

Consolidated Financial Results for 1H FY2013

October 25, 2013
Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for 1H FY2013 (YOY Comparison)

Operating income turned into the black for the first time in 6 years, since FY2007

| | (Billion yen) | | |
|----------------------------------|---------------|-----------|--------|
| | 1H FY2012 | 1H FY2013 | Change |
| Net Sales | 333.8 | 328.5 | -5.3 |
| Operating Income/Loss | -5.4 | 3.0 | 8.3 |
| Ordinary Income/Loss | -7.9 | 2.5 | 10.4 |
| Extraordinary Income/Loss | -2.1 | -0.1 | 2.0 |
| Income/Loss before Income Taxes | -10.0 | 2.4 | 12.3 |
| Income Taxes | -2.7 | 1.2 | 3.9 |
| Minority Interest in Income/Loss | 0.3 | 0.8 | 0.5 |
| Net Income/Loss | -7.6 | 0.3 | 8.0 |

| | (Yen) | | |
|----------------------------|--------|--------|-------|
| Average Exchange Rate US\$ | 79.41 | 98.85 | 19.44 |
| Average Exchange Rate EURO | 100.64 | 130.00 | 29.36 |

Operating Income/Loss

- Decline in sales of thermal power plant
- Gain on translation of earnings of overseas subsidiaries

Operating Income/Loss

| | | | |
|--------------------------|-------|---------------------------------|------|
| Cost Reduction | +8.6 | Price Decline | -3.6 |
| Higher Production Volume | +2.9 | Decrease in Sales | -2.4 |
| Reduction in Fixed Costs | +2.2 | Material Price Hikes and Others | -0.4 |
| Exchange Rate Effect | +1.0 | | |
| | +14.7 | | -6.4 |

Non-operating Income/Loss

| | | |
|--|------|---------------|
| Net Interest Expense | -0.3 | (-0.4 → -0.6) |
| Income/Loss on Investment in Equity-method Affiliate | +0.4 | (-1.4 → -1.0) |
| Foreign Exchange Gain/Loss | +2.2 | (-1.1 → 1.0) |
| Other | -0.2 | (0.4 → 0.2) |
| | +2.0 | |

Extraordinary Income/Loss

| | | |
|--|------|---------------|
| Gain on Sales of Noncurrent Assets | +0.4 | (0.0 → 0.4) |
| Gain on Sales of Investment Securities | +0.3 | (0.0 → 0.3) |
| Loss on Disposal of Noncurrent Assets | -0.1 | (-0.2 → -0.3) |
| Loss on Devaluation of Investment Securities | +1.2 | (-1.2 → -0.0) |
| Other | +0.3 | (-0.8 → -0.5) |
| | +2.0 | |

Net Sales and Operating Income by Segment for 1H FY2013 (YOY Comparison)

(Billion yen)

| | Net Sales | | | Operating Income/Loss | | |
|---------------------------------|-----------|-----------|--------|-----------------------|-----------|--------|
| | 1H FY2012 | 1H FY2013 | Change | 1H FY2012 | 1H FY2013 | Change |
| Power and Social Infrastructure | 69.4 | 57.3 | -12.1 | -0.7 | -1.0 | -0.3 |
| Industrial Infrastructure | 80.0 | 69.5 | -10.5 | -0.8 | -1.5 | -0.8 |
| Power Electronics | 66.3 | 75.7 | 9.4 | -2.0 | 0.9 | 2.9 |

➤ **Power and Social Infrastructure**

[Net Sales]

- In the power plant business, net sales were down due to rebound from large-scale orders for thermal power generation facilities recorded in the previous equivalent period, which offset rises in orders for hydropower generation facilities and solar power generation systems.
- In the social engineering systems business, net sales were up due to increased orders in the power grid field.
- In the social information business, net sales were up following a rise in large-scale orders.

[Operating Income/Loss] - Operating loss worsened because lower net sales counteracted cost reductions.

➤ **Industrial Infrastructure**

[Net Sales]

- In the transmission and distribution business, net sales were down by reflecting the absence of the previous fiscal year's large overseas orders.
- In the machinery and electronics systems business, net sales declined because the yen's strength until last year curbed capital investment in Japan.
- In the instrumentation and control systems business, net sales were relatively unchanged.
- In the equipment construction business, net sales were down due to the absence of large orders recognized in the previous fiscal year.

