

Consolidated Financial Results **for 3Q FY2021**

January 27, 2022
Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for 9 months (Apr.-Dec.) FY2021 (YoY Comparison)

Higher sales and income following ongoing market recovery
Record highs for operating income, ordinary income, and net income attributable to owners of parent

(Billion yen)

	9 months FY2020 Results	9 months FY2021 Results	Change
Net Sales	561.3	620.0	58.7
Operating Income/Loss	14.1	32.7	18.6
Ordinary Income/Loss	14.0	34.1	20.2
Extraordinary Income/Loss	-16.5	7.2	23.8
Income/Loss before Income Taxes	-2.6	41.4	44.0
Income Taxes	-0.3	12.7	13.0
Net Income Attributable to Non-controlling Interests	1.7	3.2	1.5
Net Income Attributable to Owners of Parent	-4.0	25.4	29.4

(End of the Month Rate: December 31, 2021)

(Yen)

US\$	103.50	115.02	11.52
EURO	126.95	130.51	3.56
RMB	15.88	18.06	2.18

(Average Exchange Rate)

(Yen)

US\$	106.11	111.10	4.99
EURO	122.38	130.62	8.24
RMB	15.44	17.25	1.81

Net Sales

Gain on translation of earnings of overseas subsidiaries	+14.0
Demand increase	+44.7

Operating Income/Loss

Increase in sales and production volumes	+19.2
Increase in fixed costs	-5.2
Exchange rate effect	+3.7
Others*	+0.9
	+18.6

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

Non-operating Income/Loss

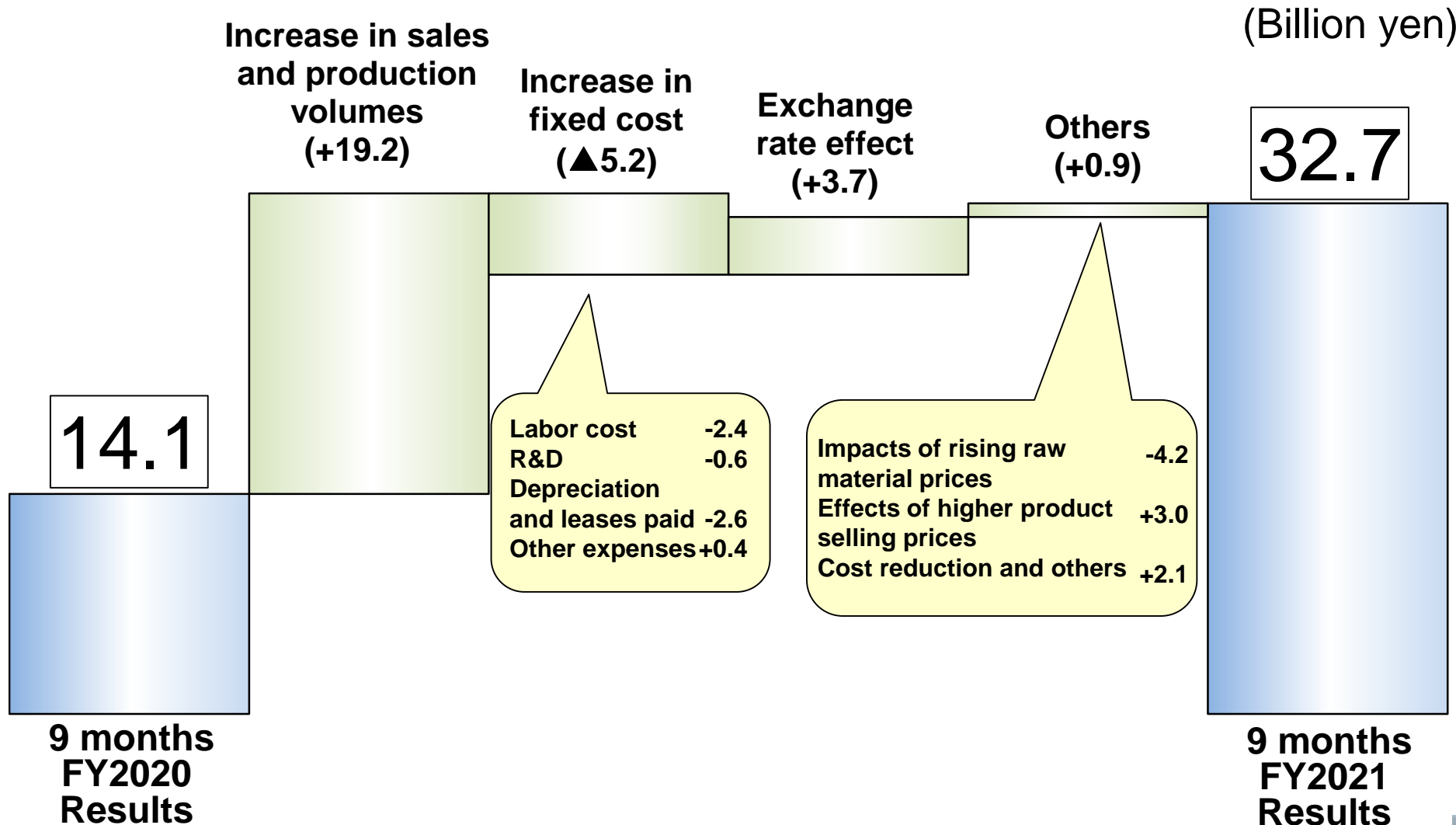
Net interest expense	-0.4	(1.6 → 1.2)
Foreign exchange gain	+1.5	(-1.2 → 0.4)
Others	+0.5	(-0.6 → -0.1)
	+1.6	(-0.1 → 1.5)

