

**Consolidated Financial Report for the fiscal year ended March 31, 2016  
(April 1, 2015 – March 31, 2016)**

**Summary of Consolidated Financial Results**

**1. Summary of consolidated statements of operations**

	Millions of yen			Millions of U.S. dollars
	FY2015	FY2014	Change(%)	FY2015
	(A)	(B)	(A)/(B)	
Net sales	813,550	810,678	100.4%	7,200
Operating income	45,006	39,316	114.5%	398
Ordinary income	45,614	43,139	105.7%	404
Profit attributable to owners of parent	30,644	27,978	109.5%	271
	<u>Yen</u>			<u>U.S. dollars</u>
Net income per share	42.90	39.16	109.6%	0.38

**2. Summary of consolidated financial position**

	Millions of yen		Millions of U.S. dollars
	3/31/2016	3/31/2015	3/31/2016
	Total assets	845,378	904,522
Net assets	260,980	319,636	2,310
Equity ratio (%)	27.3%	32.1%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥113=U.S.\$1

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2017  
(April 1, 2016 - March 31, 2017)**

	Millions of yen
	FY2016
Net sales	830,000
Operating income	47,000
Ordinary income	47,000
Profit attributable to owners of parent	31,000
	<u>Yen</u>
	FY2016
Net income per share	43.39

< 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		<i>Millions of U.S. dollars</i>
	<u>3/31/2016</u>	<u>3/31/2015</u>	<u>3/31/2016</u>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	31,000	31,953	274
Notes and accounts receivable-trade	258,378	237,631	2,287
Merchandise and finished goods	56,290	54,495	498
Work in process	52,410	48,787	464
Raw materials and supplies	36,437	34,330	322
Deferred tax assets	17,091	17,246	151
Other	43,490	39,301	385
Allowance for doubtful accounts	(1,167)	(777)	(10)
<b>Total Current assets</b>	<u>493,932</u>	<u>462,969</u>	<u>4,371</u>
<b>Noncurrent assets:</b>			
Property, plant and equipment			
Buildings and structures, net	83,200	79,195	736
Machinery, equipment and vehicles, net	18,959	20,473	168
Tools, furniture and fixtures, net	5,816	5,521	51
Land	34,918	35,080	309
Lease assets, net	29,291	27,081	259
Construction in progress	4,290	7,601	38
Property, plant and equipment	<u>176,476</u>	<u>174,953</u>	<u>1,562</u>
Intangible assets	20,369	15,295	180
Investments and other assets			
Investment securities	125,265	195,393	1,109
Long-term loans receivable	812	1,407	7
Net defined benefit asset	17,623	44,103	156
Deferred tax assets	2,617	2,518	23
Other	9,074	8,955	80
Allowance for doubtful accounts	(911)	(1,175)	(8)
<b>Total Investments and other assets</b>	<u>154,481</u>	<u>251,201</u>	<u>1,367</u>
<b>Total Noncurrent assets</b>	<u>351,327</u>	<u>441,451</u>	<u>3,109</u>
<b>Deferred assets</b>	<u>117</u>	<u>102</u>	<u>1</u>
<b>Total Assets</b>	<u>845,378</u>	<u>904,522</u>	<u>7,481</u>

**Consolidated Balance Sheets**

	Millions of yen		<i>Millions of U.S. dollars</i>
	<b>3/31/2016</b>	3/31/2015	<i>3/31/2016</i>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	160,416	150,648	<i>1,420</i>
Short-term loans payable	53,795	68,095	<i>476</i>
Commercial papers	22,000	19,000	<i>195</i>
Current portion of bonds	20,500	15,000	<i>181</i>
Lease obligations	11,970	12,988	<i>106</i>
Accrued expenses	39,285	38,309	<i>348</i>
Income taxes payable	6,390	5,905	<i>57</i>
Advances received	40,247	38,303	<i>356</i>
Other	63,213	56,498	<i>559</i>
<b>Total Current liabilities</b>	<b>417,819</b>	<b>404,748</b>	<i><b>3,698</b></i>
<b>Noncurrent liabilities:</b>			
Bonds payable	40,000	45,500	<i>354</i>
Long-term loans payable	48,449	43,629	<i>429</i>
Lease obligations	23,498	22,260	<i>208</i>
Deferred tax liabilities	797	32,576	<i>7</i>
Provision for directors' retirement benefits	195	236	<i>2</i>
Net defined benefit liability	50,729	32,518	<i>449</i>
Other	2,908	3,416	<i>26</i>
<b>Total Noncurrent liabilities</b>	<b>166,578</b>	<b>180,137</b>	<i><b>1,474</b></i>
<b>Total Liabilities</b>	<b>584,397</b>	<b>584,885</b>	<i><b>5,172</b></i>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	<i>421</i>
Capital surplus	46,736	46,735	<i>414</i>
Retained earnings	132,111	109,543	<i>1,169</i>
Treasury stock	(7,212)	(7,184)	<i>(64)</i>
<b>Total Shareholders' equity</b>	<b>219,221</b>	<b>196,680</b>	<i><b>1,940</b></i>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	30,254	69,528	<i>268</i>
Deferred gains or losses on hedges	(1,132)	(513)	<i>(10)</i>
Foreign currency translation adjustments	3,377	10,978	<i>30</i>
Remeasurements of defined benefit plans	(21,321)	13,665	<i>(189)</i>
<b>Total Accumulated other comprehensive income</b>	<b>11,177</b>	<b>93,659</b>	<i><b>99</b></i>
<b>Non-controlling interests</b>	<b>30,581</b>	<b>29,296</b>	<i><b>271</b></i>
<b>Total Net assets</b>	<b>260,980</b>	<b>319,636</b>	<i><b>2,310</b></i>
<b>Total Liabilities and Net assets</b>	<b>845,378</b>	<b>904,522</b>	<i><b>7,481</b></i>

