

**Consolidated Financial Results for first half of the fiscal year ending March 31, 2018
(April 1, 2017 – September 30, 2017)**

Summary of Consolidated Financial Results (Six months ended September 30, 2017)

1. Summary of consolidated statements of operations

	Millions of yen		Change(%) (A)/(B)	Millions of U.S. dollars
	1H FY2017 (A)	1H FY2016 (B)		1H FY2017
Net sales	395,014	351,558	112.4%	3,527
Operating income	12,742	5,870	217.1%	114
Ordinary income	11,726	2,729	429.7%	105
Net income attributable to owners of parent	6,219	22	-	56
	Yen			U.S. dollars
Net income per share	8.71	0.03	-	0.08

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S. dollars
	9/30/2017	3/31/2017	9/30/2017
Total assets	890,278	886,663	7,949
Net assets	342,001	323,863	3,054
Equity ratio (%)	34.7%	32.8%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥112=U.S.\$1

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2018
(April 1, 2017 - March 31, 2018)**

	Millions of yen
	FY2017
Net sales	870,000
Operating income	52,000
Ordinary income	51,000
Net income attributable to owners of parent	31,000
	Yen
	FY2017
Net income per share	43.40

< 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>9/30/2017</u>	<u>3/31/2017</u>	<u>9/30/2017</u>
Assets			
Current assets:			
Cash and deposits	29,603	42,045	264
Notes and accounts receivable-trade	242,302	269,676	2,163
Merchandise and finished goods	61,010	56,873	545
Work in process	63,527	48,395	567
Raw materials and supplies	38,750	37,143	346
Other	68,256	59,562	609
Allowance for doubtful accounts	(1,280)	(1,226)	(11)
Total Current assets	<u>502,171</u>	<u>512,470</u>	<u>4,484</u>
Noncurrent assets:			
Net Property, plant and equipment	173,678	173,517	1,551
Intangible assets	19,374	20,528	173
Investments and other assets			
Investment securities	143,600	127,585	1,282
Net defined benefit asset	38,689	38,452	345
Other	13,346	14,862	119
Allowance for doubtful accounts	(744)	(884)	(7)
Total Investments and other assets	<u>194,892</u>	<u>180,014</u>	<u>1,740</u>
Total Noncurrent assets	<u>387,945</u>	<u>374,060</u>	<u>3,464</u>
Deferred assets	<u>161</u>	<u>132</u>	<u>1</u>
Total Assets	<u><u>890,278</u></u>	<u><u>886,663</u></u>	<u><u>7,949</u></u>

Consolidated Balance Sheets

	Millions of yen		Millions of U.S. dollars
	9/30/2017	3/31/2017	9/30/2017
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	155,825	165,306	1,391
Short-term loans payable	46,619	62,008	416
Commercial papers	16,500	-	147
Current portion of bonds	20,000	5,000	179
Income taxes payable	4,589	31,051	41
Advances received	55,403	45,092	495
Other	102,016	103,945	911
Total Current liabilities	400,953	412,404	3,580
Noncurrent liabilities:			
Bonds payable	40,000	50,000	357
Long-term loans payable	34,835	34,208	311
Provision for directors' retirement benefits	179	189	2
Net defined benefit liability	42,172	40,883	377
Other	30,135	25,114	269
Total Noncurrent liabilities	147,323	150,396	1,315
Total Liabilities	548,277	562,800	4,895
Net Assets			
Shareholders' equity:			
Capital stock	47,586	47,586	425
Capital surplus	45,986	45,985	411
Retained earnings	168,259	166,289	1,502
Treasury stock	(7,253)	(7,241)	(65)
Total Shareholders' equity	254,578	252,619	2,273
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	54,502	42,751	487
Deferred gains or losses on hedges	(181)	(1,600)	(2)
Foreign currency translation adjustments	2,228	175	20
Remeasurements of defined benefit plans	(2,053)	(2,730)	(18)
Total Accumulated other comprehensive income	54,496	38,596	487
Non-controlling interests	32,926	32,647	294
Total Net assets	342,001	323,863	3,054
Total Liabilities and Net assets	890,278	886,663	7,949