Extraordinary Income/Loss

Cost of corrective measures for product defects	+16.7	(-16.7 → 0.0)
Gain on sales of investment securities	+8.2	(0.2 → 8.5)
Withdrawal from magnetic disk business	-0.4	(0.0 → -0.4)
Others	-0.7	(-0.1 → -0.8)
	+23.8	(-16.5 → 7.2)

Breakdown of Changes in Operating Results for 9 months (Apr.-Dec.) FY2021 (YoY Comparison)

Higher income due to increased sales and production volumes



Net Sales and Operating Income by Segment for 9 months (Apr.-Dec.) for FY2021 (YoY Comparison)

**Higher sales and income in all segments
except for power generation segment**

(Billion yen)

	9 months FY2020 Results		9 months FY2021 Results		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Energy	136.3	5.0	162.1	9.2	25.7	4.2
Power Electronics Industry	201.6	2.3	213.7	6.6	12.1	4.3
Semiconductor	112.3	11.4	129.4	19.2	17.1	7.7
Power Generation	50.8	1.8	44.3	-1.1	-6.5	-2.9
Food and Beverage Distribution	54.1	-4.4	65.3	1.6	11.2	6.0
Others	38.4	1.2	39.4	1.7	1.0	0.5
Elimination and Corporate	-32.3	-3.1	-34.4	-4.3	-2.0	-1.2
Total	561.3	14.1	620.0	32.7	58.7	18.6

※ 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 9 months (Apr.-Dec.) FY2021 (YoY Comparison) ①

(Billion yen)

			9 months FY2020 Results	9 months FY2021 Results	Change	Overview
Power Electronics	Energy	Net Sales	136.3	162.1	25.7 +3.1*	<p>Energy Management Net Sales Increased by 3% Increase in net sales as a result of large-scale projects for power supply equipment for the power distribution and industrial fields, but decrease in operating results because of differences in profitability between projects</p> <p>Power Supply and Facility Systems Net Sales Increased by 18% Increase in net sales and operating results as a result of increased demand for projects from data centers and semiconductor manufacturers</p> <p>ED&C Components Net Sales Increased by 35% Increase in net sales and operating results due to significantly higher demand from domestic and overseas manufacturers of machine tools and other finished equipment</p>
		Operating Income/Loss	5.0	9.2	4.2 +0.6*	
	Industry	Net Sales	201.6	213.7	12.1 +4.0*	<p>Automation Systems Net Sales Increased by 18% 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</p> <p>Social Solutions Net Sales Increased by 20% Increase in net sales and operating results thanks to large-scale projects for electrical equipment for railcars</p> <p>Equipment Construction Net Sales Increased by 11% Increase in net sales and operating results due to higher demand for electrical and air-conditioning equipment construction</p> <p>IT Solutions Net Sales Decreased by 26% 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</p>
		Operating Income/Loss	2.3	6.6	4.3 +0.7*	

