

Management Plan for FY2020

October 29, 2020 Fuji Electric Co., Ltd.

Management Plan for FY2020



Target of operating income in line with previous fiscal year despite sales decreases stemming from lower demand

(Billion yen)

	FY2019 Results	FY2020 Management Plan	Change
Net Sales	900.6	870.0	-30.6
Operating Income	42.5	41.0	-1.5
Operating Margin	4.7%	4.7%	0.0pt
Net Income Attributable to Owners of Parent	28.8	27.5	-1.3

[Financial Indicators]

Net D/E Ratio*	0.4 times	0.5 times	0.0 times
Equity Ratio	36.7%	38.5%	+1.8pt
ROA (Return on Assets)	3.0%	2.7%	-0.3pt
ROE (Return on Equity)	8.0%	7.1%	-0.9pt

[※] Net interest-bearing debt ÷Shareholder's equity

Management Plan for 2H FY2020



Pursuit of higher sales and income by incorporating demand recovery amid COVID-19 pandemic

(Billion yen)	2H FY2019 Results	2H FY2020 Management Plan	Change
Net Sales	493.9	513.0	19.1
Operating Income/Loss	31.4	35.7	4.3
Ordinary Income/Loss	33.7	37.3	3.7
Net Income Attributable to Owners of Parent	22.8	25.4	2.6

Net Sales

Loss on translation of earnings of overseas subsidiaries -5.2 Demand increase +24.3

Operating Income/Loss

Increase in sales and production volumes	+3.1
Increase in fixed costs	-0.8
Exchange rate effect	-1.2
Others*	+3.2
	+4.3

^{*}cost reduction, price fluctuations and sales mix changes

2H Assumed Exchange Rate	US\$	EURO	RMB
Exchange Rate	¥102.00	¥120.00	¥15.00
One Yen Effect (Million yen)*	50	60	130

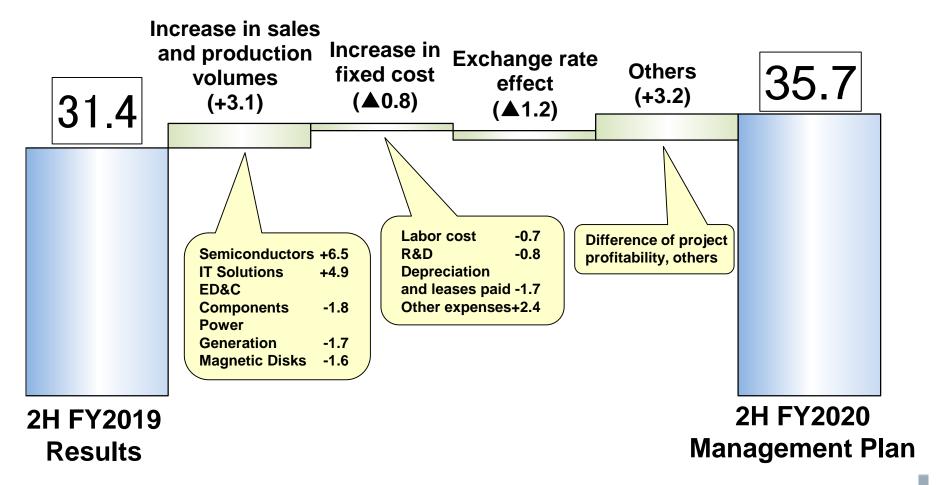
^{*} Impact on operating income/loss US\$ and EURO: Impact of ¥1-fluctuation / RMB: Impact of 1% fluctuations

Breakdown of Changes in Operating Results for 2H FY2020 (YoY Comparison)



Higher income due to increased sales and production volumes and differences in profitability between projects

(Billion yen)



Net Sales and Operating Income by Segment for 2H FY2020 Management Plan



(Billion ven)

