

## Consolidated Financial Report for the fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

### Summary of Consolidated Financial Results

#### 1. Summary of consolidated statements of income

	Millions of yen		Change(%) (A)/(B)	<i>Millions of U.S. dollars</i>
	FY2009	FY2008		<i>FY2009</i>
	(A)	(B)		
Net sales	691,223	766,637	90.2%	7,433
Operating income (loss)	924	-18,855	-	10
Ordinary income (loss)	-537	-20,769	-	-6
Net income (loss)	6,757	-73,306	-	73
	Yen			<i>U.S. dollars</i>
Net income (loss) per share	9.46	-102.57	-	0.10

#### 2. Summary of consolidated financial position

	Millions of yen		<i>Millions of U.S. dollars</i>
	3/31/2010	3/31/2009	<i>3/31/2010</i>
Total assets	908,938	908,941	9,774
Net assets	196,134	146,113	2,109
Shareholders' equity ratio (%)	19.7%	14.3%	-
	Yen		<i>U.S. dollars</i>
Net Assets per share	250.28	182.37	2.69

Note: 1) U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥93=U.S.\$1.  
2) The company has 53 consolidated subsidiaries and 5 equity-method affiliates.

#### 3. Forecast of consolidated earnings for FY2010 (April 1, 2010 - March 31, 2011)

	<u>Millions of yen</u>
Net sales	720,000
Operating income	16,000
Ordinary income	13,500
Net income	26,000
	Yen
Net income per share	36.38

#### <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
	3/31/2010	3/31/2009	3/31/2010
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	37,344	85,467	402
Notes and accounts receivable-trade	223,107	178,948	2,399
Merchandise and finished goods	36,633	53,601	394
Work in process	35,741	66,203	384
Raw materials and supplies	21,076	30,770	227
Deferred tax assets	22,069	9,463	237
Other	40,318	39,869	434
Allowance for doubtful accounts	-617	-601	-7
<b>Total Current assets</b>	<b>415,673</b>	<b>463,721</b>	<b>4,470</b>
<b>Noncurrent assets:</b>			
Property, plant and equipment			
Buildings and structures	76,999	84,411	828
Machinery, equipment and vehicles	26,733	34,706	287
Tools, furniture and fixtures	4,845	5,944	52
Land	30,532	34,719	328
Lease assets	22,487	9,587	242
Construction in progress	14,595	25,183	157
<b>Total property, plant and equipment</b>	<b>176,193</b>	<b>194,552</b>	<b>1,895</b>
Intangible assets	10,602	10,621	114
Investments and other assets			
Investment securities	250,374	178,221	2,692
Long-term loans receivable	1,934	2,287	21
Prepaid pension cost	41,546	46,975	447
Deferred tax assets	4,754	3,621	51
Other	9,017	9,829	97
Allowance for doubtful accounts	-1,375	-1,259	-15
<b>Total Investments and other assets</b>	<b>306,251</b>	<b>239,676</b>	<b>3,293</b>
<b>Total Noncurrent assets</b>	<b>493,048</b>	<b>444,850</b>	<b>5,302</b>
<b>Deferred assets</b>	<b>217</b>	<b>369</b>	<b>2</b>
<b>Total assets</b>	<b>908,938</b>	<b>908,941</b>	<b>9,774</b>

**Consolidated Balance Sheets**

	Millions of yen		<i>Millions of U.S. dollars</i>
	<u>3/31/2010</u>	<u>3/31/2009</u>	<u>3/31/2010</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	131,746	121,115	1,417
Short-term loans payable	94,100	131,902	1,012
Commercial papers	18,000	53,000	194
Accrued expenses	33,734	37,731	363
Income taxes payable	3,686	2,691	40
Advances received	27,007	57,421	290
Other	72,708	69,740	782
<b>Total current liabilities</b>	<u>380,984</u>	<u>473,602</u>	<u>4,097</u>
<b>Noncurrent liabilities:</b>			
Bonds payable	111,010	146,980	1,194
Long-term loans payable	126,680	84,201	1,362
Deferred tax liabilities	60,049	36,561	646
Provision for retirement benefits	11,152	8,715	120
Provision for directors' retirement benefits	373	862	4
Other	22,554	11,904	243
<b>Total Noncurrent liabilities</b>	<u>331,820</u>	<u>289,225</u>	<u>3,568</u>
<b>Total Liabilities</b>	<u>712,804</u>	<u>762,828</u>	<u>7,665</u>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	512
Capital surplus	46,734	46,734	503
Retained earnings	42,010	34,850	452
Treasury stock	-7,095	-7,088	-76
<b>Total Shareholders' equity</b>	<u>129,235</u>	<u>122,083</u>	<u>1,390</u>
<b>Valuation and translation adjustments:</b>			
Valuation difference on available-for-sale securities	52,985	10,751	570
Deferred gains or losses on hedges	110	-60	1
Foreign currency translation adjustments	-3,464	-2,431	-37
<b>Total Valuation and translation adjustments</b>	<u>49,631</u>	<u>8,258</u>	<u>534</u>
<b>Minority interests</b>	<u>17,267</u>	<u>15,771</u>	<u>186</u>
<b>Total Net assets</b>	<u>196,134</u>	<u>146,113</u>	<u>2,109</u>
<b>Total Liabilities and Net assets</b>	<u>908,938</u>	<u>908,941</u>	<u>9,774</u>
<b>Interest-bearing debt</b>	<u>359,790</u>	<u>416,083</u>	<u>3,869</u>

