

Consolidated Financial Results for FY2020

April 27, 2021

Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for FY2020 (YoY Comparison)

Lower sales and higher incomes

(Billion yen)

	FY2019	FY2020	Change
Net Sales	900.6	875.9	-24.7
Operating Income/Loss	42.5 (4.7%)	48.6 (5.5%)	6.1 (0.8%)
Ordinary Income/Loss	44.5	50.4	5.9
Extraordinary Income/Loss	-0.7	12.9	13.5
Income/Loss before Income Taxes	43.9	63.3	19.4
Income Taxes	12.0	17.9	6.0
Net Income Attributable to Non-controlling Interests	3.1	3.4	0.3
Net Income Attributable to Owners of Parent	28.8	41.9	13.1

(Average Exchange Rate)

	(Yen)		
US\$	108.74	106.06	-2.68
EURO	120.82	123.70	2.88
RMB	15.60	15.67	0.07

(End of the Month Rate Difference: March 31, 2020 → March 31, 2021)

	(Yen)		
US\$	110.99→108.83	108.83→110.71	4.04
EURO	124.56→119.55	119.55→129.80	15.26
RMB	16.47→15.31	15.31→16.84	2.69

Net Sales

Gain on translation of earnings of overseas subsidiaries	+9.6
Demand decrease	-34.3

Operating Income/Loss

Decrease in sales and production volumes	-7.2
Decrease in fixed costs	+8.8
Exchange rate effect	+0.8
Others*	+3.6
	+6.1

*cost reduction, price fluctuations, sales mix changes and others

Non-operating Income/Loss

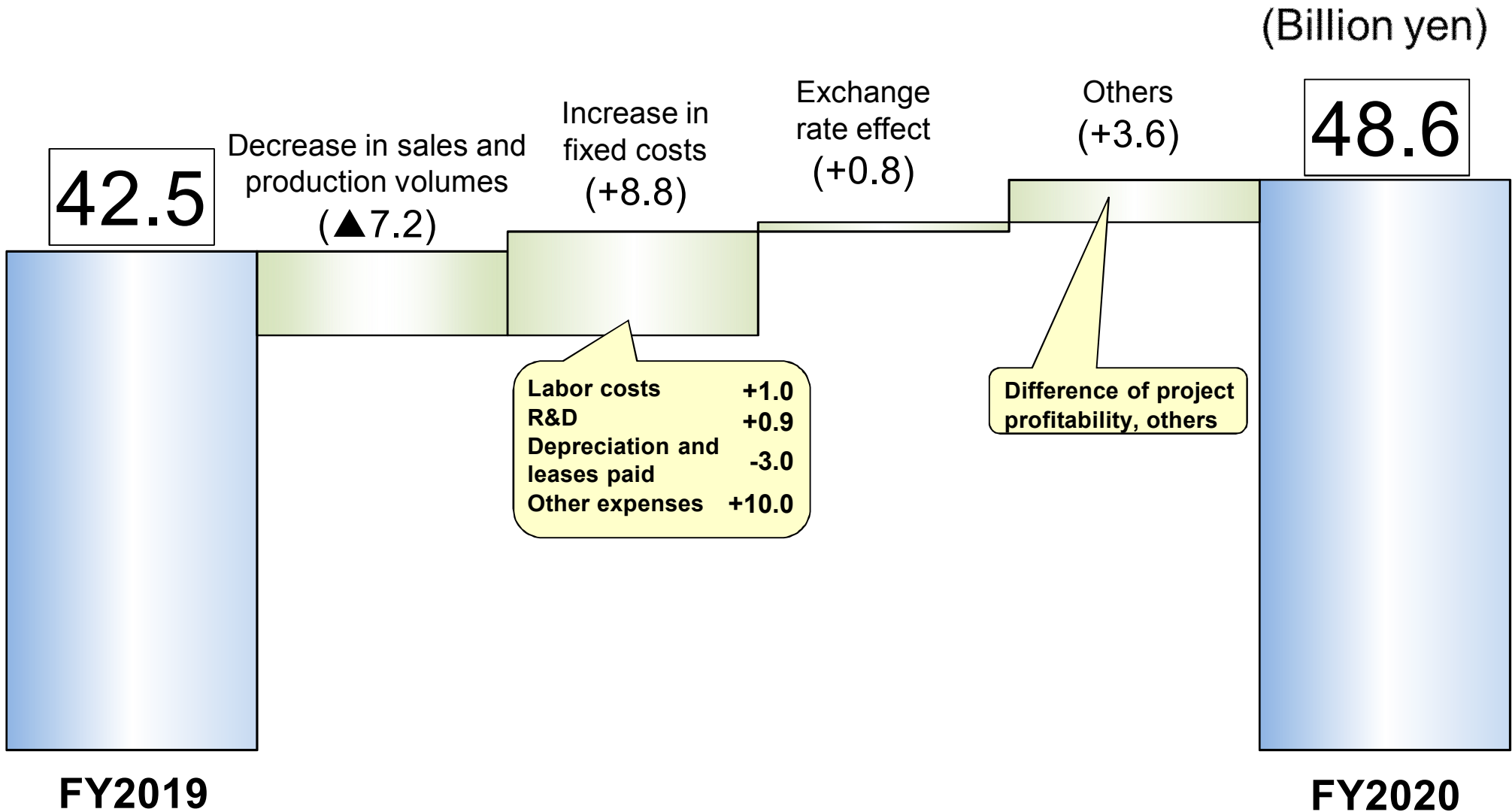
Net interest expense	+0.1	(1.4 → 1.5)
Foreign exchange loss	+0.9	(-1.3 → -0.4)
Others	-1.2	(1.9 → 0.7)
	-0.2	(2.0 → 1.8)

