

Consolidated Financial Results for 1Q FY2023

July 27, 2023

Fuji Electric Co., Ltd.

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1. FY2023 1Q Results

(YoY Comparison)

Summary of Consolidated Financial Results for 1Q FY2023 (YoY Comparison)

New record highs for net sales, operating profit, ordinary profit, and profit attributable to owners of parent

(Billion yen)

	FY2022 1Q	FY2023 1Q	Change
Net Sales	203.9	234.1	30.2
Operating Profit	9.9	14.7	4.8
(Operating Profit Ratio)	(4.8%)	(6.3%)	(1.4%)
Ordinary Profit	12.3	15.1	2.8
Extraordinary Profit	4.2	4.6	0.4
Profit before Income Taxes	16.5	19.7	3.2
Profit Taxes	5.3	6.3	1.0
Profit attributable to Non-controlling Interests	1.3	1.1	-0.2
Profit attributable to Owners of Parent	9.9	12.3	2.4

(Period-End rate : End of June)

(Yen)

US\$	136.68	144.99	8.31
EURO	142.67	157.60	14.93
RMB	20.38	19.94	-0.44

(Average Exchange Rate)

(Yen)

US\$	129.57	137.37	7.80
EURO	138.12	149.47	11.35
RMB	19.58	19.56	-0.02

Net Sales

Gain on translation of earnings of overseas subsidiaries	+2.3
Demand Increase	+27.9

Operating Profit/Loss

Increase in sales and production	+9.2
Increase in fixed costs	-6.0
Exchange rate effect	+0.3
Others※	+1.4
	+4.8

※Cost reduction, price fluctuations, sales mix and others

Non-operating Profit/Loss

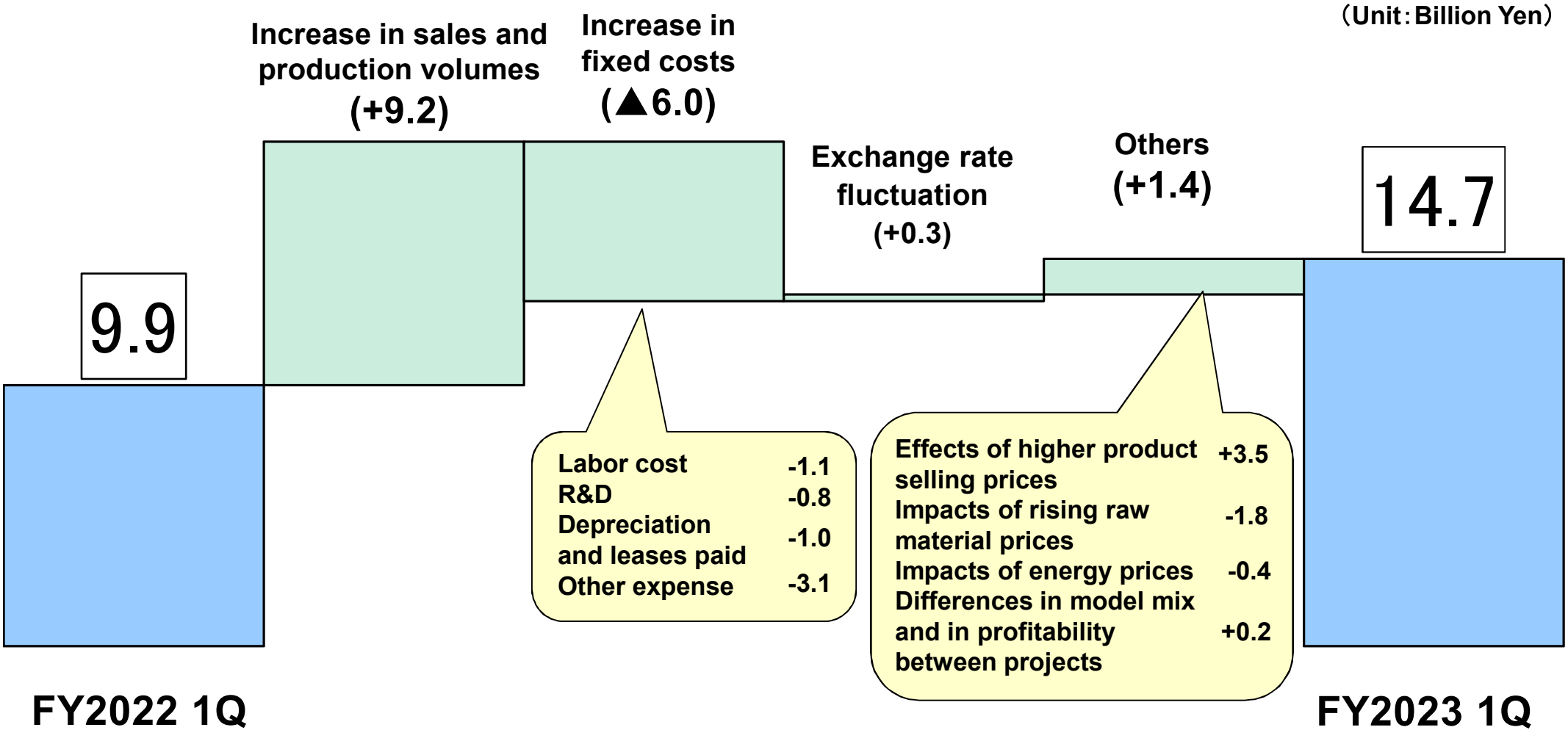
Net interest expense	-0.5	(1.3 → 0.8)
Foreign exchange gain	+0.0	(1.6 → 1.6)
Others	-1.5	(-0.4 → -1.9)
	-2.0	(2.4 → 0.5)