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

* Exchange rate effect

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Business Results by Segment for 9 months (Apr.-Dec.) FY2021 (YoY Comparison) ②

(Billion yen)

		9 months FY2020 Results	9 months FY2021 Results	Change	Overview												
Semiconductor	Net Sales	112.3	129.4	17.1 +6.3*	<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> <table border="1"> <thead> <tr> <th>Breakdown of sales</th> <th>FY2020</th> <th>FY2021</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>56.5</td> <td>67.5</td> <td>10.9</td> </tr> <tr> <td>Automotive</td> <td>37.9</td> <td>51.9</td> <td>14.0</td> </tr> </tbody> </table>	Breakdown of sales	FY2020	FY2021	Change	Industrial	56.5	67.5	10.9	Automotive	37.9	51.9	14.0
	Breakdown of sales	FY2020	FY2021	Change													
Industrial	56.5	67.5	10.9														
Automotive	37.9	51.9	14.0														
	Operating Income/Loss	11.4	19.2	7.7 +2.4*													
Power Generation	Net Sales	50.8	44.3	-6.5	<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	1.8	-1.1	-2.9													
Food and Beverage Distribution	Net Sales	54.1	65.3	11.2	<p>Vending Machines Net Sales Increased by 12% Increase in net sales following growth in demand in Japan and overseas and increase in operating results due to the higher sales and the benefits of cost reduction activities</p> <p>Store Distribution Net Sales Increased by 29% Increase in net sales and operating results because of an increase in demand for store equipment for convenience stores</p>												
	Operating Income/Loss	-4.4	1.6	6.0													

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

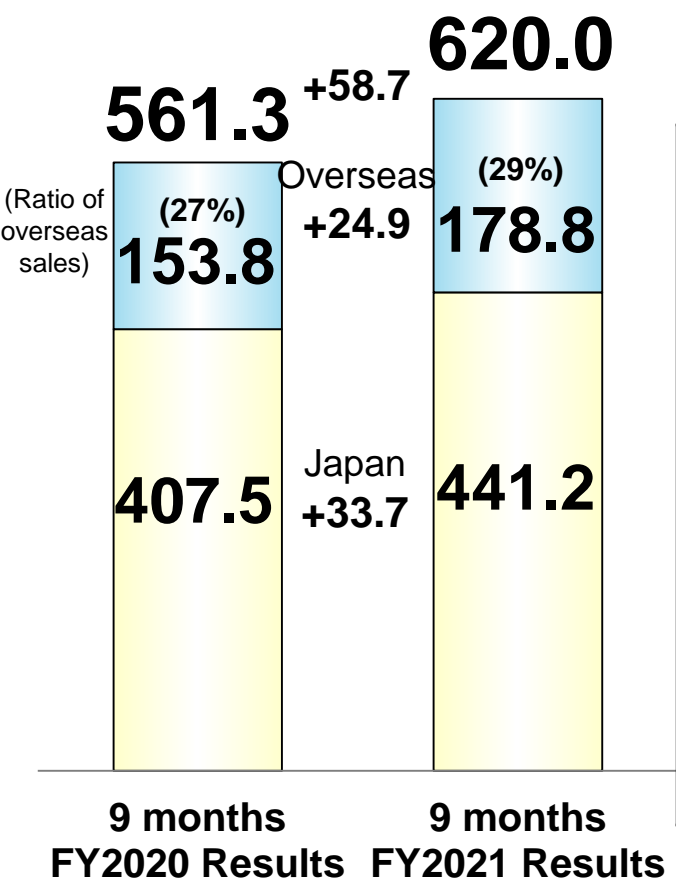
* Exchange rate effect

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Net Sales by Japan and Overseas Area for 9 months (Apr.-Dec.) FY2021 (YoY Comparison)

Higher sales in China, Asia and others

(Billion yen)



(Billion yen)

	9 months FY2020 Results	9 months FY2021 Results	Change
Overseas	153.8	178.8	24.9 +14.0*
Asia and Others	72.6	80.9	8.3 +4.4*
China	60.0	72.5	12.5 +8.2*
Europe	11.5	13.7	2.2
Americas	9.7	11.6	20.0

Power Supply and Facility Systems +4.1
ED&C Components +2.9
Automation Systems +4.3
Semiconductor -5.6
(including Magnetic Disks) -8.3
Power Generation +2.1