Extraordinary Income/Loss

Cost of corrective measures for product defects	-25.7	(0.0 → -25.7)
Gain on sales of investment securities	+38.3	(2.5 → 40.9)
Others	+0.9	(-3.2 → -2.3)
	+13.5	(-0.7 → 12.9)

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

Higher income due to Companywide cost reduction activities and differences in profitability between projects



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

Improvement in earnings as demand growth in Power Electronics Systems Industry and Electronic Devices segments compensated for lower profit due to demand decline in Food and Beverage Distribution segment

(Billion yen)

	FY2019		FY2020		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Systems Energy	218.0	12.3	209.2	14.0	-8.8	1.7
Power Electronics Systems Industry	317.5	16.5	345.9	21.8	28.4	5.2
Electronic Devices	137.4	9.7	157.5	17.7	20.1	7.9
Power Generation	109.9	2.3	80.4	2.5	-29.5	0.2
Food and Beverage Distribution	104.4	3.8	76.6	-5.3	-27.9	-9.1
Others	60.8	2.7	52.7	2.2	-8.1	-0.5
Elimination and Corporate	-47.5	-4.9	-46.3	-4.3	1.2	0.6
Total	900.6	42.5	875.9	48.6	-24.7	6.1

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

Business Results by Segment for FY2020 (YoY Comparison) ①

(Billion yen)

			FY2019	FY2020	Change	Overview
Power Electronics Systems	Energy	Net Sales	218.0	209.2	-8.8	<p>Energy Management Net Sales Decreased by 5% Decrease in net sales as a result of a decline in demand for smart meters and the absence of large-scale projects for industrial power supply equipment recorded in the previous fiscal year, but increase in operating results due to the benefits of cost reduction activities</p> <p>Power Supply and Facility Systems Net Sales Decreased by 6% Decrease in net sales as a result of the rebound from large-scale projects recorded in switchgear and controlgear operations in the previous fiscal year, but increase in operating results due to the benefits of cost reduction activities</p>
		Operating Income/Loss	12.3	14.0	1.7	<p>ED&C Components Net Sales Decreased by 1% Decrease in net sales and operating results due to the decline in demand from Japanese manufacturers of machine tools and other finished equipment seen in the first half of the fiscal year. This demand later recovered in the second half of the fiscal year</p>
	Industry	Net Sales	317.5	345.9	28.4	<p>Automation Systems Net Sales Increased by 2% Increase in net sales and operating results due to the higher demand seen centered on factory automation components in China, which counteracted the impacts of sluggish demand in Japan</p> <p>Social Solutions Net Sales Increased by 9% Increase in net sales and operating results thanks to increases in demand for electrical equipment for railcars and in demand for ship exhaust gas cleaning systems</p>
		Operating Income/Loss	16.5	21.8	5.2	<p>Equipment Construction Net Sales Decreased by 8% Decrease in net sales due to delays in customers' capital investment plans and the rebound from large-scale electrical equipment construction projects recorded in the previous fiscal year, but increase in operating results due to the benefits of cost reduction efforts</p> <p>IT Solutions Net Sales Increased by 33% Increase in net sales and operating results as a result of the Company's involvement in large-scale projects related to the GIGA School Concept</p>

