

Consolidated Financial Report for the fiscal year ended March 31, 2005
(April 1, 2004 — March 31, 2005)

Summary of Consolidated Financial Results

1. Summary of consolidated statements of income

	Millions of yen		Change(%) (A)/(B)	Millions of U.S.dollars
	FY2004(A) [3/2005]	FY2003(B) [3/2004]		FY2004 [3/2005]
Net sales	844,200	856,198	98.6%	7,861
Operating income	26,818	17,447	153.7%	250
Ordinary income	22,222	13,928	159.5%	207
Net income	7,797	5,519	141.3%	73
	Yen			U.S.dollars
Net income per share	10.69	7.46	—	0.10

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S.dollars
	3/31/2005	3/31/2004	3/31/2005
Total assets	882,412	908,060	8,217
Shareholders' equity	195,741	191,774	1,823
Shareholders' equity ratio (%)	22.2%	21.1%	—
	Yen		U.S.dollars
Shareholders' equity per share	273.47	267.80	2.55

3. Summary of consolidated statements of cash flows

	Millions of yen		Millions of U.S.dollars
	FY2004(A) [3/2005]	FY2003(B) [3/2004]	FY2004 [3/2005]
Cash flows from operating activities	42,274	66,468	394
Cash flows from investing activities	-3,794	21,924	-35
Cash flows from financing activities	-49,741	-76,808	-463
Cash and cash equivalents at end of year	16,215	27,240	151

Note: 1) U.S.dollar amounts in this financial report are translated, for convenience only, at the rate of ¥107.39=U.S.\$1
2) The company has 61 consolidated subsidiaries and 2 equity-method affiliate.

4. Forecast of consolidated earnings for the fiscal year ending March 31, 2006
(April 1, 2005 - March 31, 2006)

	Millions of yen	
	1st half	Full year
Net sales	360,000	875,000
Operating income	-4,000	32,000
Ordinary income	-5,000	30,000
Net income	-6,000	12,000
		Yen
Net income per share		16.57

< Cautionary Statements With Respect to Forward-Looking Statements >

Statements made in this financial report with respect to Fuji Electric's future performance are forward-looking statements based on management's assumptions and beliefs in light of the information currently available to it. Accordingly, actual results could differ from those contained in any forward-looking statements. Potential risks and uncertainties include :

- Sudden changes in general economic conditions in Fuji Electric's markets and changes in its operating environment such as those resulting from changes in trade regulations
- Exchange rate, particularly between the yen and the U.S.dollar and Asian and European currencies
- The ability of Fuji Electric and its subsidiaries to develop and introduce products that incorporate new technology in a timely manner and to manufacture them in a cost-effective way
- The rapid pace of technological innovation, especially in the field of electronics
- Sudden changes in the supply and demand balance in the markets Fuji Electric serves
- Problems involving the intellectual property of Fuji Electric and other companies
- Stock market conditions in Japan

Consolidated Statements of Income

	Millions of yen		Change (A)/(B)	Millions of U.S.dollars
	FY2004(A) [3/2005]	FY2003(B) [3/2004]		FY2004 [3/2005]
Net sales	844,200	856,198	98.6%	7,861
Cost of sales	665,773	690,947	96.4%	6,200
Gross profit	178,426	165,250	108.0%	1,661
Selling, general and administrative expenses	151,608	147,802	102.6%	1,412
Operating income	26,818	17,447	153.7%	250
Non-operating income	5,470	5,429	100.8%	51
Interest and dividends received	2,379	1,814		22
Other	3,091	3,614		29
Non-operating expenses	10,066	8,947	112.5%	94
Interest expense	3,049	3,066		28
Other	7,016	5,880		65
Ordinary income	22,222	13,928	159.5%	207
Extraordinary income	10,331	23,448		96
Extraordinary loss	16,299	24,490		152
Income before income taxes	16,254	12,887	126.1%	151
Income taxes and business tax	4,331	7,489		40
Deferred income taxes	4,367	-167		41
Minority interests in net income of consolidated subsidiaries	-242	45		-2
Net income	7,797	5,519	141.3%	73

