

Management Plan for FY2013

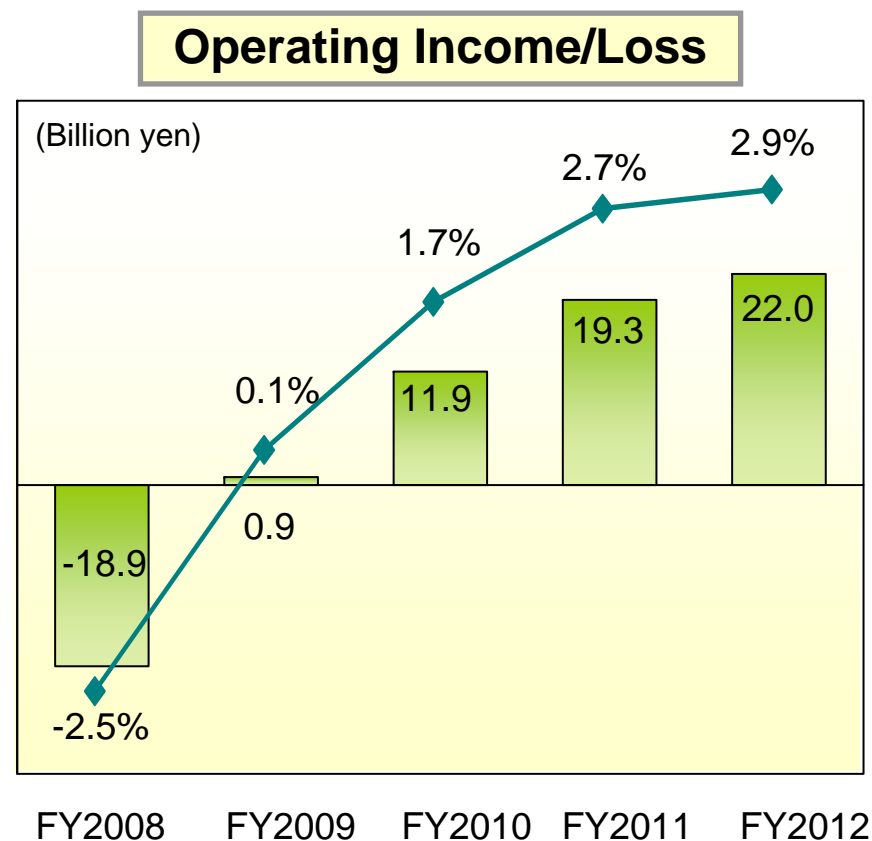
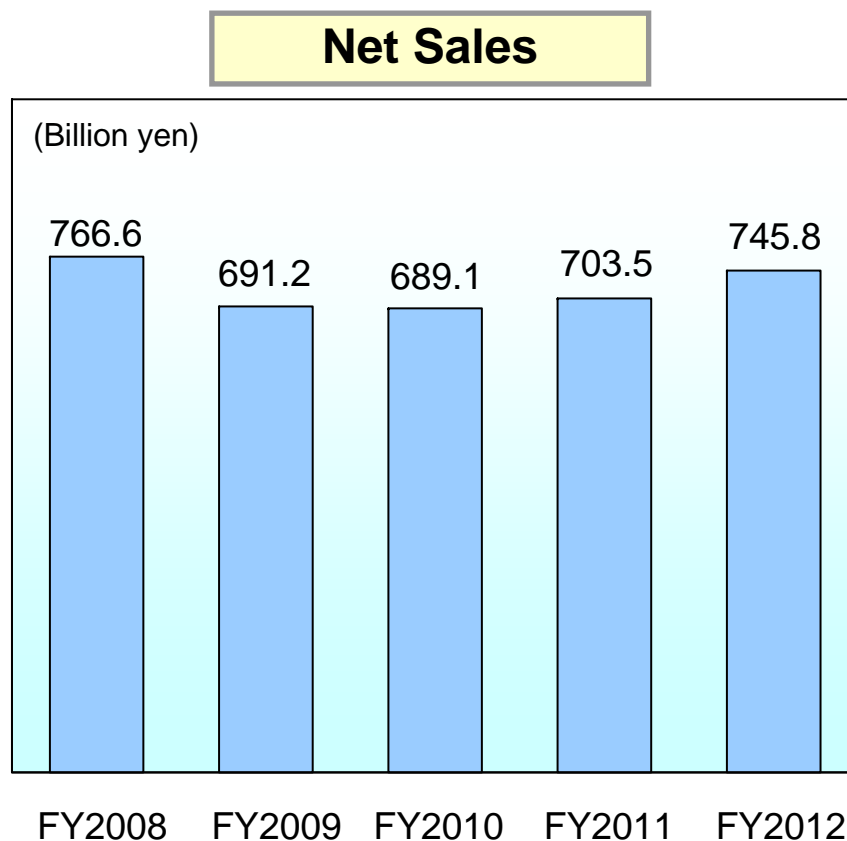
April 26, 2013

Fuji Electric Co., Ltd.

Looking back from FY2010 to FY2012

Establish profitable structure by business restructuring

ED&C, Magnetic Disks, Vending Machines, Drives, Power Semiconductors and Solar Cells



Innovating *Energy Technology*

Through our pursuit of innovation in electronic and thermal energy technology, we develop products that maximize energy efficiency and lead to a responsible and sustainable society

