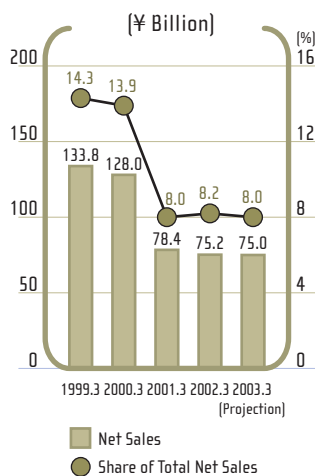


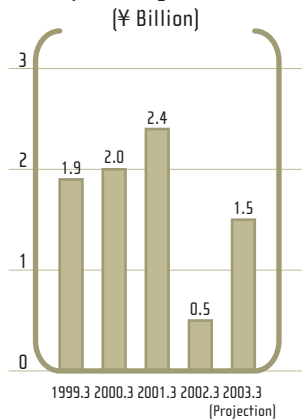
Notes:

1. Projections for the fiscal year ending March 31, 2003 are based on management's estimates as at April 26, 2002.
2. Net sales include inter-segment transactions.
3. For the cautionary statement with respect to forward-looking statements, please see the inside cover page.

Net Sales & Share of Total Net Sales



Operating Income



OVERVIEW OF OPERATING ENVIRONMENT AND RESULTS FOR THE YEAR ENDED MARCH 31, 2002

The scope of activities in this group extends to logistics, printing and information-related services, as well as insurance agency services, financial services and R&D. The lion's share of its business is conducted with Fuji Electric and member companies of the Fuji Electric Group.

Net sales during the year under review declined 4.1% year on year to ¥75.2 billion (\$565 million), while operating income fell 78.6% to ¥0.5 billion (\$4 million). Summaries of the core activities of the main companies in this business group are outlined below. Net sales and employee figures are as of March 31, 2002.

FUJI LOGISTICS CO., LTD.

Net Sales: ¥29.5 billion

Number of Employees: 490

Fuji Logistics' core business is distribution services such as transport, packaging and storage. It is also involved in international logistics, the sale of equipment for the rationalization of distribution systems, processing products prior to distribution, and real estate leasing. This company is currently expanding services beyond the confines of the Fuji Electric Group with the aim of improving logistics in many industries.

During the year, the distribution industry was affected by declining transportation volumes in almost all industry sectors. Fuji Logistics was no exception, evidenced in lower earnings and profits. In this challenging environment, the company worked to expand its business, based on the slogan "A Dedicated Logistic Pioneer." More specifically, the company reaped the benefits of its lineup of distribution solutions, winning large orders from the Japanese subsidiary of a foreign manufacturer of information systems, and from a leading elevator manufacturer. Fuji Logistics also had success in capturing distribution outsourcing contracts from a financial system equipment maker, and from a trading company dealing in imaging equipment used in broadcasting. Moreover, the company began

offering higher levels of quality in its distribution services by incorporating a customer call center into its existing replacement parts distribution service. Underpinned by a business alliance with a major moving company, efforts were also made to expand orders for the company's new Moving Techno Center Services. As part of its efforts to protect the environment, Fuji Logistics acquired ISO 14001, the internationally recognized standard for environmental management systems, in December 2001.

FUJI ELECTRIC INFORMATION SERVICE CO., LTD.

Net Sales: ¥17.6 billion

Number of Employees: 661

Fuji Electric Information Service Co., Ltd., supplies companies with IT services and solutions, such as the maintenance, development and provision of information systems and networks. The company also offers visual solutions services drawing on superior technology for the design of products, work spaces, catalog production, multimedia content creation, planning and management of exhibitions and other events, and the creation of corporate advertisements. In addition, Fuji Electric Information Services provides a wide range of services and solutions for offices. This support ranges from copying, binding and printing, to document storage, management of technical information and computer support services. The company also sells office equipment and many other products.