**Consolidated Statements of Income**

	Millions of yen		<i>Millions of U.S. dollars</i>
	FY2009	FY2008	FY2009
<b>Net sales</b>	691,223	766,637	7,433
<b>Cost of sales</b>	568,966	644,477	6,118
<b>Gross profit</b>	122,257	122,160	1,315
<b>Selling, general and administrative expenses</b>	121,332	141,015	1,305
<b>Operating income (loss)</b>	924	-18,855	10
<b>Non-operating income</b>			
Interest income	265	202	3
Dividends income	2,600	4,467	28
Amortization of negative goodwill	120	94	1
Equity in earnings of affiliates	2,066	1,905	22
Other	2,330	1,529	25
<b>Total Non-operating income</b>	7,383	8,198	79
<b>Non-operating expenses</b>			
Interest expense	6,993	5,771	75
Interest on commercial papers	278	467	3
Foreign exchange losses	-	2,399	-
Other	1,574	1,474	17
<b>Total Non-operating expenses</b>	8,846	10,112	95
<b>Ordinary loss</b>	-537	-20,769	-6
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	4,056	187	44
Gain on sales of investment securities	295	86	3
Gain on adjustment for changes of accounting star	5,854	-	63
Gain on change in equity	-	2,293	-
Gain on insurance adjustment	-	607	-
Other	34	222	0
<b>Total Extraordinary income</b>	10,241	3,396	110
<b>Extraordinary loss</b>			
Loss on disposal of noncurrent assets	898	1,977	10
Loss on valuation of investment securities	257	3,700	3
Business restructuring costs	16,474	18,489	177
Other	500	5,139	5
<b>Total Extraordinary loss</b>	18,130	29,308	195
<b>Loss before income taxes</b>	-8,427	-46,681	-91
<b>Income taxes-current</b>	4,098	4,732	44
<b>Income taxes-deferred</b>	-17,476	22,694	-188
<b>Income taxes</b>	-13,378	27,426	-144
<b>Minority interests in loss</b>	-1,806	-800	-19
<b>Net Income(loss)</b>	6,757	-73,306	73

**Consolidated Statements of Shareholders' Equity**

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT MARCH 31, 2008</b>	47,586	46,734	116,478	-7,072	203,727
Changes of items during the period					
Decrease in retained earnings due to change in accounting standards of foreign consolidated subsidiaries			-3,025		-3,025
Dividends from surplus			-5,717		-5,717
Net loss for the year			-73,306		-73,306
Purchase of treasury stock				-57	-57
Disposal of treasury stock		0		41	41
Change of scope of consolidation			422		422
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	0	-81,627	-16	-81,642
<b>BALANCE AT MARCH 31, 2009</b>	47,586	46,734	34,850	-7,088	122,083

	Millions of yen					
	Valuation and translation adjustments				Minority interests	Net assets
	Valuation difference on available-for-sale securities	Deferred losses on Hedges	Foreign currency translation adjustments	Total valuation and translation adjustments		
<b>BALANCE AT MARCH 31, 2008</b>	52,032	820	-2,145	50,707	8,820	263,255
Changes of items during the period						
Decrease in retained earnings due to change in accounting standards of foreign consolidated subsidiaries				-		-3,025
Dividends from surplus				-		-5,717
Net loss for the year				-		-73,306
Purchase of treasury stock				-		-57
Disposal of treasury stock				-		41
Change of newly consolidated subsidiaries				-		422
Net changes of items other than shareholders' equity	-41,281	-880	-285	-42,448	6,950	-35,497
Total changes of items during the period	-41,281	-880	-285	-42,448	6,950	-117,142
<b>BALANCE AT MARCH 31, 2009</b>	10,751	-60	-2,431	8,258	15,771	146,113

**Consolidated Statements of Shareholders' Equity**

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT MARCH 31, 2009</b>	47,586	46,734	34,850	-7,088	122,083
Changes of items during the period					
Net income for the year			6,757		6,757
Purchase of treasury stock				-8	-8
Disposal of treasury stock		-0		1	0
Change of scope of consolidation			49		49
Change of scope of equity method			352		352
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	-0	7,159	-6	7,152
<b>BALANCE AT MARCH 31, 2010</b>	47,586	46,734	42,010	-7,095	129,235

	Millions of yen					
	Valuation and translation adjustments				Minority interests	Net assets
	Valuation difference on available-for- sale securities	Deferred losses on Hedges	Foreign currency translation adjustments	Total valuation and translation adjustments		
<b>BALANCE AT MARCH 31, 2009</b>	10,751	-60	-2,431	8,258	15,771	146,113
Changes of items during the period						
Net income for the year						6,757
Purchase of treasury stock						-8
Disposal of treasury stock						0
Change of scope of consolidation						49
Change of scope of equity method						352
Net changes of items other than shareholders' equity	42,233	171	-1,032	41,372	1,496	42,868
Total changes of items during the period	42,233	171	-1,032	41,372	1,496	50,020
<b>BALANCE AT MARCH 31, 2010</b>	52,985	110	-3,464	49,631	17,267	196,134

