

**Consolidated Financial Results for first half of the fiscal year ending March 31, 2015
(April 1, 2014 — September 30, 2014)**

Summary of Consolidated Financial Results (Six months ended September 30, 2014)

1. Summary of consolidated statements of operations

	Millions of yen		Change(%) (A)/(B)	Millions of U.S. dollars
	1H FY2014 (A)	1H FY2013 (B)		1H FY2014
Net sales	345,341	328,489	105.1%	3,168
Operating income	5,885	2,971	198.1%	54
Ordinary income	6,072	2,491	243.8%	56
Net income	1,974	329	600.0%	18
	Yen			U.S. dollars
Net income per share	2.76	0.46	600.0%	0.03

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S. dollars
	9/30/2014	3/31/2014	9/30/2014
Total assets	793,293	810,774	7,278
Net assets	247,685	251,225	2,272
Net assets ratio (%)	28.0%	28.0%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥109=U.S.\$1

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2015
(April 1, 2014 - March 31, 2015)**

	Millions of yen
	FY2014
Net sales	790,000
Operating income	40,000
Ordinary income	41,000
Net income	24,000
	Yen
	FY2014
Net income per share	33.59

< Cautionary Statements With Respect to Forward-Looking Statements >

Statements made in this financial report with respect to Fuji Electric's future performance are forward-looking statements based on management's assumptions and beliefs in light of the information currently available to it. Accordingly, actual results could differ from those contained in any forward-looking statements. Potential risks and uncertainties include :

- Sudden changes in general economic conditions in Fuji Electric's markets and changes in its operating environment such as those resulting from changes in trade regulations
- Exchange rate, particularly between the yen and the U.S. dollar and Asian and European currencies
- The ability of Fuji Electric and its subsidiaries to develop and introduce products that incorporate new technology in a timely manner and to manufacture them in a cost-effective way
- The rapid pace of technological innovation, especially in the field of electronics
- Sudden changes in the supply and demand balance in the markets Fuji Electric serves
- Problems involving the intellectual property of Fuji Electric and other companies
- Stock market conditions in Japan

Consolidated Balance Sheets

	Millions of yen		Millions of U.S. dollars
	<u>9/30/2014</u>	<u>3/31/2014</u>	<u>9/30/2014</u>
Assets			
Current assets:			
Cash and deposits	32,319	34,025	297
Notes and accounts receivable-trade	173,714	222,481	1,594
Merchandise and finished goods	56,669	43,180	520
Work in process	69,062	48,030	634
Raw materials and supplies	33,496	30,231	307
Other	55,968	51,919	513
Allowance for doubtful accounts	(504)	(532)	(5)
Total Current assets	<u>420,726</u>	<u>429,338</u>	<u>3,860</u>
Noncurrent assets:			
Total Property, plant and equipment	169,471	172,619	1,555
Intangible assets	13,971	13,874	128
Investments and other assets			
Investment securities	155,821	148,867	1,430
Net defined benefit asset	19,289	31,263	177
Other	14,486	15,388	133
Allowance for doubtful accounts	(606)	(744)	(6)
Total Investments and other assets	<u>188,990</u>	<u>194,775</u>	<u>1,734</u>
Total Noncurrent assets	<u>372,432</u>	<u>381,269</u>	<u>3,417</u>
Deferred assets	<u>134</u>	<u>166</u>	<u>1</u>
Total Assets	<u><u>793,293</u></u>	<u><u>810,774</u></u>	<u><u>7,278</u></u>