[Operating Income/Loss] - Operating loss worsened because lower net sales counteracted cost reductions.

➤ **Power Electronics**

[Net Sales]

- In the drive business, net sales improved thanks to higher demand for inverters and servos overseas and the contribution to sales from large overseas orders for electric equipment for railcars.
- In the power supply business, net sales improved due to increased demand for power conditioners for mega solar facilities.
- In the ED&C components business, net sales improved because demand picked up in Japan and overseas.

[Operating Income/Loss] - Moving into the black due to the higher sales and the benefits of the business restructuring conducted in the previous fiscal year.

Net Sales and Operating Income by Segment for 1H FY2013 (YOY Comparison)

(Billion yen)

| | Net Sales | | | Operating Income/Loss | | |
|--------------------------------|--------------|--------------|-------------|-----------------------|------------|------------|
| | 1H FY2012 | 1H FY2013 | Change | 1H FY2012 | 1H FY2013 | Change |
| Electronic Devices | 51.5 | 59.1 | 7.5 | -2.9 | 1.7 | 4.6 |
| Food and Beverage Distribution | 56.7 | 62.3 | 5.6 | 2.4 | 4.7 | 2.2 |
| Others | 29.8 | 28.7 | -1.1 | 1.0 | 1.0 | 0.1 |
| Elimination and Corporate | -20.0 | -24.2 | -4.2 | -2.4 | -2.8 | -0.4 |
| Total | 333.8 | 328.5 | -5.3 | -5.4 | 3.0 | 8.3 |

➤ Electronic Devices

[Net Sales]

- In the semiconductors business, net sales were up due to strong demand in the automotive electronics business, a recovery trend in demand for inverters, servos, and other industrial machinery in the industrial business, and recovered demand for products for telecommunications equipment in the power supply application business.
- In the magnetic disks business, net sales declined due to a slowdown in the HDD market.

[Operating Income/Loss] - As a result of higher earnings and the benefits of the business restructuring conducted in relation to power semiconductors in the previous fiscal year, the business was able to realize substantially improved operating results.

- In the magnetic disks business, operating results were deteriorated due to lower sales.

