

**Consolidated financial results for the third quarter
of the Fiscal Year ending March 31, 2010
(April 1, 2009 – December 31, 2009)**

Summary of Consolidated Financial Results (Nine months ended December 31, 2009)

1. Summary of consolidated statements of operations

	Millions of yen		Change(%) (A)/(B)	<i>Millions of U.S. dollars</i>
	3Q FY2009 (A)	3Q FY2008 (B)		3Q FY2009
Net sales	446,634	540,315	82.7%	4,855
Operating income	-23,314	-16,801	-	-253
Ordinary income	-27,292	-20,973	-	-297
Net income	-22,521	-50,035	-	-245
	Yen			<i>U.S. dollars</i>
Net income per share	-31.51	-70.01	-	-0.34

2. Summary of consolidated financial position

	Millions of yen		<i>Millions of U.S. dollars</i>
	12/31/2009	3/31/2009	12/31/2009
Total assets	853,457	908,941	9,277
Net assets	154,379	146,113	1,678
Shareholders' equity ratio (%)	16.2%	14.3%	-
	Yen		<i>U.S. dollars</i>
Net Assets per share	192.95	182.37	2.10

Note: 1) U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥92=U.S.\$1.
2) The company has 56 consolidated subsidiaries and 5 affiliated companies by equity-method.

3. Forecast of consolidated earnings for FY2009 (April 1, 2009 - March 31, 2010)

	Millions of yen
Net sales	690,000
Operating income	0
Ordinary income	-3,000
Net income	-9,000
	Yen
Net income per share	-12.59

<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		Millions of U.S. dollars
	12/31/2009	3/31/2009	12/31/2009
Assets			
Current assets:			
Cash and deposits	44,098	85,467	479
Notes and accounts receivable-trade	156,370	178,948	1,700
Merchandise and finished goods	40,222	53,601	437
Work in process	60,341	66,203	656
Raw materials and supplies	21,554	30,770	234
Other	54,803	49,332	596
Allowance for doubtful accounts	-505	-601	-5
Total Current assets	376,885	463,721	4,097
Noncurrent assets:			
Property, plant and equipment	176,658	194,552	1,920
Intangible assets	10,289	10,621	112
Investments and other assets			
Investment securities	229,259	178,221	2,492
Other	61,455	62,713	668
Allowance for doubtful accounts	-1,334	-1,259	-15
Total Investments and other assets	289,380	239,676	3,145
Total Noncurrent assets	476,327	444,850	5,177
Deferred assets	244	369	3
Total assets	853,457	908,941	9,277
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	112,875	121,115	1,227
Short-term loans payable	98,194	131,902	1,067
Commercial papers	23,000	53,000	250
Income taxes payable	2,076	2,691	23
Advances received	35,771	57,421	389
Other	99,441	107,471	1,081
Total current liabilities	371,359	473,602	4,037
Noncurrent liabilities:			
Bonds payable	111,010	146,980	1,207
Long-term loans payable	127,465	84,201	1,385
Provision for retirement benefits	10,484	8,715	114
Provision for directors' retirement benefits	377	862	4
Other	78,382	48,465	852
Total Noncurrent liabilities	327,719	289,225	3,562
Total Liabilities	699,078	762,828	7,599
Net Assets			
Shareholders' equity:			
Capital stock	47,586	47,586	517
Capital surplus	46,734	46,734	508
Retained earnings	12,681	34,850	138
Treasury stock	-7,093	-7,088	-77
Total Shareholders' equity	99,908	122,083	1,086
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities	41,584	10,751	452
Deferred gains or losses on hedges	214	-60	2
Foreign currency translation adjustments	-3,810	-2,431	-41
Total Valuation and translation adjustments	37,988	8,258	413
Minority interests	16,481	15,771	179
Total Net assets	154,379	146,113	1,678
Total Liabilities and Net assets	853,457	908,941	9,277

