

October 29, 2010

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Announcement of Disparity between Forecasts and Results for the Six-month Period Ended September 30, 2010

The Fuji Electric Holdings Group today announced that there were disparities between the forecasted business results released on May 11, 2010, and the actual results achieved in the six-month period ended September 30, 2010. The reasons for these disparities are explained below.

1. Revised consolidated forecast for the first half of the fiscal year ending March 31, 2011 (from April 1, 2010, to September 30, 2010)

(1) Consolidated forecast

	(¥ million)				
	Sales	Operating Income/Loss	Ordinary Income/Loss	Net Income/Loss	Net Income/Loss Per Share
Previous forecasts (A)	313,000	-11,000	-15,000	3,500	4.90 yen
Revised forecasts (B)	297,489	-11,004	-16,685	1,654	2.31 yen
Difference (B – A)	-15,511	-4	-1,685	-1,846	-2.59 yen
Change (%)	-5.0%	–	–	-52.7%	-52.9%
FYR: Results for the first half FYE March 31, 2009	291,162	-20,517	-23,771	-16,253	-22.74 yen

2. Reason for difference

In the Magnetic Disk Segment, net sales were adversely influenced by the effects of HDD's inventory adjustments and the unfavorable exchange rates stemming from the impact of yen appreciation. Operating income, meanwhile, was in line with forecasts due efforts to reduce costs and other expenses offsetting the decline in net sales. Conversely, loss on foreign exchange was recorded, due to the strong yen, which resulted in a decrease in non-operating income, causing it to fall below the forecasted levels along with ordinary income and quarterly net income.

Cautionary Statements:

Statements made in this document regarding estimates or projections are forward-looking statements based on management's judgments and assumptions in light of information currently available. Actual results may differ materially from those projections as a result of uncertainties inherent in such judgments and assumptions, as well as changes in business operations or other internal or external conditions. Accordingly, management gives no guarantee regarding the reliability of any information contained in these forward-looking statements.