

Fuji Electric Group's Corporate Governance

By separating the functions of supervising and executing business, the areas of authority and responsibility will be clearly defined. This will strengthen group management and allow operating companies to exercise speedy management as well as self-responsibility.

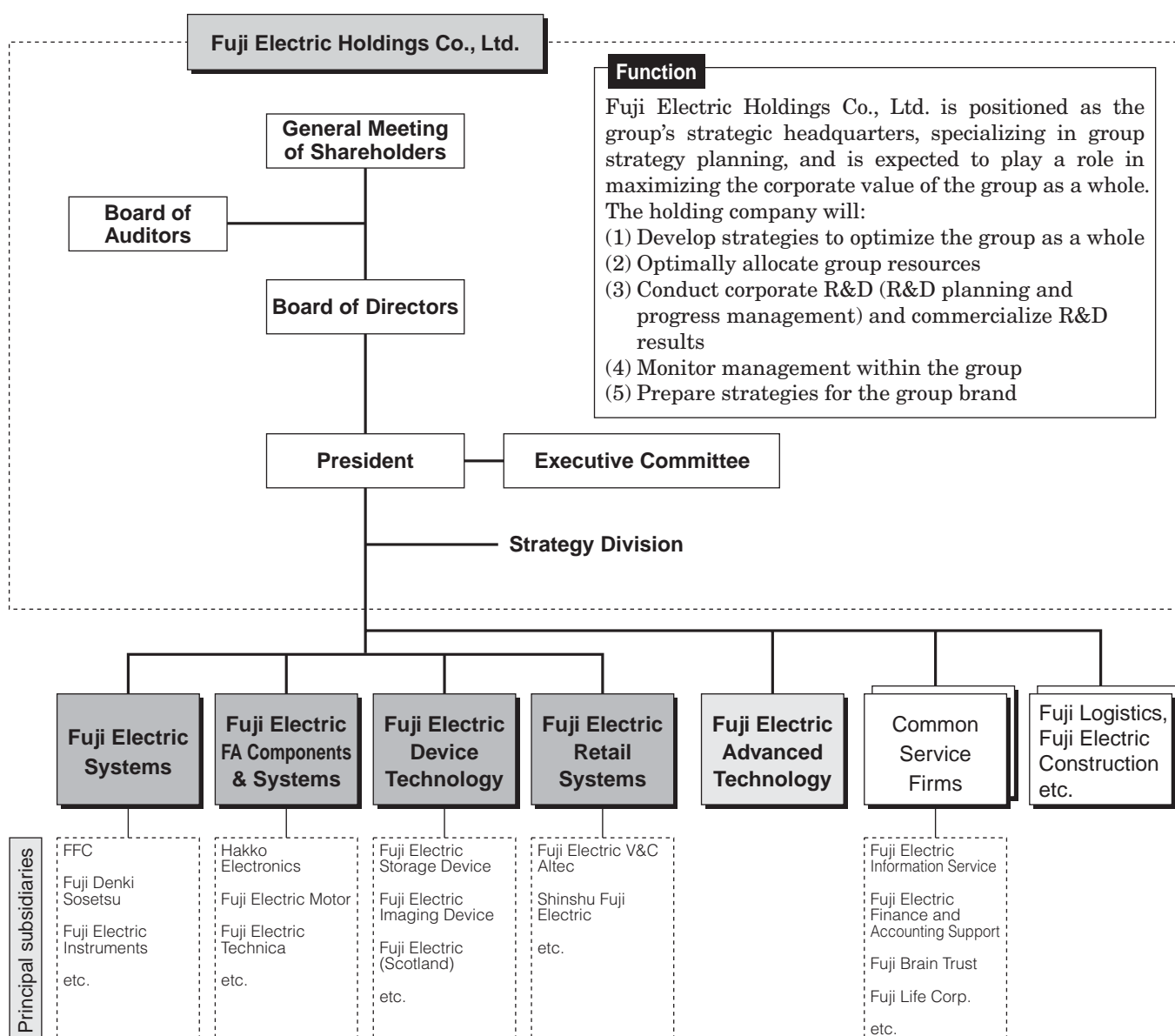
(1) From the understanding that supervision and execution functions will naturally be separated in the transition to a holding company structure, the holding company's form of corporate governance

will be based on the board of auditors system.

(2) Directors of the holding company will be barred from holding directorships at group operating companies. The term of office for the directors of holding companies and those of operating companies is one year.

(3) An executive committee will be established to give advice to the president of the holding company on such issues as management strategy and policies for the group as a whole.

Group Management Structure under the Pure Holding Company System (As of October 1, 2003)



Note: Fuji Electric Retail Systems was established on April 1, 2003.



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