

Consolidated Financial Results for 1H FY2021

October 28, 2021
Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for 1H FY2021 (YoY Comparison)

Higher sales and income due to ongoing market recovery Record-breaking net income

(Billion yen)

	1H FY2020	1H FY2021	Change
Net Sales	357.0	397.7	40.7
Operating Income/Loss	5.3	16.3	11.0
Ordinary Income/Loss	5.2	16.9	11.7
Extraordinary Income/Loss	0.0	6.3	6.3
Income/Loss before Income Taxes	5.2	23.2	18.0
Income Taxes	2.2	7.0	4.9
Net Income Attributable to Non-controlling Interests	1.0	2.2	1.2
Net Income Attributable to Owners of Parent	2.1	14.0	11.9

(Average Exchange Rate)

(Yen)

US\$	106.92	109.80	2.88
EURO	121.30	130.90	9.60
RMB	15.26	16.99	1.73

(End of the Month Rate Difference: March 31, 2021 → September 30, 2021)

(Yen)

US\$	108.83→105.80	110.71→111.92	4.24
EURO	119.55→124.17	129.80→129.86	-4.56
RMB	15.31→ 15.54	16.84→17.30	0.23

Net Sales

Gain on translation of earnings of overseas subsidiaries	+7.2
Demand Increase	+33.5

Operating Income/Loss

Increase in sales and production volumes	+12.3
Increase in fixed costs	-3.4
Exchange rate effect	+2.3
Others*	-0.2
	+11.0

*cost reduction, price fluctuations and sales mix changes

Non-operating Income/Loss

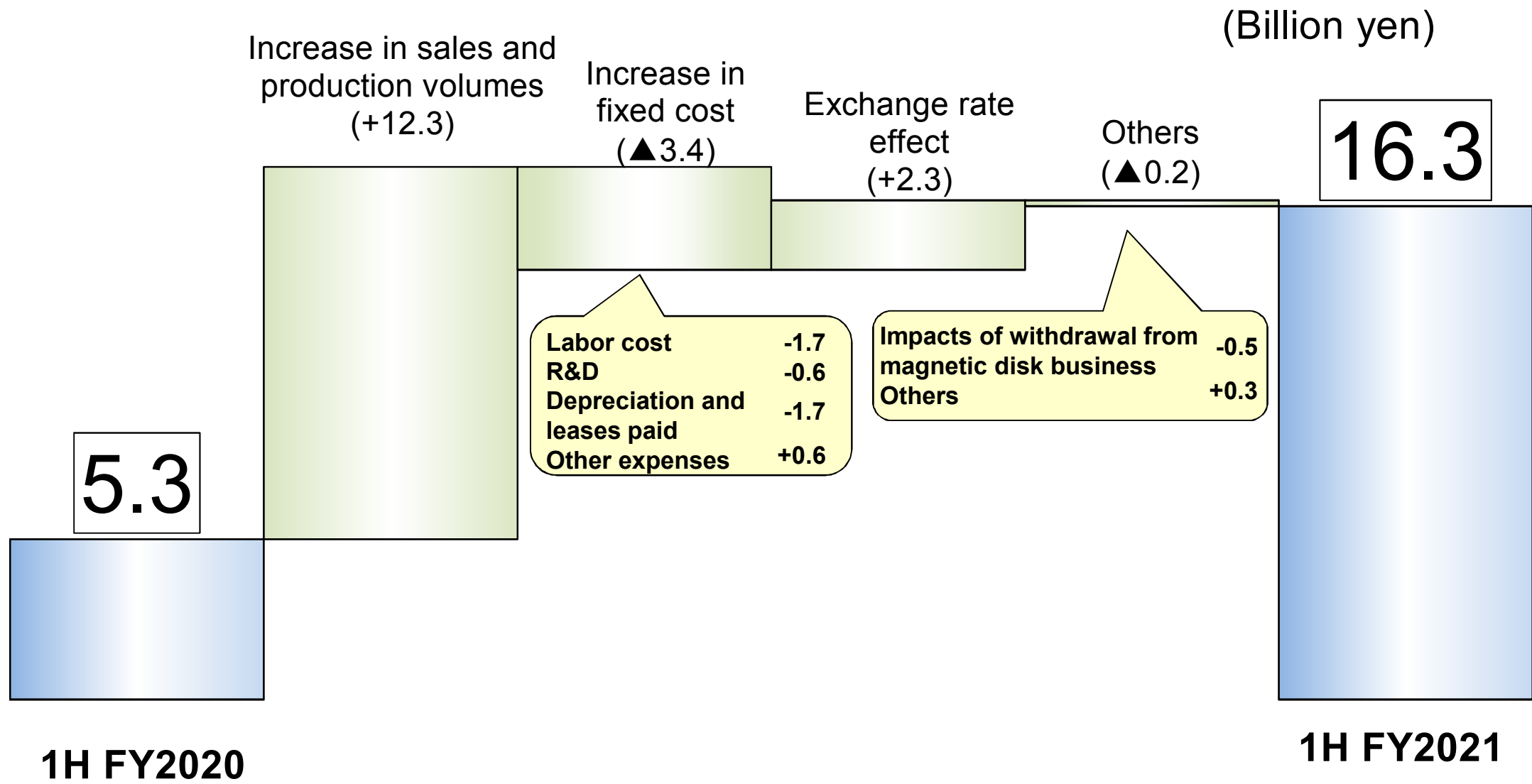
Net interest expense	-0.2	(1.0 → 0.8)
Foreign exchange income	+0.8	(-0.5 → 0.2)
Others	+0.2	(-0.6 → -0.4)
	+0.7	(-0.1 → 0.6)

