

**Consolidated Financial Results for first quarter of the fiscal year
ending March 31, 2007**

Summary of Consolidated Financial Results

1. Summary of consolidated statements of income

	Millions of yen		Change(%)	Millions of U.S. dollars
	1Q FY2006 (A)	1Q FY2005 (B)	(A) / (B)	1Q FY2006
Net sales	189,492	167,630	113.0%	1,648
Operating income	-2,352	-1,140	-	-20
Ordinary income	-1,561	-620	-	-14
Net income	-422	-1,047	-	-4
	Yen			U.S. dollars
Net income per share	-0.59	-1.46		-0.01

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S. dollars
	6/30/2006	3/31/2006	6/30/2006
Total assets	942,239	990,054	8,193
Net assets	263,810	275,072	2,294
Shareholders' equity ratio (%)	27.0%	27.8%	-
	Yen		U.S. dollars
Net Assets per share	355.88	384.38	3.09

3. Summary of consolidated statements of cash flows

	Millions of yen		Millions of U.S. dollars
	1Q FY2006 (A)	1Q FY2005 (B)	1Q FY2006
Net cash provided by (used in) operating activities	-9,045	9,121	-79
Net cash used in investing activities	-7,418	-2,933	-65
Net cash provided by (used in) financing activities	12,374	-11,335	108
Cash and cash equivalents at end of period	17,482	11,666	152

Note: 1) U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥115=U.S.\$1
2) The company has 67 consolidated subsidiaries and 2 equity-method affiliates.

4. Forecast of consolidated earnings for the fiscal year ending March 31, 2007

(April 1, 2006 - March 31, 2007)

	Millions of yen	
	1H FY2006	FY2006
Net sales	400,000	910,000
Operating income	4,500	43,500
Ordinary income	4,500	42,000
Net income	1,000	20,000

	Yen	
	1H FY2006	FY2006
Net income per share	1.40	27.97

(Millions of yen)

<<Forecast for 1H FY2006>>	1H FY2006 Forecast		
	Revised (7/27/06)	Initial (4/27/06)	Difference
Net sales	400,000	393,000	+7,000
Operating income	4,500	3,500	+1,000
Ordinary income	4,500	3,500	+1,000
Net income	1,000	0	+1,000

(Millions of yen)

<<Forecast for 1H FY2006>>	Net sales			Operating income		
	Revised (7/27/06)	Initial (4/27/06)	Difference	Revised (7/27/06)	Initial (4/27/06)	Difference
Energy & Electric Systems	147,000	140,000	+7,000	-8,500	-9,000	+500
ED&C Drive Systems	92,000	89,000	+3,000	4,000	3,500	+500
Electronic Devices	94,000	91,000	+3,000	8,500	7,500	+1,000
Retail Systems	75,000	80,000	-5,000	1,000	1,500	-500
Others	25,500	25,500	0	500	500	0
Elimination/Corporate	-33,500	-32,500	-1,000	-1,000	-500	-500
Total	400,000	393,000	+7,000	4,500	3,500	+1,000