Business Results by Segment for FY2020 (YoY Comparison) ②

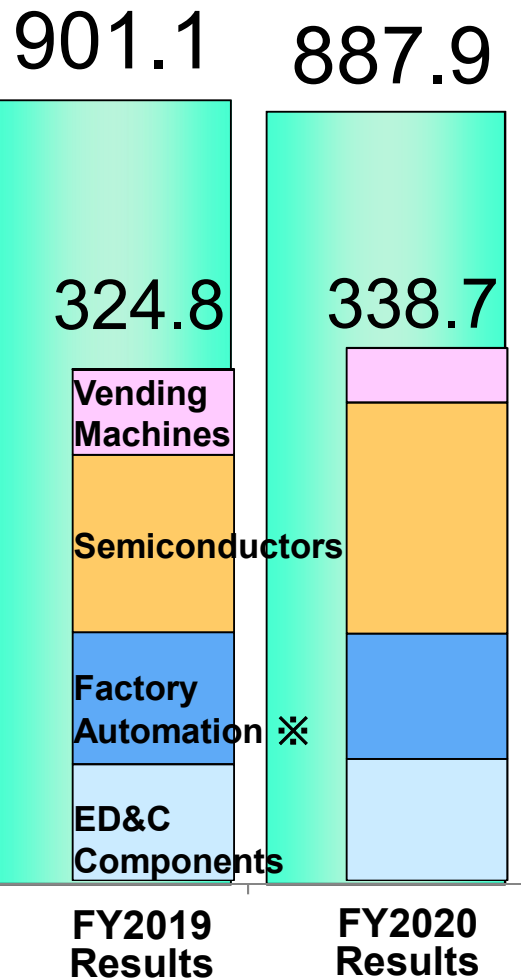
(Billion yen)

		FY2019	FY2020	Change	Overview																					
Electronic Devices	Net Sales	137.4	157.5	20.1	<p>Semiconductors Net Sales Increased by 25% Increase in net sales and operating results thanks to the increased demand for power semiconductors for xEVs, for the new energy market and for factory automation systems</p> <p>Magnetic Disks Net Sales Decreased by 28% Decrease in net sales and operating results due to lower demand for PCs</p> <p>Breakdown of Electronic Devices Sales</p> <table border="1"> <thead> <tr> <th></th> <th>FY2019</th> <th>FY2020</th> </tr> </thead> <tbody> <tr> <td>Semiconductors</td> <td>110.9</td> <td>138.3</td> </tr> <tr> <td>Magnetic Disks</td> <td>26.5</td> <td>19.1</td> </tr> </tbody> </table> <p>Distribution of Semiconductor Sales by Fields</p> <table border="1"> <thead> <tr> <th></th> <th>FY2019</th> <th>FY2020</th> </tr> </thead> <tbody> <tr> <td>Industrial Modules</td> <td>45%</td> <td>46%</td> </tr> <tr> <td>Industrial Discrete Devices</td> <td>20%</td> <td>15%</td> </tr> <tr> <td>Automobiles</td> <td>35%</td> <td>39%</td> </tr> </tbody> </table>		FY2019	FY2020	Semiconductors	110.9	138.3	Magnetic Disks	26.5	19.1		FY2019	FY2020	Industrial Modules	45%	46%	Industrial Discrete Devices	20%	15%	Automobiles	35%	39%
		FY2019	FY2020																							
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	Operating Income/Loss	9.7	17.7	7.9																						
Power Generation	Net Sales	109.9	80.4	-29.5	<p>Decrease in net sales due to the rebound from a large-scale thermal power system project and from renewable energy projects recorded in the previous fiscal year</p> <p>Increase in operating results, despite increased construction costs stemming from COVID-19-related process delays, because of differences in profitability between projects</p>																					
		Operating Income/Loss	2.3	2.5		0.2																				
Food and Beverage Distribution	Net Sales	104.4	76.6	-27.9	<p>Vending Machine Net Sales Decreased by 32% Decrease in net sales and operating results due to the curtailment of capital investment by Japanese beverage manufacturers as well as lower demand in China and other Asian markets</p> <p>Store Distribution Net Sales Decreased by 21% Decrease in net sales and operating results because of a decline in demand for store equipment for convenience stores and delivery postponements</p>																					
		Operating Income/Loss	3.8	-5.3		-9.1																				