Extraordinary Income/Loss

Gain on sales of investment securities	+8.0	(0.2 → 8.2)
Withdrawal from magnetic disk business	-1.2	(0.0 → -1.2)
Others	-0.5	(-0.2 → -0.7)
	+6.3	(0.0 → 6.3)

Breakdown of Changes in Operating Results for 1H FY2021 (YoY Comparison)

Higher profit due to increases in sales and production volumes



Net Sales and Operating Income by Segment for 1H FY2021 (YoY Comparison)

Sales and Income up in all segments except Power Generation

(Billion yen)

	1H FY2020		1H FY2021		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Energy	81.8	1.6	104.1	4.2	22.3	2.6
Power Electronics Industry	128.2	0.2	134.4	2.4	6.2	2.2
Semiconductor	72.4	6.3	85.0	11.8	12.6	5.5
Power Generation	32.7	1.1	26.6	-1.1	-6.0	-2.2
Food and Beverage Distribution	37.7	-2.6	44.3	0.9	6.6	3.4
Others	25.1	0.8	25.5	1.0	0.4	0.3
Elimination and Corporate	-20.8	-2.1	-22.2	-2.8	-1.4	-0.8
Total	357.0	5.3	397.7	16.3	40.7	11.0

※ Effective April 1, 2021, the Electronic Devices segment was renamed the Semiconductor segment.

※ Effective July 1, 2021, the Power Electronics Systems Energy segment was renamed the Power Electronics Energy segment and the Power Electronics Systems Industry segment was renamed the Power Electronics Industry segment.

Business Results by Segment for 1H FY2021 (YoY Comparison) ①

(Billion yen)

			1H FY2020	1H FY2021	Change	Overview
Power Electronics	Energy	Net Sales	81.8	104.1	22.3 +1.7*	Energy Management Net Sales Increased by 21% Increase in net sales as a result of large-scale projects for substation equipment for the power distribution and industrial fields, but decrease in operating results because of differences in profitability between projects Power Supply and Facility Systems Net Sales Increased by 23% Increase in net sales and operating results as a result of large-scale data center- and semiconductor-related projects
		Operating Income/Loss	1.6	4.2	2.6 +0.3*	ED&C Components Net Sales Increased by 37% Increase in net sales and operating results due to significantly higher demand from domestic and overseas manufacturers of machine tools and other finished equipment
	Industry	Net Sales	128.2	134.4	6.2 +1.9*	Automation Systems Net Sales Increased by 20% Increase in net sales and operating results due to the higher demand seen centered on low-voltage inverters and factory automation components in Japan and overseas Social Solutions Net Sales Increased by 11% Increase in net sales and operating results thanks to large-scale projects for electrical equipment for railcars
		Operating Income/Loss	0.2	2.4	2.2 +0.4*	Equipment and Construction Net Sales Increased by 12% Increase in net sales and operating results due to higher demand for electrical equipment construction IT Solutions Net Sales Decreased by 28% Decrease in net sales and operating results due to the absence of the large-scale public- and academic-sector projects recorded in the previous equivalent period

※Figures for FY2020 reflect the organizational restructuring conducted in FY2021.

