

Power Electronics

A Look at the Segment



This segment is divided into the drive business, in which we deal in inverters, motors, and systems for electric vehicles (EVs); the power supply business, which includes uninterruptible power supply systems (UPSs) and power conditioners; and the electrical distribution and control (ED&C) components business. The core of this segment is Fuji Electric's power electronics technologies, and the segment offers a diverse lineup of products that facilitate efficient electricity usage and stabilize electricity quality.

When combined with motors, inverters are key components in a wide range of equipment that help meet energy-saving needs. Through the provision of these inverters, we are contributing primarily to the construction of industrial systems. In addition, this segment supplies products that help make society safer and more secure, such as UPSs, which provide a stable supply of electricity even during power outages, and ED&C components, used in power distribution boards and various equipment.

FY2011 Major Initiatives

In the drive business, demand for energy-saving measures increased throughout the year, particularly overseas. Aiming to capture this demand, we launched new inverters for use in air conditioning systems and water treatment facilities in Asia and Europe and also introduced new highly cost-competitive inverters that we will market to emerging nations. At the same time, we released a new addition to our lineup of Quick Chargers for EVs. This new low-capacity charger can be installed in various different locations, adding new depth to our Quick Chargers lineup.

New products introduced in the power supply business included a highly efficient UPS that we will market for use

in data centers and telecommunications infrastructure, both of which are experiencing growth in demand. Equipped with a new 3-level insulated gate bipolar transistor (IGBT), this UPS realizes power conversion efficiency of 97%.

The ED&C components business, meanwhile, saw the release of new ultra-compact magnetic contactors and breakers compatible with high-voltage DC current. These components are not only compatible with DC electricity distribution, but also help make equipment more compact.

FY2012 Policies and Strategies

- Comprehensively reduce costs in drive business (inverters / motors)
- Expand overseas sales of power supplies (UPSs / power conditioners)
- Accelerate launch of new ED&C component products

In fiscal 2012, demand for products related to energy savings and new energies is expected to grow around the world. As such, the market for power electronics in China, which features the world's largest market for these products, is expected to grow an average of 12% per year over the next three years. Similar growth will be seen in other Asian markets as well.

Such growth markets will be our primary targets in the drive business. Striving to increase overseas sales in this business, we will launch new products, including those that meet international specification standards and those with high functionality. We will also step up local design and production efforts so that we may provide different regions with products that meet their differing expectations in terms of quality and price. Improving profitability will be another focus area, and we will therefore work to cut costs by reducing material costs through global procurement.

In the power supply business, we will enhance our lineup of UPSs for Chinese and Asian markets, while strengthening production and sales systems. In addition, by introducing new high-capacity power conditioners for

mega solar power generation systems, we will work to expand sales in the growing new energy market.

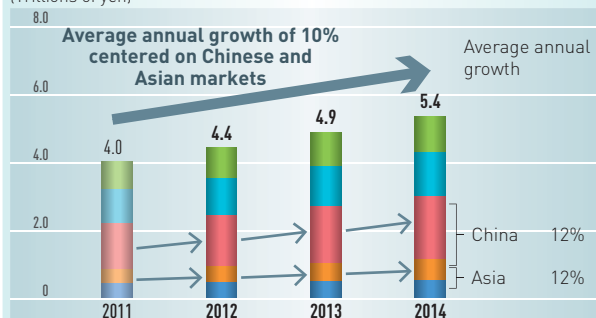
Initiatives in the ED&C components business will include strengthening supply chain management and expanding local procurement at production bases in China. We will also develop and introduce new products targeting Chinese and Asian markets. In these ways, we will strive to boost overseas sales in this business.

(Billions of yen)

	FY2011	FY2012 Forecast	Change
Net Sales	150.8	158.7	+7.9
(Overseas Sales)	45.7	51.7	+6.0
Operating Income	3.8	5.9	+2.1

Power Electronics Market Scale Forecasts

(Trillions of yen)



Japan Asia China EMEA (Europe, the Middle East and Africa) The Americas
Fuji Electric's estimates