

**Consolidated financial results for the third quarter  
of the Fiscal Year ending March 31, 2009  
(April 1, 2008 — December 31, 2008)**

**Summary of Consolidated Financial Results (Nine months ended December 31, 2008)**

**1. Summary of consolidated statements of income**

	<u>Millions of yen</u>		Change(%) (A)/(B)	<i>Millions of U.S. dollars</i>
	3Q FY2008 (A)	3Q FY2007 (B)		<i>3Q FY2008</i>
Net sales	540,315	602,204	89.7%	5,938
Operating income	-16,801	-582	-	-185
Ordinary income	-20,973	1,675	-	-230
Net income	-22,477	-545	-	-247
	<u>Yen</u>			<i>U.S. dollars</i>
Net income per share	-54.96	-0.76	-	-0.60

**2. Summary of consolidated financial position**

	<u>Millions of yen</u>		<i>Millions of U.S. dollars</i>
	<u>12/31/2008</u>	<u>3/31/2008</u>	<i>12/31/2008</i>
Total assets	945,069	1,035,951	10,385
Net assets	198,204	263,255	2,178
Shareholders' equity ratio (%)	19.3%	24.6%	-
	<u>Yen</u>		<i>U.S. dollars</i>
Net Assets per share	255.04	355.98	2.80

Note: 1) U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥91=U.S.\$1.  
2) The company has 67 consolidated subsidiaries and 3 equity-method affiliates.

**3. Forecast of consolidated earnings for FY2008 (April 1, 2008 - March 31, 2009)**

	<u>Millions of yen</u>
Net sales	760,000
Operating income	△ 22,000
Ordinary income	△ 26,000
Net income	△ 70,000
	<u>Yen</u>
Net income per share	△ 97.93

<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**

	Millions of yen		<i>Millions of U.S. dollars</i>
	<u>12/31/2008</u>	<u>3/31/2008</u>	<u>12/31/2008</u>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	44,891	22,204	493
Notes and accounts receivable-trade	180,053	286,568	1,979
Merchandise and finished goods	71,757	67,691	789
Work in process	102,596	67,940	1,127
Raw materials and supplies	35,422	31,107	389
Other	51,888	56,075	570
Allowance for doubtful accounts	-747	-313	-8
<b>Total Current assets</b>	<u>485,862</u>	<u>531,273</u>	<u>5,339</u>
<b>Noncurrent assets:</b>			
Property, plant and equipment	189,166	183,268	2,079
Intangible assets	11,137	10,829	122
Investments and other assets			
Investment securities	185,539	245,868	2,039
Other	63,062	65,177	693
Allowance for doubtful accounts	-980	-902	-11
<b>Total Investments and other assets</b>	<u>247,622</u>	<u>310,143</u>	<u>2,721</u>
<b>Total Noncurrent assets</b>	<u>447,925</u>	<u>504,241</u>	<u>4,922</u>
<b>Deferred assets</b>	<u>397</u>	<u>436</u>	<u>4</u>
<b>Total assets</b>	<u><u>934,185</u></u>	<u><u>1,035,951</u></u>	<u><u>10,266</u></u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	138,637	186,686	1,523
Short-term loans payable	138,634	85,932	1,523
Commercial papers	49,000	65,500	538
Income taxes payable	1,203	4,616	13
Advances received	63,374	41,286	696
Other	117,317	148,510	1,289
<b>Total current liabilities</b>	<u>508,168</u>	<u>532,532</u>	<u>5,584</u>
<b>Noncurrent liabilities:</b>			
Bonds payable	146,980	140,000	1,615
Long-term loans payable	51,561	34,793	567
Provision for retirement benefits	8,444	13,262	93
Provision for directors' retirement benefits	802	863	9
Other	47,582	51,243	523
<b>Total Noncurrent liabilities</b>	<u>255,371</u>	<u>240,163</u>	<u>2,806</u>
<b>Total Liabilities</b>	<u>763,539</u>	<u>772,696</u>	<u>8,391</u>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	523
Capital surplus	46,736	46,734	514
Retained earnings	58,122	116,478	639
Treasury stock	-7,089	-7,072	-78
<b>Total Shareholders' equity</b>	<u>145,355</u>	<u>203,727</u>	<u>1,597</u>
<b>Valuation and translation adjustments:</b>			
Valuation difference on available-for-sale securities	13,884	52,032	153
Deferred gains or losses on hedges	-166	820	-2
Foreign currency translation adjustments	-4,349	-2,145	-48
<b>Total Valuation and translation adjustments</b>	<u>9,369</u>	<u>50,707</u>	<u>103</u>
<b>Minority interests</b>	<u>15,921</u>	<u>8,820</u>	<u>175</u>
<b>Total Net assets</b>	<u>170,646</u>	<u>263,255</u>	<u>1,875</u>
<b>Total Liabilities and Net assets</b>	<u><u>934,185</u></u>	<u><u>1,035,951</u></u>	<u><u>10,266</u></u>