**Consolidated Statements of Income**

	Millions of yen		Millions of U.S. dollars
	<b>FY2015</b>	FY2014	<i>FY2015</i>
<b>Net sales</b>	813,550	810,678	7,200
<b>Cost of sales</b>	603,235	609,376	5,338
<b>Gross profit</b>	210,314	201,302	1,861
<b>Selling, general and administrative expenses</b>	165,308	161,985	1,463
<b>Operating income</b>	45,006	39,316	398
<b>Non-operating income</b>			
Interest income	251	234	2
Dividends income	2,786	2,291	25
Equity in earnings of affiliates	1,279	1,031	11
Foreign exchange income	-	3,666	-
Other	591	1,097	5
<b>Total Non-operating income</b>	4,908	8,321	43
<b>Non-operating expenses</b>			
Interest expense	2,136	2,551	19
Foreign exchange losses	860	-	8
Provision of allowance for doubtful accounts for subsidiaries and associates	-	530	-
Other	1,304	1,417	12
<b>Total Non-operating expenses</b>	4,301	4,499	38
<b>Ordinary income</b>	45,614	43,139	404
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	989	81	9
Gain on sales of investment securities	2,351	2,778	21
Gain on change in equity	-	4,843	-
<b>Total Extraordinary income</b>	3,340	7,703	30
<b>Extraordinary loss</b>			
Loss on disposal of noncurrent assets	775	880	7
Loss on valuation of investment securities	167	447	1
Impairment loss	282	2,830	2
Settlement package	640	810	6
Loss on liquidation of subsidiaries	470	-	4
Other	51	154	0
<b>Total Extraordinary loss</b>	2,387	5,123	21
<b>Income before income taxes</b>	46,566	45,719	412
<b>Income taxes-current</b>	9,600	9,612	85
<b>Income taxes-deferred</b>	3,096	5,305	27
<b>Income taxes</b>	12,697	14,918	112
<b>Profit</b>	33,868	30,800	300
<b>Profit attributable to non-controlling interests</b>	3,224	2,822	29
<b>Profit attributable to owners of parent</b>	30,644	27,978	271

**Consolidated Statements of Comprehensive Income**

	Millions of yen		<i>Millions of U.S. dollars</i>
	<b>FY2015</b>	FY2014	<i>FY2015</i>
<b>Profit</b>	33,868	30,800	300
<b>Other comprehensive income</b>			
Valuation difference on available-for-sale securities	(39,295)	24,731	(348)
Deferred gains or losses on hedges	(622)	(531)	(6)
Foreign currency translation adjustments	(8,300)	8,785	(73)
Remeasurements of defined benefit plans	(34,914)	24,141	(309)
Share of other comprehensive income of associates accounted for using equity method	(520)	517	(5)
<b>Total other comprehensive Income</b>	(83,652)	57,644	(740)
<b>Comprehensive income</b>	(49,783)	88,445	(441)
<b>Comprehensive income attributable to:</b>			
Comprehensive income attributable to owners of parent	(51,837)	84,260	(459)
Comprehensive income attributable to non-controlling interests	2,053	4,184	18

**Consolidated Statements of Shareholders' Equity (FY2015)**

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT APRIL 1, 2015</b>	47,586	46,735	109,543	(7,184)	196,680
Cumulative effect of changes in accounting policies					-
Restated balance	47,586	46,735	109,543	(7,184)	196,680
Changes of items during the period					
Dividends from surplus			(7,144)		(7,144)
Profit attributable to owners of parent			30,644		30,644
Purchase of treasury stock				(28)	(28)
Disposal of treasury stock		0		0	1
Change of scope of consolidation			(931)		(931)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	22,568	(28)	22,541
<b>BALANCE AT MARCH 31, 2016</b>	47,586	46,736	132,111	(7,212)	219,221

