

**Consolidated Financial Results for the First Half of the fiscal year  
ending March 31, 2009**

**Summary of Consolidated Financial Results**

**1. Summary of consolidated statements of income (April 1 - September 30, 2008)**

	Millions of yen		Millions of U.S. dollars
	1H FY2007	1H FY2008	1H FY2008
Net sales	399,611	372,976	3,621
Operating income	538	-6,707	-65
Ordinary income	1,459	-7,450	-72
Net income	-954	-10,753	-104
	Yen		U.S. dollars
Net income per share	-1.33	-15.05	-0.15

**2. Summary of consolidated financial position**

	Millions of yen		Millions of U.S. dollars
	3/31/2008	9/30/2008	9/30/2008
Total assets	1,035,951	956,665	9,288
Net assets	263,255	230,001	2,233
Net assets ratio (%)	24.6%	23.4%	-
	Yen		U.S. dollars
Net Assets per share	355.98	312.92	3.04

Note: 1) U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥103=U.S.\$1

2) The company has 66 consolidated subsidiaries and 3 equity-method affiliates.

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2009  
(April 1, 2008 - March 31, 2009)**

	Millions of yen
	FY2008
Net sales	850,000
Operating income	10,000
Ordinary income	10,000
Net income	0
	Yen
	FY2008
Net income per share	0.00

< Cautionary Statements With Respect to Forward-Looking Statement: >

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**

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	Millions of yen		Millions of U.S. dollars
	9/30/2008	3/31/2008	9/30/2008
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	14,440	22,204	140
Notes and accounts receivable-trade	207,771	286,568	2,017
Merchandise and finished goods	71,256	67,691	692
Work in process	93,525	67,940	908
Raw materials and supplies	33,185	31,107	322
Other current assets	56,976	56,075	553
Allowance for doubtful accounts	-407	-313	-4
<b>Total current assets</b>	<b>476,750</b>	<b>531,273</b>	<b>4,629</b>
<b>Noncurrent assets:</b>			
Property, plant and equipment	189,083	183,268	1,836
Intangible assets	8,411	10,829	82
Investments and other assets			
Investment securities	222,434	245,868	2,160
Other investments and other assets	60,481	65,177	587
Allowance for doubtful accounts	-928	-902	-9
<b>Total Investments and other assets</b>	<b>281,987</b>	<b>310,143</b>	<b>2,738</b>
<b>Total noncurrent assets</b>	<b>479,482</b>	<b>504,241</b>	<b>4,655</b>
<b>Deferred assets</b>	<b>431</b>	<b>436</b>	<b>4</b>
<b>Total assets</b>	<b>956,665</b>	<b>1,035,951</b>	<b>9,288</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	147,069	186,686	1,428
Short-term loans payable	96,601	85,932	938
Commercial papers	50,000	65,500	485
Income taxes payable	2,589	4,616	25
Advances received	53,848	41,286	523
Other current liabilities	136,842	148,510	1,329
<b>Total current liabilities</b>	<b>486,951</b>	<b>532,532</b>	<b>4,728</b>
<b>Noncurrent liabilities:</b>			
Bonds payable	150,000	140,000	1,456
Long-term loans payable	36,730	34,793	357
Provision for retirement benefits	8,129	13,262	79
Provision for directors' retirement benefits	751	863	7
Other long-term liabilities	44,101	51,243	428
<b>Total noncurrent liabilities</b>	<b>239,711</b>	<b>240,163</b>	<b>2,327</b>
<b>Total liabilities</b>	<b>726,663</b>	<b>772,696</b>	<b>7,055</b>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	462
Capital surplus	46,742	46,734	454
Retained earnings	100,263	116,478	973
Treasury stock	-7,097	-7,072	-69
<b>Total shareholders' equity</b>	<b>187,494</b>	<b>203,727</b>	<b>1,820</b>
<b>Valuation and translation adjustments:</b>			
Valuation difference on available-for-sale securities	36,651	52,032	356
Deferred gains on hedges	69	820	1
Foreign currency translation adjustments	-577	-2,145	-6
<b>Total valuation and translation adjustments</b>	<b>36,143</b>	<b>50,707</b>	<b>351</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>6,362</b>	<b>8,820</b>	<b>62</b>
<b>Total net assets</b>	<b>230,001</b>	<b>263,255</b>	<b>2,233</b>
<b>Total liabilities and net assets</b>	<b>956,665</b>	<b>1,035,951</b>	<b>9,288</b>
<b>Interest-bearing debt</b>	<b>353,332</b>	<b>356,226</b>	<b>3,430</b>

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**Consolidated Statements of Income**

