

Consolidated Financial Results for FY2012

April 26, 2013

Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for FY2012 (YoY Comparison)

	(Billion yen)		
	FY2011	FY2012	Change
Net Sales	703.5	745.8	42.2
Operating Income/Loss	19.3	22.0	2.7
Ordinary Income/Loss	18.6	25.7	7.2
Extraordinary Income/Loss	-13.2	-9.1	4.1
Income Taxes	-7.9	-11.4	-3.5
Minority Interest in Income/Loss	1.4	1.7	0.2
Net Income/Loss	11.8	26.4	14.6

	(Yen)		
Average Exchange Rate US\$	79.08	83.10	4.02
Average Exchange Rate EURO	108.98	107.14	-1.84

Net Sales

- Large scale orders for thermal power plant
- Gain (loss) on translation of earnings of overseas subsidiaries

Operating Income/Loss

Cost Reduction	+21.8	Price Decline	-18.1
Reduction in Fixed Cost	+8.4	Lower Production Volumes	-9.4
Exchange Rate Effect	+1.0	Material Price Hikes	-1.9
Net Sales Effect	+1.0	and Others	
	+32.1		-29.4

Non-operating Income/Loss

Net Interest Expense	+1.4	(-2.3 → -0.8)
Income/Loss on Investment in Equity-method Affiliate	+0.2	(+2.4 → +2.6)
Exchange Rate Effect	+2.5	(-1.0 → +1.4)

Extraordinary Income/Loss

Loss on Pension Assets	+7.0	(-7.0 → 0.0)
Production Plant Consolidation Expenses	+2.6	(-2.6 → 0.0)
Impairment Loss	-6.4	(0.0 → -6.4)

Income Taxes Income/Loss

Recognition of Deferred Tax Assets

Net Sales and Operating Income by Segment for FY2012 (YoY Comparison)①

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2011	FY2012	Change	FY2011	FY2012	Change
Power and Social Infrastructure	156.6	198.9	42.3	12.0	11.6	-0.4
Industrial Infrastructure	110.5	115.6	5.1	4.4	5.0	0.7
Power Electronics	150.8	141.6	-9.2	3.8	2.6	-1.2

➤ **Power and Social Infrastructure**

- [Net Sales] - Sales in the power generation business increased due to large scale orders for thermal power plants.
- In the social infrastructure business, sales increased due to demand for solar power generation systems rose.
- [Operating Income/Loss] - Overall operating results worsened due to the heavy impacts of intensified cost competition in power generation business.

➤ **Industrial Infrastructure**

- [Net Sales] - Sales increased due to firm replacement demand in Japan.
- [Operating Income/Loss] - Operating results improved due to the benefits of the higher sales and lower costs.

➤ **Power Electronics**

- [Net Sales] - In the drive business, sales decreased due to sluggish demand in overseas markets.
- Sales in the power supply business declined due to lower demand for products for power supplies for the manufacturing industry and for use in IT equipment.
- In the ED&C components business, sales decreased due to lower demand in domestic market.
- [Operating Income/Loss] - Operating results in the drive business were up due to cost reductions.
- In power supply and ED&C components businesses, operating results were down following the lower sales.

Net Sales and Operating Income by Segment for FY2012 (YoY Comparison) ②

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2011	FY2012	Change	FY2011	FY2012	Change
Electronic Devices	112.2	113.6	1.4	-0.2	-1.4	-1.2
Food and Beverage Distribution	115.5	112.1	-3.4	-2.3	6.4	4.2
Others	112.6	116.9	4.3	2.6	2.9	0.2
Elimination and Corporate	-54.7	-52.9	1.7	-5.6	-5.2	0.4
Total	703.5	745.8	42.2	19.3	22.0	2.7

➤ **Electronic Devices**

[Net Sales]

- In the semiconductor business, sales decreased due to demand in the automotive electronics business was relatively firm, while demand in the industrial and power supply application businesses was down.
- In the magnetic disk business, sales increased following the depreciation of the Japanese yen.

[Operating Income/Loss]

- In the semiconductor business, operating results worsened due to lower sales.
- In the magnetic disk business, operating results improved due to the benefits of the business restructuring initiatives implemented in the previous fiscal year.