**Consolidated Statements of Income**  
**Nine months ended December 31, 2008**

	Millions of yen	<i>Millions of U.S. dollars</i>
	<b>3Q FY2008</b>	3Q FY2008
<b>Net sales</b>	540,315	5,938
<b>Cost of sales</b>	449,092	4,935
<b>Gross profit</b>	91,223	1,002
<b>Selling, general and administrative expenses</b>	108,024	1,187
<b>Operating loss</b>	-16,801	-185
<b>Non-operating income</b>		
Interest income	173	2
Dividends income	4,247	47
Other	1,035	11
<b>Total Non-operating income</b>	5,456	60
<b>Non-operating expenses</b>		
Interest expense	4,231	46
Interest on commercial papers	270	3
Equity in losses of affiliates	1,189	13
Foreign exchange losses	3,192	35
Other	743	8
<b>Total Non-operating expenses</b>	9,628	106
<b>Ordinary loss</b>	-20,973	-230
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	177	2
Gain on sales of investment securities	93	1
Gain on change in equity	2,314	25
Other	15	0
<b>Total Extraordinary income</b>	2,600	29
<b>Extraordinary loss</b>		
Loss on disposal of noncurrent assets	1,864	20
Loss on valuation of investment securities	543	6
Special retirement expenses	3,196	35
Loss on valuation of inventories	1,635	18
Other	1,563	17
<b>Total Extraordinary loss</b>	8,803	97
<b>Loss before income taxes</b>	-27,176	-299
<b>Income taxes</b>	23,460	258
<b>Minority interests in income</b>	-601	-7
<b>Net loss</b>	-50,035	-550

**Consolidated Statements of Income**

**Three months ended December 31, 2008**

	Millions of yen	<i>Millions of U.S. dollars</i>
	<b>3Q FY2008</b>	3Q FY2008
<b>Net sales</b>	167,339	1,839
<b>Cost of sales</b>	142,114	1,562
<b>Gross profit</b>	25,225	277
<b>Selling, general and administrative expenses</b>	35,321	388
<b>Operating loss</b>	-10,096	-111
<b>Non-operating income</b>		
Interest income	40	0
Dividends income	1,756	19
Other	349	4
<b>Total Non-operating income</b>	2,146	24
<b>Non-operating expenses</b>		
Interest expense	1,410	15
Interest on commercial papers	118	1
Equity in losses of affiliates	486	5
Foreign exchange losses	3,377	37
Other	135	1
<b>Total Non-operating expenses</b>	5,529	61
<b>Ordinary loss</b>	-13,478	-148
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	161	2
Gain on sales of investment securities	75	1
Gain on change in equity	2,314	25
Other	5	0
<b>Total Extraordinary income</b>	2,556	28
<b>Extraordinary loss</b>		
Loss on disposal of noncurrent assets	485	5
Loss on valuation of investment securities	359	4
Special retirement expenses	1,679	18
Other	147	2
<b>Total Extraordinary loss</b>	2,671	29
<b>Loss before income taxes</b>	-13,593	-149
<b>Income taxes</b>	26,380	290
<b>Minority interests in income</b>	-692	-8
<b>Net loss</b>	-39,281	-432

