

Overseas Operations

Overseas sales were down 5.1% year on year, to ¥181.0 billion, while the overseas sales ratio rose 2.9 percentage points, to 23.6%.

Under the influence of the global economic crisis from the second half of fiscal 2008, sales declined substantially, centered on components, such as electronic components and

general-purpose inverters. On the other hand, strong results were recorded by power generation plants for Asia and by plant systems such as rectification equipment for the Middle East.

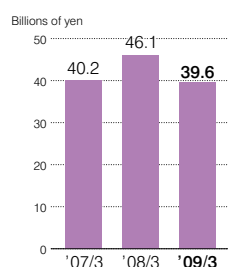
The Fuji Electric Group is promoting the construction of a global manufacturing and sales network aimed at the expansion of its overseas operations. In production, with the

Net Sales

Company Name (As of July 1, 2009)

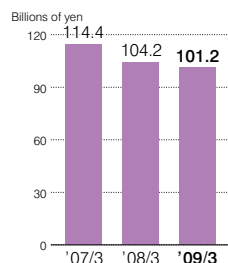
Main Business

China



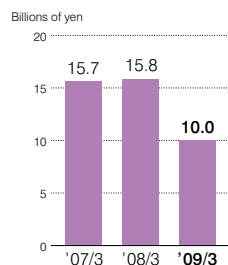
Wuxi Fuji Electric FA Co., Ltd.	Manufacture and marketing of inverters in China
Fuji Electric Motor (Dalian) Co., Ltd.	Manufacture of motors
Shanghai Fuji Electric Switchgear Co., Ltd.	Manufacture and marketing of switching equipment, monitoring and control appliances and related facilities and products
Fuji Electric Dalian Co., Ltd.	Manufacture of low-voltage circuit breakers
Fuji Electric FA (Asia) Co., Ltd.	Marketing of inverters, power distribution and control equipment, and semiconductor devices
Fuji Electric (Shanghai) Co., Ltd.	Marketing in China of products manufactured at Chinese production sites and marketing of imported products, as well as export sales of products manufactured at Chinese production sites
Fuji Electric (Shenzhen) Co., Ltd.	Manufacture and marketing of photoconductive drums
Fuji Electric Device Technology Hong Kong Co., Limited	Marketing of semiconductor devices and photoconductive drums
Hoei Hong Kong Co., Ltd.	Marketing, installation and repair of electrical machinery, control systems and electronic components

Asia (except for China)



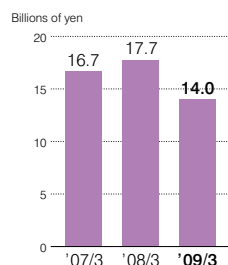
Atai Fuji Electric Co., Ltd.	Manufacture and marketing of motor application products
Fuji Electric FA Singapore Private Ltd.	Marketing of power distribution and control equipment and electronic application devices in Southeast Asia
Fuji Electric FA Taiwan Co., Ltd.	Marketing of power distribution and control equipment and electronic application devices in Taiwan
Fuji Electric Philippines, Inc.	Manufacture of semiconductor devices
Fuji Electric Semiconductor (Malaysia) Sdn. Bhd.	Manufacture of semiconductor devices
Fuji Electric (Malaysia) Sdn. Bhd.	Manufacture of storage devices (magnetic disks)
Fuji Electric Taiwan Co., Ltd.	Marketing of semiconductor devices and photoconductive drums
Fuji Electric Asia Pacific Pte. Ltd.	Marketing, installation and repair of electrical machinery, control systems and electronic components

North America



Fuji Electric Corp. of America	Marketing, installation and repair of electrical machinery, control systems and electronic components
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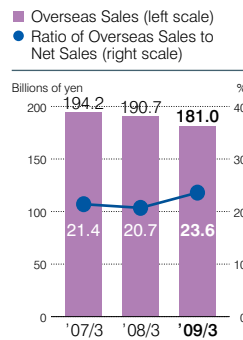
Europe