Consolidated Statements of Income

Nine months ended December 31, 2009

	Millions of yen	<i>Millions of U.S. dollars</i>
	3Q FY2009	3Q FY2009
Net sales	446,634	4,855
Cost of sales	380,156	4,132
Gross profit	66,477	723
Selling, general and administrative expenses	89,792	976
Operating loss	-23,314	-253
Non-operating income		
Interest income	127	1
Dividends income	2,214	24
Other	1,442	16
Total Non-operating income	3,785	41
Non-operating expenses		
Interest expense	5,244	57
Interest on commercial papers	264	3
Equity in losses of affiliates	554	6
Foreign exchange losses	522	6
Other	1,176	13
Total Non-operating expenses	7,763	84
Ordinary loss	-27,292	-297
Extraordinary income		
Gain on sales of noncurrent assets	4,042	44
Gain on sales of investment securities	48	1
Gain on adjustment for changes of accounting sta	5,854	64
Other	19	0
Total Extraordinary income	9,965	108
Extraordinary loss		
Loss on disposal of noncurrent assets	617	7
Loss on valuation of investment securities	158	2
Business restructuring costs	7,292	79
Other	511	6
Total Extraordinary loss	8,579	93
Loss before income taxes	-25,907	-282
Income taxes	-832	-9
Minority interests in income	-2,552	-28
Net loss	-22,521	-245

Consolidated Statements of Income
Three months ended December 31, 2009

	Millions of yen	<i>Millions of U.S. dollars</i>
	3Q FY2009	3Q FY2009
Net sales	155,471	1,690
Cost of sales	129,203	1,404
Gross profit	26,268	286
Selling, general and administrative expenses	29,081	316
Operating loss	-2,813	-31
Non-operating income		
Interest income	45	0
Dividends income	758	8
Other	695	8
Total Non-operating income	1,499	16
Non-operating expenses		
Interest expense	1,777	19
Interest on commercial papers	50	1
Other	380	4
Total Non-operating expenses	2,208	24
Ordinary loss	-3,521	-38
Extraordinary income		
Gain on sales of noncurrent assets	188	2
Gain on sales of investment securities	28	0
Other	8	0
Total Extraordinary income	225	2
Extraordinary loss		
Loss on disposal of noncurrent assets	13	0
Business restructuring costs	4,752	52
Other	25	0
Total Extraordinary loss	4,790	52
Loss before income taxes	-8,086	-88
Income taxes	-829	-9
Minority interests in income	-988	-11
Net loss	-6,268	-68

Consolidated quarterly statements of cash flows
For the first Half of FY2009 (April 1 - December 31, 2009)

	Millions of yen	Millions of U.S. dollars
	3Q FY2009	3Q FY2009
I Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	-25,907	-282
Depreciation and amortization	18,712	203
Interest and dividends income	-2,342	-25
Interest expenses	5,244	57
Loss (gain) on sales of noncurrent assets	-4,042	-44
Loss (gain) on disposal of noncurrent assets	617	7
Loss (gain) on valuation of investment securities	158	2
Decrease (increase) in notes and accounts receivable-trade	27,582	300
Decrease (increase) in inventories	29,129	317
Increase (decrease) in notes and accounts payable-trade	-10,201	-111
Increase (decrease) in advances received	-15,386	-167
Other, net	-13,886	-151
Subtotal	9,677	105
Interest and dividends income received	2,350	26
Interest expenses paid	-5,088	-55
Income taxes paid	-2,521	-27
Net cash provided by operating activities	4,418	48
II Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	-7,718	-84
Proceeds from sales of property, plant and equipment	12,489	136
Purchase of investment securities	-274	-3
Proceeds from sales of investment securities	190	2
Payments of loans receivable	-8,222	-89
Collection of loans receivable	7,935	86
Other, net	-2,810	-31
Net cash provided by investment activities	1,590	17
III Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-35,310	-384
Increase (decrease) in commercial papers	-30,000	-326
Proceeds from long-term loans payable	56,595	615
Repayment of long-term loans payable	-11,949	-130
Redemption of bonds	-25,970	-282
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock	-6	0
Cash dividends paid to minority shareholders	-59	-1
Other, net	-3,044	-33
Net cash used in financing activities	-49,744	-541
IV Effect of exchange rate change on cash and cash equivalents	-422	-5
V Net increase (decrease) in cash and cash equivalents (I + II +III+IV)	-44,158	-480
VI Cash and cash equivalents at beginning of period	85,365	928
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	150	2
VIII Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries	2,660	29
IX Cash and cash equivalents at end of period	44,018	478

