

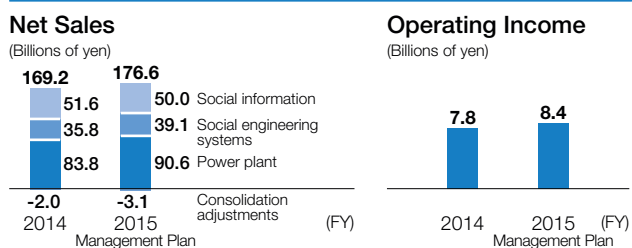
Review of Operations— Management Plan for Fiscal 2015

Our basic policies for fiscal 2015 are “complete the FY2015 Medium-Term Management Plan,” and “advance growth strategies in preparation for the next medium-term management plan.” To this end, we will expand the businesses in the Industrial Infrastructure and Power Electronics segments, expand overseas business, and pursue further improvements in profitability.

Our plan for fiscal 2015 is to achieve net sales of ¥850.0 billion, up ¥39.3 billion year on year, and operating income of ¥45.0 billion, up ¥5.7 billion year on year.

* Effective April 1, 2015, revisions were made to the Power and Social Infrastructure, Industrial Infrastructure, Power Electronics, and Food and Beverage Distribution segments and some of the underlying subsegments, reflecting each segment’s scope of operations. Accordingly, fiscal 2014 results are shown here under the new segmentation.

Power and Social Infrastructure

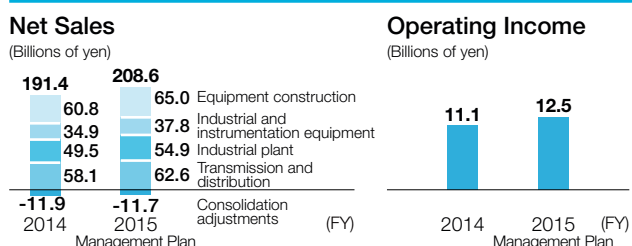


Environmental Factors

- Global growth in electricity demand
- Ongoing introduction of large-scale thermal power generation systems and renewable energy, such as solar power in Japan, centered on IPP*1 and PPS*2 operators
- Smart meter market expansion in Japan

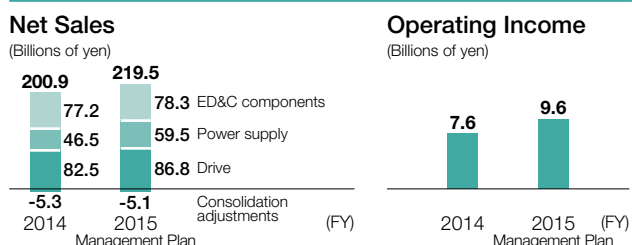
*1 IPP: Independent Power Producer
*2 PPS: Power Producer and Supplier

Industrial Infrastructure



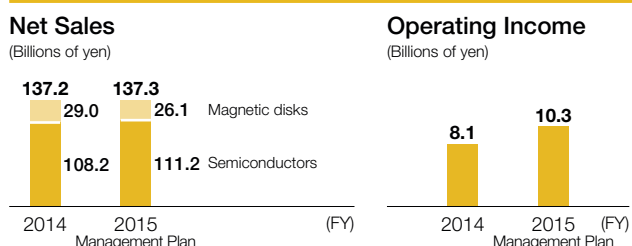
- Expansion in replacement and rationalization investments in Japan
- Ongoing infrastructure investment in Asia

Power Electronics



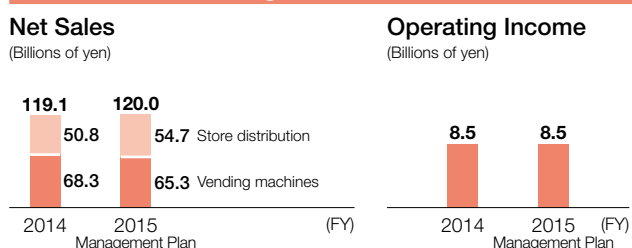
- For inverters, steady growth in Japan, flat growth in China, and a recovery trend in Asia, Europe, and the Americas are expected
- For uninterruptible power systems (UPS), slight decline in Japan, flat growth in China, and ongoing favorable conditions for data centers in Asia and the Americas are expected

