

# **Consolidated Financial Results for 1Q FY2020**

July 30, 2020

Fuji Electric Co., Ltd.

# Summary of Consolidated Financial Results for 1Q FY2020 (YoY Comparison)

## Sales and income down due to a decrease in demand arising from the impact of the COVID-19 pandemic

(Billion yen)

	1Q FY2019 Results	1Q FY2020 Results	Change
Net Sales	176.0	168.8	-7.2
Operating Income/Loss	3.6	2.4	-1.2
Ordinary Income/Loss	3.9	2.6	-1.2
Extraordinary Income/Loss	-0.2	-0.0	0.2
Income/Loss before Income Taxes	3.6	2.6	-1.0
Income Taxes	0.9	0.7	-0.3
Net Income Attributable to Non-controlling Interests	0.2	0.6	0.4
Net Income Attributable to Owners of Parent	2.5	1.4	-1.2

(Average Exchange Rate)

(Yen)

US\$	109.90	107.62	-2.28
EURO	123.49	118.48	-5.01
RMB	16.07	15.17	-0.90

(End of Month Rate Difference: March 31, 2020 → June 30, 2020)

(Yen)

US\$	110.99 → 107.79	108.83 → 107.74	2.11
EURO	124.56 → 122.49	119.55 → 121.08	3.60
RMB	16.47 → 15.69	15.31 → 15.23	0.70

### Net Sales

Loss on translation of earnings of overseas subsidiaries	-0.9
Decrease in demand	-6.3

### Operating Income/Loss

Decrease in sales and production volumes	-3.0
Decrease in fixed costs	+2.7
Exchange rate effect	-0.5
Others*	-0.3
	-1.2

\*Cost reductions, price fluctuations, sales mix changes, etc.

### Non-operating Income/Loss

Net interest expense	0.0	( 1.1 → 1.2 )
Foreign exchange gain/loss	0.2	(-0.7 → -0.4 )
Others*	-0.3	(-0.3 → -0.5 )
	-0.0	( 0.2 → 0.2 )