**For the first Half of FY2008 (April 1 - September 30, 2008)**

	Millions of yen	<i>Millions of U.S. dollars</i>
	<b>1H FY2008</b>	1H FY2008
<b>Net sales</b>	372,976	3,621
<b>Cost of sales</b>	306,978	2,980
<b>Gross profit</b>	65,997	641
<b>Selling, general and administrative expenses</b>	72,705	706
<b>Operating loss</b>	-6,707	-65
<b>Non-operating income</b>		
Interest income	133	1
Dividends income	2,490	24
Other	917	9
<b>Total non-operating income</b>	3,541	34
<b>Non-operating expenses</b>		
Interest expense	2,820	27
Interest on commercial papers	152	1
Equity in losses of affiliates	702	7
Other	607	6
<b>Total non-operating expenses</b>	4,283	42
<b>Ordinary loss</b>	-7,450	-72
<b>Extraordinary loss</b>		
Loss on disposal of noncurrent assets	1,379	13
Loss on valuation of investment securities	183	2
Loss on valuation of inventories	1,635	16
Special retirement expenses	1,516	15
Other	1,416	14
<b>Total extraordinary loss</b>	6,132	60
<b>Loss before income taxes and minority interests</b>	-13,583	-132
<b>Income taxes</b>	-2,920	-28
<b>Minority interests in income of consolidated subsidiaries</b>	90	1
<b>Net loss</b>	-10,753	-104

**Consolidated Statements of Income**

**For the second quarter of FY2008 (July 1 - September 30, 2008)**

	Millions of yen	<i>Millions of U.S. dollars</i>
	<b>2Q FY2008</b>	2Q FY2008
<b>Net sales</b>	201,384	1,955
<b>Cost of sales</b>	165,401	1,606
<b>Gross profit</b>	35,983	349
<b>Selling, general and administrative expenses</b>	37,058	360
<b>Operating loss</b>	-1,075	-10
<b>Non-operating income</b>		
Interest income	74	1
Dividends income	105	1
Other	422	4
<b>Total non-operating income</b>	601	6
<b>Non-operating expenses</b>		
Interest expense	1,499	15
Interest on commercial papers	75	1
Equity in losses of affiliates	144	1
Other	307	3
<b>Total non-operating expenses</b>	2,027	20
<b>Ordinary loss</b>	-2,500	-24
<b>Extraordinary loss</b>		
Loss on disposal of noncurrent assets	1,288	13
Loss on valuation of investment securities	77	1
Special retirement expenses	321	3
Other	724	7
<b>Total extraordinary loss</b>	2,412	23
<b>Loss before income taxes and minority interests</b>	-4,912	-48
<b>Income taxes</b>	-778	-8
<b>Minority interests in income of consolidated subsidiaries</b>	2	0
<b>Net loss</b>	-4,137	-40

**Consolidated Statements of Cash Flows**

For the first Half of FY2008 (April 1 - September 30, 2008)

	Millions of yen	<i>Millions of U.S. dollars</i>
	<b>1H FY2008</b>	1H FY2008
<b>I Cash flows from operating activities:</b>		
Income (loss) before income taxes and minority interests	-13,583	-132
Depreciation and amortization	11,921	116
Interest and dividend income	-2,623	-25
Interest expense	2,820	27
Decrease (increase) in notes and accounts receivable-trade	57,354	557
Decrease (increase) in inventories	-33,848	-329
Increase (decrease) in notes and accounts payable-trade	-28,735	-279
Increase (decrease) in advances received	19,172	186
Other, net	2,345	23
Cash generated from operations	14,823	144
Interest and dividends income received	2,660	26
Interest expenses paid	-2,823	-27
Income taxes paid	-3,854	-37
Net cash provided by operating activities	10,805	105
<b>II Cash flows from investment activities:</b>		
Purchase of intangible assets and investment securities	-17,199	-167
Proceeds from sales and redemption of intangible assets and investment securities	2,282	22
Proceeds from sales of investments in newly consolidated subsidiaries	4,309	42
Other, net	-347	-3
Net cash used in investment activities	-10,954	-106
Free cash flows ( I + II )	-149	-1
<b>III Cash flows from financing activities:</b>		
Net increase (decrease) in short-term loans payable	9,432	92
Increase (decrease) in commercial papers	-15,500	-150
Proceeds from long-term loans payable and issuance of bonds	17,945	174
Repayment of long-term loans payable and redemption of bonds	-16,131	-157
Other, net	-3,219	-31
Net cash used in financing activities	-7,472	-73
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	-497	-5
<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV )</b>	-8,119	-79
<b>VI Cash and cash equivalents at beginning of period</b>	22,092	214
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	355	3
<b>VIII Cash and cash equivalents at end of period</b>	14,328	139

**Consolidated Segment Information**

**1. Net sales and operating income by business segment**

**For the second quarter of FY2008 (July 1 - September 30, 2008)**

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	118,308	46,088	34,530	2,456	201,384	-	201,384
Intersegment	2,076	1,247	274	10,299	13,898	-13,898	-
Total sales	120,385	47,335	34,805	12,756	215,283	-13,898	201,384
Operating income	1,485	-2,186	-562	772	-492	-582	-1,075

**For the first Half of FY2008 (April 1 - September 30, 2008)**

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	209,834	86,255	71,825	5,060	372,976	-	372,976
Intersegment	3,854	2,470	372	18,078	24,775	-24,775	-
Total sales	213,688	88,725	72,198	23,139	397,751	-24,775	372,976
Operating income	-1,256	-6,500	504	1,201	-6,051	-656	-6,707