< 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 Balance Sheets

	Millions of yen		Change	Millions of U.S. dollars
	6/30/2006(A)	3/31/2006(B)	(A) - (B)	6/30/2006
Assets				
Current assets:				
Cash and time deposits	17,596	21,527	-3,931	153
Trade receivables	205,613	240,599	-34,986	1,788
Inventories	149,519	137,442	12,077	1,300
Other current assets	50,013	42,481	7,532	435
Total current assets	422,743	442,049	-19,306	3,676
Long-term assets:				
Tangible fixed assets	150,769	150,350	419	1,311
Intangible fixed assets	8,237	8,351	-114	72
Investments and other assets	360,339	389,302	-28,963	3,133
Total long-term assets	519,346	548,004	-28,658	4,516
Deferred assets	148	-	148	1
Total assets	942,239	990,054	-47,815	8,193
Liabilities				
Current liabilities:				
Trade payables	160,360	181,082	-20,722	1,394
Short-term debt	90,275	64,645	25,630	785
Other current liabilities	190,435	244,568	-54,133	1,656
Total current liabilities	441,071	490,297	-49,226	3,835
Long-term liabilities:				
Bonds	118,000	80,000	38,000	1,026
Long-term debt	38,963	42,700	-3,737	339
Other long-term liabilities	80,393	92,167	-11,774	699
Total long-term liabilities	237,356	214,867	22,489	2,064
Total liabilities	678,428	705,164	-26,736	5,899
Net Assets				
Shareholders' equity:				
Common stock	47,586	-	-	414
Capital surplus	46,713	-	-	406
Retained earnings	84,871	-	-	738
Treasury stock at cost	-6,907	-	-	-60
Total shareholders' equity	172,264	-	-	1,498
Valuation and translation adjustments:				
Unrealized gain on other securities, net taxes	83,143	-	-	723
Deferred gain on Hedges	1	-	-	0
Foreign currency translation adjustments	-953	-	-	-8
Total valuation and translation adjustments	82,192	-	-	715
Minority interests in consolidated subsidiaries	9,354	-	-	81
Total net assets	263,810	-	-	2,294
Total liabilities and net assets	942,239	-	-	8,193
Minority interests in consolidated subsidiaries	-	9,817	-	-
Shareholders' equity:				
Common stock	-	47,586	-	-
Capital surplus	-	46,713	-	-
Retained earnings	-	88,175	-	-
Unrealized gain on other securities, net taxes	-	100,029	-	-
Foreign currency translation adjustments	-	-544	-	-
Treasury stock at cost	-	-6,887	-	-
Total shareholders' equity	-	275,072	-	-
Total liabilities, minority interests and shareholders' equity	-	990,054	-	-
Debt	290,238	275,046	-	2,524

Consolidated Statements of Operations

	Millions of yen		Change	Millions of U.S. dollars
	1Q FY2006 (A)	1Q FY2005 (B)	(A) - (B)	1Q FY2006 (A)
Net sales	189,492	167,630	21,862	1,648
Cost of sales	153,605	131,324	22,281	1,336
Gross profit	35,886	36,306	-420	312
Selling, general and administrative expenses	38,239	37,447	792	333
Operating income (loss)	-2,352	-1,140	-1,212	-20
Non-operating income	2,217	2,074	143	19
Interest and dividend income	1,715	1,468	247	15
Other, net	501	605	-104	4
Non-operating expenses	1,426	1,554	-128	12
Interest expense	758	671	87	7
Other, net	667	883	-216	6
Ordinary income (loss)	-1,561	-620	-941	-14
Extraordinary income	507	290	217	4
Extraordinary loss	735	2,008	-1,273	6
Income (loss) before income taxes and minority interests	-1,789	-2,338	549	-16
Income taxes	-1,045	-839	-206	-9
Minority interests in net income of consolidated subsidiaries	-321	-452	131	-3
Net income (loss)	-422	-1,047	625	-4

