

## To Our Stakeholders

In fiscal 2004, ended March 31, 2005, Fuji Electric achieved significant year-on-year increases in both operating income and net income, despite a marginal decline in net sales. Complemented by positive factors in our operating environment, this performance illustrated that our determined efforts to implement the strategies and initiatives in our medium-term management plan are beginning to pay off. With the adoption of a pure holding company system, we have also reformed the Company's management by devolving significant authority to operating companies, giving them greater freedom in implementing business strategy. I believe this has given us a competitive advantage in the increasingly fast-paced operating environment we face today.

As a manufacturer of electrical equipment, Fuji Electric's mission is to support the development of customer businesses and society through its business activities, based on the three ideals of the Company's core philosophy: contribute to prosperity, encourage creativity and seek harmony with the environment. I hope that we continue to create technologies and products that help realize a better, sustainable society beneficial to all. In particular, I believe we can play an active role in protecting the global environment with technologies and products in the energy saving and new energy fields, areas where Fuji Electric has traditionally been strong.

Corporate social responsibility (CSR) has become more important in recent years. Any company failing to fulfill its responsibility to society not only risks losing corporate value, but also its very existence is brought into question. As a member of the global community, Fuji Electric puts great emphasis on business ethics, building a Group-wide internal control system, and enhancing compliance.

To stay competitive in the 21st century and continue playing a vital role in society, Fuji Electric will keep evolving and maximize corporate value, supported by employees who consistently aim higher and work toward shared goals. Ultimately, we are striving to meet the expectations of shareholders, other investors, customers and every other Fuji Electric stakeholder.

*Kunihiko Sawa*

Kunihiko Sawa  
President and Representative Director