Consolidated Balance Sheets

	Millions of yen		Millions of U.S. dollars
	9/30/2014	3/31/2014	9/30/2014
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	132,470	142,087	1,215
Short-term loans payable	68,329	76,412	627
Current portion of bonds	15,000	-	138
Income taxes payable	2,745	4,543	25
Advances received	44,375	33,933	407
Other	98,346	102,480	902
Total Current liabilities	361,266	359,457	3,314
Noncurrent liabilities:			
Bonds payable	45,500	60,500	417
Long-term loans payable	58,653	62,592	538
Provision for directors' retirement benefits	211	215	2
Net defined benefit liability	42,801	34,236	393
Other	37,175	42,546	341
Total Noncurrent liabilities	184,341	200,091	1,691
Total Liabilities	545,608	559,548	5,006
Net Assets			
Shareholders' equity:			
Capital stock	47,586	47,586	437
Capital surplus	46,735	46,734	429
Retained earnings	85,721	102,631	786
Treasury stock	(7,165)	(7,148)	(66)
Total Shareholders' equity	172,877	189,804	1,586
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	50,877	44,768	467
Deferred gains or losses on hedges	273	20	3
Foreign currency translation adjustments	6,258	3,202	57
Remeasurements of defined benefit plans	(8,498)	(10,614)	(78)
Total Accumulated other comprehensive income	48,910	37,376	449
Minority interests	25,897	24,043	238
Total Net assets	247,685	251,225	2,272
Total Liabilities and Net assets	793,293	810,774	7,278

Consolidated Statements of Income

	Millions of yen		Millions of U.S. dollars
	1H FY2014	1H FY2013	1H FY2014
Net sales	345,341	328,489	3,168
Cost of sales	261,070	253,920	2,395
Gross profit	84,271	74,569	773
Selling, general and administrative expenses	78,386	71,598	719
Operating income	5,885	2,971	54
Non-operating income			
Interest income	116	163	1
Dividends income	1,115	624	10
Foreign exchange income	1,256	1,005	12
Other	488	562	4
Total Non-operating income	2,976	2,355	27
Non-operating expenses			
Interest expense	1,288	1,424	12
Equity in losses of affiliates	1,144	1,048	10
Other	356	362	3
Total Non-operating expenses	2,789	2,835	26
Ordinary income	6,072	2,491	56
Extraordinary income			
Gain on sales of noncurrent assets	53	378	0
Gain on sales of investment securities	46	253	0
Total Extraordinary income	99	631	1
Extraordinary loss			
Loss on disposal of noncurrent assets	464	271	4
Loss on devaluation of investment securities	255	1	2
Settlement package	-	420	-
Other	25	69	0
Total Extraordinary loss	745	763	7
Income before income taxes	5,427	2,360	50
Income taxes	2,508	1,197	23
Income before minority interests	2,918	1,162	27
Minority interests in income of consolidated subsidiaries	943	833	9
Net income	1,974	329	18

Consolidated Statements of Comprehensive Income

	Millions of yen		<i>Millions of U.S. dollars</i>
	1H FY2014	1H FY2013	<i>1H FY2014</i>
Income before minority interests	2,918	1,162	27
Other comprehensive income			
Valuation difference on available-for-sale securities	6,127	3,480	56
Deferred gains or losses on hedges	256	20	2
Foreign currency translation adjustments	3,489	2,052	32
Remeasurements of defined benefit plans net of tax	2,085	-	19
Share of other comprehensive income of associates accounted for using equity method	68	23	1
Total other comprehensive Income	12,027	5,577	110
Comprehensive income	14,946	6,739	137
Comprehensive income attributable to:			
Shareholders of the Company	13,508	5,473	124
Minority interests	1,437	1,266	13

Consolidated Statements of Cash Flows
For the first Half of FY2014 (April 1 - September 30, 2014)