Expand energy-related businesses

Globalize

Realize concerted strength as a team

Fuji Electric's Energy-Related Businesses

Power and Social Infrastructure



Steam turbine



Community energy management system

Industrial Infrastructure



Transformers



Instrumentation equipment

Power Electronics



Inverters



UPS



Magnetic switches

Electronic Devices



Power semiconductors

Food and Beverage Distribution



Vending machines



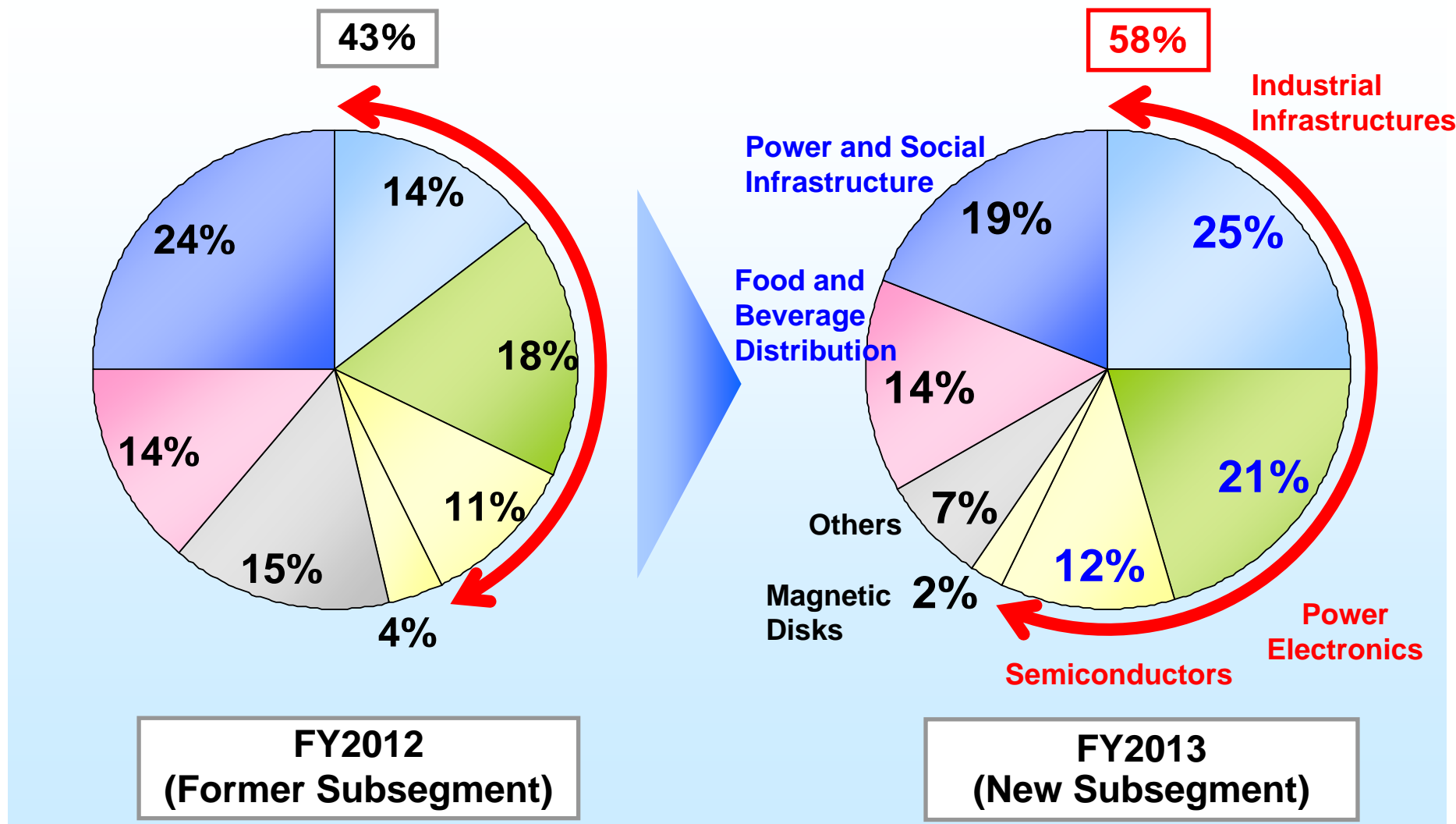
Refrigerated and freezer showcases

Reorganization of Business Subsegment

Reorganize business subsegment to strengthen Industrial Infrastructure and Power Electronics Businesses

Segment	New Subsegment	Business
Power and Social Infrastructure	Power Plant	Thermal / Geothermal / Hydraulic power generation, Nuclear power-related equipment, Solar power generation systems
	Social Engineering Systems	Power transmission and distribution systems, Watt-hour meters, CEMS
	<u>Social Information</u>	Information systems
Industrial Infrastructure	Transmission and Distribution	Industrial substation, Power grid substation, Railway transformer facilities , Industrial power supplies
	Machinery and Electronics Systems	Drive and automation systems, Induction heating systems, Air-environment, FEMS
	Instrumentation and Control Systems	Measurement instrument, Radiation systems
	Equipment Construction	Equipment Construction
Power Electronics	Drive	Inverters, Servo systems, motors, Electric equipment for railcars , EV systems
	Power Supply	Uninterruptible power supply systems (UPSs), Power conditioners (PCSs)
	ED&C Components	Power distribution and control equipment
Electronic Devices	Semiconductors	Power semiconductors, Organic photoconductor drums, Solar cells
	Magnetic Disks	Magnetic disks
Food and Beverage Distribution	Vending Machines	Food and beverage vending machines
	Store Distribution	Smart stores, Currency handling equipment, Distribution systems
Others		

Composition of Net Sales (comparison with former and new subsegments)



* Breakdown figures have been calculated based on amounts before adjustment and elimination for intra-segment internal transactions.

Management Plan for FY2013

(Billion yen)

	FY2012 Results	FY2013 Management Plan	Change
Net Sales	745.8	750.0	+4.2
Operating Income/Loss	22.0	27.0	+5.0
Ordinary Income/Loss	25.7	26.0	+0.3
Net Income/Loss	26.4	14.0	-12.4

	FY2012 Results	FY2013	FY2013
		Value before reflecting revision in Accounting Standard for Retirement Benefits	Value after reflecting revision in Accounting Standard for Retirement Benefits
Net debt-equity ratio	1.0 time	0.8 times	1.0 time
Total net assets ratio	25.4%	26.1%	21.1%
ROA	3.4%	1.8%	1.8%
ROE	14.7%	7.0%	7.7%

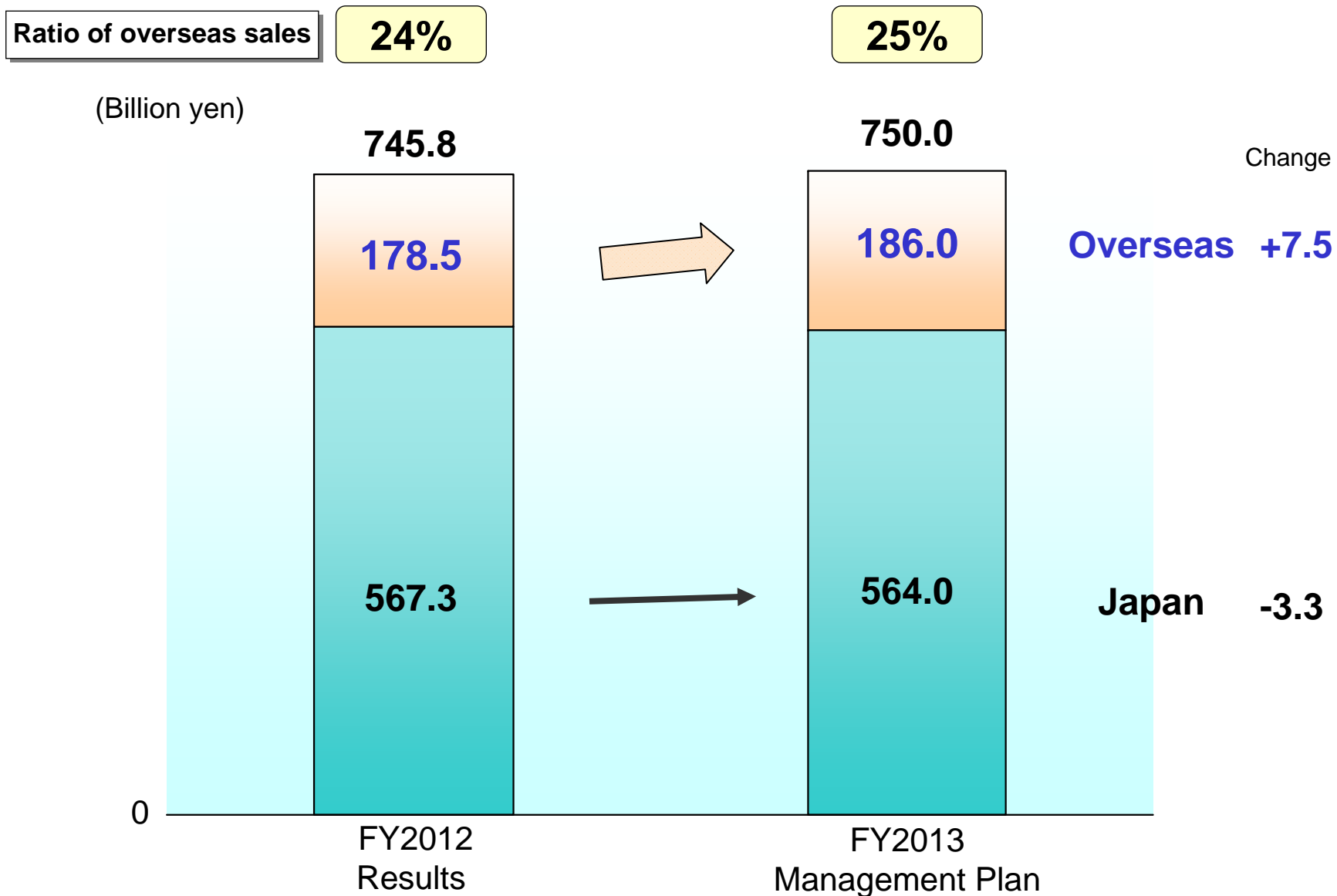
Net Sales for FY2013 (by segment)

