

Consolidated Financial Results **for 1Q FY2013**

July 26, 2013

Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for 1Q FY2013 (YoY Comparison)

Moved into the black with respect to operating income, ordinary income and net income due to cost reduction, benefits from business restructuring initiatives and depreciation of the Japanese yen

(Billion yen)

	1Q FY2012	1Q FY2013	Change
Net Sales	146.7	151.7	5.0
Operating Income/Loss	-3.0	0.5	3.4
Ordinary Income/Loss	-3.9	1.0	4.9
Extraordinary Income/Loss	-0.7	-0.2	0.5
Income Taxes	-1.3	0.4	1.7
Minority Interest in income/loss	0.1	0.4	0.3
Net Income/Loss	-3.4	0.1	3.4

(Yen)

Average Exchange Rate US\$	80.20	98.76	18.56
Average Exchange Rate EURO	102.91	128.95	26.04

Operating Income/Loss

Cost Reduction	+3.0	Price Decline	-3.4
Reduction in Fixed Cost	+2.4	Material Price Hikes and Others	-0.2
Increase in Sales Quantity	+1.1		
Exchange Effect	+0.5		
	+7.0		-3.6

Non-operating Income/Loss

Net Interest Expense	-0.4 (0.4 → -0.0)
Income/Loss on Investment in Equity-method Affiliate	+0.1 (-0.7 → -0.6)
Exchange Rate Effect	+1.9 (-0.7 → 1.1)

Extraordinary Income/Loss

Gain on Sales of Noncurrent Assets	+0.3 (0.0 → 0.4)
Loss on Revaluation of Investments in Securities	+0.5 (-0.5 → -0.0)

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

(Billion yen)

	Net Sales			Operating Income/Loss		
	1Q FY2012	1Q FY2013	Change	1Q FY2012	1Q FY2013	Change
Power and Social Infrastructure	18.7	24.2	5.5	-0.2	-0.7	-0.5
Industrial Infrastructure	35.1	28.8	-6.3	-1.0	-1.7	-0.6
Power Electronics	32.5	34.9	2.3	-0.6	0.1	0.7

➤ Power and Social Infrastructure

[Net Sales]

- In the power plant business, net sales were up due to an increase in orders for thermal power generation facilities and solar power generation systems.
- In the social engineering systems business, net sales were down due to lower demand for meters before the changeover to smart meters.
- In the social information business, net sales improved attributable to an increase in large orders.

[Operating Income/Loss]

- Operating results deteriorated due to intensified price competition in power plant business.

➤ Industrial Infrastructure

[Net Sales]

- In the transmission and distribution business, net sales were down due to the decrease of large overseas orders.
- In the machinery and electronics systems business, net sales declined because the yen's strength until last year curbed customers' capital investment in Japan.
- The instrumentation and control systems business, net sales declined due to lower demand for radiation measurement equipment.
- In the equipment construction business, net sales were down due to the decrease of large orders.

[Operating Income/Loss]

- Operating results deteriorated because lower net sales and intensified competition 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 as a result of increased demand for data center power supply facilities and power conditioners for mega solar facilities.
- In the ED&C components business, net sales deteriorated because demand from machinery manufacturers in Japan did not reach the previous fiscal year's level.

[Operating Income/Loss]

- In the drive and power supply businesses, operating results improved due to the benefits of the higher sales.
- In the ED&C components, operating results were down following the lower sales.

Net Sales and Operating Income by Segment for 1Q FY2013 (YoY Comparison) ②

(Billion yen)

	Net Sales			Operating Income/Loss		
	1Q FY2012	1Q FY2013	Change	1Q FY2012	1Q FY2013	Change
Electronic Devices	25.9	28.7	2.8	-1.6	0.5	2.0
Food and Beverage Distribution	28.8	31.9	3.1	1.1	3.2	2.1
Others	15.0	14.2	-0.8	0.4	0.4	-0.0
Elimination and Corporate	-9.4	-11.1	-1.7	-1.2	-1.4	-0.3
Total	146.7	151.7	5.0	-3.0	0.5	3.4

➤ **Electronic Devices**

[Net Sales]

- In the semiconductors business, net sales were up due to firm demand in the automotive electronics business and a recovery trend in demand for inverters, servos, and other industrial machinery.
- In the magnetic disks business, net sales declined due to a slowdown in the HDD market.

[Operating Income/Loss]

- The semiconductors business returned to the black as a result of higher earnings and reduction of fixed costs.
- Operating results in magnetic disks business maintained operating results at the previous fiscal year's level thanks to fixed cost reductions despite lower net sales.

