

Consolidated Financial Results for 3Q FY2006

January 29, 2007

Fuji Electric Holdings Co., Ltd.

Number of consolidated subsidiaries: remains 66 (no change)

3 consolidated subsidiaries added:

- **Fuji Electric Motor (Dalian) Co.,Ltd.**
(Newly consolidated in ED&C·Drive Systems Group in January 2006)
- **Atai Fuji Electric Co., Ltd.**
(Newly consolidated in ED&C·Drive Systems Group in April 2006)
- **Fuji Techno Survey Co., Ltd.**
(Newly consolidated in Others Group in April 2006)

3 consolidated subsidiaries excluded:

- **Fuji Electric Storage Device Co., Ltd.**
- **Fuji Electric Imaging Device Co., Ltd.**
(Merged to Fuji Electric Device Technology Co., Ltd. as of April 1, 2006)
- **Fuji Semiconductor, Inc.**
(Merged to Fuji Electric Inc. as of October 1, 2006. Fuji Electric Inc. changed its name to Fuji Electric Device Technology America Inc.)

Summary of Consolidated Financial Results for 3Q of FY2006 (YoY Comparison)

(Forecast as of Oct. 30, 2006) (¥billion)

	3Q FY2005 Results	3Q FY2006 Results	Change
Net Sales	189.1	201.1	+12.0 (+6.4%)
Operating Income	2.0	2.9	+0.9
Ordinary Income	2.4	4.4	+2.0
Extraordinary Income	1.9	-0.9	-2.9
Net Income	3.3	2.8	-0.5

Increase in Sales +2.5
 Reduction in Costs +1.9
 Others +1.3
 Exchange Rate Effect -0.2
 Price Decline -2.7
 Increase in Costs -1.9

+5.7

-4.8

Exchange Rate Effect +0.8
 Net Interest Expenses +0.4

Extraordinary Income -1.9
 Extraordinary Loss +1.0

Sales Exchange Rate US\$	¥117.35	¥117.82
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	Q3 FY2005	Q3 FY2006	Change
Cost Ratio	79.1%	79.6%	+0.5%
SG&A Ratio	19.8%	18.9%	-0.9%
OP Margin	1.1%	1.5%	+0.4%

Net Sales and Operating Income by Segment for 3Q of FY2006 (YoY Comparison)

(¥ billion)

		3Q FY2005 Results	3Q FY2006 Results	Change
Net Sales	Energy & Electric Systems	68.8	76.7	+7.9
	ED&C Drive Systems	45.3	49.3	+4.0
	Electronic Devices	42.8	44.6	+1.8
	Retail Systems	36.3	34.8	-1.5
	Others	10.0	11.0	+1.0
	Eliminations	-14.2	-15.6	-1.3
	Total	189.1	201.1	+12.0
Operating Income	Energy & Electric Systems	-4.3	-1.7	+2.6
	ED&C Drive Systems	1.7	3.2	+1.5
	Electronic Devices	4.0	2.8	-1.2
	Retail Systems	-0.5	-1.2	-0.7
	Others	0.2	0.3	+0.1
	Eliminations/ Corporate	0.8	-0.4	-1.2
	Total	2.0	2.9	+0.9

=Factors Impacting on Net Sales=

Energy & Electric Systems

- Increase in industrial engineering and power plant systems

- Decrease in e-Solutions, environmental systems and plant facility construction

ED&C Drive Systems

- Increase in both fields of electric distribution & control and drive control equipment

Electronic Devices

- Increase in semiconductors and magnetic disks
- Decrease in imaging devices

Retail Systems

- Decrease in vending machines, food service equipment, currency handling systems and cold-chain equipment

=Factors Impacting on Operating Income=

Energy & Electric Systems

- Improvement in all fields

ED&C Drive Systems

- Improvement in both fields of electric distribution & control and drive component equipment

Electronic Devices

- Deterioration in semiconductors and magnetic disks
- Improvement in imaging devices

Retail Systems

- Deterioration in vending machines, food service equipment and currency handling systems
- Improvement in cold-chain equipment

Net Sales and Operating Income by Segment for 3Q of FY2006 (Comparison with Forecast)

(¥billion)

		3Q FY2006 Forecasts	3Q FY2006 Results	Change
Net Sales	Energy & Electric Systems	80.0	76.7	-3.3
	ED&C·Drive Systems	47.0	49.3	+2.3
	Electronic Devices	50.0	44.6	-5.4
	Retail Systems	38.5	34.8	-3.7
	Others	10.0	11.0	+1.0
	Eliminations	-14.5	-15.6	-1.1
	Total	211.0	201.1	-9.9
Operating Income	Energy & Electric Systems	-0.5	-1.7	-1.2
	ED&C·Drive Systems	2.5	3.2	+0.7
	Electronic Devices	3.5	2.8	-0.7
	Retail Systems	-1.0	-1.2	-0.2
	Others	0.0	0.3	+0.3
	Eliminations/ Corporate	0.0	-0.4	-0.4
	Total	4.5	2.9	-1.6