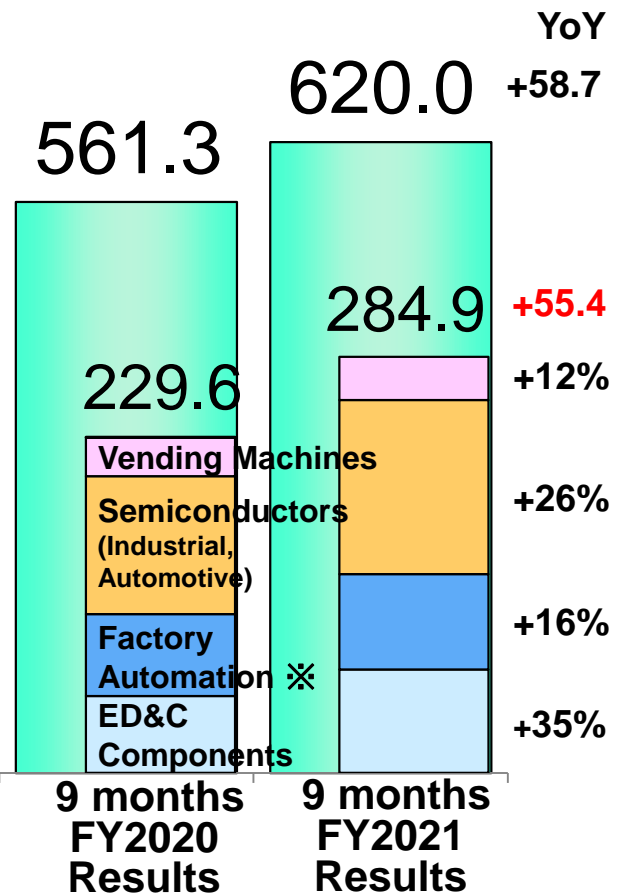
ED&C Components +3.3
Automation Systems +4.2
Semiconductor +5.5

* Exchange rate effect

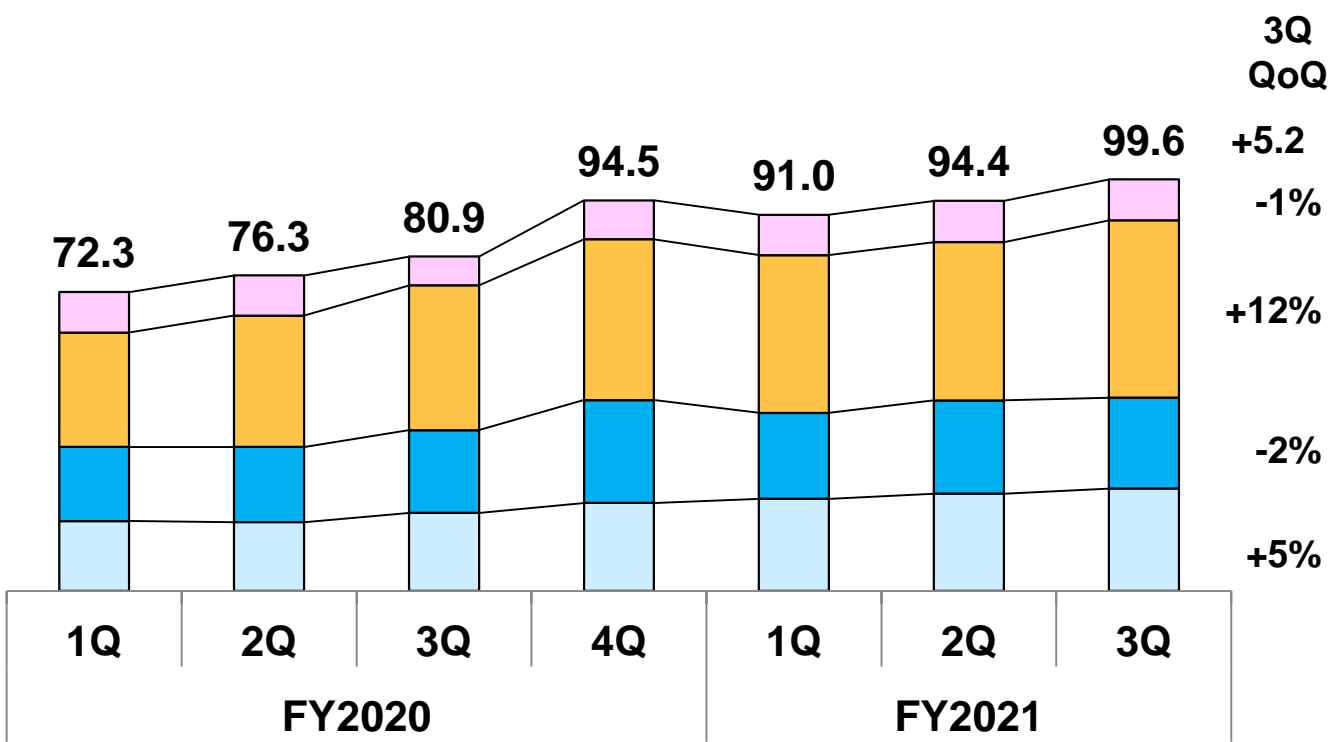
Breakdown of Changes in Amount of Sales by Products for 9 months (Apr.-Dec.) FY2021 (YoY Comparison)