**Consolidated quarterly statements of cash flows**

	Millions of yen		Millions of U.S. dollars
	FY2009	FY2008	FY2009
<b>I Net cash provided by (used in) operating activities</b>			
Loss before income taxes and minority interests	-8,427	-46,681	-91
Depreciation and amortization	26,053	23,919	280
Increase (decrease) in allowance for doubtful accounts	103	618	1
Interest and dividends income	-2,866	-4,669	-31
Interest expenses	6,993	5,771	75
Foreign exchange losses (gains)	-321	117	-3
Loss (gain) on sales of noncurrent assets	-4,056	-187	-44
Loss (gain) on sales of investment securities	-295	-86	-3
Loss (gain) on valuation of investment securities	257	3,700	3
Loss (gain) on disposal of noncurrent assets	898	1,977	10
Decrease (increase) in notes and accounts receivable-trade	-38,777	82,942	-417
Decrease (increase) in inventories	59,002	12,515	634
Increase (decrease) in notes and accounts payable-trade	8,581	-52,938	92
Increase (decrease) in advances received	-24,402	12,575	-262
Other, net	-2,515	-10,589	-27
Subtotal	20,228	28,985	218
Interest and dividends income received	2,814	4,625	30
Interest expenses paid	-6,910	-5,653	-74
Income taxes paid	-4,208	-4,856	-45
Net cash provided by operating activities	11,923	23,101	128
<b>II Net cash provided by (used in) investment activities</b>			
Purchase of property, plant and equipment	-10,606	-38,772	-114
Proceeds from sales of property, plant and equipment	12,852	13,540	138
Purchase of investment securities	-361	-1,172	-4
Proceeds from sales of investment securities	1,408	3,190	15
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	4,309	-
Increase by corporate division of consolidated subsidiary	-	9,389	-
Payments of loans receivable	-11,844	-14,576	-127
Collection of loans receivable	12,236	14,184	132
Other, net	-4,212	-2,371	-45
Net cash used in investment activities	-528	-12,278	-6
<b>III Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	-36,701	46,214	-395
Increase (decrease) in commercial papers	-35,000	-12,500	-376
Proceeds from long-term loans payable	60,937	68,207	655
Repayment of long-term loans payable	-21,135	-17,975	-227
Proceeds from issuance of bonds	-	10,000	-
Redemption of bonds	-25,970	-33,020	-279
Proceeds from sales of treasury stock	0	41	0
Purchase of treasury stock	-8	-57	0
Cash dividends paid	-	-5,717	-
Cash dividends paid to minority shareholders	-65	-73	-1
Other, net	-4,635	-1,367	-50
Net cash provided by (used in) financing activities	-62,578	53,752	-673
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	117	-1,658	1
<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV)</b>	-51,065	62,917	-549
<b>VI Cash and cash equivalents at beginning of period</b>	85,365	22,092	918
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	321	355	3
<b>VIII Increase (decrease) in cash and cash equivalents resulting from merger with unconsolidated subsidiaries</b>	2,660	-	29
<b>IX Cash and cash equivalents at end of period</b>	37,283	85,365	401

**Consolidated Segment Information**

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

FY2008

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	483,230	137,283	135,823	10,300	766,637	-	766,637
Intersegment	7,165	4,342	600	38,566	50,675	-50,675	-
Total sales	490,395	141,626	136,423	48,866	817,313	-50,675	766,637
Operating costs and expenses	479,689	172,649	136,899	46,089	835,328	-49,835	785,492
Operating income	10,706	-31,022	-475	2,777	-18,015	-840	-18,855
Total assets	441,203	179,266	86,038	39,517	746,025	162,915	908,941
Depreciation and amortization	7,358	13,591	1,767	971	23,690	228	23,919
Capital expenditure	10,610	18,529	2,628	1,934	33,702	217	33,919

FY2009

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	438,143	128,813	115,797	8,468	691,223	-	691,223
Intersegment	4,719	1,508	232	30,592	37,051	-37,051	-
Total sales	442,862	130,321	116,029	39,061	728,275	-37,051	691,223
Operating costs and expenses	429,760	141,443	117,128	36,692	725,025	-34,726	690,298
Operating income	13,102	-11,121	-1,099	2,368	3,249	-2,324	924
Total assets	419,388	190,890	79,622	28,682	718,584	190,354	908,938
Depreciation and amortization	7,973	14,687	2,142	952	25,756	297	26,053
Capital expenditure	10,753	7,286	1,714	507	20,262	593	20,856

FY2009

	Millions of U.S. dollars						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	4,711	1,385	1,245	91	7,433	-	7,433
Intersegment	51	16	2	329	398	-398	-
Total sales	4,762	1,401	1,248	420	7,831	-398	7,433
Operating costs and expenses	4,621	1,521	1,259	395	7,796	-373	7,423
Operating income	141	-120	-12	25	35	-25	10
Total assets	4,510	2,053	856	308	7,727	2,047	9,774
Depreciation and amortization	86	158	23	10	277	3	280
Capital expenditure	116	78	18	5	218	6	224

## 2. Consolidated Geographic Segment information

FY2008

	Millions of yen							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	699,984	8,646	10,073	11,452	36,480	766,637	-	766,637
Intersegment	53,471	503	102	25,693	10,778	90,548	-90,548	-
Total sales	753,455	9,150	10,176	37,145	47,258	857,185	-90,548	766,637
Operating costs and expenses	771,433	9,229	10,359	41,802	45,367	878,191	-92,698	785,492
Operating income	-17,977	-79	-183	-4,656	1,890	-21,005	2,150	-18,855
Total assets	694,826	4,705	3,750	63,100	29,430	795,813	113,127	908,941

FY2009

	Millions of yen							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	626,429	8,409	7,858	11,078	37,448	691,223	-	691,223
Intersegment	46,839	405	171	39,012	8,547	94,976	-94,976	-
Total sales	673,269	8,814	8,029	50,091	45,995	786,200	-94,976	691,223
Operating costs and expenses	673,371	8,736	8,036	49,677	43,900	783,721	-93,423	690,298
Operating income	-102	78	-7	413	2,095	2,478	-1,553	924
Total assets	716,440	4,649	3,215	69,383	31,152	824,842	84,096	908,938

