

Sales Strategies (Area Strategies)

May 17, 2012
Fuji Electric Co., Ltd.
Global Business Group / Sales Group

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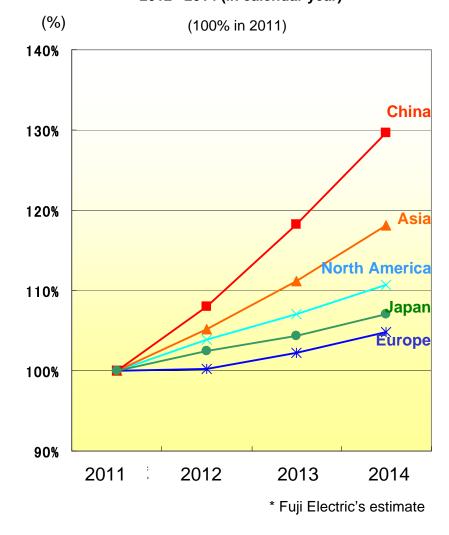
- Market Conditions Outlook
- Basic Policy
- Net Sales (Percentage from Overseas Sales / By Area)
- Priority Measures by Area / Area Strategies (Asia, China, Japan)
- Cultivation of Human Resources that can act on the Global Stage



Market Conditions Expected in 2012

Area	2012 1H	2012 2H
Japan	Recovering modestly due to allotment of supplementary budget for earthquake restoration and steady consumer-spending	Growing modestly due to restoration demand and recovery in exports improving global economy centered on China and Asia
China	Softening of growth due to slumping exports to North America and Europe	Growth recovering stably due to domestic demand and pick- up in exports to North America and Europe
Asia	Thailand etc. expected to grow on flood restoration demand although economic slowdown last in some countries due to European debt crisis	Asian area likely to return to growth path due to economic restoration in North America and Europe and recovery of growth in China
North America	Recovering modestly due to improving employment market and solid consumer spending and manufacturing, in spite of uncertain outlook rooted deeply due to European debt crisis	
Europe	Negative growth due to the European debt crisis	Pace of recovery slow, although economy expected to pick up on higher exports due to euro depreciation

Forecast Growth Rates of Fuji Electric's Target Markets 2012–2014 (in calendar year)



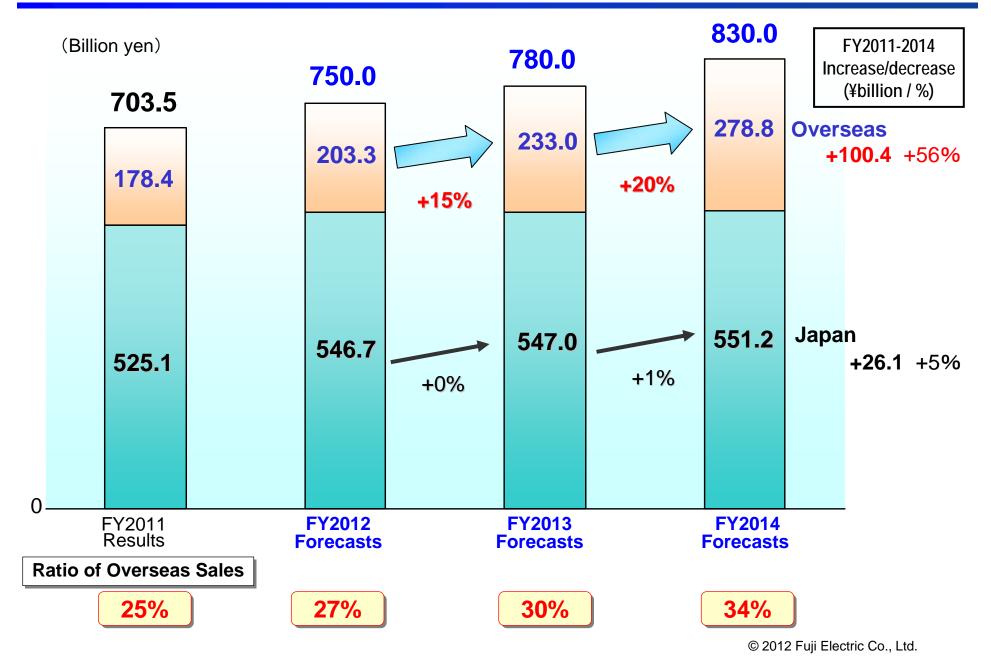


Basic Policy

- Develop Global Business Group and expand business on a global scale
 - Strengthen and expand network of sales bases and distributors centered on Asia
 - ➤ Develop engineering systems to enhance responsiveness to changes in local conditions
 - > Participate in new markets through joint-ventures with local partners
 - Cultivate human resources that can act on the global stage
- Strengthen provision-based sales capabilities and secure base load in Japan
 - Improve customer satisfaction by strengthening sales capabilities of service divisions
 - ➤ Step up customer retention efforts and sales channel strategies
 - ➤Increase responsiveness to restoration demand through development of project system