	Millions of yen						
	Accumulated other comprehensive income					Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements Of Defined Benefit Plans	Total Accumulated other comprehensive income		
<b>BALANCE AT APRIL 1, 2015</b>	69,528	(513)	10,978	13,665	93,659	29,296	319,636
Cumulative effect of changes in accounting policies							-
Restated balance	69,528	(513)	10,978	13,665	93,659	29,296	319,636
Changes of items during the period							
Dividends from surplus					-		(7,144)
Profit attributable to owners of parent					-		30,644
Purchase of treasury stock					-		(28)
Disposal of treasury stock					-		1
Change of scope of consolidation					-		(931)
Net changes of items other than shareholders' equity	(39,274)	(618)	(7,601)	(34,986)	(82,482)	1,284	(81,197)
Total changes of items during the period	(39,274)	(618)	(7,601)	(34,986)	(82,482)	1,284	(58,655)
<b>BALANCE AT MARCH 31, 2016</b>	30,254	(1,132)	3,377	(21,321)	11,177	30,581	260,980

**Consolidated Statements of Shareholders' Equity (FY2014)**

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT APRIL 1, 2014</b>	47,586	46,734	102,631	(7,148)	189,804
Cumulative effect of changes in accounting policies			(16,026)		(16,026)
Restated balance	47,586	46,734	86,605	(7,148)	173,778
Changes of items during the period					
Dividends from surplus			(5,715)		(5,715)
Profit attributable to owners of parent			27,978		27,978
Purchase of treasury stock				(37)	(37)
Disposal of treasury stock		0		0	1
Change of scope of consolidation			675		675
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	22,938	(36)	22,902
<b>BALANCE AT MARCH 31, 2015</b>	47,586	46,735	109,543	(7,184)	196,680

	Millions of yen						
	Accumulated other comprehensive income					Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements Of Defined Benefit Plans	Total Accumulated other comprehensive income		
<b>BALANCE AT APRIL 1, 2014</b>	44,768	20	3,202	(10,614)	37,376	24,043	251,225
Cumulative effect of changes in accounting policies						(179)	(16,206)
Restated balance	44,768	20	3,202	(10,614)	37,376	23,864	235,019
Changes of items during the period							
Dividends from surplus					-		(5,715)
Profit attributable to owners of parent					-		27,978
Purchase of treasury stock					-		(37)
Disposal of treasury stock					-		1
Change of scope of consolidation					-		675
Net changes of items other than shareholders' equity	24,760	(533)	7,776	24,280	56,282	5,432	61,714
Total changes of items during the period	24,760	(533)	7,776	24,280	56,282	5,432	84,617
<b>BALANCE AT MARCH 31, 2015</b>	69,528	(513)	10,978	13,665	93,659	29,296	319,636

**Consolidated Statements of Cash Flows**

	Millions of yen		Millions of U.S. dollars
	FY2015	FY2014	FY2015
<b>I Cash flows from operating activities</b>			
Income before income taxes and minority interests	46,566	45,719	412
Depreciation and amortization	29,723	33,615	263
Increase (decrease) in allowance for doubtful accounts	(527)	657	(5)
Interest and dividends income	(3,037)	(2,526)	(27)
Interest expenses	2,136	2,551	19
Foreign exchange losses (gains)	6	610	0
Loss (gain) on sales of noncurrent assets	(989)	(81)	(9)
Loss (gain) on sales of investment securities	(2,351)	(2,778)	(21)
Loss (gain) on change in equity	-	(4,843)	-
Loss (gain) on disposal of noncurrent assets	775	880	7
Loss (gain) on devaluation of investment securities	167	447	1
Impairment loss	282	2,830	2
Loss on liquidation of subsidiaries	470	-	4
Decrease (increase) in notes and accounts receivable-trade	(22,609)	(8,646)	(200)
Decrease (increase) in inventories	(7,811)	(12,572)	(69)
Increase (decrease) in notes and accounts payable-trade	12,513	3,410	111
Increase (decrease) in advances received	1,750	3,958	15
Other, net	(1,439)	(4,457)	(13)
Subtotal	55,627	58,775	492
Interest and dividends income received	3,035	2,572	27
Interest expenses paid	(2,186)	(2,536)	(19)
Income taxes paid	(8,026)	(7,352)	(71)
Net cash provided by operating activities	48,450	51,459	429
<b>II Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(17,843)	(15,248)	(158)
Proceeds from sales of property, plant and equipment	1,994	868	18
Purchase of investment securities	(4,657)	(10,253)	(41)
Proceeds from sales of investment securities	5,878	6,233	52
Payments of loans receivable	(6,888)	(6,530)	(61)
Collection of loans receivable	6,242	5,578	55
Other, net	(4,134)	(3,397)	(37)
Net cash used in investing activities	(19,410)	(22,750)	(172)
<b>III Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(11,245)	(7,926)	(100)
Increase (decrease) in commercial papers	3,000	19,000	27
Proceeds from long-term loans payable	19,520	751	173
Repayment of long-term loans payable	(20,106)	(24,357)	(178)
Proceeds from issuance of bonds	15,000	-	133
Redemption of bonds	(15,000)	-	(133)
Repayments of lease obligations	(14,490)	(14,562)	(128)
Proceeds from sales of treasury stock	1	1	0
Purchase of treasury stock	(28)	(37)	(0)
Cash dividends paid	(7,144)	(5,715)	(63)
Cash dividends paid to minority shareholders	(1,002)	(982)	(9)
Other, net	(70)	-	(1)
Net cash used in financing activities	(31,566)	(33,828)	(279)
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	(2,099)	1,718	(19)
<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV)</b>	(4,625)	(3,401)	(41)
<b>VI Cash and cash equivalents at beginning of period</b>	31,895	33,412	282
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	3,552	1,883	31
<b>VIII Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries</b>	17	-	0
<b>IX Cash and cash equivalents at end of period</b>	30,838	31,895	273