* Exchange rate effect

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Business Results by Segment for 1H FY2021 (YoY Comparison) ②

(Billion yen)

		1H FY2020	1H FY2021	Change	Overview												
Semiconductor	Net Sales	72.4	85.0	12.6 +3.2*	<p>Increase in net sales, despite the repercussions of withdrawing from magnetic disk operations, due to substantial growth in demand for power semiconductors for electrified vehicles (xEVs) and for industrial applications</p> <p>Increase in operating results as the large increase in net sales offset the rise in expenses for bolstering power semiconductor production capacity and for conducting research and development</p> <p>Breakdown of sales</p> <table border="1"> <thead> <tr> <th></th> <th>FY2020</th> <th>FY2021</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>37.1</td> <td>44.1</td> <td>7.0</td> </tr> <tr> <td>Automotive</td> <td>22.3</td> <td>32.4</td> <td>10.0</td> </tr> </tbody> </table>		FY2020	FY2021	Change	Industrial	37.1	44.1	7.0	Automotive	22.3	32.4	10.0
		FY2020	FY2021	Change													
Industrial	37.1	44.1	7.0														
Automotive	22.3	32.4	10.0														
	Operating Income/Loss	6.3	11.8	5.5 +1.6*													
Power Generation	Net Sales	32.7	26.6	-6.0	<p>Decrease in net sales due to the rebound from a large-scale renewable energy project recorded in the previous equivalent period</p> <p>Decrease in operating results because of the lower net sales and differences in profitability between projects</p>												
	Operating Income/Loss	1.1	-1.1	-2.2													
Food and Beverage Distribution	Net Sales	37.7	44.3	6.6	<p>Vending Machine Net Sales Increased by 1%</p> <p>Increase in net sales and operating results due to the benefits of cost reduction activities</p>												
	Operating Income/Loss	-2.6	0.9	3.4	<p>Store Distribution Net Sales Increased by 35%</p> <p>Increase in net sales and operating results because of an increase in demand for store equipment for convenience stores</p>												

※Figures for FY2020 reflect the organizational restructuring conducted in FY2021.

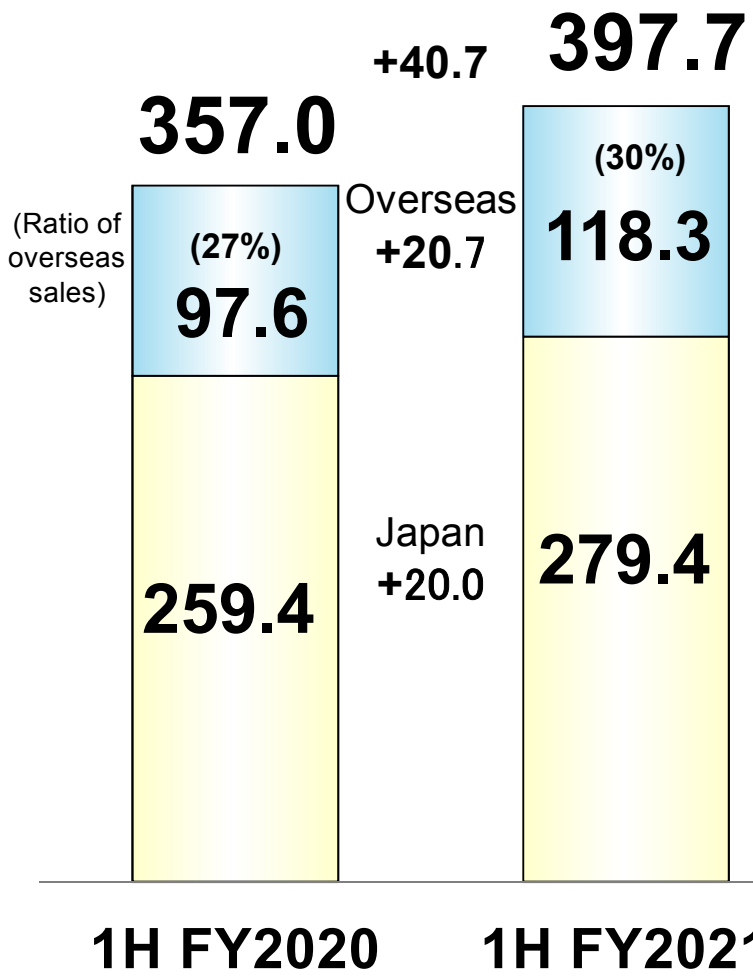
* Exchange rate effect

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Net Sales by Japan and Overseas Area for 1H FY2021 (YoY Comparison)

Higher overseas sales of products for Chinese and Asian markets

(Billion yen)



(Billion yen)

	1H FY2020	1H FY2021	Change
Overseas	97.6	118.3	20.7
Asia and Others	45.9	53.7	7.9
China	38.1	48.5	10.3
Europe	7.7	8.6	0.9
Americas	5.9	7.5	1.6

Power Supply and Facility Systems +3.9
 ED&C Components +1.9
 Automation Systems +2.6
 Semiconductor -2.6
(Including Information -4.7)
 Power Generation +1.5