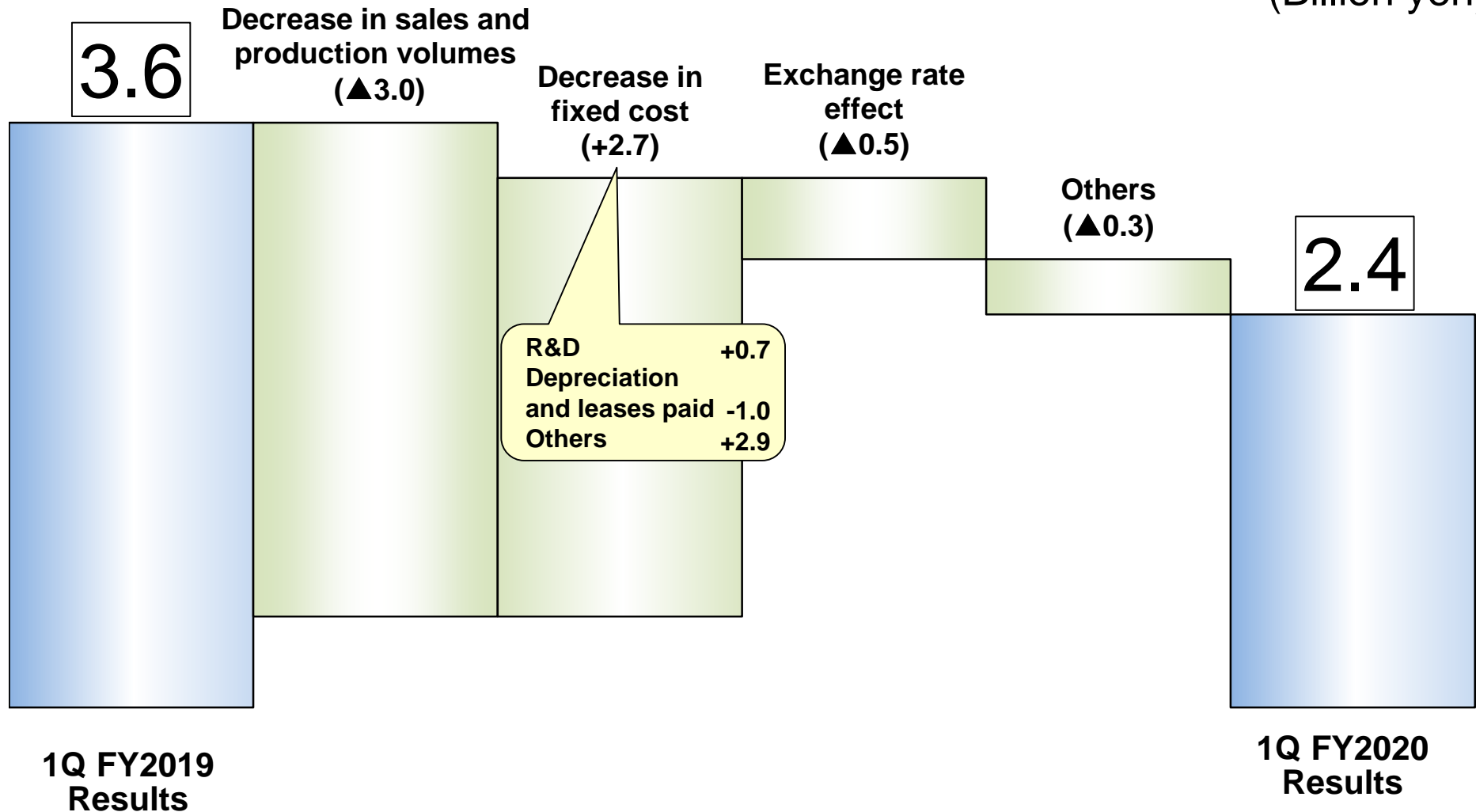
### Extraordinary Income/Loss

Gain on sales of investment securities	-0.2	( 0.2 → 0.0 )
Loss on valuation of investment securities	0.4	(-0.4 → 0.0 )
Others	-0.0	(-0.0 → -0.1 )
	0.2	(-0.2 → -0.0 )

# Breakdown of Changes in Operating Results for 1Q FY2020 (YoY Comparison)

Income down due to a decrease in sales and production volumes and an increase in upfront investments, despite decreased fixed costs

(Billion yen)



# Net Sales and Operating Income by Segment for 1Q FY2020 (YoY Comparison)

Sales and income down mainly due to Food and Beverage Distribution caused by lower demand arising from the impact of the COVID-19 pandemic

(Billion yen)

	1Q FY2019 Results		1Q FY2020 Results		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Systems Energy	42.4	1.2	38.4	1.2	-4.0	0.0
Power Electronics Systems Industry	53.5	-2.7	57.9	-1.4	4.5	1.4
Electronic Devices	32.9	3.3	35.0	2.7	2.1	-0.5
Food and Beverage Distribution	28.7	2.2	19.0	-0.2	-9.7	-2.4
Power Generation	14.6	0.6	15.7	0.9	1.0	0.3
Others	15.0	0.5	12.2	0.3	-2.8	-0.2
Elimination and Corporate	-11.2	-1.4	-9.3	-1.2	1.9	0.3
Total	176.0	3.6	168.8	2.4	-7.2	-1.2

\*Figures for FY2019 reflect the organizational restructuring conducted in FY2020.

# Business Results by Segment for 1Q FY2020 (YoY Comparison) ①

(Billion yen)

		1Q FY2019 Results	1Q FY2020 Results	Change	Overview	
Power Electronics Systems	Energy	Net Sales	42.4	38.4	-4.0	<p><b>Energy Management Net Sales Decreased by 18%</b> Decrease in net sales and operating results due to the rebound from large-scale projects for industrial power supply equipment recorded in the previous equivalent period and lower demand for smart meters</p> <p><b>Power Supply and Facility Systems Net Sales Decreased by 5%</b> Decrease in net sales due to the rebound from large-scale projects in the electrical facilities and the switchgear and controlgear operations recorded in the previous equivalent period, but increase in operating results thanks to the benefits of cost reduction efforts</p>
		Operating Income/Loss	1.2	1.2	0.0	<p><b>ED&amp;C Components Net Sales Decreased by 6%</b> Decrease in net sales as a result of sluggish demand from Japanese machine manufacturers including machine tools and switchboard manufacturers, but increase in operating results thanks to the benefits of cost and fixed cost reductions efforts</p>
	Industry	Net Sales	53.5	57.9	4.5	<p><b>Automation Systems Net Sales Increased by 6%</b> Increase in net sales thanks to higher demand for FA components in China and FA systems, despite lower demand for low-voltage inverters mainly in Japan Relatively unchanged in operating results</p> <p><b>Social Solutions Net Sales Increased by 35%</b> Increase in net sales and operating results thanks to increased large-scale projects for electrical equipment for railcars</p>
		Operating Income/Loss	-2.7	-1.4	1.4	<p><b>Equipment Construction Net Sales Decreased by 15%</b> Decrease in net sales due to sluggish sales of electrical equipment constructions arising from the postponement of capital investment plans and extension of construction periods, but increase in operating results thanks to the cost reduction efforts</p> <p><b>IT Solutions Net Sales Increased by 19%</b> Increase in net sales and operating results thanks to increased large-scale projects in the public and academic sectors</p>