**For the second quarter of FY2008 (July 1 - September 30, 2008)**

	Millions of U.S. dollars						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	1,149	447	335	24	1,955	-	1,955
Intersegment	20	12	3	100	135	-135	-
Total sales	1,169	460	338	124	2,090	-135	1,955
Operating income	14	-21	-5	7	-5	-6	-10

**For the first Half of FY2008 (April 1 - September 30, 2008)**

	Millions of U.S. dollars						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	2,037	837	697	49	3,621	-	3,621
Intersegment	37	24	4	176	241	-241	-
Total sales	2,075	861	701	225	3,862	-241	3,621
Operating income	-12	-63	5	12	-59	-6	-65

## 2. Consolidated Geographic Segment information

### For the second quarter of FY2008 (July 1 - September 30, 2008)

	Millions of yen							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	181,951	2,401	2,773	3,384	10,872	201,384	-	201,384
Intersegment	18,668	119	23	8,680	3,045	30,537	-30,537	-
Total sales	200,619	2,521	2,797	12,065	13,918	231,921	-30,537	201,384
Operating income	-557	8	-9	-1,116	974	-700	-375	-1,075

### For the first Half of FY2008 (April 1 - September 30, 2008)

	Millions of yen							Total
	Japan	North America	Europe	Asia (except for China)	China	Total	Elimination and Corporate	
Sales								
Unaffiliated customers	331,789	4,975	6,751	7,052	22,407	372,976	-	372,976
Intersegment	34,205	227	61	17,476	6,232	58,204	-58,204	-
Total sales	365,994	5,203	6,813	24,529	28,639	431,180	-58,204	372,976
Operating income	-7,485	34	-2	-1,600	2,059	-6,994	286	-6,707

### For the first two quarters of FY2008 (April 1 - September 30, 2008)

	Millions of U.S. dollars							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	1,767	23	27	33	106	1,955	-	1,955
Intersegment	181	1	0	84	30	296	-296	-
Total sales	1,948	24	27	117	135	2,252	-296	1,955
Operating income	-5	0	0	-11	9	-7	-4	-10

### For the first Half of FY2008 (April 1 - September 30, 2008)

	Millions of U.S. dollars							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	3,221	48	66	68	218	3,621	-	3,621
Intersegment	332	2	1	170	61	565	-565	-
Total sales	3,553	51	66	238	278	4,186	-565	3,621
Operating income	-73	0	0	-16	20	-68	3	-65

### 3. Net overseas sales

#### For the second quarter of FY2008 (July 1 - September 30, 2008)

	Millions of yen					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	2,796	4,525	32,828	12,013	2,220	54,384
Consolidated net sales						201,384
Overseas sales as a percentage of consolidated net sales	1.4%	2.3%	16.3%	6.0%	1.1%	27.0%

#### For the first two quarters of FY2008 (April 1 - September 30, 2008)

	Millions of yen					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	5,263	9,127	53,848	24,666	3,191	96,097
Consolidated net sales						372,976
Overseas sales as a percentage of consolidated net sales	1.4%	2.5%	14.4%	6.6%	0.9%	25.8%

#### For the second quarter of FY2008 (July 1 - September 30, 2008)

	Millions of U.S. dollars					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	27	44	319	117	22	528
Consolidated net sales						1,955
Overseas sales as a percentage of consolidated net sales	1.4%	2.3%	16.3%	6.0%	1.1%	27.0%

#### For the first two quarters of FY2008 (April 1 - September 30, 2008)

	Millions of U.S. dollars					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	51	89	523	239	31	933
Consolidated net sales						3,621
Overseas sales as a percentage of consolidated net sales	1.4%	2.5%	14.4%	6.6%	0.9%	25.8%

**(Reference)**

**Consolidated Statements of Income**

**For the first Half of FY2007 (April 1 - September 30, 2007)**

	<u>Millions of yen</u>
	<u>1H FY2007</u>
	<u>(A)</u>
<b>Net sales</b>	399,611
<b>Cost of sales</b>	321,789
<b>Gross profit</b>	77,821
<b>Selling, general and administrative expenses</b>	77,283
<b>Operating income</b>	538
<b>Non-operating income</b>	4,250
Interest and dividends income	1,978
Other	2,272
<b>Non-operating expenses</b>	3,329
Interest expense	2,456
Other	873
<b>Ordinary income</b>	1,459
<b>Extraordinary income</b>	1,524
<b>Extraordinary loss</b>	3,296
<b>Loss before income taxes and minority interests</b>	-312
<b>Income taxes and business tax</b>	3,129
<b>Deferred income taxes</b>	-2,314
<b>Minority interests in income of consolidated subsidiaries</b>	-173
<b>Net loss</b>	-954