Consolidated Statements of Income

	Millions of yen		Millions of U.S. dollars
	1H FY2017	1H FY2016	<i>1H FY2017</i>
Net sales	395,014	351,558	3,527
Cost of sales	295,865	264,475	2,642
Gross profit	99,149	87,083	885
Selling, general and administrative expenses	86,406	81,212	771
Operating income	12,742	5,870	114
Non-operating income			
Interest income	143	122	1
Dividends income	1,045	1,249	9
Other	231	209	2
Total Non-operating income	1,419	1,581	13
Non-operating expenses			
Interest expense	813	914	7
Equity in losses of affiliates	995	872	9
Foreign exchange losses	357	2,588	3
Other	270	348	2
Total Non-operating expenses	2,436	4,723	22
Ordinary income	11,726	2,729	105
Extraordinary income			
Gain on sales of noncurrent assets	182	17	2
Gain on sales of investment securities	10	145	0
Total Extraordinary income	193	162	2
Extraordinary loss			
Loss on disposal of noncurrent assets	168	105	2
Special retirement expenses	26	62	0
Total Extraordinary loss	194	168	2
Income before income taxes	11,724	2,723	105
Income taxes	4,252	1,073	38
Net income	7,472	1,649	67
Net income attributable to non-controlling interests	1,252	1,627	11
Net income attributable to owners of parent	6,219	22	56

Consolidated Statements of Comprehensive Income

	Millions of yen		<i>Millions of U.S. dollars</i>
	1H FY2017	1H FY2016	<i>1H FY2017</i>
Net income	7,472	1,649	67
Other comprehensive income			
Valuation difference on available-for-sale securities	11,892	9,301	106
Deferred gains or losses on hedges	1,418	(1,285)	13
Foreign currency translation adjustments	2,337	(9,849)	21
Remeasurements of defined benefit plans	626	2,337	6
Share of other comprehensive income of associates accounted for using equity method	84	(65)	1
Total other comprehensive Income	16,359	438	146
Comprehensive income	23,832	2,088	213
Comprehensive income attributable to:			
Comprehensive income attributable to owners of parent	22,119	1,437	197
Comprehensive income attributable to non-controlling interests	1,712	651	15

Consolidated Statements of Cash Flows

	Millions of yen		Millions of U.S. dollars
	1H FY2017	1H FY2016	1H FY2017
I Cash flows from operating activities			
Income before income taxes	11,724	2,723	105
Depreciation and amortization	14,587	14,073	130
Interest and dividends income	(1,188)	(1,372)	(11)
Interest expenses	813	914	7
Loss (gain) on sales of noncurrent assets	(182)	(17)	(2)
Loss (gain) on sales of investment securities	(10)	(145)	(0)
Loss (gain) on disposal of noncurrent assets	168	105	2
Decrease (increase) in notes and accounts receivable-trade	29,257	60,207	261
Decrease (increase) in inventories	(19,675)	(21,105)	(176)
Increase (decrease) in notes and accounts payable-trade	(10,649)	(22,264)	(95)
Increase (decrease) in advances received	10,275	9,503	92
Other, net	(6,967)	(16,789)	(62)
Subtotal	<u>28,151</u>	<u>25,833</u>	<u>251</u>
Interest and dividends income received	1,204	1,404	11
Interest expenses paid	(823)	(916)	(7)
Income taxes paid	<u>(28,176)</u>	<u>(5,091)</u>	<u>(252)</u>
Net cash provided by operating activities	<u>356</u>	<u>21,229</u>	<u>3</u>
II Cash flows from investing activities			
Purchase of property, plant and equipment	(5,443)	(6,497)	(49)
Proceeds from sales of property, plant and equipment	584	40	5
Purchase of investment securities	(126)	(1,534)	(1)
Proceeds from sales of investment securities	25	157	0
Payments of loans receivable	(1,975)	(2,533)	(18)
Collection of loans receivable	2,233	2,975	20
Other, net	<u>(1,853)</u>	<u>(2,235)</u>	<u>(17)</u>
Net cash used in investing activities	<u>(6,555)</u>	<u>(9,628)</u>	<u>(59)</u>
III Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(2,459)	(682)	(22)
Increase (decrease) in commercial papers	16,500	(15,500)	147
Proceeds from long-term loans payable	1,000	4,219	9
Repayment of long-term loans payable	(14,096)	(408)	(126)
Proceeds from issuance of bonds	10,000	15,000	89
Redemption of bonds	(5,000)	(500)	(45)
Repayments of lease obligations	(6,163)	(6,495)	(55)
Purchase of treasury stock	(11)	(5)	(0)
Cash dividends paid	(4,285)	(3,571)	(38)
Cash dividends paid to non-controlling interests	(2,208)	(901)	(20)
Other, net	<u>(54)</u>	<u>(2,175)</u>	<u>(0)</u>
Net cash used in financing activities	<u>(6,780)</u>	<u>(11,021)</u>	<u>(61)</u>
IV Effect of exchange rate change on cash and cash equivalents	400	(2,882)	4
V Net increase (decrease) in cash and cash equivalents (I + II + III + IV)	<u>(12,579)</u>	<u>(2,303)</u>	<u>(112)</u>
VI Cash and cash equivalents at beginning of period	41,886	30,838	374
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	108	107	1
VIII Cash and cash equivalents at end of period	<u>29,415</u>	<u>28,643</u>	<u>263</u>