➤ Food and Beverage Distribution

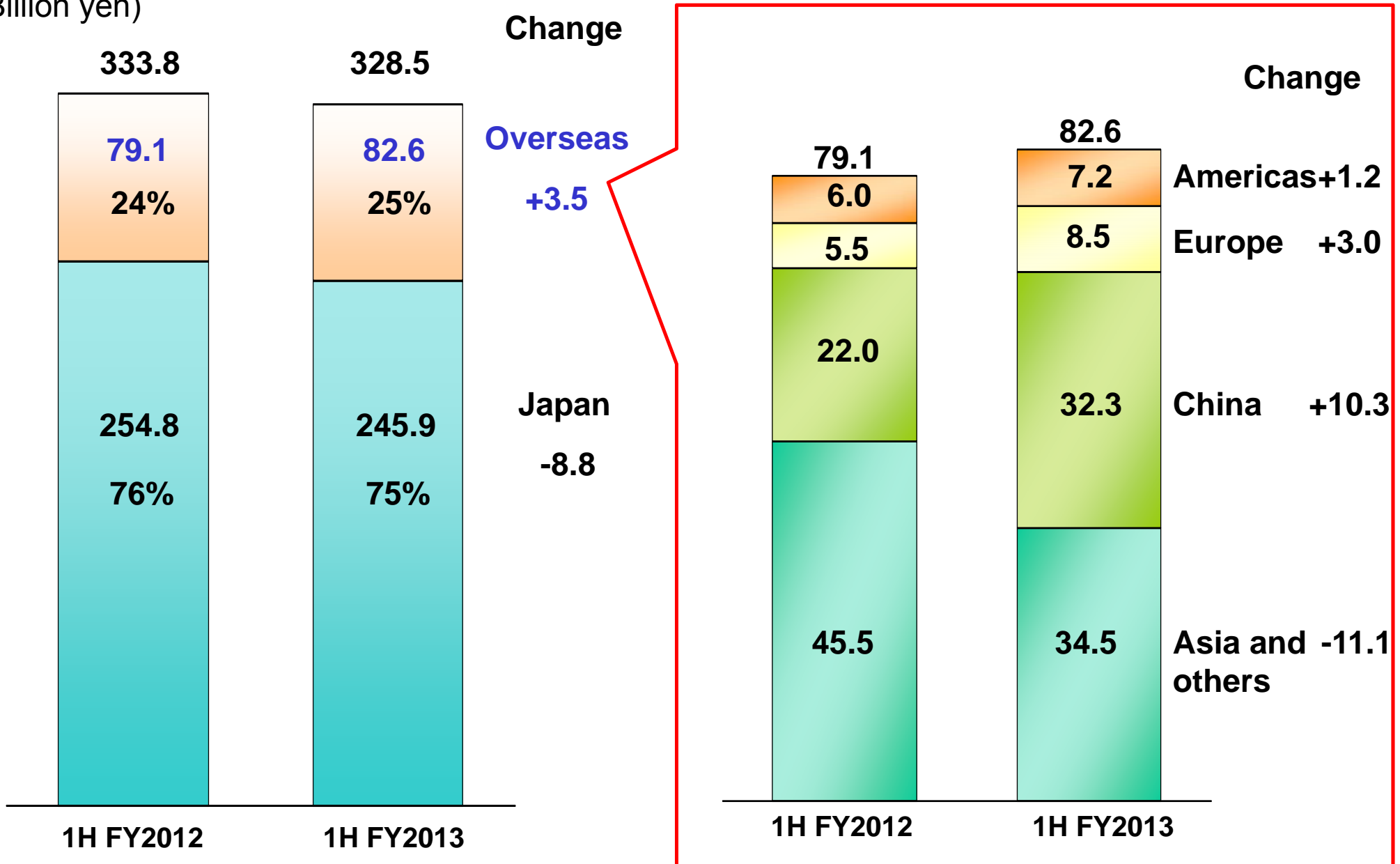
[Net Sales]

- In the vending machines business, net sales were up because steady sales of energy-saving environment-friendly vending machines and coffee machines for convenience stores compensated for the stoppage of sales of certain food and beverage items through vending machines.
- In the store distribution business, net sales increased due to higher orders for construction and renovation of convenience stores and super markets.

[Operating Income/Loss] - Operating income improved following higher revenues and lower costs.

Net Sales for 1H FY2013 (Japan and Overseas by Area)

(Billion yen)



Summary of Consolidated Financial Results for 1H FY2013 (Comparison with forecasts)

(Billion yen)

| | 1H FY2013 | | |
|-----------------------|------------------------------|---------|--------|
| | Forecasts (Jul. 25, 2013) | Results | Change |
| Net Sales | 320.0 | 328.5 | 8.5 |
| Operating Income/Loss | 2.0 | 3.0 | 1.0 |
| Ordinary Income/Loss | 1.5 | 2.5 | 1.0 |
| Net Income/Loss | 0.0 | 0.3 | 0.3 |

(Yen)

| | | | |
|----------------------------|--------|--------|------|
| Average Exchange Rate US\$ | 94.38 | 98.85 | 4.47 |
| Average Exchange Rate EURO | 121.97 | 130.00 | 8.03 |

Net Sales

Gain on translation of earnings of overseas subsidiaries

Operating Income/Loss

Reduction in fixed costs and favorable impact of exchange rate

Net Sales and Operating Income by Segment for 1H FY2013 (Comparison with forecasts)

(Billion yen)

| | Net Sales | | | Operating Income/Loss | | |
|---------------------------------|------------------------------|--------------|------------|------------------------------|------------|------------|
| | Forecasts (Jul. 25, 2013) | Results | Change | Forecasts (Jul. 25, 2013) | Results | Change |
| Power and Social Infrastructure | 57.3 | 57.3 | 0.0 | 0.0 | -1.0 | -1.0 |
| Industrial Infrastructure | 71.5 | 69.5 | -2.0 | -1.8 | -1.5 | 0.3 |
| Power Electronics | 74.8 | 75.7 | 0.9 | 0.5 | 0.9 | 0.4 |
| Electronic Devices | 52.9 | 59.1 | 6.2 | 1.1 | 1.7 | 0.6 |
| Food and Beverage Distribution | 59.5 | 62.3 | 2.8 | 4.5 | 4.7 | 0.2 |
| Others | 27.6 | 28.7 | 1.1 | 0.7 | 1.0 | 0.3 |
| Elimination and Corporate | -23.6 | -24.2 | -0.6 | -2.9 | -2.8 | 0.1 |
| Total | 320.0 | 328.5 | 8.5 | 2.0 | 3.0 | 1.0 |