**(Reference)**

**Consolidated Statements of Income**

**For the second quarter of FY2007 (July 1 - September 30, 2007)**

	<u>Millions of yen</u>
	<b>1H FY2007</b>
<b>Net sales</b>	216,613
<b>Cost of sales</b>	174,769
<b>Gross profit</b>	41,844
<b>Selling, general and administrative expenses</b>	38,303
<b>Operating income</b>	3,540
<b>Non-operating income</b>	1,601
Interest and dividends income	257
Other	1,343
<b>Non-operating expenses</b>	1,822
Interest expense	1,324
Other	497
<b>Ordinary income</b>	3,319
<b>Extraordinary income</b>	1,097
<b>Extraordinary loss</b>	2,448
<b>Income before income taxes</b>	1,969
<b>Income taxes</b>	2,420
<b>Minority interests in net income of consolidated subsidiaries</b>	32
<b>Net income (loss)</b>	-484

**(Reference)**

**Consolidated Statements of Cash Flows**

	<u>Millions of yen</u>
	<b>1H FY2007</b>
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<b>I Cash flows from operating activities:</b>	
Income (loss) before income taxes and minority interests	-312
Depreciation and amortization	9,774
Interest and dividend income	-1,978
Interest expense	2,456
Decrease (increase) in notes and accounts receivable-trade	40,712
Decrease (increase) in inventories	-40,314
Increase (decrease) in notes and accounts payable-trade	-27,236
Increase (decrease) in advances received	18,546
Other, net	-8,697
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Cash generated from operations	-7,048
Interest and dividends income received	1,964
Interest expenses paid	-2,365
Income taxes paid	-10,312
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Net cash used in operating activities	-17,763
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<b>II Cash flows from investment activities:</b>	
Purchase of intangible assets and investment securities	-16,452
Proceeds from sales and redemption of intangible assets and investment securities	4,851
Other, net	-121
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Net cash used in investment activities	-11,722
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Free cash flows ( I + II )	-29,485
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<b>III Cash flows from financing activities:</b>	
Net increase (decrease) in short-term loans payable	-5,134
Increase (decrease) in commercial papers	19,000
Proceeds from long-term loans payable and issuance of bonds	54,890
Repayment of long-term loans payable and redemption of bonds	-31,563
Other, net	-3,169
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Net cash provided by financing activities	34,022
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<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	-162
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<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV )</b>	4,374
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<b>VI Cash and cash equivalents at beginning of period</b>	19,135
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<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	26
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<b>VIII Cash and cash equivalents at end of period</b>	23,536
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(Reference)

**Consolidated Segment Information**

For the first Half of FY2007 (April 1 - September 30, 2007)

**1. Net sales and operating income by business segment**

Net sales	Millions of yen	Operating income	Millions of yen
	1H FY2007		1H FY2007
Energy & Electric Systems	236,000	Energy & Electric Systems	-3,166
Electronic Devices	86,781	Electronic Devices	2,589
Retail Systems	80,260	Retail Systems	889
Others	23,204	Others	1,030
Subtotal	426,246	Subtotal	1,343
Elimination/Corporate	-26,634	Elimination	-804
<b>Total</b>	<b>399,611</b>	<b>Total</b>	<b>538</b>

**2. Consolidated Geographic Segment information**

Net sales	Millions of yen	Operating income	Millions of yen
	1H FY2007		1H FY2007
Japan	395,990	Japan	-535
North America	3,903	North America	123
Europe	8,346	Europe	188
Asia (except for China)	18,375	Asia (except for China)	-580
China	24,598	China	1,766
Subtotal	451,214	Subtotal	962
Elimination/Corporate	-51,602	Elimination	-423
<b>Total</b>	<b>399,611</b>	<b>Total</b>	<b>538</b>

**3. Net overseas sales**

	Millions of yen	< Ratio to net sales >
	1H FY2007	
North America	6,194	1.6%
Europe	8,294	2.1%
Asia (except for China)	48,107	12.0%
China	23,879	6.0%
Other	2,125	0.5%
<b>Total</b>	<b>88,602</b>	<b>22.2%</b>

### Supplemental Consolidated Financial Materials

#### 1. Financial summary

	Billions of yen							
	1H FY2007		FY2007		1H FY2008		FY2008 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Net sales	399.6	99.7%	922.1	101.6%	372.9	93.3%	850.0	92.2%
Operating income	0.5	7.9%	35.8	77.7%	-6.7	-	10.0	27.9%
Ordinary income	1.4	19.1%	35.8	73.4%	-7.4	-	10.0	27.9%
Net income	-0.9	-	167.0	72.6%	-10.7	-	0.0	-

#### 2. Number of consolidated subsidiaries

	1H FY2007	FY2007	1H FY2008	FY2008 [Forecast]
Number of consolidated subsidiaries	67	68	66	67
Japan	48	48	45	46
Overseas	19	20	21	21
Number of equity-method affiliates	2	2	3	3

#### 3. Net income per share

	Yen			
	1H FY2007	FY2007	1H FY2008	FY2008 [Forecast]
Net income per share	-1.33	23.49	-15.05	0.00

#### 4. Sales exchange rate (US\$)

	Yen			
	1H FY2007	FY2007	1H FY2008	FY2008 [Forecast]
Sales exchange rate	119.33	114.28	106.11	100.55