Consolidated Balance Sheets

	Millions of yen		Change	Millions of U.S.dollars
	3/31/2005(A)	3/31/2004(B)	(A)-(B)	3/31/2005
Assets				
Current assets:				
Cash and time deposits	16,338	27,542	-11,204	152
Notes and accounts receivable, trade	241,820	253,215	-11,395	2,252
Inventories	135,076	125,910	9,166	1,258
Other current assets	44,414	45,013	-599	414
Total current assets	<u>437,649</u>	<u>451,682</u>	-14,033	<u>4,075</u>
Long-term assets:				
Tangible fixed assets	150,903	153,810	-2,907	1,405
Intangible fixed assets	7,803	7,335	468	73
Investments and other assets	285,983	295,005	-9,022	2,663
Total long-term assets	<u>444,690</u>	<u>456,152</u>	-11,462	<u>4,141</u>
Deferred assets	<u>72</u>	<u>225</u>	-153	<u>1</u>
Total assets	<u><u>882,412</u></u>	<u><u>908,060</u></u>	-25,648	<u><u>8,217</u></u>
 Liabilities and shareholders' equity				
Current liabilities:				
Notes and accounts payable, trade	176,575	181,596	-5,021	1,644
Short-term loans	74,343	90,988	-16,645	692
Other current liabilities	217,093	215,117	1,976	2,022
Total current liabilities	<u>468,012</u>	<u>487,702</u>	-19,690	<u>4,358</u>
Long-term liabilities	<u>210,572</u>	<u>220,090</u>	-9,518	<u>1,961</u>
Total liabilities	<u>678,584</u>	<u>707,793</u>	-29,209	<u>6,319</u>
Minority interests in consolidated subsidiaries	<u>8,086</u>	<u>8,491</u>	-405	<u>75</u>
Shareholders' equity:				
Common stock	47,586	47,586	—	443
Capital surplus	46,711	46,710	1	435
Consolidated retained earnings	74,575	71,172	3,403	694
Unrealized gain on other securities	36,957	36,617	340	344
Foreign currency transaction adjustment	-3,292	-3,573	281	-31
Less shares of common stock held by the Company	-6,797	-6,737	-60	-63
Total shareholders' equity	<u>195,741</u>	<u>191,774</u>	3,967	<u>1,823</u>
Total liabilities, minority interests and shareholders' equity	<u><u>882,412</u></u>	<u><u>908,060</u></u>	-25,648	<u><u>8,217</u></u>
Debt	<u>318,433</u>	<u>363,011</u>	-44,578	<u>2,965</u>

Consolidated Statements of Cash Flows

	Millions of yen <u>FY2004(A)</u> <u>[3/2005]</u>	Millions of yen <u>FY2003(B)</u> <u>[3/2004]</u>	Change <u>(A)/(B)</u>	Millions of U.S.dollars <u>FY2004</u> <u>[3/2005]</u>
I Cash flows from operating activities:				
Net income before income taxes	16,254	12,887	3,367	151
Depreciation and amortization	16,545	17,675	-1,130	154
Interest and dividends income	-2,379	-1,814	-565	-22
Interest expense	3,049	3,066	-17	28
Decrease (increase) in trade receivables	11,762	-7,132	18,894	110
Decrease (increase) in inventories	-8,491	26,021	-34,512	-79
Increase (decrease) in trade payables	-5,445	13,504	-18,949	-51
Increase (decrease) in advances received	-788	-17,380	16,592	-7
Other, net	20,627	24,953	-4,326	192
Subtotal	<u>51,135</u>	<u>71,781</u>	<u>-20,646</u>	<u>476</u>
Interest and dividends received	2,354	1,852	502	22
Interest paid	-3,047	-3,201	154	-28
Income taxes paid	-8,168	-3,965	-4,203	-76
Net cash provided by operating activities	<u>42,274</u>	<u>66,468</u>	<u>-24,194</u>	<u>394</u>
II Cash flows from investing activities:				
Purchase of fixed assets and marketable and investment securities	-18,766	-14,650	-4,116	-175
Proceeds from sale of fixed assets and marketable and investment securities	15,412	38,798	-23,386	144
Other, net	-440	-2,223	1,783	-4
Net cash provided by investing activities	<u>-3,794</u>	<u>21,924</u>	<u>-25,718</u>	<u>-35</u>
Free cash flows (I + II)	<u>38,479</u>	<u>88,392</u>	<u>-49,913</u>	<u>358</u>
III Cash flows from financing activities:				
Increase (decrease) in short-term borrowings, net	-22,281	-58,788	36,507	-207
Increase (decrease) in commercial paper, net	-17,300	-11,200	-6,100	-161
Proceeds from long-term debt	9,462	54,926	-45,464	88
Repayments of long-term debt and redemption of bonds	-15,845	-57,752	41,907	-148
Other, net	-3,777	-3,993	216	-35
Net cash provided by financing activities	<u>-49,741</u>	<u>-76,808</u>	<u>27,067</u>	<u>-463</u>
IV Effect of exchange rate changes on cash and cash equivalents	<u>205</u>	<u>-452</u>	<u>657</u>	<u>2</u>
V Net increase (decrease) in cash and cash equivalents	<u>-11,056</u>	<u>11,131</u>	<u>-22,187</u>	<u>-103</u>
VI Cash and cash equivalents at beginning of year	<u>27,240</u>	<u>15,038</u>	<u>12,202</u>	<u>254</u>
VII Increase in cash and cash equivalents resulting from changes of consolidated subsidiaries	<u>30</u>	<u>1,070</u>	<u>-1,040</u>	<u>0</u>
VIII Cash and cash equivalents at end of year	<u>16,215</u>	<u>27,240</u>	<u>-11,025</u>	<u>151</u>