Extraordinary Profit/Loss

Gain on sales of investment Securities	+0.2	(4.4 → 4.6)
Others	+0.3	(-0.3 → -0.0)
	+0.4	(4.2 → 4.6)

Breakdown of Changes in Operating Results for 1Q FY2023 (YoY Comparison)

Higher profit, despite impacts from rising material and energy prices and fixed costs, due to increases in product selling price and sales and production volumes



Net Sales and Operating Results by Segment for 1Q FY2023 (YoY Comparison)

Higher net sales in all segments
Growth in operating profit largely attributable to the Power Electronics Industry and Food and Beverage Distribution segments

(Billion yen)

	FY2022 1Q			FY2023 1Q			Change		
	Net Sales	Operating Profit/Loss	Operating Profit Ratio	Net Sales	Operating Profit/Loss	Operating Profit Ratio	Net Sales	Operating Profit/Loss	Operating Profit Ratio
Power Electronics Energy	51.3	3.9	7.6%	58.0	4.4	7.6%	6.8	0.5	0.0%
Power Electronics Industry	65.2	-1.8	-2.8%	76.2	-0.3	-0.4%	11.1	1.5	2.4%
Semiconductor	46.2	7.1	15.4%	51.1	7.1	14.0%	4.9	0.0	-1.4%
Power Generation	16.8	0.1	0.6%	18.4	0.9	4.9%	1.6	0.8	4.3%
Food and Beverage Distribution	21.7	1.6	7.5%	27.8	3.2	11.4%	6.1	1.5	3.9%
Others	14.3	0.7	5.2%	15.8	1.0	6.6%	1.5	0.3	1.4%
Elimination and Corporate	-11.5	-1.8	-	-13.1	-1.7	-	-1.6	0.1	-
Total	203.9	9.9	4.8%	234.1	14.7	6.3%	30.2	4.8	1.4%

Business Results by Segment for 1Q FY2023 (YoY Comparison) ①

(Billion yen)