#### 5. Net sales by business segment

	Billions of yen							
	1H FY2007		FY2007		1H FY2008		FY2008 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	236.0	99.2%	587.7	98.6%	213.6	90.5%	533.0	90.7%
Electronic Devices	86.7	94.5%	184.8	101.3%	88.7	102.2%	176.0	95.2%
Retail Systems	80.2	107.9%	158.6	104.0%	72.1	90.0%	146.0	92.0%
Others	23.2	99.6%	51.6	78.9%	23.1	99.7%	49.0	94.9%
Subtotal	426.2	99.7%	982.8	98.7%	397.7	93.3%	904.0	92.0%
Elimination	-26.6	-	-60.6	-	-24.7	-	-54.0	-
<b>Total</b>	<b>399.6</b>	<b>99.7%</b>	<b>922.1</b>	<b>101.6%</b>	<b>372.9</b>	<b>93.3%</b>	<b>850.0</b>	<b>92.2%</b>

Note : Net sales include inter-segment transactions.

#### 6. Operating income by business segment

	Billions of yen							
	1H FY2007		FY2007		1H FY2008		FY2008 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	-3.1	-	23.8	100.4%	-1.2	-	20.0	83.8%
Electronic Devices	2.5	27.6%	8.1	42.5%	-6.5	-	-13.0	-
Retail Systems	0.8	103.5%	2.7	108.6%	0.5	56.7%	2.5	92.3%
Others	1.0	114.8%	2.4	116.6%	1.2	116.6%	2.0	81.5%
Subtotal	1.3	18.5%	37.1	78.1%	-6.0	-	11.5	30.9%
Elimination/Corporate	-0.8	-	-1.3	-	-0.6	-	-1.5	-
<b>Total</b>	<b>0.5</b>	<b>7.9%</b>	<b>35.8</b>	<b>77.7%</b>	<b>-6.7</b>	<b>-</b>	<b>10.0</b>	<b>27.9%</b>

## 7. Net overseas sales

	Billions of yen							
	1H FY2007		FY2007		1H FY2008		FY2008 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
North America	6.1	95.8%	15.8	100.4%	5.2	85.0%	-	-
Europe	8.2	109.2%	17.7	105.6%	9.1	110.0%	-	-
Asia (except for China)	48.1	84.0%	104.2	91.2%	53.8	111.9%	-	-
China	23.8	115.8%	46.1	114.9%	24.6	103.3%	-	-
Other	2.1	55.1%	6.6	94.2%	3.1	150.2%	-	-
<b>Total</b>	<b>88.6</b>	<b>92.5%</b>	<b>190.7</b>	<b>98.2%</b>	<b>96.0</b>	<b>108.5%</b>	-	-

## 8. R&D expenditures

	Billions of yen							
	1H FY2007		FY2007		1H FY2008		FY2008 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	7.0	114.1%	14.9	106.6%	6.7	94.7%	14.7	98.7%
Electronic Devices	6.6	97.1%	12.5	87.5%	7.4	111.0%	14.1	112.9%
Retail Systems	1.9	101.6%	3.7	90.0%	1.4	77.4%	3.3	90.8%
Others	0.0	-	0.0	-	0.0	-	0.0	-
Corporate (basic research)	0.0	-	0.0	-	0.0	-	0.0	-
<b>Total</b>	<b>15.7</b>	<b>104.7%</b>	<b>31.2</b>	<b>96.0%</b>	<b>15.6</b>	<b>99.4%</b>	<b>32.3</b>	<b>103.3%</b>
Ratio to net sales (%)	3.9%	-	3.4%	-	4.2%	-	3.8%	-

## 9. Plant and equipment investment (including leases)

	Billions of yen							
	1H FY2007		FY2007		1H FY2008		FY2008 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	3.5	69.4%	8.3	53.5%	3.1	87.9%	13.5	162.6%
Electronic Devices	30.8	299.7%	61.6	127.4%	13.9	45.3%	25.1	40.8%
Retail Systems	1.6	77.9%	3.4	61.8%	0.9	54.6%	2.5	72.8%
Others	0.7	97.9%	1.5	82.9%	0.5	70.2%	1.6	104.4%
Corporate	0.2	-	0.2	-	0.1	-	0.7	-
<b>Total</b>	<b>37.0</b>	<b>201.6%</b>	<b>75.2</b>	<b>105.3%</b>	<b>18.7</b>	<b>50.5%</b>	<b>43.5</b>	<b>57.9%</b>
(Leases)	(19.6)	184.1%	(37.5)	102.1%	(5.3)	27.3%	(18.8)	50.1%

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

## 10. Depreciation, Leases paid

	Billions of yen							
	1H FY2007		FY2007		1H FY2008		FY2008 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	5.5	115.2%	11.4	114.7%	5.8	106.7%	12.7	111.9%
Electronic Devices	15.1	136.3%	32.5	140.2%	18.1	119.8%	36.2	111.6%
Retail Systems	2.0	114.9%	4.2	113.3%	2.1	103.3%	4.2	100.7%
Others	0.8	78.9%	1.6	69.4%	0.7	83.7%	1.4	89.6%
Corporate	0.0	-	0.1	-	0.0	-	0.2	-
<b>Total</b>	<b>23.6</b>	<b>125.2%</b>	<b>50.0</b>	<b>126.7%</b>	<b>26.9</b>	<b>114.1%</b>	<b>55.0</b>	<b>110.1%</b>
(Leases paid)	(15.0)	125.1%	(31.2)	124.8%	(16.0)	106.9%	(30.6)	98.0%

Note: Leases paid for plant and equipment investment and begun to pay before the end of March, 2008.