=Factors Impacting on Net Sales= Energy & Electric Systems

- Decrease in environmental systems and industrial engineering and plant facility construction

ED&C·Drive Systems

- Increase in both fields of electric distribution & control and drive control equipment

Electronic Devices

- Decrease in magnetic disks and semiconductors

Retail Systems

- Decrease in vending machines, food service equipment and currency handling systems

=Factors Impacting on Operating Income= Energy & Electric Systems

- Deterioration in environmental systems and industrial engineering

ED&C·Drive Systems

- Improvement in both fields of electric distribution & control and drive control equipment

Electronic Devices

- Deterioration in magnetic disks

Retail Systems

- Decrease in vending machines, food service equipment and currency handling systems

Consolidated Full-year Forecasts for FY2006 (YoY Comparison)

(Forecast as of Oct.30, 2006) (¥billion)

	FY2005 Results	FY2006 Forecasts as of Jan. 26, '07	Change
Net Sales	897.2	910.0	+12.8
OP Margin	4.6%	5.0%	
Operating Income	41.0	45.5	+4.5
Ordinary Income	41.8	46.5	+4.7
Net Income	18.6	21.0	+2.4

Sales Rate	Exchange Rate US\$	FY2005 Results	FY2006 Forecast
		¥113.31	¥115.90

	FY2005 Results	FY2006 Forecast	Change
Cost Ratio	78.2% → 78.5%		0.3%
SG&A Ratio	17.2% → 16.5%		-0.7%
OP Margin	4.6% → 5.0%		+0.4%

Effect of Newly Consolidated Subsidiaries +0.2
 Effect of Change in Fiscal Year-end of Overseas Subsidiaries -13.9
 Exchange Rate Effect +1.6
 Total -12.1
 ⇒ Actual Change +24.9

Record Figures (¥billion)	
Net Sales	982.8 (FY1997)
OP Income	41.8 (FY1991)
OP Margin	4.9% (FY1989)
Ordinary Income	41.8 (FY2005)
Net Income	22.1 (FY1990)

Increase in Sales +5.3
 Exchange Rate Effect +1.6
 Reduction in Costs +13.9
 Others +9.9
 Price Decline -9.8
 Increase in Costs -6.2
 Increase in Depreciation and Lease Expense -5.8
 Increase in R&D Costs -3.8
 Effect of Change in Fiscal Year-end of Overseas Subsidiaries -0.6

+30.7

-26.2

Exchange rate effect +0.5
 Others -0.3

*Base exchange rate for 4Q: ¥115 / US\$1

Exchange rate effect of one yen for 4Q based on operating income/loss: ¥140 million / US\$1

Full-year Forecasts Net Sales and Operating Income by Segment for FY2006 (YoY Comparison)

(Forecast as of Oct. 30, 2006) (¥billion)

		FY2005 Results	FY2006 Forecasts as of Jan.26, '07	Change
Net Sales	Energy & Electric Systems	398.1	(400.0) 404.0	+5.9
	ED&C·Drive Systems	182.5	(190.0) 192.0	+9.5
	Electronic Devices	173.4	(193.0) 183.0	+9.6
	Retail Systems	162.1	(161.0) 154.0	-8.1
	Others	52.2	(55.0) 56.0	+3.8
	Eliminations	-71.2	(-79.0) -79.0	-7.8
	Total	897.2	(920.0) 910.0	+12.8
Operating Income	Energy & Electric Systems	7.0	(11.0) 11.5	+4.5
	ED&C·Drive Systems	7.9	(10.5) 11.5	+3.6
	Electronic Devices	18.1	(21.0) 19.0	+0.9
	Retail Systems	5.8	(4.0) 2.5	-3.3
	Others	2.1	(2.0) 2.5	+0.4
	Eliminations	-0.1	(-1.5) -1.5	-1.4
	Total	41.0	(47.0) 45.5	+4.5

=Factors Impacting on Net Sales=

Energy & Electric Systems

- Significant increase in power plant systems
- Increase in e-Solutions, industrial engineering and plant facility construction
- Significant decrease in environmental systems
- Effect of change in fiscal year-end of overseas subsidiaries: -0.3 billion yen

ED&C·Drive Systems

- Increases in both fields of electric distribution & control and drive control equipment
- Effect of change in fiscal year-end of overseas subsidiaries: -5.0 billion yen (ED&C components -1.4 Drive systems -3.6)

