

**Consolidated Financial Results for the first quarter of the fiscal year ending March 31, 2015
(April 1, 2014 – Jun 30, 2014)**

Summary of Consolidated Financial Results (Three months ended Jun 30, 2014)

1. Summary of consolidated statements of operations

	Millions of yen		Change(%) (A)/(B)	Millions of U.S. dollars
	1Q FY2014 (A)	1Q FY2013 (B)		1Q FY2014
Net sales	159,117	151,697	104.9%	1,575
Operating income	1,895	476	398.1%	19
Ordinary income	1,618	1,014	159.6%	16
Net income	228	72	316.7%	2
	Yen			U.S. dollars
Net income per share	0.32	0.10	320.0%	0.00

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S. dollars
	6/30/2014	3/31/2014	6/30/2014
Total assets	788,425	810,774	7,806
Net assets	242,671	251,225	2,403
Net assets ratio (%)	27.6%	28.0%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥101=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	
	1H FY2014	FY2014
Net sales	340,000	780,000
Operating income	4,500	38,000
Ordinary income	3,000	39,000
Net income	340	23,000
	Yen	
	1H FY2014	FY2014
Net income per share	0.48	32.19

< 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>6/30/2014</u>	<u>3/31/2014</u>	<u>6/30/2014</u>
Assets			
Current assets:			
Cash and deposits	24,286	34,025	240
Notes and accounts receivable-trade	193,746	222,481	1,918
Merchandise and finished goods	48,018	43,180	475
Work in process	62,519	48,030	619
Raw materials and supplies	32,406	30,231	321
Other	51,223	51,919	507
Allowance for doubtful accounts	(508)	(532)	(5)
Total Current assets	<u>411,693</u>	<u>429,338</u>	<u>4,076</u>
Noncurrent assets:			
Total Property, plant and equipment	168,645	172,619	1,670
Intangible assets	13,572	13,874	134
Investments and other assets			
Investment securities	160,728	148,867	1,591
Net defined benefit asset	17,830	31,263	177
Other	16,545	15,388	164
Allowance for doubtful accounts	(739)	(744)	(7)
Total Investments and other assets	<u>194,364</u>	<u>194,775</u>	<u>1,924</u>
Total Noncurrent assets	<u>376,581</u>	<u>381,269</u>	<u>3,729</u>
Deferred assets	<u>150</u>	<u>166</u>	<u>1</u>
Total Assets	<u><u>788,425</u></u>	<u><u>810,774</u></u>	<u><u>7,806</u></u>

Consolidated Balance Sheets

	Millions of yen		<i>Millions of U.S. dollars</i>
	6/30/2014	3/31/2014	<i>6/30/2014</i>
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	127,757	142,087	1,265
Short-term loans payable	69,853	76,412	692
Current portion of bonds	15,000	-	149
Income taxes payable	1,459	4,543	14
Advances received	44,071	33,933	436
Other	97,384	102,480	964
Total Current liabilities	355,526	359,457	3,520
Noncurrent liabilities:			
Bonds payable	45,500	60,500	450
Long-term loans payable	61,290	62,592	607
Net defined benefit liability	43,336	34,236	429
Provision for directors' retirement benefits	208	215	2
Other	39,891	42,546	395
Total Noncurrent liabilities	190,227	200,091	1,883
Total Liabilities	545,753	559,548	5,403
Net Assets			
Shareholders' equity:			
Capital stock	47,586	47,586	471
Capital surplus	46,735	46,734	463
Retained earnings	83,975	102,631	831
Treasury stock	(7,154)	(7,148)	(71)
Total Shareholders' equity	171,142	189,804	1,694
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	53,916	44,768	534
Deferred gains or losses on hedges	(107)	20	(1)
Foreign currency translation adjustments	2,423	3,202	24
Remeasurements of defined benefit plans	(9,556)	(10,614)	(95)
Total Accumulated other comprehensive income	46,675	37,376	462
Minority interests	24,853	24,043	246
Total Net assets	242,671	251,225	2,403
Total Liabilities and Net assets	788,425	810,774	7,806