Massive increase in demand for major components

(Billion yen)



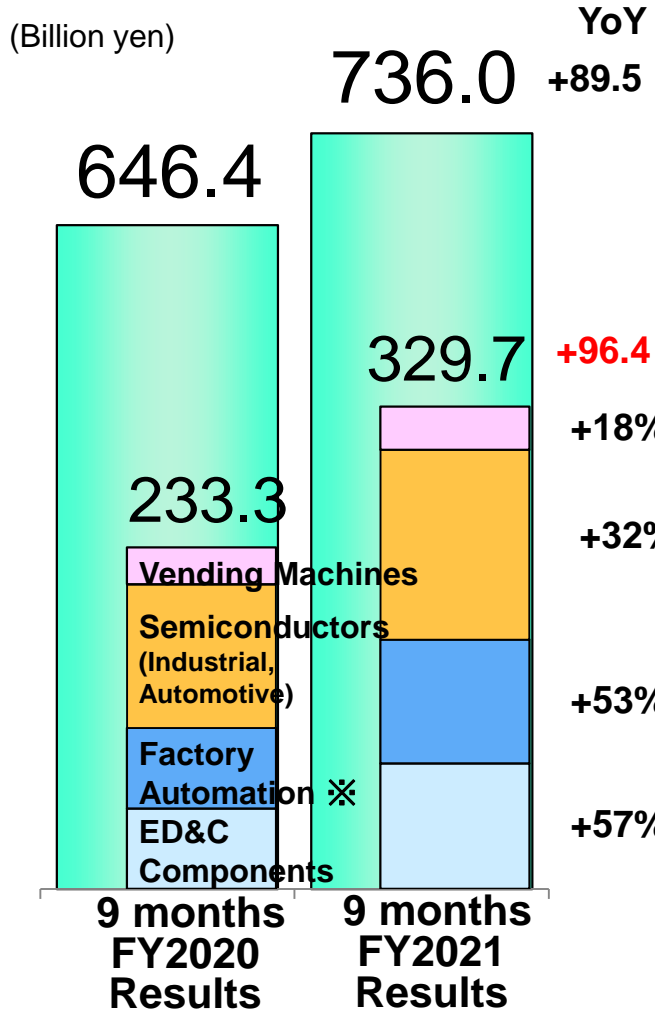
Major Components Sales Trend



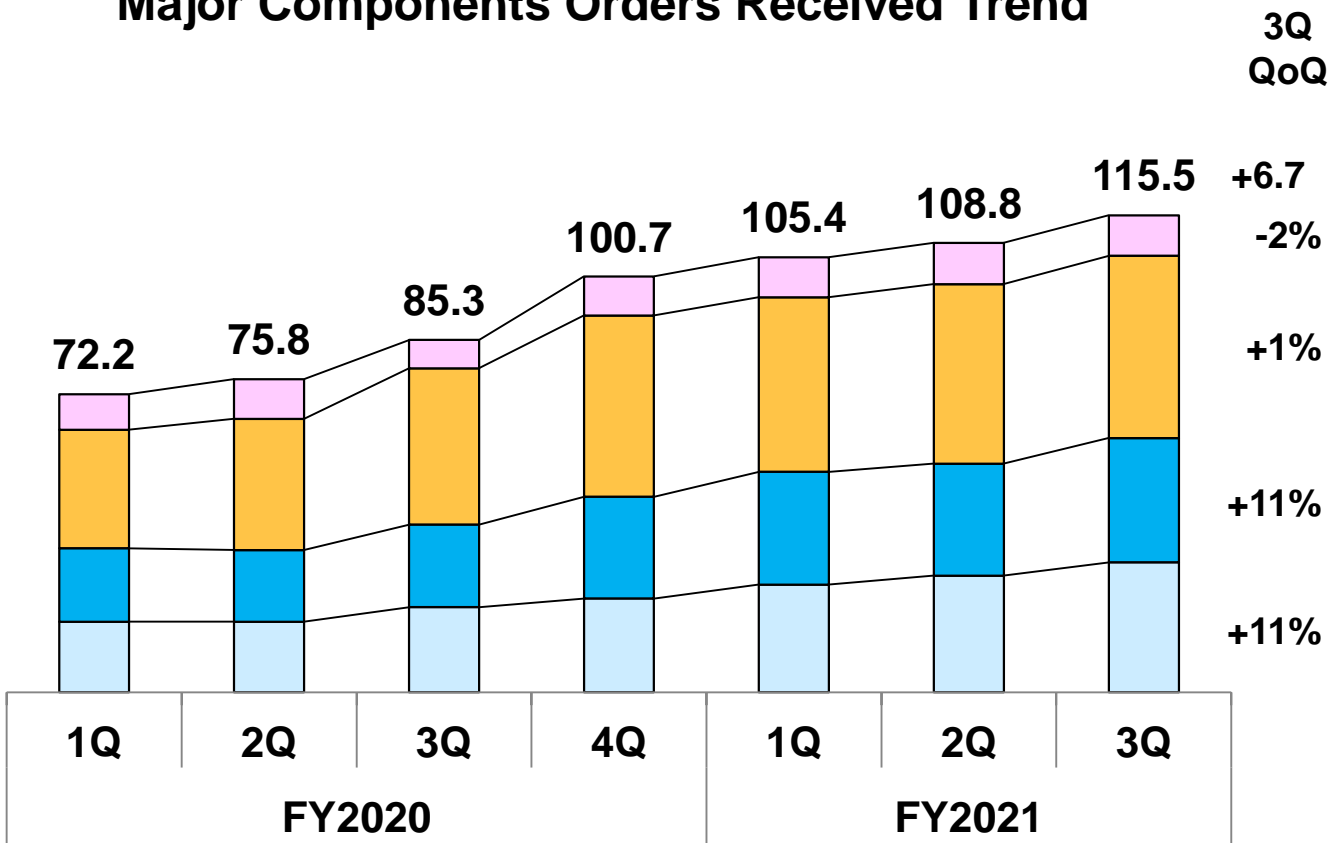
※Factory Automation : low-voltage inverters, motors, FA components and measuring instruments
 ※Figures for FY2020 reflect the organizational restructuring conducted in FY2021.

Breakdown of Changes in Amount of Orders Received by Products for 9 months (Apr.-Dec.) FY2021 (YoY Comparison)

Growth in orders centered on the major components



Major Components Orders Received Trend



※Factory Automation : low-voltage inverters, motors, FA components and measuring instruments
 ※Figures for FY2020 reflect the organizational restructuring conducted in FY2021.

Consolidated Balance Sheet at the End of 3Q FY2021

(Billion yen)

Assets		3/31/21※1	12/31/21	Change
Cash and time deposit		76.5	75.6	-0.9
Notes and account receivables, trade receivables		350.5	314.5	-36.0
Inventories		159.7	170.6	10.9
Other current assets		49.8	64.2	14.4
Total current assets		636.5	625.0	-11.5
Tangible fixed assets		209.8	219.4	9.6
Intangible fixed assets		23.4	21.8	-1.7
Investments and other assets		188.8	184.4	-4.3
Total long-term assets		422.0	425.6	3.6
Deferred assets		0.1	0.1	-0.0
Total assets		1,058.6	1,050.6	-7.9
Net interest-bearing debt※2		140.9	134.1	-6.7
Net D/E ratio※3 (times)		0.3	0.3	-0.0
Equity ratio		39.6%	41.6%	1.9%