Consolidated Segment Information

1. Net sales and operating income by business segment

Three months ended December 31, 2009

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	94,124	34,839	24,649	1,857	155,471	-	155,471
Intersegment	569	648	62	7,008	8,290	-8,290	-
Total sales	94,693	35,488	24,712	8,866	163,761	-8,290	155,471
Operating income	-340	-1,112	-1,289	581	-2,160	-652	-2,813

Nine months ended December 31, 2009

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	271,307	87,685	81,512	6,129	446,634	-	446,634
Intersegment	2,825	1,121	167	23,401	27,515	-27,515	-
Total sales	274,132	88,806	81,679	29,530	474,149	-27,515	446,634
Operating income	-5,023	-14,565	-3,645	1,664	-21,569	-1,745	-23,314

Three months ended December 31, 2009

	Millions of U.S. dollars						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	1,023	379	268	20	1,690	-	1,690
Intersegment	6	7	1	76	90	-90	-
Total sales	1,029	386	269	96	1,780	-90	1,690
Operating income	-4	-12	-14	6	-23	-7	-31

Nine months ended December 31, 2009

	Millions of U.S. dollars						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	2,949	953	886	67	4,855	-	4,855
Intersegment	31	12	2	254	299	-299	-
Total sales	2,980	965	888	321	5,154	-299	4,855
Operating income	-55	-158	-40	18	-234	-19	-253

2. Consolidated Geographic Segment information

Three months ended December 31, 2009

	Millions of yen							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	137,507	2,288	2,153	3,263	10,258	155,471	-	155,471
Intersegment	12,515	180	73	11,620	2,407	26,497	-26,497	-
Total sales	149,723	2,468	2,226	14,883	12,666	181,969	-26,497	155,471
Operating income	-3,272	18	74	79	639	-2,460	-352	-2,813

Nine months ended December 31, 2009

	Millions of yen							Total
	Japan	North America	Europe	Asia (except for China)	China	Total	Elimination and Corporate	
Sales								
Unaffiliated customers	401,293	5,763	5,865	7,771	25,941	446,634	-	446,634
Intersegment	32,434	515	146	23,611	6,070	62,778	-62,778	-
Total sales	433,727	6,278	6,011	31,382	32,011	509,412	-62,778	446,634
Operating income	-22,292	-35	-23	-1,626	1,467	-22,509	-805	-22,314

Three months ended December 31, 2009

	Millions of U.S. dollars							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	1,495	25	23	35	112	1,690	-	1,690
Intersegment	136	2	1	126	26	288	-288	-
Total sales	1,627	27	24	162	138	1,978	-288	1,690
Operating income	-36	0	1	1	7	-27	-4	-31

Nine months ended December 31, 2009

	Millions of U.S. dollars							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	4,362	63	64	84	282	4,855	-	4,855
Intersegment	353	6	2	257	66	682	-682	-
Total sales	4,714	68	65	341	348	5,537	-682	4,855
Operating income	-242	0	0	-18	16	-245	-9	-243

3. Net overseas sales

Three months ended December 31, 2009

	Millions of yen					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	1,586	3,866	22,188	11,052	6,171	44,865
Consolidated net sales						155,471
Overseas sales as a percentage of consolidated net sales	1.0%	2.5%	14.3%	7.1%	4.0%	28.9%

Nine months ended December 31, 2009

	Millions of yen					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	6,911	10,733	60,080	32,115	20,062	129,902
Consolidated net sales						446,634
Overseas sales as a percentage of consolidated net sales	1.5%	2.4%	13.5%	7.2%	4.5%	29.1%

Three months ended December 31, 2009

	Millions of U.S. dollars					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	17	42	241	120	67	488
Consolidated net sales						1,690
Overseas sales as a percentage of consolidated net sales	1.0%	2.5%	14.3%	7.1%	4.0%	28.9%

Nine months ended December 31, 2009

	Millions of U.S. dollars					Total
	North America	Europe	Asia (except for China)	China	Other	
Overseas sales	75	117	653	349	218	1,412
Consolidated net sales						4,855
Overseas sales as a percentage of consolidated net sales	1.5%	2.4%	13.5%	7.2%	4.5%	29.1%