**Consolidated quarterly statements of cash flows**  
**For the first Half of FY2008 (April 1 - December 31, 2008)**

	Millions of yen	Millions of U.S. dollars
	3Q FY2008	3Q FY2008
<b>I Net cash provided by (used in) operating activities</b>		
Loss before income taxes and minority interests	-27,176	-299
Depreciation and amortization	17,551	193
Interest and dividends income	-4,421	-49
Interest expenses	4,231	46
Loss (gain) on disposal of noncurrent assets	1,864	20
Loss (gain) on valuation of investment securities	543	6
Decrease (increase) in notes and accounts receivable-trade	82,374	905
Decrease (increase) in inventories	-47,612	-523
Increase (decrease) in notes and accounts payable-trade	-33,986	-373
Increase (decrease) in advances received	24,422	268
Other, net	-22,453	-247
Subtotal	-4,661	-51
Interest and dividends income received	4,468	49
Interest expenses paid	-4,053	-45
Income taxes paid	-4,253	-47
Net cash used in operating activities	-8,500	-93
<b>II Net cash provided by (used in) investment activities</b>		
Purchase of property, plant and equipment	-32,084	-353
Proceeds from sales of property, plant and equipment	4,813	53
Purchase of investment securities	-1,140	-13
Proceeds from sales of investment securities	2,427	27
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	4,309	47
Increase by corporate division of subsidiary	9,389	103
Payments of loans receivable	-10,197	-112
Collection of loans receivable	10,245	113
Other, net	-1,730	-19
Net cash used in investment activities	-13,967	-153
<b>III Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	60,742	667
Increase (decrease) in commercial papers	-16,500	-181
Proceeds from long-term loans payable	27,990	308
Repayment of long-term loans payable	-14,918	-164
Proceeds from issuance of bonds	10,000	110
Redemption of bonds	-13,020	-143
Proceeds from sales of treasury stock	40	0
Purchase of treasury stock	-55	-1
Cash dividends paid	-5,717	-63
Cash dividends paid to minority shareholders	-66	-1
Other, net	-1,157	-13
Net cash provided by financing activities	47,336	520
	Millions of yen	Millions of U.S. dollars
	3Q FY2008	3Q FY2008
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	-2,537	-28
<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV)</b>	22,331	245
<b>VI Cash and cash equivalents at beginning of period</b>	22,092	243
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	355	4
<b>VIII Cash and cash equivalents at end of period</b>	44,780	492

**Consolidated Segment Information**

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

**Three months ended December 31, 2008**

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	106,316	29,188	29,313	2,521	167,339	-	167,339
Intersegment	1,426	1,249	184	7,671	10,532	-10,532	-
Total sales	107,743	30,437	29,497	10,193	177,872	-10,532	167,339
Operating income	-1,887	-7,178	-1,091	349	-9,809	-286	-10,096

**Nine months ended December 31, 2008**

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	316,151	115,443	101,138	7,582	540,315	-	540,315
Intersegment	5,280	3,719	557	25,750	35,307	-35,307	-
Total sales	321,431	119,163	101,695	33,332	575,623	-35,307	540,315
Operating income	-3,141	-13,679	-587	1,550	-15,857	-943	-16,801

**Three months ended December 31, 2008**

	Millions of U.S. dollars						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	1,168	321	322	28	1,839	-	1,839
Intersegment	16	14	2	84	116	-116	-
Total sales	1,184	334	324	112	1,955	-116	1,839
Operating income	-21	-79	-12	4	-108	-3	-111

**Nine months ended December 31, 2008**

	Millions of U.S. dollars						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	3,474	1,269	1,111	83	5,938	-	5,938
Intersegment	58	41	6	283	388	-388	-
Total sales	3,532	1,309	1,118	366	6,326	-388	5,938
Operating income	-35	-150	-6	17	-174	-10	-185

## 2. Consolidated Geographic Segment information

### Three months ended December 31, 2008

	Millions of yen							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	157,426	1,457	1,245	1,706	5,504	167,339	-	167,339
Intersegment	11,636	64	14	3,944	2,250	17,910	-17,910	-
Total sales	169,063	1,521	1,259	5,650	7,755	185,250	-17,910	167,339
Operating income	-10,658	-37	-52	-37	93	-10,693	597	-10,096

### Nine months ended December 31, 2008

	Millions of yen							Total
	Japan	North America	Europe	Asia (except for China)	China	Total	Elimination and Corporate	
Sales								
Unaffiliated customers	489,215	6,433	7,997	8,758	27,911	540,315	-	540,315
Intersegment	45,842	292	76	21,421	8,483	76,115	-76,115	-
Total sales	535,057	6,725	8,073	30,179	36,395	616,431	-76,115	540,315
Operating income	-18,141	-2	-55	-1,637	2,152	-17,684	883	-16,801

### Three months ended December 31, 2008

	Millions of U.S. dollars							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	1,730	16	14	19	60	1,839	-	1,839
Intersegment	128	1	0	43	25	197	-197	-
Total sales	1,858	17	14	62	85	2,036	-197	1,839
Operating income	-117	-0	-1	-0	1	-118	7	-111

### Nine months ended December 31, 2008

	Millions of U.S. dollars							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	5,376	71	88	96	307	5,938	-	5,938
Intersegment	504	3	1	235	93	836	-836	-
Total sales	5,880	74	89	332	400	6,774	-836	5,938
Operating income	-199	-0	-1	-18	24	-194	10	-185

