

Third Quarter Financial Results For Fiscal Year 2009

(Nine months ended on October 31,2008)

Company: **FUJI ELECTRIC INDUSTRY CO., LTD.** Stock: Tokyo Stock Exchange
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Date of the board meeting for this period: December 4,2008

1.Third quarter financial results for the nine months ended on October 31(February 1,2008 through October 31,2008)

(1)Operating Results

(Unit ; one million yen)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
3rd Q.FY 2009	2,453	8.6	442	14.3	466	14.7
3rd Q.FY 2008	2,260	1.9	386	(14.8)	406	(11.2)
FY 2008	3,067		516		544	

	Net income		Net income per share -basic	Net income per share -diluted
	Million yen	%	Yen	Yen
3rd Q.FY 2009	302	26.6	46.95	—
3rd Q.FY 2008	239	(11.6)	37.09	—
FY 2008	314		48.77	—

Note : Percentages for net sales, operating income etc. show increase (decrease) from previous year's third quarter.

(2)Financial Position

	Total assets	Shareholders' Equity	Shareholders' Equity ratio	Shareholders' Equity per share
	Million yen	Million yen	%	Yen
3rd Q.FY 2009	10,634	9,828	92.4	1,524.40
3rd Q.FY 2008	10,686	9,723	91.0	1,508.06
FY 2008	10,648	9,752	91.6	1,512.50

(3)Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investment activities	Net cash provided by (used in) financing activities	Cash and cash equivalents-ending
	Million yen	Million yen	Million yen	Million yen
3rd Q.FY 2009	610	(433)	(150)	632
3rd Q.FY 2008	83	(144)	(195)	486
FY 2008	242	(174)	(205)	606

2.Dividends

	Dividend per share		
	Interim	Year-end	Annual
FY 2008	Yen 10.00	Yen 15.00	Yen 25.00
FY 2009	10.00		25.00
FY 2009 (forecast)		15.00	

3.Forecast of operating results for Fiscal Year 2009(February 1,2008 through January 31,2009)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
FY 2009	3,275	6.8	535	3.7	563	3.4

	Net income		Net income per share
	Million yen	%	Yen
FY 2009	333	6.2	51.78

Note : Percentages for net sales, operating income etc. for the FY 2009 show increase (decrease) from year period, respectively.

4.Others

- (1) Adoption of concise accounting procedure : Yes
(2) Changes in the accounting method : None

※ Note with respect to “Forecast of operating results for Fiscal Year 2009”

Forecasts announced by the Company referred to above were prepared based on management's assumptions with information available at this time and therefore involve known and unknown risks and uncertainties.

Please note such risks and uncertainties may cause the actual results to be materially different from the forecasts (earnings forecast, dividend forecast, and other forecasts).

Qualitative information / Financial affairs

1. Qualitative information on business performance

(1) General situation

Japan's economy in the 3rd quarter of this fiscal year likely to moved from the stagnation to the recession. The corporate earning badly reduced because of the deceased export led by the worldwide recession and strong Yen triggered by the financial crisis in the United States.

However, the industries of heavy electric equipments, our main customer, vigorously sale to domestic and overseas market, because the investment of Japanese electric power industries and the new construction of electric power plants overseas remain firm.

The demands of electric power facilities and infrastructure business in US, EU, Middle East, China and South East Asia also remain active.

Thanks to these market circumstances, our products of control switches, connecting devices and electronic appliances were widely accepted in domestic heavy electric industries. The overseas sales also remained firm. Finally our net sales of third quarter reached to 2,453 million yen (8.6% increase compared with that of the same period in previous year).

Regarding to the profit, in addition to sales increase the cost cut of sales and general expenses contributed largely to the following profit.

Operating income reached to 442 million yen, ordinary income was 466 million yen and net income was 302 million yen. Increasing rate compared with those of the same period of previous year were 14.3%, 14.7% and 26.6% respectively.

(2) Products sales

Control switches

Sales of this category reached 677 million (6.9% increase compared with that of the previous year) thanks to the sales growth of cam switches, our main item, over 15% and change-over and door switches for rolling stock.

Connecting devices

Sales of surge absorber terminal, reliable wiring terminal blocks for electric power industries and test terminals for switch board of domestic and overseas manufacturer were increased. As a result sales of this category reached 1,040 million yen (9.2% increase).

Indicators and indicator lumps

Although the sales of push-bottom indicator for traffic signal were really dull to be expected, the electro magnetic indicators and integrated LED lumps contributed to the sales growth of this category.

As a result sales reached 364 million (4.3% decrease).

Applied electronic devices

Sales of electronics devices reached 371 million yen (14.5% increase), thanks to the sales increase of auxiliary relay (telephone type relay), new type annunciator and control panel for devices of automatic distribution of electric power.

