

Consolidated Financial Results for FY2013

April 25, 2014

Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for FY2013 (YoY Comparison)

(Billion yen)

	FY2012	FY2013	Change
Net Sales	745.8	759.9	14.1
Operating Income/Loss	22.0	33.1	11.1
Ordinary Income/Loss	25.7	36.7	11.0
Extraordinary Income/Loss	-9.1	-3.0	6.1
Income/Loss before Income Taxes	16.6	33.7	17.1
Income Taxes	-11.4	12.0	23.4
Minority Interest in Income/Loss	1.7	2.2	0.5
Net Income/Loss	26.4	19.6	-6.8

(Yen)

Average Exchange Rate US\$	83.10	100.24	17.14
Average Exchange Rate EURO	107.14	134.37	27.23

Operating Income/Loss

Cost Reduction	+23.1	Price Decline	-16.6
Higher Production Volume	+4.8	Material Price Hikes	-1.3
Exchange Rate Effect	+1.9	Increase in Fixed Costs	-1.1
Increase in Sales	+0.3		
	+30.1		-19.0

Non-operating Income/Loss

Net Interest Expense	-0.5
Income/Loss on Investment in Equity-method Affiliate	-0.2
Foreign Exchange Gain/Loss	+0.3
Other	+0.3
	-0.1

Extraordinary Income/Loss

Gain on Sales of Noncurrent Assets	+0.5	(0.0→0.5)
Gain on Sales of Investment Securities	-0.4	(0.8→0.4)
Loss on Disposal of Noncurrent Assets	-0.9	(-0.4→-1.3)
Loss on Devaluation of Investment Securities	-0.6	(-0.5→-1.1)
Impairment Loss	+5.8	(-6.4→-0.6)
Other	+1.7	(-2.5→-0.8)
	+6.1	(-9.1→-3.0)

Income Taxes

Impact by Recognition of Deferred Tax Assets in FY2012

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

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2012	FY2013	Change	FY2012	FY2013	Change
Power and Social Infrastructure	156.9	153.7	-3.2	8.4	8.1	-0.3
Industrial Infrastructure	198.7	188.6	-10.1	11.0	9.2	-1.8
Power Electronics	148.4	165.5	17.2	1.2	5.4	4.2

➤ **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 fiscal year, which offset rises in orders for hydropower generation facilities and solar power generation systems.
 - In the social engineering systems business, net sales were down due to lower demand for watt-hour meters in light of the ensuing switch to smart meters.
 - In the social information business, net sales were up following a rise in large-scale orders and a demand rush in light of the upcoming end of support for Windows XP.

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

➤ **Industrial Infrastructure**

- [Net Sales]
- In the transmission and distribution business, net sales were down, reflecting the absence of the previous fiscal year's large overseas orders.
 - In the machinery and electronics systems business, net sales increased due to a rise in orders for energy-saving equipment from Japanese manufacturers.
 - In the instrumentation and control systems business, net sales were down as a result of lower demand for radiation measurement equipment.
 - In the equipment construction business, net sales were relatively unchanged from the previous fiscal year.

[Operating Income/Loss] - Overall operating results 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 in Japan and overseas and the sales contributions from large overseas orders for electric equipment for railcars.
 - In the power supply business, net sales improved as a result of increased demand for power conditioners for mega solar facilities and power supply equipment for data centers and other products.
 - In the ED&C components business, net sales improved year on year due to increased demand in the renewable energy field and recovery in domestic demand in the machine tool and semiconductor fields.

[Operating Income/Loss] - In the drive business, operating results improved due to the higher sales and the benefits of the business restructuring conducted in the previous fiscal year.

- In the power supply and ED&C components businesses, operating results improved due to higher revenues.

Net Sales and Operating Income by Segment for FY2013 (YoY Comparison) ②

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2012	FY2013	Change	FY2012	FY2013	Change
Electronic Devices	113.6	123.9	10.3	-1.4	6.3	7.7
Food and Beverage Distribution	112.1	120.1	8.0	6.4	8.0	1.6
Others	60.6	60.0	-0.6	1.6	1.9	0.3
Elimination and Corporate	-44.5	-51.8	-7.4	-5.3	-5.9	-0.6
Total	745.8	759.9	14.1	22.0	33.1	11.1

➤ **Electronic Devices**

[Net Sales]

- In the semiconductors business, net sales were up due to the strong demand in the automotive electronics business, a trend that continued from the previous fiscal year, as well as a recovery trend in demand for inverters, servos, and other industrial machinery in the industrial business.
- In the magnetic disks business, net sales declined due to lower demand from customers.

[Operating Income/Loss]

- The semiconductors business was able to realize substantially improved operating results because higher earnings and the benefits of the business restructuring conducted in relation to power semiconductors in the previous fiscal year.
- In the magnetic disks business, operating results deteriorated due to lower net sales.

➤ **Food and Beverage Distribution**

[Net Sales]

- In the vending machines business, net sales were up as a result of steady replacement demand for energy-saving, environment-friendly vending machines coupled with solid demand for coffee machines for convenience stores.
- The store distribution business recorded a year-on-year increase in net sales due to higher orders for construction and renovation of convenience stores and other stores.

[Operating Income/Loss]

- In the vending machines business, operating results improved following higher revenues and lower costs.
- In the store distribution business, operating results deteriorated as a result of the impacts of higher upfront investments for the expansion of new businesses.

