

Consolidated Financial Results for 1H FY2020

October 29, 2020
Fuji Electric Co., Ltd.

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

Sales and income down due to a decrease in demand arising from the impact of the COVID-19 pandemic along with the absence of large-scale orders recorded in the previous fiscal year

(Billion yen)

	1H FY2019	1H FY2020	Change
Net Sales	406.7	357.0	-49.7
Operating Income/Loss	11.1	5.3	-5.8
Ordinary Income/Loss	10.9	5.2	-5.7
Extraordinary Income/Loss	-0.7	0.0	0.8
Income/Loss before Income Taxes	10.1	5.2	-4.9
Income Taxes	3.2	2.2	-1.0
Net Income Attributable to Non-controlling Interests	1.0	1.0	0.0
Net Income Attributable to Owners of Parent	6.0	2.1	-3.9

(Average Exchange Rate)

(Yen)

US\$	108.63	106.92	-1.71
EURO	121.42	121.30	-0.12
RMB	15.68	15.26	-0.42

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

(Yen)

US\$	110.99→107.92	108.83→105.80	0.04
EURO	124.56→118.02	119.55→124.17	11.16
RMB	16.47→ 15.13	15.31→ 15.54	1.57

Net Sales

Gain on translation of earnings of overseas subsidiaries	+0.5
Demand decrease	-50.2

Operating Income/Loss

Decrease in sales and production volumes	-11.4
Decrease in fixed costs	+3.8
Exchange rate effect	-0.3
Others*	+2.0
	-5.8

*cost reduction, price fluctuations and sales mix changes

Non-operating Income/Loss

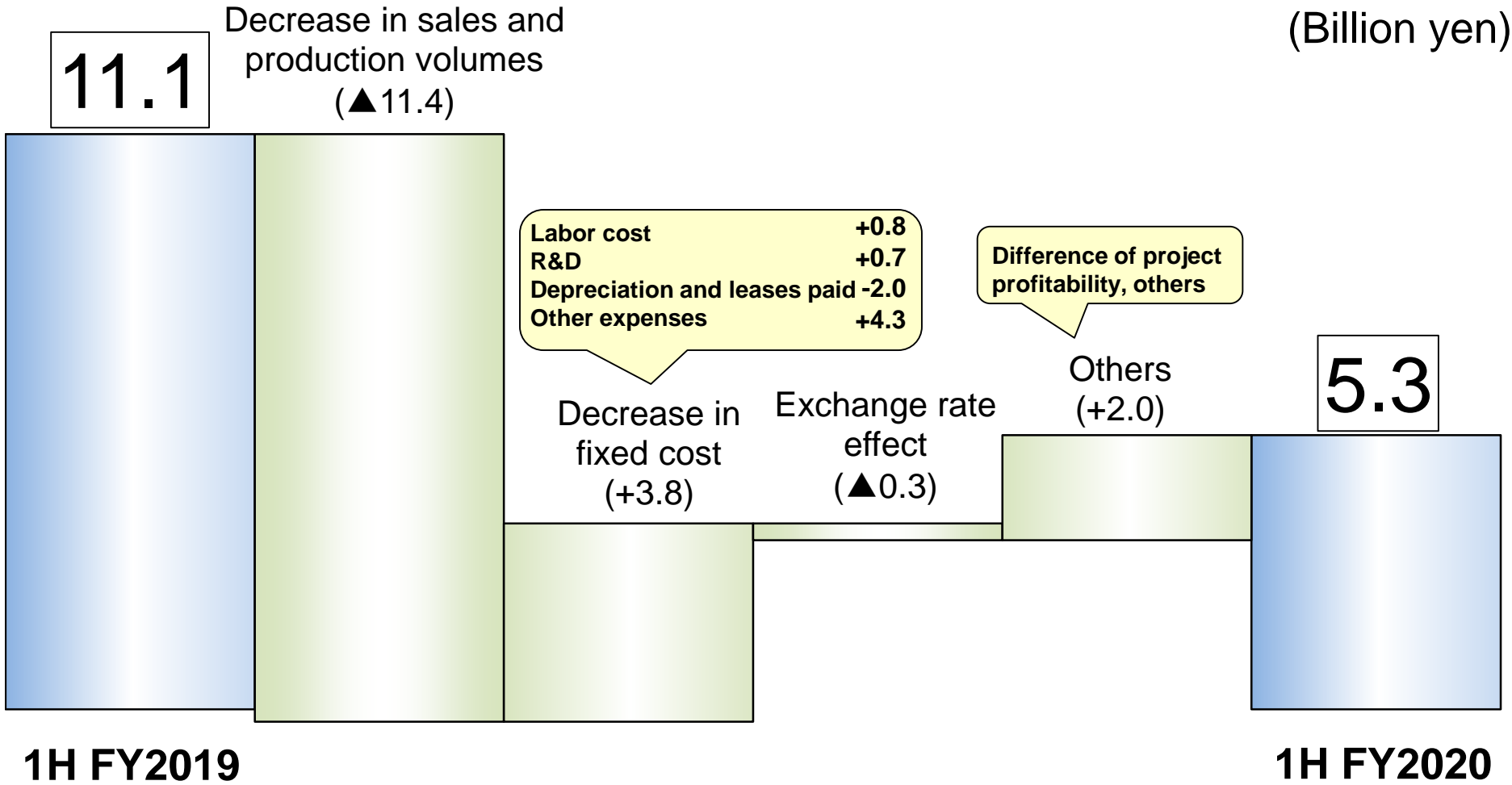
Net interest expense	-0.0	(1.0 → 1.0)
Foreign exchange loss	0.4	(1.0 → -0.5)
Others	-0.3	(0.3 → -0.6)
	0.1	(0.3 → -0.1)