(Billion yen)

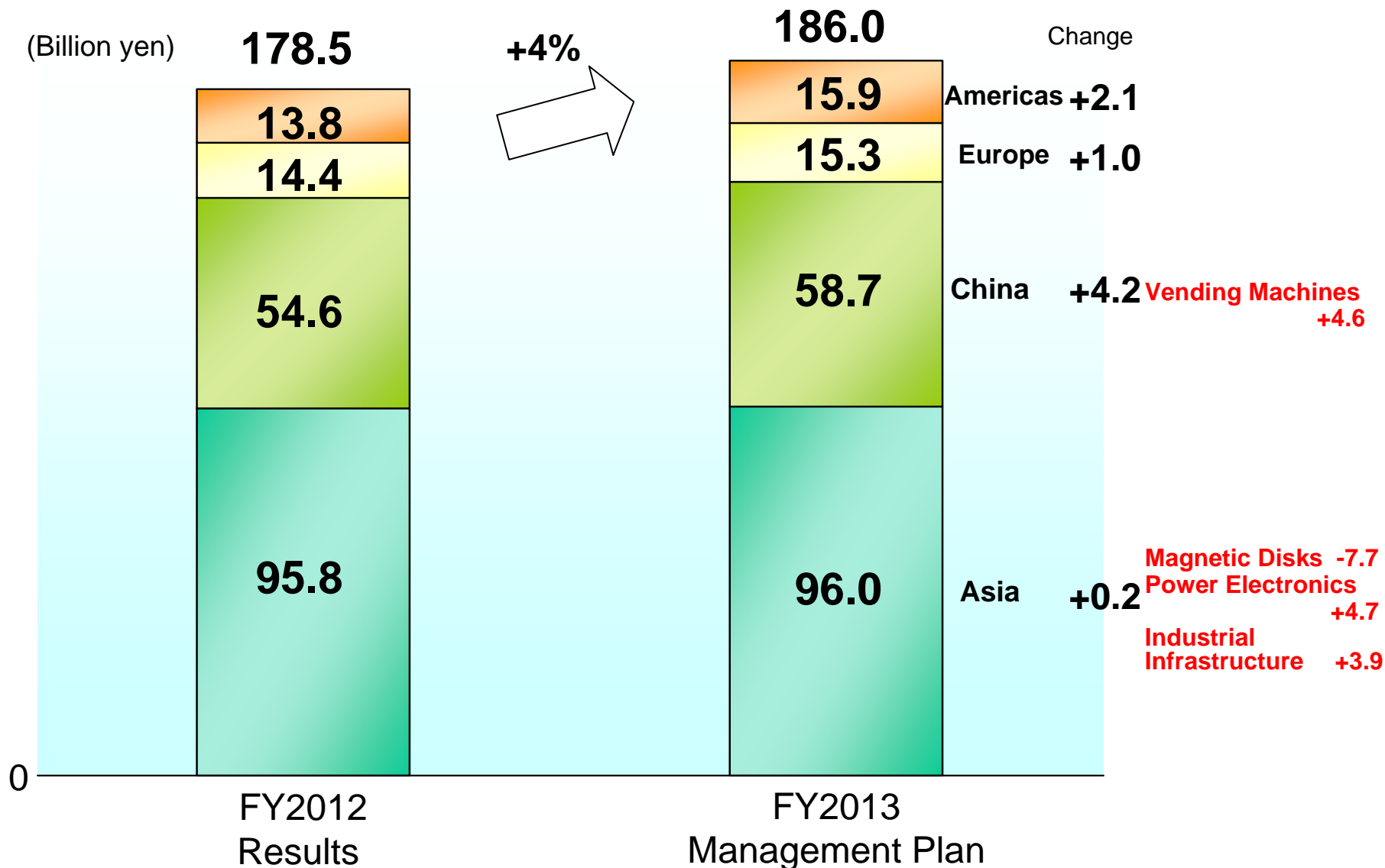
	745.8		750.0		Change
	60.6		56.9	Others	-3.7
	112.1		115.4	Food and Beverage Distribution	+3.3
	113.6		111.7	Electronic Devices	-1.9
	148.4		164.5	Power Electronics	+16.1
	198.7		200.0	Industrial Infrastructure	+1.2
	156.9		151.1	Power and Social Infrastructure	-5.8
0	Elimination -44.5		Elimination -49.4		
	FY2012 Results		FY2013 Management Plan		

<p>Sales of items sold in Vending Machines -3.9 Vending Machines +6.5</p> <p>Magnetic Disks -9.6 Power Semiconductors +7.0</p> <p>PCS +5.9</p> <p>Thermal Power -24.3 Solar Power +20.7</p>	<p>-3.7</p> <p>+3.3</p> <p>-1.9</p> <p>+16.1</p> <p>+1.2</p> <p>-5.8</p>
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Net Sales for FY2013 (overseas percentage)