## 11. Number of employees

	9/30/2007	3/31/2008	9/30/2008	3/31/2009 [Forecast]
Energy & Electric Systems	15,247	15,152	13,071	13,386
Electronic Devices	5,601	5,888	6,047	6,192
Retail Systems	2,944	2,680	2,705	2,698
Others	1,819	1,774	1,797	1,807
Corporate	141	140	143	149
<b>Total</b>	<b>25,752</b>	<b>25,634</b>	<b>23,763</b>	<b>24,232</b>
Japan	21,809	21,357	19,312	19,579
Overseas	3,943	4,277	4,451	4,653

## Financial performance

\*Figures for year-on-year changes have been provided for reference.

### 1. Qualitative Information Regarding Consolidated Results

In the first half of fiscal 2008, the six-month period from April 1 to September 30, 2008, the business environment for the Fuji Electric Group was marked by strong domestic private-sector demand in fields in which the Group is strong such as steel. At the same time, however, the turmoil in financial markets originating from the United States, rising prices for oil and materials, and concerns over the slowdown in the Chinese economy led to a deterioration of the economic climate, further heightening a sense of deceleration in domestic production and private-sector capital investment.

Against this backdrop, having entered the final fiscal year of the medium-term management plan launched in fiscal 2006, the Fuji Electric Holdings Group is working to strengthen its business portfolio and make other improvements to the business structure in order to generate new growth. As part of this reform program, we fundamentally strengthened the drives business and the automation business to make them the new business drivers for the Group, while also moving actively forward with the reform of our core businesses to strengthen our earnings framework. As a result, consolidated results for the first half of fiscal 2008 were as follows.

Net sales were down from the same period of the previous fiscal year. By segment, the Energy & Electric Systems Group expanded sales to strong-performing industries in the private sector, but revenue was down year on year due to revisions of the scope of the water environment and information systems businesses as part of our measures to strengthen our business portfolio. In the Electronic Devices Group, sales were up due to the acquisition of large-order customers from the second half of the previous year in the magnetic disk field, despite the impact of the worsening markets in the semiconductor field. In the Retail Systems Group, sales declined as demand for renovation of existing tobacco vending machines to incorporate age-identification equipment wound to a close.

In terms of profitability, performance declined considerably centered on the Electronic Devices Group. The main reasons were a decline in product prices, the impact of yen appreciation, an increase in depreciation expenses, and rising costs for raw materials, along with a revision to valuation standards for inventory assets following a change in accounting standards. Fuji Electric Holdings Co. Ltd. also recorded business restructuring costs and other expenses for strengthening our earnings framework as extraordinary losses. As a result, an operating loss and an ordinary loss were incurred, compared to last year's operating income and ordinary income, and the net loss widened from the same period of the previous fiscal year.

Operating results of Fuji Electric Holdings Co., Ltd. for the interim periods of fiscal 2008 were as follows.

	(¥ billion)		
	1H Fiscal 2007	1H Fiscal 2008	Change (%)
Net sales	399.6	372.9	-6.7
Operating income/loss	0.5	-6.7	-
Ordinary income/loss	1.4	-7.4	-
Net income/loss	-0.9	-10.7	-

## Results by Segment

### **[Energy & Electric Systems Group]**

***YoY change: sales declined 9.5%; operating loss: improved ¥1.9bn***

Net sales in this segment declined 9.5% from the same period of the previous fiscal year to ¥213.6 billion. Although sales of plant products were strong amid the worsening business environment, revenue declined as a result of lackluster demand for standalone products and the revisions made to the scope of businesses. As a result of these revisions made to strengthen our business portfolio, the operating loss decreased by ¥1,910 million, with the segment posting an operating loss of ¥1,256 million.

In this segment, sales and earnings are impacted by seasonal demand concentrated in the fourth quarter of the fiscal year, particularly in the plant-related business.

In the drives business, despite declines in demand for general-purpose inverters in Japan and overseas, sales increased over the same period of the previous fiscal year due to an increase in small- and medium-sized projects. Operating income fell year on year due to a decrease in sales of inverters and the impact of yen appreciation.

In the automation business, sales were down year on year despite an increase in large projects for government clients and power companies, due to the revisions of business scope. Operating loss was on par with the same period of the previous year.

In the industrial plant engineering business, sales fell year on year despite a large project involving clean room facilities due to the revisions of business scope. Operating income improved because of these revisions of business scope.

In the electric power systems business, both net sales and operating income were down following a decline in large thermal power plant projects.

In the plant facility construction business, net sales declined and the operating loss increased due to a drop in the number of large projects.

In the ED&C components business, net sales were down and an operating loss was incurred compared to a profit a year ago as demand from machinery and switchboard manufacturers fell below the same period of the previous fiscal year.

