

Consolidated Financial Results 1H FY2009

November 2, 2009

Fuji Electric Holdings Co., Ltd.

Fundamental Policy

Complete business restructuring in FY2009 and restore profitability in FY2010.

Key Initiatives

● Rebuild the earnings structure

- Complete business restructuring
- Thoroughly reduce overall expenses
- Strengthen the financial structure

● Overhaul the business portfolio for future growth

- Shift business focus to the fields of energy and environment
- Transform the organization into an optimal structure to drive business forward
 - Sales forces of 7 companies integrated into Fuji Electric Systems (July 1)
 - Semiconductor business transferred to Energy & Electric Systems Group (October 1)
 - Magnetic disk operations split off into specialized company (October 1)
 - R&D functions integrated into Fuji Electric Holdings (October 1)

Reducing Overall Expenses

Reduction in total expenses exceeded plans by substantial margin.

(billion yen)

| Expected Effects in FY2009 (vs. FY2008) | Annual Plans | Results for 1H | | Progress |
|---|-----------------|-----------------------|-----------------------|---------------------------|
| | | 1Q | 2Q | |
| Total | 70.0 | (20.0) 25.0 | (22.0) 26.0 | 51.0 73% |
| Restructuring + Overall expense reductions | 43.0 | (15.0) 19.0 | (16.0) 20.0 | 39.0 91% |
| Cost Reductions | 27.0 | (5.0) 6.0 | (6.0) 6.0 | 12.0 44% |

※()Plans

● Business Restructuring

Businesses segments subject to reform: Magnetic Disks, Semiconductors, Electric Distribution and Control (ED&C) Equipment, Drives* and Automation*
*Only component products are subject to reform

Details: Shift to overseas production, realignment of the production organization in Japan, elimination of unprofitable product lines

● Overall Expense Reductions

Personnel reassignment and reduction of total costs including personnel expenses (wage revision), capital outlays and R&D expenses.

Free cash flow secured by improved operating results and inventory reductions. (comparison with plan)

Inventory

| | Results of 2008/9/30 | Forecast of 2009/9/30 | Results of 2009/9/30 |
|---------------------------|-------------------------|--------------------------|-------------------------|
| Inventory | 198.0 billion yen | 122.0 billion yen | 113.8 billion yen |
| Inventory Turnover Period | 3.2 months | 2.4 months | 2.3 months |

Account Receivables

| | Results of 2008/9/30 | Forecast of 2009/9/30 | Results of 2009/9/30 |
|-----------------------------|-------------------------|--------------------------|-------------------------|
| Account Receivables | 207.8 billion yen | 160.4 billion yen | 153.0 billion yen |
| Receivables Turnover Period | 3.3 months | 3.2 months | 3.2 months |

Cash Flow

| | Forecast of 1H FY2009 | Results of 1H FY2009 | Change |
|----------------|--------------------------|-------------------------|-------------------|
| Free Cash Flow | -13.5 billion yen | 0.7 billion yen | +14.2 billion yen |

Summary of Consolidated Financial Results for 1H FY2009 (Comparison with Forecast)

Sales of electric systems did not reach target, but reduction in total expenses exceeded plans, and consequently profitability improved.

Forecast as of May 15 (billion yen)

| | 1H FY2009 | | Change |
|-----------------------|------------------------|--------------|----------------------|
| | Forecast as of July 31 | Results | |
| Net Sales | 303.0 301.0 | 291.2 | -11.8 -9.8 |
| Operating Income/Loss | -29.0 -23.0 | -20.5 | +8.5 +2.5 |
| Ordinary Income/Loss | -33.0 -27.0 | -23.8 | +9.2 +3.2 |
| Net Income/Loss | -23.0 -21.5 | -16.3 | +6.7 +5.2 |

Factors Impacting on Net Sales

| | |
|---------------------------|------|
| Energy & Electric Systems | -9.6 |
| Electronic Devices | +1.3 |
| Retail Systems | -1.0 |