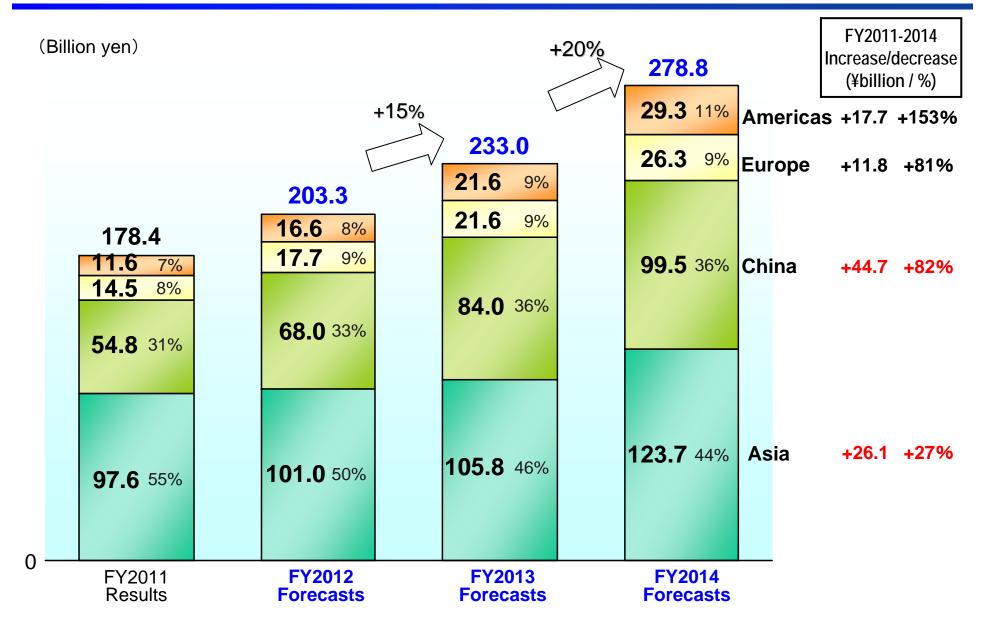


Net Sales (overseas percentage)



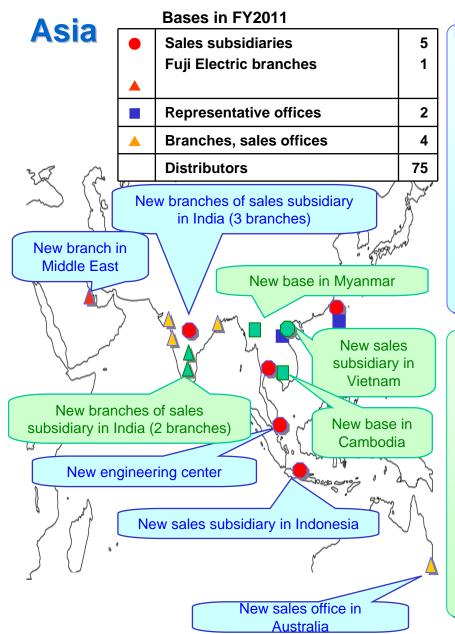


Overseas Net Sales (by area)





Priority Measures by Area (Asia)



FY2011 Accomplishments

1. Enhancing area coverage

- (1) Indonesia: Established new sales subsidiary
- (2) India: Established 3 new branches, expanded distributor network
- (3) Middle East: Established Fuji Electric Middle East Branch
- (4) Australia: Established new sales office

2. Strengthening local operational systems

- (1) Singapore sales subsidiary: Established engineering center
- (2) Indian sales subsidiary: Appointed local staff members to executive management positions (Vice President level)

3. Acquiring new customers

(1) Responded to post-Thailand flood restoration demand

FY2012 Plan

1. Enhancing area coverage

- (1) Vietnam: Establish new sales subsidiary
- (2) Myanmar, Cambodia: Establish new bases
- (3) India: Establish 2 new branches, expand distributor network

2. Strengthening local operational systems

- (1) Strengthen engineering capabilities and bolster staff (Singapore, Thailand, Indonesia)
- (2) Develop comprehensive sales company system by expanding range of equipment handled (Taiwan, Thailand)

3. Acquiring new customers

(1) Enter into alliances with local partners (India, Indonesia, Thailand)