Consolidated Segment Information

1. Net sales by business segment

	Millions of yen		Change(%) (A)/(B)	Millions of U.S.dollars
	FY2004(A) [3/2005]	FY2003(B) [3/2004]		FY2004 [3/2005]
Energy & Electric Systems	374,794	403,149	93.0%	3,490
ED&C・Drive Systems	178,293	168,062	106.1%	1,660
Electronic Devices	143,236	129,675	110.5%	1,334
Retail Systems	168,112	150,760	111.5%	1,565
Others	45,756	75,731	60.4%	426
Subtotal	910,193	927,380	98.1%	8,476
Elimination	-65,993	-71,181		-615
Total	844,200	856,198	98.6%	7,861

2. Operating income by business segment

	Millions of yen		Change(%) (A)/(B)	Millions of U.S.dollars
	FY2004(A) [3/2005]	FY2003(B) [3/2004]		FY2004 [3/2005]
Energy & Electric Systems	3,204	500	640.8%	30
ED&C・Drive Systems	6,652	2,378	279.7%	62
Electronic Devices	9,498	9,779	97.1%	88
Retail Systems	7,449	2,077	358.6%	69
Others	1,734	2,329	74.5%	16
Subtotal	28,541	17,065	167.2%	266
Elimination/Corporate	-1,722	381	—	-16
Total	26,818	17,447	153.7%	250

3. Assets by business segment

	Millions of yen		Change(%) (A)/(B)	Millions of U.S.dollars
	FY2004(A) [3/2005]	FY2003(B) [3/2004]		FY2004 [3/2005]
	Energy & Electric Systems	307,428	313,066	98.2%
ED&C・Drive Systems	131,665	137,800	95.5%	1,226
Electronic Devices	128,497	131,062	98.0%	1,197
Retail Systems	106,191	106,521	99.7%	989
Others	48,800	51,318	95.1%	454
Subtotal	722,582	739,770	97.7%	6,729
Elimination/Corporate	159,830	168,289	—	1,488
Total	882,412	908,060	97.2%	8,217

4. Depreciation and amortization by business segment

	Millions of yen		Change(%) (A)/(B)	Millions of U.S.dollars
	FY2004(A) [3/2005]	FY2003(B) [3/2004]		FY2004 [3/2005]
	Energy & Electric Systems	4,428	4,023	110.1%
ED&C・Drive Systems	1,933	2,261	85.5%	18
Electronic Devices	7,633	7,904	96.6%	71
Retail Systems	1,271	1,441	88.2%	12
Others	839	1,664	50.4%	8
Subtotal	16,107	17,295	93.1%	150
Elimination/Corporate	438	380	—	4
Total	16,545	17,675	93.6%	154

5. Capital expenditure by business segment

	Millions of yen		Change(%) (A)/(B)	Millions of U.S.dollars
	FY2004(A) [3/2005]	FY2003(B) [3/2004]		FY2004 [3/2005]
	Energy & Electric Systems	3,767	4,236	88.9%
ED&C・Drive Systems	1,813	1,523	119.0%	17
Electronic Devices	7,950	6,219	127.8%	74
Retail Systems	1,200	728	164.8%	11
Others	542	1,511	35.9%	5
Subtotal	15,275	14,219	107.4%	142
Elimination/Corporate	539	240	—	5
Total	15,814	14,459	109.4%	147

