

Consolidated Financial Results for 1Q FY2015

July 31, 2015

Fuji Electric Co., Ltd.

Year-on-year improvements achieved for net sales and all income figures

	(Billion yen)		
	1Q FY2014	1Q FY2015	Change
Net Sales	159.1	165.2	6.1
Operating Income/Loss	1.9	2.4	0.5
Ordinary Income/Loss	1.6	3.0	1.4
Extraordinary Income/Loss	-0.3	0.9	1.2
Income/Loss before Income Taxes	1.3	3.9	2.6
Income Taxes	0.7	1.3	0.6
Profit attributable to non-controlling interests	0.4	0.6	0.2
Profit attributable to owners of parent	0.2	2.0	1.8
	(Yen)		
Average Exchange Rate US\$	102.16	121.36	+19.20
Average Exchange Rate EURO	140.07	134.16	-5.91

Net Sales

Gain on translation of earnings of overseas subsidiaries, etc.

Operating Income/Loss

Cost Reduction	+3.6	Price Decline	-2.8
Reduction in Fixed Cost	+0.9	Decrease in production, etc	
Exchange Rate Effect	+0.2		-1.5
	+4.7		-4.3

Non-operating Income/Loss

Net Interest Expense	+0.4	(0.5 → 0.9)
Equity in Losses in Affiliates	+0.2	(-0.7 → -0.5)
Foreign Exchange Losses	+0.5	(-0.2 → 0.3)
Other	-0.2	(0.1 → -0.0)
	+0.9	(-0.3 → 0.6)

Extraordinary Income/Loss

Gain on Sales of Investment Securities	+0.9	(0.0 → 0.9)
Loss on Devaluation of Investment Securities	+0.3	(-0.3 → 0.0)

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

(Billion yen)

	Net Sales			Operating Income/Loss		
	1Q FY2014	1Q FY2015	Change	1Q FY2014	1Q FY2015	Change
Power and Social Infrastructure	26.4	27.4	1.0	0.1	0.2	0.0
Industrial Infrastructure	30.1	29.4	-0.7	-2.0	-2.5	-0.6
Power Electronics	40.2	45.6	5.4	0.1	1.0	0.9

➤ **Power and Social Infrastructure**

- [Net Sales] - 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 of smart meters.
 - In the social information business, net sales were relatively unchanged year on year.

[Operating Income/Loss] - Operating results improved due to higher net sales.

➤ **Industrial Infrastructure**

- [Net Sales] - In the transmission and distribution business, net sales were down year on year, reflecting a decrease in large-scale orders in Japan.
- In the industrial plant and the industrial and instrumentation equipment businesses, net sales were up year on year due to strong energy saving and replacement demand in Japan.
 - In the equipment construction business, net sales were relatively unchanged year on year.

[Operating Income/Loss] - Operating results worsened due to the decrease in net sales and the negative impacts of changes in the ratios of sales for specific models.

➤ **Power Electronics**

- [Net Sales] - In the drive business, net sales were up year on year following higher demand for inverters, servos, and industrial motors in Japan.
- In the power supply business, net sales were up year on year due to the robust demand for power supply equipment and power conditioning sub-systems for mega solar power generation projects in Japan as well as the benefits of the consolidation of Fuji SMBE Pte. Ltd. and its subsidiaries.
 - In the ED&C components business, net sales were up year on year due to strong demand from machinery equipment manufacturers for machine tools and other articles

[Operating Income/Loss] - Operating results improved year on year due to the higher net sales and the benefits of cost reduction efforts.

* Figures for 1Q FY2014 reflect the organizational restructuring conducted in FY2015.