Extraordinary Income/Loss

Gain on sales of investment securities	0.0	(0.2 → 0.2)
Loss on valuation of investment securities	0.4	(-0.4 → 0.0)
Others	0.3	(-0.5 → -0.2)
	0.8	(-0.7 → 0.0)

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

Income down due to massive decreases in sales and production volumes



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

**Sales down significantly in all segments except Electronic Devices
Decrease in operating results primarily due to substantial reduction in demand
in Food and Beverage Distribution segment**

(Billion yen)

	1H FY2019		1H FY2020		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Systems Energy	98.1	3.6	81.8	1.6	-16.3	-2.0
Power Electronics Systems Industry	138.7	-0.7	128.2	0.2	-10.5	0.9
Electronic Devices	65.8	6.0	72.4	6.3	6.7	0.3
Food and Beverage Distribution	54.7	2.9	37.7	-2.6	-17.0	-5.5
Power Generation	41.8	0.8	32.7	1.1	-9.2	0.3
Others	30.7	1.2	25.1	0.8	-5.7	-0.4
Elimination and Corporate	-23.2	-2.7	-20.8	-2.1	2.3	0.6
Total	406.7	11.1	357.0	5.3	-49.7	-5.8

※Figures for FY2019 reflect the organizational restructuring conducted in FY2020.

Business Results by Segment for 1H FY2020 (YoY Comparison) ①

(Billion yen)

