

***FY2005 Third Quarter
Consolidated Financial Results***

***January 27, 2006
Fuji Electric Holdings Co., Ltd.***

<u>Effect of newly consolidated subsidiaries < 3Q FY2005 ></u>		
(¥billion)	Sales income	Operating income
Consolidated companies	0.8	0.1

Number of consolidated subsidiaries: increase from 61 to 66 5 newly consolidated subsidiaries

- **Shanghai Fuji Electric Switchgear Co.,Ltd.**
(Energy & Electric Systems Group)
- **Fuji GE Drives(Wuxi)Co., Ltd.**
(ED&C Drive Systems Group)
- **Fuji Electric Device Technology Europe GmbH**
(Electronic Devices Group)
- **Fuji Electric Device Technology Hong Kong Co., Ltd.**
(Electronic Devices Group)
- **Mie Fuji Co.,Ltd.** (Retail Systems Group)
- **Fuji Brain Trust Co.,Ltd.** (Other Group)

Exclusion of 1 consolidated subsidiary

- **Fuji Electric V.C. Altech Co.,Ltd.** (merged by Fuji Electric Retail Systems Co., Ltd.)

Summary of Consolidated Financial Results for 3Q FY2005 (YoY Comparison)

	OP Margin		(¥ billion)
	3Q FY04	3Q FY05	Change
Sales	173.5	189.1	(+9.0%) +15.5
Operating Income	-2.6% -4.5	1.1% 2.0	+3.7% +6.6
Ordinary Income	-4.9	2.4	+7.3
Extraordinary Income/Loss	0.3	1.9	+1.6
Net Income	-2.5	3.3	+5.9
Sales Exchange Rate US\$	¥105.96	¥117.35	

Effect of Newly Consolidated Subsidiaries +0.8
Exchange Rate Effect +1.8
Total +2.6
Actual change +12.9

Increase in Sales +2.6
Exchange Rate Effect +1.8
Price Reduction -0.9
Reduction in Costs +2.8
Increase in Costs -0.5
Others +0.8

	3QFY04	3QFY05	Change
Cost ratio	80.5%	79.1%	-1.4%
SG&A ratio	22.1%	19.8%	-2.3%
OP margin	-2.6%	1.1%	+3.7%

Exchange Rate Effect +0.3
Income/loss on Investment in Equity-method Affiliates +0.3

Extraordinary Income +1.8
Extraordinary Loss -0.1

Net Sales and Operating Income by Segment for 3Q FY2005 (YoY Comparison)

(¥ billion)

		3Q FY04	3Q FY05	Change
		Results	Results	
Net Sales	Energy & Electric Systems	56.0	68.8	+12.7
	ED&C·Drive Systems	43.1	45.3	+2.2
	Electronic Devices	36.3	42.8	+6.5
	Retail Systems	41.1	36.3	-4.8
	Others	8.8	10.0	+1.1
	Eliminations	-12.0	-14.2	-2.2
	Total	173.5	189.1	15.5
Operating Income	Energy & Electric Systems	-7.9	-4.3	+3.5
	ED&C·Drive Systems	1.7	1.7	+0
	Electronic Devices	1.0	4.0	+3.0
	Retail Systems	0.7	-0.5	-1.2
	Others	0.0	0.2	+0.2
	Eliminations/Corporate	-0.1	0.8	+1.0
	Total	-4.5	2.0	+6.6

=Factors Impacting on Net Sales=

Energy & Electric Systems

Increases in e-solutions, environmental systems, industrial & transportation systems and power plant systems
Decrease in plant facility construction business

ED&C·Drive Systems

Impact on exclusion of power source business:-2.3 billion yen
Increases in ED&C components and drive systems

Electronic Devices

Increases in semiconductor devices, magnetic disks and imaging devices

Retail Systems

Large decrease in vending machines, food equipment and coin & currency systems
Increase in cold-chain equipment

Others

Increase resulting from a newly consolidated subsidiary

=Factors Impacting on Operating Income=

Energy & Electric Systems

Improvement in all fields - e-solutions, environmental systems, industrial & transportation systems, power plant systems and plant facility construction business

ED&C·Drive Systems

Increase in ED&C components
Slight deterioration in drive systems

Electronic Devices

Decrease in semiconductor devices
Improvement in magnetic disks and imaging devices

Retail Systems

Deterioration in vending machines, food equipment and coin & currency systems

Summary of Consolidated Financial Results for 3Q FY2005 (Comparison with Forecast)