# Business Results by Segment for 1Q FY2020 (YoY Comparison) ②

(Billion yen)

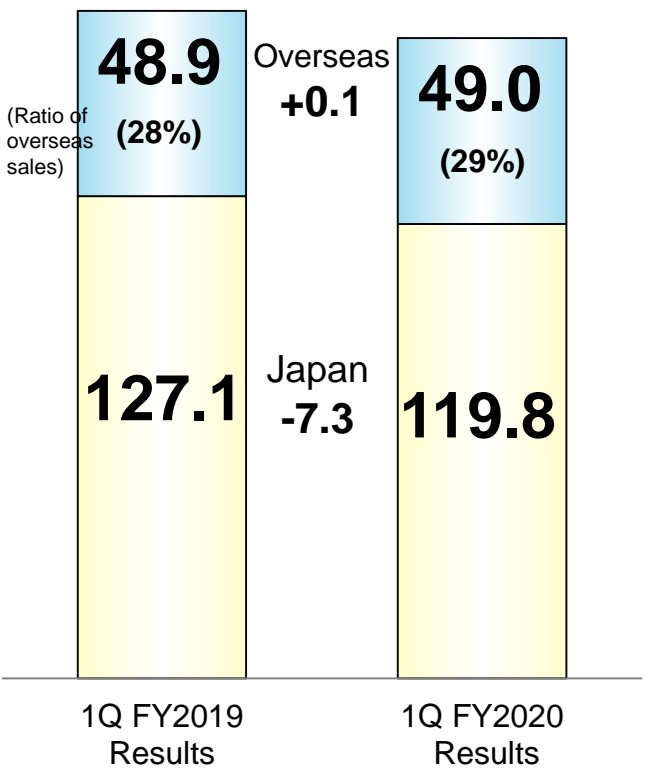
		1Q FY2019 Results	1Q FY2020 Results	Change	Overview																														
Electronic Devices	Net Sales	32.9	35.0	2.1	<p><b>Semiconductors Net Sales Increased by 5%</b> Increase in net sales due to higher demand for power semiconductors for the new energy market mainly in China and for electrified vehicles (xEVs), but decrease in operating results as a result higher expenses associated with upfront investments for bolstering capacity and negative foreign exchange influences</p> <p><b>Magnetic Disks Net Sales Increased by 12%</b> Increase in net sales and operating results thanks to higher demand for data centers and the benefits of cost reduction efforts</p> <table border="1"> <tr> <td colspan="3">Breakdown of Electronic Devices Sales</td> <td colspan="3">Distribution of Semiconductor Sales by Fields</td> </tr> <tr> <td></td> <td>1Q FY2019</td> <td>1Q FY2020</td> <td></td> <td>1Q FY2019</td> <td>1Q FY2020</td> </tr> <tr> <td>Semiconductors</td> <td>27.5</td> <td>29.0</td> <td>Industrial Modules</td> <td>47%</td> <td>50%</td> </tr> <tr> <td>Magnetic Disks</td> <td>5.4</td> <td>6.0</td> <td>Industrial Discrete Devices</td> <td>20%</td> <td>16%</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Automobiles</td> <td>33%</td> <td>34%</td> </tr> </table>	Breakdown of Electronic Devices Sales			Distribution of Semiconductor Sales by Fields				1Q FY2019	1Q FY2020		1Q FY2019	1Q FY2020	Semiconductors	27.5	29.0	Industrial Modules	47%	50%	Magnetic Disks	5.4	6.0	Industrial Discrete Devices	20%	16%				Automobiles	33%	34%
	Breakdown of Electronic Devices Sales			Distribution of Semiconductor Sales by Fields																															
	1Q FY2019	1Q FY2020		1Q FY2019	1Q FY2020																														
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Magnetic Disks	5.4	6.0	Industrial Discrete Devices	20%	16%																														
			Automobiles	33%	34%																														
	Operating Income/Loss	3.3	2.7	-0.5																															
Food and Beverage Distribution	Net Sales	28.7	19.0	-9.7	<p><b>Vending Machines Net Sales Decreased by 25%</b> Decrease in net sales and operating results due to the self-restraint on sales activities and reduced capital investment of Japanese beverage manufactures and lower demand in China</p> <p><b>Store Distribution Net Sales Decreased by 41%</b> Decrease in net sales and operating results due to reduced demand for store equipment for convenience stores and cancellations of and delays in some renovation works</p>																														
	Operating Income/Loss	2.2	-0.2	-2.4																															
Power Generation	Net Sales	14.6	15.7	1.0	<p>Increase in net sale and operating results as a result of the increased large-scale thermal power and solar power generation system projects</p>																														
	Operating Income/Loss	0.6	0.9	0.3																															