Consolidated Statements of Cash Flows

	Millions of yen	Millions of yen	Change	Millions of U.S. dollars
	1Q FY2006 (A)	1Q FY2005 (B)	(A) - (B)	1Q FY2006 (A)
Cash flows from operating activities:				
Income (loss) before income taxes and minority interests	-1,789	-2,338	549	-16
Depreciation and amortization	3,988	3,895	93	35
Interest and dividend income	-1,715	-1,468	-247	-15
Interest expense	758	671	87	7
Change in operating assets and liabilities:				
Trade receivables	34,859	51,894	-17,035	303
Inventories	-11,989	-24,827	12,838	-104
Trade payables	-20,444	-27,792	7,348	-178
Advances from customers	9,720	19,110	-9,390	85
Other, net	-16,677	-12,334	-4,343	-145
Cash generated from operations	-3,290	6,809	-10,099	-29
Interest and dividends received	1,684	1,466	218	15
Interest paid	-940	-855	-85	-8
Income taxes paid	-6,499	1,701	-8,200	-57
Net cash provided by (used in) operating activities	-9,045	9,121	-18,166	-79
Cash flows from investing activities:				
Payments for purchase of fixed assets and marketable and investment securities	-7,710	-3,275	-4,435	-67
Proceeds from sales of fixed assets and marketable and investment securities	321	491	-170	3
Other, net	-28	-150	122	0
Net cash used in investing activities	-7,418	-2,933	-4,485	-65
Free cash flows (+)	-16,463	6,187	-22,650	-143
Cash flows from financing activities:				
Increase (decrease) in short-term borrowings, net	22,608	8,912	13,696	197
Increase (decrease) in commercial paper, net	-36,700	-17,000	-19,700	-319
Proceeds from long-term debt and bonds	50,180	1,500	48,680	436
Repayment of long-term debt and redemption of bonds	-20,791	-2,753	-18,038	-181
Other, net	-2,923	-1,994	-929	-25
Net cash provided by (used in) financing activities	12,374	-11,335	23,709	108
Effect of exchange rate changes on cash and cash equivalents	-4	125	-129	0
Net decrease in cash and cash equivalents (+ + +)	-4,092	-5,023	931	-36
Cash and cash equivalents at beginning of period	21,413	16,215	5,198	186
Increase in cash and cash equivalents resulting from changes of consolidated subsidiaries	161	474	-313	1
Cash and cash equivalents at end of period	17,482	11,666	5,816	152

Consolidated Segment Information

1. Net sales by business segment

	Millions of yen		Change(%)	Millions of U.S. dollars
	1Q FY2006 (A)	1Q FY2005 (B)	(A) / (B)	1Q FY2006
Energy & Electric Systems	66,633	46,866	142.2%	579
ED&C·Drive Systems	45,098	39,018	115.6%	392
Electronic Devices	45,896	36,474	125.8%	399
Retail Systems	35,903	48,100	74.6%	312
Others	10,338	10,170	101.7%	90
Subtotal	203,869	180,629	112.9%	1,773
Elimination	-14,376	-12,999	-	-125
Total	189,492	167,630	113.0%	1,648

2. Operating income by business segment

	Millions of yen		Change(%)	Millions of U.S. dollars
	1Q FY2006 (A)	1Q FY2005 (B)	(A) / (B)	1Q FY2006
Energy & Electric Systems	-8,610	-9,754	-	-75
ED&C·Drive Systems	2,019	1,171	172.4%	18
Electronic Devices	2,769	1,706	162.3%	24
Retail Systems	1,377	5,463	25.2%	12
Others	231	214	107.9%	2
Subtotal	-2,211	-1,197	-	-19
Elimination/Corporate	-140	57	-	-1
Total	-2,352	-1,140	-	-20

Supplemental Consolidated Financial Materials

1. Financial summary

	Billions of yen			
	1Q FY2006	1H FY2006 [Forecast]	1Q FY2005	1H FY2005
Net sales	189.4	400.0	167.6	369.3
Operating income	-2.3	4.5	-1.1	3.3
Ordinary income	-1.5	4.5	-0.6	3.7
Net income	-0.4	1.0	-1.0	-0.7

2. Number of consolidated subsidiaries

	1Q FY2006	1H FY2006 [Forecast]	1Q FY2005	1H FY2005
Number of consolidated subsidiaries	67	67	66	66
Number of equity-method affiliates	2	2	2	2

3. Net income per share

	Yen			
	1Q FY2006	1H FY2006 [Forecast]	1Q FY2005	1H FY2005
Net income per share	-0.59	1.40	-1.46	-1.04

4. Sales exchange rate (US\$)

	Yen			
	1Q FY2006	1H FY2006 [Forecast]	1Q FY2005	1H FY2005
Sales exchange rate	114.50	114.25	107.69	109.48

5. Net sales by business segment

	Billions of yen			
	1Q FY2006	1H FY2006 [Forecast]	1Q FY2005	1H FY2005
Energy & Electric Systems	66.6	147.0	46.8	129.3
ED&C Drive Systems	45.0	92.0	39.0	83.8
Electronic Devices	45.8	94.0	36.4	75.9
Retail Systems	35.9	75.0	48.1	87.6
Others	10.3	25.5	10.1	24.9
Subtotal	203.8	433.5	180.6	401.7
Elimination	-14.3	-33.5	-12.9	-32.4
Total	189.4	400.0	167.6	369.3

Note : Net sales include inter-segment transactions.