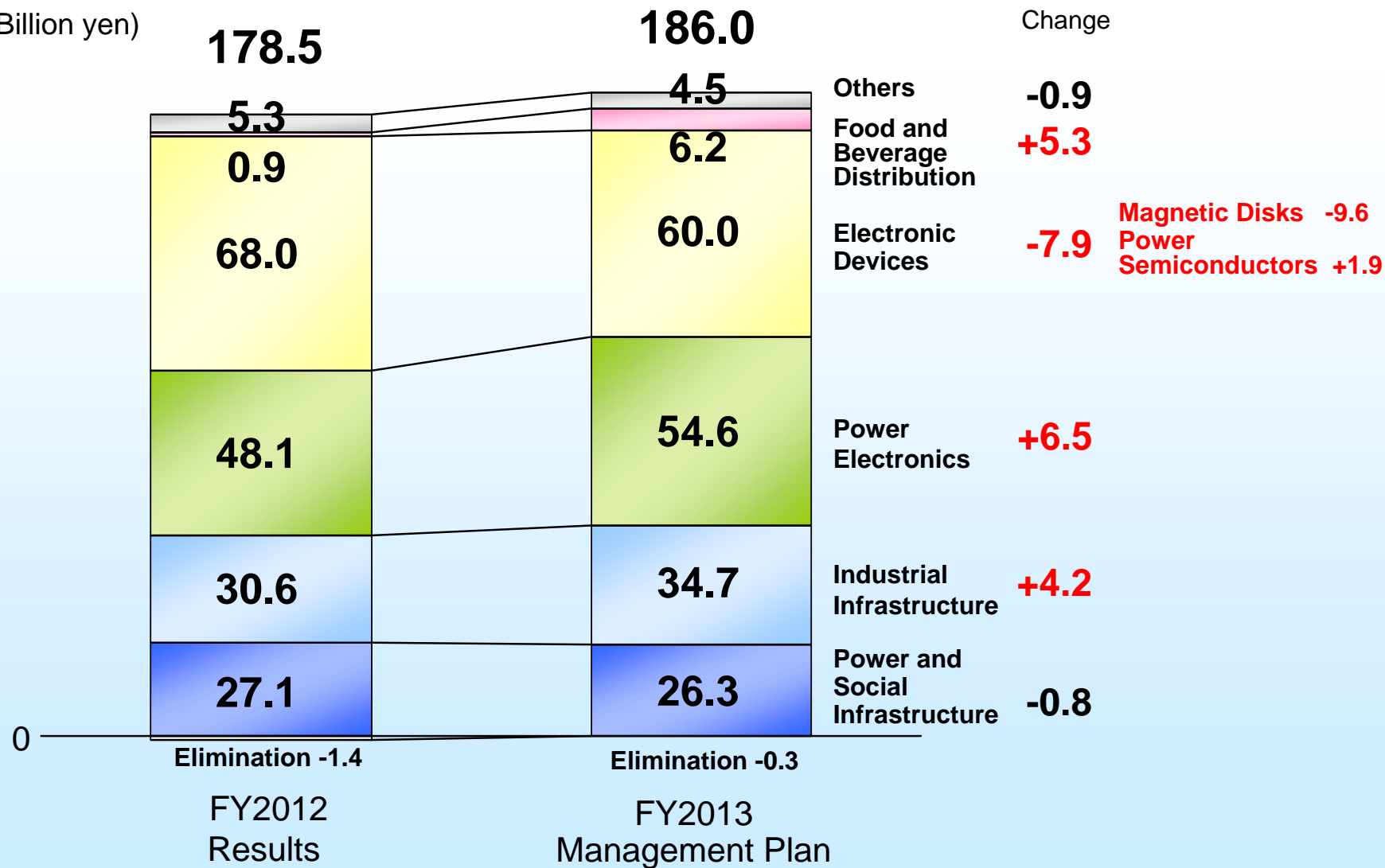


Overseas Net Sales for FY2013 (by area)



Overseas Net Sales for FY2013 (by segment)

(Billion yen)

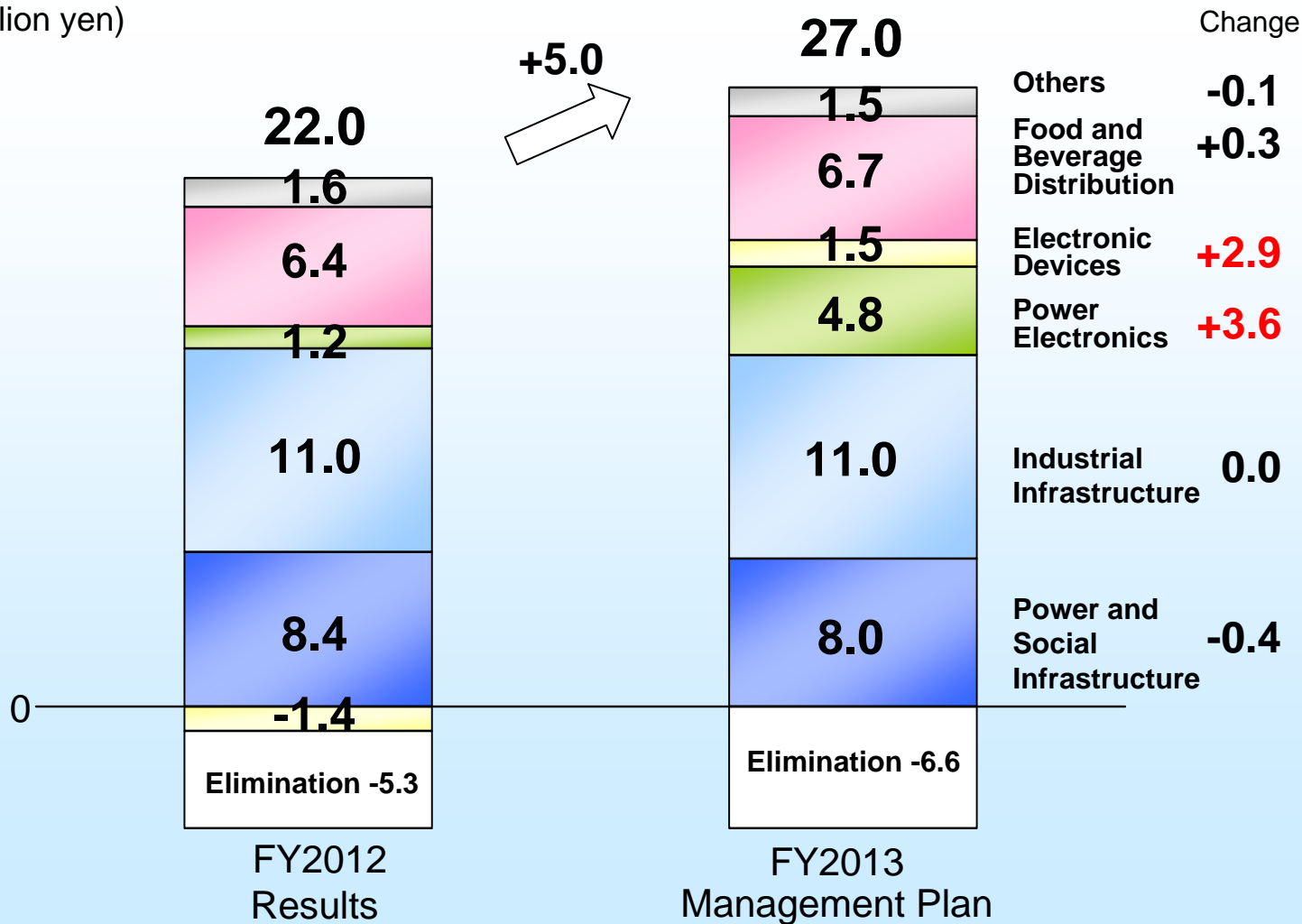


Operating Income/Loss for FY2013 (by segment)