Factors Impacting on Operating Income/Loss

| | |
|---|------|
| Reduction in Personnel Cost | +2.3 |
| Reduction in Depreciation and Lease Expense | +0.4 |
| Reduction in R&D Cost | +0.9 |
| Reduction in Other Expenses | +0.4 |
| Exchange Rate Effect | +0.2 |
| Reduction in Sales Quantity and others | -1.7 |

Reduction in Total Expenses +4.0

| | | |
|--------------------|---------|---------|
| Exchange Rate US\$ | ¥93.66 | ¥95.49 |
| Exchange Rate EURO | ¥123.79 | ¥133.16 |

Net Sales and Operating Income by Segment for 1H FY2009 (Comparison with Forecast)

Forecast as of May 15

(billion yen)

| | | 1H FY2009 | | Change |
|-----------------------|---------------------------|---------------------------|--------------|----------------------|
| | | Forecast as of July 31 | Results | |
| Net Sales | Energy & Electric Systems | 192.0 189.0 | 179.4 | -12.6 -9.6 |
| | Electronic Devices | 47.5 52.0 | 53.3 | +5.8 +1.3 |
| | Retail Sytems | 61.5 58.0 | 57.0 | -4.5 -1.0 |
| | Others | 20.5 20.0 | 20.7 | +0.2 +0.7 |
| | Elimination | -18.0 | -19.2 | -1.2 |
| | Total | 303.0 301.0 | 291.2 | -11.8 -9.8 |
| Operating Income/Loss | Energy & Electric Systems | -9.0 -6.0 | -4.7 | +4.3 +1.3 |
| | Electronic Devices | -17.0 -14.0 | -13.5 | +3.5 +0.5 |
| | Retail Sytems | -1.5 -2.0 | -2.4 | -0.9 -0.4 |
| | Others | 0 0.5 | 1.1 | +1.1 +0.6 |
| | Elimination/ Corporate | -1.5 | -1.1 | +0.4 |
| | Total | -29.0 -23.0 | -20.5 | +8.5 +2.5 |

■ Energy & Electric Systems

Sales down due to delayed delivery dates for certain overseas plants and to sluggish demand for ED&C components.

Operating results improved due to business restructuring measures.

■ Electronic Devices

Semiconductor and photoconductor sales exceeded plans, and magnetic disk sales were in line with planned levels.

Operating results exceeded targets in all fields.

■ Retail Systems

Due to lower sales of cold chain equipment, both sales and operating results failed to reach planned levels.

Summary of Consolidated Financial Results for 1H FY2009 (YoY Comparison)

(billion yen)

| | 1H FY2008 Results | 1H FY2009 Results | Change |
|--|----------------------|----------------------|--------------|
| Net Sales | 373.0 | 291.2 | -81.8 |
| Operating Income/Loss | -6.7 | -20.5 | -13.8 |
| Ordinary Income/Loss | -7.5 | -23.8 | -16.3 |
| Net Income/Loss before Income Taxes | -13.6 | -17.8 | -4.2 |
| Net income/Loss | -10.8 | -16.3 | -5.5 |

| | | |
|---------------------------------|----------------|----------------|
| Sales Exchange Rate US\$ | ¥106.11 | ¥95.49 |
| Sales Exchange Rate EURO | ¥162.68 | ¥133.16 |

Factors Impacting on Net Sales

| | | | |
|---------------------------|-------|----------------|-------|
| Energy & Electric Systems | -34.2 | Retail Systems | -15.2 |
| Electronic Devices | -35.4 | | |

Factors Impacting on Operating Income/Loss

| | | | |
|---|--------------|-----------------------------|--------------|
| Cost reduction | +12.0 | | |
| Reduction in Personnel Cost | +13.1 | | |
| Reduction in Depreciation and Lease Expense | +4.6 | | |
| Reduction in R&D Cost | +4.1 | | |
| Reduction in Other Expenses | +17.2 | | |
| Effect of adjustment for changes of accounting standard for construct contracts | +3.0 | | |
| Total | +54.0 | | |
| | | Reduction in Sales Quantity | -58.2 |
| | | Price Decline | -5.3 |
| | | Recognized Actuarial Loss | -2.1 |
| | | Exchange Rate Effect | -2.2 |
| | | Total | -67.8 |