➤ **Food and Beverage Distribution**

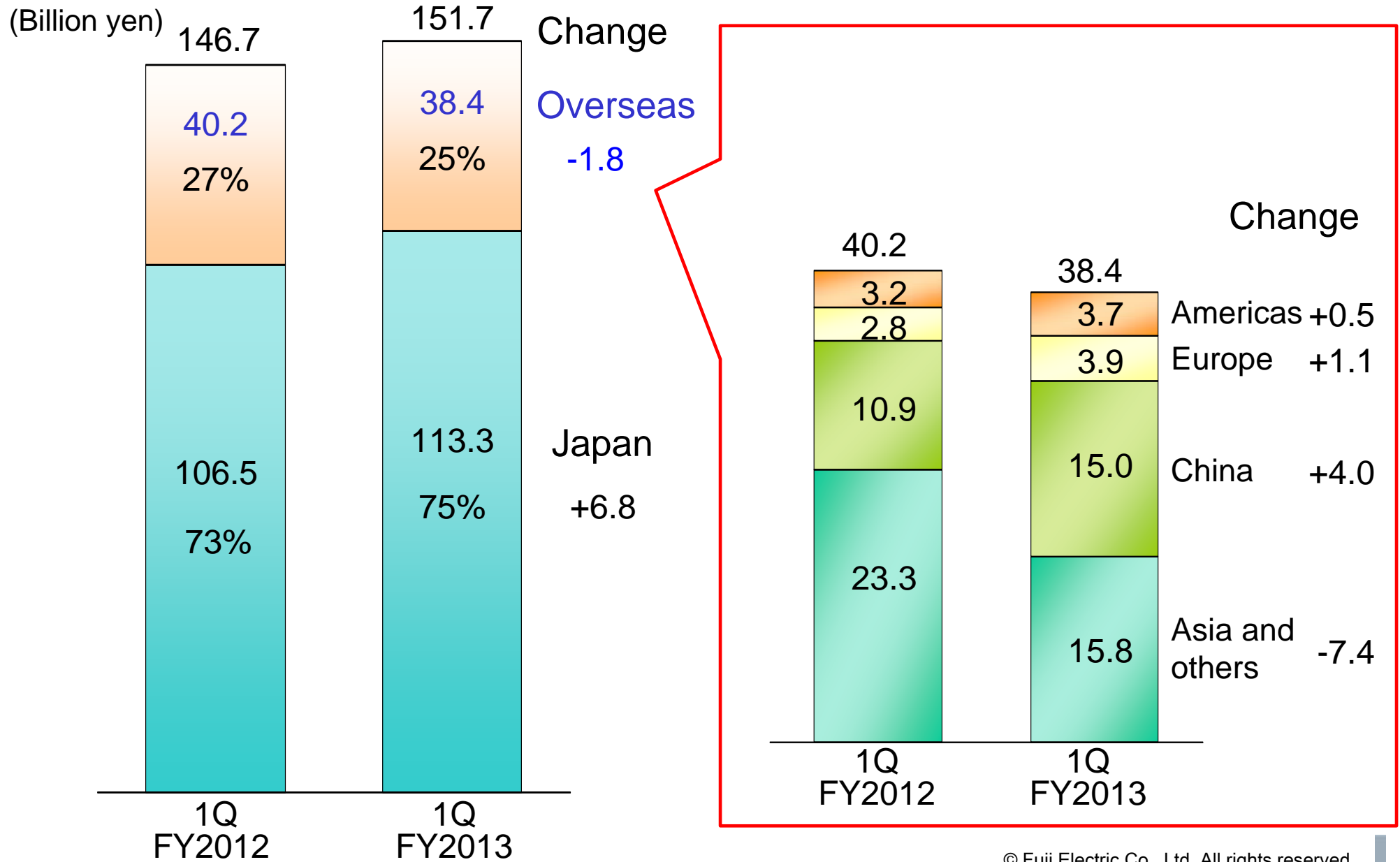
[Net Sales]

- In the vending machines business, net sales surpassed those of previous fiscal year 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.
- The store distribution business posted higher net sales due to increased sales of freezing, refrigerating, and energy-saving facilities mainly for convenience stores.

[Operating Income/Loss]

- Operating results improved by increasing revenues and reducing costs.