Operating income margin **2.9%**

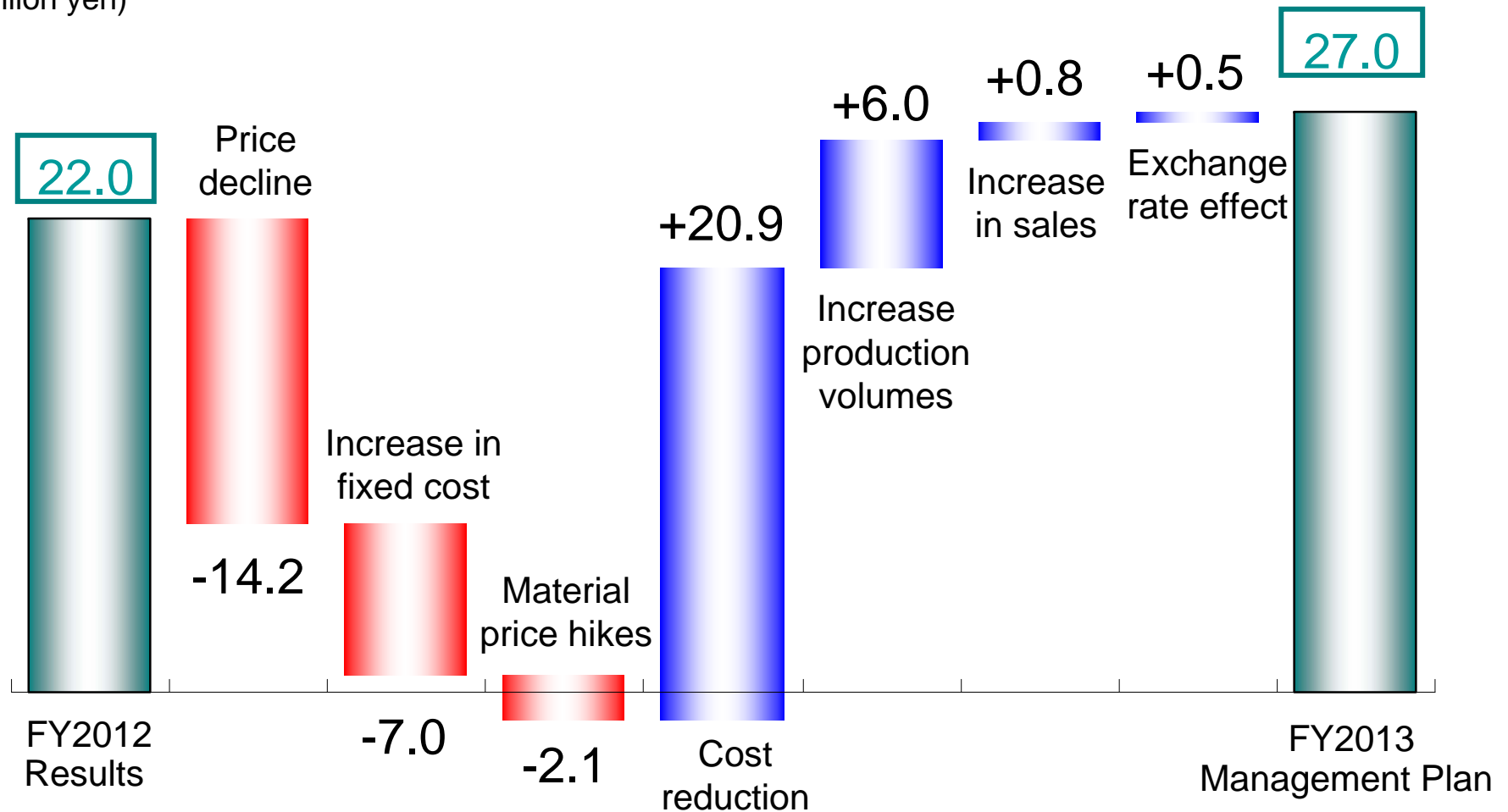
3.6%

(Billion yen)



Operating Income for FY2013 (analysis of the increase and decrease)

(Billion yen)



	US\$	EURO
Assumed Exchange Rate	¥90.00	¥115.00
One Yen Effect* (Million yen)	90	70

*Operating Income bases

Priority Measures by Segment

Power and Social Infrastructure

Market Conditions

- Brisk domestic demand for solar power generation systems, active construction and expansion of thermal power plants
- Increased orders for thermal and geothermal projects in Asia

Net Sales

- Substantial declines for Yoshinoura Thermal Power Station and watt-hour meters
- Significant increases for solar and hydroelectric power generation systems

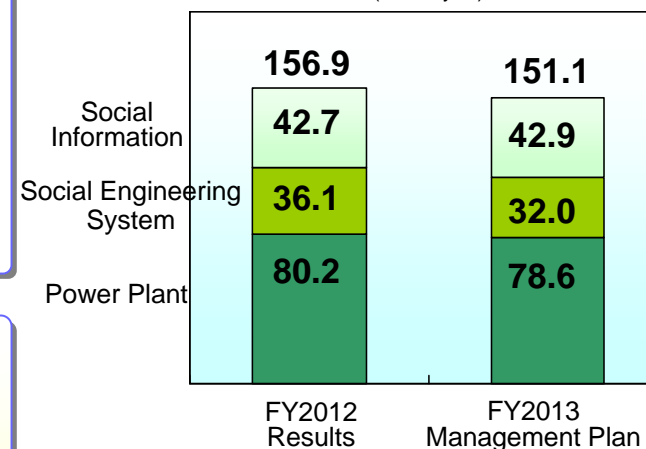
Operating Income

- Declines for watt-hour meters

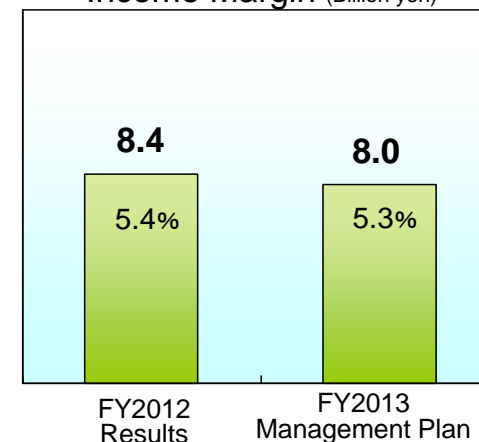
Priority Measures

- Expand sales of solar power generation systems
- Increase orders (solar power generation systems in Japan, thermal and geothermal projects overseas)
- Accelerate development and prepare for mass production of smart meters
- Commercialize smart communities