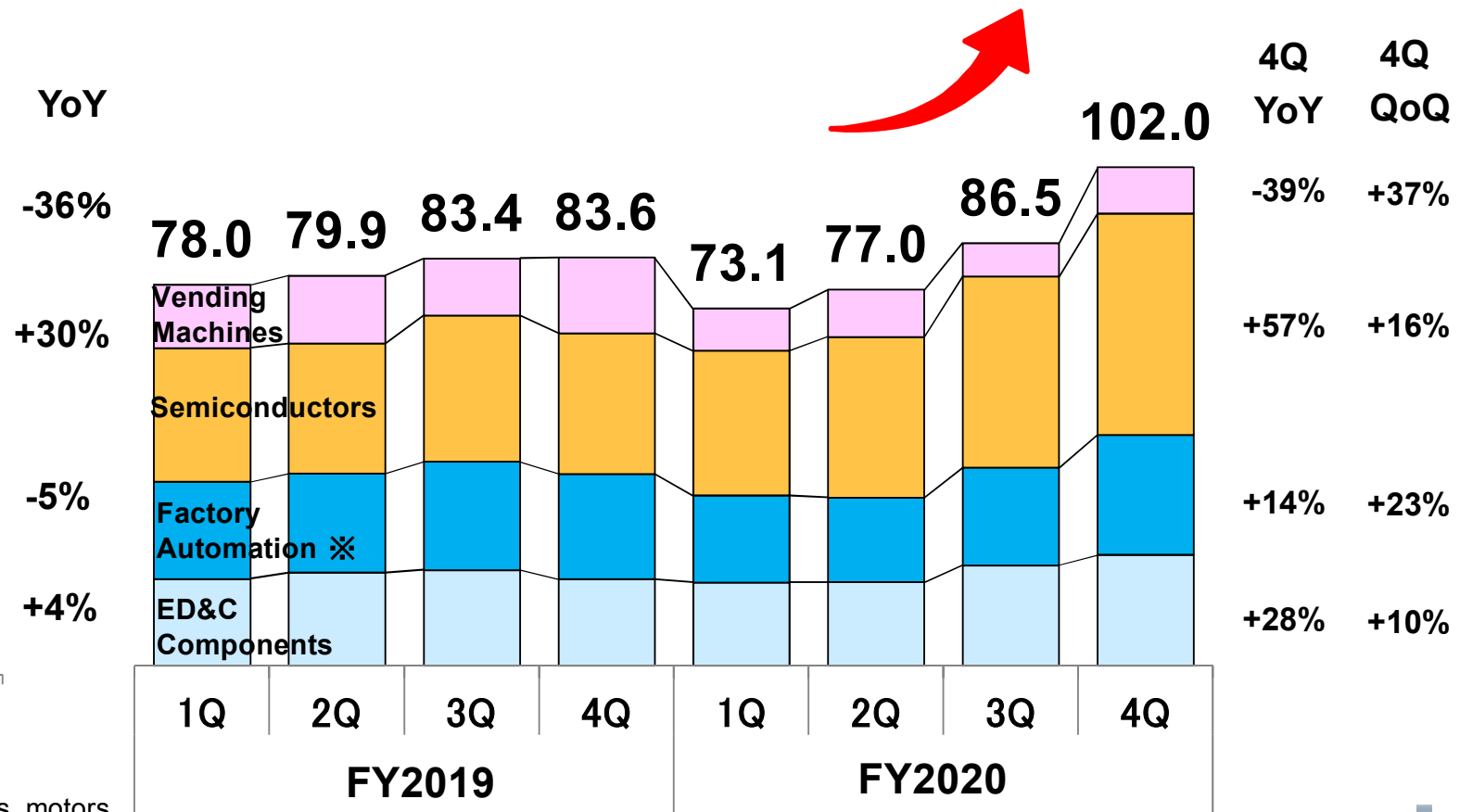
Breakdown of Changes in Amount of Orders Received by Products for FY2020 (YoY Comparison)