	Millions of yen		Millions of U.S. dollars
	1H FY2014	1H FY2013	1H FY2014
I Cash flows from operating activities			
Income before income taxes and minority interests	5,427	2,360	50
Depreciation and amortization	16,511	14,576	151
Interest and dividends income	(1,232)	(787)	(11)
Interest expenses	1,288	1,424	12
Loss (gain) on sales of noncurrent assets	(53)	(378)	(0)
Loss (gain) on sales of investment securities	(46)	(253)	(0)
Loss (gain) on disposal of noncurrent assets	464	271	4
Loss (gain) on devaluation of investment securities	255	1	2
Decrease (increase) in notes and accounts receivable-trade	51,152	55,048	469
Decrease (increase) in inventories	(36,251)	(32,234)	(333)
Increase (decrease) in notes and accounts payable-trade	(11,728)	(14,398)	(108)
Increase (decrease) in advances received	10,389	1,699	95
Other, net	(4,318)	(1,969)	(40)
Subtotal	31,858	25,359	292
Interest and dividends income received	1,269	806	12
Interest expenses paid	(1,286)	(1,466)	(12)
Income taxes paid	(5,062)	(3,027)	(46)
Net cash provided by operating activities	26,779	21,673	246
II Cash flows from investing activities			
Purchase of property, plant and equipment	(6,113)	(6,811)	(56)
Proceeds from sales of property, plant and equipment	624	647	6
Purchase of investment securities	(67)	(321)	(1)
Proceeds from sales of investment securities	481	520	4
Payments of loans receivable	(2,905)	(3,946)	(27)
Collection of loans receivable	3,068	3,759	28
Other, net	(1,449)	(1,427)	(13)
Net cash used in investing activities	(6,362)	(7,579)	(58)
III Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(10,469)	(233)	(96)
Increase (decrease) in commercial papers	-	(26,000)	-
Proceeds from long-term loans payable	139	62	1
Repayment of long-term loans payable	(3,486)	(5,213)	(32)
Proceeds from issuance of bonds	-	20,000	-
Redemption of bonds	-	(10,000)	-
Repayments of lease obligations	(7,443)	(6,383)	(68)
Proceeds from sales of treasury stock	0	-	0
Purchase of treasury stock	(17)	(8)	(0)
Cash dividends paid	(2,857)	(2,143)	(26)
Cash dividends paid to minority shareholders	(789)	(458)	(7)
Other, net	-	(91)	-
Net cash used in financing activities	(24,924)	(30,469)	(229)
IV Effect of exchange rate change on cash and cash equivalents	954	(345)	9
V Net increase (decrease) in cash and cash equivalents (I + II + III + IV)	(3,553)	(16,721)	(33)
VI Cash and cash equivalents at beginning of period	33,412	39,688	307
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	1,680	725	15
VIII Cash and cash equivalents at end of period	31,539	23,693	289

Consolidated Segment Information

Information on net sales, and profit or loss by each reporting segment

As of April 1, 2014, reflecting change of organization structure, the reporting segments were reclassified in Power and Social Infrastructure, Industrial Infrastructure, Power Electronics and Electronic Devices.

The reporting segment information for the first half of the fiscal year ended March 31, 2014 has been reclassified to reflect this change.

1H FY2014

	Millions of yen								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	61,729	71,721	73,500	61,721	60,857	15,811	345,341	-	345,341
Inter-segment sales and transfers	626	2,224	8,458	3,410	106	13,885	28,711	(28,711)	-
Total sales	62,355	73,945	81,959	65,132	60,963	29,697	374,053	(28,711)	345,341
Segment profits (losses)	(390)	(1,699)	1,060	3,699	4,950	1,006	8,628	(2,742)	5,885

1H FY2013

	Millions of yen								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	56,329	68,361	71,035	55,808	62,239	14,714	328,489	-	328,489
Inter-segment sales and transfers	616	1,379	8,161	3,139	48	14,014	27,360	(27,360)	-
Total sales	56,946	69,741	79,196	58,947	62,288	28,729	355,849	(27,360)	328,489
Segment profits (losses)	(792)	(1,730)	474	2,137	4,654	1,048	5,792	(2,821)	2,971

