

Consolidated Financial Results for FY2015

April 28, 2016
Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for FY2015 (YoY Comparison)

New records set for operating margin and net income

	(Billion yen)		
	FY2014	FY2015	Change
Net Sales	810.7	813.6	2.9
Operating Income/Loss (Operating Margin)	39.3 (4.8%)	45.0 (5.5%)	5.7 (0.7%)
Ordinary Income/Loss	43.1	45.6	2.5
Extraordinary Income/Loss	2.6	1.0	-1.6
Income/Loss before Income Taxes	45.7	46.6	0.8
Income Taxes	14.9	12.7	-2.2
Profit attributable to non-controlling interests	2.8	3.2	0.4
Profit attributable to owners of parent	28.0	30.6	2.7

	(Yen)		
	FY2014	FY2015	Change
Average Exchange Rate US\$	109.93	120.14	10.21
Average Exchange Rate EURO	138.77	132.58	-6.19

*New Consolidated Subsidiaries

- Fuji Tusco Co., Ltd.
- Fuji SMBE Pte Ltd. and its subsidiaries
- Dalian Fuji Bingshan Vending Machine Sales Co., Ltd.
- Fuji Electric India Private Limited
- PT Fuji Electric Indonesia

Net Sales

Loss on translation of earnings of overseas subsidiaries
Impact on the new consolidation*

Operating Income/Loss

Cost Reduction	21.3	Price Decline	-13.5
Reduction in Fixed Cost	4.6	Decrease in production	-6.6
Increase in sales	0.4	Exchange Rate Effect	-0.5
	26.3		-20.6

Non-operating Income/Loss

Net Interest Expense	0.9 (-0.0 → 0.9)
Equity in Losses in Affiliates	0.2 (1.0 → 1.3)
Foreign Exchange Losses	-4.5 (3.7 → -0.9)
Others	0.1 (-0.8 → -0.7)
	-3.2 (3.8 → 0.6)

Extraordinary Income/Loss

Gain on Sales of Noncurrent Assets	0.9 (0.1 → 1.0)
Gain on Sales of Investment Securities	-0.4 (2.8 → 2.4)
Gain on change in Equity	-4.8 (4.8 → 0.0)
Loss on Disposal of Noncurrent Assets	0.1 (-0.9 → -0.8)
Loss on Devaluation of Investment Securities	0.3 (-0.4 → -0.2)
Impairment Loss	2.5 (-2.8 → -0.3)
Other	-0.2 (-1.0 → -1.2)
	-1.6 (2.6 → 1.0)

Net Sales and Operating Income by Segment for FY2015 (YoY Comparison)①

(Billion yen)

	FY2014		FY2015		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power and Social Infrastructure	169.2	7.8	175.5	9.7	6.3	1.9
Industrial Infrastructure	191.4	11.1	202.0	13.0	10.6	1.8
Power Electronics	200.9	7.6	203.0	7.8	2.1	0.2

■ Power and Social Infrastructure

【Net Sales】 In the power plant business, net sales were up 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 due to higher sales centered on smart meters.

【Operating Income】 Operating results due to higher net sales and the benefits of cost reduction efforts.

■ Industrial Infrastructure

【Net Sales】 In the transmission and distribution business, net sales were up due to contributions from large-scale overseas orders.

Net sales in the industrial plant business were up due to strong energy saving and replacement demand in Japan as well as increased data center-related orders.

In the industrial and instrumentation equipment business, net sales were up due to robust domestic demand outweighed lower demand resulted from economic slowdown in China.

The equipment construction business increase in net sales following higher orders for installation of electrical equipment and air-conditioning equipment.

【Operating Income】 Operating results improved due to higher net sales and the benefits of cost reduction efforts.

■ Power Electronics

【Net Sales】 In the drive business, net sales decreased as a result of a decline in demand due to the bearish state of the Chinese market.

In the power supply business, net sales were up due to higher demand for power supply equipment in Japan as well as the benefits of the consolidation of overseas subsidiaries in Switchboards.

In the ED&C components business, net sales were down as a result of the decline in demand from domestic machinery equipment manufacturers as well as in overseas markets.

【Operating Income】 Operating results were up as the benefits of cost reduction efforts in Drive and ED&C components businesses and due to the rise in sales of power supply business.

Net Sales and Operating Income by Segment for FY2015 (YoY Comparison)②

(Billion yen)

	FY2014		FY2015		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Electronic Devices	137.2	8.1	119.8	9.9	-17.3	1.8
Food and Beverage Distribution	119.1	8.5	115.0	7.8	-4.1	-0.7
Others	61.2	1.9	62.6	2.3	1.4	0.5
Elimination and Corporate	-68.3	-5.7	-64.3	-5.5	4.0	0.2
Total	810.7	39.3	813.6	45.0	2.9	5.7

■ Electronic Devices

【Net Sales】 In the semiconductors business, net sales worsened 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 due to the negative impacts of changes in the ratios of sales for specific models.

【Operating Income】 Operating results improved as the benefits of efforts to reduce fixed costs in magnetic disks business outweighed the impact of lower net sales in semiconductors business.

■ Food and Beverage Distribution

【Net Sales】 In the vending machine business, net sales worsened 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 improved as a result of higher sales of freezing and refrigerating facilities for convenience stores.

【Operating Income】 Operating results worsened due to the lower net sales in vending machine business.