			FY2022 1Q	FY2023 1Q	Change	Overview
Power Electronics	Energy	Net Sales	51.3	58.0	6.8 +0.8*	<p>Energy Management Net Sales Increased by 20% Increase in net sales and operating results due to the recording of large-scale orders for substation equipment for industrial applications and power supply equipment</p> <p>Power Supply and Facility Systems Net Sales Increased by 38% Increase in net sales and operating results as a result of increases in projects from data centers and semiconductor manufacturers overseas</p> <p>ED&C Components Net Sales Decreased by 6% Decrease in net sales and operating results due to reductions in demand from finished equipment manufacturers and for semiconductor production equipment</p>
		Operating Profit/Loss	3.9	4.4	0.5 +0.1*	
	Industry	Net Sales	65.2	76.2	11.1 +0.5*	<p>Automation Systems Net Sales Increased by 10% Increase in net sales and operating results as production increased and order backlog was filled following the alleviation of difficulties in procuring parts for low-voltage inverters and other products</p> <p>Social Solutions Net Sales Increased by 16% Increase in net sales and operating results due to increases in orders for radiation-related equipment</p> <p>Equipment Construction Net Sales Increased by 26% Increase in net sales and operating results as a result of the recording of large-scale orders for air-conditioning equipment construction</p> <p>IT Solutions Net Sales Increased by 30% Increase in net sales and operating results due to higher demand for large-scale public- and academic-sector projects</p>
		Operating Profit/Loss	-1.8	-0.3	1.5 -0.1*	

* Exchange rate effect

Business Results by Segment for 1Q FY2023 (YoY Comparison) ②

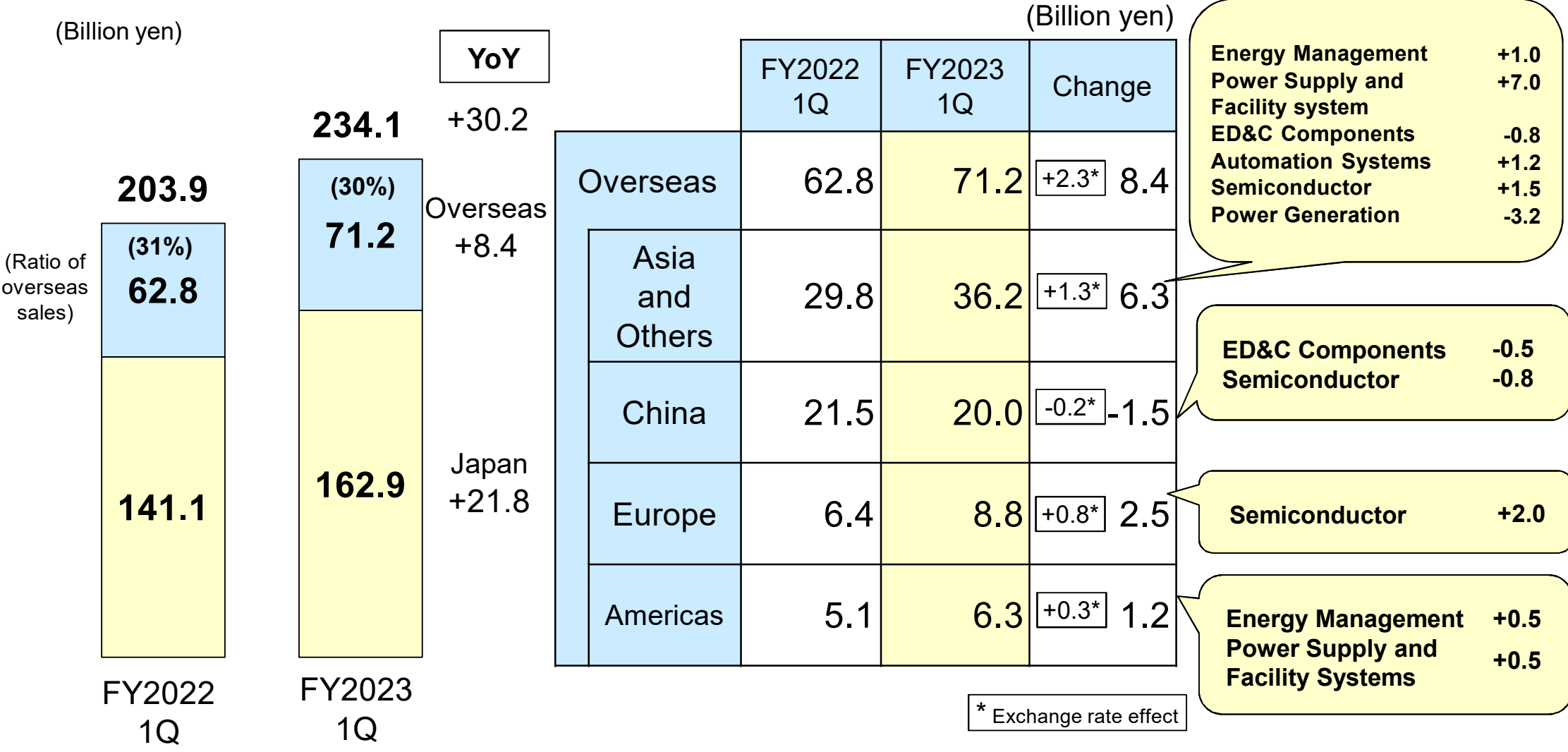
(Billion yen)