1H FY2014

	Millions of U.S. dollars								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	566	658	674	566	558	145	3,168	-	3,168
Inter-segment sales and transfers	6	20	78	31	1	127	263	(263)	-
Total sales	572	678	752	598	559	272	3,432	(263)	3,168
Segment profits (losses)	(4)	(16)	10	34	45	9	79	(25)	54

Supplemental Consolidated Financial Materials**1. Financial summary**

	Billions of yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Net sales	345.3	790.0	328.5	759.9
Operating income	5.9	40.0	3.0	33.1
Ordinary income	6.1	41.0	2.5	36.7
Net income	2.0	24.0	0.3	19.6

2. Number of consolidated subsidiaries

	Billions of yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Number of consolidated subsidiaries	48	47	48	48
Japan	23	22	24	24
Overseas	25	25	24	24
Number of equity-method associates	5	5	5	5

3. Net income per share

	Yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Net income per share	2.76	33.59	0.46	27.41

4. Sales exchange rate (Yen)

	Yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
US\$	103.04	101.52	98.85	100.24
EURO	138.92	136.96	130.00	134.37

5. Net sales by reporting segment

	Billions of yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Power and Social Infrastructure	62.4	165.1	56.9	152.3
Industrial Infrastructure	73.9	204.7	69.7	189.5
Power Electronics	82.0	181.7	79.2	174.7
Electronic Devices	65.1	126.9	58.9	123.0
Food and Beverage Distribution	61.0	118.7	62.3	120.1
Others	29.7	57.1	28.7	60.0
Subtotal	374.1	854.2	355.8	819.7
Elimination	(28.7)	(64.2)	(27.4)	(59.8)
Total	345.3	790.0	328.5	759.9

Note : Net sales include inter-segment transactions.

6. Operating income by reporting segment

	Billions of yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Power and Social Infrastructure	(0.4)	8.3	(0.8)	7.7
Industrial Infrastructure	(1.7)	12.6	(1.7)	9.6
Power Electronics	1.1	8.7	0.5	5.3
Electronic Devices	3.7	7.7	2.1	6.5
Food and Beverage Distribution	5.0	7.3	4.7	8.0
Others	1.0	1.7	1.0	1.9
Subtotal	8.6	46.3	5.8	39.0
Elimination	(2.7)	(6.3)	(2.8)	(5.9)
Total	5.9	40.0	3.0	33.1

7. Net overseas sales

	Billions of yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Asia (except for China)	35.7	-	34.5	77.3
China	41.7	-	32.3	68.4
Europe	8.5	-	8.5	17.4
America	6.3	-	7.2	14.7
Total	92.2	-	82.6	177.7

8. R&D expenditures

	Billions of yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Power and Social Infrastructure	1.9	4.8	2.2	4.5
Industrial Infrastructure	2.9	6.6	2.8	6.0
Power Electronics	4.7	10.3	3.5	7.5
Electronic Devices	4.3	9.2	4.5	9.4
Food and Beverage Distribution	2.3	4.9	2.2	4.7
Others	0.0	0.0	0.0	0.0
Total	16.1	35.8	15.2	32.0
Ratio to net sales (%)	4.6%	4.5%	4.6%	4.2%

9. Plant and equipment investment (including leases)

	Billions of yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Power and Social Infrastructure	1.3	2.6	0.5	1.6
Industrial Infrastructure	0.9	3.0	0.9	2.1
Power Electronics	3.4	10.2	3.6	8.4
Electronic Devices	3.1	11.8	5.3	11.4
Food and Beverage Distribution	0.9	2.6	0.9	2.6
Others	0.4	2.1	0.3	0.8
Total	10.1	32.2	11.3	26.9
(Leases)	4.3	13.5	4.9	12.5

Note: Leases are included in total plant and equipment investment.