ED&C Components +2.6
 Automation Systems +3.4
 Semiconductor +3.7

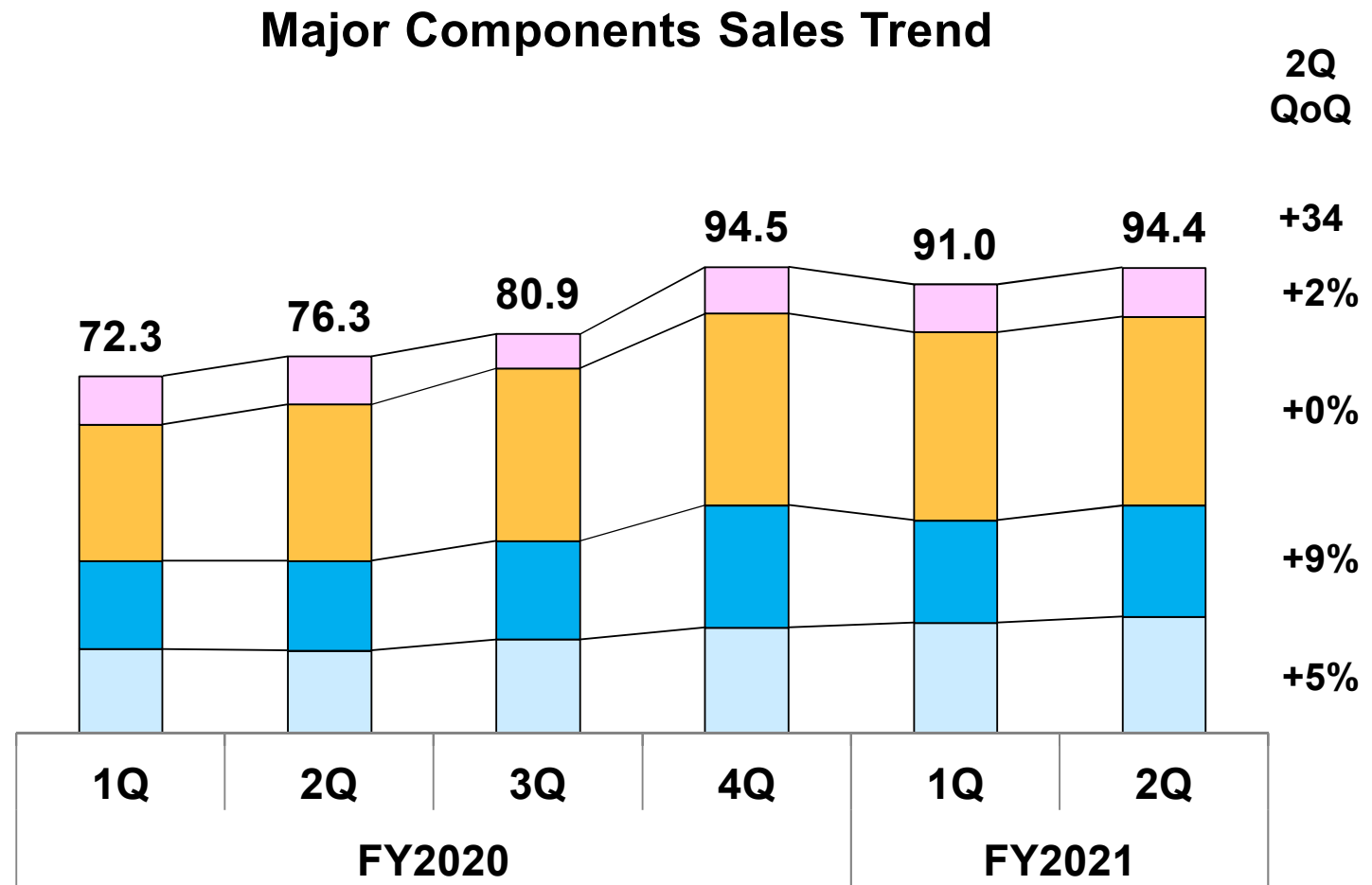
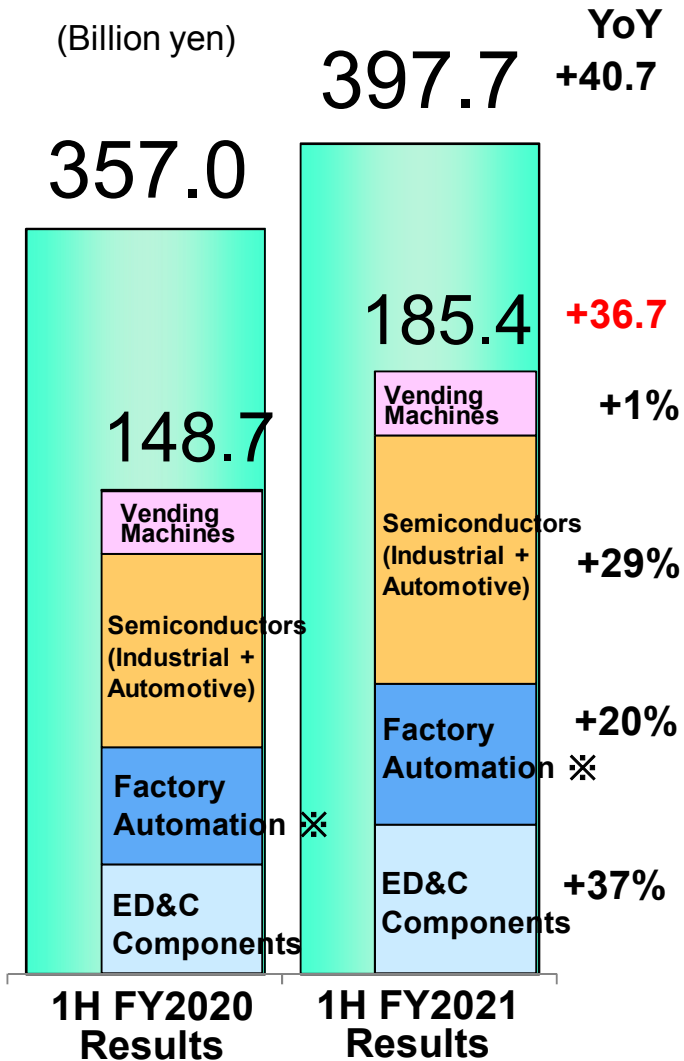
* Exchange rate effect