FY2009

	Millions of U.S. dollars							Total
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	
Sales								
Unaffiliated customers	6,736	90	84	119	403	7,433	-	7,433
Intersegment	504	4	2	419	92	1,021	-1,021	-
Total sales	7,239	95	86	539	495	8,454	-1,021	7,433
Operating costs and expenses	7,241	94	86	534	472	8,427	-1,005	7,423
Operating income	-1	1	0	4	23	27	-17	10
Total assets	7,704	50	35	746	335	8,869	904	9,774

**3. Net overseas sales**

FY2008	Millions of yen					
	North America	Europe	Asia (except for China)	China	Other	Total
Overseas sales	10,098	14,078	101,255	39,617	15,990	181,040
Consolidated net sales						766,637
Overseas sales as a percentage of consolidated net sales	1.3%	1.8%	13.2%	5.2%	2.1%	23.6%

FY2009	Millions of U.S. dollars					
	North America	Europe	Asia (except for China)	China	Other	Total
Overseas sales	9,892	14,332	86,989	43,201	23,191	177,607
Consolidated net sales						691,223
Overseas sales as a percentage of consolidated net sales	1.4%	2.1%	12.6%	6.2%	3.4%	25.7%

FY2009	Millions of U.S. dollars					
	North America	Europe	Asia (except for China)	China	Other	Total
Overseas sales	106	154	935	465	249	1,910
Consolidated net sales						7,433
Overseas sales as a percentage of consolidated net sales	1.4%	2.1%	12.6%	6.2%	3.4%	25.7%

**Supplemental Consolidated Financial Materials****1. Financial summary**

	FY2008		FY2009		FY2010 [Forecast]	
	change(%)		change(%)		change(%)	
Net sales	766.6	83.1%	691.2	90.2%	720.0	104.2%
Operating income (loss)	-18.9	-	0.9	-	16.0	1,731.6%
Ordinary income (loss)	-20.8	-	-0.5	-	13.5	-
Net income (loss)	-73.3	-	6.8	-	26.0	384.8%

**2. Number of consolidated subsidiaries**

	FY2008	FY2009	FY2010 [Forecast]
Number of consolidated subsidiaries	66	53	51
Japan	45	34	29
Overseas	21	19	22
Number of equity-method affiliates	3	5	5

**3. Net income (loss) per share**

	FY2008	FY2009	FY2010 [Forecast]
Net income (loss) per share	-102.57	9.46	36.38

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

	FY2008	FY2009	FY2010 [Forecast]
US\$	100.54	92.85	90.00
EURO	143.48	131.15	115.00

**5. Net sales by business segment**

	FY2008		FY2009	
	change(%)		change(%)	
Energy & Electric Systems	490.4	83.4%	442.9	90.3%
Electronic Devices	141.6	76.6%	130.3	92.0%
Retail Systems	136.4	86.0%	116.0	85.1%
Others	48.9	94.6%	39.1	79.9%
Subtotal	817.3	83.2%	728.3	89.1%
Elimination	-50.7	-	-37.1	-
<b>Total</b>	<b>766.6</b>	<b>83.1%</b>	<b>691.2</b>	<b>90.2%</b>

Note : Net sales include inter-segment transactions.

**6. Operating income by business segment**

	FY2008		FY2009	
	change(%)		change(%)	
Energy & Electric Systems	10.7	44.9%	13.1	122.4%
Electronic Devices	-31.0	-	-11.1	-
Retail Systems	-0.5	-	-1.1	-
Others	2.8	113.2%	2.4	85.3%
Subtotal	-18.0	-	3.2	-
Elimination/Corporate	-0.8	-	-2.3	-
<b>Total</b>	<b>-18.9</b>	<b>-</b>	<b>0.9</b>	<b>-</b>

**7. Net overseas sales**

	FY2008		FY2009	
	change(%)		change(%)	
North America	10.1	63.6%	9.9	98.0%
Europe	14.1	79.4%	14.3	101.8%
Asia (except for China)	101.3	97.1%	87.0	85.9%
China	39.6	85.8%	43.2	109.0%
Other	16.0	241.0%	23.2	145.0%
<b>Total</b>	<b>181.0</b>	<b>94.9%</b>	<b>177.6</b>	<b>98.1%</b>

### 8. R&D expenditures

	FY2008		FY2009	
	change(%)		change(%)	
Energy & Electric Systems	14.1	94.9%	11.4	80.4%
Electronic Devices	13.4	106.5%	10.5	78.8%
Retail Systems	2.9	76.7%	2.4	82.9%
Others	0.0	-	0.0	-
Corporate (basic research)	0.0	-	0.0	-
<b>Total</b>	<b>30.4</b>	<b>97.2%</b>	<b>24.3</b>	<b>79.9%</b>
Ratio to net sales (%)	4.0%	-	3.5%	-

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

	FY2008		FY2009	
	change(%)		change(%)	
Energy & Electric Systems	10.1	120.6%	7.8	77.7%
Electronic Devices	19.2	31.2%	8.8	45.6%
Retail Systems	2.4	69.5%	1.6	66.2%
Others	1.6	101.9%	0.5	28.4%
Corporate	0.2	-	0.5	-
<b>Total</b>	<b>33.5</b>	<b>44.5%</b>	<b>19.1</b>	<b>57.2%</b>
(Leases)	(12.9)	34.4%	11.3	87.6%

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

### 10. Depreciation, Leases paid

	FY2008		FY2009	
	change(%)		change(%)	
Energy & Electric Systems	11.5	100.6%	11.3	98.7%
Electronic Devices	34.2	105.3%	28.9	84.4%
Retail Systems	4.2	98.4%	3.4	82.1%
Others	1.8	107.7%	0.9	48.6%
Corporate	0.2	-	0.4	-
<b>Total</b>	<b>51.9</b>	<b>103.8%</b>	<b>44.9</b>	<b>86.6%</b>
(Leases paid)	30.3	96.9%	21.3	70.4%