### 3. Net overseas sales

#### Three months ended December 31, 2008

	Millions of yen					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	1,526	2,209	23,665	6,246	7,914	41,562
Consolidated net sales						167,339
Overseas sales as a percentage of consolidated net sales	0.9%	1.3%	14.1%	3.7%	4.7%	24.8%

#### Nine months ended December 31, 2008

	Millions of yen					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	6,790	11,336	77,514	30,912	11,105	137,659
Consolidated net sales						540,315
Overseas sales as a percentage of consolidated net sales	1.3%	2.1%	14.3%	5.7%	2.1%	25.5%

#### Three months ended December 31, 2008

	Millions of U.S. dollars					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	17	24	260	69	87	457
Consolidated net sales						1,839
Overseas sales as a percentage of consolidated net sales	0.9%	1.3%	14.1%	3.7%	4.7%	24.8%

#### Nine months ended December 31, 2008

	Millions of U.S. dollars					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	75	125	852	340	122	1,513
Consolidated net sales						5,938
Overseas sales as a percentage of consolidated net sales	1.3%	2.1%	14.3%	5.7%	2.1%	25.5%

**(Reference)**

**Consolidated Statements of Income**  
**Nine months ended December 31, 2007**

	<u>Millions of yen</u>
	<b>3Q FY2007</b>
<b>Net sales</b>	602,204
<b>Cost of sales</b>	487,030
<b>Gross profit</b>	115,173
<b>Selling, general and administrative expenses</b>	115,756
<b>Operating income</b>	-582
<b>Non-operating income</b>	7,072
Interest and dividends received	3,701
Other	3,370
<b>Non-operating expenses</b>	4,814
Interest expense	3,799
Other	1,014
<b>Ordinary income</b>	1,675
<b>Extraordinary income</b>	1,785
<b>Extraordinary loss</b>	3,951
<b>Income before income taxes</b>	-490
<b>Income taxes</b>	359
<b>Minority interests in net income of consolidated subsidiaries</b>	-304
<b>Net income</b>	-545

(Reference)

**Consolidated Statements of Cash Flows**

**Nine months ended December 31, 2007**

	Millions of yen
	<b>3Q FY2007</b>
<b>I Cash flows from operating activities:</b>	
Income (loss) before income taxes and minority interests	-490
Depreciation and amortization	15,693
Interest and dividend income	-3,701
Interest expense	3,799
Decrease (increase) in notes and accounts receivable-trade	49,382
Decrease (increase) in inventories	-62,671
Increase (decrease) in notes and accounts payable-trade	-28,690
Increase (decrease) in advances received	33,155
Other, net	-27,436
Cash generated from operations	-20,960
Interest and dividends income received	3,719
Interest expenses paid	-3,590
Income taxes paid	-7,205
Net cash used in operating activities	-28,037
<b>II Cash flows from investment activities:</b>	
Purchase of intangible assets and investment securities	-26,622
Proceeds from sales and redemption of intangible assets and investment securities	5,372
Other, net	-2,781
Net cash used in investment activities	-24,031
Free cash flows ( I + II )	-52,069
<b>III Cash flows from financing activities:</b>	
Net increase (decrease) in short-term loans payable	3,893
Increase (decrease) in commercial papers	54,000
Proceeds from long-term loans payable and issuance of bonds	58,501
Repayment of long-term loans payable and redemption of bonds	-58,634
Other, net	-6,038
Net cash provided by financing activities	51,721
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	-206
<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV )</b>	-554
<b>VI Cash and cash equivalents at beginning of period</b>	19,135
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	62
<b>VIII Cash and cash equivalents at end of period</b>	18,643

**(Reference)**

**Consolidated Segment Information**  
**Nine months ended December 31, 2007**

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

Net sales	Millions of yen	Operating income	Millions of yen
	3Q FY2007		3Q FY2007
Energy & Electric Systems	353,182	Energy & Electric Systems	-3,494
Electronic Devices	137,110	Electronic Devices	3,369
Retail Systems	116,504	Retail Systems	-522
Others	33,495	Others	1,266
Subtotal	640,291	Subtotal	618
Elimination/Corporate	-38,087	Elimination	-1,201
<b>Total</b>	<b>602,204</b>	<b>Total</b>	<b>-582</b>

