

Consolidated Financial Results for 1Q FY2010

August 2, 2010

Fuji Electric Holdings Co., Ltd.

Summary of Consolidated Financial Results for 1Q FY2010

Achieved significant improvement in operating results through higher net sales, as well as cost curtailment and expense decreases

(Billion yen)

	1Q FY2009	1Q FY2010	Change
Net Sales	132.3	142.4	+10.1
Operating Income/Loss	-14.6	-5.6	+9.0
Ordinary Income/Loss	-15.5	-7.8	+7.7
Extraordinary Income/Loss	5.1	23.6	+18.5
Net Income/Loss	-8.3	10.0	+18.3

Sales Exchange Rate US\$	¥ 97.32	¥ 92.01	¥ -5.31
Sales Exchange Rate EURO	¥ 132.57	¥ 116.99	¥ -15.58

Operating Income/Loss

Increase in Sales Quantity	+9.6	Effect of Application of Percent Completion Method	-3.2
Cost Reduction	+3.0	Increase in R&D Cost	-2.3
Reduction in Expenses	+3.7	Price Decline	-1.5
Reduction in Depreciation and Lease Expense	+0.9	Exchange Rate Effect	-0.7
		Cost Increase	-0.3
		Increase in Personnel Cost	-0.2

Total +17.2

Total -8.2

Non-operating Income/Loss

Exchange Rate Effect	-2.1
Net Interest Expense	+0.4
Income/Loss on Investment in Equity-method Affiliate	+0.3

Extraordinary Income/Loss

Gain on Sales of an Investment Security	+30.2 (0 → +30.2)
Effect of Application of Percent Completion Method	+5.9 (+5.9 → 0)
Loss on Revaluation of Investment Securities	-2.5 (-0.2 → -2.6)
Effect of applying asset retirement obligations	-2.3 (0 → -2.3)

Net Sales and Operating Income by Segment for 1Q FY2010

(Billion yen)	Net Sales			Operating Income		
	1Q FY2009	1Q FY2010	Change	1Q FY2009	1Q FY2010	Change
Energy Solutions	17.7	11.9	-5.8	0.1	-1.1	-1.2
Environmental Solutions	50.6	53.4	+2.8	-2.7	-2.8	-0.1
Semiconductors	13.4	20.9	+7.5	-6.1	0.8	+6.8
ED&C Components	8.2	14.9	+6.7	-1.8	0.1	+2.0
Vending Machines	21.9	18.1	-3.8	-0.3	-1.5	-1.3
Magnetic Disks	7.9	11.9	+4.1	-3.0	0.1	+3.1
Others	21.1	23.2	+2.1	-0.6	-0.6	0.0
Elimination and Corporate	-8.5	-11.8	-3.3	-0.2	-0.6	-0.4
Total	132.3	142.4	+10.1	-14.6	-5.6	+9.0

Energy Solutions

Owing to a decrease in orders in the previous fiscal year, net sales and operating results were both down year on year.

Environmental Solutions

Industrial Solutions: Net sales and operating results worsened year on year, owing to the curtailment of large-scale capital investments in Japan, compounded by between-season timing for major overseas sales.

Social Solutions: The effects of integrating the power supply business and stronger performance in information systems led to year-on-year improvements in net sales and operating results.

Transportation Solutions: Increased demand for solutions bound for China and other parts of Asia, combined with robust sales of transportation systems—primarily inverter-based—drove up net sales and operating results year on year.

Semiconductors

A recovery in capital investment resulted in a substantial increase in sales of industrial products. Demand related to environment-friendly automobiles resulted in favorable performance of products for

automobiles, and products for power supplies recorded a favorite performance. As a result, net sales increased year on year. In addition to the rise in net sales, structural reform efforts in the previous fiscal year delivered results in the year under review, prompting a significant year-on-year improvement in operating results.

ED&C Components

Net sales were up year on year on the back of increasing demand from China and other Asian markets. Operating results improved significantly, bolstered by the rise in net sales and the effects of structural reforms carried out in the previous fiscal year.

Vending Machines

Beverage manufacturers held back on investment, causing net sales and operating results in this category to fall year on year.

Magnetic Disks

Robust HDD market performance prompted major year-on-year growth in net sales. Operating results improved significantly, bolstered by the rise in net sales and the effects of structural reforms carried out in the previous fiscal year.

Consolidated Balance Sheet for 1Q FY2010

Assets				Liabilities and Net Assets			
	3/31/10	6/30/10	change		3/31/10	6/30/10	change
Cash and time deposit	37.3	85.8	+48.5	Notes and account payables, trade payables	131.7	111.0	-20.8
Notes and account receivables, trade receivables	223.1	154.4	-68.7	Interest-bearing Debts	359.8	296.9	-62.9
Inventories	93.5	109.1	+15.6	Other liabilities	221.3	207.4	-13.9
Other current assets	61.8	64.2	+2.4	Total liabilities	712.8	615.3	-97.5
Total current assets	415.7	413.5	-2.2	Common stock	47.6	47.6	0.0
Tangible fixed assets	176.2	170.7	-5.5	Capital surplus	46.7	46.7	0.0
Intangible fixed assets	10.6	10.4	-0.2	Retained earnings	42.0	51.0	+8.9
Investments and other assets	306.3	195.3	-111.0	Treasury stock at cost	-7.1	-7.1	-0.0
Total long-term assets	493.0	376.3	-116.7	Shareholders' equity	129.2	138.2	+8.9
Deferred assets	0.2	0.2	-0.0	Valuation and transaction adjustments	49.6	19.2	-30.4
Total assets	908.9	790.1	-118.9	Minority interests in consolidated subsidiaries	17.3	17.4	+0.1
				Total net assets	196.1	174.8	-21.3
				Total liabilities and net assets	908.9	790.1	-118.9
				Total Net Assets Ratio (%)*	19.7	19.9	+0.1
				Net Debt-Equity Ratio (times)	1.8	1.3	-0.5

*Minority interests in consolidated subsidiaries is not included.