Consolidated Balance Sheet for 1H FY2013

(Billion yen)

| Assets | | 3/31/13 | 9/30/13 | Change |
|--|--|--------------|--------------|--------------|
| Cash and time deposit | | 39.8 | 23.8 | -16.0 |
| Notes and account receivables, trade receivables | | 216.9 | 164.2 | -52.6 |
| Inventories | | 107.7 | 141.6 | 33.9 |
| Other current assets | | 60.4 | 58.0 | -2.4 |
| Total current assets | | 424.7 | 387.6 | -37.1 |
| Tangible fixed assets | | 168.4 | 169.1 | 0.7 |
| Intangible fixed assets | | 12.7 | 13.0 | 0.3 |
| Investments and other assets | | 159.6 | 161.3 | 1.7 |
| Total long-term assets | | 340.7 | 343.4 | 2.7 |
| Deferred assets | | 0.1 | 0.2 | 0.1 |
| Total assets | | 765.6 | 731.3 | -34.3 |

| Liabilities and Net Assets | | 3/31/13 | 9/30/13 | Change |
|---|--|--------------|--------------|--------------|
| Notes and account payables, trade payables | | 129.9 | 117.5 | -12.5 |
| Interest-bearing Debts | | 226.7 | 206.6 | -20.1 |
| Other liabilities | | 193.2 | 186.3 | -6.9 |
| Total liabilities | | 549.9 | 510.4 | -39.5 |
| Common stock | | 47.6 | 47.6 | - |
| Capital surplus | | 46.7 | 46.7 | - |
| Retained earnings | | 87.6 | 85.9 | -1.7 |
| Treasury stock at cost | | -7.1 | -7.1 | -0.0 |
| Shareholders' equity | | 174.8 | 173.1 | -1.7 |
| Accumulated other comprehensive income | | 19.7 | 24.9 | 5.1 |
| Minority interests in consolidated subsidiaries | | 21.1 | 22.9 | 1.8 |
| Total net assets | | 215.7 | 220.9 | 5.2 |
| Total liabilities and net assets | | 765.6 | 731.3 | -34.3 |

*Total net assets ratio =

(Total net assets – Minority interests in consolidated subsidiaries) / Total assets

| | | | |
|--------------------------------------|-------|-------|------|
| Total Net Assets Ratio (%)* | 25.4 | 27.1 | 1.7 |
| Net Interest-bearing Debts | 187.0 | 182.9 | -4.1 |
| Net Debt-Equity Ratio (times) | 1.0 | 0.9 | -0.1 |

Consolidated Cash Flow for 1H FY2013

(Billion yen)

| | | 1H FY2012 | 1H FY2013 |
|--|--|-----------|-----------|
| | Cash Flows from Operating Activities | 23.9 | 21.7 |
| | Cash Flows from Investing Activities | -16.7 | -7.6 |
| | Free Cash Flow | 7.2 | 14.1 |
| | Cash Flows from Financing Activities | -33.5 | -30.5 |
| | Effect of Exchange Rate Change and Others | -0.7 | 0.4 |
| | Increase / Decrease | -27.0 | -16.0 |
| | Cash and Cash Equivalents at Beginning of Year | 64.3 | 39.7 |
| | Cash and Cash Equivalents at End of Year | 37.3 | 23.7 |

Upward Revision of Consolidated Financial Result Forecasts for FY2013 (Comparison with forecasts as of April 25, 2013)

(Billion yen)

| | FY2013 Forecasts (Apr. 25, 2013) | FY2013 Forecasts (Oct. 24, 2013) | Change |
|-----------------------|-------------------------------------|-------------------------------------|--------|
| Net Sales | 750.0 | 755.0 | 5.0 |
| Operating Income/Loss | 27.0 | 30.0 | 3.0 |
| Ordinary Income/Loss | 26.0 | 30.0 | 4.0 |
| Net Income/Loss | 14.0 | 16.0 | 2.0 |