➤ **Food and Beverage Distribution**

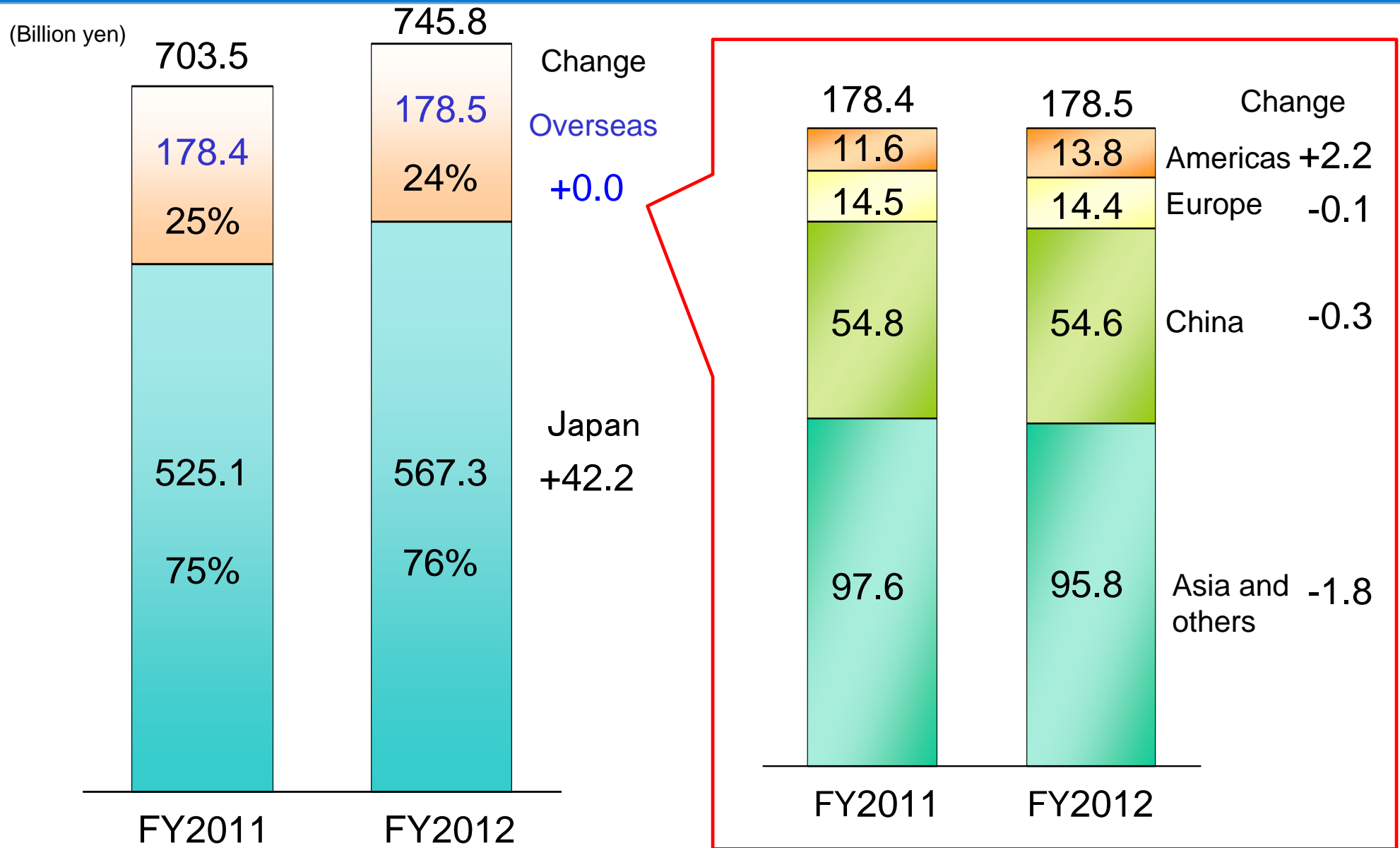
[Net Sales]

- In the vending machine business, there was strong replacement demand for energy-saving environmentally friendly vending machines, and the launch of coffee machines for convenience stores contributed to sales improvements. However, sales declined after sales of items sold in vending machines were stopped.
- In the store distribution business, sales rose as a result of automatic change dispenser replacement demand as well as increased orders for freezing, refrigerating, and energy-saving facilities.

[Operating Income/Loss]

- Operating results improved 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.