10. Depreciation, Leases paid

	Billions of yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Power and Social Infrastructure	0.9	1.9	0.9	1.8
Industrial Infrastructure	1.0	2.3	1.1	2.2
Power Electronics	2.4	5.2	2.1	4.2
Electronic Devices	9.7	18.5	8.2	18.0
Food and Beverage Distribution	1.1	2.4	1.2	2.2
Others	0.6	1.2	0.7	1.3
Total	15.7	31.6	14.1	29.7
(Leases)	0.8	1.6	0.9	1.7

Note: Leases paid for plant and equipment investment and begun to pay before the end of March, 2008.

11. Number of employees

	Billions of yen			
	1H FY2014	FY2014 [Forecast]	1H FY2013	FY2013
Power and Social Infrastructure	2,607	2,657	2,554	2,526
Industrial Infrastructure	5,436	5,384	5,323	5,378
Power Electronics	6,486	6,688	6,144	6,317
Electronic Devices	6,502	6,711	6,662	6,549
Food and Beverage Distribution	2,446	2,483	2,383	2,365
Others	2,324	2,219	2,421	2,389
Total	25,801	26,142	25,487	25,524
Japan	18,103	17,962	18,233	18,022
Overseas	7,698	8,180	7,254	7,502

Financial Performance

(1) Qualitative Information regarding Consolidated Results of Operations

In the six-month period ended September 30, 2014, the domestic economy experienced a modest recovery trend. While the rebound was felt from the demand rush that preceded the April 2014 consumption tax hike, this was offset by positive factors including a rise in capital investment. Overseas, activity was weak in certain markets, but the overall trend was that of gradual improvement supported by the recovery of the United States and other major developed nations.

In response to these conditions, Fuji Electric concentrated on advancing the management policies of expanding energy-related businesses and globalizing operations. At the same time, we positioned the current fiscal year as a year for aggressive management expansion, a step forward from the previous year, which was designated as the first year for aggressive management. As such, the fiscal year ending March 31, 2015, will be one in which we boost profitability focused on businesses in the Industrial Infrastructure and Power Electronics segments while strengthening overseas operations.

Consolidated business results for the six-month period were as follows.

Net sales rose ¥16.9 billion year on year, to ¥345.3 billion, following increased demand and beneficial foreign exchange translations. By business segment, Power and Social Infrastructure, Industrial Infrastructure, Power Electronics, Electronic Devices, and Others saw increased net sales, while Food and Beverage Distribution saw net sales decline.

Operating income improved ¥2.9 billion year on year, to ¥5.9 billion. This reflected higher net sales and improved profitability stemming from cost reductions. Further, ordinary income increased ¥3.6 billion, to ¥6.1 billion. Net income rose ¥1.6 billion, to ¥2.0 billion. In this manner, all three income figures increased substantially over the six-month period ended September 30, 2013.

Consolidated results of operations for the six-month period were as follows.

(¥ billion)

	1H Fiscal 2013	1H Fiscal 2014	Change
Net sales	328.5	345.3	16.9
Operating income	3.0	5.9	2.9
Ordinary income	2.5	6.1	3.6
Net income	0.3	2.0	1.6

Results by Segment

[Power and Social Infrastructure]

YoY: Net sales increased 9%, operating results improved ¥0.4 billion

Net sales rose 0.9% year on year, to ¥62.4 billion, and operating loss improved ¥0.4 billion year on year, to ¥0.4 billion.

In the power plant business, net sales were up year on year due to a rise in orders for solar power generation systems, which offset the lower orders for thermal power generation facilities and hydropower generation facilities. In the social engineering systems business, net sales were up due to higher sales centered on power systems and other items in the power grid field as well as smart meters. In the social information business, net sales increased following a rise in small to medium-scale orders. Overall, the segment saw improved operating results due to higher net sales and the benefits of cost reduction efforts.

[Industrial Infrastructure]

YoY: Net sales increased 6%, operating results were unchanged year on year

Net sales rose 6% year on year, to ¥73.9 billion, and operating loss were unchanged year on year at ¥1.7 billion.