Power Electronics Systems Energy 178.8 17.2 9.6% 207.8 18.3 8.8% 29.0 1.1 1.5 2.2% 54.3 2.8 5.2% -13.8 1.3 2.8 5.2% -13.8 1.3 2.2% 54.3 2.8 5.2% -13.8 1.3 2.2% 54.3 2.8 5.2% -13.8 1.3 2.2% 54.3 2.8 5.2% -13.8 1.3 2.2% -2.3										(Billion yen)
Net Sales Operating Operating Operating Common							Ch	ange		
Power Electronics Systems Energy Power Electronics Systems Energy 119.9 8.7 7.2% 120.2 8.0 6.7% 0.3 -0.7 switchgear and controlgear and in ED&C component operations, primarily as a result of increased demand for industrial transformers -0.0 perating results down due to lower sales and production volumes for ED&C components -1.1 improved net sales and operating results following higher demand in IT solutions field, which offset reduced demand for components in Automation systems operations Food and Beverage Distribution Food and Beverage Generation Others 30.1 1.5 5.1% 27.9 0.8 3.0% -2.2 -13.8 Total 493.9 31.4 6.4% 513.0 35.7 7.0% 19.1 4.3			Income/	Operating		Income/	Operating		Income/	Reasons for changes
Electronics Systems Industry The selectronic Systems Industry The selectronic Devices The selectronic Device Selectronic Devices The selectronic Device Selectronic Devices The selectronic Device Selectronic Device Selectronic Devices The selectronic Device Selectronic Device Selectronic Devices The selectronic Device Selectronic Devices The selectronic Device Se	Electronics	119.9	8.7	7.2%	120.2	8.0	6.7%	0.3	-0.7	switchgear and controlgear and in ED&C component operations, primarily as a result of increased demand for industrial transformers Operating results down due to lower sales and production volumes for ED&C components
Electronic Devices 71.6 3.7 5.2% 69.6 6.6 9.5% -2.0 -3.3 Food and Beverage Distribution Power Generation Others 30.1 1.5 5.1% 27.9 69.6 6.6 9.5% -2.0 -3.3 2.9 -0.9	Electronics	178.8	17.2	9.6%	207.8	18.3	8.8%	29.0	' 1.1	higher demand in IT solutions field, which offset reduced demand for components in Automation
Beverage Distribution 49.7 0.9 1.9% 56.3 3.2 5.6% 6.6 2.3 increased demand for vending machines overseas and for store renovation projects Power Generation 68.1 1.5 2.2% 54.3 2.8 5.2% -13.8 1.3 increased demand for vending machines overseas and for store renovation projects Others 30.1 1.5 5.1% 27.9 0.8 3.0% -2.2 -0.7 Elimination and Corporate -24.3 -2.2 -23.2 -4.0 1.1 -1.8 Total 493.9 31.4 6.4% 513.0 35.7 7.0% 19.1 4.3		71.6	3.7	5.2%	69.6	6.6	9.5%		2.9	power semiconductors, due to reduced demand for magnetic disks and negative foreign exchange impacts -Improved operating results largely because of increases in semiconductor sales and production
Power Generation 68.1 1.5 2.2% 54.3 2.8 5.2% -13.8 1.3 recorded large-scale orders Improved operating results because of differences in profitability between projects Others 30.1 1.5 5.1% 27.9 0.8 3.0% -2.2 -0.7 Elimination and Corporate -24.3 -2.2 -23.2 -4.0 1.1 -1.8 Total 493.9 31.4 6.4% 513.0 35.7 7.0% 19.1 4.3	Beverage	49.7	0.9	1.9%	56.3	3.2	5.6%	6.6		increased demand for vending machines overseas and
Elimination and Corporate -24.3 -2.2 -23.2 -4.0 1.1 -1.8 Total 493.9 31.4 6.4% 513.0 35.7 7.0% 19.1 4.3		68.1	1.5	2.2%	54.3	2.8	5.2%	-13.8	1.3	recorded large-scale orders Improved operating results because of differences in
Corporate -24.3 -2.2 -23.2 -4.0 1.1 -1.8 Total 493.9 31.4 6.4% 513.0 35.7 7.0% 19.1 4.3	Others	30.1	1.5	5.1%	27.9	0.8	3.0%	-2.2	-0.7	
		-24.3	-2.2		-23.2	-4.0		1.1	-1.8	
	Total	493.9	31.4	6.4%	513.0	35.7				