### **[Electronic Device Group]**

***YoY change: sales rose 2.2%; operating income: declined ¥9.0bn to a loss of ¥6.5bn***

Net sales in this segment increased 2.2% from the same period of the previous fiscal year to ¥88.7 billion, but operating income turned to a ¥6.5 billion operating loss, declining ¥9,089 million compared to the same period of the previous fiscal year.

In the semiconductor business, sales of chips for automotive applications rose, but overall sales were down from the same period of the previous fiscal year due to delays in developing business in the strong energy-saving and infrastructure fields as well as the greater-than-expected worsening of the factory automation market. Operating income turned to an operating loss compared to the same period of the previous fiscal year as a result of declining production

volumes accompanying the decreased sales, falling prices for products, the impact of the higher yen, and other factors.

In the magnetic disk business, sales increased year on year despite a falloff in shipment volume stemming from new model changes due to the acquisition of large-order customers from the second half of last year. The operating loss increased significantly compared to the same period a year earlier as we were unable to achieve production and shipment volume sufficient to offset the increase in depreciation expenses accompanying increased capital investment, along with the worsening of productivity with new models, the impact from the appreciation of the yen and other factors.

In the imaging devices business, sales volume was up, but net sales and operating income declined from the previous fiscal year as a result of falling product prices and the appreciation of the yen.

### **[Retail Systems Group]**

*YoY change: sales declined 10.0%; operating income: declined ¥0.3bn*

Net sales in this segment declined 10.0% from the same period of the previous fiscal year to ¥72.1 billion, with operating income worsening ¥385 million to ¥504 million.

In the vending machine and food service equipment business, drinks and food machines performed well due to increased sales of environmentally friendly models, but overall sales were down year on year due to the ending of demand for renovation of tobacco vending machines to incorporate age-identification equipment. Operating income declined year on year despite the benefits of restructuring implemented during the previous year due to the rising costs of raw materials.

In the currency handling systems business, sales were down year on year due to a decline in large projects for electronic money-related devices, despite continued strong orders for automatic change dispensers. Operating loss, however, declined slightly.

In the cold-chain equipment business, sales were down and operating loss increased compared to the same period of the previous fiscal year, reflecting the impact of the market slump in the food retail industry.

### **[Others]**

*YoY change: sales declined 0.3%, operating income: rose 16.6%*

Net sales in this overall segment rose 0.3% year on year to ¥23.1 billion, with operating income up 16.6% to ¥1,201 million.

## 2. Qualitative Information Regarding Consolidated Financial Position

(¥ billion, times)

	March 31, 2008	Breakdown (%)	September 30, 2008	Breakdown (%)	Change
Total assets	1,035.9	100.0	956.6	100.0	-79.2
Interest-bearing debt	356.2	34.4	353.3	36.9	-2.8
Shareholder's equity <sup>*1</sup>	254.4	24.6	223.6	23.4	-30.7
Debt-equity ratio <sup>*2</sup>	1.4		1.6		+0.2

\*1 Shareholders' equity = Total net assets — Minority interests

\*2 D/E ratio = Interest-bearing debt/ Shareholders' equity

Total assets as of September 30, 2008 amounted to ¥956.6 billion, a decline of ¥79.2 billion from March 31, 2008, the end of the previous fiscal year. Current assets declined ¥54.5 billion due to a considerable decrease in trade receivables that outweighed an increase in inventories. Long-term assets fell ¥24.7 billion, mainly due to a decrease in the market value of other marketable securities.

The balance of interest-bearing debt decreased ¥2.8 billion from the end of the previous fiscal year to ¥353.3 billion at the end of the second quarter. Net assets at the end of the second quarter amounted to ¥230.0 billion, down ¥33.2 billion from the end of the previous fiscal year, due mainly to reductions in retained earnings and the valuation difference on other marketable securities. Shareholders' equity (total net assets less minority interests) decreased ¥30.7 billion from the end of the previous fiscal year, to ¥223.6 billion. The debt-equity ratio rose by 0.2 points to 1.6 times.

(¥ billion)

	1H FY2007	1H FY2008	YoY Change
Cash flow from operating activities	-17.7	10.8	28.5
Cash flow from investing activities	-11.7	-10.9	0.7
Free cash flow	-29.4	-0.1	29.3
Cash flow from financing activities	34.0	-7.4	-41.4
Cash and cash equivalents	23.5	14.3	-9.2

Free cash flow (the sum of operating and investing cash flows) was a negative ¥0.1 billion on a consolidated basis for the two quarters under review (compared to a negative ¥29.4 billion for the same period of the previous fiscal year), a year-on-year improvement of ¥29.3 billion.

### Cash flow from operating activities

Net cash provided by operating activities amounted to ¥10.8 billion, compared with net cash used of ¥17.7 billion during the same period of the previous fiscal year. This constituted a year-on-year improvement of ¥28.5 billion, and was due mainly to efforts to promote collection of trade receivables and advances from customers, which offset the recording of a net loss before income taxes and minority interests, and an increase in inventories.