Net Sales for FY2013 [Japan and Overseas by area] (YoY Comparison)

(Billion yen)

		FY2012	FY2013	Change	
Japan		567.3	582.2	14.9	
Overseas		178.5	177.7	-0.8	
	Asia	95.8	77.3	-18.5	Power and Social Infrastructure -8.3 Industrial Infrastructure -3.1
	China	54.6	68.4	13.8	Power Electronics +3.4 Electronic Devices (Power semiconductors) +6.8
	Europe	14.4	17.4	3.0	Food and Beverage Distribution +3.6
	Americas	13.8	14.7	0.9	

Summary of Consolidated Financial Results for FY2013 (Comparison with Forecast)

(Billion yen)

	FY2013		Change
	Forecasts	Results	
Net Sales	755.0	759.9	4.9
Operating Income/Loss	30.0	33.1	3.1
Ordinary Income/Loss	30.0	36.7	6.7
Net Income/Loss	16.0	19.6	3.6

(Yen)

Average Exchange Rate US\$	99.54	100.24	0.70
Average Exchange Rate EURO	132.92	134.37	1.45

(Billion yen)

	Net Sales			Operating Income/Loss		
	Forecasts (Jan. 30, 2014)	Results	Change	Forecasts (Jan. 30, 2014)	Results	Change
Power and Social Infrastructure	147.1	153.7	6.6	8.0	8.1	0.1
Industrial Infrastructure	194.0	188.6	-5.3	9.7	9.2	-0.5
Power Electronics	166.5	165.5	-1.0	4.8	5.4	0.6
Electronic Devices	121.7	123.9	2.2	5.5	6.3	0.8
Food and Beverage Distribution	118.4	120.1	1.7	7.0	8.0	1.0
Others	56.9	60.0	3.1	1.5	1.9	0.4
Elimination and Corporate	-49.4	-51.8	-2.4	-6.6	-5.9	0.7
Total	755.0	759.9	4.9	30.0	33.1	3.1

Consolidated Balance Sheet at the end of FY2013

Assets	3/31/13	3/31/14	Change
Cash and time deposit	39.8	34.0	-5.7
Notes and account receivables, trade receivables	216.9	222.5	5.6
Inventories	107.7	121.4	13.7
Other current assets	60.4	51.4	-9.0
Total current assets	424.7	429.3	4.6
Tangible fixed assets	168.4	172.6	4.2
Intangible fixed assets	12.7	13.9	1.2
Investments and other assets	159.6	194.8	35.2
Total long-term assets	340.7	381.3	40.5
Deferred assets	0.1	0.2	0.0
Total assets	765.6	810.8	45.2

		(Billion yen)		
Liabilities and Net Assets	3/31/13	3/31/14	Change	
Notes and account payables, trade payables	129.9	142.1	12.2	
Interest-bearing Debts	226.7	199.5	-27.2	
Other liabilities	193.3	217.9	24.7	
Total liabilities	549.9	559.5	9.7	
Common stock	47.6	47.6	-	
Capital surplus	46.7	46.7	0.0	
Retained earnings	87.6	102.6	15.0	
Treasury stock at cost	-7.1	-7.1	-0.0	
Shareholders' equity	174.8	189.8	15.0	
Accumulated other comprehensive income (Remeasurements of defined benefit plans)	19.7	37.4	17.6	
	(-)	(-10.6)	(-10.6)	
Minority interests in consolidated subsidiaries	21.1	24.0	2.9	
Total net assets	215.7	251.2	35.6	
Total liabilities and net assets	765.6	810.8	45.2	
Net Interest-bearing Debts	187.0	166.1	-20.9	

Consolidated Cash Flow for FY2013

(Billion yen)

		FY2012	FY2013
	Cash Flows from Operating Activities	55.3	53.7
	Cash Flows from Investing Activities	-24.3	-9.6
	Free Cash Flow	31.1	44.0
	Cash Flows from Financing Activities	-56.8	-50.6
	Effect of Exchange Rate Change and Others	1.2	0.3
	Increase / Decrease	-24.6	-6.3
	Cash and Cash Equivalents at Beginning of Year	64.3	39.7
	Cash and Cash Equivalents at End of Year	39.7	33.4

	FY2012	FY2013
Net debt-equity ratio	0.96 time	0.73 time
Total net assets ratio	25.4%	28.0%
ROA	3.4%	2.5%
ROE	14.7%	9.3%

(Yen)

	Interim	Year-end	Annual
FY2012	2.00	3.00	5.00
FY2013	3.00	4.00 (plan)	7.00 (plan)

1. These materials are outside the scope of auditing procedures required by law, and as of the date of this results presentation, financial statement auditing procedures required by law have not yet been completed.
2. Statements made in this documents or in the presentation to which they pertain regarding estimates or projections are forward-looking statements based on the company's judgments and assumptions in light of information currently available. Actual results may differ materially from those projected as a result of uncertainties inherent in such judgments and assumptions, as well as changes in business operations or other internal or external conditions. Accordingly, the company gives no guarantee regarding the reliability of any information contained in these forward-looking statements.
3. These documents are for information purpose only, and do not constitute an inducement by the company to make investments.
4. Unauthorized reproduction of these documents, in part or in whole, is prohibited.