		FY2022 1Q	FY2023 1Q	Change	Overview												
Semiconductor	Net Sales	46.2	51.1	4.9 +0.8*	<p>Increase in net sales due to growth in demand for power semiconductors for electrified vehicles (xEVs). The growth in sales led to operating results being relatively unchanged, despite the rise in expenses for bolstering power semiconductor production capacity and the increases in material costs</p> <p>Breakdown of sales</p> <table border="1"> <thead> <tr> <th></th> <th>FY2022</th> <th>FY2023</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>27.0</td> <td>25.2</td> <td>-1.8</td> </tr> <tr> <td>Automotive</td> <td>19.2</td> <td>25.9</td> <td>6.7</td> </tr> </tbody> </table>		FY2022	FY2023	Change	Industrial	27.0	25.2	-1.8	Automotive	19.2	25.9	6.7
		FY2022	FY2023	Change													
Industrial	27.0	25.2	-1.8														
Automotive	19.2	25.9	6.7														
	Operating Profit/Loss	7.1	7.1	0.0 +0.2*													
Power Generation	Net Sales	16.8	18.4	1.6	Increase in net sales and operating results due to the benefits of large-scale renewable energy projects												
	Operating Profit/Loss	0.1	0.9	0.8													
Food and Beverage Distribution	Net Sales	21.7	27.8	6.1	<p>Vending Machines Net Sales Increased by 25% Increase in net sales and operating results because of growth in demand in Japan and the benefits of cost reduction activities</p>												
	Operating Profit/Loss	1.6	3.2	1.5	<p>Store Distribution Net Sales Increased by 31% Increase in net sales and operating results due to higher orders for counter fixtures combined with growth in demand for convenience store equipment renovations</p>												

* Exchange rate effect

Net Sales by Japan and Overseas Area for 1Q FY2023 (YoY Comparison)