Consolidated Statements of Income

	Millions of yen		Millions of U.S. dollars
	1Q FY2014	1Q FY2013	1Q FY2014
Net sales	159,117	151,697	1,575
Cost of sales	119,640	117,065	1,185
Gross profit	39,477	34,631	391
Selling, general and administrative expenses	37,581	34,154	372
Operating income	1,895	476	19
Non-operating income			
Interest income	53	102	1
Dividends income	1,050	547	10
Foreign exchange income	-	1,144	-
Other	271	183	3
Total Non-operating income	1,374	1,978	14
Non-operating expenses			
Interest expense	601	699	6
Equity in losses of affiliates	680	585	7
Foreign exchange losses	231	-	2
Other	139	155	1
Total Non-operating expenses	1,652	1,440	16
Ordinary income	1,618	1,014	16
Extraordinary income			
Gain on sales of noncurrent assets	5	358	0
Gain on sales of investment securities	46	12	0
Total Extraordinary income	51	371	1
Extraordinary loss			
Loss on disposal of noncurrent assets	77	17	1
Loss on devaluation of investment securities	296	39	3
Settlement package	-	420	-
Other	18	57	0
Total Extraordinary loss	391	534	4
Income before income taxes	1,278	851	13
Income taxes	650	375	6
Income before minority interests	627	475	6
Minority interests in income of consolidated subsidiaries	399	403	4
Net income	228	72	2

Consolidated Statements of Comprehensive Income

	Millions of yen		<i>Millions of U.S. dollars</i>
	1Q FY2014	1Q FY2013	<i>1Q FY2014</i>
Income before minority interests	627	475	6
Other comprehensive income			
Valuation difference on available-for-sale securities	9,149	3,718	91
Deferred gains or losses on hedges	(125)	(8)	(1)
Foreign currency translation adjustments	(895)	2,385	(9)
Remeasurements of defined benefit plans net of tax	1,042	0	10
Share of other comprehensive income of associates accounted for using equity method	33	25	0
Total other comprehensive Income	9,204	6,120	91
Comprehensive income	9,832	6,596	97
Comprehensive income attributable to:			
Shareholders of the Company	9,527	5,752	94
Minority interests	304	844	3

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 quarter of the fiscal year ended March 31, 2014 has been reclassified to reflect this change.

1Q 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	26,334	31,397	34,118	29,617	30,022	7,627	159,117	-	159,117
Inter-segment sales and transfers	273	804	2,986	1,747	48	6,845	12,706	(12,706)	-
Total sales	26,607	32,202	37,105	31,365	30,070	14,473	171,823	(12,706)	159,117
Segment profits (losses)	(168)	(1,724)	169	2,005	2,566	471	3,321	(1,425)	1,895

1Q 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	23,884	28,281	32,839	27,518	31,928	7,244	151,697	-	151,697
Inter-segment sales and transfers	226	572	3,231	1,413	16	6,958	12,420	(12,420)	-
Total sales	24,111	28,854	36,070	28,932	31,945	14,203	164,117	(12,420)	151,697
Segment profits (losses)	(556)	(1,800)	(169)	801	3,215	434	1,923	(1,447)	476

1Q 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	261	311	338	293	297	76	1,575	-	1,575
Inter-segment sales and transfers	3	8	30	17	0	68	126	(126)	-
Total sales	263	319	367	311	298	143	1,701	(126)	1,575
Segment profits (losses)	(2)	(17)	2	20	25	5	33	(14)	19

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

	Billions of yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Net sales	159.1	340.0	151.7	328.5
Operating income	1.9	4.5	0.5	3.0
Ordinary income	1.6	3.0	1.0	2.5
Net income	0.2	0.3	0.1	0.3

2. Number of consolidated subsidiaries

	Billions of yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Number of consolidated subsidiaries	49	49	48	48
Japan	24	24	24	24
Overseas	25	25	24	24
Number of equity-method associates	5	5	5	5

3. Net income per share

	Yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Net income per share	0.32	0.48	0.10	0.46

4. Sales exchange rate (Yen)

	Yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
US\$	102.16	101.08	98.76	98.85
EURO	140.07	137.54	128.95	130.00

5. Net sales by reporting segment

	Billions of yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Power and Social Infrastructure	26.6	61.0	24.1	56.9
Industrial Infrastructure	32.2	76.5	28.9	69.7
Power Electronics	37.1	80.7	36.1	79.2
Electronic Devices	31.4	61.4	28.9	58.9
Food and Beverage Distribution	30.1	59.9	31.9	62.3
Others	14.5	28.2	14.2	28.7
Subtotal	171.8	367.6	164.1	355.8
Elimination	(12.7)	(27.6)	(12.4)	(27.4)
Total	159.1	340.0	151.7	328.5

Note : Net sales include inter-segment transactions.