	OP Margin		(¥ billion)	
	3Q FY05 Forecast (27 Oct.)	3Q FY05 Results	Change	
Sales	181.0	189.1	+8.1 (+4.5%)	Exchange Rate Effect +2.2 Actual change +5.9
Operating Income	-0.6% -1.0	1.1% 2.0	+1.7% +3.0	Increase in Sales +1.1 Exchange Rate Effect +2.2 Prices +0.5 Reduction in Costs +0.2 Others -1.0
Ordinary Income	-2.0	2.4	+4.4	
Net Income	0.5	3.3	+2.8	Foreign Exchange Effect +0.5 Income/loss on Investment in Equity-method Affiliates +0.2 Net interest expenses +0.1 Others +0.6
Sales Exchange Rate US\$	¥105.00	¥117.35		

Change of net sales by segment

Energy & Electric Systems	+3.8
ED&C-Drive Systems	+1.8
Electronic Devices	+3.3
Retail Systems	+1.3
Others	0
Elimination	-2.2

Change of operating income by segment

Energy & Electric Systems	-0.3
ED&C-Drive Systems	-0.2
Electronic Devices	+2.0
Retail Systems	+0.5
Others	+0.2
Elimination/Corporate	+0.8

	3QFY05 Forecast	3QFY05 Results	Change
Cost ratio	79.5%	79.1%	-0.4%
SG&A ratio	21.1%	19.8%	-1.3%
OP margin	-0.6%	1.1%	+1.7%

3QFY05 Forecast	113.19	105.00	-8.19
3QFY05 Results	113.19	118.07	+4.88
		Change(US\$)	13.07

Asset				Liability, Minority Interests and Shareholders' Equity			
	9/30/05	12/31/05	Change		9/30/05	12/31/05	Change
Cash and time deposits	17.9	21.3	+3.3	Notes and accounts payable, trade	141.2	155.0	+13.7
Notes and accounts receivable, trade	191.3	180.7	-10.5	Advances received	55.2	62.4	+7.1
Inventories	165.8	185.1	+19.3	Debt Ratio	33.6%	31.4%	
Other current assets	42.5	52.4	+9.9	Debt	302.5	301.5	-1.0
Total current assets	417.6	439.6	+22.0	Other liabilities	172.9	192.2	+19.3
Tangible fixed assets	145.6	151.0	+5.4	Total liabilities	672.0	711.3	+39.2
Intangible fixed assets	8.0	7.8	-0.2	Minority interests in consolidated subsidiaries	8.6	8.5	-0.1
Investments and other assets	328.1	363.0	+34.8	Common stock	47.5	47.5	-
Total long-term assets	481.8	521.9	+40	Capital surplus	46.7	46.7	0.0
Deferred assets	0.0	0.0	-0.0	Consolidated retained earnings	71.8	73.0	+1.2
Total assets	899.5	961.6	+62	Unrealized gain on other securities	62.3	83.2	+20.9
Unrealized gain on investment securities	105.5	140.8	+35.4	Foreign currency transaction adjustment	-2.7	-2.0	+0.7
				Less shares of common stock held by the Company	-6.8	-6.8	-0.0
				Shareholders' Equity Ratio	24.3%	25.1%	
				Total shareholders' equity	218.8	241.7	+22.8
				interests and shareholders' equity	899.5	961.6	+62
				including			
				Deferred tax liabilities	43.1	57.6	+14.5
				Unrealized gain on other securities	62.3	83.2	+20.9

(¥ billion)

including

(¥ billion)

	3Q FY2004	3Q FY2005	FY2004	FY2005 Forecast
Cash flows from operating activities ()	6.1	10.7	42.2	44.0
Cash flows from investing activities ()	-3.6	-4.2	-3.7	-9.1
Free cash flows (+)	2.5	6.4	38.4	34.9
Cash flows from financing activities ()	5.9	-3.5	-49.7	-39.3
Effect of exchange rate changes on cash and cash equivalents ()	-0.1	0.4	0.2	0.0
Cash flows (+ + +)	8.3	3.3	-11.0	-4.4

Cash and cash equivalents at beginning of year	12.3	17.8	27.2	16.2
Cash and cash equivalents at end of year	20.7	21.2	16.2	11.8

FY2005 Full Year Consolidated Performance [Forecast]

	OP Margin (27 Oct Forecast) (¥ billion)		
	FY2004	FY2005 Forecast 26 January	Change
Sales	844.2	(885.0) 886.0	(+5.0%) +41.8
Operating Income	3.2% 26.8	(37.0) 38.0	4.3% +11.1
Ordinary Income	22.2	(36.0) 37.0	+14.7
Extraordinary Income/Loss	-6.0	-6.0	0
Net Income	7.7	(160) 16.0	+8.2
Sales Exchange Rate US\$	¥107.55	¥111.58	

Effect of Newly Consolidated Subsidiaries	+3.0
Effect of change in fiscal year-end of overseas subsidiaries	+11.7
Exchange Rate Effect	+2.5
Total	+17.2
Actual change	+24.6