Management Plan for FY2020



(Billion yen)	FY2019 Results	FY2020 Management Plan	Change
Net Sales	900.6	870.0	-30.6
Operating Income/Loss	42.5	41.0	-1.5
Ordinary Income/Loss	44.5	42.5	-2.0
Net Income Attributable to Owners of Parent	28.8	27.5	-1.3

	Net Sales ———		
_		4 7	
	Loss on translation of earnings of overseas subsidiaries		
	Demand decrease	-25 9	

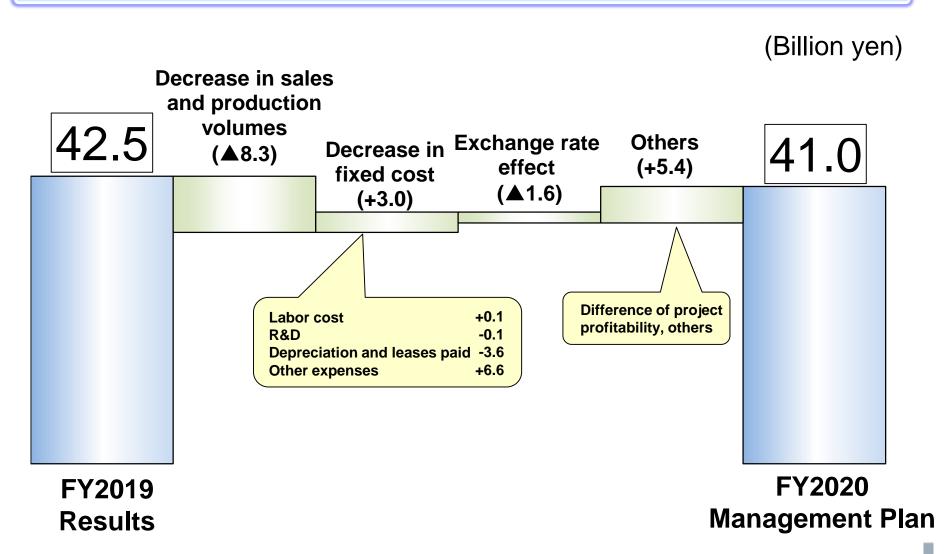
Operating Income/Loss	
Decrease in sales and production volumes	-8.3
Decrease in fixed costs	+3.0
Exchange rate effect	-1.6
Others*	+5.4
	-1.5

^{*}cost reduction, price fluctuations and sales mix changes

Breakdown of Changes in Operating Results for FY2020 Management Plan (YoY Comparison)



Lower income due to decreased sales and production volumes



Net Sales and Operating Income by Segment for FY2020 Management Plan (YoY Comparison)



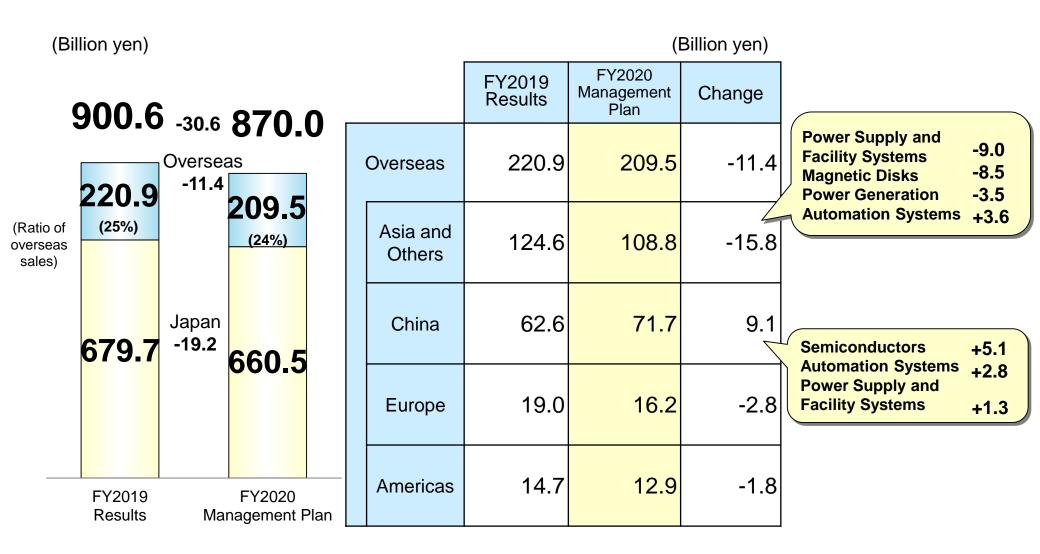
(Billion yen)

