

**Consolidated Financial Results for first quarter of the fiscal year
ending March 31, 2010**

Summary of Consolidated Financial Results

1. Summary of consolidated statements of operations

	Millions of yen		Millions of U.S. dollars
	1Q FY2009	1Q FY2008	1Q FY2009
Net sales	132,285	171,591	1,378
Operating income	-14,641	-5,632	-153
Ordinary income	-15,648	-4,950	-163
Net income	-8,314	-6,616	-87
	Yen		U.S. dollars
Net income per share	-11.63	-9.26	-0.12

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S. dollars
	6/30/2009	3/31/2009	6/30/2009
Total assets	853,040	908,941	8,886
Net assets	158,466	146,113	1,651
Net assets ratio (%)	16.8%	14.3%	-
	Yen		U.S. dollars
Net Assets per share	200.97	182.37	2.09

Note: 1) U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥96=U.S.\$1
2) The company has 64 consolidated subsidiaries and 3 equity-method affiliates.

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2010
(April 1, 2009 - March 31, 2010)**

	Millions of yen	
	1H FY2009	FY2009
Net sales	301,000	690,000
Operating income	-23,000	-12,000
Ordinary income	-27,000	-17,000
Net income	-21,500	-17,000
	Yen	
	1H FY2009	FY2009
Net income per share	-30.08	-23.79

< 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		<i>Millions of U.S. dollars</i>
	<u>6/30/2009</u>	<u>3/31/2009</u>	<u>6/30/2009</u>
Assets			
Current assets:			
Cash and deposits	59,032	85,467	615
Notes and accounts receivable-trade	146,202	178,948	1,523
Merchandise and finished goods	44,469	53,601	463
Work in process	51,141	66,203	533
Raw materials and supplies	25,606	30,770	267
Other	49,816	49,332	519
Allowance for doubtful accounts	-508	-601	-5
Total Current assets	<u>375,759</u>	<u>463,721</u>	<u>3,914</u>
Noncurrent assets:			
Property, plant and equipment	192,003	194,552	2,000
Intangible assets	10,664	10,621	111
Investments and other assets			
Investment securities	212,681	178,221	2,215
Other	62,954	62,713	656
Allowance for doubtful accounts	-1,321	-1,259	-14
Total Investments and other assets	<u>274,313</u>	<u>239,676</u>	<u>2,857</u>
Total Noncurrent assets	<u>476,982</u>	<u>444,850</u>	<u>4,969</u>
Deferred assets	<u>298</u>	<u>369</u>	<u>3</u>
Total assets	<u><u>853,040</u></u>	<u><u>908,941</u></u>	<u><u>8,886</u></u>

Consolidated Balance Sheets

	Millions of yen		Millions of U.S. dollars
	6/30/2009	3/31/2009	6/30/2009
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	99,976	121,115	1,041
Short-term loans payable	118,509	131,902	1,234
Commercial papers	66,000	53,000	688
Income taxes payable	1,401	2,691	15
Advances received	41,119	57,421	428
Other	102,024	107,471	1,063
Total current liabilities	429,031	473,602	4,469
Noncurrent liabilities:			
Bonds payable	111,010	146,980	1,156
Long-term loans payable	81,196	84,201	846
Provision for retirement benefits	8,747	8,715	91
Provision for directors' retirement benefits	419	862	4
Other	64,167	48,465	668
Total Noncurrent liabilities	265,541	289,225	2,766
Total Liabilities	694,573	762,828	7,235
Net Assets			
Shareholders' equity:			
Capital stock	47,586	47,586	496
Capital surplus	46,734	46,734	487
Retained earnings	26,535	34,850	276
Treasury stock	-7,090	-7,088	-74
Total Shareholders' equity	113,766	122,083	1,185
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities	32,487	10,751	338
Deferred gains or losses on hedges	107	-60	1
Foreign currency translation adjustments	-2,729	-2,431	-28
Total Valuation and translation adjustments	29,865	8,258	311
Minority interests	14,835	15,771	155
Total Net assets	158,466	146,113	1,651
Total Liabilities and Net assets	853,040	908,941	8,886