Net Sales for FY2012 (Japan and Overseas by area)



Summary of Consolidated Financial Results for FY2012 (Comparison with Forecast)

(Billion yen)

	FY2012		Change
	Forecasts	Results	
Net Sales	750.0	745.8	-4.2
Operating Income/Loss	23.0	22.0	-1.0
Ordinary Income/Loss	22.0	25.7	3.7
Net Income/Loss	13.0	26.4	13.4

(Yen)

Average Exchange Rate US\$	81.25	83.10	1.85
Average Exchange Rate EURO	105.38	107.14	1.76

Operating Income/Loss

- Worsened due to decreasing sales volume
- Reduction in fixed assets and favorable impact of exchange rate

Non-operating Income/Loss

Positive turn in foreign exchange gains and net interest income

Extraordinary Income/Loss

Recognition of Deferred Tax Assets

Net Sales and Operating Income by Segment for FY2012 (Comparison with Forecast)

(Billion yen)

	Net Sales			Operating Income		
	FY2012		Change	FY2012		Change
	Forecasts	Results		Forecasts	Results	
Power and Social Infrastructure	197.6	198.9	1.3	11.2	11.6	0.4
Industrial Infrastructure	120.9	115.6	-5.3	5.7	5.0	-0.7
Power Electronics	145.8	141.6	-4.2	3.1	2.6	-0.5
Electronic Devices	112.4	113.6	1.2	0.5	-1.4	-1.9
Food and Beverage Distribution	111.1	112.1	1.0	5.8	6.4	0.6
Others	116.2	116.9	0.7	2.8	2.9	0.1
Elimination and Corporate	-54.1	-52.9	1.2	-6.0	-5.2	0.8
Total	750.0	745.8	-4.2	23.0	22.0	-1.0

Consolidated Balance Sheet at the end of FY2012

Assets				Liabilities and Net Assets			
	3/31/12	3/31/13	Change		3/31/12	3/31/13	Change
Cash and time deposit	64.3	39.8	-24.6	Notes and account payables, trade payables	136.5	129.9	-6.5
Notes and account receivables, trade receivables	199.7	216.9	17.2	Interest-bearing Debts	255.9	226.7	-29.1
Inventories	133.3	107.7	-25.6	Other liabilities	217.3	193.2	-24.1
Other current assets	55.9	60.4	4.5	Total liabilities	609.6	549.9	-59.7
Total current assets	453.2	424.7	-28.5	Common stock	47.6	47.6	-
Tangible fixed assets	158.4	168.4	10.0	Capital surplus	46.7	46.7	-0.0
Intangible fixed assets	11.2	12.7	1.5	Retained earnings	63.4	87.6	24.2
Investments and other assets	169.9	159.6	-10.3	Treasury stock at cost	-7.1	-7.1	-0.0
Total long-term assets	339.5	340.7	1.2	Shareholders' equity	150.6	174.8	24.2
Deferred assets	0.1	0.1	+0.0	Accumulated other comprehensive income	12.9	19.7	6.8
Total assets	792.8	765.6	-27.3	Minority interests in consolidated subsidiaries	19.6	21.1	1.5
				Total net assets	183.2	215.7	32.5
				Total liabilities and net assets	792.8	765.6	-27.3
				Net Interest-bearing Debts	191.6	187.0	-4.6

(Billion yen)

Consolidated Cash Flow for FY2012

		(Billion yen)	
		FY2011	FY2012
	Cash Flows from Operating Activities	28.3	55.3
	Cash Flows from Investing Activities	-13.5	-24.3
Free Cash Flow		14.8	31.1
Cash Flows from Financing Activities		-32.6	-56.8
Effect of Exchange Rate Change and Others		0.3	1.2
Increase / Decrease		-17.5	-24.6
Cash and Cash Equivalents at Beginning of Year		81.8	64.3
Cash and Cash Equivalents at End of Year		64.3	39.7

Reduction of inventory assets

Redemption of corporate bonds

◆ Improve profitability by reducing cost rigorously and strengthen manufacturing capabilities

- Expand global purchasing

Cost reduction: ¥21.8 billion

- Commencement of full-scale operations at Equipment Technology Center consolidating production technology-related functions

◆ Improve cash flow by reducing inventory assets

	FY2011	FY2012
Inventory Assets (year-end)	¥133.3 billion	¥107.7 billion
Free Cash Flow	¥14.8 billion	¥31.1 billion

◆ Establish sales and production bases to expand overseas business

- Sales : Brazil
- Engineering : Singapore, Indonesia
- Production : Decide to construct a new plant in Thailand
Commence production of power semiconductors in Shenzhen, China

	FY2011	FY2012
Net debt-equity ratio	1.2 times	1.0 time
Total net assets ratio	20.6%	25.4%
ROA	1.5%	3.4%
ROE	7.4%	14.7%

(Yen)

	Interim	Year-end	Annual
FY2011	2.00	2.00	4.00
FY2012	2.00	3.00 (plan)	5.00 (plan)

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