Net Sales and Operating Income by Segment for 1Q FY2015 (YoY Comparison)^②

(Billion yen)

	Net Sales			Operating Income/Loss		
	1Q FY2014	1Q FY2015	Change	1Q FY2014	1Q FY2015	Change
Electronic Devices	31.4	31.8	0.5	2.0	2.3	0.3
Food and Beverage Distribution	30.1	29.8	-0.3	2.6	2.2	-0.4
Others	14.5	15.4	0.9	0.5	0.5	0.1
Elimination and Corporate	-13.5	-14.2	-0.7	-1.4	-1.3	0.1
Total	159.1	165.2	6.1	1.9	2.4	0.5

➤ **Electronic Devices**

[Net Sales, Operating Income/Loss]

- In the semiconductors business, net sales and operating results worsened year on year as the impacts of reduced sales of certain vehicles equipped with the Company's products in the automotive field and lower demand in China and other parts of Asia in the power supply application field offset the relatively strong demand seen in the industrial field.
- In the magnetic disks business, net sales and operating results improved year on year due to increased demand from a customer.

➤ **Food and Beverage Distribution**

[Net Sales, Operating Income/Loss]

- In the vending machines 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 in the Chinese market.
- In the store distribution business, net sales were down year on year following lower sales of freezing and refrigerating facilities for convenience stores, while operating results were relatively unchanged year on year as a result of cost reduction efforts.

* Figures for 1Q FY2014 reflect the organizational restructuring conducted in FY2015.

Net Sales for 1Q FY2015 [Japan and Overseas by area] (YoY Comparison)

(Billion yen)

		1Q FY2014	1Q FY2015	Change	
Japan		116.1	113.0	-3.1	<ul style="list-style-type: none"> Electronic Devices -1.6 Food and Beverage Distribution -1.3
Overseas		43.0	52.2	9.2	
	Asia and Others	16.6	22.2	5.6	<ul style="list-style-type: none"> Power and Social Infrastructure +1.9 Power Electronics +3.1
	China	19.8	22.3	2.6	<ul style="list-style-type: none"> Electronic Devices +1.4 Food and Beverage Distribution +1.0
	Europe	4.0	4.2	0.1	
	Americas	2.7	3.4	0.8	

Consolidated Balance Sheet at the end of 1Q FY2015

Assets			
	3/31/15	6/30/15	Change
Cash and time deposit	32.0	28.9	-3.1
Notes and account receivables, trade receivables	237.6	203.5	-34.1
Inventories	137.6	162.1	24.5
Other current assets	55.8	60.2	4.4
Total current assets	463.0	454.7	-8.3
Tangible fixed assets	175.0	182.0	7.1
Intangible fixed assets	15.3	20.2	4.9
Investments and other assets	251.2	229.2	-22.0
Total long-term assets	441.5	431.3	-10.1
Deferred assets	0.1	0.1	-0.0
Total assets	904.5	886.1	-18.4

Liabilities and Net Assets			
(Billion yen)			
	3/31/15	6/30/15	Change
Notes and account payables, trade payables	150.6	136.1	-14.5
Interest-bearing Debts	191.2	206.4	15.2
Other liabilities	243.0	232.0	-11.0
Total liabilities	584.9	574.5	-10.4
Common stock	47.6	47.6	-
Capital surplus	46.7	46.7	-
Retained earnings	109.5	107.1	-2.5
Treasury stock at cost	-7.2	-7.2	-0.0
Shareholders' equity	196.7	194.2	-2.5
Accumulated other comprehensive income (Remeasurements of defined benefit plans)	93.7	88.0	-5.7
	(13.7)	(14.4)	(0.7)
Non-controlling interests	29.3	29.4	0.1
Total net assets	319.6	311.6	-8.0
Total liabilities and net assets	904.5	886.1	-18.4
Total Net Assets Ratio (%)	32.1	31.8	-0.3
Net Interest-bearing Debts	159.3	177.7	18.4
Net debt-equity ratio (times)	0.5	0.6	0.1

Consolidated Forecasts for 1H FY2015 (Comparison with Previous Forecasts)

(Billion yen)

	1H FY2015 Forecasts (Apr.27,2015)	1H FY2015 Forecasts (Jul.30,2015)	Change
Net Sales	364.3	364.3	0.0
Operating Income/Loss	6.0	6.0	0.0
Ordinary Income/Loss	3.8	4.3	0.5
Profit attributable to owners of parent	1.0	2.0	1.0

(Billion yen)