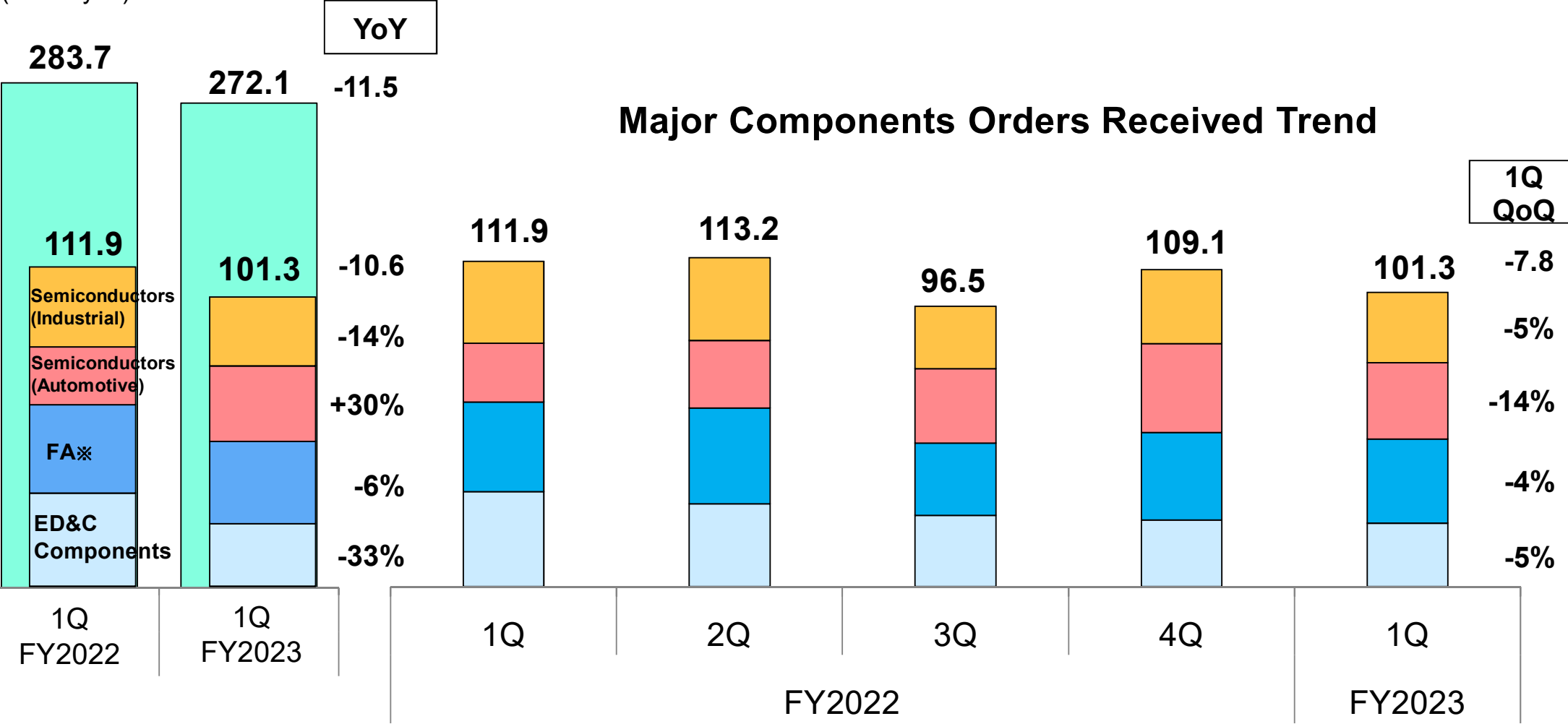
Increases in sales as reduced sales in China were compensated for by higher sales in other regions



Breakdown of Changes in Amount of Orders Received by Major Components for 1Q FY2023 (YoY Comparison)

First-quarter orders of major components down, with exception of automotive semiconductors

(Billion yen)



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

2. FY2023 Forecasts

(Comparison with Forecasts on April 27, 2023)

Consolidated Financial Results Forecasts

for six months FY2023 (Comparison with Forecasts on April 27, 2023) *Innovating Energy Technology*

Upward revision to forecast for six-month period ending September 30, 2023, based on current conditions

(Billion yen)	Six months Forecasts (April 27)	Six months Forecasts (July 27)	Change	
Net Sales	466.0	474.0	+3.9*	8.0
Operating Profit (Operating Profit Ratio)	28.2 (6.1%)	30.0 (6.3%)	+0.8*	1.8 (0.2%)
Ordinary Profit	25.5	27.5		2.0
Profit Attributable to Owners of Parent	17.5	19.5		2.0