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

### 11. Number of employees

	3/31/2009	3/31/2010
Energy & Electric Systems	13,238	12,989
Electronic Devices	5,108	6,137
Retail Systems	2,694	2,644
Others	1,613	1,115
Corporate	146	639
<b>Total</b>	<b>22,799</b>	<b>23,524</b>
Japan	19,008	18,692
Overseas	3,791	4,832

**12. Net sales by business segment [Forecast]**

	FY2010[Forecast]	
	change(%)	
Energy Solutions	73.0	-
Environment Solutions	290.0	-
Semiconductors	83.0	-
Vending Machines	86.0	-
ED&C Components	50.0	-
Magnetic Disks	60.0	-
Others such as Plant Facility		
Construction	126.0	-
Subtotal	768.0	-
Elimination	-48.0	-
<b>Total</b>	<b>720.0</b>	<b>104.2%</b>

**13. Operating income by business segment [Forecast]**

	FY2010[Forecast]	
	change(%)	
Energy Solutions	1.0	-
Environment Solutions	8.0	-
Semiconductors	5.0	-
Vending Machines	2.0	-
ED&C Components	0.0	-
Magnetic Disks	2.0	-
Others such as Plant Facility		
Construction		
Subtotal	20.0	-
Elimination	-4.0	-
<b>Total</b>	<b>16.0</b>	<b>1,731.6%</b>

**14. R&D expenditures [Forecast]**

	FY2010[Forecast]	
	change(%)	
Energy Solutions	4.0	-
Environment Solutions	12.5	-
Semiconductors	7.0	-
Vending Machines	4.0	-
ED&C Components	2.5	-
Magnetic Disks	6.0	-
Others such as Plant Facility		
Construction	0.0	-
Corporate (basic research)	0.0	-
<b>Total</b>	<b>36.0</b>	<b>148.2%</b>
Ratio to net sales (%)	5.0%	-

**15. Plant and equipment investment (including leases) [Forecast]**

	FY2010[Forecast]	
	change(%)	
Energy Solutions	1.5	-
Environment Solutions	3.5	-
Semiconductors	10.0	-
Vending Machines	4.5	-
ED&C Components	1.0	-
Magnetic Disks	9.0	-
Others such as Plant Facility		
Construction		
Corporate	0.5	-
<b>Total</b>	<b>30.0</b>	<b>156.9%</b>
(Leases)	17.5	155.0%

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

**16. Depreciation, Leases paid 【Forecast】**

	FY2010【Forecast】	
	change(%)	
Energy Solutions	4.5	-
Environment Solutions	6.0	-
Semiconductors	13.0	-
Vending Machines	3.0	-
ED&C Components	2.5	-
Magnetic Disks	16.5	-
Others such as Plant Facility	0.5	-
Construction		
Corporate	0.5	-
<b>Total</b>	46.5	103.5%
(Leases)	16.9	79.3%

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

**17. Number of employees 【Forecast】**

	FY2010【Forecast】
Energy Solutions	2,180
Environment Solutions	8,540
Semiconductors	4,830
Vending Machines	1,950
ED&C Components	2,600
Magnetic Disks	1,610
Others such as Plant Facility	2,060
Construction	
Corporate	800
<b>Total</b>	24,570
Japan	18,440
Overseas	6,130

## Financial Performance

### 1. Analysis of Business Results

#### (1) Financial Performance for Fiscal 2009 (April 1, 2009 – March 31, 2010)

In fiscal 2009, ended March 31, 2010, although economic stimulus measures taken by Japan and other countries in response to a worldwide deterioration in the business climate—stemming from a financial crisis in the second half of 2008—resulted in a modest economic recovery centered on Asian markets, the Fuji Electric Group faced extremely tough economic conditions throughout the year.

Amid those conditions, the Group prepared a medium-term management plan covering fiscal 2009 through fiscal 2011. That plan positions fiscal 2009 as a year for making the “finishing touches to restructuring.” Specifically, in order to rebuild its earnings base, the Group is lowering break-even points in all businesses. At the same time, aiming for future growth, the Group is strengthening solutions businesses based on the field of “energy and the environment.”

Consolidated business results for fiscal 2009 were as follows.

Net sales decreased ¥75.4 billion year on year, to ¥691.2 billion. By segment, the Energy & Electric Systems Group saw a year-on-year decline in sales as a rapid decrease in demand for component products due to deteriorating market conditions counteracted solid plant-related sales, primarily from large overseas projects. In the Electronic Devices Group, although demand picked up from the second half, full-year sales declined year on year due to the effect of the worldwide deterioration in the business climate. In the Retail Systems Group, sales were down year on year as a result of lower demand for vending machines.

In earnings, the Group posted operating income of ¥0.9 billion, a significant ¥19.8 billion improvement compared with the previous fiscal year. That improvement was attributable to a reduction in total expenses and a lower break-even point due to business restructuring—which the Group began from the second half of the previous fiscal year—and higher sales in the Electronic Devices Group reflecting a recovery in market conditions.

Ordinary loss was ¥0.5 billion, a significant ¥20.2 billion improvement compared with the previous fiscal year.

Further, although the Group recognized business restructuring costs in extraordinary loss, it recognized deferred tax assets in accordance with an expected increase in taxable income for the following period. As a result, the Group recorded net income of ¥6.8 billion, a significant ¥80.1 billion improvement compared with the previous fiscal year.

Operating results for fiscal 2009 were as follows.

