

# Review of Operations — Financial Results for Fiscal 2012

## Increase in Sales and Profits

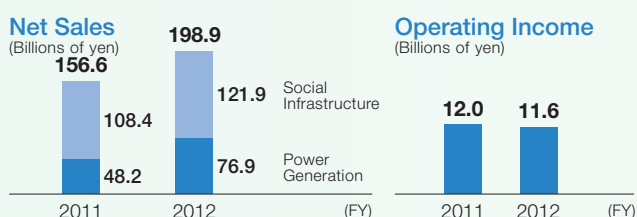
Net sales increased ¥42.2 billion year on year, to ¥745.8 billion, largely due to the contributions of large-scale contracts in the power generation business and the depreciation of the Japanese yen.

Operating income improved ¥2.7 billion year on year, to ¥22.0 billion. This was because the benefits of thorough cost reduction measures, as well as the business restructuring initiatives implemented in the previous fiscal year, outweighed the impacts of intensified cost competition.

Results for each segment were as follows.

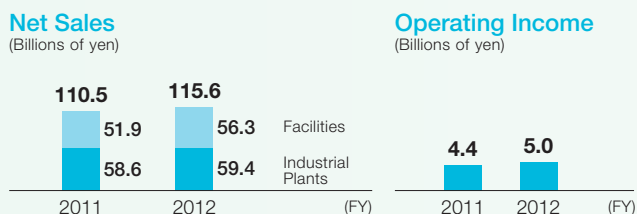
\* The following results are stated based on figures prior to reflecting the change in subsegments that took effect from April 1, 2013.

## Power and Social Infrastructure



Sales in the power generation business were up year on year due to large scale orders for thermal power plants, but operating results worsened due to the heavy impacts of intensified cost competition, despite the effect of cost reduction measures.

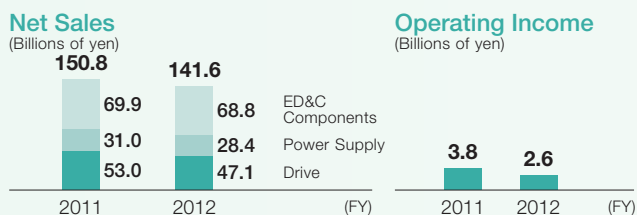
## Industrial Infrastructure



In the industrial plants business, sales increased year on year due to relatively firm replacement demand in Japan.

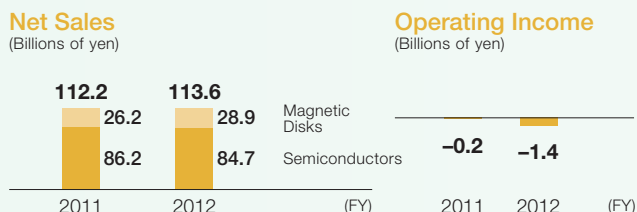
Sales also increased in the facilities business, which benefited from domestic replacement demand and revenues from large-scale projects overseas.

## Power Electronics



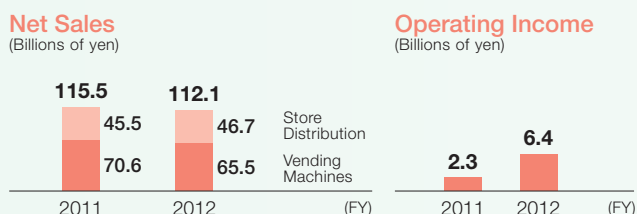
In the drive business, sales decreased year on year following sluggish demand from capital expenditure in China and other overseas markets. However, the benefits of lower costs and general expenses resulted in improvements in operating results.

## Electronic Devices



In the semiconductors business, demand in the automotive electronics business was relatively firm, while demand in the industrial and power supply application businesses was down. Industrial demand was down because of globally restrained capital expenditure, and power supply applications were impacted by a slump in the market for TVs and IT

## Food and Beverage Distribution



In the vending machines business, there was strong replacement demand for energy-saving environmentally friendly vending machines, and demand for coffee machines for convenience stores. However, sales declined year on year after sales of all food and beverage items sold in vending machines were stopped.

	Net Sales			Operating Income/Loss		
	(Billions of yen)			(Billions of yen)		
	FY2011	FY2012	Change	FY2011	FY2012	Change
<b>Power and Social Infrastructure</b>	156.6	<b>198.9</b>	42.3	12.0	<b>11.6</b>	-0.4
<b>Industrial Infrastructure</b>	110.5	<b>115.6</b>	5.1	4.4	<b>5.0</b>	0.7
<b>Power Electronics</b>	150.8	<b>141.6</b>	-9.2	3.8	<b>2.6</b>	-1.2
<b>Electronic Devices</b>	112.2	<b>113.6</b>	1.4	-0.2	<b>-1.4</b>	-1.2
<b>Food and Beverage Distribution</b>	115.5	<b>112.1</b>	-3.4	2.3	<b>6.4</b>	4.2
<b>Others</b>	112.6	<b>116.9</b>	4.3	2.6	<b>2.9</b>	0.2
<b>Elimination and Corporate</b>	-54.7	<b>-52.9</b>	1.7	-5.6	<b>-5.2</b>	0.4
<b>Total</b>	703.5	<b>745.8</b>	42.2	19.3	<b>22.0</b>	2.7

In the social infrastructure business, demand for solar power generation systems rose following the launch of the feed-in tariff scheme for renewable energy, driving year on year improvements in net sales and operating results accordingly.



Delivery of gas-turbine combined-cycle power generation equipment (Okinawa Electric Power Company, Incorporated Yoshinoura Thermal Power Station)

While operating results in both businesses were impacted by intensified cost competition, these impacts were outweighed by the benefits of higher sales and lower costs, and operating results improved year on year for both businesses accordingly.



Delivery of a large-capacity rectifier package to one of the world's largest aluminum smelters in the UAE (Emirates Aluminium, UAE)

In the power supply business, sales and operating results worsened due to decreased demand for power supplies for the manufacturing industry and for use in IT equipment.

Meanwhile, lower demand from machinery manufacturers in the Japanese market led to the deterioration of sales and operating results in the ED&C components business.



Inverters developed to expand the series of products as part of moves to step up development and commercialization of products that meet local market needs

equipment such as PCs. As a result, both sales and operating results worsened.

In the magnetic disks business, sales increased year on year following the depreciation of the Japanese yen and operating results improved due to the benefits of the business restructuring initiatives implemented in the previous fiscal year.



Fuji Electric acquired a subsidiary of Renesas Electronics Corporation and established Fuji Electric Tsugaru Semiconductor Co., Ltd. with a view to enhancing its production capacity for power semiconductors and dispersing risk

In the store distribution business, sales rose as a result of increased orders for freezing, refrigerating, and energy-saving facilities for convenience stores and other establishments.

Operating results improved for the overall segment due to the benefits from the business restructuring initiatives implemented in the previous fiscal year as well as cost reductions and the introduction of new products.



Coffee machines providing high-quality, fragrant coffee were launched simultaneously in major convenience store chains