Massive increase in orders for major components excluding vending machines

(Billion yen)



Major Components Orders Received Trend

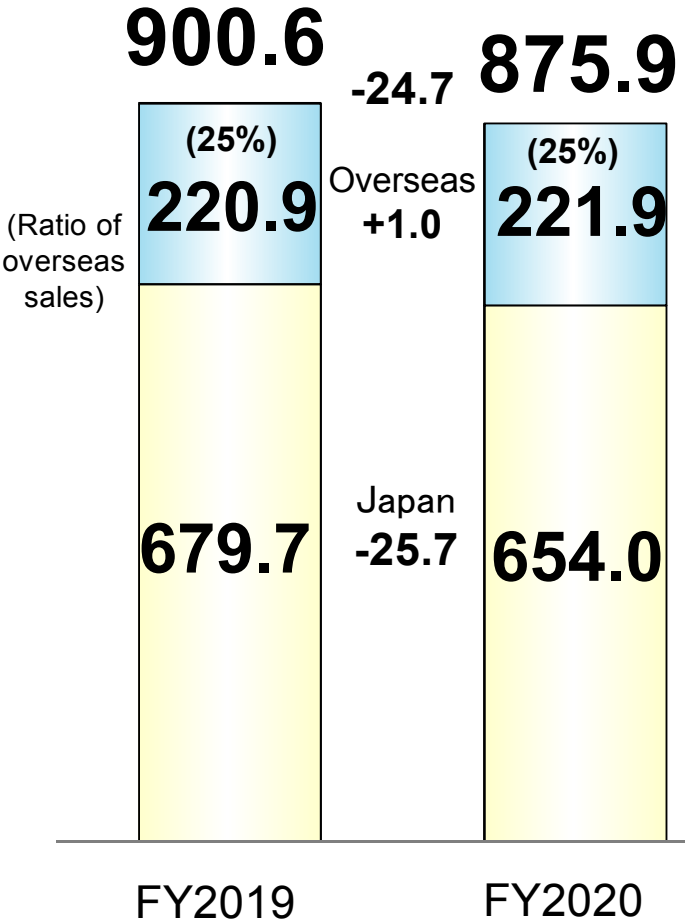


※Factory Automation : low-voltage inverters, motors, FA components and measuring instruments

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

Sales in China up due to recovery of market conditions

(Billion yen)



(Billion yen)

	FY2019	FY2020	Change
Overseas	220.9	221.9	1.0
Asia and Others	124.6	108.2	-16.4
China	62.6	83.9	21.2
Europe	19.0	16.5	-2.4
Americas	14.7	13.3	-1.3

Energy Management -1.4
 Power Supply and Facility Systems -7.0
 Automation Systems +4.2
 Semiconductors +2.6
 Magnetic Disks -7.4
 Power Generation -6.3
 Vending Machines -1.1

Power Supply and Facility Systems +1.3
 ED&C Components +2.4
 Automation Systems +6.3
 Semiconductors +13.3
 Vending Machines -2.1

Summary of Consolidated Financial Results for FY2020 (Comparison with Forecasts on Jan. 28, 2021)

Higher sales and income due to increased demand in Power Electronics Systems Energy segment (ED&C components) and Power Electronics Systems Industry segment (factory automation and IT solutions), fixed cost reductions, and foreign exchange influences