**2. Consolidated Geographic Segment information**

Net sales	Millions of yen	Operating income	Millions of yen
	3Q FY2007		3Q FY2007
Japan	595,498	Japan	-1,696
North America	6,942	North America	137
Europe	12,535	Europe	191
Asia (except for China)	28,673	Asia (except for China)	-843
China	37,463	China	2,406
Subtotal	681,113	Subtotal	195
Elimination/Corporate	-78,908	Elimination	-778
<b>Total</b>	<b>602,204</b>	<b>Total</b>	<b>-582</b>

**3. Net overseas sales**

	Millions of yen	< Ratio to net sales >
	3Q FY2007	
North America	9,538	1.6%
Europe	14,240	2.4%
Asia (except for China)	73,305	12.2%
China	34,969	5.8%
Other	3,265	0.5%
<b>Total</b>	<b>135,320</b>	<b>22.5%</b>

**Supplemental Consolidated Financial Materials**

**1. Financial summary**

	Billions of yen							
	3Q FY2007		FY2007		3Q FY2008		FY2008[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Net sales	202.5	100.7%	922.1	101.6%	167.3	82.6%	760.0	82.4%
Operating income	-1.1	-	35.8	77.7%	-10.0	-	-22.0	-
Ordinary income	0.2	4.8%	35.8	73.4%	-13.4	-	-26.0	-
Net income	0.4	14.3%	16.7	72.6%	-39.2	-	-70.0	-

**2. Number of consolidated subsidiaries**

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

**3. Net income per share**

	Yen			
	3Q FY2007	FY2007	3Q FY2008	FY2008[Forecast]
Net income per share	0.57	23.49	-57.96	-97.94

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

	Yen			
	3Q FY2007	FY2007	3Q FY2008	FY2008[Forecast]
Sales exchange rate	113.19	114.28	96.32	99.63

**5. Net sales by business segment**

	Billions of yen							
	3Q FY2007		FY2007		3Q FY2008		FY2008[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	117.1	92.9%	587.7	98.6%	107.7	91.9%	484.0	82.4%
Electronic Devices	50.3	112.7%	184.8	101.3%	30.4	60.5%	138.0	74.7%
Retail Systems	36.2	103.9%	158.6	104.0%	29.4	81.4%	140.0	88.2%
Others	10.2	92.9%	51.6	78.9%	10.1	99.1%	49.0	94.9%
Subtotal	214.0	98.7%	982.8	98.7%	177.8	83.1%	811.0	82.5%
Elimination	-11.4	-	-60.6	-	-10.5	-	-51.0	-
<b>Total</b>	<b>202.5</b>	<b>100.7%</b>	<b>922.1</b>	<b>101.6%</b>	<b>167.3</b>	<b>82.6%</b>	<b>760.0</b>	<b>82.4%</b>

Note : Net sales include inter-segment transactions.

**6. Operating income by business segment**

	Billions of yen							
	3Q FY2007		FY2007		3Q FY2008		FY2008[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	-0.3	-	23.8	100.4%	-1.8	-	8.5	35.6%
Electronic Devices	0.7	27.5%	8.1	42.5%	-7.1	-	-32.0	-
Retail Systems	-1.4	-	2.7	108.1%	-1.0	-	0.5	18.5%
Others	0.2	77.8%	2.4	116.6%	0.3	148.5%	2.0	81.5%
Subtotal	-0.7	-	37.1	78.1%	-9.8	-	-21.0	-
Elimination/Corporate	-0.3	-	-1.3	-	-0.2	-	-1.0	-
<b>Total</b>	<b>-1.1</b>	<b>-</b>	<b>35.8</b>	<b>77.7%</b>	<b>-10.0</b>	<b>-</b>	<b>-22.0</b>	<b>-</b>

**7. Net overseas sales**

	Billions of yen							
	3Q FY2007		FY2007		3Q FY2008		FY2008[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
North America	3.3	70.2%	15.8	100.4%	1.5	45.6%	-	-
Europe	5.9	156.8%	17.7	105.6%	2.2	37.2%	-	-
Asia (except for China)	25.1	81.0%	104.2	91.2%	23.6	93.9%	-	-
China	11.0	111.3%	46.1	114.9%	6.2	56.3%	-	-
Other	1.1	106.4%	6.6	94.2%	7.9	694.8%	-	-
<b>Total</b>	<b>46.7</b>	<b>92.2%</b>	<b>190.7</b>	<b>98.2%</b>	<b>41.5</b>	<b>89.0%</b>	<b>-</b>	<b>-</b>

