



Power Electronics Business Strategies

May 17, 2012

Fuji Electric Co., Ltd.

Power Electronics Business Group

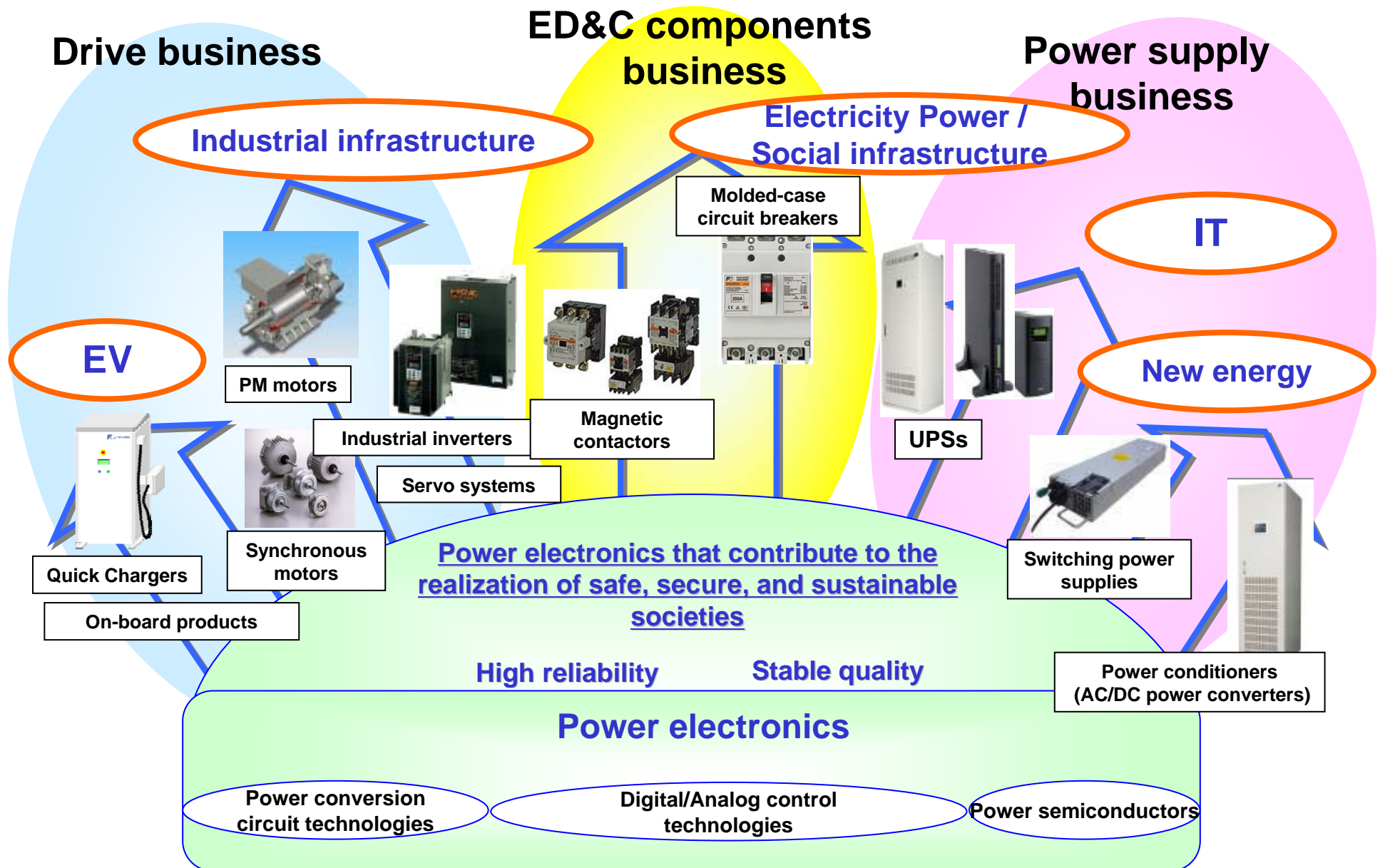


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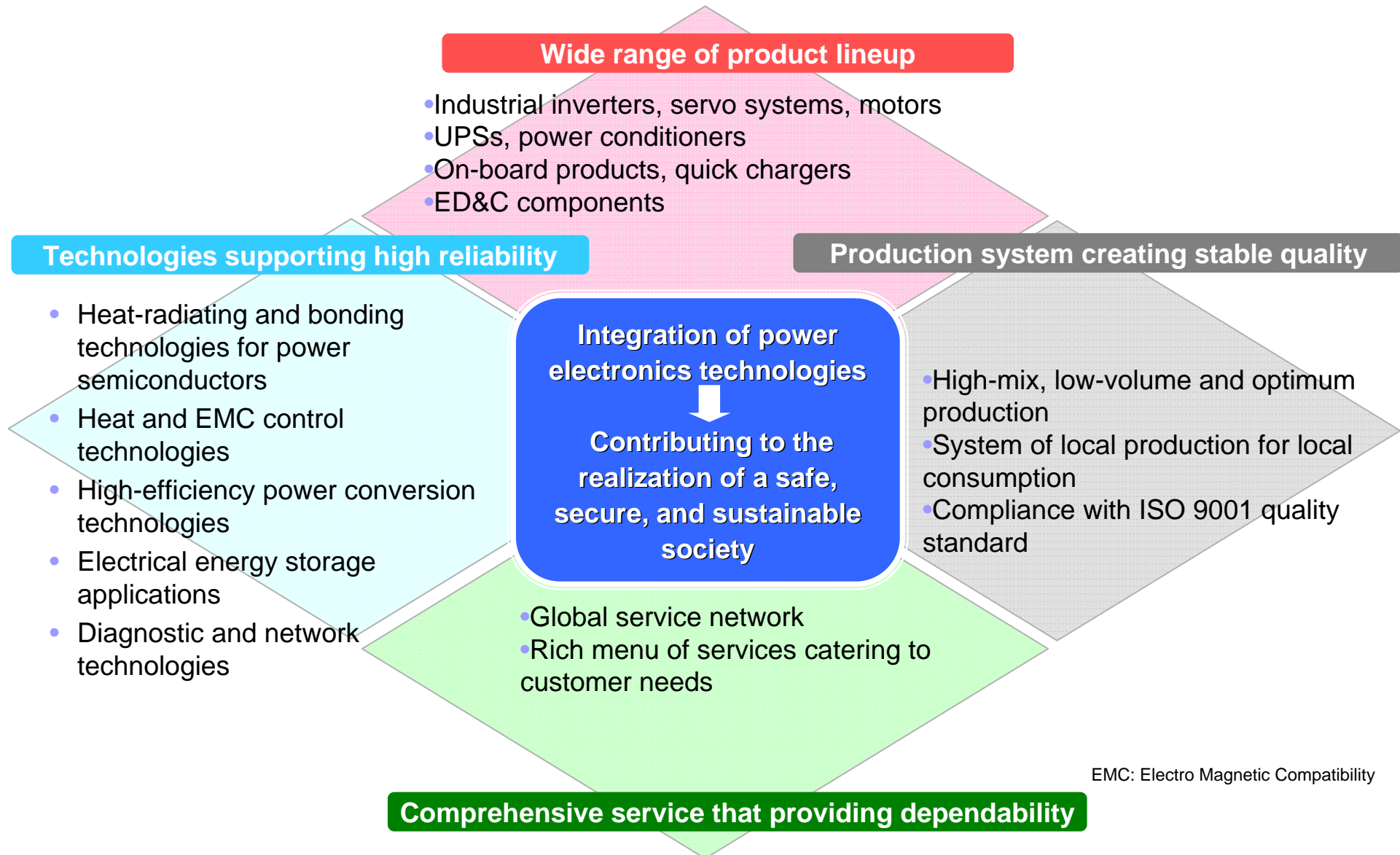