Reduction in Total Expenses +39.0

Factors Impacting on Non-operating Income/Loss

| | | | |
|----------------------|------|---------------|------|
| Net Interest Expense | -1.7 | Exchange Loss | -0.9 |
|----------------------|------|---------------|------|

Factors Impacting on Extraordinary Income/Loss

| | |
|---|------------------|
| Gain on adjustment for changes of accounting standard for construct contracts | +5.9 (0→+5.9) |
| Gain on sales of noncurrent assets | +3.9 (0→+3.9) |
| Revaluation of Inventories | +1.6 (-1.6→0) |
| Loss on disposal of noncurrent assets | +0.8 (-1.4→-0.6) |
| Business restructuring costs | -0.4 (-2.1→-2.5) |

Net Sales and Operating Income by Segment for 1H FY2009 (YoY Comparison)

(billion yen)

| | | 1H FY2008 Results | 1H FY2009 Results | Change |
|-----------------------|---------------------------|----------------------|----------------------|--------------|
| Net Sales | Energy & Electric Systems | 213.7 | 179.4 | -34.2 |
| | Electronic Devices | 88.7 | 53.3 | -35.4 |
| | Retail Systems | 72.2 | 57.0 | -15.2 |
| | Others | 23.1 | 20.7 | -2.5 |
| | Elimination | -24.8 | -19.2 | +5.6 |
| | Total | 373.0 | 291.2 | -81.8 |
| Operating Income/Loss | Energy & Electric Systems | -1.3 | -4.7 | -3.4 |
| | Electronic Devices | -6.5 | -13.5 | -7.0 |
| | Retail Systems | 0.5 | -2.4 | -2.9 |
| | Others | 1.2 | 1.1 | -0.1 |
| | Elimination/ Corporate | -0.7 | -1.1 | -0.4 |
| | Total | -6.7 | -20.5 | -13.8 |

■ Energy & Electric Systems

Due to sluggish demand, centered on component products, sales and operating results were both down year on year.

■ Electronic Devices

➤ Semiconductors:

In Asian markets, information and power supply, and industrial sectors recovered, and in Japan demand for products for hybrid cars increased, but in European and North American markets, a full-fledged recovery was not reached, and sales and operating results were both down substantially year on year.

➤ Magnetic disks:

Demand recovered in comparison with the second half of previous fiscal year, but in comparison with the first half, sales and operating results declined.

➤ Photoconductors:

Sales declined year on year due to lower product prices and the influence of exchange rates. Operating results were about the same as in the previous year.

■ Retail Systems

Accompanying declining market conditions, beverage companies limited investment in vending machines, and sales and operating results both declined year on year.

Consolidated Balance Sheet for 1H FY2009

- Inventories were reduced through the implementation of supply chain reforms.
- The balance of financial obligations was reduced through the redemption of Euroyen convertible bonds and the repayment of short-term borrowings.

