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Company name: Fuji Electric Holdings Co., Ltd.

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(Ticker: 6504 TSE / OSE / NSE / FSE)

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Announcement of Revised Earnings Forecast

Fuji Electric Holdings Co., Ltd. today issued the following revisions to its earnings forecasts announced on April 24, 2008, based on recent trends in its performance.

1. Revision to Consolidated Earnings Forecasts for the Fiscal 2008 Interim Period (April 1 to September 30, 2008)

1) Consolidated Earnings Forecasts

(¥ million)

		Operating income/loss	Ordinary income/loss	Net income/loss	Net income/loss per share
Previous forecast (A)	400,000	500	500	-7,000	¥ -9.79
Revised forecast (B)	384,000	-7,500	-8,000	-11,500	¥ -16.09
Difference (B-A)	-16,000	-8,000	-8,500	-4,500	¥ -6.30
Change (%)	-4.0%	-	-	-	-
(Reference) Results for the fiscal year ended September 30, 2007	399,611	538	1,459	-954	¥ -1.33

2) Net Sales and Operating Income/Loss Forecasts by Segment

(¥ million)

	Net sales			Operating income/loss		
	Initial forecast	Revised forecast	Change	Initial forecast	Revised forecast	Change
Energy & Electric Systems	2,250	2,230	-20	-20	-20	±0
Electronic Devices	1,040	900	-140	20	-60	-80
Retail Systems	730	730	±0	10	10	±0
Others	220	220	±0	5	5	±0
Elimination and Corporate	-240	-240	±0	-10	-10	±0
Total	4,000	3,840	-160	5	-75	-80

2. Revision to Consolidated Earnings Forecasts for Fiscal 2008 (April 1, 2008 to March 31, 2009)

1) Consolidated Earnings Forecasts

(¥ million)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	925,000	42,000	42,000	20,000	¥ 27.98
Revised forecast (B)	890,000	22,500	22,500	8,000	¥ 11.19
Difference (B-A)	-35,000	-19,500	-19,500	-12,000	¥ -16.79
Change (%)	-3.8%	-46.4%	-46.4%	-60.0%	-60.0%
(Reference) Results for the fiscal year ended March 31, 2008	922,172	35,883	35,808	16,792	¥ 23.49

2) Net Sales and Operating Income Forecasts by Segment

(¥ million)

	Net sales			Operating income/loss		
	Initial forecast	Revised forecast	Change	Initial forecast	Revised forecast	Change
Energy & Electric Systems	5,500	5,440	-60	225	200	-25
Electronic Devices	2,350	2,020	-330	160	10	-150
Retail Systems	1,480	1,480	±0	40	20	-20
Others	490	490	±0	15	15	±0
Elimination and Corporate	-570	-530	+40	-20	-20	±0
Total	9,250	8,900	-350	420	225	-195

3. Reasons for the Revision

1) Interim Period

In the Electronic Devices Group, net sales are expected to fall below initial estimates due to continued inventory adjustments for industrial-use semiconductors, and declines in shipment volumes in the magnetic disk business stemming from certain model changes implemented during the latter part of the first quarter, along with production and inventory adjustments by certain customers. Operating income for the segment is also forecast to fall significantly below initial estimates as a result of lower production and shipment volumes, and a decline in the yield rate as part of the establishment of new models.

In the Energy & Electric Systems Group, net sales are expected to fall below initial estimates due to a market slowdown in the ED&C components business, but we expect to meet forecasts for operating income due to continued strong sales for industrial plant products, centered on private domestic demand.

In the Retail Systems Group, both net sales and operating income are expected to be in line with initial estimates.

As a result, both net sales and operating income are expected to be lower than the previous announcement, primarily due to performance in the Electronic Devices Group.

2) Full Year

The business climate facing the Fuji Electric Group is becoming increasingly harsh. Considering such changes in the economic environment, and our consolidated forecasts for the interim period, both net sales and operating income are expected to be lower than the previous announcement, primarily due to performance in the Electronic Devices Group.

In the Electronic Devices Group, both net sales and operating income are expected to fall considerably below the previous forecast due to deterioration in the market environment for industrial-use semiconductors, a slowdown in orders for electronics power supply chips, and declines in production and shipment volumes in the magnetic disk business.

In the Energy & Electric Systems Group, net sales are expected to fall below the previous forecast due to worsening market conditions in the ED&C components business. Operating income is also forecast to be below the previous forecast due to declining sales in the ED&C components business, and rising raw material costs.

In the Retail Systems Group, net sales are expected to be in line with the previous forecast, but operating income is forecast to fall below the previous figure due to rising raw material costs.

The Fuji Electric Group is implementing a series of measures in response to this situation. In the Electronic Devices Group, we are expanding semiconductor sales to the strong-performing energy conservation and infrastructure business, amid a slowdown in the machine tool industry and the market for other industrial applications. We are also revising the production structure to more closely match demand, and making far-reaching reductions in cost. In the magnetic disk business, we expect demand to increase toward the year-end shopping season, and will work to increase our market share by promoting ECC (Exchange Coupled Composite) media and other high-performance models.

In the Energy & Electric Systems Group, we will work to realize as early as possible the benefits of the integration with the ED&C • Drive Systems Group, focusing on drive systems, and to accelerate the establishment of a global network centered on four bases for this business. For the ED&C components business we will move forward our schedule for structural reform, including internal Group realignment and restructuring of our manufacturing facilities both in Japan and overseas.

Through these measures the Fuji Electric Group will make a proactive effort to improve its expected full-year earnings.

Forward-Looking Statements

Statements and declarations in this release regarding forecasts and the future outlook are based on judgments and assumptions derived from information available to management at the time of preparation. Actual results may differ materially as a result of uncertainties inherent in these judgments and assumptions, changes in business operations, or operating conditions in Japan or overseas. Fuji Electric Holdings makes no guarantee as to the certainty of any aspect of future prospects.