Net Sales by Subsegment
(Billion yen)



Operating Income/Operating Income Margin (Billion yen)



Market Conditions

- Domestic market conditions largely unchanged regardless of anticipation for recovery due to government economic stimulus measures
- Capital expenditure in Asia driving strong conditions in overseas markets

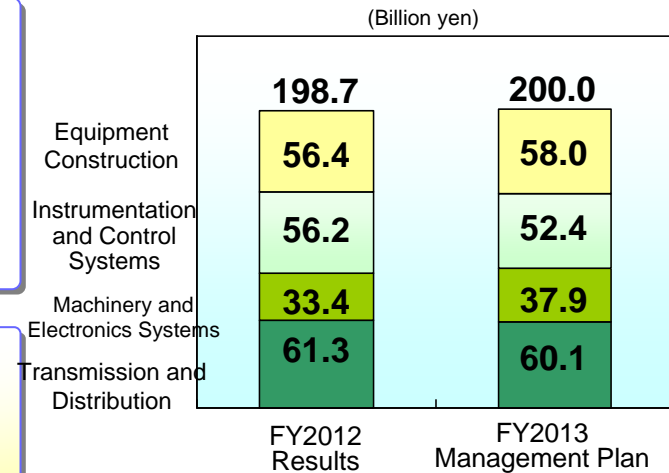
Net Sales

- Declines for radiation equipment
- Increases for induction heating systems and drive control systems

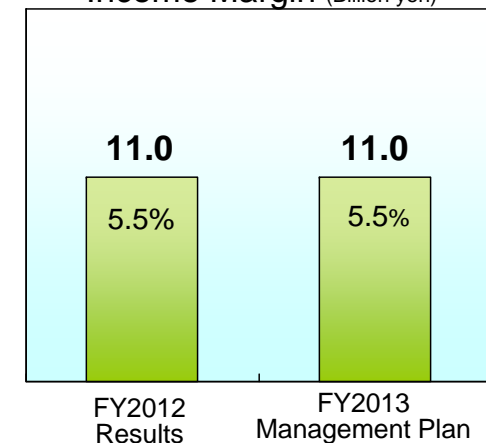
Priority Measures

- Focus on reconstruction demand in Japan and energy-saving businesses
- **Strengthen operations in Asia**
- Improve cost competitiveness of transmission and distribution equipment operations
- Differentiate instrumentation and control systems operations
- Strengthen coordination between plant system and equipment construction

Net Sales by Subsegment



Operating Income/Operating Income Margin (Billion yen)



Expanding Sales and Engineering Network in Asia and China

Increase 4 bases ⇒ 37 bases (FY2013 plan)



Market Conditions

- Recovery of inverter demand starting in second half
- Brisk PCS demand in power supply business

Net Sales

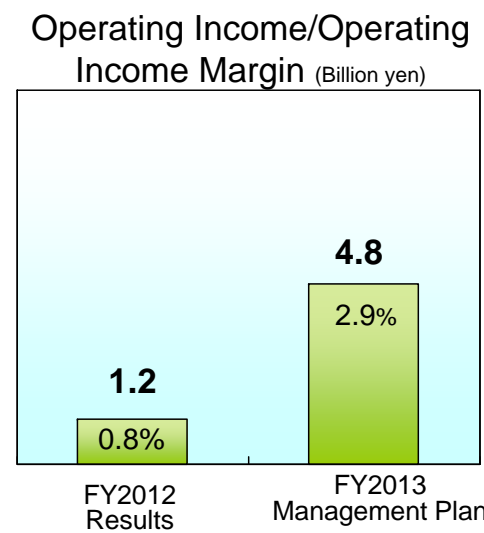
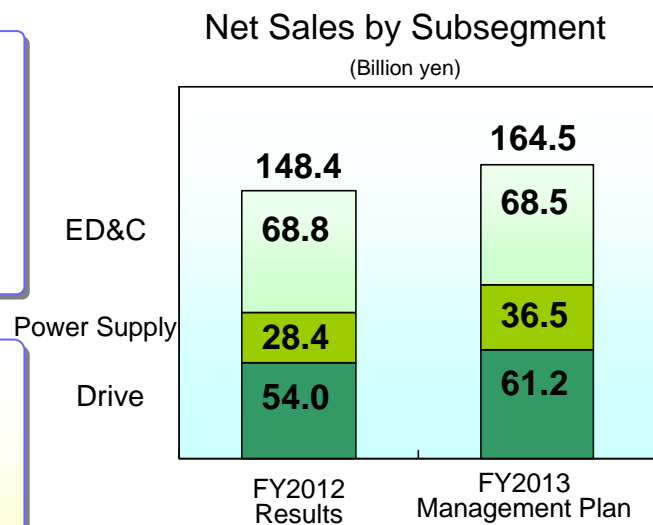
- Increases for new inverter products
- Increases for PCSs

Operating Income

- Increases for inverters and UPSs

Priority Measures

- Introduce new inverters, UPSs, and other globally competitive products
- Strengthen cost competitiveness by increasing overseas production
 - Commence operations at new Thailand factory in October
 - Increase ratio of drives and power supplies produced overseas: 24% > 31%
- Accelerate development of power electronics equipped with SiC semiconductors



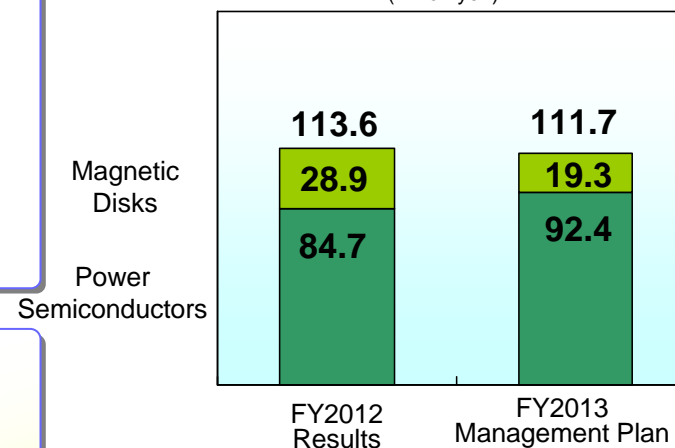
Market Conditions
 Power semiconductors:
 - Demand recovery in industrial business starting in second half, further demand growth in automotive electronics business
 Magnetic disks:
 - Sluggish conditions due to lower PC demand