Consolidated Statements of Operations

	Millions of yen		<i>Millions of U.S. dollars</i>
	1Q FY2009	1Q FY2008	<i>1Q FY2009</i>
Net sales	132,285	171,591	<i>1,378</i>
Cost of sales	117,556	141,576	<i>1,225</i>
Gross profit	14,729	30,014	<i>153</i>
Selling, general and administrative expenses	29,370	35,647	<i>306</i>
Operating loss	-14,641	-5,632	<i>-153</i>
Non-operating income			
Interest income	28	59	<i>0</i>
Dividends income	1,388	2,385	<i>14</i>
Other	491	494	<i>5</i>
Total Non-operating income	1,908	2,939	<i>20</i>
Non-operating expenses			
Interest expense	1,652	1,321	<i>17</i>
Interest on commercial papers	114	77	<i>1</i>
Equity in losses of affiliates	584	558	<i>6</i>
Other	384	300	<i>4</i>
Total Non-operating expenses	2,735	2,256	<i>28</i>
Operating loss	-15,468	-4,950	<i>-161</i>
Extraordinary income			
Gain on sales of noncurrent assets	41	-	<i>0</i>
Gain on adjustment for changes of accounting standard for construct contracts	5,854	-	<i>61</i>
Total Extraordinary income	5,896	-	<i>61</i>
Extraordinary loss			
Loss on disposal of noncurrent assets	132	90	<i>1</i>
Loss on valuation of investment securities	153	105	<i>2</i>
Business restructuring costs	383	-	<i>4</i>
Loss on valuation of inventories	-	1,635	<i>-</i>
Special retirement expenses	-	1,195	<i>-</i>
Other	154	691	<i>2</i>
Total Extraordinary loss	823	3,720	<i>9</i>
Loss before income taxes	-10,395	-8,670	<i>-108</i>
Income taxes	-1,278	-2,142	<i>-13</i>
Minority interests in income (loss)	-802	88	<i>-8</i>
Net income loss	-8,314	-6,616	<i>-87</i>

Consolidated quarterly statements of cash flows

	Millions of yen		Millions of U.S. dollars
	1Q FY2009	1Q FY2008	1Q FY2009
I Cash flows from operating activities			
Loss before income taxes	-10,395	-8,670	-108
Depreciation and amortization	6,088	6,026	63
Interest and dividends income	-1,417	-2,444	-15
Interest expenses	1,652	1,321	17
Loss (gain) on disposal of noncurrent assets	132	90	1
Loss (gain) on valuation of investment securities	153	105	2
Decrease (increase) in notes and accounts receivable-trade	33,348	53,678	347
Decrease (increase) in inventories	29,285	-24,218	305
Increase (decrease) in notes and accounts payable-trade	-21,065	-24,250	-219
Increase (decrease) in advances received	-16,301	14,382	-170
Other, net	-11,556	8,001	-120
Subtotal	9,924	24,023	103
Interest and dividends income received	1,440	2,505	15
Interest expenses paid	-1,611	-1,338	-17
Income taxes paid	-1,922	-3,568	-20
Net cash provided by operating activities	7,830	21,622	82
II Cash flows from investment activities			
Purchase of property, plant and equipment	-4,450	-8,827	-46
Proceeds from sales of property, plant and equipment	186	28	2
Purchase of investment securities	-13	-301	0
Proceeds from sales of investment securities	1	2,010	0
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	4,309	-
Payments of loans receivable	-2,754	-2,767	-29
Collection of loans receivable	2,743	3,899	29
Other, net	-646	-643	-7
Net cash used in investment activities	-4,932	-2,292	-51
III Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	-12,847	14,660	-134
Increase (decrease) in commercial papers	13,000	-39,500	135
Proceeds from long-term loans payable	-	4,325	-
Repayment of long-term loans payable	-2,708	-3,360	-28
Proceeds from issuance of bonds	-	10,000	-
Redemption of bonds	-25,970	-10,000	-271
Proceeds from sales of treasury stock	0	-	-0
Purchase of treasury stock	-2	-10	-0
Cash dividends paid	-	-2,858	-
Cash dividends paid to minority shareholders	-38	-57	-0
Other, net	-902	-89	-9
Net cash used in financing activities	-29,469	-26,890	-307
IV Effect of exchange rate change on cash and cash equivalents	-14	525	-0
V Net increase (decrease) in cash and cash equivalents (I + II + III + IV)	-26,585	-7,034	-277
VI Cash and cash equivalents at beginning of period	85,365	22,092	889
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	150	355	2
VIII Cash and cash equivalents at end of period	58,930	15,413	614