			1H FY2019	1H FY2020	Change	Overview
Power Electronics Systems	Energy	Net Sales	98.1	81.8	-16.3	<p>Energy Management Net Sales Decreased by 21% Decrease in net sales and operating results as a result of a decline in demand for smart meters and industrial power supply equipment</p> <p>Power Supply and Facility Systems Net Sales Decreased by 19% Decrease in net sales and operating results as a result of the rebound from large-scale projects recorded in electrical facility and switchgear and controlgear operations in the previous equivalent period</p>
		Operating Income/Loss	3.6	1.6	-2.0	<p>ED&C Components Net Sales Decreased by 10% Decrease in net sales and operating results due to the reduced demand from Japanese manufacturers of machine tools and switchboard manufacturers</p>
	Industry	Net Sales	138.7	128.2	-10.5	<p>Automation Systems Net Sales Decreased by 0% Decrease in net sales and operating results, despite the rise in demand for ship exhaust gas cleaning systems as well as the higher demand for low-voltage inverters and factory automation components seen in China, as a result of sluggish demand in other fields in Japan</p> <p>Social Solutions Net Sales Increased by 23% Increase in net sales and operating results thanks to increases in large-scale projects for electrical equipment for railcars</p>
		Operating Income/Loss	-0.7	0.2	0.9	<p>Equipment Construction Net Sales Decreased by 7% Decrease in net sales due to delays in capital investment plans and the rebound from large-scale electrical equipment construction projects recorded in the previous equivalent period, but increase in operating results due to the benefits of cost reduction efforts</p> <p>IT Solutions Net Sales Decreased by 24% Decrease in net sales due to the rebound from large-scale projects recorded in the previous equivalent period, but operating results were relatively unchanged because of differences in profitability between projects.</p>

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

(Billion yen)

		1H FY2019	1H FY2020	Change	Overview												
Electronic Devices	Net Sales	65.8	72.4	6.7	<p>Semiconductors Net Sales Increased by 14% Increase in net sales and operating results thanks to the increased demand for power semiconductors for electrified vehicles (xEVs) and for the new energy market</p> <p>Magnetic Disks Net Sales Decreased by 6% Decrease in net sales and operating results due to lower demand for PCs, despite the higher demand for nearline</p>												
	Operating Income/Loss	6.0	6.3	0.3													
					<p>Breakdown of Electronic Devices Sales</p> <table border="1"> <thead> <tr> <th></th> <th>1H FY2019</th> <th>1F FY2020</th> </tr> </thead> <tbody> <tr> <td>Semiconductors</td> <td>54.5</td> <td>61.8</td> </tr> <tr> <td>Magnetic Disks</td> <td>11.3</td> <td>10.6</td> </tr> </tbody> </table>		1H FY2019	1F FY2020	Semiconductors	54.5	61.8	Magnetic Disks	11.3	10.6			
	1H FY2019	1F FY2020															
Semiconductors	54.5	61.8															
Magnetic Disks	11.3	10.6															
					<p>Distribution of Semiconductor Sales by Fields</p> <table border="1"> <thead> <tr> <th></th> <th>1H FY2019</th> <th>1F FY2020</th> </tr> </thead> <tbody> <tr> <td>Industrial Modules</td> <td>46%</td> <td>47%</td> </tr> <tr> <td>Industrial Discrete Devices</td> <td>20%</td> <td>17%</td> </tr> <tr> <td>Automobiles</td> <td>34%</td> <td>36%</td> </tr> </tbody> </table>		1H FY2019	1F FY2020	Industrial Modules	46%	47%	Industrial Discrete Devices	20%	17%	Automobiles	34%	36%
	1H FY2019	1F FY2020															
Industrial Modules	46%	47%															
Industrial Discrete Devices	20%	17%															
Automobiles	34%	36%															
Food and Beverage Distribution	Net Sales	54.7	37.7	-17.0	<p>Vending Machine Net Sales Decreased by 28% Decrease in net sales and operating results due to the self-restraint exercised in sales activities and reductions in capital investment by Japanese beverage manufacturers as well as lower demand in the Chinese market</p> <p>Store Distribution Net Sales Decreased by 34% Decreased in net sales and operating results because of a decline in demand for store equipment for convenience stores and cancellations of and delays in some renovation works</p>												
	Operating Income/Loss	2.9	-2.6	-5.5													
Power Generation	Net Sales	41.8	32.7	-9.2	<p>Decrease in net sales due to the rebound from large-scale thermal power system projects recorded in the previous equivalent period, but increase in operating results because of differences in profitability between projects</p>												
	Operating Income/Loss	0.8	1.1	0.3													