Consolidated Segment Information

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

As of April 1, 2017, reflecting change of organization structure, the reporting segments were reclassified from Power and Social Infrastructure, Industrial Infrastructure, Power Electronics, Electronic Devices and Food and Beverage Distribution, to Power Electronics Systems - Energy Solutions, Power Electronics Systems - Industry Solutions, Power and New Energy, Electronic Devices, Food and Beverage Distribution. The reporting segment information for first half of the fiscal year ended March 31, 2017 has been reclassified to reflect this change.

1H FY2017

	Millions of yen								
	Power Electronics Systems - Energy Solutions	Power Electronics Systems - Industry Solutions	Power and New Energy	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	92,443	130,455	37,870	63,175	55,393	15,675	395,014	-	395,014
Inter-segment sales and transfers	1,829	3,793	22	1,546	129	14,175	21,497	(21,497)	-
Total sales	94,272	134,248	37,893	64,721	55,523	29,851	416,511	(21,497)	395,014
Segment profits (losses)	2,778	1,070	1,182	6,729	2,219	1,517	15,498	(2,755)	12,742

1H FY2016

	Millions of yen								
	Power Electronics Systems - Energy Solutions	Power Electronics Systems - Industry Solutions	Power and New Energy	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	91,513	108,778	30,762	56,131	49,294	15,079	351,558	-	351,558
Inter-segment sales and transfers	3,091	3,711	41	1,510	161	13,198	21,713	(21,713)	-
Total sales	94,604	112,489	30,803	57,642	49,455	28,277	373,272	(21,713)	351,558
Segment profits (losses)	2,431	(2,173)	2,082	3,182	2,031	1,109	8,664	(2,793)	5,870

1H FY2017

	Millions of U.S. dollars								
	Power Electronics Systems - Energy Solutions	Power Electronics Systems - Industry Solutions	Power and New Energy	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	825	1,165	338	564	495	140	3,527	-	3,527
Inter-segment sales and transfers	16	34	0	14	1	127	192	(192)	-
Total sales	842	1,199	338	578	496	267	3,719	(192)	3,527
Segment profits (losses)	25	10	11	60	20	14	138	(25)	114

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

	Billions of yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Net sales	395.0	870.0	351.6	837.8
Operating income	12.7	52.0	5.9	44.7
Ordinary income	11.7	51.0	2.7	46.3
Net income attributable to owners of parent	6.2	31.0	0.0	41.0

2. Number of consolidated subsidiaries

	Billions of yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Number of consolidated subsidiaries	70	70	69	68
Japan	23	23	23	23
Overseas	47	47	46	45
Number of equity-method associates	5	5	5	5

3. Net income per share

	Yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Net income per share	8.71	43.40	0.03	57.36

4. Sales exchange rate (Yen)

	Yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
US\$	111.06	108.03	105.29	108.38
EURO	126.29	120.64	118.15	118.79

5. Net sales by reporting segment

	Billions of yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Power Electronics Systems - Energy Solutions	94.3	220.0	94.6	218.7
Power Electronics Systems - Industry Solutions	134.2	305.9	112.5	286.0
Power and New Energy	37.9	100.0	30.8	93.8
Electronic Devices	64.7	120.4	57.6	118.5
Food and Beverage Distribution	55.5	114.0	49.5	109.6
Others	29.9	58.9	28.3	59.1
Subtotal	416.5	919.2	373.3	885.7
Elimination	(21.5)	(49.2)	(21.7)	(48.0)
Total	395.0	870.0	351.6	837.8

Note : Net sales include inter-segment transactions.