| Assets | | | | Liabilities and Net Assets | | | |
|--|----------|----------|---------|---|----------|----------|---------|
| | 09/03/31 | 09/09/30 | Changes | | 09/03/31 | 09/09/30 | Changes |
| Cash and time deposit | 85.5 | 38.8 | -46.7 | Notes and account payables, trade payables | 121.1 | 99.3 | -21.8 |
| Notes and account receivables, trade receivables | 178.9 | 153.0 | -26.0 | Interest-bearing Debts | 416.1 | 366.9 | -49.2 |
| Inventories | 150.6 | 113.8 | -36.8 | Other liabilities | 225.6 | 205.6 | -20.1 |
| Other current assets | 48.7 | 48.5 | -0.2 | Total liabilities | 762.8 | 671.8 | -91.1 |
| Total current assets | 463.7 | 354.0 | -109.7 | Common stock | 47.6 | 47.6 | - |
| Tangible fixed assets | 194.6 | 177.7 | -16.8 | Capital surplus | 46.7 | 46.7 | -0.0 |
| Intangible fixed assets | 10.6 | 10.3 | -0.4 | Retained earnings | 34.9 | 18.9 | -15.9 |
| Investments and other assets | 239.7 | 283.4 | +43.8 | Treasury stock at cost | -7.1 | -7.1 | -0.0 |
| Total long-term assets | 444.9 | 471.4 | +26.6 | Shareholders' equity | 122.1 | 106.2 | -15.9 |
| Deferred assets | 0.4 | 0.3 | -0.1 | Valuation and transaction adjustments | 8.3 | 34.0 | +25.8 |
| Total assets | 908.9 | 825.7 | -83.2 | Minority interests in consolidated subsidiaries | 15.8 | 13.8 | -2.0 |
| | | | | Total net assets | 146.1 | 154.0 | +7.9 |
| | | | | Total liabilities and net assets | 908.9 | 825.7 | -83.2 |
| | | | | Shareholders' Equity (%) | 14.3 | 17.0 | +2.7 |
| | | | | D/E Ratio (times) | 3.2 | 2.6 | -0.6 |
| | | | | Net D/E Ratio (times) | 2.5 | 2.3 | -0.2 |

(billion yen)

Consolidated Statements of Cash Flow for 1H FY2009

Free cash flow secured through inventory reductions and proceeds from sales of fixed assets.

(billion yen)

| | 1H FY2008 | 1H FY2009 |
|--|-----------|-----------|
| Cash flows from operating activities | 10.8 | -2.8 |
| Cash flows from investing activities | -11.0 | 3.6 |
| Free cash flow | -0.1 | 0.7 |
| Cash flow used in financing activities | -7.5 | -47.1 |
| Net increase/decrease in cash and cash equivalents | -8.1 | -46.9 |
| Cash and cash equivalents at beginning of year | 22.1 | 85.4 |
| Cash and cash equivalents at end of year | 14.3 | 38.7 |

There is a need to maintain a close focus on future trends, and accordingly at this time there are no revisions to the May 15 forecasts.

Reference: FY2009 Forecast Released on May 15

(billion yen)

| | (billion yen) | | |
|-----------------------|----------------|------------------------------|--------|
| | FY2008 Results | FY2009 Forecast as of May 15 | Change |
| Net Sales | 766.6 | 690.0 | -76.6 |
| Operating Income/Loss | -18.8 | -12.0 | +6.8 |
| Ordinary Income/Loss | -20.7 | -17.0 | +3.7 |
| Net Income/Loss | -73.3 | -17.0 | +56.3 |

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

| | | FY2008 Results | FY2009 Forecast as of May 15 | Change |
|-----------------------|---------------------------|----------------|------------------------------|--------|
| Net Sales | Energy & Electric Systems | 490.3 | 440.0 | -50.3 |
| | Electronic Devices | 141.6 | 118.0 | -23.6 |
| | Retail Sytems | 136.4 | 129.0 | -7.4 |
| | Others | 48.8 | 43.0 | -5.8 |
| | Elimination | -50.6 | -40.0 | +10.6 |
| | Total | 766.6 | 690.0 | -76.6 |
| Operating Income/Loss | Energy & Electric Systems | 10.7 | 9.0 | -1.7 |
| | Electronic Devices | -31.0 | -19.5 | +11.5 |
| | Retail Sytems | -0.4 | 1.0 | +1.4 |
| | Others | 2.7 | 1.5 | -1.2 |
| | Elimination/Corporate | -0.8 | -4.0 | -3.2 |
| | Total | -18.8 | -12.0 | +6.8 |

Dividends

(Yen)

| | Interim | Year-end | Full-year |
|--------|---------|----------|-----------|
| FY2009 | 0 | TBD | TBD |
| FY2008 | 4 | 0 | 4 |

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