Electronic Devices

- Significant Increase in magnetic disks and increase in semiconductors
- Decrease in imaging devices
- Effect of change in fiscal year-end of overseas subsidiaries: -8.7 billion yen (Semiconductors -6.0 Imaging devices -2.7)

Retail Systems

- Significant decrease in vending machines, food service equipment and currency handling systems
- Increase in cold-chain equipment

=Factors Impacting on Operating Income=

Energy & Electric Systems

- Significant Improvement in e-Solutions and industrial engineering
- Improvement in power plant systems and plant facility construction
- Significant deterioration in environmental systems

ED&C·Drive Systems

- Significant improvement in drive control systems and improvement in electric distribution & control

Electronic Devices

- Improvement in semiconductors
- Flat in magnetic disks and imaging devices

Retail Systems

- Significant deterioration in vending machines, food service equipment and currency handling systems
- Improvement in cold-chain equipment

(¥billion)

Assets

	Mar.31, '06	Mar.31, '07	Change
Cash and time deposits	21.5	16.3	-5.2
Trade receivables	240.5	257.8	+17.3
Inventories	137.4	141.4	+4.0
Other current assets	42.4	46.7	+4.3
Total current assets	442.0	462.3	+20.3
Tangible fixed assets	150.3	169.6	+19.3
Intangible fixed assets	8.3	8.8	+0.5
(Unrealized gain on investment securities)	(169.1)	(163.5)	(-5.6)
Investments and other assets	389.3	386.0	-3.3
Total long-term assets	548.0	564.4	+16.4
Deferred assets	0.0	0.2	+0.2
Total assets	990.0	1,026.9	+36.9

Assets and Liabilities

	Mar.31, '06	Mar.31, '07	Change
Trade payables	181.0	194.6	+13.6
Debts	275.0	297.0	+22.0
(Deferred tax liabilities*)	(69.1)	(66.7)	(-2.4)
Other liabilities	249.1	237.7	-11.4
Total liabilities	705.1	729.3	+24.2
Common stock	47.5	47.5	+0.0
Capital surplus	46.7	46.7	+0.0
Retained earnings	88.1	103.9	+15.8
Treasury stock at cost	-6.8	-7.0	-0.2
Shareholders' equity	175.5	191.2	+15.7
(Unrealized gain on other securities, net taxes)	(100.0)	(96.8)	(-3.2)
Valuation and translation adjustments	99.4	96.8	-2.6
Minority interests in consolidated subsidiaries	9.8	9.6	-0.2
Total net assets	284.8	297.6	+12.8
Total liabilities and net assets	990.0	1,026.9	+36.9