6. Operating income by reporting segment

	Billions of yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Power Electronics Systems - Energy Solutions	2.8	14.6	2.4	13.7
Power Electronics Systems - Industry Solutions	1.1	18.0	(2.2)	13.9
Power and New Energy	1.2	5.8	2.1	7.5
Electronic Devices	6.7	11.3	3.2	8.0
Food and Beverage Distribution	2.2	6.5	2.0	6.0
Others	1.5	2.0	1.1	2.1
Subtotal	15.5	58.2	8.7	51.3
Elimination	(2.8)	(6.2)	(2.8)	(6.6)
Total	12.7	52.0	5.9	44.7

7. Net overseas sales

	Billions of yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Asia (except for China)	49.8	-	47.5	106.1
China	37.1	-	33.4	67.5
Europe	8.8	-	7.6	16.6
America	8.3	-	6.2	14.8
Total	104.1	-	94.7	205.0

8. R&D expenditures

	Billions of yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Power Electronics Systems - Energy Solutions	3.8	7.2	3.8	8.0
Power Electronics Systems - Industry Solutions	4.2	9.1	3.9	8.6
Power and New Energy	1.4	3.6	1.5	3.2
Electronic Devices	5.0	10.2	4.9	10.5
Food and Beverage Distribution	2.1	4.5	2.0	4.6
Others	0.0	0.2	0.0	0.0
Total	16.6	34.8	16.1	34.9
Ratio to net sales (%)	4.2%	4.0%	4.6%	4.2%

9. Plant and equipment investment (including leases)

	Billions of yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Power Electronics Systems - Energy Solutions	1.6	5.5	2.4	6.0
Power Electronics Systems - Industry Solutions	0.9	4.2	4.2	6.3
Power and New Energy	0.5	1.5	0.3	1.2
Electronic Devices	5.8	11.4	4.3	8.9
Food and Beverage Distribution	1.9	4.8	1.8	3.7
Others	0.6	1.0	0.4	1.1
Total	11.3	28.4	13.4	27.1
(Leases)	5.7	13.7	5.2	11.0

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

10. Depreciation, Leases paid

	Billions of yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Power Electronics Systems - Energy Solutions	2.4	5.1	2.3	4.9
Power Electronics Systems - Industry Solutions	2.0	4.2	1.8	4.0
Power and New Energy	0.6	1.2	0.5	1.1
Electronic Devices	6.3	13.2	6.1	12.7
Food and Beverage Distribution	0.9	2.1	1.0	2.1
Others	0.6	1.1	0.6	1.2
Total	12.8	26.9	12.4	25.9
(Leases)	0.6	1.1	0.6	1.1

11. Number of employees

	Billions of yen			
	1H FY2017	FY2017 [Forecast]	1H FY2016	FY2016
Power Electronics Systems - Energy Solutions	6,798	6,826	6,863	6,827
Power Electronics Systems - Industry Solutions	7,781	7,831	7,499	7,453
Power and New Energy	1,360	1,360	1,331	1,307
Electronic Devices	6,368	6,549	6,424	6,315
Food and Beverage Distribution	2,568	2,607	2,566	2,592
Others	1,949	1,963	2,033	2,009
Total	26,824	27,136	26,716	26,503
Japan	17,900	17,800	17,947	17,716
Overseas	8,924	9,336	8,769	8,787

Financial Performance

(1) Qualitative Information regarding Consolidated Results of Operations

In the six-month period ended September 30, 2017, a gentle recovery was seen in the Company's operating environment supported by improved conditions in Europe, the United States, and other contributors to the global economy as well as the robust demand for machine tools and robots in China, which was driven by increased production facility automation needs. In Japan, there was a modest recovery trend against the backdrop of higher demand for replacing aged equipment and increased investment in automation and labor saving.

In this environment, we moved ahead with the FY2018 Medium-Term Management Plan, Renovation 2018. Acting in accordance with the plan's basic policy of "further renovation of Fuji Electric," we are implementing the growth strategies of strengthening the power electronics systems business and further enhancing manufacturing capabilities while also pursuing improved profitability by re-energizing the Pro-7 Activities that entail reviewing all costs associated with business activities.

Consolidated net sales in the six-month period ended September 30, 2017, increased ¥43.5 billion year on year, to ¥395.0 billion, due to higher demand and the sales-heightening benefits of favorable foreign exchange influences. By business segment, Power Electronics Systems—Industry Solutions, Power and New Energy, Electronic Devices, Food and Beverage Distribution, and Others saw increased net sales, while net sales were relatively unchanged year on year in the Power Electronics Systems—Energy Solutions as a result of the absence of large-scale orders recorded in the previous equivalent period.