Effect of Newly Consolidated Subsidiaries	+0.6
Effect of change in fiscal year-end of overseas subsidiaries	+0.3
Increase in Sales	+5.2
Exchange Rate Effect	+2.5
Reduction in Costs	+12.0
Increase in Costs	-2.2
Price Reduction	-4.3
Others	-3.0

	FY2004	FY2005	Change
Cost ratio	78.9%	78.0%	-0.9%
SG&A ratio	17.9%	17.6%	-0.2%
OP margin	3.2%	4.3%	+1.1%

Income/loss on Investment in Equity-method Affiliates	+2.0	(-2.6)	-0.6
Reduction in Inventory Depreciation Costs	+1.4		
Net interest expenses	+0.5	(-0.7)	-0.2
Others	-	0.3	

*Exchange Rate Applied of 4Q FY2005 ¥110=US.\$

*Effects of Exchange Rate Fluctuations

Operating Income/Loss: ¥1.6 billion/US\$1

Net Sales and Operating Income Forecasts by Segment for FY2005 (YoY Comparison)

(27 Oct. Forecast) (¥ billion)

		FY2004 Results	FY2005 Forecast 26-Jan	Change
Net Sales	Energy & Electric Systems	374.7	(394.0) 395.0	+20.3
	ED&C·Drive Systems	178.2	(177.0) 179.0	+0.8
	Electronic Devices	143.2	(166.0) 169.0	+25.8
	Retail Systems	168.1	(163.0) 163.0	-5.1
	Others	45.7	(51.0) 51.0	+5.3
	Eliminations	-65.9	(-66.0) -71.0	-5.1
	Total	844.2	(885.0) 886.0	+41.8

Operating Income	Energy & Electric Systems	3.2	(9.0) 7.5	+4.2
	ED&C·Drive Systems	6.6	(8.0) 8.0	+1.3
	Electronic Devices	9.4	(13.5) 16.0	+6.5
	Retail Systems	7.4	(6.0) 6.0	-1.4
	Others	1.7	(2.0) 2.0	+0.2
	Eliminations/Corporate	-1.7	(-1.5) -1.5	+0.2
	Total	26.8	(37.0) 38.0	+11.1

=Factors Impacting on Net Sales=

Energy & Electric Systems

Increases in environmental systems, industrial & transportation systems and power plant systems

Decreases in e-solutions and plant facility construction business

Effect of change in fiscal year-end of overseas subsidiaries +0.4billion yen

ED&C·Drive Systems

Impact on exclusion of UPS business:-9.0billion yen

Increases in ED&C components and drive systems

Effect of change in fiscal year-end of overseas subsidiaries +4.1billion yen
(ED&C components +1.2 Drive systems +2.9)

Electronic Devices

Increase in semiconductor devices, magnetic disks and imaging devices

Effect of change in fiscal year-end of overseas subsidiaries +7.3billion yen
(semiconductor+5.2 Imaging devices+2.1)

Retail Systems

Decrease in vending machines, food equipment and

coin & currency systems

Increase in cold chain equipment

Others

Increase resulting from a newly consolidated subsidiary

=Factors Impacting on Operating Income=

Energy & Electric Systems

Improvement in environmental systems, industrial & transportation systems and plant facility construction business