Assumed Exchange Rate on 2Q FY2023

	US\$	EURO	RMB
April 27 Forecast	¥125.00	¥135.00	¥18.50
July 27 Forecast	¥130.00	¥145.00	¥18.50
Foreign Exchange Rate Sensitivity※ (Million Yen)	10	30	70

* Impact on operating profit (3 months impact from July to September 2023)
US\$ and EURO: Impact of ¥1 yen depreciation-fluctuations
RMB: Impact of 1% yen depreciation fluctuations

(Billion yen)	Six months Forecasts (April 27)		Six months Forecasts (July 27)		Change			
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit		
Power Electronics Energy	124.0	8.4	124.0	8.4	+0.8*	0.0	+0.1*	0.0
Power Electronics Industry	159.0	2.6	160.0	3.0	+1.3*	1.0	+0.2*	0.4
Semiconductor	105.0	15.0	105.0	15.5	+1.6*	0.0	+0.4*	0.5
Power Generation	30.0	0.8	31.0	0.0		1.0		-0.8
Food and Beverage Distribution	48.0	3.8	52.0	5.0		4.0		1.2
Others	29.0	1.4	31.0	1.8		2.0		0.4
Elimination and Corporate	-29.0	-3.8	-29.0	-3.7		0.0		0.1
Total	466.0	28.2	474.0	30.0	+3.9*	8.0	+0.8*	1.8

* Exchange rate effect

Changes to foreign exchange rate assumptions reflected in full-year forecast

	Full-year Forecasts (April 27)	Full-year Forecasts (July 27)	Change
Net Sales	1,050.0	1,060.0	10.0
Operating Profit (Operating Profit Ratio)	94.0 (9.0%)	96.0 (9.1%)	2.0 (0.1%)
Ordinary Profit	92.0	94.5	2.5
Profit attributable to Owners of Parent	62.5	64.5	2.0

Assumed Exchange Rate from 2Q to 4Q FY2023

	US\$	EURO	RMB
April 27 Forecast	¥125.00	¥135.00	¥18.50
July 27 Forecast	¥130.00	¥145.00	¥18.50

Foreign Exchange Rate Sensitivity※ (Million Yen)	60	110	240
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* Impact on operating profit (9 months impact from July to March 2024)
 US\$ and EURO: Impact of ¥1 yen depreciation-fluctuations
 RMB: Impact of 1% yen depreciation fluctuations

	Full-year Forecasts (April 27)		Full-year Forecasts (July 27)		Change	
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit
Power Electronics Energy	275.0	27.0	277.0	27.3	2.0	0.3
Power Electronics Industry	378.0	29.5	382.0	30.2	4.0	0.7
Semiconductor	221.0	32.8	225.0	33.8	4.0	1.0
Power Generation	83.0	4.2	83.0	4.2	0.0	0.0
Food and Beverage Distribution	96.0	5.0	96.0	5.0	0.0	0.0
Others	60.0	3.4	60.0	3.4	0.0	0.0
Elimination and Corporate	-63.0	-7.9	-63.0	-7.9	0.0	0.0
Total	1,050.0	94.0	1,060.0	96.0	10.0	2.0

3. Balance Sheet

Consolidated Balance Sheet at the End of 1Q FY2023 (YoY Comparison)

Assets			
	3/31/23	6/30/23	Change
Cash and deposit	84.7	48.7	-36.0
Notes and account receivables-trade, Contract assets	388.5	340.8	-47.7
Inventories	198.7	221.7	23.0
Other current assets	41.7	51.3	9.6
Total current assets	713.6	662.4	-51.2
Property, plant and equipment	283.9	288.5	4.6
Intangible assets	24.0	24.6	0.5
Investments and other assets	160.0	157.1	-2.9
Total Non-current assets	467.9	470.2	2.2
Deferred assets	0.1	0.0	-0.0
Total assets	1,181.6	1,132.6	-49.0
Net interest-bearing debt※1	99.1	105.0	5.9
Net D/E ratio※2 (times)	0.2	0.2	0.0
Equity ratio	43.8%	46.7%	3.0%