# Net Sales by Japan and Overseas Area for 1Q FY2020 (YoY Comparison)

**Net sales in Japan decreased mainly due to Food and Beverage Distribution  
Overseas net sales increased for China**

(Billion yen)

**176.0** -7.2 **168.8**



(Billion yen)

	1Q FY2019 Results	1Q FY2020 Results	Change
Overseas	48.9	49.0	0.1
Asia and Others	24.6	23.2	-1.4
China	16.5	19.2	2.7
Europe	4.7	3.9	-0.8
Americas	3.1	2.7	-0.3
Japan	127.1	119.8	-7.3

**Semiconductors +1.7**  
**Automation Systems +1.7**  
**Vending Machines -0.8**

**Food and Beverage -9.0**  
**Distribution**

## Increase in cash and time deposits for disaster response purposes

(Billion yen)

Assets	3/31/20	6/30/20	Change
Cash and time deposits	64.1	152.4	88.3
Notes and account receivables, trade receivables	294.5	238.8	-55.7
Inventories	188.1	206.4	18.3
Other current assets	49.0	49.1	0.1
<b>Total current assets</b>	<b>595.7</b>	<b>646.7</b>	<b>51.0</b>
Tangible fixed assets	201.9	200.6	-1.3
Intangible fixed assets	24.6	23.2	-1.4
Investments and other assets	174.5	190.1	15.6
<b>Total long-term assets</b>	<b>401.0</b>	<b>414.0</b>	<b>12.9</b>
Deferred assets	0.1	0.1	-0.0
<b>Total assets</b>	<b>996.8</b>	<b>1,060.8</b>	<b>64.0</b>
Net interest-bearing debt*1	153.6	174.4	20.7
Net D/E ratio (times)*2	0.4	0.5	0.0
Equity ratio	36.7%	35.6%	-1.1%

Liabilities and Net Assets	3/31/20	6/30/20	Change
Notes and account payables, trade payables	179.9	144.1	-35.8
Interest-bearing debts	217.4	325.7	108.4
Other liabilities	193.5	173.1	-20.4
<b>Total liabilities</b>	<b>590.8</b>	<b>643.0</b>	<b>52.2</b>
Capital stock	47.6	47.6	—
Capital surplus	45.9	46.0	0.1
Retained earnings	241.3	236.9	-4.4
Treasury stock at cost	-7.3	-7.3	-0.0
<b>Shareholders' equity</b>	<b>327.5</b>	<b>323.2</b>	<b>-4.3</b>
Other accumulated comprehensive income	38.1	54.4	16.3
Non-controlling interests	40.4	40.3	-0.1
<b>Total net assets</b>	<b>406.0</b>	<b>417.8</b>	<b>11.8</b>
<b>Total liabilities and net assets</b>	<b>996.8</b>	<b>1,060.8</b>	<b>64.0</b>