Operating income increased ¥6.9 billion year on year, to ¥12.7 billion, due to the benefits of higher demand and cost reduction efforts. Ordinary income was up ¥9.0 billion, to ¥11.7 billion, following a decline in foreign exchange loss. Meanwhile, net income attributable to owners of parent rose ¥6.2 billion, to ¥6.2 billion. In this manner, new record highs were achieved for all three income figures in a six-month period.

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

	(¥ billion)		
	Six-month period ended September 30, 2016	Six-month period ended September 30, 2017	Change
Net sales	351.6	395.0	43.5
Operating income	5.9	12.7	6.9
Ordinary income	2.7	11.7	9.0
Net income attributable to owners of parent	0.0	6.2	6.2

Results by Segment

Power Electronics Systems—Energy Solutions

Net sales: ¥94.3 billion (relatively unchanged year on year)

Operating income: ¥2.8 billion (up ¥0.3 billion year on year)

In the Power Electronics Systems—Energy Solutions segment, net sales were relatively unchanged year on year while operating income was up. Factors detracting from performance included the impacts of the absence of the large-scale orders that were recorded during the previous equivalent period in the transmission and distribution systems business and reduced demand in the power supply business. Factors contributing to performance included the solid performance of the ED&C components business, which was supported by increased machine tool demand.

- In the energy management business, net sales decreased and operating results worsened year on year primarily due to a decline in smart meter sales volumes.
- In the transmission and distribution systems business, net sales decreased and operating results worsened year on year, despite strong performance resulted from a rise in capital investment demand, due to the absence of large-scale orders from the industrial field that were recorded in the previous equivalent period.
- In the power supply systems business, net sales decreased year on year following lower overseas demand in switchgear and controlgear operations. Regardless, operating results improved year on year due to the benefits of cost reduction efforts.
- In the ED&C components business, net sales and operating results improved year on year as a result of strong demand seen overseas and from machine tool and other machinery manufacturers.

Power Electronics Systems—Industry Solutions

Net sales: ¥134.2 billion (up 19% year on year)

Operating income: ¥1.1 billion (compared with operating loss of ¥2.2 billion in the previous equivalent period)

In the Power Electronics Systems—Industry Solutions segment, net sales were up and operating income was recorded, compared with operating loss in the previous equivalent period. Performance was driven by the factory automation business, which benefited from robust demand for the automation of production facilities in Japan and China, and the process automation business, which enjoyed brisk replacement demand in the Japanese market, as well as by the IT solutions business. The strong performance of these businesses counteracted the adverse impacts of the rebound from large-scale orders recorded in the equipment construction business during the previous equivalent period.

- In the factory automation business, net sales and operating results improved year on year due to strong conditions in Japan and China centered on markets for inverters, factory automation components, and industrial motors.
- In the process automation business, net sales and operating results improved year on year because of the brisk replacement demand seen in the Japanese market.
- In the environmental and social solutions business, net sales increased year on year as a result of higher overseas demand for electrical equipment for railcars. However, operating results worsened

due to disparities in the profitability of different projects.

- In the equipment construction business, net sales decreased and operating results worsened year on year as the rebound from large-scale orders recorded in the previous equivalent period offset the benefits of strong performance in air-conditioning equipment operations.
- In the IT solutions business, net sales and operating results improved year on year due to an increase in orders from the public sector and the academic sector.

Power and New Energy

Net sales: ¥37.9 billion (up 23% year on year)

Operating income: ¥1.2 billion (down ¥0.9 billion year on year)

- In the power and new energy business, net sales were up year on year thanks to increases in large-scale orders for solar power generation systems, which counteracted the decline in large-scale orders for hydro power generation systems. However, operating results worsened year on year as a result of a less favorable sales mix.

Electronic Devices

Net sales: ¥64.7 billion (up 12% year on year)

Operating income: ¥6.7 billion (up ¥3.5 billion year on year)

- In the electronic devices business, net sales and operating results improved year on year following a rise in demand for semiconductors for the industrial field supported by strong conditions in the Japanese and Chinese markets.

Food and Beverage Distribution

Net sales: ¥55.5 billion (up 12% year on year)

Operating income: ¥2.2 billion (up ¥0.2 billion year on year)

- In the vending machine business, net sales increased while operating results were relatively unchanged year on year. Investment levels continued to be limited in the Chinese market as a result of revisions to the expansion plans of customers. Conversely, brisk demand was seen in the domestic market.
- In the store distribution business, net sales and operating results improved year on year due to a rise in demand for store equipment for convenience stores.