Supplemental Consolidated Financial Materials

1. Financial summary

	Billions of yen							
	3Q FY2008		FY2008		3Q FY2009		FY2009[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Net sales	540.3	89.7%	766.6	83.1%	446.6	82.7%	690.0	90.0%
Operating income	-16.8	-	-18.9	-	-23.3	-	0.0	-
Ordinary income	-21.0	-	-20.8	-	-27.3	-	-3.0	-
Net income	-50.0	-	-73.3	-	-22.5	-	-9.0	-

2. Number of consolidated subsidiaries

	3Q FY2008	FY2008	3Q FY2009	FY2009[Forecast]
Number of consolidated subsidiaries	67	66	56	55
Japan	46	45	37	36
Overseas	21	21	19	19
Number of equity-method affiliates	3	3	5	5

3. Net income per share

	Yen			
	3Q FY2008	FY2008	3Q FY2009	FY2009[Forecast]
Net income per share	-70.01	-102.57	-31.51	-12.59

4. Sales exchange rate (US\$)

	Yen			
	3Q FY2008	FY2008	3Q FY2009	FY2009[Forecast]
US\$	102.85	100.54	93.56	92.67
EURO	150.70	143.48	133.00	128.50

5. Net sales by business segment

	Billions of yen							
	3Q FY2008		FY2008		3Q FY2009		FY2009[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	321.4	91.0%	490.4	83.4%	274.1	85.3%	441.0	89.9%
Electronic Devices	119.2	86.9%	141.6	76.6%	88.8	74.5%	129.0	91.1%
Retail Systems	101.7	87.3%	136.4	86.0%	81.7	80.3%	119.0	87.2%
Others	33.3	99.5%	48.9	94.6%	29.5	88.6%	40.0	81.9%
Subtotal	575.6	89.9%	817.3	83.2%	474.1	82.4%	729.0	89.2%
Elimination	-35.3	-	-50.7	-	-27.5	-	-39.0	-
Total	540.3	89.7%	766.6	83.1%	446.6	82.7%	690.0	90.0%

Note : Net sales include inter-segment transactions.

6. Operating income by business segment

	Billions of yen							
	3Q FY2008		FY2008		3Q FY2009		FY2009[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	-3.1	-	10.7	44.9%	-5.0	-	14.0	130.8%
Electronic Devices	-13.7	-	-31.0	-	-14.6	-	-12.0	-
Retail Systems	-0.6	-	-0.5	-	-3.6	-	-1.0	-
Others	1.6	122.4%	2.8	113.1%	1.7	107.4%	2.0	72.0%
Subtotal	-15.9	-	-18.0	-	-21.6	-	3.0	-
Elimination/Corporate	-0.9	-	-0.8	-	-1.7	-	-3.0	-
Total	-16.8	-	-18.9	-	-23.3	-	0.0	-

7. Net overseas sales

	Billions of yen							
	3Q FY2008		FY2008		3Q FY2009		FY2009[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
North America	6.8	71.2%	10.1	63.6%	6.9	101.8%	-	-
Europe	11.3	79.6%	14.1	79.4%	10.7	94.7%	-	-
Asia (except for China)	77.5	105.7%	101.3	97.1%	60.1	77.5%	-	-
China	30.9	88.4%	39.6	85.8%	32.1	103.9%	-	-
Other	11.1	340.1%	16.0	241.0%	20.1	180.7%	-	-
Total	137.7	101.7%	181.0	94.9%	129.9	94.4%	-	-

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8. R&D expenditures

	Billions of yen							
	3Q FY2008		FY2008		3Q FY2009		FY2009[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	9.7	95.3%	14.1	94.9%	7.7	79.2%	11.6	82.0%
Electronic Devices	10.6	103.2%	13.4	106.5%	7.8	73.5%	10.3	76.8%
Retail Systems	2.2	64.8%	2.9	76.7%	1.6	75.7%	2.5	85.6%
Others	0.0	-	0.0	-	0.0	-	0.0	-
Corporate (basic research)	0.0	-	0.0	-	0.0	-	0.0	-
Total	22.5	94.3%	30.4	97.2%	17.1	76.1%	24.3	80.0%
Ratio to net sales (%)	4.2%	-	4.0%	-	3.8%	-	3.5%	-

