

Consolidated Financial Results for FY2008

May 15, 2009

Fuji Electric Holdings Co., Ltd.

Summary of Consolidated Financial Results for FY2008 (Comparison with Forecasts of Feb. 13, 2009)

(billion yen)

	FY2008 Forecast as of 2/13	FY2008 Results	Change
Net Sales	760.0	766.6	+6.6
Operating Income	-22.0	-18.8	+3.2
Ordinary Income	-26.0	-20.7	+5.3
Net Income before income taxes	-45.0	-46.6	-1.6
Net Income	-70.0	-73.3	-3.3

Sales Exchange Rate US\$	¥99.63	¥100.54
Sales Exchange Rate EURO	¥141.78	¥143.48

Factors Impacting on Net Sales

Energy & Electric Systems	+6.3
Electronic Devices	+3.6
Retail Systems	-3.6

Factors Impacting on Operating Income/Loss

Energy & Electric Systems	+2.2
Electronic Devices	+1.0
Retail Systems	-0.9

Factors Impacting on Nonoperating Income

Exchange Gain	+1.5
Income on Investment in Equity-method Affiliates	+0.2
Others	+0.4

Factors Impacting on Extraordinary Loss

Structural Reform Cost	-3.5 (-15→-18.5)
Loss on Devaluation of Investment Securities	-3.2 (-0.5→-3.7)

Summary of Consolidated Financial Results for FY2008 (YoY Comparison)

(billion yen)

	FY2007	FY2008	Change
Net Sales	922.1	766.6	-155.5
Operating Income	35.8	-18.8	-54.7
Ordinary Income	35.8	-20.7	-56.5
Net Income before income taxes	30.5	-46.6	-77.1
Net Income	16.7	-73.3	-90.0
Sales Exchange Rate US\$	¥114.28	¥100.54	
Sales Exchange Rate EURO	¥161.53	¥143.48	

Factors Impacting on Net Sales

The Impact of Exclusion from the Scope of Consolidation of Certain Subsidiaries -70.3

Factors Impacting on Operating Income/Loss

Reduction in Costs, etc. +13.3	Reduction in Sales Quantity Price Decline	-45.2 -15.2
Reduction in Personnel Cost +5.2	Exchange Rate Effect Revaluation of Inventories	-7.6 -3.9
Improvement in Gross Profit Ratio +2.4	The Impact of Exclusion from the Scope of Consolidation of Certain Subsidiaries	-3.8
Reduction in Expenses, etc. +10.5	Disposal of Inventories Increase in Costs Increase in Depreciation and Lease Expense Recognized Actuarial Loss	-3.4 -3.2 -2.1 -1.7

Total +31.4

Total -86.1

Factors Impacting on Nonoperating Income/Loss

Income on Investment in Equity-method Affiliate +1.6	Exchange Loss Amortization of Negative Goodwill	-1.7 -1.4
Net interest expense +0.1	Others	-0.4

Breakdown of Extraordinary Loss

Structural Reform Cost	18.5
Loss on Devaluation of Investment Securities	3.5

Breakdown of Income Taxes

Reversal of Income Taxes 31.0

Net Sales and Operating Income by Segment for FY2008 (YoY Comparison)

(billion yen)

		FY2007	FY2008	Changes
Net Sales	Energy & Electric Systems	587.7	490.3	-97.3
	Electronic Devices	184.8	141.6	-43.1
	Retail Systems	158.6	136.4	-22.2
	Others	51.6	48.8	-2.7
	Eliminations	-60.6	-50.6	+10.0
	Total	922.1	766.6	-155.5
Operating Income	Energy & Electric Systems	23.8	10.7	-13.1
	Electronic Devices	8.1	-31.0	-39.1
	Retail Systems	2.7	-0.4	-3.1
	Others	2.4	2.7	+0.3
	Eliminations	-1.3	-0.8	+0.4
	Total	35.8	-18.8	-54.7

■ Energy & Electric Systems

- Both net sales and operating income were markedly down due to a sluggish demand for component products and the impact of exclusion from the scope of consolidation of water business and information system subsidiaries.

■ Electronic Devices

➢ Semiconductors

- Net sales were significantly down due to a sluggish demand.
- Operating income also deteriorated considerably due to a decrease in production output, price decline and exchange rate effects.

➢ Magnetic Disks

- Net sales were markedly down due to a demand fall in the latter half.
- Operating income also deteriorated considerably due to a decrease in production output, price decline, exchange rate effects and an increase in depreciation and lease expense.

➢ Photoconductors

- Both net sales and operating income were down.