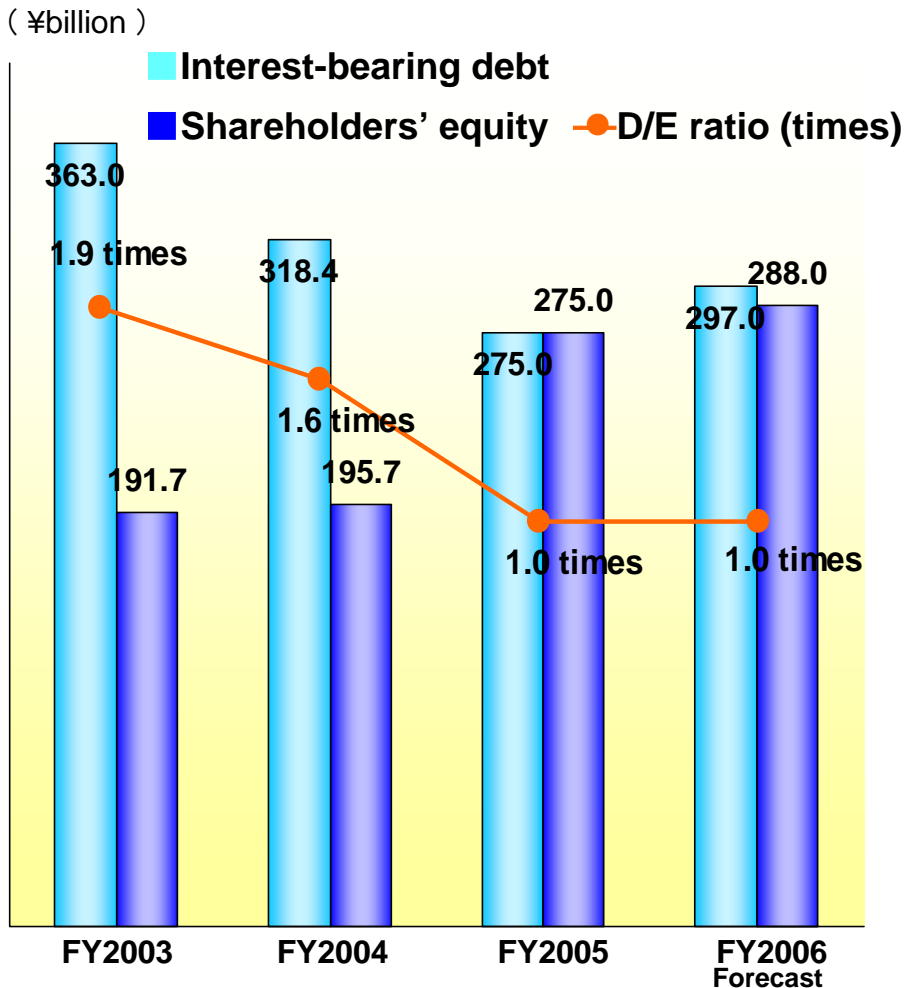
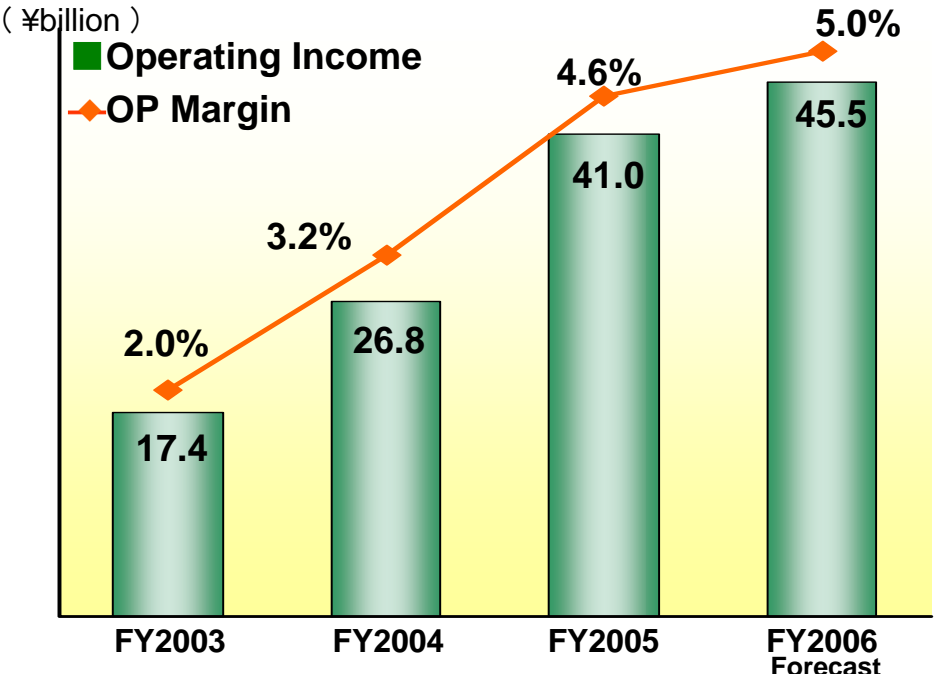
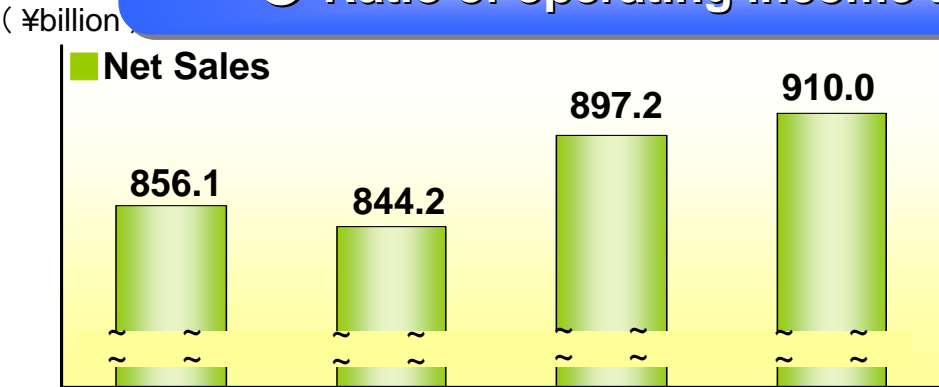
<Change in tangible fixed assets>	FY2005	FY2006	Change
Acquisition	23.6	39.2	+15.6
Depreciation	-13.2	-14.3	-1.1
Others	-10.9	-5.6	+5.3
Total	-0.5	+19.3	+19.8

Shareholders' Equity	275.0	288.0	+13.0
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* Deferred tax liabilities associated with unrealized gain on investment securities

Target for FY2008 in Mid-term Management Plan

- Net sales: ¥1 trillion or greater
- D/E ratio: 1.0 times or lower
- Ratio of operating income to net sales: 7% or higher



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