9. Plant and equipment investment (including leases)

	Billions of yen							
	3Q FY2008		FY2008		3Q FY2009		FY2009[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	4.7	100.6%	10.1	120.6%	5.3	111.7%	8.2	81.2%
Electronic Devices	16.7	36.2%	19.2	31.2%	6.3	37.7%	9.8	50.9%
Retail Systems	1.8	73.0%	2.4	69.5%	1.1	61.0%	1.8	73.2%
Others	0.8	79.2%	1.6	101.9%	0.4	50.7%	0.4	27.5%
Corporate	0.2	-	0.2	-	0.2	-	0.5	-
Total	24.2	44.3%	33.5	44.5%	13.2	54.7%	20.7	61.8%
(Leases)	8.2	27.2%	12.9	34.4%	8.4	101.9%	12.7	98.3%

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

10. Depreciation, Leases paid

	Billions of yen							
	3Q FY2008		FY2008		3Q FY2009		FY2009[Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	8.8	105.1%	11.5	100.6%	8.7	98.7%	11.5	100.3%
Electronic Devices	26.3	109.3%	34.2	105.3%	21.2	80.5%	27.9	81.5%
Retail Systems	3.2	100.7%	4.2	98.4%	2.6	83.5%	3.4	82.4%
Others	1.1	84.0%	1.8	107.7%	0.7	67.2%	0.9	47.7%
Corporate	0.2	-	0.2	-	0.2	-	0.4	-
Total	39.5	106.8%	51.9	103.8%	33.5	84.7%	44.1	85.0%
(Leases paid)	23.7	102.4%	30.3	96.9%	16.6	70.2%	21.1	69.8%

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

11. Number of employees

	12/31/2008	3/31/2009	12/31/2009	3/31/2010 [Forecast]
Energy & Electric Systems	13,283	13,238	13,208	13,331
Electronic Devices	5,888	5,108	5,653	5,950
Retail Systems	2,715	2,694	2,674	2,633
Others	1,784	1,613	1,146	1,125
Corporate	145	146	603	650
Total	23,815	22,799	23,284	23,689
Japan	19,486	19,008	18,758	18,741
Overseas	4,329	3,791	4,526	4,948

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 2009, the nine-month period from April 1 to December 31, 2009, the Fuji Electric Group saw an upturn in the business climate that was centered on Asian markets, due to economic stimulus measures in Japan and overseas. However, the outlook remains uncertain, and the Group is likely to continue facing tough conditions.

Amid those conditions, targeting a return to profitability in fiscal 2010, the Group has positioned fiscal 2009 as a year for the completion of business restructuring. Specifically, in order to rebuild its earnings base, the Group is working to lower the break-even points of several businesses. At the same time, the Group is strengthening solutions businesses, with a focus on the fields of “energy and the environment.”

Consolidated results for the first three quarters of fiscal 2009 were as follows.

Net sales were down ¥93.7 billion year on year, to ¥446.6 billion. By segment, the Energy & Electric Systems Group saw sales decline year on year because lower demand for component products counteracted solid plant-related sales, primarily for large overseas projects. Although the Electronic Devices Group is trending toward recovery, it did not reach a full-scale recovery, with sales decreasing year on year. In the Retail Systems Group, sales declined year on year as a result of lower demand for vending machines.

Despite a reduction in total expenses achieved through business restructuring measures, all groups recorded year-on-year deterioration in operating loss and ordinary loss due to such factors as lower demand stemming from lackluster market conditions.

Net loss decreased year on year due to the effect of adopting the accounting standard for construction contracts as well as the reversal of deferred tax assets in the same period of the previous fiscal year.

Further, for the third quarter (three months), although net sales were down year on year, centered on the Energy & Electric Systems Group, operating results improved year on year mainly thanks to improvements in the semiconductor business and the magnetic disk business.