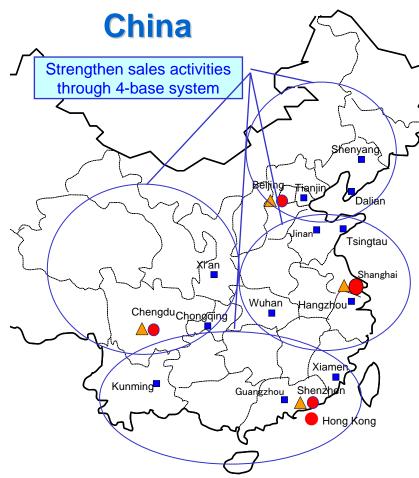


FY2012 Area Strategies (Asia)

Promote sales of state-of-the-art high Promote sales of smart communities **Plants** capacity rectifiers (CEMS, BEMS) and mega solar **Plants** New technologies Promote sales through introduction of new Expand store distribution business in and products medium-capacity inverters Indonesia Promote sales through introduction of new products with low-cost specifications Promote sales of new inverters for air Components conditioning market Components Develop new discrete products for the Promote sales of global PCS* power supply field **Expand lineup of IGBT modules** Asia * PCS: Power conditioner systems FY2012 ¥101.0 billion (FY2011 ¥97.6 billion) Develop environmentally friendly and energy-saving product business Increase orders for thermal and Existing targeting Japanese companies geothermal power generation facilities Capture demand for facility upgrades by strengthening joint-ventures with **Plants** and focused on energy saving **Plants** partners products technologies Increase service sales by strengthening Boost responses to changes in local service systems conditions by strengthening sales Expand share of in-store products by bases stepping up existing customer retention Advance into end-user market by efforts Components Components expanding engineer staff **Expand share in accordance with cost** reductions **Existing customers New customers**



Priority Measures by Area (China)



Bases in FY2011

	Headquarters + branches	4
	Hong Kong sales subsidiary	1
	Branches	12
_	Technical service bases	4
	Distributors	62

FY2011 Accomplishments

1. Enhancing area coverage

- (1) Strengthened sales activities through 4-base system Shanghai (headquarters), Shenzhen, Beijing, Chengdu
- (2) Reinforced distributor network in all areas

2. Cultivating human resources

- (1) Appointed local staff members to executive management positions (Vice President level)
- (2) Expanded local staff

3. Boosting sales through alliances

- (1) Made alliances for compact inverters
- (2) Made alliances in UPS field
- (3) Expanded energy-saving business

FY2012 Plan

1. Enhancing area coverage

(1) Revise and strengthen distributor measures (commissions, incentive system)

2. Cultivating human resources

- (1) Assign young, local staff members to higher ranking sales positions
- (2) Educate distributor engineers (introduce qualification system)

3. Acquiring new customers

- (1) Enter into alliances with local partners
- 4. Increasing sales through new product introduction
- (1) Promote sales of power semiconductors for air conditioners
- (2) Promote sales of new inverters with low-cost specifications



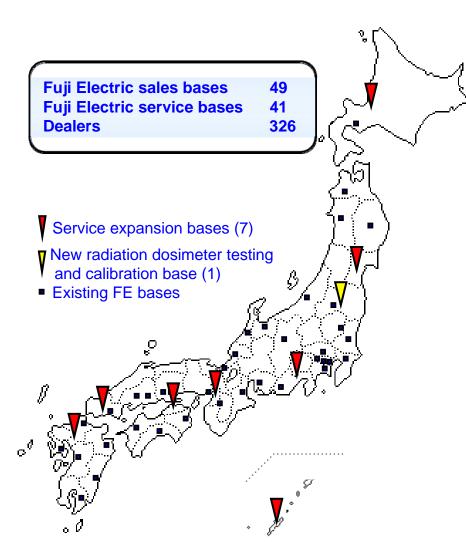
FY2012 Area Strategies (China)

Enter into new fields through alliances with local partners (energy **Plants** management, transportation equipment, New technologies **EV systems)** Promote sales through introduction of new and products medium-capacity inverters Promote sales of new inverters for air Promote sales through introduction of new conditioning market products with low-cost specifications Components Promote UPS sales by strengthening **Components** alliances with local partners **Expand lineup of IGBT modules** Develop new discrete products for the Introduce new IGBT for air conditions power supply field China FY2012 ¥68.0 billion (FY2011 ¥54.8 billion) Develop environmentally friendly and energy-saving product business Existing Enter steel market through alliances targeting Japanese companies **Plants Plants** with local partners and Capture demand for facility upgrades focused on energy saving products technologies Participate in new markets (printing, **Expand share in accordance with cost** molds, etc.) through expansion of Components reductions distributor network Components Expand share by revising and strengthening distributor measures **Existing customers New customers**