	Net Sales			Operating Income/Loss		
	1H FY2015 Forecasts (Apr.27,2015)	1H FY2015 Forecasts (Jul.30,2015)	Change	1H FY2015 Forecasts (Apr.27,2015)	1H FY2015 Forecasts (Jul.30,2015)	Change
Power and Social Infrastructure	71.7	73.2	1.5	0.6	1.1	0.5
Industrial Infrastructure	68.8	69.3	0.5	-3.7	-3.2	0.5
Power Electronics	101.1	101.1	0.0	2.1	2.1	0.0
Electronic Devices	69.1	67.1	-2.0	5.5	4.5	-1.0
Food and Beverage Distribution	56.3	56.3	0.0	3.2	3.2	0.0
Others	29.9	29.9	0.0	0.9	0.9	0.0
Elimination and Corporate	-32.5	-32.5	0.0	-2.7	-2.7	0.0
Total	364.3	364.3	0.0	6.0	6.0	0.0

Consolidated Forecasts for 1H FY2015 (YoY Comparison)

(Billion yen)

	1H FY2014 Results	1H FY2015 Forecasts (Jul.30,2015)	Change
Net Sales	345.3	364.3	19.0
Operating Income/Loss	5.9	6.0	0.1
Ordinary Income/Loss	6.1	4.3	-1.8
Profit attributable to owners of parent	2.0	2.0	-0.0

(Billion yen)

	Net Sales			Operating Income/Loss		
	1H FY2014 Results	1H FY2015 Forecasts (Jul.30,2015)	Change	1H FY2014 Results	1H FY2015 Forecasts (Jul.30,2015)	Change
Power and Social Infrastructure	61.4	73.2	11.8	-0.0	1.1	1.2
Industrial Infrastructure	69.5	69.3	-0.2	-2.2	-3.2	-1.0
Power Electronics	88.8	1,01.1	12.3	1.3	2.1	0.9
Electronic Devices	65.1	67.1	2.0	3.7	4.5	0.8
Food and Beverage Distribution	61.0	56.3	-4.7	5.0	3.2	-1.7
Others	29.7	29.9	0.2	1.0	0.9	-0.1
Elimination and Corporate	-30.1	-32.5	-2.4	-2.7	-2.7	0.0
Total	345.3	364.3	19.0	5.9	6.0	0.1

* Figures for 1H FY2014 reflect the organizational restructuring conducted in FY2015.

Consolidated Forecasts for FY2015 (Comparison with Previous Forecasts)

(Billion yen)

	FY2015 Forecasts (Apr.27,2015)	FY2015 Forecasts (Jul.30,2015)	Change
Net Sales	850.0	850.0	0.0
Operating Income/Loss	45.0	45.0	0.0
Ordinary Income/Loss	45.0	45.0	0.0
Profit attributable to owners of parent	29.0	29.0	0.0

Assumed Exchange Rate from 2Q to 4Q FY2015

	*Operating income basis	
	US\$	EURO
Assumed Exchange Rate	¥115.00	¥125.00
One Yen Effect * (Million yen)	20	50

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2015 Forecasts (Apr.27,2015)	FY2015 Forecasts (Jul.30,2015)	Change	FY2015 Forecasts (Apr.27,2015)	FY2015 Forecasts (Jul.30,2015)	Change
Power and Social Infrastructure	176.6	178.1	1.5	8.4	8.9	0.5
Industrial Infrastructure	208.6	209.1	0.5	12.5	13.0	0.5
Power Electronics	219.5	219.5	0.0	9.6	9.6	0.0
Electronic Devices	137.3	135.3	-2.0	10.3	9.3	-1.0
Food and Beverage Distribution	120.0	120.0	0.0	8.5	8.5	0.0
Others	61.4	61.4	0.0	1.9	1.9	0.0
Elimination and Corporate	-73.4	-73.4	0.0	-6.1	-6.1	0.0
Total	850.0	850.0	0.0	45.0	45.0	0.0

Consolidated Forecasts for FY2015 (YoY Comparison)

(Billion yen)

	FY2014 Results	FY2015 Forecasts (Jul.30,2015)	Change
Net Sales	810.7	850.0	39.3
Operating Income/Loss	39.3	45.0	5.7
Ordinary Income/Loss	43.1	45.0	1.9
Profit attributable to owners of parent	28.0	29.0	1.0