In the transmission and distribution business, net sales were up year on year, reflecting a rise in large-scale orders in Japan. In the industrial plant business, net sales increased following strong domestic replacement demand. In the industrial and instrumentation equipment business, net sales were relatively unchanged year on year. In the equipment construction business, net sales increased due to a rise in orders for air-conditioning facility construction and solar power generation facility construction. Regardless of the higher net sales, the segment's overall operating results were unchanged year on year due to the impacts of intensified cost competition.

[Power Electronics]

YoY: Net sales increased 3%, operating results improved ¥0.6 billion

Net sales rose 3% year on year, to ¥82.0 billion, and operating income improved ¥0.6 billion year on year, to ¥1.1 billion.

In the drive business, net sales and operating results worsened year on year as the absence of the large-scale overseas orders for electric equipment for railcars recorded in the previous equivalent period offset the rise in demand for mainstay inverters and servos in Japan and overseas. In the power supply business, net sales and operating results were relatively unchanged year on year. In the ED&C components business, net sales and operating results improved year on year due to strong demand for machine tools and power distribution equipment.

[Electronic Devices]

YoY: Net sales increased 10%, operating results improved ¥1.6 billion

Net sales rose 10% year on year, to ¥65.1 billion, and operating income improved ¥1.6 billion year on year, to ¥3.7 billion.

In the semiconductors business, net sales were up year on year due to strong demand for inverters, servos, and other industrial machinery in the industrial field and recovered demand for products for telecommunications equipment in the power supply application field, factors that outweighed the decrease in demand in the automotive field following the consumption tax hike in Japan. Operating results improved due to higher net sales and the benefits of cost reduction efforts. In the magnetic disks business, net sales increased, but operating results worsened due to the negative impacts of changes in prices and the ratios of sales for specific models.

[Food and Beverage Distribution]

YoY: Net sales decreased 2%, operating results improved ¥0.3 billion

Net sales decreased 2% year on year, to ¥61.0 billion, and operating income improved ¥0.3 billion year on year, to ¥5.0 billion.

In the vending machines business, net sales were down year on year due to a decrease in vending machine demand following the impacts of unseasonable weather and the consumption tax hike in Japan. These factors in the domestic market offset the sales increases that accompanied business expansion in the Chinese market. Operating results worsened as the lower net sales counteracted the benefits of cost reduction efforts. In the store distribution business, net sales were relatively unchanged year on year, but operating results improved due to the benefits of cost reduction efforts.

[Others]

YoY: Net sales increased 3%, operating results were unchanged year on year

Net sales rose 3% year on year, to ¥29.7 billion, and operating income were unchanged year on year at ¥1.0 billion.

(2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2014	Breakdown (%)	September 30, 2014	Breakdown (%)	Change
Total assets	810.8	100.0	793.3	100.0	(17.5)
Interest-bearing debt	199.5	24.6	187.5	23.6	(12.0)
Shareholder's equity* ¹	227.2	28.0	221.8	28.0	(5.4)
Debt-equity ratio* ² (times)	0.9		0.8		(0.1)

*1 Shareholders' equity = Total net assets - Minority interests

*2 Debt-equity ratio = Interest-bearing debt/ Shareholders' equity

Total assets on September 30, 2014, stood at ¥793.3 billion, a decrease of ¥17.5 billion from the end of the previous fiscal year. Total current assets declined ¥8.6 billion, due mainly to decreases in notes and accounts receivable-trade, which offset a rise in inventories. Total noncurrent assets were down ¥8.8 billion, due to decreases in net defined benefit asset and property, plant and equipment, which counteracted an increase in investment securities as a result of higher value for available-for-sale securities following differences in mark-to-market valuation.

Interest-bearing debt as of September 30, 2014, amounted to ¥187.5 billion, down ¥12.0 billion from the previous fiscal year-end. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—decreased ¥10.1 billion from the previous fiscal year-end, amounting to ¥155.9 billion on September 30, 2014.