Priority Measures by Area (Japan)

Japan



FY2011 Accomplishments

- 1. Addressing post-earthquake restoration demand
- (1) Established restoration support project
- (2) Promoted sales of radiation dosimeters
- 2. Strengthening service systems
- (1) Bolstered proposal-based sales capabilities by expanding service staff in all regions
- 3. Fortifying relationships with key customers
- (1) Thoroughly considered customer needs and provided appropriate solutions
- 4. Implementing sales channel strategies
- (1) Strengthened partnerships with dealers

FY2012 Plan

- 1. Strengthening social infrastructure businesses
- (1) Address further post-earthquake restoration demand
- (2) Take full advantage of supplementary budgets (FIT scheme, approaching municipalities)
- 2. Strengthening service systems
- (1) Expand service business
- 3. Fortifying relationships with key customers and implementing sales channel strategies
- (1) Boost responsiveness toward customers' global strategies
- (2) Respond to needs of dealers



FY2012 Area Strategies (Japan)

Strengthen responsiveness to restoration Strengthen responsiveness to restoration demand demand **Plants** Address needs of foreign companies **Plants** Introduce environmentally friendly, New technologies advancing into Japan electricity-saving, and energy-saving and products products Expand sales of new inverters for air conditioning market Introduce new medium-capacity inverters **Enter new markets by using Schneider** Promote sales of synchronous motors **Components Electric Industries' products Expand lineup of IDC components** Components **Expand operations through M&A** Promote sales of IGBT for the automobile activities field Japan FY2012 ¥546.7 billion (FY2011 ¥525.1 billion) Step up customer retention efforts and Acquire strong market coverage for all **Existing technologies** expand share of in-store products equipment categories **Plants** and Common Advance into food distribution field Reduce costs of core products measures products Promote sales of medium- to largecapacity UPSs to the domestic Components Secure revenues by expanding sales of manufacturing sector maintenance and services **Existing customers New customers**



Cultivation of Globally Functional Human Resources

Strategies for cultivation of globally functional human resources

Raising globally functional human resources

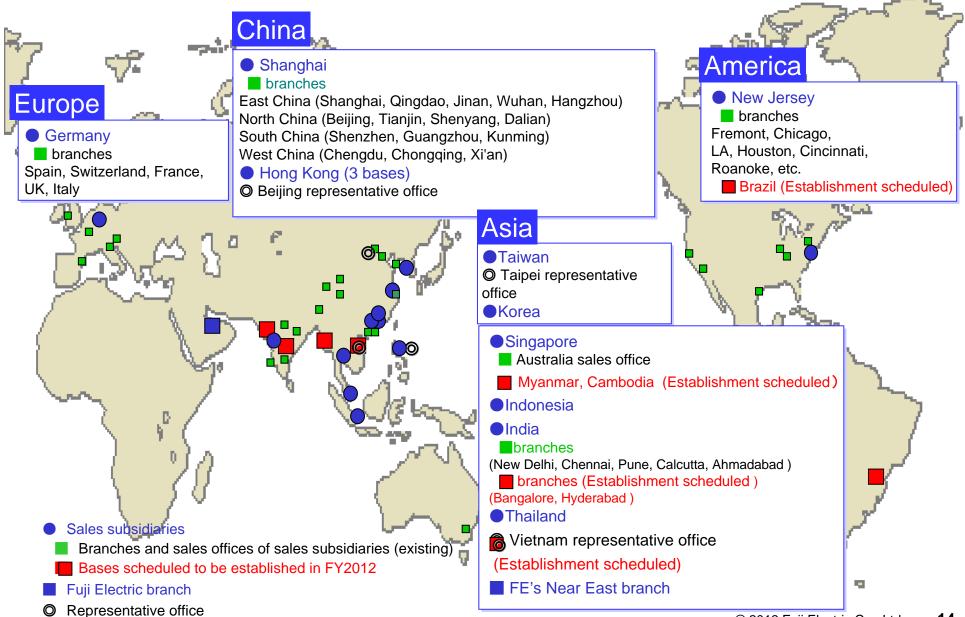
- Systematic development of future global managers
- ➤ Development of core personnel through enhancement of global-minded employee education programs
- ➤ Quick development of young employees through global trainee system

Strengthening global HRM

- ➤ Bolster local staff (assign local staff to management positions)
- Create global human resources infrastructure (develop and utilize databases)
- Create global career paths (increase exchange of personnel)



Overseas Sales Bases





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