Net Sales
 - Recovery for industrial-use IGBTs, increases for automotive-use IGBTs
 - Substantial decreases for magnetic disks

Operating Income
 Increases for power semiconductors, decreases for magnetic disks
 (achieve profitability)

Priority Measures
 Power semiconductors:
 - Strengthen cost competitiveness by increasing overseas production (Overseas production ratio: 35% > 47%)
 - Commence operation of processing lines for 8-inch wafers in Yamanashi (mass production scheduled to start in October)
 - Commence operation of production lines for 6-inch SiC semiconductors (mass production trials scheduled to start in October)

Net Sales by Subsegment
 (Billion yen)



Operating Income/Operating Income Margin (Billion yen)



Food and Beverage Distribution

Market Conditions

- Strong domestic replacement demand for vending machines, expansion of Chinese market
- Ongoing favorable conditions in store distribution market

Net Sales

- End of sales of items sold in vending machines, increases for sales of vending machines
- Increases for store distribution's retail distribution system business

Operating Income

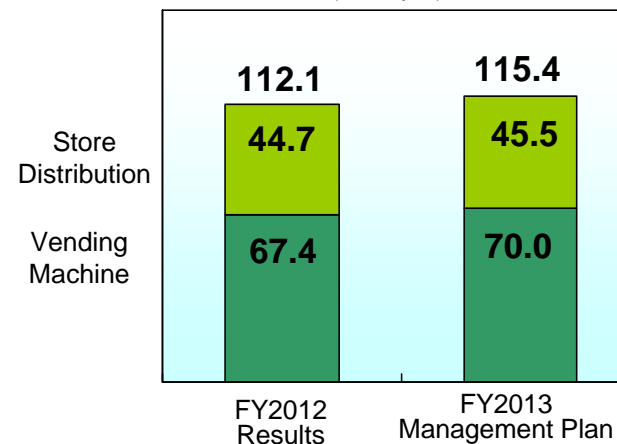
- Increases due to higher sales and lower costs

Priority Measures

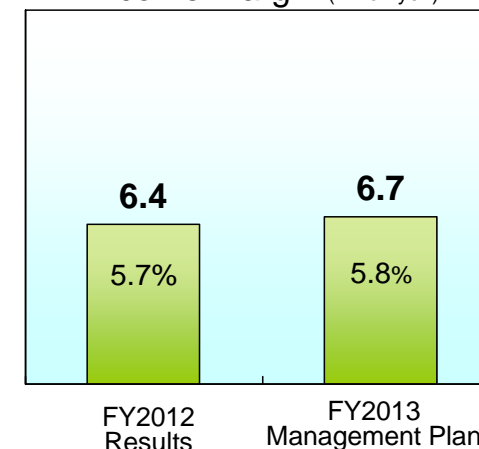
- Expand vending machine operations in China
- Differentiate energy efficiency levels of vending machines
- Expand store distribution business targeting convenience store industry
- Expand retail distribution system business utilizing heating and cooling technologies

Net Sales by Subsegment

(Billion yen)



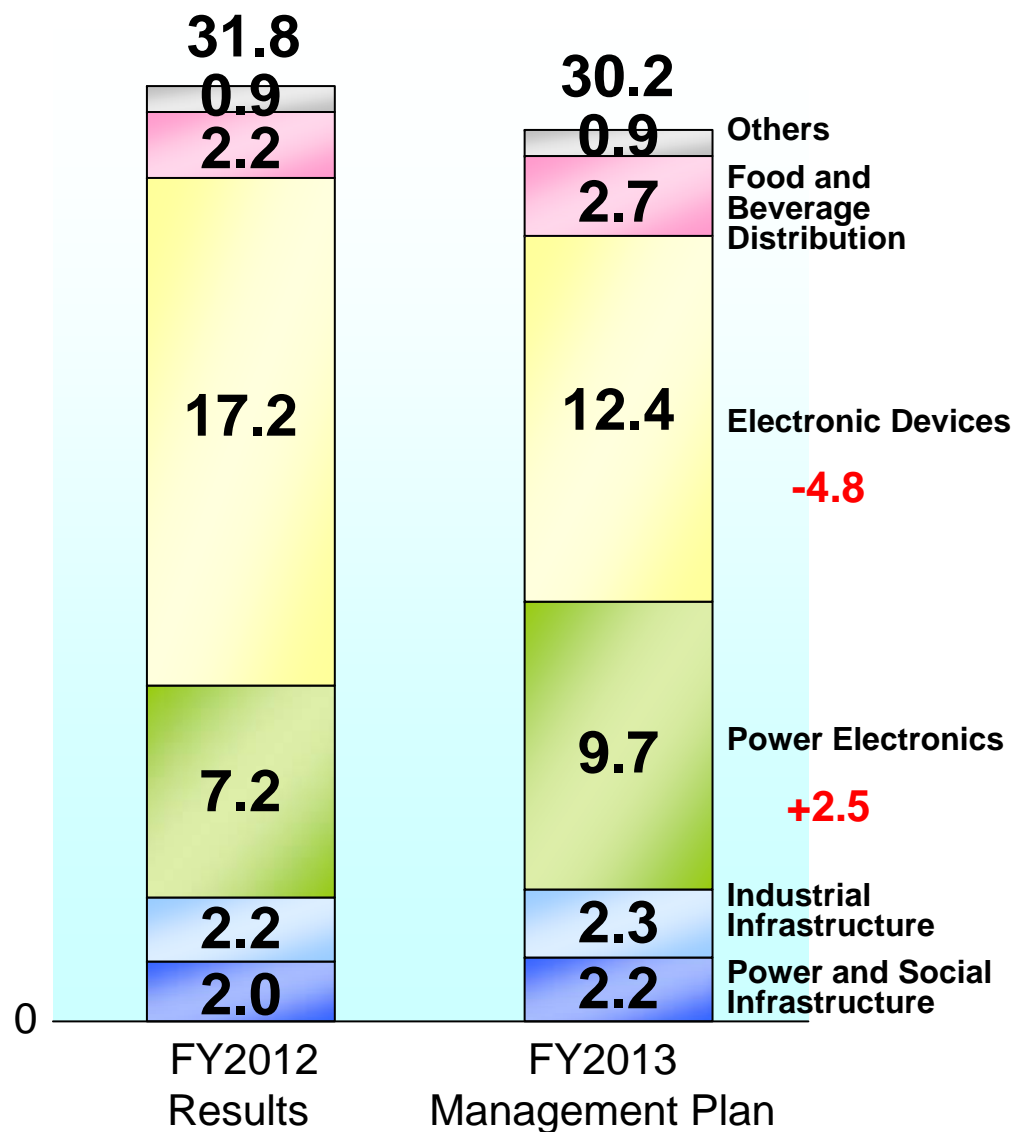
Operating Income/Operating Income Margin (Billion yen)



Capital Investment and R&D

Capital Investment

(Billion yen)



[Details of capital investment]