1H FY2020 **1H FY2021**

※Figures for FY2020 reflect the organizational restructuring conducted in FY2021.

Breakdown of Changes in Amount of Sales by Products for 1H FY2021 (YoY Comparison)

Massive increase in demand for major components

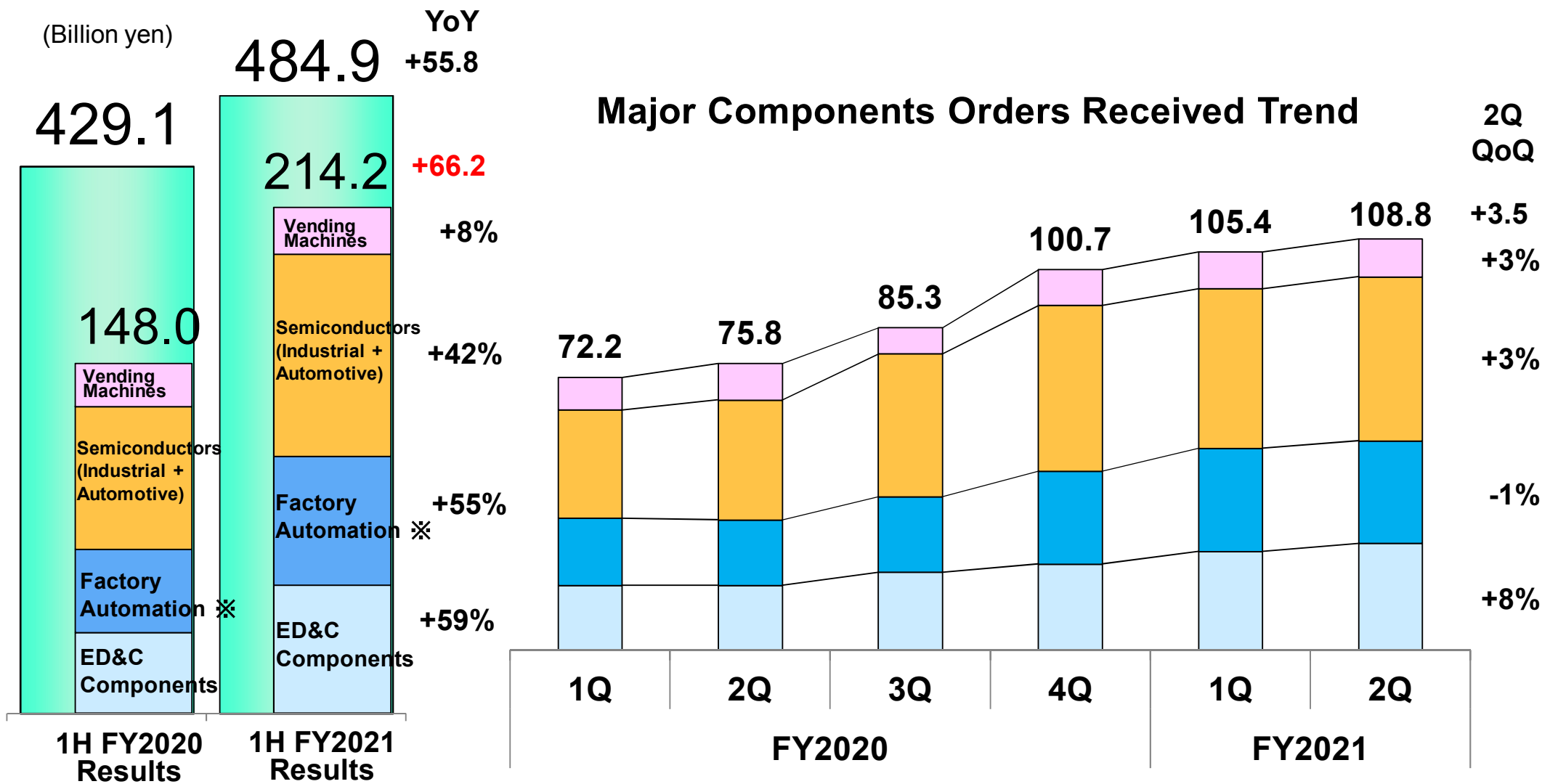


*Factory Automation : low-voltage inverters, motors, FA components and measuring instruments

*Figures for FY2020 reflect the organizational restructuring conducted in FY2021.

Breakdown of Changes in Amount of Orders Received by Products for 1H FY2021 (YoY Comparison)

Ongoing growth in orders for major components



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

*Figures for FY2020 reflect the organizational restructuring conducted in FY2021.

Summary of Consolidated Financial Results for 1H FY2021 (Comparison with Forecasts on July 29, 2021)

Lower net sales as a result of postponement of IT solutions projects and impacts of withdrawal from magnetic disk business
Higher operating income following increased demand for factory automation components and reduced fixed costs

(Billion yen)	Forecasts (July 29, 2021)	Results	Change
Net Sales	410.0	397.7	-12.3
Operating Income/Loss	11.5	16.3	4.8
Ordinary Income/Loss	11.0	16.9	5.9
Net Income Attributable to Owners of Parent	8.0	14.0	6.0

Net Sales

Gain on translation of earnings of overseas subsidiaries	+8.0
Demand Decrease	-20.3

Operating Income/Loss

Increase in sales and production volumes	+1.0
Decrease in fixed costs	+3.5
Exchange rate effect	+2.4
Others*	-2.1
	+4.8

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

(Billion yen)	Forecasts (July 29, 2021)		Results		Change		Change