## 8. R&D expenditures

	Billions of yen							
	3Q FY2007		FY2007		3Q FY2008		FY2008[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	3.0	99.7%	14.9	106.6%	2.9	96.8%	13.3	89.8%
Electronic Devices	3.5	72.2%	12.5	87.5%	3.1	88.8%	13.5	107.7%
Retail Systems	1.4	101.0%	3.7	90.0%	0.6	47.7%	2.9	80.0%
Others	0.0	-	0.0	-	0.0	-	0.0	-
Corporate (basic research)	0.0	-	0.0	-	0.0	-	0.0	-
<b>Total</b>	<b>8.1</b>	<b>85.5%</b>	<b>31.2</b>	<b>96.0%</b>	<b>6.8</b>	<b>84.5%</b>	<b>29.9</b>	<b>95.7%</b>
Ratio to net sales (%)	4.0%	-	3.4%	-	4.1%	-	3.9%	-

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

	Billions of yen							
	3Q FY2007		FY2007		3Q FY2008		FY2008[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	1.1	31.5%	8.3	53.5%	1.5	140.7%	8.2	99.4%
Electronic Devices	15.2	120.2%	61.6	127.4%	2.7	17.6%	19.0	30.9%
Retail Systems	0.7	48.1%	3.4	61.8%	0.8	116.8%	2.2	63.9%
Others	0.3	118.8%	1.5	82.9%	0.3	99.7%	1.4	91.4%
Corporate	0.0	-	0.2	-	0.0	-	0.7	-
<b>Total</b>	<b>17.4</b>	<b>96.8%</b>	<b>75.2</b>	<b>105.3%</b>	<b>5.4</b>	<b>31.1%</b>	<b>31.6</b>	<b>42.1%</b>
(Leases)	(10.4)	194.1%	(37.5)	102.1%	(2.8)	27.2%	(11.6)	31.0%

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

## 10. Depreciation, Leases paid

	Billions of yen							
	3Q FY2007		FY2007		3Q FY2008		FY2008[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	2.8	116.6%	11.4	114.7%	2.9	102.1%	11.6	101.8%
Electronic Devices	8.9	146.7%	32.5	140.2%	8.2	91.7%	33.7	103.7%
Retail Systems	1.0	111.1%	4.2	113.3%	1.0	95.6%	4.2	99.1%
Others	0.4	74.5%	1.6	69.4%	0.3	84.4%	1.8	110.9%
Corporate	0.0	-	0.1	-	0.0	-	0.1	-
<b>Total</b>	<b>13.3</b>	<b>131.7%</b>	<b>50.0</b>	<b>126.7%</b>	<b>12.6</b>	<b>94.1%</b>	<b>51.5</b>	<b>103.2%</b>
(Leases paid)	(8.0)	129.4%	(31.2)	124.8%	(7.5)	94.2%	(29.9)	96.0%

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

## 11. Number of employees

	12/31/2007	3/31/2008	12/31/2008	3/31/2009 [Forecast]
Energy & Electric Systems	15,174	15,152	13,283	13,156
Electronic Devices	5,621	5,888	5,888	5,370
Retail Systems	2,741	2,680	2,715	2,702
Others	1,818	1,774	1,784	1,717
Corporate	138	140	145	150
<b>Total</b>	<b>25,492</b>	<b>25,634</b>	<b>23,815</b>	<b>23,095</b>
Japan	21,528	21,357	19,486	19,054
Overseas	3,964	4,277	4,329	4,041

## Financial Performance

\* Figures for year-on-year changes are provided for reference.

### 1. Qualitative Information Regarding Consolidated Results

In the first three quarters of fiscal 2008, the nine-month period from April 1 to December 31, 2008, the business environment for Fuji Electric Group showed strong domestic private-sector demand for steel and other products that represent the Fuji Electric Group's strengths during the first half of the period; however, as the financial crisis that began in the U.S. deepened and led to global economic weakness, the Group has faced a challenging business environment from the third quarter (September 1 to December 31, 2008).

Against this backdrop, consolidated results for the first three quarters (nine months) of fiscal 2008 were as follows.

Net sales declined ¥61.8 billion year-on-year, to ¥540.3 billion. By business segment, the Energy & Electric Systems Group recorded increased sales due to strong-performing industries in the private sector, but overall sales were lower year-on-year on a rapid decline in components product volumes from the weaker market environment, especially in the third quarter, combined with revisions of the scope of the water environment and information systems businesses. Sales were significantly lower year-on-year at the Electronic Devices Group from the effects of deteriorating market conditions, including declines in demand from reduced capital investment and customers' inventory adjustments from the third quarter. The Retail Systems Group also recorded lower sales as demand related to equipping cigarette vending machines with age-identification equipment ended.