(Nine months cumulative)

(¥ billion)

	FY2008 3Q, cumulative period, consolidated	FY2009 3Q, cumulative period, consolidated	Change
Net sales	540.3	446.6	-93.7
Operating income/loss	-16.8	-23.3	-6.5
Ordinary income/loss	-21.0	-27.3	-6.3
Net income/loss	-50.0	-22.5	27.5

(Three months)

(¥ billion)

	FY2008 3Q, cumulative period, consolidated	FY2009 3Q, cumulative period, consolidated	Change
Net sales	167.3	155.5	-11.9
Operating income/loss	-10.1	-2.8	7.3
Ordinary income/loss	-13.5	-3.5	10.0
Net income/loss	-39.3	-6.3	33.0

Results by Segment

[Energy & Electric Systems Group]

(Nine months) YoY: Net sales declined 14.7%, operating results deteriorated ¥1.9 billion

(Three months) YoY: Net sales declined 12.1%, operating results improved ¥1.5 billion

Year on year, this segment saw net sales decline 14.7%, to ¥274.1 billion, and operating results deteriorate ¥1.9 billion, to an operating loss of ¥5.0 billion.

In the drive business, sales and operating results deteriorated year on year because lower demand for such component products as general-purpose inverters and small motors offset a recovery in order volumes for some product categories in China and other overseas markets.

The automation business recorded year-on-year decreases in net sales and operating results due to lower demand for such component products as measuring instruments.

In the industrial plant engineering business, there were orders for major projects, such as large-scale rectifier facilities overseas, and there was an increase in sales. Operating results were up year on year thanks to cost reductions and other measures.

In the electric power systems business, sales and operating results were up year on year as a result of increased orders for thermal power equipment for large overseas projects.

In the plant facility construction business, sales and operating results were at the same level year on year.

In the ED&C components business, year on year there were significant deteriorations in sales and operating results due to slumping demand from machinery manufacturers—the Company’s mainstay business—and the curbing or postponement of capital investment.

Further, for the third quarter (three months), year-on-year net sales decreased 12.1%, to ¥94.7 billion, and operating results improved ¥1.5 billion, to an operating loss of ¥0.3 billion.

[Electronic Devices Group]

(Nine months) YoY: Net sales declined 25.5%, operating results deteriorated ¥0.9 billion

(Three months) YoY: Net sales increased 16.6%, operating results improved ¥6.1 billion

Year on year, this segment saw net sales decline 25.5%, to ¥88.8 billion, and operating results deteriorate ¥0.9 billion, to an operating loss of ¥14.6 billion.

In the semiconductor business, there were increases in demand, principally for environmentally friendly vehicles, and a trend toward recovery in demand in Asian markets. However, a full-fledged recovery did not materialize because recovery in Japan, Europe, and the United States was extremely modest. As a result, net sales and operating results were down year on year.

In the magnetic disk business, amid continuing favorable conditions in the HDD market, the Company posted steady sales of 500 GB 3.5-inch aluminum media and 160 GB, 250 GB 2.5-inch glass substrate disks as mainstays. However, sales did not recover to the level reached in the same period of the previous fiscal year, decreasing year on year. Operating results were higher year on year thanks to the benefits of structural reform, such as the transfer of production bases overseas and the reduction of total expenses.

In the photoconductor business, sales declined year on year as lower product prices and contraction of the peripheral devices business counteracted higher sales volumes for photoconductors. Meanwhile, operating results increased year on year due to the advancement of rationalization and cost reductions.

Further, for the third quarter (three months), due to the recovery in demand for the semiconductor business, the magnetic disk business, and the photoconductor business, year-on-year net sales increased 16.6%, to ¥35.5 billion, and operating results improved ¥6.1 billion, to an operating loss of ¥1.1 billion.

[Retail Systems Group]

(Nine months) YoY: Net sales declined 19.7%, operating results deteriorated ¥3.1 billion

(Three months) YoY: Net sales declined 16.2%, operating results deteriorated ¥0.2 billion

Due to curbed investment resulting from a slumping retail market, this segment saw net sales decline 19.7% year on year, to ¥81.7 billion, and operating results deteriorate ¥3.1 billion year on year, to an

operating loss of ¥3.6 billion.

In the vending machine and food equipment business, sales were down significantly year on year due to curbed investment in vending machines that reflected the economic downturn and unseasonable summer weather. The decrease in sales and the accompanying work adjustments resulted in a year-on-year decrease in operating results.

In the currency-handling equipment business, due to curbed investment stemming from a sluggish retail market, automated change dispensers and electronic money-related equipment revenues were down, which resulted in decreases in sales and operating results.