## Consolidated Segment Information

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

As of April 1, 2015, reflecting change of organization structure, the reporting segments were reclassified in Power and Social Infrastructure, Industrial Infrastructure and Power Electronics.

The reporting segment information for the fiscal year ended March 31, 2015 has been reclassified to reflect this change.

#### FY2015

	Millions of yen								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
<b>Net Sales</b>									
Sales to third parties	174,007	198,551	175,847	116,155	114,400	34,587	813,550	-	813,550
Inter-segment sales and transfers	1,480	3,407	27,124	3,690	586	27,999	64,289	(64,289)	-
<b>Total sales</b>	<b>175,488</b>	<b>201,959</b>	<b>202,972</b>	<b>119,846</b>	<b>114,987</b>	<b>62,586</b>	<b>877,840</b>	<b>(64,289)</b>	<b>813,550</b>
<b>Segment profits (losses)</b>	<b>9,736</b>	<b>12,966</b>	<b>7,755</b>	<b>9,863</b>	<b>7,825</b>	<b>2,335</b>	<b>50,481</b>	<b>(5,475)</b>	<b>45,006</b>

#### FY2014

	Millions of yen								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
<b>Net Sales</b>									
Sales to third parties	167,477	187,264	174,123	130,772	118,824	32,215	810,678	-	810,678
Inter-segment sales and transfers	1,711	4,094	26,789	6,416	289	28,988	68,289	(68,289)	-
<b>Total sales</b>	<b>169,188</b>	<b>191,358</b>	<b>200,912</b>	<b>137,189</b>	<b>119,113</b>	<b>61,203</b>	<b>878,967</b>	<b>(68,289)</b>	<b>810,678</b>
<b>Segment profits (losses)</b>	<b>7,786</b>	<b>11,142</b>	<b>7,581</b>	<b>8,071</b>	<b>8,527</b>	<b>1,882</b>	<b>44,992</b>	<b>(5,675)</b>	<b>39,316</b>

#### FY2015

	Millions of U.S. dollars								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
<b>Net Sales</b>									
Sales to third parties	1,540	1,757	1,556	1,028	1,012	306	7,200	-	7,200
Inter-segment sales and transfers	13	30	240	33	5	248	569	(569)	-
<b>Total sales</b>	<b>1,553</b>	<b>1,787</b>	<b>1,796</b>	<b>1,061</b>	<b>1,018</b>	<b>554</b>	<b>7,768</b>	<b>(569)</b>	<b>7,200</b>
<b>Segment profits (losses)</b>	<b>86</b>	<b>115</b>	<b>69</b>	<b>87</b>	<b>69</b>	<b>21</b>	<b>447</b>	<b>(48)</b>	<b>398</b>

## Supplemental Consolidated Financial Materials

### 1. Financial summary

	Billions of yen		Billions of yen
	FY2015	FY2014	FY2016 [Forecast]
Net sales	813.6	810.7	830.0
Operating income	45.0	39.3	47.0
Ordinary income	45.6	43.1	47.0
Profit attributable to owners of parent	30.6	28.0	31.0