Consolidated Segment Information

1. Net sales and operating income by business segment

1Q FY2008

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	91,525	40,166	37,294	2,604	171,591	-	171,591
Intersegment	1,777	1,223	97	7,778	10,877	-10,877	-
Total sales	93,303	41,389	37,392	10,382	182,468	-10,877	171,591
Operating income	-2,741	-4,313	1,067	429	-5,559	73	-5,632

1Q FY2009

	Millions of yen						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	78,358	23,937	28,084	1,904	132,285	-	132,285
Intersegment	851	351	40	6,279	7,522	-7,522	-
Total sales	79,210	24,289	28,124	8,184	139,808	-7,522	132,285
Operating income	-4,854	-9,189	-486	263	-14,266	-374	-14,641

1Q FY2009

	Millions of U.S. dollars						
	Energy & Electric Systems	Electronic Devices	Retail Systems	Others	Sub total	Elimination and Corporate	Total
Sales							
Unaffiliated customers	816	249	293	20	1,378	-	1,378
Intersegment	9	4	0	65	78	-78	-
Total sales	825	253	293	85	1,456	-78	1,378
Operating income	-51	-96	-5	3	-149	-4	-153

2. Consolidated Geographic Segment information

1Q FY2008	Millions of yen							
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	Total
Sales								
Unaffiliated customers	149,837	2,574	3,977	3,667	11,534	171,591	-	171,591
Intersegment	15,536	108	38	8,796	3,187	27,666	-27,666	-
Total sales	165,374	2,682	4,016	12,463	14,721	199,258	-27,666	171,591
Operating income	-6,928	26	6	-484	1,085	-6,294	661	-5,632

1Q FY2009	Millions of yen							
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	Total
Sales								
Unaffiliated customers	119,094	1,800	1,905	2,093	7,392	132,285	-	132,285
Intersegment	7,992	185	37	5,184	1,766	15,166	-15,166	-
Total sales	127,086	1,985	1,943	7,278	9,158	147,452	-15,166	132,285
Operating income	-14,442	-38	-38	-537	376	-14,679	38	-14,641

1Q FY2009	Millions of U.S. dollars							
	Japan	North America	Europe	Asia (except for China)	China	Sub total	Elimination and Corporate	Total
Sales								
Unaffiliated customers	1,241	19	20	22	77	1,378	-	1,378
Intersegment	83	2	0	54	18	158	-158	-
Total sales	1,324	21	20	76	95	1,536	-158	1,378
Operating income	-150	-0	-0	-6	4	-153	0	-153

3. Net overseas sales

1Q FY2008	Millions of yen						
	North America	Europe	Asia (except for China)	China	Other	Total	
Overseas sales	2,467	4,602	21,019	12,652	970	41,713	
Consolidated net sales						171,591	
Overseas sales as a percentage of consolidated net sales	1.4%	2.7%	12.2%	7.4%	0.6%	24.3%	

1Q FY2009	Millions of U.S. dollars						
	North America	Europe	Asia (except for China)	China	Other	Total	
Overseas sales	1,778	2,607	15,563	8,269	4,214	32,434	
Consolidated net sales						132,285	
Overseas sales as a percentage of consolidated net sales	1.3%	2.0%	11.8%	6.3%	3.2%	24.5%	

1Q FY2009	Millions of U.S. dollars						
	North America	Europe	Asia (except for China)	China	Other	Total	
Overseas sales	19	27	162	86	44	338	
Consolidated net sales						1,378	
Overseas sales as a percentage of consolidated net sales	1.3%	2.0%	11.8%	6.3%	3.2%	24.5%	

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

	Billions of yen							
	1Q FY2008		1H FY2008		1Q FY2009		1H FY2009 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Net sales	171.6	93.8%	373.0	93.3%	132.3	77.1%	301.0	80.7%
Operating income	-5.6	-	-6.7	-	-14.6	-	-23.0	-
Ordinary income	-5.0	-	-7.5	-	-15.5	-	-27.0	-
Net income	-6.6	-	-10.8	-	-8.3	-	-21.5	-