Assumed Exchange Rate from 3Q to 4Q FY2013

* Operating Income/Loss basis

| | US\$ | EURO |
|----------------------------------|--------|---------|
| Assumed Exchange Rate | ¥95.00 | ¥125.00 |
| One Yen Effect* (Million yen) | 40 | 30 |

(Billion yen)

| | Net Sales | | | Operating Income/Loss | | |
|---------------------------------|-------------------------------------|-------------------------------------|------------|-------------------------------------|-------------------------------------|------------|
| | FY2013 Forecasts (Apr. 25, 2013) | FY2013 Forecasts (Oct. 24, 2013) | Change | FY2013 Forecasts (Apr. 25, 2013) | FY2013 Forecasts (Oct. 24, 2013) | Change |
| Power and Social Infrastructure | 151.1 | 147.1 | -4.0 | 8.0 | 8.0 | 0.0 |
| Industrial Infrastructure | 200.0 | 200.0 | 0.0 | 11.0 | 11.0 | 0.0 |
| Power Electronics | 164.5 | 166.5 | 2.0 | 4.8 | 4.8 | 0.0 |
| Electronic Devices | 111.7 | 117.7 | 6.0 | 1.5 | 4.5 | 3.0 |
| Food and Beverage Distribution | 115.4 | 116.4 | 1.0 | 6.7 | 6.7 | 0.0 |
| Others | 56.9 | 56.9 | 0.0 | 1.5 | 1.5 | 0.0 |
| Elimination and Corporate | -49.4 | -49.4 | 0.0 | -6.6 | -6.6 | 0.0 |
| Total | 750.0 | 755.0 | 5.0 | 27.0 | 30.0 | 3.0 |

Interim dividends set at ¥3 per share

(Yen)

| | Interim | Year-end | Annual |
|--------|---------|----------|--------|
| FY2012 | 2.00 | 3.00 | 5.00 |
| FY2013 | 3.00 | TBD | TBD |

【Reference】 Consolidated Financial Result Forecasts for FY2013 (YOY Comparison)

(Billion yen)

| | FY2012 Results | FY2013 Forecasts | Change |
|-----------------------|-------------------|---------------------|--------|
| Net Sales | 745.8 | 755.0 | 9.2 |
| Operating Income/Loss | 22.0 | 30.0 | 8.0 |
| Ordinary Income/Loss | 25.7 | 30.0 | 4.3 |
| Net Income/Loss | 26.4 | 16.0 | -10.4 |

Assumed Exchange Rate from 3Q to 4Q FY2013

* Operating Income/Loss basis

| | US\$ | EURO |
|----------------------------------|--------|---------|
| Assumed Exchange Rate | ¥95.00 | ¥125.00 |
| One Yen Effect* (Million yen) | 40 | 30 |

(Billion yen)

| | Net Sales | | | Operating Income/Loss | | |
|------------------------------------|-------------------|---------------------|--------|-----------------------|---------------------|--------|
| | FY2012 Results | FY2013 Forecasts | Change | FY2012 Results | FY2013 Forecasts | Change |
| Power and Social Infrastructure | 156.9 | 147.1 | -9.8 | 8.4 | 8.0 | -0.4 |
| Industrial Infrastructure | 198.7 | 200.0 | 1.2 | 11.0 | 11.0 | 0.0 |
| Power Electronics | 148.4 | 166.5 | 18.1 | 1.2 | 4.8 | 3.6 |
| Electronic Devices | 113.6 | 117.7 | 4.1 | -1.4 | 4.5 | 5.9 |
| Food and Beverage Distribution | 112.1 | 116.4 | 4.3 | 6.4 | 6.7 | 0.3 |
| Others | 60.6 | 56.9 | -3.7 | 1.6 | 1.5 | -0.1 |
| Elimination and Corporate | -44.5 | -49.4 | -5.0 | -5.3 | -6.6 | -1.3 |
| Total | 745.8 | 755.0 | 9.2 | 22.0 | 30.0 | 8.0 |

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