### 2. Number of consolidated subsidiaries

	FY2015	FY2014	FY2016 [Forecast]
	Number of consolidated subsidiaries	69	48
Japan	22	22	23
Overseas	47	26	48
Number of equity-method associates	5	5	5

### 3. Net income per share

	Yen		Yen
	FY2015	FY2014	FY2016 [Forecast]
Net income per share	42.90	39.16	43.39

### 4. Sales exchange rate (Yen)

	Yen		Yen
	FY2015	FY2014	FY2016 [Forecast]
US\$	120.14	109.93	110.00
EURO	132.58	138.77	120.00

### 5. Net sales by reporting segment

	Billions of yen		Billions of yen	
	FY2015	FY2014	FY2015 [New segments]	FY2016 [Forecast]
Power and Social Infrastructure	175.5	169.2	175.5	177.9
Industrial Infrastructure	202.0	191.4	199.1	214.5
Power Electronics	203.0	200.9	209.0	214.6
Electronic Devices	119.8	137.2	120.2	120.0
Food and Beverage Distribution	115.0	119.1	110.0	116.0
Others	62.6	61.2	62.6	55.0
Subtotal	877.8	879.0	876.5	898.2
Elimination	(64.3)	(68.3)	(62.9)	(68.2)
<b>Total</b>	<b>813.6</b>	<b>810.7</b>	<b>813.6</b>	<b>830.0</b>

Note : Net sales include inter-segment transactions.

### 6. Operating income by reporting segment

	Billions of yen		Billions of yen	
	FY2015	FY2014	FY2015 [New segments]	FY2016 [Forecast]
Power and Social Infrastructure	9.7	7.8	9.7	10.5
Industrial Infrastructure	13.0	11.1	11.2	13.1
Power Electronics	7.8	7.6	9.4	11.6
Electronic Devices	9.9	8.1	9.8	7.5
Food and Beverage Distribution	7.8	8.5	8.0	8.8
Others	2.3	1.9	2.3	2.0
Subtotal	50.5	45.0	50.5	53.4
Elimination	(5.5)	(5.7)	(5.5)	(6.4)
<b>Total</b>	<b>45.0</b>	<b>39.3</b>	<b>45.0</b>	<b>47.0</b>

### 7. Net overseas sales

	Billions of yen		Billions of yen
	FY2015	FY2014	FY2016 [Forecast]
Asia (except for China)	103.9	85.2	110.7
China	82.6	87.7	72.7
Europe	16.7	16.5	17.8
America	12.6	15.5	17.9
<b>Total</b>	<b>215.8</b>	<b>204.9</b>	<b>219.0</b>

## 8. R&D expenditures

	Billions of yen		Billions of yen	
	FY2015	FY2014	FY2015 [New segments]	FY2016 [Forecast]
Power and Social Infrastructure	5.7	4.6	5.7	5.3
Industrial Infrastructure	6.4	5.9	6.2	6.0
Power Electronics	9.2	10.4	9.6	10.1
Electronic Devices	9.1	9.3	9.2	10.9
Food and Beverage Distribution	5.5	4.9	5.3	4.8
Others	0.0	0.0	0.0	0.0
<b>Total</b>	<b>35.9</b>	<b>35.0</b>	<b>35.9</b>	<b>37.1</b>
Ratio to net sales (%)	4.4%	4.3%	4.4%	4.5%

## 9. Plant and equipment investment (including leases)

	Billions of yen		Billions of yen	
	FY2015	FY2014	FY2015 [New segments]	FY2016 [Forecast]
Power and Social Infrastructure	2.2	2.4	2.2	2.0
Industrial Infrastructure	2.1	2.5	2.1	2.4
Power Electronics	8.1	9.2	8.1	11.2
Electronic Devices	7.4	10.6	7.4	9.3
Food and Beverage Distribution	2.0	2.4	2.0	6.9
Others	5.9	2.0	5.9	1.2
<b>Total</b>	<b>27.7</b>	<b>29.0</b>	<b>27.7</b>	<b>33.0</b>
(Leases)	9.2	12.2	9.2	14.1

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

## 10. Depreciation, Leases paid

	Billions of yen		Billions of yen	
	FY2015	FY2014	FY2015 [New segments]	FY2016 [Forecast]
Power and Social Infrastructure	1.8	1.7	1.8	1.9
Industrial Infrastructure	2.2	1.9	2.1	2.7
Power Electronics	5.5	5.4	5.7	6.4
Electronic Devices	14.1	19.0	14.1	13.4
Food and Beverage Distribution	2.3	2.4	2.3	2.3
Others	1.4	1.3	1.4	1.2
<b>Total</b>	<b>27.3</b>	<b>31.7</b>	<b>27.3</b>	<b>27.9</b>
(Leases)	1.2	1.4	1.2	1.3

