

## Control/Information Systems and Electronic Devices

*During the fiscal year, orders increased by 0.8% to ¥228,635 million, accounting for 39.1% of total nonconsolidated orders; sales grew 5.7% to ¥226,976 million, or 40.4% of net sales. The main reason for this performance was strong demand for electronic devices.*

*The plant control systems area received large orders for social infrastructure-related products, which the Company has emphasized in recent years. Orders were also received for electric power distribution systems for transportation terminals and public facilities. In the information equipment area, sales volume increased due to a strong market for our mainline magnetic disks. However, sales declined in value due to the appreciation of the yen and severe price competition.*



**PLANT CONTROL SYSTEMS**

Fuji Electric's plant control systems area is composed of infrastructure-related products such as system controls and automated distribution systems for electric power, water treatment and water quality monitoring and tunnel ventilation systems; FA systems for large factories; and measuring control systems for a wide range of industrial plants.

In power systems, business expanded steadily, including the delivery of an integrated monitoring and control system to Chubu Electric Power Co. Inc.'s Matsumoto Control Station, which supplies power to northwest Nagano Prefecture.

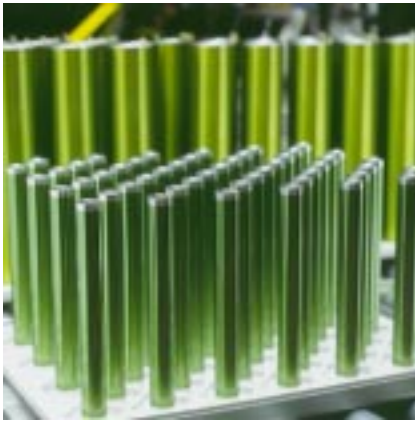
In public and infrastructure-related systems, we delivered a new monitoring and control system, FAINS-IX, to the Kawasaki City Sewerage Bureau and the Kitakyushu City Water Works Bureau. We received an order from the Okinawa Prefectural Enterprise Bureau for a desalination plant for seawater, which is a new field for us, and developed and marketed new products such as toxicant monitors. In recent years, we have placed increasing emphasis on systems that support the social infrastructure, such as distribution and public facilities. In this field, we received large orders for a new monitoring system, SOINS-IW, for the Aviation and Space Research Center and for a new administration system for an underground parking structure for Toyohashi City. We also obtained sizeable orders for power and distribution equipment for a container terminal for Kawasaki City and for the National Research Institute for Earth Science and Disaster Prevention building.



Fuji Electric's integrated monitoring and control system is helping Chubu Electric Power's Matsumoto Control Station distribute power in northwestern Nagano Prefecture.

Our new monitoring and control system, FAINS-IX, shown here at the Kawasaki City Sewerage Bureau, has greatly enhanced functions compared with previous systems.

Fuji Electric's new toxicant monitors contribute to a safe and pure water supply.



Our FAY-400 machine vision can detect minute defects. This multipurpose external inspection device is smaller and less expensive than previous models.

Our photoconductive drums are central components of copiers and printers. With a full lineup—from organic to selenium—Fuji Electric is the world leader in this field.

Our magnetic disks are installed by leading disk-drive makers throughout the world in PCs and workstations. Fuji Electric is a recognized leader in technology, quality, reliability and performance.

In instrumentation and control systems, there has been steady demand related to public investment in the construction and modernization of waste disposal facilities, in step with increased volumes and the changing nature of garbage. However, investment in the private sector remains weak. Fuji Electric developed its FAY-400 machine vision, which is capable of detecting minute defects.