	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss	
Power Electronics Energy	102.0	3.7	104.1	4.2	+1.6* 2.1	+0.4* 0.5	Higher sales and income due to ED&C Components demand increase
Power Electronics Industry	148.0	1.8	134.4	2.4	+2.3* -13.6	+0.4* 0.6	Lower sales due to postponement of IT solutions projects, higher income following increased factory automation demand
Semiconductor	84.0	8.7	85.0	11.8	+3.8* 1.0	+1.6* 3.1	Higher sales and profit, despite reductions in sales following withdrawal from magnetic disk business, as a result of increased demand for industrial products
Power Generation	27.0	-1.1	26.6	-1.1	-0.4	0.0	Net sales and operating income in line with targets
Food and Beverage Distribution	44.0	0.5	44.3	0.9	0.3	0.4	Higher sales and income due to Store Distribution demand increase
Others	24.0	0.7	25.5	1.0	1.5	0.3	
Elimination and Corporate	-19.0	-2.8	-22.2	-2.8	-3.2	0.0	
Total	410.0	11.5	397.7	16.3	+8.0* -12.3	+2.4* 4.8	

* Exchange rate effect

Consolidated Balance Sheet at the End of 1H FY2021

(Billion yen)

Assets		3/31/21 ^{※1}	9/30/21	Change
Cash and time deposit		76.5	98.8	22.3
Notes and account receivables, trade receivables		350.5	286.7	-63.8
Inventories		159.7	160.4	0.7
Other current assets		49.8	56.8	7.0
Total current assets		636.5	602.7	-33.8
Tangible fixed assets		209.8	218.5	8.7
Intangible fixed assets		23.4	22.1	-1.3
Investments and other assets		188.8	186.4	-2.4
Total long-term assets		422.0	427.0	5.0
Deferred assets		0.1	0.1	-0.0
Total assets		1,058.6	1,029.8	-28.8
Net interest-bearing debt ^{※2}		140.9	114.5	-26.4
Net D/E ratio ^{※3} (times)		0.3	0.3	-0.1
Equity ratio		39.6%	41.8%	2.1%