## 11. Number of employees

	Billions of yen		Billions of yen	
	FY2015	FY2014	FY2015 [New segments]	FY2016 [Forecast]
Power and Social Infrastructure	2,478	2,498	2,478	2,536
Industrial Infrastructure	5,472	5,163	5,348	5,375
Power Electronics	7,646	6,923	7,795	8,024
Electronic Devices	6,348	6,593	6,481	6,579
Food and Beverage Distribution	2,480	2,456	2,369	2,676
Others	2,084	2,107	2,037	2,092
<b>Total</b>	<b>26,508</b>	<b>25,740</b>	<b>26,508</b>	<b>27,282</b>
Japan	17,635	17,814	17,635	17,927
Overseas	8,873	7,926	8,873	9,355

## Financial Performance

### (1) Qualitative Information regarding Consolidated Results of Operations

#### Results of Operations in the Fiscal Year Ended March 31, 2016

In the fiscal year ended March 31, 2016, in the Company's operating environment, a recovery trend was seen overseas in the United States and principal European countries, but the economic slowdown in China and other Asian countries became even more pronounced. In Japan, while the growing sense of uncertainty in overseas markets resulted in sluggish conditions in certain sectors during the second half of the fiscal year, the overall trend was that of gradual recovery.

In this environment, the Company defined the basic policies of complete the FY2015 Medium-Term Management Plan, and advanced growth strategies in preparation for the next medium-term management plan. We also pushed forward with measures to expand the power plant business as well as operations in the Industrial Infrastructure and Power Electronics segments and overseas businesses while also pursuing improvements in overall profitability.

Consolidated business results for the fiscal year ended March 31, 2016, were as follows.

Net sales increased ¥2.9 billion year on year, to ¥813.6 billion. By business segment, Power and Social Infrastructure, Industrial Infrastructure, Power Electronics, and Others saw increased net sales, while Electronic Devices and Food and Beverage Distribution saw net sales decline.

Operating income improved ¥5.7 billion year on year, to ¥45.0 billion. This improvement was largely attributable to increased profitability stemming from cost reductions. Ordinary income increased ¥2.5 billion, to ¥45.6 billion. At the same time, profit attributable to owners of parent rose ¥2.7 billion, to a new record-high of ¥30.6 billion.

While we failed to meet the net sales target of ¥850.0 billion described in the FY2015 Medium-Term Management Plan, largely due to expectation-exceeding deterioration in market conditions, we succeeded in meeting our operating income target of ¥45.0 billion.

Consolidated results of operations for the fiscal year ended March 31, 2016, were as follows.

(¥ billion)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015	Change
Net sales	810.7	813.6	2.9
Operating income	39.3	45.0	5.7
Ordinary income	43.1	45.6	2.5
Profit attributable to owners of parent	28.0	30.6	2.7

## Results by Segment

### [Power and Social Infrastructure]

**YoY: Net sales increased 4%, operating results improved ¥1.9 billion**

Net sales increased 4% year on year, to ¥175.5 billion, and operating income improved ¥1.9 billion, year on year to ¥9.7 billion.

In the power plant business, net sales were up year on year as the increase in orders for thermal power, geothermal power, and hydropower generation facilities outweighed the decrease in orders for solar power generation systems. In the social engineering systems business, net sales were up year on year due to higher sales centered on smart meters. In the social information business, net sales were relatively unchanged year on year. 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 improved ¥1.8 billion**

Net sales increased 6% year on year, to ¥202.0 billion, and operating income improved ¥1.8 billion year on year, to ¥13.0 billion.

In the transmission and distribution business, net sales were up year on year due to contributions from large-scale overseas orders. Net sales in the industrial plant business were up year on year due to strong energy saving and replacement demand in Japan as well as increased data center-related orders. Despite lower demand resulted from economic slowdown in China, net sales were up year on year in the industrial and instrumentation equipment business due to robust domestic demand. The equipment construction business saw a year-on-year increase in net sales following higher orders for installation of electrical equipment and air-conditioning equipment. Overall, the segment saw improved operating results due to higher net sales and the benefits of cost reduction efforts.

### [Power Electronics]

**YoY: Net sales increased 1%, operating results improved ¥0.2 billion**

Net sales increased 1% year on year, to ¥203.0 billion, and operating income improved ¥0.2 billion year on year, to ¥7.8 billion.

In the drive business, net sales decreased year on year as a result of a decline in demand due to the bearish state of the Chinese market. Operating results, meanwhile, were relatively unchanged year on year, despite the lower sales, due to the benefits of cost reduction efforts. In the power supply business, net sales were up year on year due to higher demand for power supply equipment in Japan as

well as the benefits of the consolidation of Fuji SMBE Pte. Ltd., and its subsidiaries, and operating results improved following the rise in sales. In the ED&C components business, net sales were down year on year as a result of the decline in demand from domestic machinery equipment manufacturers as well as in overseas markets, but operating results were up year on year as the benefits of cost reduction efforts counteracted the lower net sales.