2. Qualitative information on business performance forecast

As for the future business circumstances, although the price down of raw materials such as crude oil will be welcomed, the recession of Japan's economy may be prolonged by the worldwide depression and steep rise of Yen value.

Under these circumstances, the cam switches, surge absorber terminal blocks and test terminals are expected to contribute toward sales increase.

We are to devote ourselves to attain our goals of sales and profit plan through our sales and production activities like cost rate improvement and cost cut of sales and general expenses.

At this moment there is no change of the prospects of operating plan officially announced on 11 September 2008.

3. Other information

(1) Adoption of concise accounting procedure

An inventory valuation method is based on a book inventory method.

Corporate taxes were calculated by using an estimated annual effective tax rate based on the legal effective tax rate.

(2) Changes in the accounting method

None

4. Balance Sheets

thousand yen, %

	As of October 31, 2007	As of October 31, 2008	Increase (Decrease)		As of January 31, 2008
	Amount	Amount	Amount	%	Amount
(Assets)					
I Current assets					
1. Cash and deposits	4,356,135	4,832,090	475,955		4,476,448
2. Notes and accounts receivable-trade	1,133,251	1,245,073	111,822		1,155,472
3. Short-term investment securities	1,636,671	697,992	(938,679)		1,638,162
4. Inventories	784,322	755,758	(28,563)		725,353
5. Other current assets	85,453	62,112	(23,341)		55,717
6. Allowance for doubtful accounts	(1,600)	(1,512)	88		(1,397)
Total current assets	7,994,233	7,591,515	(402,718)	(5.0)	8,049,757
II Noncurrent assets					
1. Property, plant and equipment	1,895,172	1,812,835	(82,337)		1,876,069
2. Intangible assets	13,414	12,900	(513)		15,826
3. Investments and other assets	784,061	1,217,688	433,627		706,828
Total noncurrent assets	2,692,648	3,043,424	350,776	13.0	2,598,724
Total assets	10,686,881	10,634,940	(51,941)	(0.5)	10,648,481
(Liabilities)					
I Current liabilities					
1. Notes and accounts payable-trade	449,122	214,059	(235,062)		399,315
2. Short-term loans payable	180,000	180,000	—		180,000
3. Other current liabilities	246,945	343,912	96,967		198,699
Total current liabilities	876,067	737,972	(138,095)	(15.8)	778,014
II Noncurrent liabilities					
1. Provision for directors' retirement benefits	50,314	45,623	(4,690)		51,862
2. Other noncurrent liabilities	37,004	22,443	(14,561)		66,458
Total noncurrent liabilities	87,319	68,066	(19,252)	(22.0)	118,320
Total liabilities	963,386	806,039	(157,347)	(16.3)	896,335
(Net assets)					
I Shareholders' equity					
1. Capital stock	1,087,250	1,087,250	—		1,087,250
2. Capital surplus	1,704,240	1,704,240	—		1,704,240
3. Retained earnings	6,872,665	7,089,444	216,779		6,947,945
4. Treasury stock	(113,229)	(113,229)	—		(113,229)
Total shareholders' equity	9,550,925	9,767,704	216,779	2.3	9,626,205
II Valuation and translation adjustments					
1. Valuation difference on available-for-sale securities	172,569	61,196	(111,373)		125,940
Total valuation and translation adjustments	172,569	61,196	(111,373)	(64.5)	125,940
Total net assets	9,723,494	9,828,900	105,406	1.1	9,752,145
Total liabilities and net assets	10,686,881	10,634,940	(51,941)	(0.5)	10,648,481

5.Statements of Income

thousand yen,%

	Nine months ended October 31, 2007	Nine months ended October 31, 2008	Increase (Decrease)		Year ended January 31, 2008
	Amount	Amount	Amount	%	Amount
I Net sales	2,260,158	2,453,882	193,723	8.6	3,067,432
II Cost of sales	1,322,825	1,433,953	111,128		1,805,610
Gross profit	937,333	1,019,928	82,594	8.8	1,261,821
III Selling, general, and administrative expenses	550,482	577,580	27,097		745,205
Operating income	386,850	442,347	55,496	14.3	516,616
IV Non-operating income	22,014	26,573	4,559		31,454
V Non-operating expenses	2,407	2,747	340		3,258
Ordinary income	406,457	466,173	59,716	14.7	544,812
VI Extraordinary income	217	49,145	48,927		421
VII Extraordinary loss	985	1,602	616		9,730
Income before income taxes	405,689	513,716	108,026	26.6	535,502
Income taxes	166,517	211,024	44,507		221,050
Net income	239,172	302,691	63,519	26.6	314,452