Liabilities and Net Assets		3/31/21 ^{※1}	9/30/21	Change
Notes and account payables, trade payables		172.0	136.9	-35.2
Interest-bearing debts		216.2	211.6	-4.6
Other liabilities		207.2	205.3	-1.9
Total liabilities		595.4	553.8	-41.6
Capital stock		47.6	47.6	-
Capital surplus		46.0	46.0	-0.0
Retained earnings		273.5	281.0	7.6
Treasury stock at cost		-7.3	-7.3	-0.0
Shareholders' equity		359.7	367.2	7.5
Accumulated other comprehensive income		59.0	63.0	4.0
Non-controlling interests		44.4	45.7	1.3
Total net assets		463.1	476.0	12.8
Total liabilities and net assets		1,058.6	1,029.8	-28.8

*1 Figures for March 31, 2021, have been restated to reflect application of Accounting Standard for Revenue Recognition (ASBJ Statement No.29).

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

*3 Net D/E ratio: Net interest-bearing debt ÷ Equity

Consolidated Cash Flow for 1H FY2021

(Billion yen)

		1H FY2020	1H FY2021
I	Cash Flows from Operating Activities	-2.1	39.8
II	Cash Flows from Investing Activities	-10.8	0.2
I + II	Free Cash Flow	-13.0	40.0
III	Cash Flows from Financing Activities	104.3	-19.2
IV	Cash and Cash Equivalents at End of Period	154.7	97.1

Record-breaking operating income, ordinary income, and net income projected

(Billion yen)	Forecasts (July 29, 2021)	Forecasts (October 28, 2021)	Change
Net Sales	900.0	900.0	+8.1* 0.0
Operating Income/Loss (Operating margin)	60.0 (6.7%)	67.0 (7.4%)	+3.1* (+0.8%)
Ordinary Income/Loss	61.0	68.0	7.0
Net Income Attributable to Owners of Parent	42.0	50.0	8.0

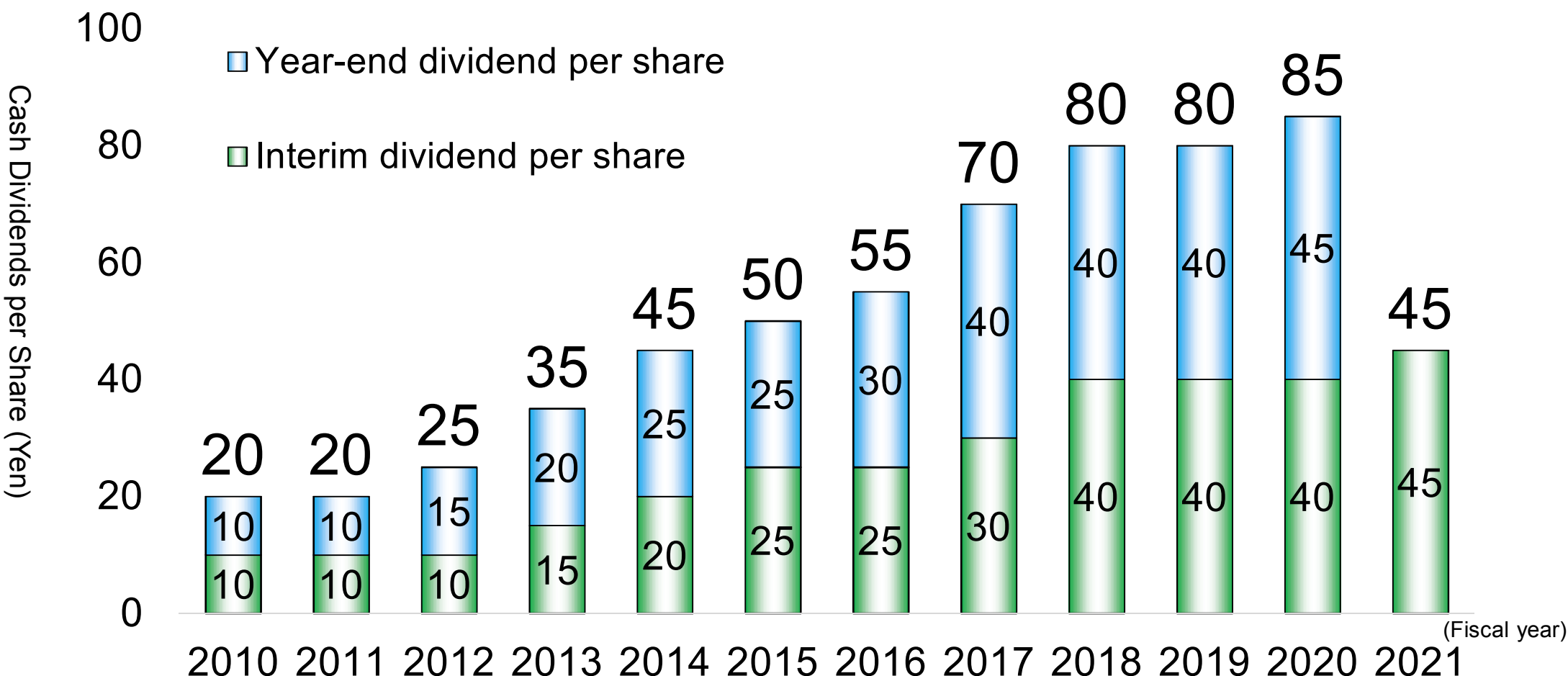
Assumed Exchange Rate for 2 nd Half			
	US\$	EURO	RMB
Exchange Rate (Yen)	107.0 <small>(Jul. 29 Forecast: 102.0)</small>	127.0 <small>(Jul. 29 Forecast: 123.0)</small>	16.5 <small>(Jul. 29 Forecast: 15.5)</small>
Foreign Exchange Rate Sensitivity (Million yen)	30	50	170