Operating income weakened considerably, with the operating loss widening ¥16.2 billion to ¥16.8 billion. From the third quarter, demand at Energy & Electric Systems and Electronic Devices groups declined on a rapid deterioration in market conditions, and the yen's appreciation.

Ordinary income fell ¥22.6 billion to a loss of ¥20.9 billion from a year-earlier profit of ¥1.6 billion, on equity-method losses and a larger foreign exchange valuation loss caused by the stronger yen recorded as non-operating losses.

Extraordinary losses included expenses for restructuring to strengthen the Group's earnings structure. In addition, with the decline in taxable income for the consolidated taxation group, which includes Fuji Electric Holdings, the likelihood of recovery of deferred tax assets was reviewed and deferred tax assets were drawn down under income taxes. As a result, the net loss widened significantly by ¥49.4 billion, to ¥50.0 billion.

Operating results of Fuji Electric Holdings Co., Ltd. for the first three quarters of fiscal 2008 were as follows.

**Summary of 3Q Results (9 month period)**

	(¥ billion)		
	3Q Fiscal 2007	3Q Fiscal 2008	Change
Net sales	602.2	540.3	-61.8
Operating income/loss	-0.5	-16.8	-16.2
Ordinary income/loss	1.6	-20.9	-22.6
Net income/loss	-0.5	-50.0	-49.4

**Results by Segment**

**[ Energy & Electric Systems Group ]**

*YoY change: sales declined 9.0%; operating loss improved ¥0.3bn*

Although plant product sales were solid despite weakening markets, net sales in this segment declined 9.0% year-on-year to ¥321.4 billion on sluggish demand for component products and following a revision of the scope of the business. Due to such factors as the revision of the business scope, the operating loss narrowed ¥353 million, to ¥3,141 million.

The segment's sales and profit, especially in the plant business, are affected by seasonal demand concentrated in the fourth quarter.

Sales and operating income at the drives business were lower year-on-year because of the decline in demand for inverters and component products triggered by the rapid market deterioration from the third quarter.

Although large projects for customers including electric power companies were strong, the automation business recorded lower sales and a wider operating loss as a result of a revision of the scope of the business.

Large projects including substation equipment were solid, but overall sales at the industrial plant engineering business were lower as a result of the revision of the scope of the business. On the other hand, operating loss improved from the year-earlier period.

Both sales and operating income at the electric power systems business rose year-on-year on large overseas projects for thermal power equipment.

Sales were down and operating income widened year-on-year at the plant facility construction business.

The ED&C components business recorded lower sales and an operating loss year-on-year as the demand from machinery and switchboard manufacturers declined as a result of the manufacturing industry both in Japan and overseas greatly reduced production and their holding back on capital investment.

**[ Electronic Device Group ]**

*YoY change: sales declined 13.1%; operating income declined ¥17.0bn*

Net sales in this segment declined 13.1% year-on-year to ¥119.1 billion, and operating income fell

¥17,048 million to a ¥13,679 million loss.

The semiconductor business recorded significantly lower sales and a wide operating loss year-on-year as reduced capital investment from the third quarter depressed demand, customers' reduced inventories and production, automakers lowered production, and increased depreciation and other expenses incurred for facility enhancement.

Sales at the magnetic disk business were slightly higher year-on-year on increased sales to large-order customers during the first half, but operating loss widened significantly as sales and production of hard disk drives declined on weak demand, depreciation and other expenses increased, and the yen appreciated.

The imaging devices business saw an increase in sales volume, but with price drops and the yen's appreciation, both sales and operating income declined.

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

***YoY change: sales declined 12.7%; operating loss remained on a par with the previous year***

Net sales in this segment came to ¥101.6 billion, a 12.7% year-on-year decline, and the operating loss widened by ¥65 million to ¥587 million.

The vending machine and food service equipment business experienced strong demand for environmentally-friendly models, but with demand for the renovation of cigarette vending machines with age-identification equipment coming to an end, both sales and operating income were lower year-on-year.

The currency handling systems business had continued strong demand for automatic change dispensers, but sales were down on a decline in large projects for electronic money-related devices. Operating loss declined, however, on reduced SGA expenses and cost-cutting initiatives.

Affected by the weak food retail market, sales at the cold-chain equipment business declined from the year-earlier level, but operating loss declined on reduced SGA expenses and cost-cutting initiatives.