(Billion yen)	FY2020 Forecasts (Jan. 28, 2021)	FY2020 Results	Change
Net Sales	860.0	875.9	15.9
Operating Income/Loss	41.0	48.6	7.6
Ordinary Income/Loss	42.5	50.4	7.9
Net Income Attributable to Owners of Parent	33.0	41.9	8.9

Net Sales

Gain on translation of earnings of overseas subsidiaries	+14.6
Demand Increase	+1.3

Operating Income/Loss

Increase in sales and production volumes	+1.8
Decrease in fixed costs	+2.6
Exchange rate effect	+1.8
Others*	+1.4
	+7.6

*cost reduction, price fluctuations, sales mix changes and others

(Billion yen)	FY2020 Forecasts (Jan. 28, 2021)		FY2020 Results		Change	
	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss
Power Electronics Systems Energy	202.0	9.6	209.2	14.0	7.2	4.4
Power Electronics Systems Industry	336.0	18.5	345.9	21.8	9.9	3.3
Electronic Devices	149.0	16.4	157.5	17.7	8.5	1.3
Power Generation	87.0	3.9	80.4	2.5	-6.6	-1.4
Food and Beverage Distribution	80.0	-4.4	76.6	-5.3	-3.4	-0.9
Others	53.0	1.6	52.7	2.2	-0.3	0.6
Elimination and Corporate	-47.0	-4.6	-46.3	-4.3	0.7	0.3
Total	860.0	41.0	875.9	48.6	15.9	7.6

Return to level of double-digit ROE

Assets		3/31/20	3/31/21	Change
Cash and time deposit		64.1	76.5	12.5
Notes and account receivables, trade receivables		294.5	319.6	25.1
Inventories		188.1	183.2	-4.9
Other current assets		49.0	49.8	0.8
Total current assets		595.7	629.2	33.5
Tangible fixed assets		201.9	209.8	7.9
Intangible fixed assets		24.6	23.4	-1.2
Investments and other assets		174.5	189.5	15.0
Total long-term assets		401.0	422.7	21.6
Deferred assets		0.1	0.1	-0.0
Total assets		996.8	1,052.0	55.1
ROA		3%	4%	1%
ROE		8%	11%	3%
Net interest-bearing debt※1		153.6	140.9	-12.7
Net D/E ratio※2 (times)		0.4	0.3	-0.1
Equity ratio		36.7%	39.6%	3.0%

Liabilities and Net Assets		3/31/20	3/31/21	Change
Notes and account payables, trade payables		179.9	167.3	-12.7
Interest-bearing debts		217.4	216.2	-1.2
Other liabilities		193.5	207.2	13.7
Total liabilities		590.8	590.7	-0.1
Capital stock		47.6	47.6	-
Capital surplus		45.9	46.0	0.1
Retained earnings		241.3	271.8	30.5
Treasury stock at cost		-7.3	-7.3	-0.0
Shareholders' equity		327.5	358.0	30.5
Accumulated other comprehensive income		38.1	59.0	20.9
Non-controlling interests		40.4	44.3	3.9
Total net assets		406.0	461.3	55.3
Total liabilities and net assets		996.8	1,052.0	55.1