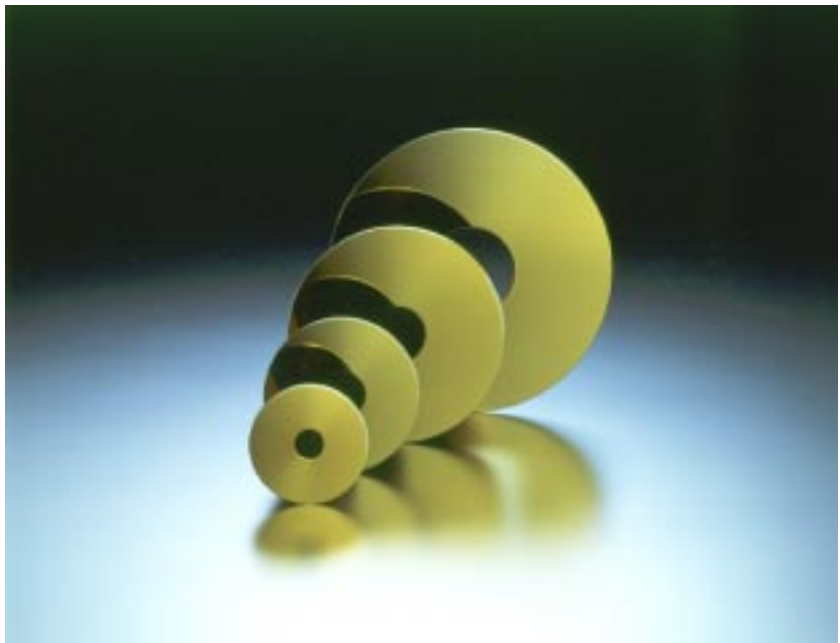
In measuring instruments, the strong yen has depressed exports and the domestic business slump has dampened capital investment. However, we introduced a graphic program controller, suited to small-lot production of many kinds of products, with a program pattern capability of 199 settings.

#### INFORMATION EQUIPMENT

Major products in the information equipment area are terminal equipment such as bill validators, computer peripheral equipment such as magnetic disks, copier and printer photoconductive drums, electroluminescent (EL) displays and other special electronic devices.

In computer peripheral components, we increased sales volume with new products and improved technology, while strengthening our manufacturing base for high-demand products such as compact high-volume magnetic disks. Nevertheless, the effects of the high yen and intensified price competition had a negative impact on sales.

In photoconductive drums and other electronic specialty appliances, the Company introduced an organic photoconductive drum with three times the



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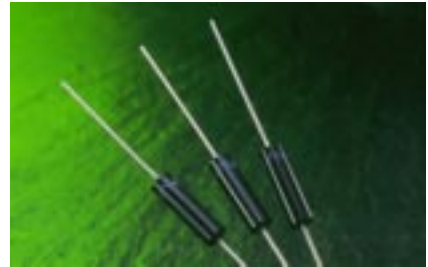
sensitivity of previous models. This product is aimed at the growing market for office and personal copiers and printers. Overall sales, however, were weak due to falling prices for organic photoconductive drums and slack demand for selenium photoconductive drums.

#### ELECTRONIC DEVICES

The main products in the electronics devices area are power transistors, high-voltage silicon diodes and IC products.

Exports to the United States, where the market for personal computers was strong, and to Europe, have been favorable. Exports to Asia, where high growth in the semiconductor market is expected, were also strong. Combined with a stronger domestic market for industrial machinery, and increased demand for air conditioner parts due to an especially hot summer, this area improved sharply.

ICs, a strategic product for us, have seen strong demand for use in power supplies and auto-focus cameras. As a key component for multimedia products, we are developing and marketing small power-supply ICs that use Bi-CMOS technology. We also responded to the need for energy-efficient components for portable communications and information devices such as cellular telephones. In addition, we offered power devices which fulfill market requirements for both high efficiency and high functionality, including easy-to-use, low-loss third-generation IGBT modules (N Series) and PIMs (Power Integrated Modules) with modularized converters/inverters.



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Original technologies have made us the market leader in high-voltage silicon diodes, which are used in the high-voltage resonant switching circuits of office automation equipment display screens and cathode-ray tubes.



Fuji Electric has developed its third-generation IGBT modules: the N Series. These low-saturation voltage, high-speed switching IGBTs have superior capability to withstand short circuits and fine switching wave forms.