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

(Billion yen)	Forecasts (July 29, 2021)		Forecasts (October 28, 2021)		Change	
	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss
Power Electronics Energy	217.0	15.2	225.0	18.0	+1.4* 8.0	+0.3* 2.8
Power Electronics Industry	329.0	22.2	333.0	25.0	+2.6* 4.0	+0.7* 2.8
Semiconductor	174.0	21.6	170.0	25.0	+3.7* -4.0	+2.1* 3.4
Power Generation	84.0	3.3	84.0	3.3	0.0	0.0
Food and Beverage Distribution	87.5	2.7	87.5	2.7	0.0	0.0
Others	50.0	1.8	50.0	1.8	0.0	0.0
Elimination and Corporate	-41.5	-6.8	-49.5	-8.8	-8.0	-2.0
Total	900.0	60.0	900.0	67.0	+8.1* 0.0	+3.1* 7.0

* Exchange rate effect

Interim dividend of ¥45 per share decided



Dividend payout ratio	18.9%	24.2%	13.6%	25.5%	23.0%	23.3%	19.2%	26.5%	28.4%	39.7%	29.0%
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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
All	-1%	+69%
Japan	+11%	+67%
Overseas	-9%	+70%

1H YoY
+75%
+66%
+82%

■ Semiconductors amount of orders received

	2Q QoQ	2Q YoY
Industrial + Automotive	+3%	+37%
Industrial	0%	+35%
Automotive	+7%	+40%

1H YoY
+42%
+35%
+54%

■ Vending machines amount of orders received

	2Q QoQ	2Q YoY
All	+3%	+4%
Japan	+4%	0%
Overseas	0%	+40%
China	+20%	+99%
Southeast Asia, others	-38%	-34%

1H YoY
+8%
+5%
+35%
+46%
+12%

Supplementary Materials

Summary of Consolidated Financial Results Forecasts for FY2021 (YoY Comparison)

(Billion yen)	FY2020 Results	FY2021 Forecasts (October 28, 2021)	Change	
Net Sales	875.9	900.0	-4.4*	24.1
Operating Income/Loss	48.6	67.0	+1.5*	18.4
Ordinary Income/Loss	50.4	68.0		17.6
Net Income Attributable to Owners of Parent	41.9	50.0		8.1

(Billion yen)	FY2020 Results		FY2021 Forecasts (October 28, 2021)		Change			
	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss	Net Sales		Operating Income/ Loss	
Power Electronics Energy	209.2	14.0	225.0	18.0	-0.5*	15.8	+0.1*	4.0
Power Electronics Industry	345.9	21.8	333.0	25.0	-1.7*	-12.9	+0.2*	3.2
Semiconductor	157.5	17.7	170.0	25.0	-2.0*	12.5	+1.1*	7.3
Power Generation	80.4	2.5	84.0	3.3		3.6		0.8
Food and Beverage Distribution	76.6	-5.3	87.5	2.7		10.9		8.0
Others	52.7	2.2	50.0	1.8		-2.7		-0.4
Elimination and Corporate	-46.3	-4.3	-49.5	-8.8		-3.2		-4.5
Total	875.9	48.6	900.0	67.0	-4.4*	24.1	+1.5*	18.4

※Figures for FY2020 reflect the organizational restructuring conducted in FY2021.

* Exchange rate effect

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