(¥ billion)

	Fiscal 2008	Fiscal 2009	Change
Net sales	766.6	691.2	-75.4
Operating income/loss	-18.9	0.9	19.8
Ordinary income/loss	-20.8	-0.5	20.2
Net income/loss	-73.3	6.8	80.1

## (2) Results by Segment

### [Energy & Electric Systems Group]

**YoY: Net sales declined 9.7%, operating results improved 22.4%**

This segment saw net sales decline 9.7% year on year, to ¥442.9 billion, while operating results improved 22.4% year on year, resulting in operating income of ¥13.1 billion.

In the drive business, sales and operating results decreased year on year because a deterioration in market conditions counteracted a trend toward recovery in order volumes in the second half of fiscal 2009, centered on China, for such component products as general-purpose inverters and small motors.

In the automation business, sales decreased year on year due to lower order volumes for such component products as measuring instruments. However, operating results increased slightly year on year thanks to cost reductions.

In the industrial plant engineering business, sales declined year on year despite orders for major projects, such as large-scale rectifier facilities overseas. Operating results were up year on year because of cost reductions.

In the electric power systems business, sales declined year on year as a result of a decrease in orders for thermal power equipment for large overseas projects. However, operating results were up year on year due to cost reductions.

In the plant facility construction business, sales and operating results increased year on year due to the merger of two consolidated subsidiaries and Furukawa Engineering Construction Inc.

In the ED&C components business, sales and operating results decreased year on year due to a deterioration in market conditions in Japan and overseas, which offset a pickup in demand from machinery manufacturers and a recovery in demand in Asia from the fourth quarter.

### [Electronic Devices Group]

**YoY: Net sales declined 8.0%, operating results improved ¥19.9 billion**

In this segment, net sales declined 8.0%, to ¥130.3 billion, while operating results improved ¥19.9 billion, resulting in operating loss of ¥11.1 billion.

In the semiconductor business, worldwide economic deterioration during the year cancelled the effect of a recovery in demand related to PCs and flat-screen televisions centered on Asian markets, higher demand for environmentally friendly vehicles, and a rapid recovery in industrial-sector demand for semiconductors from the third quarter. As a result, sales were down year on year. However, in operating results the deficit decreased thanks to a lower break-even point resulting from business restructuring.

In the magnetic disk business, amid favorable conditions in the HDD market, from the third quarter the Company posted steady sales of mainstay 500 GB 3.5-inch aluminum media and 160 GB, 250 GB 2.5-inch glass substrate disks. Further, shipments of a new addition to the product lineup, 2.5-inch aluminum media, grew. Sales remained at the same level year on year because falling prices and yen appreciation offset higher unit sales. In operating results, the deficit decreased as a result of cost reductions. Moreover, this business achieved profitability in fourth quarter.

In the photoconductor business, sales remained at the same level year on year as falling product prices and yen appreciation counteracted higher sales volumes. Operating results increased year on year due to the advancement of rationalization and cost reductions.

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

**YoY: Net sales declined 14.9%, operating results deteriorated ¥0.6 billion**

This segment recorded a 14.9% year-on-year decline in net sales, to ¥116.0 billion, and operating results deteriorated ¥0.6 billion year on year, resulting in operating loss of ¥1.1 billion.

In the vending machine and food equipment business, efforts to increase sales, primarily of environmentally friendly vending machines, did not compensate for beverage and food product manufacturers' curbing of investment in vending machines. As a result, sales were down significantly year on year. The decrease in sales and the work adjustments accompanying lower order volumes resulted in a year-on-year decrease in operating results.

In the currency-handling equipment business, a decrease in orders for major projects related to automated change dispensers and electronic money-related equipment resulted in a year-on-year decrease in sales. However, operating results increased year on year due to reductions of cost and fixed cost.

In the cold-chain equipment business, efforts to provide comprehensive solutions for environmentally friendly stores based on energy-saving technology were unable to counteract a decrease in new store openings and an accompanying intensification of price competition. As a result, sales and operating results declined year on year.

**[Others]**

**YoY: Net sales declined 20.1%, operating results declined 14.7%**

This segment saw decreases of 20.1% in net sales, to ¥39.1 billion, and 14.7% in operating results, to ¥2.4 billion.

**(3) Outlook for Fiscal 2010**

The Fuji Electric Group's medium-term management plan sets out as targets for fiscal 2011 net sales of ¥750 billion, an operating income margin of 5.0%, and overseas sales accounting for 40% of net sales. Under that plan, aiming to become a consistently high-earning business group centered on power electronics, the Group's basic management policies are to (1) "concentrate efforts on business in the field of "energy and the environment," (2) "develop solutions business with emphasis on technology," and (3) "develop business centered on Chinese / Asian market."

The Group views fiscal 2010—ending March 31, 2011, and the middle year of the medium-term management plan begun from fiscal 2009—as a year for building a base for sustained growth. Accordingly, the Group will concentrate allocation of management resources on the field of "energy and the environment" as a priority area with a view to future growth. At the same time, in the products field the Group will secure stable earnings while limiting investment.

Consolidated business results forecasts for fiscal 2010 are as shown below. Further, forecasts assume foreign exchange rates of US\$1=90 yen and €1=115 yen.

**Consolidated Forecasts**

(¥ billion)

	Fiscal 2009 (Actual)	Fiscal 2010 (Forecast)	YoY Change
Net sales	691.2	720.0	28.8
Operating income	0.9	16.0	15.1
Ordinary income/loss	-0.5	13.5	14.0
Net income/loss	6.8	26.0	19.2

**Forecasts by Segment**

(¥ billion)

	Fiscal 2010 (Forecast)	
	Net Sales	Operating Income
Energy Solutions	73.0	1.0
Environmental Solutions	290.0	8.0
Semiconductors	83.0	5.0
Vending Machines	86.0	2.0
ED&C Components	50.0	0
Magnetic Disks	60.0	2.0
Others such as Plant Facility Construction	126.0	2.0
Elimination and Corporate	-48.0	-4.0
Total	720.0	16.0

From fiscal 2010, the Group revised its segments in order to advance optimal business management in the field of “energy and the environment.”