6. Operating income by reporting segment

	Billions of yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Power and Social Infrastructure	(0.2)	(0.5)	(0.6)	(0.8)
Industrial Infrastructure	(1.7)	(1.3)	(1.8)	(1.7)
Power Electronics	0.2	1.3	(0.2)	0.5
Electronic Devices	2.0	3.0	0.8	2.1
Food and Beverage Distribution	2.6	4.1	3.2	4.7
Others	0.5	0.8	0.4	1.0
Subtotal	3.3	7.4	1.9	5.8
Elimination	(1.4)	(2.9)	(1.4)	(2.8)
Total	1.9	4.5	0.5	3.0

7. Net overseas sales

	Billions of yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Asia (except for China)	16.6	-	15.8	34.5
China	19.8	-	15.0	32.3
Europe	4.0	-	3.9	8.5
America	2.7	-	3.7	7.2
Total	43.0	-	38.4	82.6

8. R&D expenditures

	Billions of yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Power and Social Infrastructure	0.8	2.2	0.9	2.2
Industrial Infrastructure	1.1	3.0	1.1	2.8
Power Electronics	2.2	4.9	1.6	3.5
Electronic Devices	1.9	4.3	2.2	4.5
Food and Beverage Distribution	1.0	2.3	0.9	2.2
Others	0.0	0.0	0.0	0.0
Total	7.0	16.6	6.6	15.2
Ratio to net sales (%)	4.4%	4.9%	4.3%	4.6%

9. Plant and equipment investment (including leases)

	Billions of yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Power and Social Infrastructure	0.9	1.5	0.3	0.5
Industrial Infrastructure	0.4	1.0	0.5	0.9
Power Electronics	1.3	5.1	1.8	3.6
Electronic Devices	0.9	5.5	3.3	5.3
Food and Beverage Distribution	0.3	1.0	0.2	0.9
Others	0.1	0.8	0.1	0.3
Total	3.8	14.9	6.3	11.3
(Leases)	1.6	6.6	2.5	4.9

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

10. Depreciation, Leases paid

	Billions of yen			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Power and Social Infrastructure	0.4	0.9	0.4	0.9
Industrial Infrastructure	0.5	1.1	0.5	1.1
Power Electronics	1.1	2.4	1.0	2.1
Electronic Devices	4.7	9.3	4.1	8.2
Food and Beverage Distribution	0.6	1.2	0.6	1.2
Others	0.3	0.6	0.4	0.7
Total	7.6	15.5	7.1	14.1
(Leases)	0.4	0.8	0.5	0.9

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

11. Number of employees

	Number of employees			
	1Q FY2014	1H FY2014 [Forecast]	1Q FY2013	1H FY2013
Power and Social Infrastructure	2,622	2,655	2,560	2,554
Industrial Infrastructure	5,457	5,427	5,341	5,323
Power Electronics	6,379	6,637	6,076	6,144
Electronic Devices	6,567	6,720	6,724	6,662
Food and Beverage Distribution	2,487	2,546	2,363	2,383
Others	2,361	2,351	2,452	2,421
Total	25,873	26,336	25,516	25,487
Japan	18,230	18,247	18,336	18,233
Overseas	7,643	8,089	7,180	7,254

Financial Performance

(1) Qualitative Information regarding Consolidated Results of Operations

In the three-month period ended June 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 signs of a potential improvement in capital investment among private corporations. Overseas, activity was weak in certain markets, but the overall trend was that of gradual improvement supported by the recovery of major developed nations, such as the United States and those nations in Europe.

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 three-month period were as follows.

Net sales rose 7.4 billion year on year, to ¥159.1 billion. 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 ¥1.4 billion year on year, to ¥1.9 billion. This reflected higher net sales and improved profitability stemming from cost reductions. Further, ordinary income increased ¥0.6 billion, to ¥1.6 billion. Net income rose ¥0.2 billion, to ¥0.2 billion. In this manner, profits were recorded on all three income levels, a trend that continued from the three-month period ended June 30, 2013.

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

(¥ billion)

	1Q Fiscal 2013	1Q Fiscal 2014	Change
Net sales	151.7	159.1	7.4
Operating income	0.5	1.9	1.4
Ordinary income	1.0	1.6	0.6
Net income	0.1	0.2	0.2

Results by Segment

[Power and Social Infrastructure]

YoY: Net sales increased 10%, operating results improved ¥0.4 billion

Net sales rose 10% year on year, to ¥26.6 billion, and operating loss improved ¥0.4 billion year on year, to ¥0.2 billion.