### Cash flow from investing activities

Net cash used in investing activities totaled ¥10.9 billion, compared with net cash used of ¥11.7 billion in the same period of the previous fiscal year. This constituted a year-on-year reduction in cash outflow of ¥0.7 billion, with the cash used primarily for capital investment centered on the Electronic Devices Group.

### Cash flow from financing activities

Net cash used in financing activities totaled ¥7.4 billion, compared with net cash provided of ¥34.0 billion during the same period of the previous fiscal year. This was due mainly to a decrease in commercial paper.

As a result, cash and cash equivalents on a consolidated basis at September 30, 2008, amounted to ¥14.3 billion, a decrease of ¥7.7 billion from March 31, 2008, the end of the previous fiscal year.

### 3. Qualitative Information Regarding Consolidated Forecasts

In light of first two-quarters results, Fuji Electric Holdings has revised its consolidated forecasts for the fiscal 2008 full-year period from those published with the earnings announcement on July 29, 2008. For more information see “Announcement of Revised Financial Result Forecasts and Expected Dividends” dated October 30, 2008.

The assumed U.S. dollar/yen exchange rate is ¥95/US\$1 for the second half of the fiscal year.

#### Consolidated Forecasts for Fiscal 2008 (¥ billion)

	Previous forecast	Revised forecast	Change (%)
Net sales	890.0	850.0	-4.5
Operating income	22.5	10.0	-55.6
Ordinary income	22.5	10.0	-55.6
Net income	8.0	0	-100.0

### 4. Other Items

(1) Changes in significant subsidiaries during the period under review (movement of particular subsidiaries following changes in the scope of consolidation)

None

(2) Adoption of simplified accounting methods or special accounting methods for the preparation of consolidated quarterly statements

(a) Simplified accounting methods

Depreciation of property, plant and equipment is calculated on a pro-rata basis for the period based on expected amortization for the year according to the budget for the fiscal year.

(b) Special accounting methods for the preparation of consolidated quarterly statements

Tax expenses have been calculated by rationally estimating the effective tax rate after applying tax effect accounting to consolidated net income before taxes for the current fiscal year, and multiplying this estimated effective tax rate by net income before taxes for the two quarters. For certain consolidated subsidiaries where the estimated effective tax rate could not be used, tax expenses have been calculated using the statutory effective tax rate. Income taxes include the value of deferred income taxes.

(3) Changes in accounting principles, methods or presentation related to the preparation of consolidated quarterly statements

Changes in accounting standards

(a) From the fiscal year under review the Company has applied the *Accounting Standard for Quarterly Financial Reporting* (Accounting Standards Board of Japan Statement No. 12, March 14, 2007) and *Guidance on Accounting Standard for Quarterly Financial Reporting* (ASBJ Guidance No. 14, March 14, 2007). Also, the consolidated financial statements for the six months ended September 30, 2008 were prepared in accordance with the *Regulations concerning the Terminology, Forms and Preparation Methods of the Quarterly Consolidated Financial Statements*.

(b) Inventories held for sale in the ordinary course of business have formerly been calculated primarily using the cost method based on the identified cost method or the gross average method. From the first quarter of the year under review the Company has applied the *Accounting Standard for Measurement of Inventories* (ASBJ Statement No. 9, July 5, 2006). Accordingly, such inventories are still calculated primarily using the cost method based on the identified cost method or the gross average method, but the value shown on the balance sheets is a rounding down of the book value based on decreased profitability.

As a result, the operating loss and ordinary loss of the first two quarters of fiscal 2008 have each increased by ¥1,489 million, with the net loss before income taxes and minority interests increased by ¥3,124 million.

(c) From the first quarter of the year under review the Company has applied the *Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements* (ASBJ PITF No. 18, May 17, 2006), and made the necessary revisions on its consolidated financial statements.

As a result, the ordinary loss and the net loss before income taxes and minority interests of the first two quarters of fiscal 2008 have each decreased by ¥2,701 million.

Also, due to the realignment of business bases, the consolidated financial statements for the first quarter of the year under review of some consolidated foreign subsidiaries were prepared under the earlier accounting policies, because the above-described accounting policies were applied from the second quarter of the year under review. The impact of this is minimal.

(d) Financial lease transactions other than ownership transfers have formerly been accounted for according to methods for lease transactions. However, as it is now possible to apply the *Accounting Standard for Lease Transactions* (ASBJ Statement No. 13, (Business Accounting Council Committee No.1, June 17, 1993), revised March 30, 2007), and the *Guidance on Accounting Standard for Lease Transactions* (ASBJ Guidance No.16 (Japanese Institute of Certified Public Accountants, Accounting System Committee, January 18, 1994), revised March 30, 2007), to quarterly financial statements for fiscal years beginning on or after April 1, 2008. Accordingly, the Company has applied these accounting standards from the first quarter of the year under review, accounting for such assets as ordinary sale transactions. Depreciation of lease assets related to financial lease transactions other than ownership transfers is calculated by the straight-line method, with the lease period equivalent to the serviceable life of the asset, with no residual value. The impact of this change is minimal.

Financial lease transactions other than ownership transfers where the lease commencement date is prior to the start of the fiscal year in which these standards are adopted will continue to be accounted for according to methods for lease transactions.