● Electronic Devices

- Processing lines for 6-inch SiC semiconductors
- Factory and facility in Shenzhen, China

● Power Electronics

- New factory and facility in Thailand

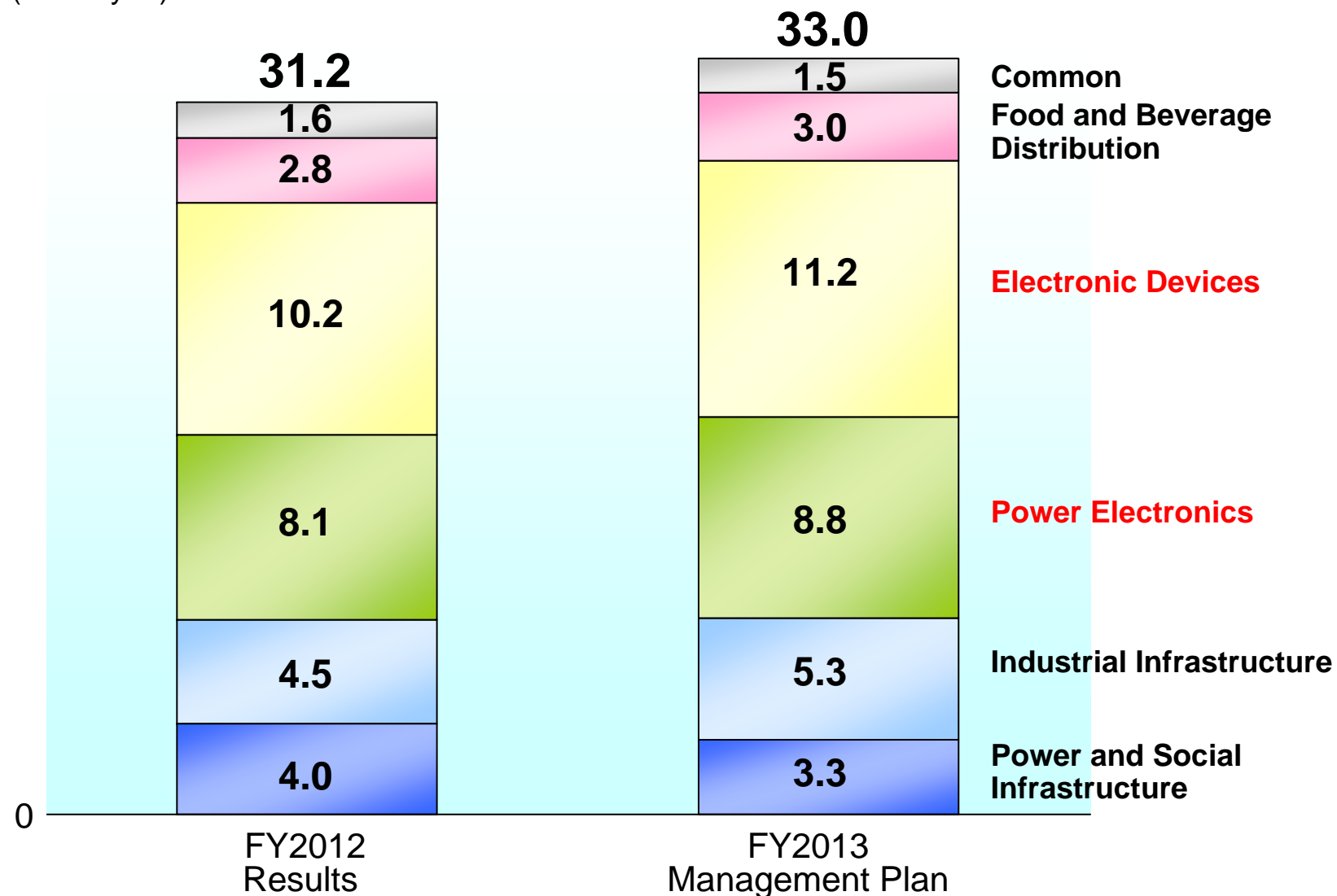
● Industrial Infrastructure

- Production and equipment of transmission and distribution

● Power and Social Infrastructure

- Smart meter's mass production facility

(Billion yen)



Fiscal 2013—First Year for Aggressive Management

- ◆ Management focused on earnings
- ◆ Cash flow expansion



- ◆ Aggressive investment to expand operations



Fuji Electric

Innovating Energy Technology

Management Plan for 1H FY2013

(Billion yen)


	1H FY2012 Results	1H FY2013 Management Plan	Change
Net Sales	333.8	320.0	-13.8
Operating Income/Loss	-5.4	0.5	5.9
Ordinary Income/Loss	-7.9	-2.5	5.4
Net Income/Loss	-7.6	-4.0	3.6

(Yen)

Sales Exchange Rate US\$	79.41	90.00	10.59
Sales Exchange Rate EURO	100.64	115.00	14.36

(Billion yen)

	Net Sales			Operating Income/Loss		
	1H FY2012 Results	1H FY2013 Management Plan	Change	1H FY2012 Results	1H FY2013 Management Plan	Change
Power and Social Infrastructure	69.4	57.3	-12.2	-0.7	0.0	0.8
Industrial Infrastructure	80.0	71.5	-8.5	-0.8	-1.8	-1.0
Power Electronics	66.3	74.8	8.4	-2.0	0.5	2.4
Electronic Devices	51.5	52.9	1.4	-2.9	0.1	3.0
Food and Beverage Distribution	56.7	59.5	2.8	2.4	4.0	1.5
Others	29.8	27.6	-2.2	1.0	0.7	-0.3
Elimination and Corporate	-20.0	-23.6	-3.6	-2.4	-2.9	-0.5
Total	333.8	320.0	-13.8	-5.4	0.5	5.9

[Reference] Net Sales and Operating Income/Loss for FY2012  **Fuji Electric**
 (by segment) *Innovating Energy Technology*

(Billion yen)

	Net Sales					Operating Income/Loss				
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year
Power and Social Infrastructure	18.7	50.7	30.0	57.5	156.9	-0.2	-0.5	0.4	8.7	8.4
Industrial Infrastructure	35.1	44.9	42.7	76.0	198.7	-1.0	0.2	1.2	10.6	11.0
Power Electronics	32.5	33.8	37.1	44.9	148.4	-0.6	-1.4	0.1	3.1	1.2
Electronic Devices	25.9	25.6	28.6	33.4	113.6	-1.6	-1.3	-1.0	2.4	-1.4
Food and Beverage Distribution	28.8	27.9	23.8	31.5	112.1	1.1	1.3	1.3	2.7	6.4
Others	15.0	14.9	15.6	15.1	60.6	0.4	0.5	0.4	0.3	1.6
Elimination and Corporate	-9.4	-10.6	-10.9	-13.6	-44.5	-1.2	-1.3	-1.2	-1.7	-5.3
Total	146.7	187.1	167.0	245.0	745.8	-3.0	-2.4	1.2	26.2	22.0

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