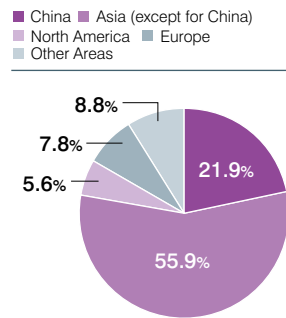
Fuji Electric Device Technology Europe GmbH	Marketing of semiconductors and photoconductive drums
Fuji Electric Europe GmbH	Marketing, installation and repair of electrical machinery, control systems and electronic components

objectives of bolstering cost competitiveness and reducing exchange rate risk, we are advancing the shift to overseas production. In sales, to strengthen regional strategies and increase operational efficiency, we are consolidating overseas sales companies in Asia, North America, and Europe.

Overseas Sales / Ratio of Overseas Sales to Net Sales



Share of Overseas Sales by Region (Fiscal 2008)



Overview of Operations by Region

Sales declined by 14.2% from the previous year, to ¥39.6 billion, due to lower demand for such products as general-purpose inverters and semiconductors.

In this market, our operations are led by a management administration company established in Shanghai in July 2008. We are taking steps to expand our operations in China, such as formulating marketing strategies utilizing the Group's sales network, conducting local R&D for products sold in China, and increasing the productivity of local manufacturing sites.

In the drive business, we have accelerated the shift of production to China for such general-use products as low-voltage

inverters and small motors, and we have worked to reinforce our cost competitiveness. In addition, we have built a high-voltage inverter plant on the premises of a general-purpose inverter production plant, thereby establishing an integrated production system extending from low-voltage to high-voltage products.

In the semiconductor business, we are working to expand sales of products in the field of "energy and the environment." To that end, we have bolstered our sales function in China and have undertaken sales activities with the objective of obtaining orders from new groups of customers, with a focus on wind power, solar power, and railroads.

Sales were down 2.9%, to ¥101.2 billion, due to substantially lower demand for magnetic disks and semiconductors, which offset large orders for such products as geothermal power plant equipment in Indonesia and thermal-power plant equipment in Vietnam.

The Company's initiatives in this market included strengthening the production operation for semiconductors and magnetic disks and working to obtain large orders for power generation equipment.

In the semiconductor business, we built a new manufacturing site for industrial IGBT modules in Malaysia, and thereby developed an integrated manufacturing system extending from wafer processes to assembly. Moving forward, we will advance the

shift of production to Malaysia and the Philippines, and we plan to raise the overseas production ratio from 0% to 20% in front-end processes and from 20% to 60% in back-end processes. In magnetic disks, we will also shift production to Malaysia, and we plan to raise the overseas production ratio from 50% to 75%.

In the electric power systems business, we already have a track record in obtaining orders for geothermal power plant equipment, and in the future we will endeavor to expand orders, focusing on the Southeast Asian market, which is expected to record continued growth.

Sales declined by 36.4% from the previous year, to ¥10.0 billion, due to lower demand for such products as magnetic disks, semiconductors, and general-purpose inverters.

In this market, we will work to expand sales, centered on drives and power generation equipment.

In the drive business, we will strive to increase sales, centered on the conveyance equipment, food products, and air conditioning equipment industries, by strengthening our sales operation for general-purpose inverters and expanding our sales network.

In the electric power systems business, we will work to obtain orders for geothermal power plant equipment, which is a promising market for future growth.

Sales declined by 20.6% from the previous year, to ¥14.0 billion, due to lower demand for such products as semiconductors and general-purpose inverters.

Moving forward, we will strive to expand sales of semiconductors, drives, and solar cells in this market.

In the semiconductor business, we will strengthen our sales system and target increased sales of high-capacity IGBT modules in the field of "energy and the environment."

In the drive business, we will strive to increase sales of general-purpose inverters, centered on the elevator, conveyance, and

air conditioning equipment industries, by strengthening and expanding our sales bases in Europe.

In the solar cell business, meanwhile, we will work to expand sales with applications that leverage the advantages of plastic film substrates, such as solar cells integrated with waterproof sheets or steel plates.