6.Statements of Cash Flows

thousand yen

	Nine months ended October 31, 2007	Nine months ended October 31, 2008	Year ended January 31, 2008
Description	Amount	Amount	Amount
I . Net cash provided by (used in) operating activities			
Income before income taxes	405,689	513,716	535,502
Depreciation and amortization	135,280	159,642	192,120
Increase (decrease) in allowance for doubtful accounts	(217)	114	(421)
Increase (decrease) in provision for directors' bonuses	(6,872)	(4,497)	(2,525)
Increase (decrease) in provision for directors' retirement benefits	(155,575)	(6,238)	(154,028)
Interest and dividends income	(17,111)	(21,786)	(24,633)
Interest expenses	2,407	2,512	3,258
Insurance income	—	(49,145)	—
Loss on retirement of property, plant and equipment	985	185	9,730
Loss (gain) on valuation of investment securities	—	1,417	—
Decrease (increase) in notes and accounts receivable-trade	(12,069)	(89,601)	(34,289)
Decrease (increase) in inventories	(52,362)	(30,405)	6,606
Increase (decrease) in notes and accounts payable-trade	(4,978)	(185,255)	(54,785)
Other, net	34,250	49,271	9,192
Subtotal	329,427	339,929	485,728
Interest and dividends received	16,854	21,565	20,046
Interest expenses paid	(2,461)	(2,527)	(3,299)
Proceeds from insurance income	—	324,170	—
Income taxes paid	(260,598)	(72,946)	(259,697)
Net cash provided by (used in) operating activities	83,222	610,191	242,778
II . Net cash provided by (used in) investment activities			
Payment for time deposits	(7,390,000)	(7,720,000)	(7,740,000)
Proceeds from time deposits	7,390,000	7,390,000	7,740,000
Purchase of short-term investment securities	(737,336)	(697,012)	(737,336)
Proceeds from sales of short-term investment securities	740,000	1,640,000	740,000
Purchase of property, plant and equipment	(144,959)	(144,794)	(170,096)
Purchase of intangible assets	(1,764)	(1,990)	(5,649)
Purchase of investment securities	—	(899,090)	—
Other, net	(746)	(810)	(1,100)
Net cash provided by (used in) investment activities	(144,805)	(433,697)	(174,182)
III . Net cash provided by (used in) financing activities			
Cash dividends paid	(195,704)	(150,852)	(205,570)
Net cash provided by (used in) financing activities	(195,704)	(150,852)	(205,570)
IV . Net increase (decrease) in cash and cash equivalents	(257,287)	25,641	(136,974)
V . Cash and cash equivalents-Beginning	743,423	606,448	743,423
VI . Cash and cash equivalents-Ending	486,135	632,090	606,448

7.Others

(1) Actual of orders

thousand yen

	Nine months ended October 31, 2007	Nine months ended October 31, 2008	Year ended January 31, 2008
Products category	Amount	Amount	Amount
Control switches	635,125	692,790	861,892
Connecting devices	960,991	1,043,468	1,313,913
Indicators and indicator lamps	365,097	390,680	480,002
Applied electronic devices	367,344	347,343	465,342
Total	2,328,559	2,474,283	3,121,151

(2) Backlog of orders

thousand yen

	Nine months ended October 31, 2007	Nine months ended October 31, 2008	Year ended January 31, 2008
Products category	Amount	Amount	Amount
Control switches	97,555	113,762	98,284
Connecting devices	95,321	103,711	100,322
Indicators and indicator lamps	48,671	64,971	38,788
Applied electronic devices	104,728	69,551	94,198
Total	346,276	351,996	331,594

(3) Sales

thousand yen

	Nine months ended October 31, 2007	Nine months ended October 31, 2008	Year ended January 31, 2008
Products category	Amount	Amount	Amount
Control switches	633,308	677,313	859,344
Connecting devices	952,220	1,040,080	1,300,141
Indicators and indicator lamps	349,634	364,497	474,421
Applied electronic devices	324,996	371,990	433,524
Total	2,260,158	2,453,882	3,067,432

① Distribution channel

thousand yen

	Nine months ended October 31, 2007	Nine months ended October 31, 2008	Year ended January 31, 2008
	Amount	Amount	Amount
Japanese manufacturer	1,477,798	1,615,387	2,003,048
Trading company (home sales)	543,277	567,072	742,385
Trading company (overseas sales)	239,082	271,422	321,998
Total	2,260,158	2,453,882	3,067,432

② Foreign market for trading company (overseas sales)

thousand yen

	Nine months ended October 31, 2007	Nine months ended October 31, 2008	Year ended January 31, 2008
	Amount	Amount	Amount
Southeast Asia	100,926	98,047	125,377
Middle East	72,030	103,578	104,631
China	66,125	69,796	91,989
Total	239,082	271,422	321,998