	FY2019 Results			FY2020 Management Plan			Change	
	Net Sales	Operating Income/ Loss	Operating Margin	Net Sales	Operating Income/ Loss	Operating Margin	Net Sales	Operating Income/ Loss
Power Electronics Systems Energy	218.0	12.3	5.7%	202.0	9.6	4.8%	-16.0	-2.7
Power Electronics Systems Industry	317.5	16.5	5.2%	336.0	18.5	5.5%	18.5	2.0
Electronic Devices	137.4	9.7	7.1%	142.0	12.9	9.1%	-3.0 4.6	-1.0 3.2
Food and Beverage Distribution	104.4	3.8	3.7%	94.0	0.6	0.6%	-10.4	-3.2
Power Generation	109.9	2.3	2.1%	87.0	3.9	4.5%	-22.9	1.6
Others	60.8	2.7	4.4%	53.0	1.6	3.0%	-7.8	-1.1
Elimination and Corporate	-47.5	-4.9		-44.0	-6.1		3.5	-1.2
Total	900.6	42.5	4.7%	870.0	41.0	4.7%	-4.7 -30.6	-1.6 -1.5

Exchange rate effect

Net Sales by Japan and Overseas Area for FY2020 Management Plan (YoY Comparison)

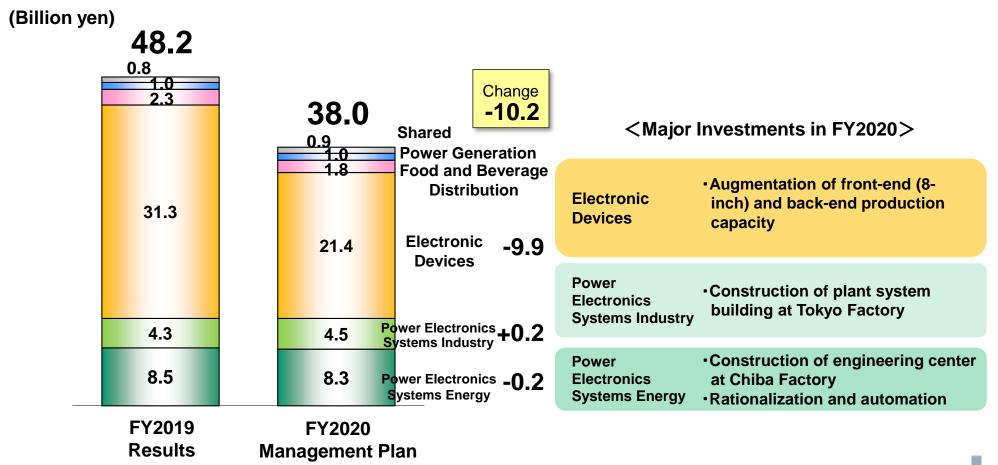




Capital Investment for FY2020 Management Plan



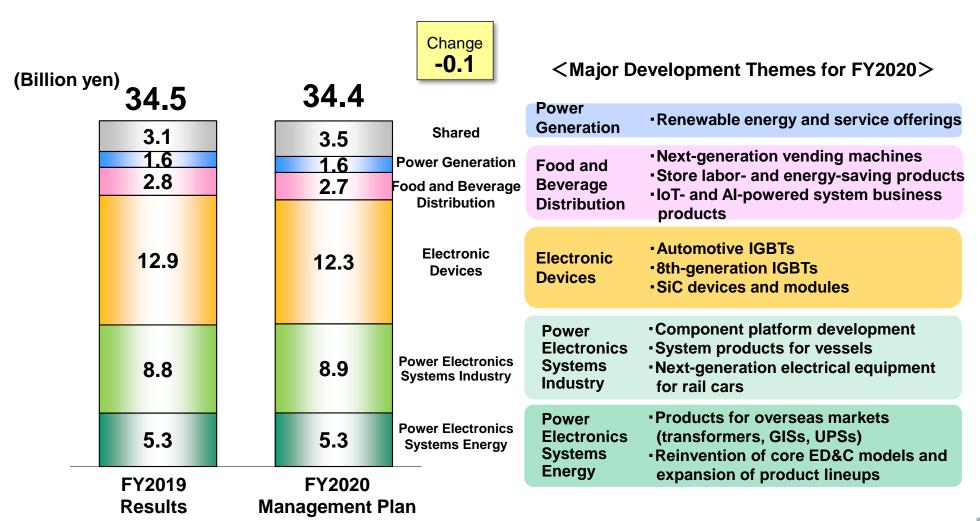
Investments in increased production in Electric Devices segment Construction of new engineering center in Power Electronics Systems business



Research and Development for FY2020 Management Plan



Ongoing aggressive investment in focus businesses



Consolidated Balance Sheet at the End of FY2020



(Rillion ven)

	Assets			
		3/31/20	3/31/21	Change
	Cash and time deposit	64.1	81.0	16.9
	Notes and account receivables, trade receivables	294.5	309.9	15.4
	Inventories	188.1	180.1	-8.0
	Other current assets	49.0	49.2	0.2