Liabilities and Net Assets		3/31/21※1	12/31/21	Change
Notes and account payables, trade payables		172.0	154.1	-18.0
Interest-bearing debts		216.2	208.0	-8.2
Other liabilities		207.2	204.7	-2.5
Total liabilities		595.4	566.8	-28.7
Capital stock		47.6	47.6	-
Capital surplus		46.0	46.0	-0.0
Retained earnings		273.5	286.0	12.5
Treasury stock at cost		-7.3	-7.4	-0.0
Shareholders' equity		359.7	372.2	12.5
Accumulated other comprehensive income		59.0	64.5	5.5
Non-controlling interests		44.4	47.2	2.7
Total net assets		463.1	483.9	20.7
Total liabilities and net assets		1,058.6	1,050.6	-7.9

※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 Financial Results Forecasts for FY2021 (Comparison with Forecasts on Oct. 28, 2021)

Targets of ¥72.0 billion for operating income and 8.0% for operating margin

Upward revisions to forecasts for Power Electronics Energy (ED&C components) and Semiconductor segments

(Billion yen)	FY2021 Forecasts (Oct. 28, 2021)	FY2021 Forecasts (Jan. 27, 2022)	Change
Net Sales	900.0	900.0	+0.0
Operating Income/Loss (Operating Margin)	67.0 (7.4%)	72.0 (8.0%)	+5.0 (+0.6%)
Ordinary Income/Loss	68.0	73.0	+5.0
Net Income Attributable to Owners of Parent	50.0	52.5	+2.5

4Q Assumed Exchange Rate

	US\$	EURO	RMB
Exchange Rate (yen)	107.0	127.0	16.5
One Yen Effect (Million yen)	40	30	130

* Impact on operating income/loss

US\$ and EURO: Impact of ¥1-fluctuation / RMB: Impact of 1% fluctuations

(Billion yen)	FY2021 Forecasts (Oct. 28, 2022)		FY2021 Forecasts (Jan. 27, 2022)		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Energy	225.0	18.0	233.0	20.0	+8.0	+2.0
Power Electronics Industry	333.0	25.0	325.0	25.0	-8.0	0.0
Semiconductor	170.0	25.0	1,70.0	26.0	0.0	+1.0
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	-49.5	-8.8	-49.5	-6.8	0.0	+2.0
Total	900.0	67.0	900.0	72.0	+0.0	+5.0

■ED&C Components amount of orders received	3Q QoQ	3Q YoY	9 months (Apr.-Dec.) YoY
All	+11%	+53%	+57%
Japan	+12%	+58%	+56%
Overseas	+9%	+39%	+58%

■Low-voltage inverters amount of orders received	3Q QoQ	3Q YoY	9 months (Apr.-Dec.) YoY
All	+20%	+73%	+74%
Japan	+2%	+55%	+62%
Overseas	+34%	+86%	+84%

■Semiconductor amount of orders received	3Q QoQ	3Q YoY	9 months (Apr.-Dec.) YoY
Industrial+Automotive	+1%	+17%	+32%
Industrial	-4%	+16%	+28%
Automotive	+9%	+18%	+38%

■Vending machines amount of orders received	3Q QoQ	3Q YoY	9 months (Apr.-Dec.) YoY
All	-2%	+43%	+18%
Japan	+3%	+44%	+16%
Overseas	-33%	+30%	+33%

Supplementary Materials

Consolidated Financial Results Forecasts for FY2021 (YoY Comparison)

(Billion yen)	FY2020 Results	FY2021 Forecasts (Jan. 27, 2022)	Change
Net Sales	875.9	900.0	-3.1* +24.1
Operating Income/Loss	48.6	72.0	+2.0* +23.4
Ordinary Income/Loss	50.4	73.0	+22.6
Net Income Attributable to Owners of Parent	41.9	52.5	+10.6

(Billion yen)	FY2020 Results		FY2021 Forecasts (Jan. 27, 2022)		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Energy	209.2	14.0	233.0	20.0	+0.7* +23.8	+0.4* +6.0
Power Electronics Industry	345.9	21.8	325.0	25.0	-1.6* -20.9	+0.2* +3.2
Semiconductor	157.5	17.7	170.0	26.0	-2.0* +12.5	+1.4* +8.3
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	-6.8	-3.2	-2.5
Total	875.9	48.6	900.0	72.0	-3.1* +24.1	+2.0* +23.4

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

* Exchange rate effect

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