Others

Net sales: ¥29.9 billion (up 6% year on year)

Operating income: ¥1.5 billion (up ¥0.4 billion year on year)

(2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2017	Breakdown (%)	Sep. 30, 2017	Breakdown (%)	Change
Total assets	886.7	100.0	890.3	100.0	3.6
Interest-bearing debt	151.2	17.1	158.0	17.7	6.7
Shareholder's equity* ¹	291.2	32.8	309.1	34.7	17.9
Debt-to-equity ratio* ² (times)	0.5		0.5		0.0

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

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

Total assets on September 30, 2017, stood at ¥890.3 billion, an increase of ¥3.6 billion from the end of the previous fiscal year. Total current assets decreased ¥10.3 billion, as the decline in notes and accounts receivable-trade counteracted the rise in inventories. Total noncurrent assets were up ¥13.9 billion, due to an increase stemming from valuation difference on available-for-sale securities.

Interest-bearing debt as of September 30, 2017, amounted to ¥158.0 billion, up ¥6.7 billion from the previous fiscal year-end. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—increased ¥19.2 billion from the previous fiscal year-end, amounting to ¥128.5 billion on September 30, 2017.

Net assets on September 30, 2017, stood at ¥342.0 billion, up ¥18.1 billion from the previous fiscal year-end. This was because of an increase stemming from valuation difference on available-for-sale securities. In addition, shareholders' equity—total net assets net of non-controlling interests—was up ¥17.9 billion from the previous fiscal year-end, standing at ¥309.1 billion on September 30, 2017. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was 0.5 times, relatively unchanged from the previous fiscal year-end. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was 0.4 times, also relatively unchanged from the previous fiscal year-end.

In the six-month period ended September 30, 2017, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a negative ¥6.2 billion, a decrease of ¥17.8 billion compared with free cash flow of a positive ¥11.6 billion in the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities was ¥0.4 billion, compared with ¥21.2 billion for the previous equivalent period. Major factors increasing cash included a decrease in notes and accounts receivable-trade, a result of efforts to collect receivables. Major factors decreasing cash included income taxes paid and an increase in inventories.

This was a decrease of ¥20.9 billion year on year.

Cash flows from investing activities

Net cash used in investing activities was ¥6.6 billion, compared with ¥9.6 billion in the previous fiscal year. This was primarily related to the purchase of property, plant and equipment.

This was a decrease of ¥3.1 billion year on year.

Cash flows from financing activities

Net cash used in financing activities was ¥6.8 billion, compared with ¥11.0 billion in the previous fiscal year. This was principally due to repayment of lease obligations.

As a result, consolidated cash and cash equivalents on September 30, 2017, amounted to ¥29.4 billion, down ¥12.5 billion from the previous fiscal year-end.

(3) Qualitative Information regarding Consolidated Forecasts and Forecast Information

In light of the business result trends seen in the six-month period ended September 30, 2017, Fuji Electric has chosen to revise the consolidated forecast for business results for the fiscal year ending March 31, 2018, that was announced together with financial results for the three-month period ended June 30, 2017, on July 27, 2017.

The forecast assumes exchange rates of US\$1 = ¥105 and € 1 = ¥115 for the period from October 1, 2017, onward.

(Consolidated Forecasts for the Fiscal Year Ending March 31, 2018) (¥ billion)

	Previous announcement	Revised announcement	Change
Net sales	850.0	870.0	20.0
Operating income	48.0	52.0	4.0
Ordinary income	47.0	51.0	4.0
Net income attributable to owners of parent	29.0	31.0	2.0

(Reference: Consolidated Forecasts for the Fiscal Year Ending March 31, 2018, by Segment) (¥billion)

	Net sales			Operating income (loss)		
	Previous announcement	Revised announcement	Change	Previous announcement	Revised announcement	Change
Power Electronics Systems - Industry Solutions	219.9	220.0	0.0	14.6	14.6	0.0
Power Electronics Systems - Industry Solutions	295.9	305.9	10.0	16.5	18.0	1.5
Power and New Energy	100.0	100.0	0.0	5.8	5.8	0.0
Electronic Devices	117.1	120.4	3.2	9.8	11.3	1.5
Food and Beverage Distribution	114.0	114.0	0.0	6.5	6.5	0.0
Others	57.4	58.9	1.5	1.7	2.0	0.2
Elimination and Corporate	(54.5)	(49.2)	5.3	(6.9)	(6.2)	0.7
Total	850.0	870.0	20.0	48.0	52.0	4.0