6. Net overseas sales

	Millions of yen		Change(%) (A)/(B)	Millions of U.S.dollars
	FY2004(A) [3/2005]	FY2003(B) [3/2004]		FY2004 [3/2005]
North America	14,735	19,249	76.5%	137
Europe	12,843	16,197	79.3%	120
Asia	101,906	88,602	115.0%	949
Other	13,054	5,233	249.5%	122
Total	142,540	129,283	110.3%	1,327

< Ratio to net sales >

North America	1.7%	2.2%
Europe	1.5%	1.9%
Asia	12.1%	10.3%
Other	1.5%	0.6%
Total	16.9%	15.1%

Consolidated Statements of Income for 4Q FY2004

	Millions of yen		Change (A)/(B)	<i>Millions of U.S.dollars</i>
	FY2004 4Q (A)	FY2003 4Q (B)		FY2004 4Q (A)
Net sales	306,435	337,871	90.7%	2,853
Cost of sales	231,173	266,100	86.9%	2,153
Gross profit	75,262	71,771	104.9%	701
Selling, general and administrative expenses	37,875	37,745	100.3%	353
Operating income	37,386	34,026	109.9%	348
Non-operating income	1,432	1,127	127.1%	13
Interest and dividends received	318	403		3
Other	1,113	723		10
Non-operating expenses	3,939	2,663	147.9%	37
Interest expense	791	592		7
Other	3,148	2,071		29
Ordinary income	34,880	32,489	107.4%	325
Extraordinary income	3,567	8,534		33
Extraordinary loss	8,218	6,211		77
Income before income taxes	30,228	34,812	86.8%	281
Income taxes and business tax	14,110	14,714		131
Minority interests in net income of consolidated subsidiaries	597	856		6
Net income	15,520	19,241	80.7%	145

Consolidated Segment Information for 4Q FY2004

1. Net sales by business segment

	Millions of yen		Change(%) (A)/(B)	Millions of U.S.dollars
	FY2004 4Q (A)	FY2003 4Q (B)		FY2004 4Q (A)
Energy & Electric Systems	184,851	217,326	85.1%	1,721
ED&C·Drive Systems	46,462	48,701	95.4%	433
Electronic Devices	36,314	33,964	106.9%	338
Retail Systems	44,891	40,213	111.6%	418
Others	17,193	29,078	59.1%	160
Subtotal	329,712	369,283	89.3%	3,070
Elimination	-23,276	-31,411	—	-217
Total	306,435	337,871	90.7%	2,853

2. Operating income by business segment

	Millions of yen		Change(%) (A)/(B)	Millions of U.S.dollars
	FY2004 4Q (A)	FY2003 4Q (B)		FY2004 4Q (A)
Energy & Electric Systems	27,582	25,506	108.1%	257
ED&C·Drive Systems	2,001	2,367	84.5%	19
Electronic Devices	3,287	2,154	152.6%	31
Retail Systems	3,876	1,731	223.9%	36
Others	1,032	1,460	70.7%	10
Subtotal	37,780	33,221	113.7%	352
Elimination/Corporate	-393	805	—	-4
Total	37,386	34,026	109.9%	348

Supplemental Consolidated Financial Materials for FY2004
(April 1, 2004 – March 31, 2005)

1. Financial summary

	Billions of yen					
	FY2003		FY2004 [3/2005]		FY2005 Forecast	
	change(%)		change(%)		change(%)	
Net sales	856.1	102.9%	844.2	98.6%	875.0	103.6%
Operating income	17.4	135.2%	26.8	153.7%	32.0	119.3%
Ordinary income	13.9	155.0%	22.2	159.5%	30.0	135.0%
Net income	5.5	141.1%	7.7	141.3%	12.0	153.9%

2. Number of consolidated subsidiaries

	FY2003	FY2004 [3/2005]	FY2005 Forecast
Number of consolidated subsidiaries	59	61	66
Number of equity-method affiliates	1	2	2

3. Net income per share

	Yen		
	FY2003	FY2004 [3/2005]	FY2005 Forecast
Net income per share	7.46	10.69	16.57