To	tal current assets	595.7	620.2	24.5
	Tangible fixed assets	201.9	210.6	8.7
	Intangible fixed assets	24.6	20.3	-4.3
	Investments and other assets	174.5	200.3	25.8
To	tal long-term assets	401.0	431.3	30.3
De	ferred assets	0.1	0.1	0.0
To	tal assets	996.8	1,051.6	54.8
Ne	t interest-bearing debt%1	153.6	185.3	31.7
Ne	t D/E ratio%2 (times)	0.4	0.5	0.0
Eq	uity ratio	36.7%	38.5%	1.8%

Liabilitie	es and Net Assets	(Billion yen)			
	o and recrusions	3/31/20	3/31/21	Change	
	otes and account syables, trade payables	179.9	161.9	-18.0	
Int	terest-bearing debts	217.4	265.3	47.9	
Ot	her liabilities	193.5	177.1	-16.4	
Total liab	pilities	590.8	604.3	13.5	
Ca	apital stock	47.6	47.6	_	
Ca	apital surplus	45.9	46.0	0.1	
Re	etained earnings	241.3	257.3	16.0	
Tre	easury stock at cost	-7.3	-7.3	0.0	
Share	eholders' equity	327.5	343.6	16.1	
	Accumulated other comprehensive income		61.0	22.9	
Non-c	controlling interests	40.4	42.7	2.3	
Total net	Total net assets		447.3	41.3	
Total liab	Total liabilities and net assets		1,051.6	54.8	

 $[\]frak{\%}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 FY2020



(Billion yen)

	FY2019	FY2020
I Cash Flows from Operating Activities	46.1	25.6
II Cash Flows from Investing Activities	-27.6	-20.6
I + II Free Cash Flow	18.5	5.0
Ⅲ Cash Flows from Financing Activities	16.9	11.2
IV Cash and Cash Equivalents at End of Period	63.7	80.08

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