2. Number of consolidated subsidiaries

	1Q FY2008	1H FY2008	1Q FY2009	1H FY2009 [Forecast]
Number of consolidated subsidiaries	66	66	64	59
Japan	45	45	44	39
Overseas	21	21	20	20
Number of equity-method affiliates	3	3	3	3

3. Net income per share

	Yen			
	1Q FY2008	1H FY2008	1Q FY2009	1H FY2009 [Forecast]
Net income per share	-9.26	-15.05	-11.63	-30.08

4. Sales exchange rate (US\$)

	Yen			
	1Q FY2008	1H FY2008	1Q FY2009	1H FY2009 [Forecast]
US\$	104.55	106.11	97.32	93.66
EURO	163.43	162.68	132.57	123.79

5. Net sales by business segment

	Billions of yen							
	1Q FY2008		1H FY2008		1Q FY2009		1H FY2009 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	93.3	95.5%	213.7	90.5%	79.2	84.9%	189.0	88.4%
Electronic Devices	41.4	90.5%	88.7	102.2%	24.3	58.7%	52.0	58.6%
Retail Systems	37.4	90.9%	72.2	90.0%	28.1	75.2%	58.0	80.3%
Others	10.4	104.1%	23.1	99.7%	8.2	78.8%	20.0	86.4%
Subtotal	182.5	93.8%	397.8	93.3%	139.8	76.6%	319.0	80.2%
Elimination	-10.9	-	-24.8	-	-7.5	-	-18.0	-
Total	171.6	93.8%	373.0	93.3%	132.3	77.1%	301.0	80.7%

Note : Net sales include inter-segment transactions.

6. Operating income by business segment

	Billions of yen							
	1Q FY2008		1H FY2008		1Q FY2009		1H FY2009 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	-2.7	-	-1.3	-	-4.9	-	-6.0	-
Electronic Devices	-4.3	-	-6.5	-	-9.2	-	-14.0	-
Retail Systems	1.1	86.4%	0.5	56.7%	-0.5	-	-2.0	-
Others	0.4	161.3%	1.2	116.6%	0.3	61.3%	0.5	41.6%
Subtotal	-5.6	-	-6.1	-	-14.3	-	-21.5	-
Elimination/Corporate	-0.1	-	-0.7	-	-0.4	-	-1.5	-
Total	-5.6	-	-6.7	-	-14.6	-	-23.0	-

7. Net overseas sales

	Billions of yen							
	1Q FY2008		1H FY2008		1Q FY2009		1H FY2009 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
North America	2.5	78.1%	5.3	85.0%	1.8	72.1%	-	-
Europe	4.6	111.3%	9.1	110.0%	2.6	56.6%	-	-
Asia (except for China)	21.0	83.2%	53.8	111.9%	15.6	74.0%	-	-
China	12.7	114.6%	24.7	103.3%	8.3	65.4%	-	-
Other	1.0	99.7%	3.2	150.2%	4.2	434.4%	-	-
Total	41.7	93.6%	96.1	108.5%	32.4	77.8%	-	-

8. R&D expenditures

	Billions of yen							
	1Q FY2008		1H FY2008		1Q FY2009		1H FY2009 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	2.7	96.7%	6.7	94.7%	1.9	69.4%	6.3	93.9%
Electronic Devices	3.8	118.7%	7.4	111.0%	2.3	60.7%	4.8	64.5%
Retail Systems	0.7	67.3%	1.5	77.4%	0.5	69.1%	1.3	89.1%
Others	0.0	-	0.0	-	0.0	-	0.0	-
Corporate (basic research)	0.0	-	0.0	-	0.0	-	0.0	-
Total	7.2	102.6%	15.6	99.4%	4.6	64.7%	12.4	79.5%
Ratio to net sales (%)	4.2%	-	4.2%	-	3.5%	-	4.2%	-