■ Retail Systems

- Net sales dropped due to a decrease in demand from modification of cigarette vending machines for age identification, etc.
- Operating income turned to a loss due to a drop in sales and a rise in steel product price.

Consolidated Balance Sheet for FY2008

Assets

	08/03/31	09/03/31	Changes
Cash and time deposit	22.2	85.4	+63.2
Notes and account receivables, trade receivables	286.5	178.9	-107.6
Inventories	166.7	150.5	-16.1
Other current assets	55.7	48.7	-7.0
Total current assets	531.2	463.7	-67.5
Tangible fixed assets	183.2	194.5	+11.2
Intangible fixed assets	10.8	10.6	-0.2
Investments and other assets	310.1	239.6	-70.4
Total long-term assets	504.2	444.8	-59.3
Deferred assets	0.4	0.3	-0.0
Total assets	1,035.9	908.9	-127.0

Liabilities and Net Assets

(billion yen)

	08/03/31	09/03/31	Changes
Notes and account payables, trade payables	186.6	121.1	-65.5
Debts	356.2	416.0	+59.8
Other liabilities	229.7	225.6	-4.1
Total liabilities	772.6	762.8	-9.8
Common stock	47.5	47.5	-
Capital surplus	46.7	46.7	-0.0
Retained earnings	116.4	348.0	-81.6
Treasury stock at cost	-7.0	-7.0	-0.0
Shareholders' equity	203.7	122.0	-81.6
Valuation and transaction adjustments	50.7	8.2	-42.4
Minority interests in consolidated subsidiaries	8.8	15.7	+6.9
Total net assets	263.2	146.1	-117.1
Total liabilities and net assets	1,035.9	908.9	-127.0

Shareholders' Equity (%)	24.6	14.3	-10.3
D/E Ratio (times)	1.4	3.2	+1.8
Net D/E Ratio (times)	1.3	2.5	+1.2

Consolidated Cash Flow for FY2008

(billion yen)

	FY2007	FY2008
Cash flows from operating activities	-13.1	23.1
Cash flows from investing activities	-36.6	-12.2
Free cash flow	-49.8	10.8
Cash flows used in financing activities	54.2	53.7
Net increase/decrease in cash and cash equivalents	2.8	62.9
Cash and cash equivalents at beginning of year	19.1	22.0
Cash and cash equivalents at end of year	22.0	85.3

- Accelerated collection of accounts receivable
- Reduced inventory assets

Consolidated Full-year Forecasts for FY2009

(billion yen)

	FY2008 Results	FY2009 Forecast	Change
Net Sales	766.6	690.0	-76.6
Operating Income	-18.8	-12.0	+6.8
Ordinary Income	-20.7	-17.0	+3.7
Net Income before income taxes	-46.6	-15.0	+31.6
Net Income	-73.3	-17.0	+56.3

Sales Exchange Rate US\$	¥100.54	¥90.00
Sales Exchange Rate EURO	¥143.48	¥115.00

Exchange Rate Effect of One Yen (Operating Income/Loss)

	US\$	EURO
One Yen Effect (¥ million)	250	50

Factors Impacting on Operating Income/Loss

Reduction in Costs, etc.	+27.0	Reduction in Sales Quantity	-43.5
Reduction in Expenses	+16.2	Price Decline	-15.3
Reduction in Personnel Cost	+14.2	Recognized Actuarial Loss	-4.2
Reduction in R&D Cost	+6.4	Exchange Rate Effect	-2.6
Increase in Depreciation and Lease Expense	+6.1		
Revaluation of Inventories	+2.5		

Total +72.4

Total -65.6

Factors Impacting on Nonoperating Income/Loss

Exchange Gain	+2.0
Net Interest Expense	-4.8
Others	-0.6

Factors Impacting on Extraordinary Income

Structural Reform Cost	+11.4 (-18.5→ -7.1)
Loss on Devaluation of Investment Securities	+3.7 (-3.7→0)
Sale of Assets	+5.0 (0→+5.0)
Application of Percent of Completion Method	+4.5 (0→+4.5)

Factors Impacting on Income Taxes

Reversal of Income Taxes in Previous Fiscal Year +31.0

Net Sales and Operating Income Full-year Forecasts by Segment for FY2009

(billion yen)

		FY2008 Results	FY2009 Forecasts	Changes
Net Sales	Energy & Electric Systems	490.3	440.0	-50.3
	Electronic Devices	141.6	118.0	-23.6
	Retail Systems	136.4	129.0	-7.4
	Others	48.8	43.0	-5.8
	Eliminations	-50.6	-40.0	+10.6
	Total	766.6	690.0	-76.6
Operating Income	Energy & Electric Systems	10.7	9.0	-1.7
	Electronic Devices	-31.0	-19.5	+11.5
	Retail Systems	-0.4	1.0	+1.4
	Others	2.7	1.5	-1.2
	Eliminations	-0.8	-4.0	-3.2
	Total	-18.8	-12.0	+6.8

■ Energy & Electric Systems

- Slumping demand is expected to continue, specifically in the component product market both in and outside Japan.
- Sales and operating income from plant products are expected to deliver relatively steady performance, driven by demand from the overseas market.
- Sales are expected to drop significantly, but operating income is expected to show only a slight deterioration.