4. Sales exchange rate(US\$)

	Yen		
	FY2003	FY2004 [3/2005]	FY2005 Forecast
Sales exchange rate	113.07	107.55	104.00

5. Net sales by business segment

	Billions of yen					
	FY2003		FY2004 [3/2005]		FY2005 Forecast	
	change(%)		change(%)		change(%)	
Energy & Electric Systems	403.1	105.2%	374.7	93.0%	390.0	104.1%
ED&C·Drive Systems	168.0	105.1%	178.2	106.1%	175.0	98.2%
Electronic Devices	129.6	104.1%	143.2	110.5%	165.0	115.2%
Retail Systems	150.7	97.6%	168.1	111.5%	155.0	92.2%
Others	75.7	99.5%	45.7	60.4%	50.0	109.3%
Subtotal	927.3	103.2%	910.1	98.1%	935.0	102.7%
Elimination	-71.1	—	-65.9	—	-60.0	—
Total	856.1	102.9%	844.2	98.6%	875.0	103.6%

Note : Net sales include inter-segment transactions.

6. Operating income by business segment

	Billions of yen					
	FY2003		FY2004 [3/2005]		FY2005 Forecast	
	change(%)		change(%)		change(%)	
Energy & Electric Systems	0.5	—	3.2	640.8%	9.0	280.9%
ED&C·Drive Systems	2.3	199.0%	6.6	279.7%	7.0	105.2%
Electronic Devices	9.7	135.5%	9.4	97.1%	11.0	115.8%
Retail Systems	2.0	80.0%	7.4	358.6%	4.5	60.4%
Others	2.3	111.6%	1.7	74.5%	2.0	115.3%
Subtotal	17.0	132.1%	28.5	167.2%	33.5	117.4%
Elimination/Corporate	0.3	—	-1.7	—	-1.5	—
Total	17.4	135.2%	26.8	153.7%	32.0	119.3%

7. R&D expenditures

	Billions of yen					
	FY2003		FY2004 [3/2005]		FY2005 Forecast	
		change(%)		change(%)		change(%)
Energy & Electric Systems	10.3	114.8%	9.1	88.7%	9.5	104.3%
ED&C·Drive Systems	4.5	160.4%	3.7	82.9%	3.8	102.5%
Electronic Devices	7.8	101.3%	8.7	110.8%	11.7	134.4%
Retail Systems	4.6	175.0%	3.7	81.6%	3.8	101.3%
Others	0.0	—	0.0	—	0.0	—
Corporate (basic research)	1.1	25.1%	1.7	154.7%	1.3	78.9%
Total	28.5	106.7%	27.2	95.3%	30.4	111.7%
Ratio to net sales (%)	3.3%	—	3.2%	—	3.5%	—

8. Plant and equipment investment (including leases)

	Billions of yen					
	FY2003		FY2004 [3/2005]		FY2005 Forecast	
		change(%)		change(%)		change(%)
Energy & Electric Systems	4.7	110.5%	3.7	79.4%	3.1	84.0%
ED&C·Drive Systems	4.0	89.8%	4.1	103.6%	5.3	127.3%
Electronic Devices	14.0	78.9%	22.9	163.1%	29.7	129.9%
Retail Systems	2.7	49.2%	3.3	122.1%	4.4	134.8%
Others	1.4	127.2%	1.3	93.1%	2.9	219.9%
Corporate	0.0	—	0.1	—	0.1	61.7%
Total	26.9	81.2%	35.6	132.2%	45.7	128.2%
(Leases)	(15.2)	82.1%	(22.6)	148.5%	(23.2)	102.9%

Note: Leases are included in total plant and equipment investment.

9. Depreciation

	Billions of yen					
	FY2003		FY2004 [3/2005]		FY2005 Forecast	
		change(%)		change(%)		change(%)
Depreciation	15.4	60.5%	14.3	92.7%	14.1	98.8%
Leases paid*	13.7	—	18.0	131.4%	19.6	108.9%

*Note: Leases paid for plant and equipment investment

10. Number of employees by business segment

	FY2003	FY2004 [3/2005]	FY2005 Forecast
Energy & Electric Systems	10,535	10,175	10,489
ED&C·Drive Systems	5,119	4,968	5,061
Electronic Devices	4,043	4,689	5,093
Retail Systems	3,080	2,977	3,022
Others	1,686	1,659	1,795
Corporate	138	129	132
Total	24,601	24,597	25,592