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2014 Results	FY2015 Forecasts (Jul.30,2015)	Change	FY2014 Results	FY2015 Forecasts (Jul.30,2015)	Change
Power and Social Infrastructure	169.2	178.1	8.9	7.8	8.9	1.1
Industrial Infrastructure	191.4	209.1	17.8	11.1	13.0	1.8
Power Electronics	200.9	219.5	18.6	7.6	9.6	2.0
Electronic Devices	137.2	135.3	-1.9	8.1	9.3	1.2
Food and Beverage Distribution	119.1	120.0	0.9	8.5	8.5	-0.0
Others	61.2	61.4	0.2	1.9	1.9	-0.0
Elimination and Corporate	-68.3	-73.4	-5.2	-5.7	-6.1	-0.5
Total	810.7	850.0	39.3	39.3	45.0	5.7

* Figures for FY2014 reflect the organizational restructuring conducted in FY2015.

【Reference】 Net Sales and Operating Income by Segment for FY2014 (After Organizational Restructuring)

(Billion yen)

	Net Sales					Operating Income/Loss				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
Power and Social Infrastructure	26.4	35.0	38.4	69.4	169.2	0.1	-0.2	0.6	7.2	7.8
Industrial Infrastructure	30.1	39.4	40.6	81.3	191.4	-2.0	-0.3	0.8	12.6	11.1
Power Electronics	40.2	48.6	52.4	59.7	200.9	0.1	1.1	1.5	4.8	7.6
Electronic Devices	31.4	33.8	40.0	32.1	137.2	2.0	1.7	2.2	2.1	8.1
Food and Beverage Distribution	30.1	30.9	27.0	31.1	119.1	2.6	2.4	1.2	2.4	8.5
Others	14.5	15.2	15.8	15.7	61.2	0.5	0.5	0.5	0.3	1.9
Elimination and Corporate	-13.5	-16.6	-17.6	-20.6	-68.3	-1.4	-1.3	-1.3	-1.6	-5.7
Total	159.1	186.2	196.5	268.8	810.7	1.9	4.0	5.5	27.9	39.3

[Details of Organizational Restructuring]

- Transference of sales directed at METAWATER Co., Ltd.
(Social engineering systems in Power and Social Infrastructure → Industrial plant in Industrial Infrastructure)
- Transference of switchboard operations
(Social engineering systems in Power and Social Infrastructure → Power supply in Power Electronics)
- Change of control of HMI subsidiary
(Industrial and instrumentation equipment in Industrial Infrastructure → Drive in Power Electronics)
- Change of control of switchgear and controlgear subsidiary
(Industrial and instrumentation equipment in Industrial Infrastructure → Power supply in Power Electronics)
- Transference of sales not directed at beverage manufacturers
(Vending machines in Food and Beverage Distribution → Store distribution in Food and Beverage Distribution)

【R&D expenditures】

	(Billion yen)
	FY2014
Power and Social Infrastructure	4.6
Industrial Infrastructure	5.9
Power Electronics	10.4
Electronic Devices	9.3
Food and Beverage Distribution	4.9
Others	0.0
Total	35.0
Ratio to net sales (%)	4.3%

【Depreciation, Leases paid】

	(Billion yen)
	FY2014
Power and Social Infrastructure	1.7
Industrial Infrastructure	1.9
Power Electronics	5.4
Electronic Devices	19.0
Food and Beverage Distribution	2.4
Others	1.3
Total	31.7
(Leases)	1.4

【Plant and equipment investment
 (including leases)】

	(Billion yen)
	FY2014
Power and Social Infrastructure	2.4
Industrial Infrastructure	2.5
Power Electronics	9.2
Electronic Devices	10.6
Food and Beverage Distribution	2.4
Others	2.0
Total	29.0
(Leases)	12.2

【Number of employees】

	(Headcount)
	FY2014
Power and Social Infrastructure	2,498
Industrial Infrastructure	5,163
Power Electronics	6,923
Electronic Devices	6,593
Food and Beverage Distribution	2,456
Others	2,107
Total	25,740
Japan	17,814
Overseas	7,926

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