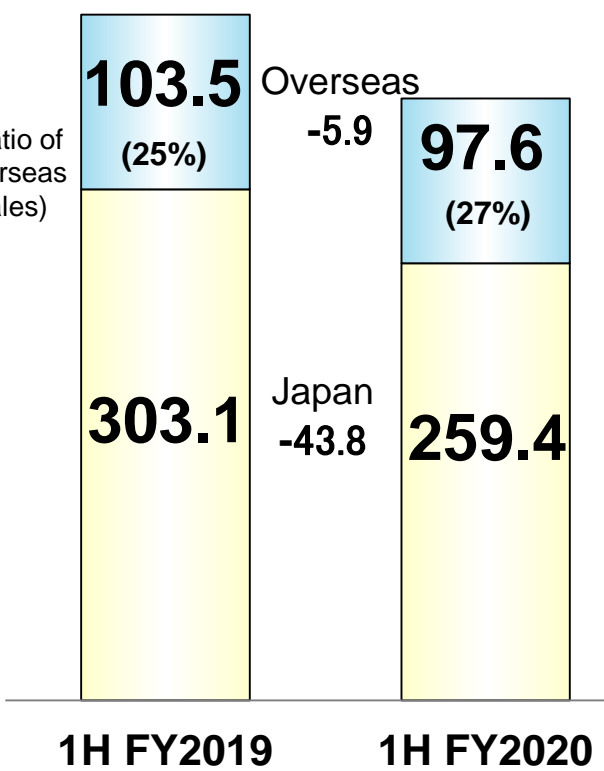
Net Sales by Japan and Overseas Area for 1H FY2020 (YoY Comparison)

Sales in China up due to recovery of market conditions

(Billion yen)

406.7 -49.7 **357.0**

(Ratio of overseas sales)



(Billion yen)

	1H FY2019	1H FY2020	Change
Overseas	103.5	97.6	-5.9
Asia and Others	55.8	45.9	-9.9
China	32.7	38.1	5.5
Europe	8.8	7.7	-1.0
Americas	6.3	5.9	-0.4