Net assets on September 30, 2014, stood at ¥247.7 billion, down ¥3.5 billion from the previous fiscal year-end. While there was an increase in valuation difference on available-for-sale securities and foreign currency translation adjustments, this was outweighed by a decrease in retained earnings mainly due to the adoption of the Accounting Standard for Retirement Benefits. In addition, shareholders' equity—total net assets net of minority interests—was down ¥5.4 billion from the previous fiscal year-end, standing at ¥221.8 billion on September 30, 2014. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was 0.8 time, down 0.1 time from the previous fiscal year-end. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was unchanged from the previous fiscal year-end, at 0.7 time.

In the six-month period ended September 30, 2014, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was ¥20.4 billion, an improvement of ¥6.3 billion compared with free cash flow of ¥14.1 billion in the six-month period ended September 30, 2013.

Cash flows from operating activities

Net cash provided by operating activities was ¥26.8 billion, compared with ¥21.7 billion in the six-month period ended September 30, 2013. Major factors increasing cash included decrease in notes and accounts receivable-trade, a result of efforts to collect receivables, and increase in advances

received. Major factors decreasing cash included increase in inventories and decrease in notes and accounts payable-trade.

This was an improvement of ¥5.1 billion year on year.

Cash flows from investing activities

Net cash used in investing activities was ¥6.4 billion, compared with ¥7.6 billion in the six-month period ended September 30, 2013. This was primarily related to the purchase of property, plant and equipment.

This was an improvement of ¥1.2 billion year on year.

Cash flows from financing activities

Net cash used in financing activities was ¥24.9 billion, compared with ¥30.5 billion in the six-month period ended September 30, 2013. This was principally due to a decrease in loans payable.

As a result, consolidated cash and cash equivalents at September 30, 2014, amounted to ¥31.5 billion, down ¥1.9 billion from the previous fiscal year-end.

(3) Qualitative Information regarding Consolidated Forecasts and Forecast Information

In light of the business result trends of the six-month period ended September 30, 2014, Fuji Electric has revised its consolidated forecast for business results for the fiscal year ending March 31, 2015, which was announced together with financial results for the fiscal year ending March 31, 2015, on April 24, 2014.

The forecast for the remainder of the fiscal year ending March 31, 2015, assumes exchange rates of US\$1 = ¥100 and € 1 = ¥135.

(Consolidated Forecasts for the Fiscal Year Ending March 31, 2015) (¥ billion)

	Previous announcement	Revised announcement	Change
Net sales	780.0	790.0	10.0
Operating income	38.0	40.0	2.0
Ordinary income	39.0	41.0	2.0
Net income	23.0	24.0	1.0

Reference: Consolidated Forecasts for the Fiscal Year Ending March 31, 2015, by Segment (¥billion)

	Net sales			Operating income (loss)		
	Previous announcement	Revised announcement	Change	Previous announcement	Revised announcement	Change
Power and Social Infrastructure	165.1	165.1	0.0	8.3	8.3	0.0
Industrial Infrastructure	202.7	204.7	2.0	11.6	12.6	1.0
Power Electronics	179.7	181.7	2.0	8.3	8.7	0.4
Electronic Devices	118.4	126.9	8.5	7.6	7.7	0.1
Food and Beverage Distribution	118.6	118.7	0.1	7.1	7.3	0.2
Others	57.1	57.1	0.0	1.7	1.7	0.0
Elimination and Corporate	(61.6)	(64.2)	(2.6)	(6.6)	(6.3)	0.3
Total	780.0	790.0	10.0	38.0	40.0	2.0

Net sales are expected to be ¥10.0 billion higher the initial forecasts due to increased demand in the Industrial Infrastructure, Power Electronics, Electronic Devices, and Food and Beverage Distribution segments. Operating results are expected to be ¥2.0 billion higher the initial forecasts due to the more substantial net sales as well as to reductions in costs.