**[Electronic Devices]**

**YoY: Net sales decreased 13%, operating results improved ¥1.8 billion**

Net sales decreased 13% year on year, to ¥119.8 billion, and operating income improved ¥1.8 billion year on year, to ¥9.9 billion.

In the semiconductors business, net sales and operating results worsened year on year due to the impacts of sluggish demand resulted from the bearish state of the Chinese market in the industrial field and the power supply application field, lower demand from major domestic customers centered on machine tools in the industrial field, and reduced sales of certain vehicles equipped with the Company's products in the automotive field. In the magnetic disks business, net sales were down year on year due to the negative impacts of changes in the ratios of sales for specific models, but operating results improved as the benefits of efforts to reduce fixed and other costs outweighed the impact of lower net sales.

**[Food and Beverage Distribution]**

**YoY: Net sales decreased 3%, operating results worsened ¥0.7 billion**

Net sales decreased 3% year on year, to ¥115.0 billion, and operating income worsened ¥0.7 billion year on year, to ¥7.8 billion.

In the vending machine business, net sales and operating results worsened year on year because the impacts of the reduced vending machine demand in Japan stemming from limited investment among domestic beverage manufacturers outweighed the benefits of increased sales following the expansion of operations in the Chinese market. In the store distribution business, net sales and operating results improved year on year as a result of higher sales of freezing and refrigerating facilities for convenience stores.

**[Others]**

**YoY: Net sales increased 2%, operating results improved ¥0.5 billion**

Net sales increased 2% year on year, to ¥62.6 billion, and operating income improved ¥0.5 billion year on year, to ¥2.3 billion.

## Forecasts for the Fiscal Year Ending March 31, 2017

Forecasts for consolidated business results in the fiscal year ending March 31, 2017, are as follows.

Further, forecasts for the fiscal year ending March 31, 2017, assume exchange rates of US\$1 = ¥110 and €1 = ¥120.

### Consolidated Business Results Forecasts

(¥ billion)

	Fiscal year ended March 31, 2016 Results	Fiscal year ending March 31, 2017 Forecasts	Change
Net sales	813.6	830.0	16.4
Operating income	45.0	47.0	2.0
Ordinary income	45.6	47.0	1.4
Profit attributable to owners of parent	30.6	31.0	0.4

### Forecasts by Segment

(¥ billion)

	Fiscal year ending March 31, 2017 Forecasts	
	Net Sales	Operating Income/Loss
Power and Social Infrastructure	177.9	10.5
Industrial Infrastructure	214.5	13.1
Power Electronics	214.6	11.6
Electronic Devices	120.0	7.5
Food and Beverage Distribution	116.0	8.8
Others	55.0	2.0
Elimination and Corporate	-68.2	-6.4
Total	830.0	47.0

In the fiscal year ending March 31, 2017, the Power and Social Infrastructure business segment will work to capture orders for thermal power generation facilities and geothermal power generation facilities, expand service operations, and strengthen fuel cell and other operations in the new energy field. At the same time, this segment will secure a strong share in the domestic smart meter market while addressing the increased production of meters in Japan and will also promote sales of cloud-based supply and demand management systems for PPS (power producer and supplier).

The Industrial Infrastructure business segment will advance integrated service businesses that encompass everything from diagnosis to maintenance and upgrades as it seeks to steadily capture

energy-saving and replacement demand. This segment will also strengthen solutions operations targeting data centers and logistics, plant factories, and other facilities. Overseas, we will integrate the human resources, technologies, and engineering capabilities acquired through mergers, acquisitions, and collaboration in regions centered on Asia in order to grow local operations in these regions.

The Power Electronics business segment will expand systems operations in the motion control and factory automation fields based on automation needs while pursuing increased sales through the quick launch of new products, including those that employ next-generation power semiconductors. In addition, the segment will further promote increased local production and consumption of products overseas and also standardize products and expand manufacturing of products in-house to boost competitiveness.

In the semiconductor business, the Electronic Devices business segment will increase overseas production and further reduce costs on a global scale to enhance competitiveness. In the industrial field, this segment will pursue sales growth while accelerating development of new products for the SiC power semiconductor and automotive field with the aim of creating promising new power electronics.

The Food and Beverage Distribution business segment will expand its vending machine business in China, Asia, and other markets while boosting cost competitiveness by developing high-value-added products and pursuing further cost reductions. In the store distribution business, the segment will strive to increase orders of store equipment for convenience stores and other stores while developing new products.