Power Supply and Facility Systems -5.0

Power Generation -3.8

Energy Management -3.1

Automation Systems +2.7

Semiconductors +4.5

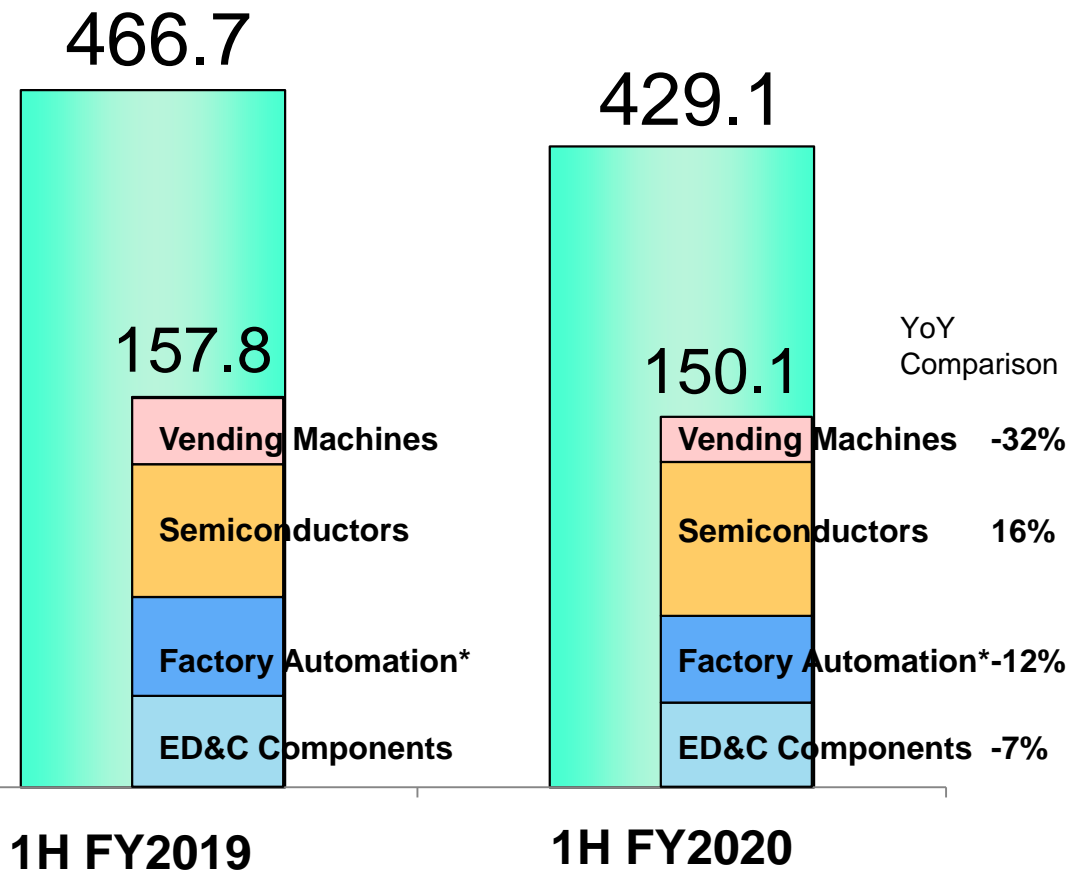
Automation Systems +2.0

Vending Machines -1.3

Breakdown of Changes in Amount of Orders Received by Products for 1H FY2020 (YoY Comparison)

Orders down centered on plant systems

(Billion yen)



Breakdown of changes in Amount of Orders Received (YoY Comparison)

Major components	-7.7
Plant systems, others (Energy management, social solutions and store distribution)	-29.9
Total	-37.6

Major components

※Factory Automation : low-voltage inverters, motors, FA components and measuring instruments

Consolidated Balance Sheet at the End of 1H FY2020

Increase in cash and time deposits for disaster response measures leading up to September 30, 2020

(Billion yen)

Assets	3/31/20	9/30/20	Change
Cash and time deposit	64.1	155.9	91.8
Notes and account receivables, trade receivables	294.5	226.2	-68.3
Inventories	188.1	208.5	20.4
Other current assets	49.0	51.7	2.7
Total current assets	595.7	642.3	46.6
Tangible fixed assets	201.9	202.7	0.8
Intangible fixed assets	24.6	22.9	-1.7
Investments and other assets	174.5	197.1	22.6
Total long-term assets	401.0	422.7	21.7
Deferred assets	0.1	0.1	-0.0
Total assets	996.8	1,065.1	68.3
Net interest-bearing debt※1	153.6	183.3	29.6
Net D/E ratio※2 (times)	0.4	0.5	0.1
Equity ratio	36.7%	36.3%	-0.4%

Liabilities and Net Assets		3/31/20	9/30/20	Change
Notes and account payables, trade payables		179.9	133.9	-46.0
Interest-bearing debts		217.4	338.0	120.6
Other liabilities		193.5	165.6	-27.9
Total liabilities		590.8	637.5	46.7
Capital stock		47.6	47.6	-
Capital surplus		45.9	46.0	0.1
Retained earnings		241.3	237.6	-3.7
Treasury stock at cost		-7.3	-7.3	-0.0
Shareholders' equity		327.5	323.9	-3.6
Accumulated other comprehensive income		38.1	63.0	24.8
Non-controlling interests		40.4	40.8	0.4
Total net assets		406.0	427.6	21.6
Total liabilities and net assets		996.8	1,065.1	68.3