Decrease in domestic sales due to lower demand from customers

(Billion yen)

	FY2014	FY2015	Change
Japan	605.8	597.8	-8.0
Overseas	204.9	215.8	10.9
Total	810.7	813.6	2.9

■ Japan

【Industrial Infrastructure +6.3】

Higher demand centered on electrical equipment and air-conditioning equipment installation in equipment construction business

【Electronic Devices (Power Semiconductors) -8.0】

Lower demand in industrial and automotive fields

【Food and Beverage Distribution -8.6】

Reduced vending machine demand stemming from limited investment among domestic beverage manufacturers

Net Sales [Overseas by Area] (YoY Comparison)

Substantially higher sales in Asia resulted from measures to grow overseas operations through M&As despite reduced demand due to bearish Chinese market

(Billion yen)

	FY2014	FY2015	Change
Asia	85.2	103.9	18.7
China	87.7	82.6	-5.1
Europe	16.5	16.7	0.2
Americas	15.5	12.6	-2.9
Total	204.9	215.8	10.9

■ Asia

【Power and Social Infrastructure +7.9】

Higher orders for thermal and geothermal power generation facilities

【Industrial Infrastructure +7.8】

Increased sales due to recording of large-scale overseas orders and benefits of consolidation of Fuji Tusco

【Power Electronics +9.8】

Increased sales due to benefits of consolidation of Fuji SMBE

【Electronic Devices -8.5】

Lower sales due to negative impacts of changes in ratios of sales for specific magnetic disk models and reduced semiconductor demand

■ China

【Power Electronics -4.9】

Lower sales due to market slowdown centered on drives and ED&C components

【Electronic Devices (Power Semiconductors) -3.9】

Reduced demand due to market slowdown in industrial and power supply application fields

【Food and Beverage Distribution +3.6】

Increased sales due to expansion of vending machine operations in Chinese market

Summary of Consolidated Financial Results for FY2015 (Comparison with Forecast)

Net sales target unmet due to lower demand from customers but operating income target met following cost reductions

(Billion yen)

	FY2015		Change
	Forecasts (Jan. 28, 2016)	Results	
Net Sales	850.0	813.6	-36.4
Operating Income/Loss	45.0	45.0	0.0
Ordinary Income/Loss	45.0	45.6	0.6
Profit attributable to owners of parent	29.0	30.6	1.6

Net Sales

Lower demand
Loss on translation of earnings of overseas subsidiaries

(Yen)

Average Exchange Rate US\$	115.00	120.14	+5.14
Average Exchange Rate EURO	125.00	132.58	+7.58

(Billion yen)

	Forecasts (Jan. 28, 2016)		FY2015 Results		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power and Social Infrastructure	178.8	9.4	175.5	9.7	-3.3	0.3
Industrial Infrastructure	212.7	13.0	202.0	13.0	-10.7	0.0
Power Electronics	211.4	9.2	203.0	7.8	-8.4	-1.4
Electronic Devices	124.1	8.6	119.8	9.9	-4.3	1.3
Food and Beverage Distribution	123.6	8.5	115.0	7.8	-8.6	-0.7
Others	62.7	2.1	62.6	2.3	-0.1	0.2
Elimination and Corporate	-63.3	-5.7	-64.3	-5.5	-1.0	0.2
Total	850.0	45.0	813.6	45.0	-36.4	0.0

Consolidated Balance Sheet

Assets

	3/31/15	3/31/16	Change
Cash and time deposit	32.0	31.0	-1.0
Notes and account receivables, trade receivables	237.6	258.4	20.7
Inventories	137.6	145.1	7.5
Other current assets	55.8	59.4	3.6
Total current assets	463.0	493.9	31.0
Tangible fixed assets	175.0	176.5	1.5
Intangible fixed assets	15.3	20.4	5.1
Investments and other assets	251.2	154.5	-96.7
Total long-term assets	441.5	351.3	-90.1
Deferred assets	0.1	0.1	0.0
Total assets	904.5	845.4	-59.1

Liabilities and Net Assets

(Billion yen)

	3/31/15	3/31/16	Change
Notes and account payables, trade payables	150.6	160.4	9.8
Interest-bearing debts	191.2	184.7	-6.5
Other liabilities	243.0	239.2	-3.8
Total liabilities	584.9	584.4	-0.5
Common stock	47.6	47.6	-
Capital surplus	46.7	46.7	0.0
Retained earnings	109.5	132.1	22.6
Treasury stock at cost	-7.2	-7.2	-0.0
Shareholders' equity	196.7	219.2	22.5
Accumulated other comprehensive income	93.7	11.2	-82.5
Non-controlling interests	29.3	30.6	1.3
Total net assets	319.6	261.0	-58.7
Total liabilities and net assets	904.5	845.4	-59.1
Total Net Assets Ratio (%)	32	27	-5
Net Interest-bearing Debts	159.3	153.9	-5.4
Net debt-equity ratio (times)	0.5	0.7	0.2

(Billion yen)

	FY2014	FY2015
Net cash provided operating activities	51.5	48.5
Net cash used in investing activities	-22.8	-19.4
Free Cash Flow	28.7	29.0
Net cash used in financing activities	-33.8	-31.6
Cash and Cash Equivalents at End of Year	31.9	30.8

(Yen)

	Interim	Year-end	Annual
FY2014	4.00	5.00	9.00
FY2015	5.00	5.00 (plan)	10.00 (plan)

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