Liabilities and Net Assets			
	3/31/23	6/30/23	Change
Notes and account payables-trade	201.6	173.2	-28.4
Interest-bearing debts	183.3	153.1	-30.2
Other liabilities	224.6	224.1	-0.6
Total liabilities	609.5	550.3	-59.1
Share capital	47.6	47.6	—
Capital surplus	46.0	46.0	—
Retained earnings	364.9	368.7	3.7
Treasury shares	-7.4	-7.4	-0.0
Shareholders' equity	451.1	454.8	3.7
Accumulated other comprehensive income	66.0	74.5	8.5
Non-controlling interests	55.0	52.9	-2.1
Total net assets	572.1	582.3	10.2
Total liabilities and net assets	1,181.6	1,132.6	-49.0

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

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

4. Reference

ED&C Components
amount of orders received

	1Q QoQ	1Q YoY
All	-5%	-33%
Japan	-7%	-31%
Overseas	-0%	-38%

Low-voltage inverters
amount of orders received

	1Q QoQ	1Q YoY
All	-27%	-37%
Japan	-22%	-34%
Overseas	-29%	-39%

Semiconductor
amount of orders received

	1Q QoQ	1Q YoY
All	-10%	+4%
Industrial	-5%	-14%
Automotive	-14%	+30%

Vending machines
amount of orders received

	1Q QoQ	1Q YoY
All	+7%	+25%

Reference: Consolidated Financial Results Forecasts for six months FY2023 (YoY Comparison)

(Billion yen)	FY2022 Results	FY2023 Forecasts (July 27, 2023)	Change
Net Sales	447.1	474.0	26.9
Operating Profit	26.7	30.0	3.3
(Operating Profit Ratio.)	(6.0%)	(6.3%)	(0.3%)
Ordinary Profit	28.9	27.5	-1.4
Profit attributable to Owners of Parent	20.3	19.5	-0.8

(Billion yen)	FY2022 Results		FY2023 Forecasts (July 27, 2023)		Change	
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit
Power Electronics Energy	115.6	9.6	124.0	8.4	8.4	-1.2
Power Electronics Industry	150.2	1.1	160.0	3.0	9.8	1.9
Semiconductor	97.0	14.9	105.0	15.5	8.0	0.6
Power Generation	34.8	-0.5	31.0	0.0	-3.8	0.5
Food and Beverage Distribution	44.8	3.2	52.0	5.0	7.2	1.8
Others	28.6	1.5	31.0	1.8	2.4	0.3
Elimination and Corporate	-23.9	-3.2	-29.0	-3.7	-5.1	-0.5
Total	447.1	26.7	474.0	30.0	26.9	3.3

Reference: Consolidated Financial Results Forecasts for Full-year FY2023 (YoY Comparison)

(Billion yen)	FY2022 Results	FY2023 Forecasts (July 27, 2023)	Change
Net Sales	1,009.4	1,060.0	50.6
Operating Profit (Operating Profit Ratio.)	88.9 (8.8%)	96.0 (9.1%)	7.1 (0.3%)
Ordinary Profit	87.8	94.5	6.7
Profit attributable to Owners of Parent	61.3	64.5	3.2

(Billion yen)	FY2022 Results		FY2023 Forecasts (July 27, 2023)		Change	
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit
Power Electronics Energy	264.1	26.9	277.0	27.3	12.9	0.4
Power Electronics Industry	353.4	24.9	382.0	30.2	28.6	5.3
Semiconductor	206.2	32.2	225.0	33.8	18.8	1.6
Power Generation	87.3	3.6	83.0	4.2	-4.3	0.6
Food and Beverage Distribution	95.3	4.4	96.0	5.0	0.7	0.6
Others	59.8	3.7	60.0	3.4	0.2	-0.3
Elimination and Corporate	-56.7	-6.7	-63.0	-7.9	-6.3	-1.2
Total	1,009.4	88.9	1,060.0	96.0	50.6	7.1

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