### **[ Others ]**

***YoY change: sales declined 0.5%; operating income rose ¥0.2bn***

Net sales in this overall segment declined 0.5% year-on-year to ¥33.3 billion, but operating income rose ¥284 million to ¥1,550 million.

## Quantitative Information Regarding Consolidated Financial Position

(¥ billion)

	March 31, 2008	Breakdown (%)	December 31, 2008	Breakdown (%)	Change
Total assets	1,035.9	100.0	934.1	100.0	-101.7
Interest-bearing debt	356.2	34.4	406.1	43.5	+49.9
Shareholder's equity <sup>*1</sup>	254.4	24.6	154.7	16.6	-99.7
Debt-equity ratio <sup>*2</sup> (times)	1.4		2.6		+1.2

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

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

Total assets as of December 31, 2008, stood at ¥934.1 billion, which was ¥101.7 billion lower than at the end of the previous fiscal year. Current assets declined ¥45.4 billion as a large reduction in trade receivables more than offset an increase in inventories. Long-term assets declined ¥56.3 billion on a decline in the market value of other marketable securities.

The balance of interest-bearing debt grew ¥49.9 billion from the previous fiscal year end to ¥406.1 billion at the end of the third quarter.

Net assets were ¥92.6 billion lower than at the previous fiscal year end, totaling ¥170.6 billion at the end of the third quarter, due mainly to a decline in retained earnings and the valuation difference on other marketable securities. Shareholders' equity (total net assets less minority interests) declined ¥99.7 billion to ¥154.7 billion. The debt-equity ratio rose 1.2 points to a multiple of 2.6.

(¥ billion)

	3Q FY2007	3Q FY2008	YoY Change
Cash flow from operating activities	-28.0	-8.5	19.5
Cash flow from investing activities	-24.0	-13.9	10.0
Free cash flow	-52.0	-22.4	29.6
Cash flow from financing activities	51.7	47.3	-4.3
Cash and cash equivalents	18.6	44.7	26.1

The consolidated free cash flow (the sum of operating and investing cash flows) was negative ¥22.4 billion, compared with a year-earlier ¥52.0 billion net outflow for an improvement of ¥29.6 billion.

### Cash flow from operating activities

Net cash used in operating activities amounted to ¥8.5 billion, compared with a year-earlier ¥28.0 billion net outflow. The ¥19.5 billion improvement reflected efforts to promote the collection of trade receivables and advances from customers that more than offset inventory increases and the recording of a net loss before income taxes and minority interests.

### Cash flow from investing activities

Net cash used in investing activities totaled ¥13.9 billion, compared with a year-earlier ¥24.0 billion net outflow for a ¥10.0 billion improvement. The main item was capital investment, primarily at the Electronic Devices Group.

## **Cash flow from financing activities**

Net cash provided by financing activities totaled ¥47.3 billion, compared with a year-earlier ¥51.7 billion net inflow. This was mainly due to an increase in short-term borrowings.

As a result, cash and cash equivalents at the end of the quarter totaled ¥44.7 billion on a consolidated basis, marking a ¥22.6 billion increase from the end of fiscal 2007.

## **2. Qualitative Information Regarding Consolidated Forecasts**

Fuji Electric Holdings has revised its consolidated results forecast for the fiscal 2008 full-year period announced on October 30, 2008, based on the Group's consolidated results in the first three quarters.

Please refer to the "Announcement of Revised Forecasts and Expected Dividend" announced on February 13, 2009, for details.

The revised forecasts are based on a foreign exchange rate assumption of ¥90/US dollar for the fourth quarter.

## **3. Other Items**

### **(1) Changes in significant subsidiaries associated with changes in the scope of consolidation during the period under review.**

During the third quarter, Schneider Electric Japan Co, Ltd., a Japanese 100% subsidiary of the Schneider Electric Industries Group, took over the electrical distribution and industrial control equipment and gas-related equipment businesses of the Company's 100% subsidiary Fuji Electric FA Components & Systems Co., Ltd. through an absorption-type corporate split effective October 1, 2008. The successor company became a new consolidated subsidiary of Fuji Electric Holdings, and is considered a specified subsidiary. Effective the same date, Fuji Electric FA Components & Systems changed its name to Fuji Electric Assets Management Co., Ltd., and Schneider Electric Japan changed its name to Fuji Electric FA Components & Systems.

### **(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 three 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 nine months ended December 31, 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 three quarters of fiscal 2008 have each increased by ¥3,515 million, with the net loss before income taxes and minority interests increased by ¥5,151 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 three quarters of fiscal 2008 have each decreased by ¥2,634 million.

(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.