9. Plant and equipment investment (including leases)

	Billions of yen							
	1Q FY2008		1H FY2008		1Q FY2009		1H FY2009 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	1.3	139.4%	3.1	87.9%	2.7	210.7%	4.8	151.7%
Electronic Devices	9.4	54.3%	14.0	45.3%	2.2	23.3%	6.6	47.2%
Retail Systems	0.2	45.1%	0.9	54.6%	0.2	64.6%	0.9	102.4%
Others	0.1	24.0%	0.5	70.2%	0.0	28.0%	0.3	66.0%
Corporate	0.1	-	0.2	-	0.0	-	0.1	-
Total	11.2	57.8%	18.7	50.5%	5.1	45.7%	12.8	68.1%
(Leases)	(2.4)	29.2%	(5.4)	27.3%	(3.1)	126.6%	(7.9)	146.9%

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

10. Depreciation, Leases paid

	Billions of yen							
	1Q FY2008		1H FY2008		1Q FY2009		1H FY2009 [Forecast]	
	change(%)		change(%)		change(%)		change(%)	
Energy & Electric Systems	2.9	106.3%	5.9	106.7%	2.9	101.8%	6.1	103.7%
Electronic Devices	9.3	127.4%	18.1	119.8%	7.3	79.1%	14.1	78.0%
Retail Systems	1.1	94.8%	2.1	103.3%	0.9	84.6%	1.8	85.5%
Others	0.3	79.6%	0.7	83.7%	0.3	83.7%	0.6	81.8%
Corporate	0.0	-	0.1	-	0.0	-	0.1	-
Total	13.6	117.5%	26.9	114.1%	11.5	84.5%	22.7	84.3%
(Leases paid)	(8.1)	108.6%	(16.1)	106.9%	(6.0)	74.5%	(11.7)	73.0%

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

11. Number of employees

	1Q FY2008	1H FY2008	1Q FY2009	1H FY2009 [Forecast]
Energy & Electric Systems	13,384	13,071	13,431	13,187
Electronic Devices	6,066	6,047	5,158	5,226
Retail Systems	2,739	2,705	2,731	2,740
Others	1,801	1,797	1,534	1,553
Corporate	145	143	219	198
Total	24,135	23,763	23,073	22,904
Japan	19,693	19,312	19,225	18,784
Overseas	4,442	4,451	3,848	4,120

Financial Performance

* Figures for year-on-year changes are provided for reference.

1. Qualitative Information Regarding Consolidated Results

In the first quarter of fiscal 2009, the three-month period from April 1 to June 30, 2009, the Fuji Electric Group's operating environment was especially challenging due to the deterioration in global economic conditions that resulted from the increasing severity of the financial crisis from the second half of the previous year. Although certain sectors appear to have bottomed out following inventory reductions and production cutbacks, it seems that severe economic situation still continues due to strong uncertainty in the business environment

Against this backdrop, the Group has positioned fiscal 2009 as a year for the completion of business restructuring, targeting a return to profitability in fiscal 2010. Specifically, to rebuild its earnings base the Group is working to lower the break-even levels at several businesses, while at the same time strengthening solutions businesses, with a focus on the fields of "energy and the environment."

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

Net sales were down ¥39.3 billion year on year, to ¥132.3 billion. By segment, the Energy & Electric Systems Group had solid plant-related sales, primarily from large overseas projects, but overall sales declined year on year due to lower sales of component products as a result of the continued deterioration in market conditions. In the Electronic Devices Group, despite signs of recovery in certain sectors, sales were down year on year due to the sluggish market. In the Retail Systems Group, sales declined year on year as a result of lower demand for vending machines.

In all groups, operating income, ordinary income, and net income declined year on year due to lower demand stemming from deteriorating market conditions and to exchange rate fluctuations. The Company recorded extraordinary income accompanying the application of the percent-of-completion method.

Operating results for the first quarter of fiscal 2009 were as follows.

Summary of 1Q Results

	1Q Fiscal 2008	1Q Fiscal 2009	Change
Net sales	171.6	132.3	-39.3
Operating income/loss	-5.6	-14.6	-9.0
Ordinary income/loss	-5.0	-15.5	-10.5
Net income/loss	-6.6	-8.3	-1.7

(¥ billion)

Results by Segment

[Energy & Electric Systems Group]

YoY: Net sales declined 15.1%; operating results worsened ¥2.1 billion

Net sales declined by 15.1% to ¥79.2 billion, and operating results worsened by ¥2.1 billion, for an operating loss of ¥4.9 billion.