6. Operating income by business segment

	Billions of yen			
	1Q FY2006	1H FY2006 [Forecast]	1Q FY2005	1H FY2005
Energy & Electric Systems	-8.6	-8.5	-9.7	-12.6
ED&C Drive Systems	2.0	4.0	1.1	3.2
Electronic Devices	2.7	8.5	1.7	6.6
Retail Systems	1.3	1.0	5.4	5.3
Others	0.2	0.5	0.2	0.9
Subtotal	-2.2	5.5	-1.1	3.5
Elimination/Corporate	-0.1	-1.0	0.0	-0.2
Total	-2.3	4.5	-1.1	3.3

7. R&D expenditures

	Billions of yen			
	1Q FY2006	1H FY2006 [Forecast]	1Q FY2005	1H FY2005
Energy & Electric Systems	1.5	4.3	1.7	4.2
ED&C·Drive Systems	0.9	1.9	0.9	1.8
Electronic Devices	4.4	7.3	3.0	5.6
Retail Systems	0.9	2.1	0.8	1.7
Others	0.0	0.0	0.0	0.0
Corporate (basic research)	0.0	0.0	0.2	0.4
Total	7.9	15.9	6.9	13.9
Ratio to net sales (%)	4.2%	4.0%	4.1%	3.8%

8. Plant and equipment investment (including leases)

	Billions of yen			
	1Q FY2006	1H FY2006 [Forecast]	1Q FY2005	1H FY2005
Energy & Electric Systems	0.7	3.8	0.4	1.7
ED&C·Drive Systems	0.5	2.8	0.4	1.9
Electronic Devices	5.1	15.2	3.7	11.6
Retail Systems	0.8	2.6	0.3	1.2
Others	0.3	1.0	0.2	0.5
Corporate	0.0	0.0	0.0	0.2
Total	7.5	25.7	5.2	17.3
(Leases)	(4.2)	15.1	(2.9)	9.8

Note: Leases included in total plant and equipment investment

9. Depreciation, Leases paid

	Billions of yen			
	1Q FY2006	1H FY2006 [Forecast]	1Q FY2005	1H FY2005
Energy & Electric Systems	1.2	2.6	1.0	2.6
ED&C·Drive Systems	1.0	2.1	1.0	2.1
Electronic Devices	5.5	11.2	4.2	7.8
Retail Systems	0.8	1.8	0.8	1.7
Others	0.5	1.1	0.4	1.0
Corporate	0.0	0.0	0.0	0.1
Total	9.3	19.1	7.8	15.5
(Leases paid)	(5.9)	(12.1)	(4.4)	9.5

Note: Leases paid for plant and equipment investment

10. Number of employees

	6/30/2006	9/30/2006 [Forecast]	6/30/2005	9/30/2005
	Energy & Electric Systems	10,240	10,164	10,399
ED&C·Drive Systems	5,213	5,229	4,960	4,962
Electronic Devices	5,430	5,625	4,795	4,977
Retail Systems	3,036	3,017	3,044	3,021
Others	1,823	1,854	1,807	1,774
Corporate	138	141	132	128
Total	25,880	26,030	25,137	25,155

FY2006 First-Quarter Consolidated Financial Results

[Operating Results]

In the first quarter of fiscal 2006, the three-month period from April 1 to June 30, 2006, the Group's operating environment was generally strong despite the negative impact of surging prices for raw materials. The main factors supporting this strength included sustained economic recovery in Japan on the back of domestic private-sector demand fueled chiefly by capital investment, and growth in the global economy centered on the U.S. and Asia.

In this climate, the Fuji Electric Group posted an increase in consolidated net sales of 13.0%, to ¥189,492 million. Although sales in Retail Systems fell markedly from a year earlier, reflecting falling demand overall in the vending machine industry and a drop off from a surge in demand following the introduction of new Japanese bank notes, Energy & Electric Systems, ED&C • Drive Systems and Electronic Devices all reported higher sales compared to the same period a year earlier.