During the period under review, the company's clients, affected by the fallout from the bursting of the IT bubble, further reigned in investment budgets and sought management cost savings. In turn, this affected Fuji Electric Information Service's binding, copying and catalog businesses, although not severely. Meanwhile, new businesses centered on IT-related ventures, an area the company has been focusing on for some time, recorded higher earnings and profits than the previous period, thanks to a number of start ups and new enterprises that are just now becoming profitable. In line with Fuji Electric's Medium-Term IT Promotion Plan, the company undertook the development of next-generation accounting systems, new communication

network systems, integrated backoffice systems, Enterprise Resource Planning (ERP) and Supply Chain Management (SCM) systems, and established a specialist R&D center. The company also saw success in expanding sales of some of its new proprietary brands such as the Web-compatible accounting package F-LINE, the new search system VEXT SEARCH, and the K-CASP sales promotion system. Despite an opaque operating environment, Fuji Electric Information Service will build on its medium-term management plan, now being implemented, to further grow its business. This will also include expanding into new business domains.

#### FUJI LIFE CORP.

**Net Sales: ¥9.9 billion**

**Number of Employees: 158**

Fuji Life's activities include life and damage insurance agency operations, as well as real estate sales, leasing and brokerage services. It also offers domestic and overseas travel services and foreign exchange, in addition to office planning and outsourcing services, support and sales relating to office equipment, utensils, gifts and other products.

During the year under review, the terrorist attacks in the U.S. and their ensuing fallout led to bankruptcies in the damage insurance industry. This, in turn, posed serious questions for the travel and insurance industries. Despite this difficult climate, the company's real estate business sold 20 detached houses at the Tatsumidai complex in Ichihara City, Chiba, and began renting 14 newly built condominium units in Tsurumi Ward, Yokohama, and 12 detached houses in Asahigaoka in Hino City, Tokyo. Meanwhile, efforts by the company's travel agency to boost sales through a marketing campaign targeted at local businesses, community groups and individuals, paid off with bookings from some major new customers, helping to contribute to a steady stream of earnings.

The company's nursing care business centered on the Anshinkan facility in Hino City, which began operations in the previous period, recorded a strong increase in sales. This was mainly due to a marked rise in users of its home nursing services.

And, approaching its second year online, the Senior Net Club began issuing an e-mail magazine, which quickly gained popularity among Internet-savvy senior citizens.

#### FUJI ELECTRIC FINANCE AND ACCOUNTING SUPPORT CO., LTD.

**Net Sales: ¥2.0 billion**

**Number of Employees: 133**

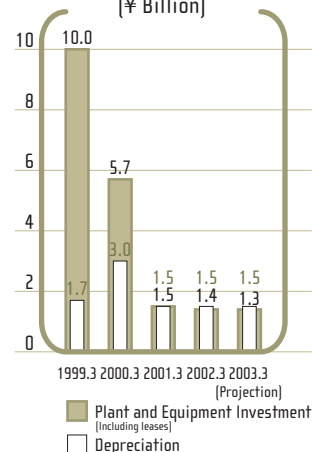
Fuji Electric Finance and Accounting Support Co., Ltd., undertakes finance and accounting-related tasks for the Fuji Electric Group to help raise the efficiency of administrative functions at Group members. Other activities include bill payment services and the centralized management of excess cash held at Fuji Electric Group companies, including the provision of loans to Group members.

The company's total assets as of March 31, 2002, stood at ¥170.6 billion, with ¥104.0 billion in factoring credit, and loans provided to Group companies of ¥56.3 billion. The corporate client base rose by almost one third compared to the previous period, to 12,146 companies.

During the year, the company made further progress on reducing interest expenses and management costs, and integrating administrative functions in the Fuji Electric Group. This was achieved by extending the use of factoring, bill payment services, centralized management of notes receivable, and netting arrangements among Group companies. As the financial arm of the Group, Fuji Electric Finance and Accounting Support also played a vital role in establishing fund procurement channels outside those offered by banks, such as the issuing of commercial paper (CP) and debt liquidation. This role extended to upgrading the Fuji Electric Group's cash management system (CMS) by enhancing linkage with subsystems to encourage greater use.

Looking ahead, the company is planning to introduce a system that projects the Fuji Electric Group's future cash demand, thereby improving the efficiency of fund procurement and management. The ultimate goal is to enhance the management of funds for the entire Fuji Electric Group.

#### Plant and Equipment Investment (Including leases) / Depreciation (¥ Billion)



#### Number of Employees