In the cold-chain equipment business, a decrease in new store openings and intensified price competition resulted in decreases in sales and operating results year on year.

Further, for the third quarter (three months), year-on-year net sales decreased 16.2%, to ¥24.7 billion, and operating results deteriorated ¥0.2 billion, to an operating loss of ¥1.3 billion.

[Others]

(Nine months) YoY: Net sales declined 11.4%, operating results improved ¥0.1 billion

(Three months) YoY: Net sales declined 13.0%, operating results improved ¥0.2 billion

This segment posted a 11.4% decline in net sales year on year, to ¥29.5 billion, and a ¥0.1 billion year-on-year improvement in operating results, to an operating income of ¥1.7 billion. Further, for the third quarter (three months), net sales decreased 13.0% year on year, to ¥8.9 billion, and operating results improved ¥0.2 billion year on year, to an operating income of ¥0.6 billion.

Quantitative Information Regarding Consolidated Financial Position

(¥ billion)

	March 31, 2009	Breakdown (%)	December 31, 2009	Breakdown (%)	Change
Total assets	908.9	100.0	853.5	100.0	-55.5
Interest-bearing debt	416.1	45.8	369.7	43.3	-46.4
Shareholder's equity* ¹	130.3	14.3	137.9	16.2	+7.6
Debt-equity ratio* ²	3.2		2.7		-0.5

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

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

Total assets as of December 31, 2009, stood at ¥853.5 billion, a decline of ¥55.5 billion from March 31, 2009, the end of the previous fiscal year. Total current assets were down ¥86.8 billion, primarily because of declines in cash and deposits, inventories, and trade notes and accounts receivable. Total

noncurrent assets rose ¥31.5 billion because an increase in the market value of other investment securities offset a decrease in property, plant and equipment.

Interest-bearing debt amounted to ¥369.7 billion at the end of the third quarter, a decrease of ¥46.4 billion from the end of the previous fiscal year, which was mainly due to decreases in short-term loans payable and commercial papers and the redemption of bonds. Further, net financial obligations, which are calculated by subtracting cash and cash equivalents from interest-bearing debt, stood at ¥325.7 billion at the end of the third quarter, down ¥5.1 billion from the end of the previous fiscal year.

Total net assets were ¥154.4 billion at the end of the third quarter, an increase of ¥8.3 billion from the end of the previous fiscal year, principally associated with the higher market value of other investment securities, which absorbed a decline in retained earnings. In addition, shareholders' equity, which is calculated by subtracting minority interests in consolidated subsidiaries from total net assets, amounted to ¥137.9 billion at the end of the third quarter, up ¥7.6 billion from the end of the previous fiscal year. The debt-equity ratio declined 0.5 points from the end of the previous fiscal year, to 2.7 times. Also, the net debt-equity ratio (net financial obligations ÷ shareholders' equity) rose 0.1 point, to 2.4 times.

	(¥ billion)		
	FY 2008 3Q	FY 2009 3Q	Change
Cash flow from operating activities	-8.5	4.4	12.9
Cash flow from investing activities	-14.0	1.6	15.6
Free cash flow	-22.5	6.0	28.5
Cash flow from financing activities	47.3	-49.7	-97.1
Cash and cash equivalents	44.8	44.0	-0.8

In consolidated free cash flow (cash flows from operating activities + cash flows from investing activities) for the third quarter (nine months), the Company recorded positive free cash flow of ¥6.0 billion, an improvement of ¥28.5 billion from the negative free cash flow of ¥22.5 billion in the same period of the previous fiscal year.

Cash flow from operating activities

Net cash provided by operating activities was ¥4.4 billion, compared with net cash used in operating activities of ¥8.5 billion in the same period of the previous fiscal year. That was primarily the result of inventory reductions and stepped-up collection of trade receivables, which more than offset the recording of a net loss before income taxes and minority interests and decreases in trade payables and advances from customers.

This represented a ¥12.9 billion improvement from the same period of the previous fiscal year.

Cash flow from investing activities

Net cash provided by investing activities was ¥1.6 billion, compared with net cash used in investing activities of ¥14.0 billion in the same period of the previous fiscal year. This was principally attributable to proceeds from sales of property, plant and equipment.

This represented a ¥15.6 billion improvement from the same period of the previous fiscal year.