In the Energy Solutions segment, in response to growing energy demand centered on emerging nations and calls for the construction of a low-carbon society, the Group will concentrate efforts on the “Green Energy Solutions” and “Grid Solutions” subsegments and work to reduce the environmental burden of energy and achieve stable electric power supplies. In the “Green Energy Solutions” subsegment, the Group will strive to expand its geothermal power generation business, which has a leading global market share. In the “Grid Solutions” subsegment, the Group will expand the development of smart grids business based on key technologies for photovoltaic power generation, electric power stabilization, and optimal energy operations.

In the Environmental Solutions segment, the Group will exploit power electronics technology and engineering technology it has accumulated and, taking “energy saving” as an overriding theme, focus efforts on developing businesses in the global market in the “Industrial Solutions,” “Transportation Solutions,” and “Social Solutions” subsegments. In the “Industrial Solutions” subsegment, aiming to reduce CO<sub>2</sub> related to factories, the Group will develop energy-saving businesses in China and other Asian markets. In the “Transportation Solutions” subsegment, the Group intends to concentrate on expanding operations for power electronic equipment for environmentally friendly vehicles and railway-related businesses. In the “Social Solutions” subsegment, the Group will develop energy-saving businesses, targeting buildings, stores, and IDCs (Internet data centers) in Asia.

In the Semiconductors segment, amid continuing favorable demand, the Group will begin production of wafers at overseas bases and work to increase production capacity. At the same time, the Group intends to increase high-capacity power semiconductors in the field of “energy and the environment.” Also, primarily in emerging markets and the North America market, the Group will work to increase sales by bringing to market products for environmentally friendly vehicles and contributing to energy saving for electronic devices, mainly through low-standby-power-consumption products.

In the Vending Machines segment, facing market conditions that are likely to remain tough, the Group will decisively reduce expenses with a focus on fixed cost and shortening production lead times in order to build a business organization that can readily adapt to changing conditions. In addition, through further roll out of energy-saving technology for mainstay drink vending machines, the Group intends to promote the spread of environmentally friendly vending machines. At the same time, the Group will move forward with the development of stock-type business.

In the ED&C Components segment, the Group will further strengthen its earnings base, achieve operating income, and build a base that will enable sustained growth. In Japan’s market, the Group will introduce differentiated products and increase sales in the power distribution market. In overseas markets, in Asian markets centered on China the Group will enter the power distribution market and endeavor to increase sales to Japanese investment projects and machinery manufacturers.

In the Magnetic Disks segment, amid an HDD market likely to grow at an annual rate of 10% or higher, the Group will ship existing mainstay products and cater to market demand for products with higher capacities. At the same time, targeting operating income for the full fiscal year, the Group will continue measures to rationalize production by restructuring supply chains and to lower the break-even point by reducing costs.

## 2. Analysis of Financial Position

(¥ billion)

	March 31, 2009	Breakdown (%)	March 31, 2010	Breakdown (%)	Change
Total assets	908.9	100.0	908.9	100.0	-0
Interest-bearing debt	416.1	45.8	359.8	39.6	-56.3
Shareholder's equity* <sup>1</sup>	130.3	14.3	178.9	19.7	+48.5
Debt-equity ratio* <sup>2</sup> (times)	3.2		2.0		-1.2

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

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

Total assets at the end of fiscal 2009 stood at ¥908.9 billion, approximately the same as at the end of the previous fiscal year. Total current assets decreased ¥48.0 billion principally because lower cash and deposits and inventories offset an increase in notes and accounts receivable-trade. Total noncurrent assets were up ¥48.2 billion thanks to a higher valuation difference on available-for-sale securities, counteracting a decline in total property, plant and equipment.

Interest-bearing debt at fiscal year-end amounted to ¥359.8 billion, down ¥56.3 billion from the previous fiscal year-end, which was primarily attributable to decreases in short-term loans payable and commercial papers and redemption of bonds. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—declining ¥8.2 billion from the previous fiscal year-end, amounted to ¥322.5 billion at fiscal year-end.

Net assets at fiscal year-end stood at ¥196.1 billion, an increase of ¥50.0 billion from the previous fiscal year-end, which was mainly due to an increase in valuation difference on available-for-sale securities. In addition, shareholders' equity—net assets net of minority interests—was up ¥48.5 billion from the previous fiscal year-end, standing at ¥178.9 billion at fiscal year-end. The debt-to-equity ratio declined 1.2 percentage points from the previous fiscal year-end, to 2.0 times. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) edged down 0.7percentage points from 2008 previous fiscal year-end, to 1.8 times.

(¥ billion)

	Fiscal 2008	Fiscal 2009	Change
Cash flow from operating activities	23.1	11.9	-11.2
Cash flow from investing activities	-12.3	-0.5	11.8
Free cash flow	10.8	11.4	0.6
Cash flow from financing activities	53.8	-62.6	-116.3
Cash and cash equivalents	85.4	37.3	-48.1

In fiscal 2009, consolidated free cash flow (net cash provided by operating activities + net cash provided by investment activities) was ¥11.4 billion, an improvement of ¥0.6 billion compared with free cash flow of ¥10.8 billion in the previous fiscal year.

#### **Cash flow from operating activities**

Net cash provided by operating activities was ¥11.9 billion, compared with ¥23.1 billion for the previous fiscal year. That was mainly associated with an increase in notes and accounts receivable-trade and a decrease in notes and accounts payable-trade, which offset lower inventories.