## (2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2015	Breakdown (%)	March 31, 2016	Breakdown (%)	Change
Total assets	904.5	100.0	845.4	100.0	-59.1
Interest-bearing debt	191.2	21.1	184.7	21.9	-6.5
Shareholder's equity* <sup>1</sup>	290.3	32.1	230.4	27.3	-59.9
Debt-equity ratio* <sup>2</sup> (times)	0.7		0.8		+0.1

\*1 Shareholders' equity = Total net assets - Non-controlling interests

\*2 D/E ratio = Interest-bearing debt / Shareholders' equity

Total assets on March 31, 2016, stood at ¥845.4 billion, a decrease of ¥59.1 billion from the end of the previous fiscal year. Total current assets increased ¥31.0 billion due to increases in notes and accounts receivable-trade and inventories among other factors. Total noncurrent assets were down ¥90.1 billion due to a decrease stemming from valuation difference on available-for-sale securities.

Interest-bearing debt as of March 31, 2016, amounted to ¥184.7 billion, down ¥6.5 billion from the previous fiscal year-end following a decrease in short-term loans payable. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—decreased ¥5.4 billion from the previous fiscal year-end, amounting to ¥153.9 billion on March 31, 2016.

Net assets on March 31, 2016, stood at ¥261.0 billion, down ¥58.7 billion from the previous fiscal year-end. This was because of decreases stemming from valuation difference on available-for-sale securities and remeasurements of defined benefit plans, which offset an increase in retained earnings. In addition, shareholders' equity—total net assets net of non-controlling interests—was down ¥59.9 billion from the previous fiscal year-end, standing at ¥230.4 billion on March 31, 2016. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was 0.8 times, up 0.1 times from the previous fiscal year-end. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was 0.7 times, up 0.2 times.

(¥ billion)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Change
Net cash provided operating activities	51.5	48.5	-3.0
Net cash used in investing activities	-22.8	-19.4	3.3
Free cash flow	28.7	29.0	0.3
Net cash used in financing activities	-33.8	-31.6	2.3
Cash and cash equivalents at the end of period	31.9	30.8	-1.1

In the fiscal year ended March 31, 2016, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a positive ¥29.0 billion, an improvement of ¥28.7 billion compared with positive free cash flow of ¥0.3 billion in the previous fiscal year.

#### **Cash flows from operating activities**

Net cash provided by operating activities was ¥48.5 billion, compared with ¥51.5 billion in the previous fiscal year. Major factors increasing cash included the recording of income before income taxes and an increase in notes and accounts payable-trade. Major factors decreasing cash included an increase in notes and accounts receivable-trade and an increase in inventories.

This was a deterioration of ¥3.0 billion year on year.

#### **Cash flows from investing activities**

Net cash used in investing activities was ¥19.4 billion, compared with ¥22.8 billion in the previous fiscal year. This was primarily related to the purchase of property, plant and equipment.

This was an improvement of ¥3.3 billion year on year.

#### **Cash flows from financing activities**

Net cash used in financing activities was ¥31.6 billion, compared with ¥33.8 billion in the previous fiscal year. This was principally due to repayment of lease obligations and a decrease in short-term loans payable.

As a result, consolidated cash and cash equivalents on March 31, 2016, amounted to ¥30.8 billion, down ¥1.1 billion from the previous fiscal year-end.

**(3) Basic Policy Regarding Distribution of Earnings and Dividends for the Fiscal Year Ended March 31, 2016, and the Fiscal Year Ending March 31, 2017**

We intend to return profit gained through business activities to shareholders. At the same time—while maintaining and strengthening our management foundation—we intend to appropriate profit for consolidated shareholders' equity in order to secure internal reserves for research and development, capital investment, development of human resources and other uses reflecting a medium-to-long-term viewpoint.

We will determine the amount of dividends to be paid from retained earnings in light of the above medium-to-long-term business cycle; our policy of paying stable and continuous dividends; and a comprehensive evaluation of the business results from the relevant fiscal year, research and development and capital investment plans for future growth, and the operating environment.

We regard the acquisition of treasury stock as a flexible mechanism to supplement dividends from retained earnings when warranted by the cash flow position.

Based on a rigorous evaluation of performance during the fiscal year ended March 31, 2016, forecasted performance for the fiscal year ending March 31, 2017, and our financial position, we plan to pay a year-end dividend of ¥5 per share for the fiscal year ended March 31, 2016. Together with the interim dividend, this will make for an annual dividend of ¥10 per share for the fiscal year ended March 31, 2016, to be paid from retained earnings.

We have not yet decided the dividend to be paid for the fiscal year ending March 31, 2017.