Cash flow from financing activities

Net cash used in financing activities was ¥49.7 billion, compared with net cash provided by financing activities of ¥47.3 billion in the same period of the previous fiscal year. This mainly stemmed from a decrease in short-term debt, a reduction in commercial papers, and the redemption of bonds.

As a result, cash and cash equivalents at the end of the nine-month period totaled ¥44.0 billion on a consolidated basis, a decrease of ¥41.3 billion from the end of the previous fiscal year.

3. Qualitative Information Regarding Consolidated Forecasts

Fuji Electric Holdings has revised its consolidated results forecast for the fiscal 2009 full-year period, ending March 2010, which it announced on May 15, 2009, based on the Group's consolidated results in the first three quarters.

Further, the revised forecast assumes foreign currency exchange rates of US\$1=90 yen and €1=115 yen in the fourth quarter.

Consolidated financial result forecasts

(¥ billion)

	Previous forecasts	Revised forecasts	Change
Sales	690.0	690.0	0
Operating Income/Loss	-12.0	0	12.0
Ordinary Income/Loss	-17.0	-3.0	14.0
Net Income/Loss	-17.0	-9.0	8.0

Net sales and operating income/loss forecasts by segment

(¥ billion)

	Sales			Operating Income/Loss		
	Previous Forecasts	Revised Forecasts	Change	Previous Forecasts	Revised Forecasts	Change
Energy & Electric Systems	440.0	441.0	1.0	9.0	14.0	5.0
Electronic Devices	118.0	129.0	11.0	-19.5	-12.0	7.5
Retail Systems	129.0	119.0	-10.0	1.0	-1.0	-2.0
Others	43.0	40.0	-3.0	1.5	2.0	0.5
Eliminations/ Corporate	-40.0	-39.0	1.0	-4.0	-3.0	1.0
Total	690.0	690.0	0	-12.0	0	12.0

Having positioned fiscal 2009 as a year for the completion of business restructuring, the Group is actively pursuing such initiatives as lowering break-even points, reducing total expenses rigorously, reforming the structure of sales operations and other areas to create optimal structures for business advancement, and reforming supply chains. By moving forward with such initiatives, the Group was able to steadily strengthen its profit-earning capabilities and achieve results in the nine-month period under review that were above projections.

In the fourth quarter, although tough conditions are likely to continue in Japan's market, some business areas, centered on China and other Asian markets, are seeing a pickup in the business climate, and some business areas are trending toward recovery.

Given those conditions, full-year net sales are expected to be at the same level as those stated in the previous announcement. However, operating results are expected to be significantly higher than stated in the previous announcement due to an upturn in market conditions for the Electronic Devices Group and the effect of such structural reforms as reductions of total expenses.

The Energy & Electric Systems Group, facing challenging business conditions, will likely post sales higher than those stated in the previous announcement. Continuing efforts to strengthen the component business—advancing the shift of production overseas and rigorously reducing inventories and costs—are expected to result in operating results that are higher than stated in the previous announcement.

The Electronic Devices Group is witnessing recovery trends in all business areas, centered on China and other Asian markets. As a result, the segment is expected to significantly outperform the figures stated for sales and operating results in the previous announcement.

The Retail Systems Group is likely to post figures for sales significantly lower than stated in the previous announcement, and operating results are expected to be significantly lower than stated in the previous announcement, as retail market sluggishness becomes long term. The Company will make the utmost effort to further reduce selling, general and administrative expenses and other costs.

4. Other Items

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

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 depreciation 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

In regard to accounting standards for the recognition of revenues from construction contracts, in the past the Company used the completed-contract method, but from the first quarter under review, the Company has applied Accounting Standard for Construction Contracts (ASBJ Statement No. 15, December 27, 2007) and Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, December 27, 2007). For all construction contracts, including those construction contracts existing at the beginning of the first quarter under review, the percent-of-completion method has been applied to those projects for which the degree of completion as of the end of the second quarter could be reasonably estimated (the percentage of completion shall be estimated based on the cost method). The completed-contract method has been applied to other construction contracts.

This change had the effect of increasing sales by ¥16,872 million, reducing operating loss and ordinary loss by ¥3,466 million each, and reducing loss before income taxes and minority interests by ¥9,320 million.