Deterioration in e-solutions and power plant systems

ED&C·Drive Systems

Increases in ED&C components and drive systems

Electronic Devices

Decrease in semiconductor devices

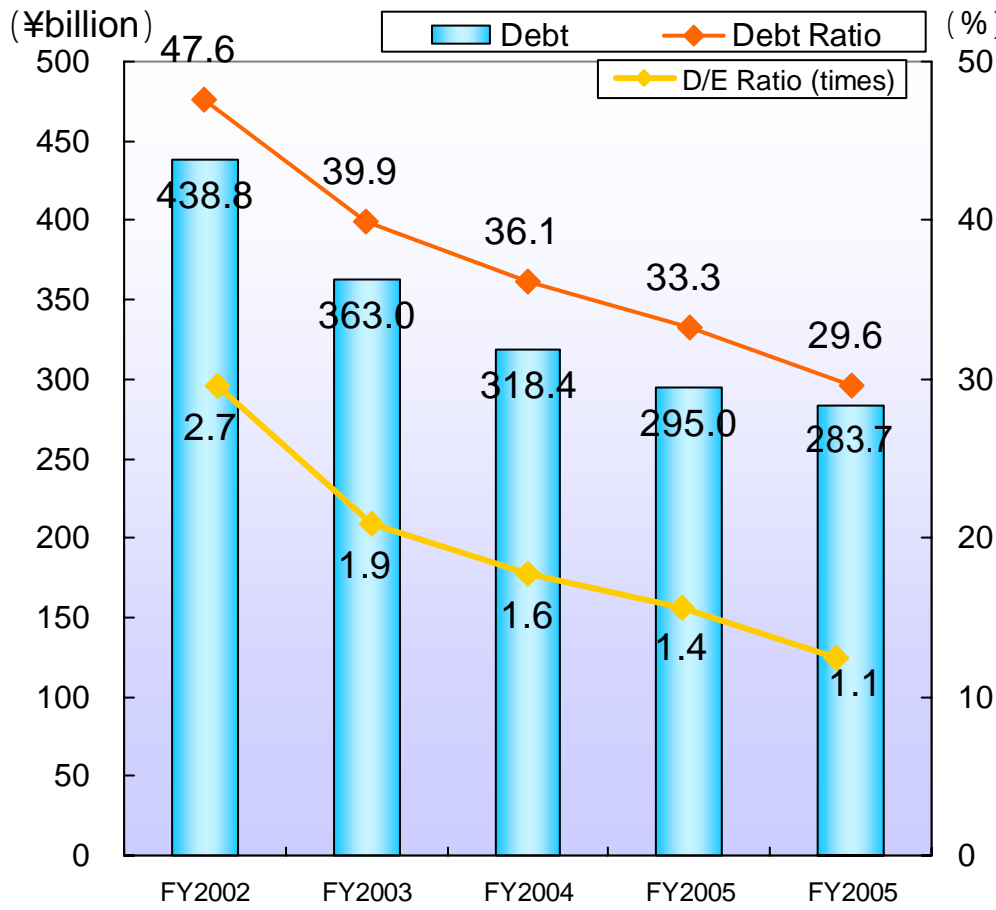
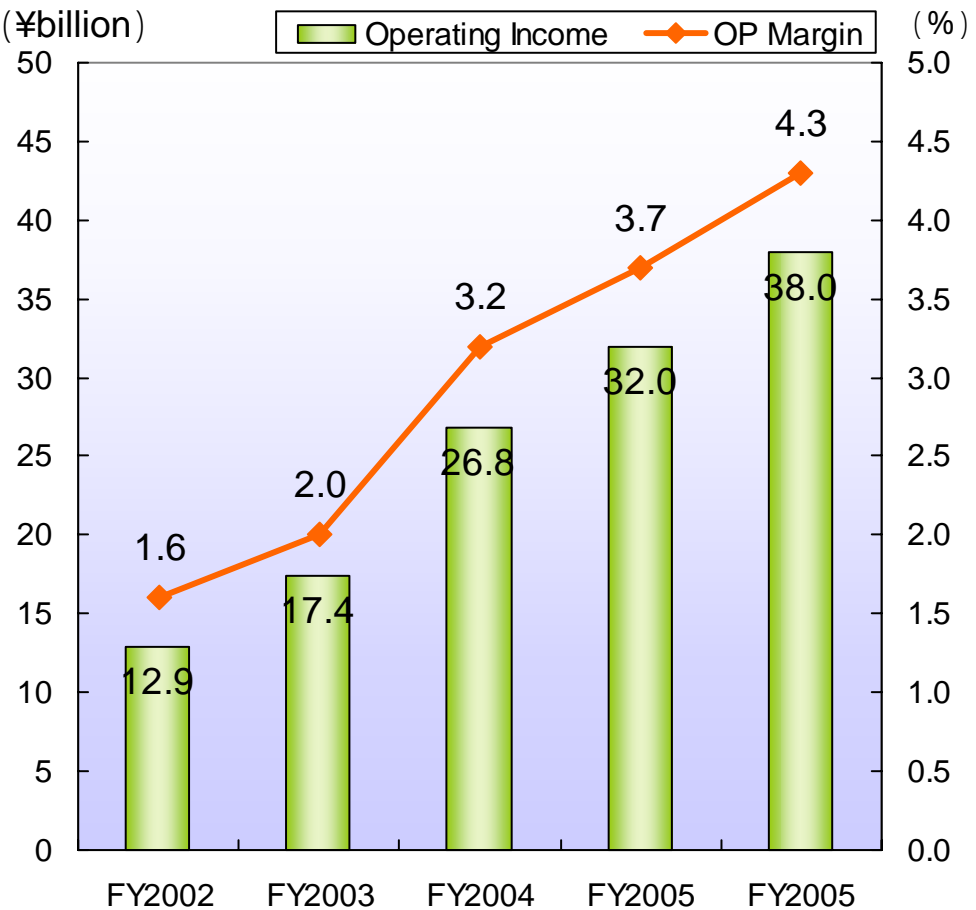
Significant improvement in magnetic disks and imaging devices

Retail Systems

Decrease in vending machines, food equipment and coin & currency systems

Mid-term Plan Performance Targets for FY2005

- ◇ **OP Margin: 5% or greater**
- ◇ **Outstanding Debt: less than ¥300.0 billion**



Net interest expenses	-2.2	-1.3	-0.7	-1.2	-0.2
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