Despite winning more business from private-sector customers and achieving cost reductions through Group-wide manufacturing innovation activities, the drop in sales in Retail Systems resulted in a first quarter operating loss of ¥2,352 million, a deterioration of ¥1,212 million compared to a year earlier, and an ordinary loss of ¥1,561 million, an increase of ¥941 million. Due to lower extraordinary losses, the net loss improved ¥625 million, to ¥422 million.

[Performance by Business Segment]

Energy & Electric Systems

This segment reported an operating loss of ¥8,610 million, an improvement of ¥1,144 million year on year, on net sales of ¥66,633 million, up 42.2%.

In the e-solutions field, the segment won some orders for document management systems from local governments, but this was outweighed by a drop in major orders for information management systems, resulting in lower sales year on year and deterioration in operating profitability.

Sales in the environmental systems field rose on the back of large orders for water

treatment systems, while operating profitability improved due to efforts to cut operating expenses and other costs.

In industrial systems, against the backdrop of a steady recovery in domestic private-sector investment, there was a firm performance overall by clean room facilities and electrical facilities for the materials sector, leading to a significant increase in sales compared to a year earlier. This increase in sales, as well as efforts to cut costs, supported an improvement in operating profitability.

Electric power systems recorded a significant increase in sales thanks to major orders from domestic independent power producers (IPPs) for thermal power generation equipment. However, operating profitability deteriorated mainly due to additional costs incurred on an overseas project.

Sales in the plant facility construction business grew year on year due to an increase in large orders from the private sector. Operating profitability also improved.

ED&C • Drive Systems

This segment posted an increase in operating income of 72.4%, to ¥2,019 million, on net sales of ¥45,098 million, an increase of 15.6% year on year.

In electric distribution & control (ED&C) components in Japan, the segment focused on boosting sales to the machine tools sector and other industries that continue to perform well, resulting in higher sales of core products such as magnetic contactors and low-voltage circuit breakers, as well as energy monitoring systems. Sales also grew in overseas markets, reflecting efforts to supply core products that meet global standards. As a result, overall sales in ED&C components increased compared to the same period a year earlier. Operating income also rose as the higher sales and efforts to reduce total costs, including operating expenses, outweighed the negative impact of surging raw material prices.

In control & drive systems, sales in Japan grew on the back of increased sales of inverters, servomotor systems, programmable logic controllers and programmable operation displays as key customers in pump-related, printing equipment, textile machinery and other fields performed strongly. Sales of core products were also buoyant overseas, centered on demand from crane manufacturers in China. As result,

overall sales and operating income in control & drive systems both rose compared to the first quarter of fiscal 2005.

Electronic Devices

This segment posted an increase in operating income of 62.3%, to ¥2,769 million, on net sales of ¥45,896 million, up 25.8% year on year.

In semiconductors, the segment boosted sales of electronic automotive components such as high-performance MOSFETs and automotive IGBT modules. Research and development efforts were targeted at creating products for hybrid vehicles, a promising area of growth. Sales of semiconductors to customers in the industrial sector were firm, mainly centered on machine tool-related products and IGBTs for general-purpose inverters. In the IT and power supply field, sales of core products such as high-voltage ICs used in plasma displays and MOSFETs rose due to an increase in production capacity. As a result, overall sales of semiconductors rose, but operating profitability deteriorated due to increased research and development costs related to the start of work on new products and the higher cost of capital.

In storage devices, sales and operating income both rose substantially compared to a year earlier. This reflected the segment's increased production capacity in an environment of rising demand for hard disk drives (HDDs). Volume production of 2.5-inch glass disks employing perpendicular magnetic recording technology also got under way to meet demand for large-capacity HDDs.

In imaging devices, sales increased year on year as strong demand for organic photoconductive drums (OPC) from assembly manufacturers outweighed lower sales of selenium products for older printer models. Operating income was level with the same period a year earlier.