Net Sales for 1Q FY2013 (Japan and Overseas by area)



Consolidated Balance Sheet for 1Q FY2013

(Billion yen)

Assets		3/31/13	6/30/13	Change
Cash and time deposit		39.8	23.1	-16.6
Notes and account receivables, trade receivables		216.9	182.5	-34.4
Inventories		107.7	130.6	22.9
Other current assets		60.4	61.8	1.4
Total current assets		424.7	398.0	-26.8
Tangible fixed assets		168.4	171.7	3.2
Intangible fixed assets		12.7	13.0	0.3
Investments and other assets		159.6	162.7	3.1
Total long-term assets		340.7	347.4	6.6
Deferred assets		0.1	0.2	0.1
Total assets		765.6	745.5	-20.0

Liabilities and Net Assets		3/31/13	6/30/13	Change
Notes and account payables, trade payables		129.9	121.3	-8.6
Interest-bearing Debts		226.7	210.1	-16.7
Other liabilities		193.2	193.4	0.1
Total liabilities		549.9	524.8	-25.1
Common stock		47.6	47.6	-
Capital surplus		46.7	46.7	-
Retained earnings		87.6	85.6	-2.0
Treasury stock at cost		-7.1	-7.1	-0.0
Shareholders' equity		174.8	172.8	-2.0
Accumulated other comprehensive income		19.7	25.4	5.7
Minority interests in consolidated subsidiaries		21.1	22.5	1.4
Total net assets		215.7	220.7	5.1
Total liabilities and net assets		765.6	745.5	-20.0
Total Net Assets Ratio (%)*		25.4	26.6	1.2
Net Interest-bearing Debts		187.0	187.0	-0.0
Net Debt-Equity Ratio (times)		1.0	0.9	-0.1

*Total net assets ratio =

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

Consolidated Forecasts for 1H FY2013 (Comparison with previous forecasts)

(Billion yen)

	1H FY2013 Forecasts (Apr. 25, 2013)	1H FY2013 Forecasts (Jul. 25, 2013)	Change
Net Sales	320.0	320.0	0.0
Operating Income/Loss	0.5	2.0	1.5
Ordinary Income/Loss	-2.5	1.5	4.0
Net Income/Loss	-4.0	0.0	4.0

Assumed Exchange Rate in 2Q FY2013

	US\$	EURO
Assumed Exchange Rate	¥90.00	¥115.00
One Yen Effect * (Million yen)	20	10

*Operating income/loss basis

(Billion yen)

	Net Sales			Operating Income/Loss		
	1H FY2013 Forecasts (Apr. 25, 2013)	1H FY2013 Forecasts (Jul. 25, 2013)	Change	1H FY2013 Forecasts (Apr. 25, 2013)	1H FY2013 Forecasts (Jul. 25, 2013)	Change
Power and Social Infrastructure	57.3	57.3	0.0	0.0	0.0	0.0
Industrial Infrastructure	71.5	71.5	0.0	-1.8	-1.8	0.0
Power Electronics	74.8	74.8	0.0	0.5	0.5	0.0
Electronic Devices	52.9	52.9	0.0	0.1	1.1	1.0
Food and Beverage Distribution	59.5	59.5	0.0	4.0	4.5	0.5
Others	27.6	27.6	0.0	0.7	0.7	0.0
Elimination and Corporate	-23.6	-23.6	0.0	-2.9	-2.9	0.0
Total	320.0	320.0	0.0	0.5	2.0	1.5

Consolidated Forecasts for 1H FY2013 (Comparison with results for 1H FY2012)

(Billion yen)

	1H FY2012 Results	1H FY2013 Forecasts (Jul. 25, 2013)	Change
Net Sales	333.8	320.0	-13.8
Operating Income/Loss	-5.4	2.0	7.4
Ordinary Income/Loss	-7.9	1.5	9.4
Net Income/Loss	-7.6	0.0	7.6

(Billion yen)

	Net Sales			Operating Income/Loss		
	1H FY2012 Results	1H Y2013 Forecasts (Jul. 25, 2013)	Change	1H Y2012 Results	1H Y2013 Forecasts (Jul. 25, 2013)	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	1.1	4.0
Food and Beverage Distribution	56.7	59.5	2.8	2.4	4.5	2.0
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	2.0	7.4

【Reference】 Consolidated Forecasts for FY2013 (Not to revise the figures announced on April 25, 2013)

(Billion yen)

	FY2012 Results	FY2013 Forecasts	Change
Net Sales	745.8	750.0	4.2
Operating Income	22.0	27.0	5.0
Ordinary Income	25.7	26.0	0.3
Net Income	26.4	14.0	-12.4

Assumed Exchange Rate from 2Q to 4Q FY2013

*operating income/loss basis

	US\$	EURO
Assumed Exchange Rate	¥90.00	¥115.00
One Yen Effect * (Million yen)	60	40

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2012 Results	Y2013 Forecasts	Change	FY2012 Results	FY2013 Forecasts	Change
Power and Social Infrastructure	156.9	151.1	-5.8	8.4	8.0	-0.4
Industrial Infrastructure	198.7	200.0	1.2	11.0	11.0	0.0
Power Electronics	148.4	164.5	16.1	1.2	4.8	3.6
Electronic Devices	113.6	111.7	-1.9	-1.4	1.5	2.9
Food and Beverage Distribution	112.1	115.4	3.3	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	750.0	4.2	22.0	27.0	5.0

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