution field (Convenience stores / Frozen distribution)

Principal Measures

- Uniformly expand into Chinese and Asian markets by applying the knowledge and technologies accumulated through operations in Japanese markets
- Establish a supply system based on local production (Low-cost operation)
- Advance the market through cooperation with customers

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Performance Trends / Targets

Expand operations in the IDC and food distribution fields (Growth markets)

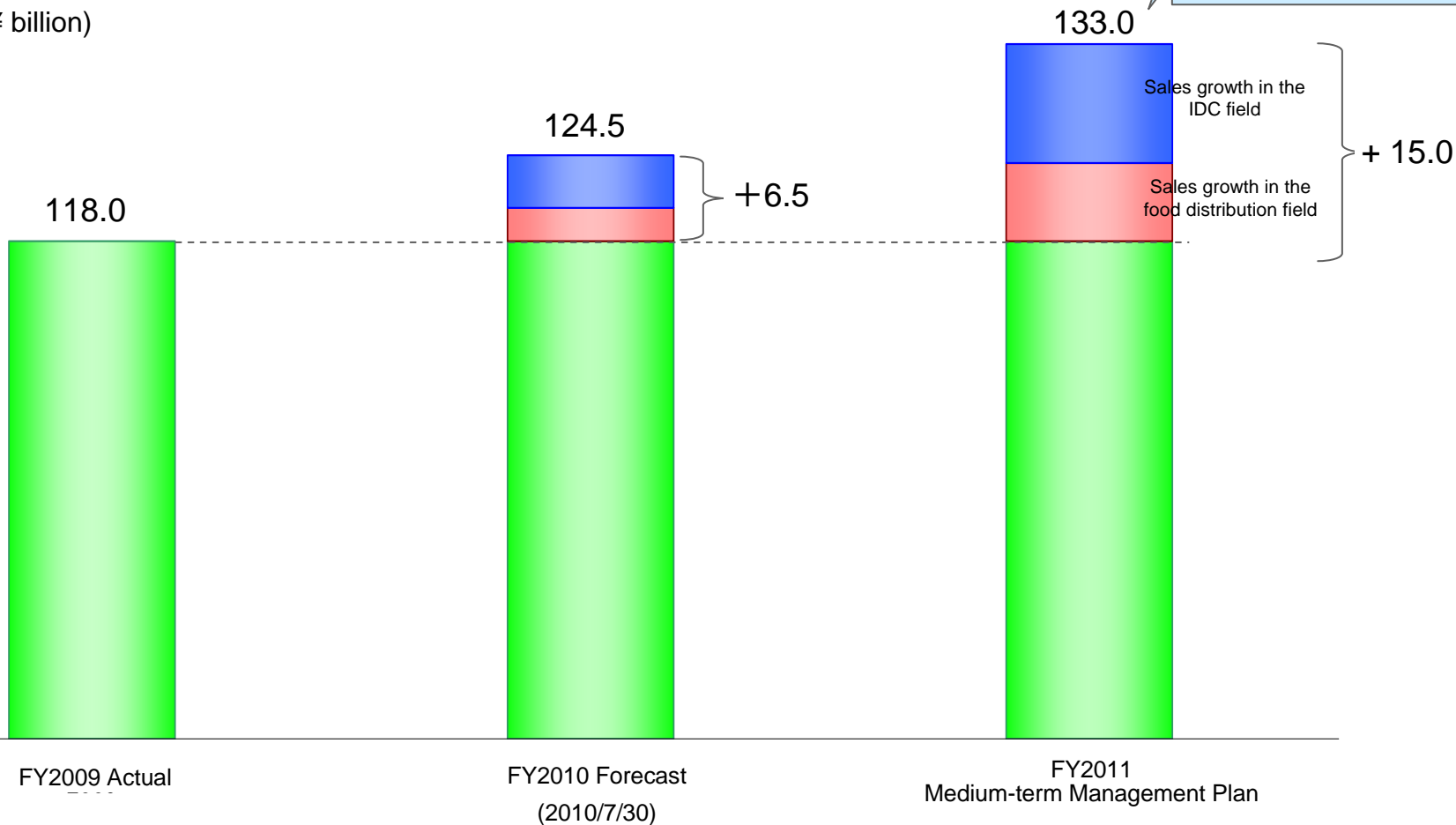
Fiscal 2011 targets:

Aim for net sales of ¥133.0 billion and ratio of operating income to net sales of 6%

FY 2011 Medium-Term Management Plan (Announced February 25, 2010)

Net sales: ¥120.0 billion
Ratio of operating income to net sales: 6%

Net sales (¥ billion)



Ratio of Operating Income (%)

4%

3%

6%

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