Retail Systems

This segment recorded a decline in operating income of 74.8%, to ¥1,377 million, on net sales of ¥35,903 million, down 25.4% year on year.

In the vending machine, food equipment and currency handling system field, sales of mainstay can vending machines and cup-type vending machines dropped, tracking an industry-wide decline in demand for these products. Sales of cigarette vending

machines also fell due to a decline in the number of major orders secured. Reflecting a drop off from a surge in demand following the introduction of new Japanese bank notes, sales of currency handling systems decreased compared to a year earlier. As a result, sales and operating income in this field were both much lower year on year.

In cold-chain equipment, sales to supermarkets rose year on year thanks to active efforts to win new orders, despite largely flat growth in the market overall. In the convenience store sector, where industry-wide sales declined marginally, a number of major new orders and efforts to attract new customers paid off with a slight increase in sales. As a result, sales and operating income increased compared to the first quarter of fiscal 2005.

Others

Sales in this segment increased 1.7% to ¥10,338 million, while operating income rose 7.9% to ¥231 million, reflecting steps to integrate functions in a shared services company to improve the training of back-office personnel and promote more efficient management.

[Financial Position]

Total assets as of June 30, 2006 stood at ¥942.2 billion, a decrease of ¥47.8 billion compared to the end of fiscal 2005. In assets, notes and accounts receivable, trade decreased ¥34.9 billion, while inventories rose ¥12.0 billion in preparation for second-quarter sales. Investments and other assets declined ¥28.9 billion, mainly reflecting a drop in the amount of unrealized losses on investment securities.

In liabilities, notes and accounts payable, trade fell ¥20.7 billion, while debt increased ¥15.1 billion. As of June 30, 2006, the balance of the Group's debt stood at ¥290.2 billion.

Net assets at the end of the period totaled ¥263.8 billion, mainly reflecting a drop in consolidated retained earnings of ¥3.3 billion, and a decline in unrealized gain on other securities of ¥16.8 billion. Shareholders' equity, which is net assets less minority interests, was ¥254.4 billion. The shareholders' equity ratio declined 0.8 of a percentage point, to 27.0%.

Free cash flow in the first quarter was negative ¥16.4 billion, compared with positive ¥6.1 billion in the same period a year earlier.

Consolidated Interim Forecasts for FY 2006

In light of recent business performance and other factors, the Company has revised its consolidated interim forecasts for the fiscal year ending March 31, 2006, announced together with results for fiscal 2005 on April 27, 2006. Details are as follows. For further information, please refer to the separate announcement of July 27, 2006, "Fuji Electric Revises FY2006 Interim Earnings Forecasts."

These forecasts assume an exchange rate of ¥114/\$1.00 for the second quarter of fiscal 2006.

Consolidated interim forecasts for FY2006

(¥ billion)

	Initial	Revised	Change
Net Sales	393.0	400.0	+7.0
Operating Income	3.5	4.5	+1.0
Ordinary Income	3.5	4.5	+1.0
Net Income	0	1.0	+1.0

Consolidated net sales and operating income by segment for 1H FY2006 [forecast]

(¥ billion)

	Net Sales			Operating Income		
	Initial	Revised	Change	Initial	Revised	Change
Energy & Electric Systems	140.0	147.0	+7.0	-9.0	-8.5	+0.5
ED&C • Drive Systems	89.0	92.0	+3.0	3.5	4.0	+0.5
Electronic Devices	91.0	94.0	+3.0	7.5	8.5	+1.0
Retail Systems	80.0	75.0	-5.0	1.5	1.0	-0.5
Others	25.5	25.5	0	0.5	0.5	0
Eliminations/Corporate	-32.5	-33.5	-1.0	-0.5	-1.0	-0.5
Total	393.0	400.0	+7.0	3.5	4.5	+1.0

[Cautionary Statement]

Investors are warned that actual results may differ from the above forecasts due to a range of factors, including, but not limited to, sudden changes in the supply-and-demand balance in the markets the Group serves, fluctuations in exchange rates, particularly between the yen and the U.S. dollar, and fluctuations in Japanese stock markets.