Consolidated Cash Flow for 1Q FY2010

Secured substantial positive free cash flow through collections of trade receivables and sales of investment securities

		(Billion yen)		
		1Q FY2009	1Q FY2010	
	Cash Flows from Operating Activities	7.8	24.7	Collections of trade receivables
	Cash Flows from Investing Activities	-4.9	88.2	Sales of Investment Securities
Free Cash Flow		2.9	113.0	
Cash Flows from Financing Activities		-29.5	-64.8	Repayment of CP and Borrowings
Effect of Exchange Rate Change and Others		0.1	0.3	
Increase / Decrease		-26.4	48.5	
Cash and Cash Equivalents at Beginning of Year		85.4	37.3	
Cash and Cash Equivalents at End of Year		58.9	85.8	

Consolidated Forecasts for 1H FY2010

Revised second-half performance forecast,
based on current understanding of business conditions

(Billion yen)

	Forecasts as of May 11	Forecasts as of July 30	Change
Net Sales	313.0	313.0	0.0
Operating Income/Loss	-12.5	-11.0	+1.5
Ordinary Income/Loss	-16.0	-15.0	+1.0
Net Income/Loss	8.0	3.5	-4.5

Operating Income/Loss

Environmental Solution	+1.5	} Increase in Sales Quantity
Semiconductors	+0.5	
ED&C Components	+1.0	
Vending Machines	-0.5	
Magnetic Disks	-1.5	
Elimination and Corporate	+0.5	

Non-operating Income/Loss

Net Interest Expense	+0.8
Exchange Rate Effect	-1.8

【Sales Exchange Rate of 2Q FY2010】

	US\$	EURO
Sales Exchange Rate (Yen)	90.00	115.00
One Yen Effect (Million yen)	90	20

Extraordinary Income/Loss and Tax Expenses

Extraordinary Income/Loss	-3.0
Tax Expenses	-2.5

Nets Sales and Operating Income by Segment for 1H FY2010

(Billion yen)

	Net Sales			Operating Income		
	Forecasts as of May 11	Forecasts as of July 30	Change	Forecasts as of May 11	Forecasts as of July 30	Change
Energy Solutions	24.5	23.5	-1.0	-4.0	-4.0	0.0
Environmental Solutions	115.0	121.5	+6.5	-6.0	-4.5	+1.5
Semiconductors	41.0	44.0	+3.0	2.0	2.5	+0.5
ED&C Components	25.0	29.0	+4.0	-0.5	0.5	+1.0
Vending Machines	39.5	39.0	-0.5	-2.0	-2.5	-0.5
Magnetic Disks	30.0	25.0	-5.0	1.0	-0.5	-1.5
Others	56.5	53.0	-3.5	-0.5	-0.5	0.0
Elimination and Corporate	-18.5	-22.0	-3.5	-2.5	-2.0	+0.5
Total	313.0	313.0	0.0	-12.5	-11.0	+1.5

Environmental Solutions: Net sales and operating results are expected to exceed previous forecasts, driven mainly by inverter performance.

Semiconductors: Net sales and operating results are expected to exceed previous forecasts, resulting from favorable industrial sales of semiconductors.

ED&C Components: Helped by increased demand in China and other Asian markets, net sales and operating results are expected to outpace previous forecasts.

Vending Machines: As difficult market conditions in the vending machine industry continue, net sales and operating results are expected to fall below previous forecasts.

Magnetic Disks: Net sales and operating results are likely to fall below previous forecasts, as the extent of HDD market growth is underperforming our initial expectations.

Consolidated Forecasts for FY2010

Revised segment breakdown, based on current understanding of business conditions

(Billion yen)

	Forecasts as of May 11	Forecasts as of July 30	Change
Net Sales	720.0	720.0	0.0
Operating Income	16.0	16.0	0.0
Ordinary Income	13.5	13.5	0.0
Net Income	26.0	26.0	0.0

	US\$	EURO
Sales Exchange Rate (Yen)	90.00	115.00
One Yen Effect* (Million yen)	250	40

※2Q~4Q

(Billion yen)

	Net Sales			Operating Income		
	Forecasts as of May 11	Forecasts as of July 30	Change	Forecasts as of May 11	Forecasts as of July 30	Change
Energy Solutions	73.0	73.0	0.0	1.0	1.0	0.0
Environmental Solutions	290.0	300.0	+10.0	8.0	8.5	+0.5
Semiconductors	83.0	88.0	+5.0	5.0	6.0	+1.0
ED&C Components	50.0	58.0	+8.0	0.0	1.0	+1.0
Vending Machines	86.0	81.5	-4.5	2.0	1.0	-1.0
Magnetic Disks	60.0	55.0	-5.0	2.0	1.0	-1.0
Others	126.0	122.5	-3.5	2.0	2.0	0.0
Elimination and Corporate	-48.0	-58.0	-10.0	-4.0	-4.5	-0.5
Total	720.0	720.0	0.0	16.0	16.0	0.0

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