\*1 Net interest-bearing debt: Interest-bearing debt – Cash and cash equivalents

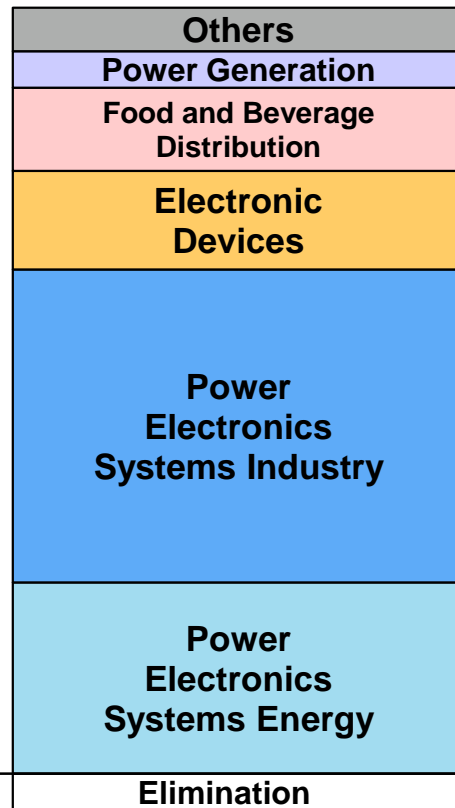
\*2 Net D/E ratio: Net interest-bearing debt ÷ Shareholder's equity



# Amount of Orders Received for 1Q FY2020 (YoY Comparison)

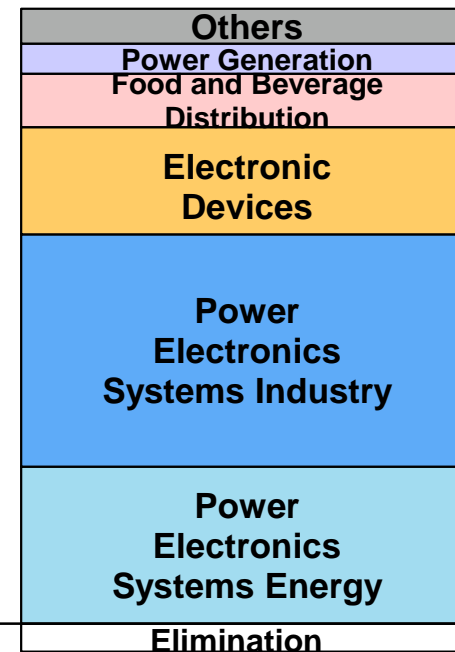
(Billion yen)

**246.3**



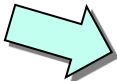

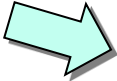
**1Q FY2019  
Results**

**198.2**







**1Q FY2020  
Results**

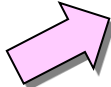
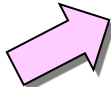
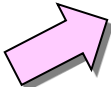
# Orders Received in 1Q FY2020 (YoY Comparison)

	1Q YoY	Overview								
<b>Power Electronics Systems Energy</b>	-18%	<ul style="list-style-type: none"> <li>•Decrease mainly due to the rebound from large-scale projects in power supply and facility systems in the previous year</li> </ul>								
<b>Energy Management</b>		<ul style="list-style-type: none"> <li>•Decrease due to the rebound from large-scale projects in industrial substation equipment in the previous year</li> <li>•Reduce demand in smart meters</li> </ul>								
<b>Power Supply and Facility Systems</b>		<ul style="list-style-type: none"> <li>•Decrease due to the rebound from large-scale orders in electrical facilities and switchgear and controlgear businesses in the previous year</li> </ul>								
<b>ED&amp;C Components</b>		<ul style="list-style-type: none"> <li>•Decrease in domestic orders for machine manufacturers and switchboard manufacturers</li> <li>•Increase in overseas orders mainly in China</li> </ul> <div style="float: right; border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>■ Amount of orders received in 1Q for ED&amp;C Components</b></p> <table border="1"> <thead> <tr> <th></th> <th>YoY</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>-4%</td> </tr> <tr> <td>Japan</td> <td>-8%</td> </tr> <tr> <td>Overseas</td> <td>+8%</td> </tr> </tbody> </table> </div>		YoY	Total	-4%	Japan	-8%	Overseas	+8%
	YoY									
Total	-4%									
Japan	-8%									
Overseas	+8%									