In this segment, sales and earnings are impacted by seasonal demand concentrated in the fourth quarter of the fiscal year, particularly in the plant-related business.

The drive business experienced lower demand year on year for general-purpose inverters, small motors, and other component products, and sales and operating results both declined substantially as a result.

In the automation business, there was a decrease in large orders for information systems to meet government demand, and sales and operating income both declined.

In the industrial plant engineering business, we recorded solid results from major projects, such as high-capacity rectification equipment overseas, but due to a drop-off in facility construction projects, net sales and operating income both decreased.

In the electric power systems business, there was an increase in large thermal power plant projects overseas, resulting in substantial year-on-year growth in both sales and operating income.

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

In the ED&C components business, due to a fall in demand from manufacturers of machinery, a key field, sales and operating results both declined substantially year on year.

[Electronic Device Group]

YoY: Net sales declined 41.3%; operating results worsened ¥4.9 billion

Net sales declined by 41.3% to ¥24.3 billion, and operating results worsened by ¥4.9 billion, for an operating loss of ¥9.2 billion.

In the semiconductor business, there were signs of year-on-year recovery in certain industries, but global economic conditions remained sluggish, and demand declined as capital investment was reduced and customers adjusted inventories and production. Consequently, sales and operating results both were down substantially year on year.

In the magnetic disk business, hard disk drive (HDD) production volumes turned toward recovery following a sharp reduction in production from the second half of the previous fiscal year, but volumes did not return to the level seen prior to the production cutbacks. Sales were down year on year. However, due to the effects of business restructuring measures, operating results improved year on year.

In the photoconductor business, sales decreased year on year as a result of a fall in market prices and of the appreciation of the yen. However, due to production rationalization measures, operating results were about the same year on year.

[Retail Systems Group]

YoY: Net sales declined 24.8%; operating results worsened ¥1.6 billion

Net sales declined by 24.8% to ¥28.1 billion, and operating results worsened by ¥1.6 billion, for an operating loss of ¥0.5 billion.

In the vending machines and food service equipment business, sales and operating results declined year on year as customers limited investment in vending machines due to the economic slowdown from the second half of the year.

In the currency-handling systems business, favorable results were recorded by automated change dispensers, but due to investment cutbacks amidst the worsening market conditions, sales and operating results both declined year on year.

In the cold-chain equipment business, solid results were recorded in products for convenience stores, but due to such factors as delayed store openings by supermarkets, sales were down year on year. However, due to thorough-going initiatives in such areas as project management, operating results were about the same year on year.

[Others]

YoY: Net sales declined 21.2%; operating results worsened ¥0.2 billion

Net sales declined by 21.2% to ¥8.2 billion, and operating results worsened by ¥0.2 billion, to a ¥0.3 billion operating loss.

Quantitative Information Regarding Consolidated Financial Position

(¥ billion)

	March 31, 2008	Breakdown (%)	June 30, 2008	Breakdown (%)	Change
Total assets	908.9	100.0	853.0	100.0	-55.9
Interest-bearing debt	416.1	45.8	386.7	43.3	-29.4
Shareholder's equity ^{*1}	130.3	14.3	143.6	16.8	+13.3
Debt-equity ratio ^{*2} (times)	3.2		2.7		-0.5

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

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

As of June 30, 2009, total assets were ¥853.0 billion, a decline of ¥55.9 billion from March 31, 2009, the end of the previous fiscal year. Current assets were down by ¥88.0 billion, primarily because of declines in trade receivables, inventories and in cash and time deposits. Although tangible fixed assets

declined, long-term assets rose ¥32.1 billion due to such factors as an increase in the market value of other marketable securities.

Due primarily to the redemption of bonds, interest-bearing debt declined by ¥29.4 billion, to ¥386.7 billion as of the end of the quarter. Net financial obligations, which are calculated by subtracting cash and cash equivalents from interest-bearing debt, declined by ¥2.9 billion, to ¥327.7 billion.