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

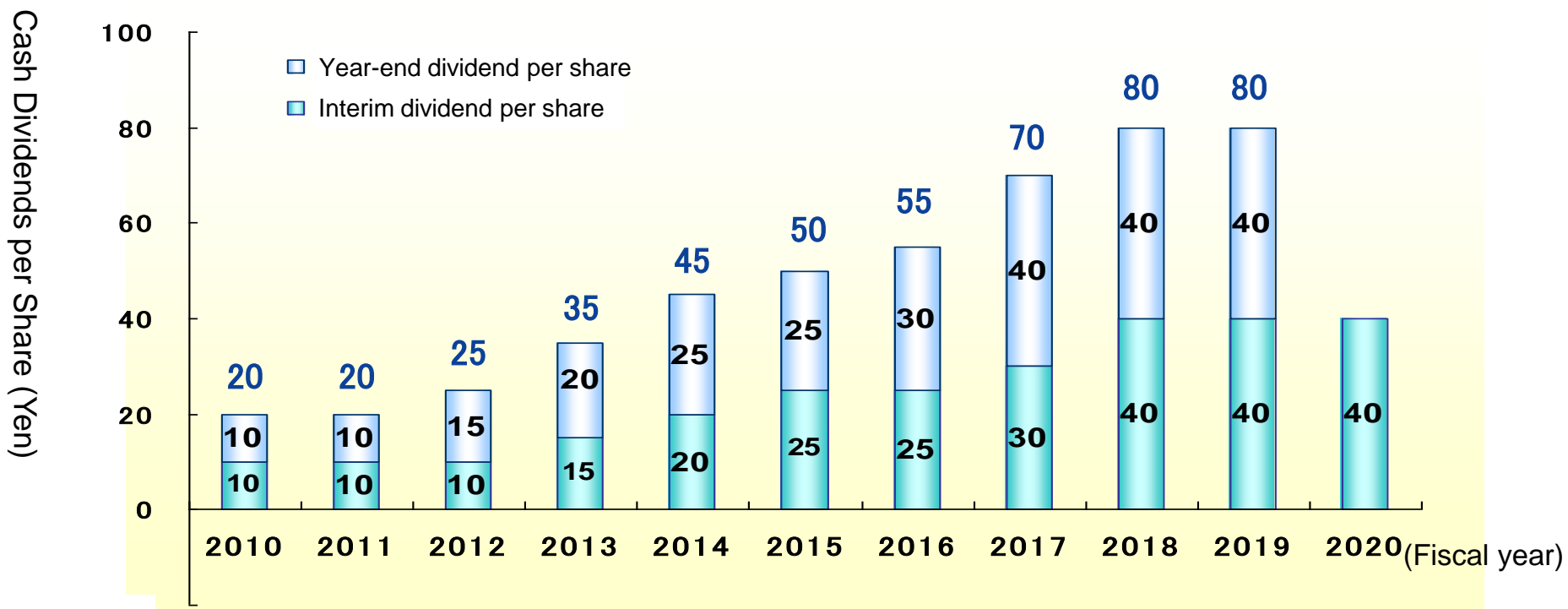
※2 Net D/E ratio: Net interest-bearing debt ÷ Shareholder's equity

Consolidated Cash Flow for 1H FY2020

(Billion yen)

		1H FY2019	1H FY2020
I	Cash Flows from Operating Activities	1.3	-2.1
II	Cash Flows from Investing Activities	-23.8	-10.8
I + II	Free Cash Flow	-22.6	-13.0
III	Cash Flows from Financing Activities	16.8	104.3
IV	Cash and Cash Equivalents at End of Period	22.7	154.7

Interim dividend decided ¥40 per share



Dividend payout ratio	18.9%	24.2%	13.6%	25.5%	23.0%	23.3%	19.2%	26.5%	28.4%	39.7%
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※Dividend figures for prior to the reverse stock split (the fiscal years ended March 31, 2011 to 2018, and the six-month period ended September 30, 2018) are per five shares.

■ Low-voltage inverters amount of orders received

	2Q QoQ	2Q YoY	1H YoY
All	6%	-16%	-18%
Japan	9%	-21%	-29%
Overseas	4%	-12%	-8%

■ Semiconductors amount of orders received

	2Q QoQ	2Q YoY	1H YoY
All	11%	24%	16%
Automobiles	26%	36%	23%
Industrial Discrete Devices	7%	0%	-6%
Industrial Modules	2%	25%	21%

■ Vending machines amount of orders received

	2Q QoQ	2Q YoY	1H YoY
All	12%	-31%	-32%
Japan	15%	-30%	-31%
Overseas	-7%	-35%	-37%
China	-33%	-49%	-48%
Southeast Asia, others	81%	-2%	8%

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