■ Electronic Devices

➢ Semiconductors

- Sales are expected to fall sharply due to the continued slumping demand resulting from reduced production output in factory automation products and automobiles.
- Operating loss is expected to be on a par with previous year due to a reduction in fixed costs, cost-cutting effects and a decrease in depreciation and lease expense resulting from structural reform.

➢ Magnetic Disks

- Sales are expected to decline due to a weak demand from hard disk drive manufacturers.
- Operating loss is expected to be reduced by half due to a reduction in fixed costs, cost-cutting effects and a decrease in depreciation and lease expense resulting from structural reform.

■ Retail Systems

- Sales are expected to fall due to a sluggish demand in the vending machine market, but operating income is expected to improve due to cost-cutting effects and a reduction in expenses.

(billion yen)

	FY2008 Results	FY2009 Forecasts
Free cash flow	10.8	0.0
Cash flows used in financing activities	53.7	-54.0
Net increase/decrease in cash and cash equivalents	62.9	-54.0
Cash and cash equivalents at beginning of year	22.0	85.3
Cash and cash equivalents at end of year	85.3	31.5
Debt	416.0	365.5

Change in Working Fund **-16.0**
Sale of Assets **+16.0**

Early Redemption of Zero Coupon Convertible Bonds due 2016 **-26.0**

(¥)

	Interim	Year-end	Full-year
Dividends Paid for FY2007	4	4	8
Expected Dividends for FY2008	4	0	4
Expected Dividends for FY2009	TBD	TBD	TBD

Consolidated Financial Forecasts for 1Q FY2009 (FYR)

(billion yen)

	FY2008 1Q Results	FY2009 1Q Forecasts	Change
Net Sales	171.5	140.0	-31.5
Operating Income	-5.6	-20.0	-14.4
Ordinary Income	-4.9	-22.0	-17.1
Net Income	-6.6	-17.0	-10.4
Sales Exchange Rate US\$	¥104.55	¥90.00	
Sales Exchange Rate EURO	¥163.43	¥115.00	

(billion yen)

		FY2008 1Q Results	FY2009 1Q Forecasts	Changes
Net Sales	Energy & Electric Systems	93.3	87.0	-6.3
	Electronic Devices	41.3	22.0	-19.3
	Retail Systems	37.3	30.0	-7.3
	Others	10.3	8.5	-1.8
	Eliminations	-10.8	-7.5	+3.3
	Total	171.5	140.0	-31.5
Operating Income	Energy & Electric Systems	-2.7	-8.0	-5.3
	Electronic Devices	-4.3	-11.0	-6.7
	Retail Systems	1.0	-0.5	-1.5
	Others	0.4	0.0	-0.4
	Eliminations	0.0	-0.5	-0.5
	Total	-5.6	-20.0	-14.4

(billion yen)

	FY2008 1H Results	FY2009 1H Forecasts	Change
Net Sales	372.9	303.0	-69.9
Operating Income	-6.7	-29.0	-22.3
Ordinary Income	-7.4	-33.0	-25.6
Net Income	-10.7	-23.0	-12.3
Sales Exchange Rate US\$	¥106.11	¥90.00	
Sales Exchange Rate EURO	¥162.68	¥115.00	

(billion yen)

		FY2008 1H Results	FY2009 1H Forecasts	Changes
Net Sales	Energy & Electric Systems	213.6	192.0	-21.6
	Electronic Devices	88.7	47.5	-41.2
	Retail Systems	72.1	61.5	-10.6
	Others	23.1	20.5	-2.6
	Eliminations	-24.7	-18.5	+6.2
	Total	372.9	303.0	-69.9
Operating Income	Energy & Electric Systems	-1.2	-9.0	-7.8
	Electronic Devices	-6.5	-17.0	-10.5
	Retail Systems	0.5	-1.5	-2.0
	Others	1.2	0.0	-1.2
	Eliminations	-0.6	-1.5	-0.9
	Total	-6.7	-29.0	-22.3

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