In the power plant business, net sales were down year on year due to lower orders for thermal power generation facilities and hydropower generation facilities, which offset a rise in orders for solar power generation systems. 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. In the social information business, net sales increased following a rise in large-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 12%, operating results improved ¥0.1 billion

Net sales rose 12% year on year, to ¥32.2 billion, and operating loss improved ¥0.1 billion year on year, to ¥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 and overseas. In the industrial plant business, net sales increased due to higher orders primarily from steel plant markets in Japan and overseas. 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 large-scale orders for solar power generation facility construction. Overall, the segment saw improved operating results due to higher net sales.

[Power Electronics]

YoY: Net sales increased 3%, operating results improved ¥0.3 billion

Net sales rose 3% year on year, to ¥37.1 billion, and operating loss improved ¥0.3 billion year on year, and operating income of ¥0.2 billion was recorded accordingly.

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 domestic demand in the machine tool and semiconductor fields as well as solid demand overseas.

[Electronic Devices]

YoY: Net sales increased 8%, operating results improved ¥1.2 billion

Net sales rose 8% year on year, to ¥31.4 billion, and operating income improved ¥1.2 billion year on year, to ¥2.0 billion.

In the semiconductors business, net sales were up year on year due to performance that was consistent with the previous equivalent period in the automotive field; 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 field. 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 6%, operating results worsened ¥0.6 billion

Net sales decreased 6% year on year, to ¥30.1 billion, and operating income worsened ¥0.6 billion year on year, to ¥2.6 billion.

In the vending machines business, net sales were down year on year due to lower demand for coffee machines for convenience stores as well as a decrease in vending machine demand following the consumption tax hike. These factors 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 and operating results both improved due to higher sales of freezing and refrigerating equipment for convenience stores as well as refrigeration facilities for the distribution field.

[Others]

YoY: Net sales increased 2%, operating results were unchanged year on year

Net sales rose 2% year on year, to ¥14.5 billion, and operating income were unchanged year on year at ¥0.5 billion.

Note: Effective April 1, 2014, the Company underwent an organizational restructuring, resulting in changes in the business segments contained within the following reportable segments: Power and Social Infrastructure, Industrial Infrastructure, Power Electronics, and Electronic Devices. In addition, the divisions and names of business segments contained within the Industrial Infrastructure reportable segment were changed. Year on year comparisons are based on figures recalculated for performance in the three-month period ended June 30, 2013, based on the new business segments.

(2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2014	Breakdown (%)	June 30, 2014	Breakdown (%)	Change
Total assets	810.8	100.0	788.4	100.0	(22.3)
Interest-bearing debt	199.5	24.6	191.6	24.3	(7.9)
Shareholder's equity* ¹	227.2	28.0	217.8	27.6	(9.4)
Debt-equity ratio* ² (times)	0.9		0.9		0.0

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

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

Total assets on June 30, 2014, stood at ¥788.4 billion, a decrease of ¥22.3 billion from the end of the previous fiscal year. Total current assets declined ¥17.6 billion, due mainly to decreases in notes and accounts receivable-trade and in cash and deposits, which offset a rise in inventories. Total noncurrent assets were down ¥4.7 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 June 30, 2014, amounted to ¥191.6 billion, down ¥7.9 billion from the previous fiscal year-end. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—increased ¥2.0 billion from the previous fiscal year-end, amounting to ¥168.1 billion on June 30, 2014.

Net assets on June 30, 2014, stood at ¥242.7 billion, down ¥8.6 billion from the previous fiscal year-end. While there was an increase in valuation difference on available-for-sale securities, 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 ¥9.4 billion from the previous fiscal year-end, standing at ¥217.8 billion on June 30, 2014. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was unchanged from the previous fiscal year-end, at 0.9 time. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was 0.8 time, up 0.1 time from the previous fiscal year-end.

(3) Qualitative Information regarding Consolidated Forecasts and Forecast Information

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

The forecast for the six-month period ending September 30, 2014, assumes exchange rates of US\$1 = ¥100 and € 1 = ¥135.

(Six-month period ended September 30, 2014)

(¥ billion)

	Previous announcement	Revised announcement	Change
Net sales	329.5	340.0	10.5
Operating income	2.5	4.5	2.0
Ordinary income	0.4	3.0	2.6
Net income (loss)	(2.0)	0.3	2.3