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

※2 Net D/E ratio: Net interest-bearing debt ÷ Equity

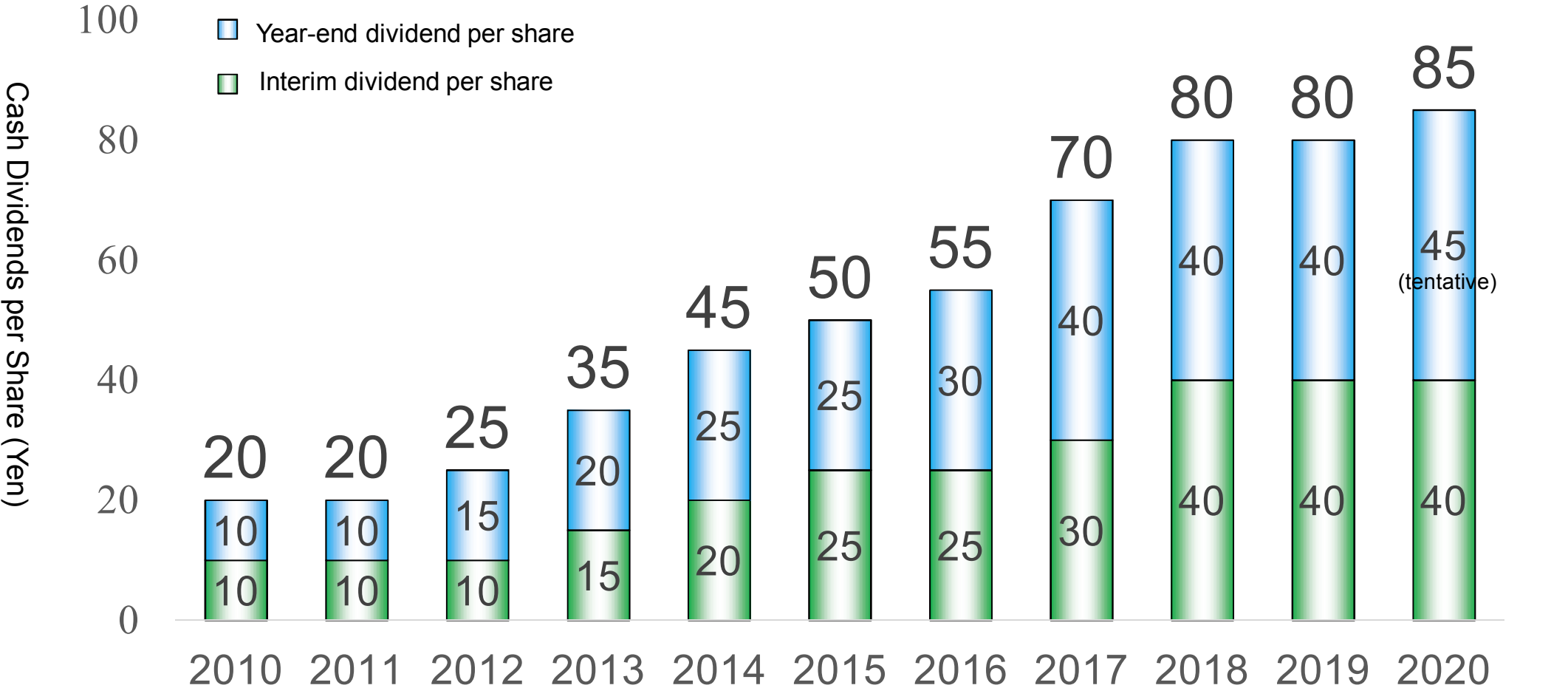
Consolidated Cash Flows for FY2020

(Billion yen)

		FY2019	FY2020
I	Cash Flows from Operating Activities	46.1	26.9
II	Cash Flows from Investing Activities	-27.6	23.5
I + II	Free Cash Flow	18.5	50.4
III	Cash Flows from Financing Activities	16.9	-39.5
IV	Cash and Cash Equivalents at End of Period	63.7	75.3

Dividend of Surplus

Year-end dividends of 45 yen per share (tentative)



Dividend payout ratio (consolidated)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Fiscal year)
	18.9%	24.2%	13.6%	25.5%	23.0%	23.3%	19.2%	26.5%	28.4%	39.7%	29.0%

※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. ©2021 Fuji Electric Co., Ltd. All rights reserved.

■ Low-voltage inverters amount of orders received

	4Q QoQ	4Q YoY	Annual YoY
All	+26%	+19%	-6%
Japan	+8%	-21%	-24%
Overseas	+38%	+68%	+12%

■ Semiconductors amount of orders received

	4Q QoQ	4Q YoY	Annual YoY
All	+16%	+57%	+30%
Automobiles	0%	+51%	+41%
Industrial Discrete Devices	+17%	+21%	+1%
Industrial Modules	+31%	+78%	+34%

■ Vending machines amount of orders received

	4Q QoQ	4Q YoY	Annual YoY
All	+37%	-39%	-36%
Japan	+47%	-36%	-34%
Overseas	-42%	-69%	-50%
China	-54%	-76%	-52%
Southeast Asia, others	-31%	-64%	-47%

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