This was a deterioration of ¥11.2 billion year on year.

#### **Cash flow from investment activities**

Net cash provided by investment activities was ¥0.5 billion, compared with net cash used in investment activities of ¥12.3 billion in the previous fiscal year. That was primarily related to proceeds from sales of property, plant and equipment.

This was an improvement of ¥11.8 billion year on year.

#### **Cash flow from financing activities**

Net cash used in financing activities was ¥62.6 billion, compared with net cash provided by financing activities of ¥53.8 billion in the previous fiscal year. That was principally due to decreases in short-term loans payable and commercial papers and redemption of bonds.

As a result, consolidated cash and cash equivalents at fiscal year-end amounted to ¥37.3 billion, down ¥48.1 billion from the previous fiscal year-end.

### **3. Basic Policy Regarding Distribution of Earnings; Dividends for Fiscal 2009 and Fiscal 2010**

The Fuji Electric Group's basic policy in its business activities is to provide products, services and solutions, focusing on "quality manufacturing," "original technologies," and "honest, open and hardworking attitude" to achieve maximum efficiency with minimum resources in the area of electrical energy and related fields. This is intended to contribute to the development of a recycling-based society and to the long-term development of the company based on the concept of "energy and environment," and to raise corporate value.

We intend to return profit gained through these business activities to shareholders, while at the same time maintaining adequate consolidated shareholders' equity to secure internal reserves for research and development, capital spending, and other investments to increase corporate value over the medium to long term.

The amount of dividends to be paid from retained earnings is determined in light of the above business cycle, and it is the Company's intention to pay a stable and continuous dividend that comprehensively takes into consideration consolidated results for the corresponding fiscal year, R&D and capital investment plans for

future growth, and the operating environment.

The acquisition of treasury stock is also used as a flexible mechanism to supplement dividends when warranted by the cash flow position.

In light of comprehensive consideration of the achievement of net income one year ahead of the initial target, the outlook for consolidated business results for the current fiscal year, and the Group's financial position, the Group plans to pay a dividend of ¥1.50 per share for fiscal 2009.

The dividend to be paid for fiscal 2010 has not yet been determined.

## **Management Policies**

### **1. Fundamental Management Policy**

The Fuji Electric Group seeks to benefit society through its corporate activities, continuously growing and raising earnings strength by providing technologies and services that contribute to environmental protection, with the aim of being a corporate group with high social worth that balances “economy,” “environment,” and “society.”

### **2. Medium- to Long-Term Management Strategies and Targets, and Issues facing the Company**

Looking at future market trends for the Fuji Electric Group, it will likely see development of environment-friendly infrastructure for railways and water environments in emerging nations, such as China and other Asian countries, as well as burgeoning demand due to the promotion of renewable energy introduction centered on North America and Europe.

In response to those trends, the Fuji Electric Group is ahead of competitors in tackling initiatives for power electronics technologies—which play a key role in unlocking the potential of electricity and realizing energy-saving electronic devices—and has an extensive lineup of products and technologies.

In order to exploit those strengths of the Fuji Electric Group in the field of “energy and the environment,” which promises growth, the Group has prepared a medium-term management plan that covers the period through fiscal 2011 and calls for net sales of ¥750 billion, an operating income margin of 5.0%, and overseas sales accounting for 40% of net sales. The Group's medium-term management strategies are to (1) concentrate efforts on business in the field of “energy and the environment,” (2) develop solutions business with an emphasis on technology, and (3) develop business centered on the Chinese / Asian market. Through those strategies, we aim to become a consistently high-earning business group centered on power electronics.

#### **(1) Toward concentrating efforts on business in the field of “energy and the environment / strengthening solutions business**

In accordance with strategic measures to concentrate efforts on business in the field of “energy and the environment and strengthen solutions business, the Group changed its business management units from April 2010.

(Previous)

Segment	Subsegment
Energy & Electric Systems	Drives
	Automation
	Industrial Plant Engineering
	Electric Power Systems
	Plant Facility Construction
	ED&C Components
Electronic Devices	Semiconductors
	Magnetic Disks
	Photoconductive Drums
Retail Systems	Vending Machines and Food Service Equipment
	Currency Handling Systems
	Cold-chain Equipment
Others	

(From April 2010)

Segment	Subsegment
Energy Solutions	Green Energy Solutions
	Grid Solutions
Environmental Solutions	Industrial Solutions
	Transportation Solutions
	Social Solutions
Semiconductors	
Vending Machines	
ED&C Components	
Magnetic Disks	
Others such as Plant Facility Construction	

## (2) Toward expanding global business strengthening

### (a) Building a global business management system

On April 1, 2010, the Group established overseas area headquarters in China, Asia, North America, and Europe as well as a global strategy headquarters with overall control of the overseas area headquarters. In their respective areas of the world, overseas area headquarters will develop proposals for strategies optimally suited to local markets and develop proposals for global partner strategies. At the same time, they will rapidly advance measures to deploy personnel and start up bases.

### (b) Concentrating efforts on global operational development centered on China / Asia

The Group has positioned the China / Asia region—the largest growth market—as its highest-priority area. As well as priority deployment of personnel, the Group will seek to reap benefits early by starting up such local systems as research and development bases and systems for development / sales / engineering.

### (c) Activating personnel

In order to achieve the medium-term management plan, each employee must tackle tasks with real perseverance and an appetite for challenges. Aiming to create vitality throughout the Group and harness it as the driving force for reform, the Group will move forward with such initiatives as implementing a self-declaration “work I want to do” system for all employees, expanding its internal recruitment system, and strengthening the development of global personnel.