Electronic Devices



- Industrial fields such as industrial machinery and new energy are driving power semiconductor market growth in Japan and overseas

Food and Beverage Distribution



- Vending machines face a shrinking domestic market while markets expand in China and Asia
- Diversification of store types, such as supermarkets and convenience stores

(Billions of yen)	Net Sales			Operating Income		
	Fiscal 2014	Management Plan for Fiscal 2015	Increase / Decrease	Fiscal 2014	Management Plan for Fiscal 2015	Increase / Decrease
Power and Social Infrastructure	169.2	176.6	7.4	7.8	8.4	0.6
Industrial Infrastructure	191.4	208.6	17.2	11.1	12.5	1.4
Power Electronics	200.9	219.5	18.6	7.6	9.6	2.0
Electronic Devices	137.2	137.3	0.1	8.1	10.3	2.2
Food and Beverage Distribution	119.1	120.0	0.9	8.5	8.5	0.0
Others	61.2	61.4	0.2	1.9	1.9	0.0
Elimination and Corporate	-68.3	-73.4	-5.1	-5.7	-6.1	-0.4
Total	810.7	850.0	39.3	39.3	45.0	5.7

Main Initiatives

- Leverage robust product lineup to expand orders for thermal and geothermal power generation facilities
- Expand the thermal and geothermal power generation service business through M&A and others, primarily overseas
- Expand orders in the new energy field, such as solar power generation systems, fuel cells and other systems
- Increase orders and boost profitability of smart meters
- Boost orders in the smart community field, particularly in power distribution



Fuel cells provide clean energy

- Capture replacement demand for aging manufacturing facilities in Japan and demand for energy-saving facilities
 - Increase orders and sales of service businesses (maintenance, diagnostics, and replacement)
- Expand overseas operations centered on Asia
 - Increase production in Thailand and promote local production and consumption
 - Strengthen engineering systems to expand the sales of overseas business companies
- Expand orders and sales centered on the industrial plant field (assembly/processing, industrial distribution, and data center businesses)



Service activities involve making proposals for overall plant optimization

- Strengthen manufacturing capabilities
 - Convert domestic factories (Suzuka and Kobe) into global mother factories
- Expand overseas businesses
 - Expand orders and sales of inverters and servo systems and medium- and large-capacity UPSs
 - Expand local production and local consumption (U.S. and India)
 - Leverage Fuji SMBE's sales channels and production bases to expand business
- Accelerate new product launches
 - Consolidate development systems through establishment of the Power Electronics Technical Center
 - Accelerate development of differentiated products through application of SiC power semiconductors



Computer image of the completed Power Electronics Technical Center (completion scheduled for fiscal 2016)

- Accelerate development of new power semiconductor products and achieve early market launch
 - Develop and launch 7th generation industrial IGBT modules
 - Accelerate development of SiC modules for power electronics
- Construct an optimal global production system
 - Promote local production and consumption in power semiconductors to improve profitability
- Strengthen earning structures through integration of magnetic disk and semiconductor subsidiaries in Malaysia



7th generation industrial IGBT modules

- Expand vending machines business in China and Asia
 - Separate manufacturing and sales functions to strengthen sales systems and increase sales, and reinforce manufacturing systems (China)
 - Expand market by establishing a local operating company (Thailand)
 - Promote sales of new vending machines (glass-front multi-purpose vending machines, cup vending machines, etc.)
- Enhance lineup of store system products for the convenience store industry, such as next-generation showcases
- Expand orders for distribution systems (refrigerated and frozen distribution systems and the next-generation cold storage container D-BOX)
- Develop plant factories on a full scale



Dalian Fuji Bingshan Vending Machine Sales Co., Ltd. was established in April 2015