

Global Presence



As competition intensifies on a global scale, Fuji Electric is accelerating its efforts to establish and operate international manufacturing and marketing bases. We are also actively forming strategic alliances with prominent overseas corporations. The key factors to succeed in the world market today are offering competitive prices and the fastest possible service, as well as quality, to customers anywhere in the world. Therefore, we must globalize our business operations at a faster pace than ever before. Under these circumstances, every year our overseas business plays a growing role in our core operations. Efforts are underway to establish a solid management structure and strong operating base by further globalizing management and human resources.



Shanghai Fuji Electric Switchgear Co., Ltd.



GE Fuji Drives America S.A. de C.V.

Since the previous fiscal year, Fuji Electric has rapidly built up its presence in the Chinese market. Steady efforts are continuously being made in the current fiscal year, focused on the ED&C and drive systems area. In 1997, we established two joint venture companies with a local partner in China—Shanghai Fuji Electric Switchgear Co., Ltd., which produces vacuum circuit breakers and panels, and Shanghai Fuji Electric Transformer Co., Ltd., which manufactures cast-resin molded transformers. Both of these firms commenced full-scale operations in May 1998.

Further, we are working to expand our representative network in China through Fuji Electric (Asia) Co., Ltd. in Hong Kong as a base. We are planning to expand our network from 20 liaison representative offices at present to 40 by 1999. China represents an enormous geographical market that will be the setting for social infrastructure projects extending into the next century. We will utilize our Chinese local partners' marketing bases, which are spread throughout the country, and establish a network capable of rapidly responding to customer needs in any region.

Atai Fuji Electric Co., Ltd. was established in Taiwan in May 1997 as a manufacturing base for motor-related equipment. It began operating in November of the same year, demonstrating further progress in globalizing the ED&C and drive systems area.

Fuji Electric is a pioneer in the field of inverters and is highly regarded as one of the foremost manufacturers of the product, both in Japan and worldwide. In the field of general-purpose inverters, we have entered a strategic global alliance with General Electric Company (GE) to achieve a dominant 20% share of the global market, and we are now expanding aggressively in product development, manufacturing and marketing.

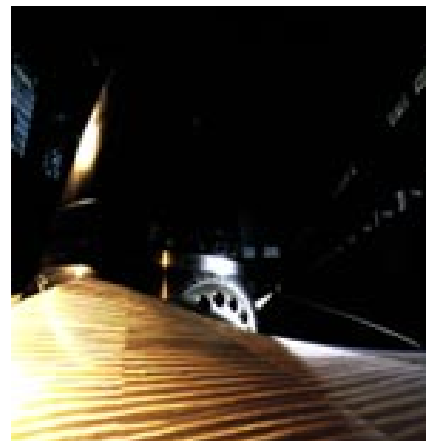
We will form joint venture bases with GE in major world markets. By combining the strengths of both companies—technology, product development, marketing and brand image—we will supply customers all over the world with products and services of the highest quality. For example, inverters marketed under the Fuji-GE brand are making a valuable contribution—not only in further reducing energy costs owing to their low power consumption, but also in the field of control equipment for conveyors, elevators and cranes.

As part of our alliance with GE, we established a manufacturing base in Mexico and a marketing base in the United States, which have begun operations. In October 1998, we will begin production of general-purpose inverters in China, a dramatically expanding market in which Fuji Electric holds a 40% market share.

In the energy area, we are actively forging and reinforcing alliances with overseas corporations. In the thermal power generation area, we are strengthening a cooperative business relationship with Siemens AG and we will maintain efforts to secure orders in Japan and abroad. We have won orders, mainly in Southeast Asia, for full turnkey projects involving the construction of thermal power plants. In the hydropower area, we aim to enter the pumped-storage hydropower equipment market in Japan and to obtain orders for hydropower plants in the Asian region. We have formed a joint venture company, Voith Fuji Hydro K.K., with the German company Voith Hydro GmbH, one of the world's top manufacturers of hydro turbines, and we will endeavor to cut costs through streamlining and to boost our competitiveness in this field. While strengthening our business tie-ups with such leading international manufacturers, we aim to acquire the latest technological expertise and foster a more international perspective. At the same time, we plan to expand our world market share to be a global player in the market.



General-purpose inverters that Fuji Electric began marketing in an international alliance with GE of the United States



Bulb turbine runner