# Orders Received in 1Q FY2020 (YoY Comparison)

	1Q YoY	Overview													
<b>Power Electronics Systems Industry</b>	-26%	<ul style="list-style-type: none"> <li>•Decrease mainly due to project delays in IT solutions business and the rebound from large-scale social solutions projects in the previous year</li> </ul>													
<b>Automation Systems</b>		<ul style="list-style-type: none"> <li>•Decrease in domestic orders due to the rebound from large-scale orders for low-voltage inverters and FA systems in the previous year</li> <li>•Increase in overseas orders due to benefits of the consolidation of FCN and higher demand for low-voltage inverters and FA components in China</li> </ul>	<p>■ Amount of orders received in 1Q for low-voltage inverters</p> <table border="1"> <thead> <tr> <th></th> <th>QoQ</th> <th>YoY</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>-24%</td> <td>-21%</td> </tr> <tr> <td>Japan</td> <td>-39%</td> <td>-36%</td> </tr> <tr> <td>Overseas</td> <td>-5%</td> <td>-3%</td> </tr> </tbody> </table>		QoQ	YoY	Total	-24%	-21%	Japan	-39%	-36%	Overseas	-5%	-3%
	QoQ	YoY													
Total	-24%	-21%													
Japan	-39%	-36%													
Overseas	-5%	-3%													
<b>Social Solutions</b>		<ul style="list-style-type: none"> <li>•Decrease due to the rebound from large-scale orders in radiation equipment and system businesses in the previous year</li> <li>•Increase in electrical equipment for railcars mainly in Japan</li> </ul>													
<b>Equipment Construction</b>		<ul style="list-style-type: none"> <li>•Decrease due to the postponement of capital investment plans and the rebound from large-scale orders in the previous year</li> </ul>													
<b>IT Solutions</b>		<ul style="list-style-type: none"> <li>•Decrease due to the rebound from large-scale orders in the previous year and delays in projects</li> </ul>													



# Orders Received in 1Q FY2020 (YoY Comparison)

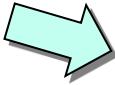
		1Q YoY	Overview	
<b>Electronic Devices</b>		+9%	•Increase for electrified vehicles (xEVs) and new energy markets	
<b>Semiconductors</b>	<b>Industry</b>		•Increase in demand for the new energy and FA markets in China	
	<b>Automobiles</b>		•Increase in demand for xEVs, but decrease in demand for internal combustion engine vehicles	
<b>Magnetic Disks</b>			•Increase due to higher demand for nearline servers	

	QoQ	YoY
Total	3%	8%
Automobiles	-9%	10%
Industrial Discrete Devices	-10%	-13%
Industrial Modules	19%	16%

# Orders Received in 1Q FY2020 (YoY Comparison)

	1Q YoY	Overview													
<b>Food and Beverage Distribution</b>	-36%	<ul style="list-style-type: none"> <li>•Decrease due to lower demand arising from the impact of the COVID-19 pandemic</li> </ul>													
<b>Vending Machines</b>		<ul style="list-style-type: none"> <li>•Decrease in domestic orders due to curtailed capital investment by beverage manufacturers</li> <li>•Decrease orders in China, but increase orders in Southeast Asia</li> </ul>	<p>■ Amount of orders received in 1Q for vending machines</p> <table border="1"> <thead> <tr> <th></th> <th>YoY</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>-33%</td> </tr> <tr> <td>Japan</td> <td>-33%</td> </tr> <tr> <td>Overseas</td> <td>-39%</td> </tr> <tr> <td>  China</td> <td>-47%</td> </tr> <tr> <td>  Asia and Others</td> <td>+34%</td> </tr> </tbody> </table>		YoY	Total	-33%	Japan	-33%	Overseas	-39%	China	-47%	Asia and Others	+34%
	YoY														
Total	-33%														
Japan	-33%														
Overseas	-39%														
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Asia and Others	+34%														
<b>Store Distribution</b>		<ul style="list-style-type: none"> <li>•Decrease due to the delays of store renovation plans</li> </ul>													

	1Q YoY	Overview
<b>Power Generation</b>		<ul style="list-style-type: none"> <li>•Decrease mainly due to the delays of orders in renewable energy</li> </ul>

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