Net assets increased by ¥12.4 billion, to ¥158.5 billion as of the end of the quarter, as a result of an increase in the valuation difference on other marketable securities, which offset a decline in retained earnings. Shareholders' equity (total net assets less minority interests) was up ¥13.3 billion from the end of the previous fiscal year, to ¥143.6 billion. The debt-equity ratio declined by 0.5 percentage points from the end of the previous fiscal year, to 2.7 times. The net debt-equity ratio (net financial obligations / shareholders' equity) declined by 0.2 percentage points from the end of the previous fiscal year, to 2.3 times.

	(¥ billion)		
	1Q FY2008	1Q FY2009	YoY Change
Cash flow from operating activities	21.6	7.8	-13.8
Cash flow from investing activities	-2.3	-4.9	-2.6
Free cash flow	19.3	2.9	-16.4
Cash flow from financing activities	-26.9	-29.5	-2.6
Cash and cash equivalents	15.4	58.9	43.5

Free cash flow (cash flow from operating activities + cash flow from investing activities) was a positive ¥2.9 billion on a consolidated basis for the quarter under review (compared to a positive ¥19.3 billion in the same period of the previous fiscal year), a year-on-year worsening of ¥16.4 billion.

Cash flow from operating activities

Net cash provided by operating activities was ¥7.8 billion, compared with ¥21.6 billion in the first quarter of the previous fiscal year. Key factors behind this result included accelerated collections of trade receivables and inventory reductions, which more than offset the recording of a net loss before income taxes and minority interests and a decrease in trade payables.

This represented a year-on-year decline of ¥13.8 billion.

Cash flow from investing activities

Net cash used in investing activities was ¥4.9 billion, compared with ¥2.3 billion a year earlier. Purchase of fixed assets was a key factor behind this result, which constituted a year-on-year decline of ¥2.6 billion.

Cash flow from financing activities

Net cash used in financing activities was ¥29.5 billion, compared with ¥26.9 billion in the first quarter of the previous fiscal year. This result was primarily attributable to the redemption of bonds.

As a result, cash and cash equivalents at the end of the period stood at ¥58.9 billion on a consolidated basis, marking a decline of ¥26.4 billion from the end of March 2009.

3. Qualitative Information Regarding Consolidated Forecasts

In consideration of consolidated results in the first quarter, Fuji Electric Holdings has revised the consolidated forecasts for the fiscal 2009 interim period that were published with the earnings announcement on May 15, 2009. The fiscal 2009 full-year forecasts have not been revised due to the continued uncertainty of the outlook for economic conditions in the second half of the fiscal year.

The forecasts for the interim period are based on foreign exchange rate assumptions of ¥90/USD and ¥115/euro.

Consolidated Forecasts for Interim Fiscal 2009

(¥ billion)

	Initial forecast	Revised forecast	Change
Net sales	303.0	301.0	-2.0
Operating income/loss	-29.0	-23.0	6.0
Ordinary income/loss	-33.0	-27.0	6.0
Net income/loss	-23.0	-21.5	1.5

(¥ billion)

	Net Sales			Operating Income/Loss		
	Previous Forecasts	Revised Forecasts	Difference	Previous Forecasts	Revised Forecasts	Difference
Energy & Electric Systems	192.0	189.0	-3.0	-9.0	-6.0	3.0
Electronic Devices	47.5	52.0	4.5	-17.0	-14.0	3.0
Retail Systems	61.5	58.0	-3.5	-1.5	-2.0	-0.5
Others	20.5	20.0	-0.5	0	0.5	0.5
Eliminations/ Corporate	-18.5	-18.0	0.5	-1.5	-1.5	0
Total	303.0	301.0	-2.0	-29.0	-23.0	6.0

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

- (a) 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 first 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 ¥10,214 million, reducing operating loss and ordinary loss by ¥1,825 million each, and reducing loss before income taxes and minority interests by ¥7,679 million.

- (b) For certain overseas consolidated subsidiaries, due to worksite reorganization, a settlement system conforming to Group policy was established and applied from the second quarter of the previous fiscal year. As a result, the Company's application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006) is different for the first quarter of the previous fiscal year and the first quarter under review.

The effect of this change on the Company's results was minor.