Business Overview





Business Strengths



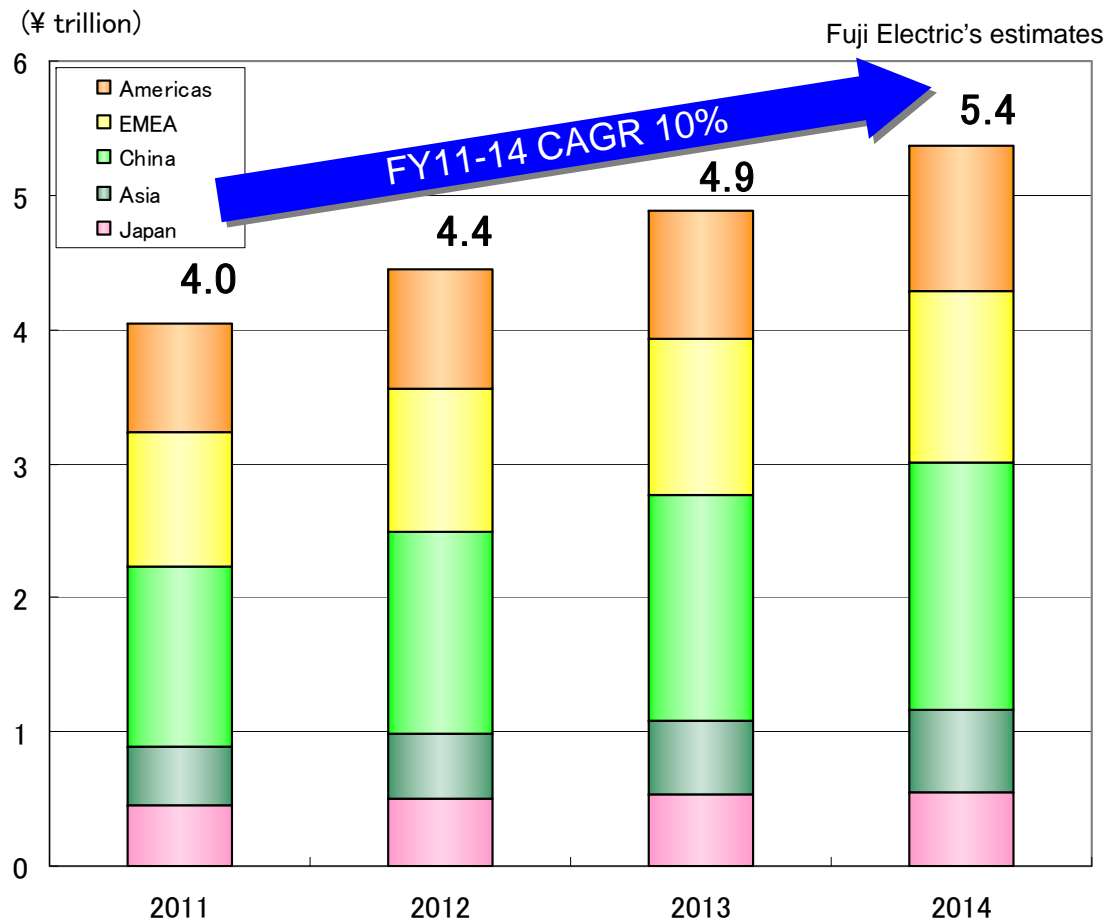
EMC: Electro Magnetic Compatibility

Business Targets



Market Trends

- Growth will be supported by China and Asia
- Markets will expand on a global basis due to rise in demand for energy-saving products and new energy
 - EV systems will begin to establish a presence in US and Chinese markets
 - Demand for power conditioners for mega solar systems will increase around the world



CAGR of each area

Americas
10%

EMEA
9%

EMEA: Europe, Middle East, Africa

China
12%

Asia
12%

Japan
6%

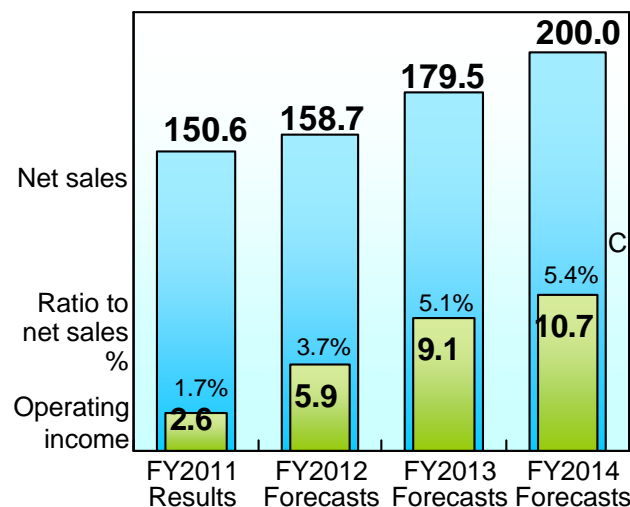


Business Targets

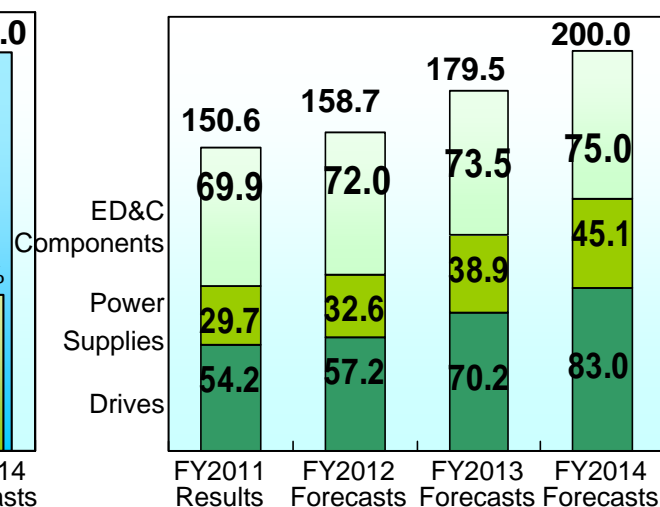
Basic Policy

- Providing the markets requiring high-quality and use of efficient energy with competitive drives, power supplies, and other power electronics products both component and in systems as Fuji Electric's core business
- Improving profitability expanding overseas sales centered on China and Asia (overseas sales ratio in FY2011: 32% → ratio in FY2014: 42%) through reducing costs and introducing new products on a global scale
- Thorough cost reduction in regard to drives
- Expand overseas power supply operations
- Accelerate introduction of new ED&C products

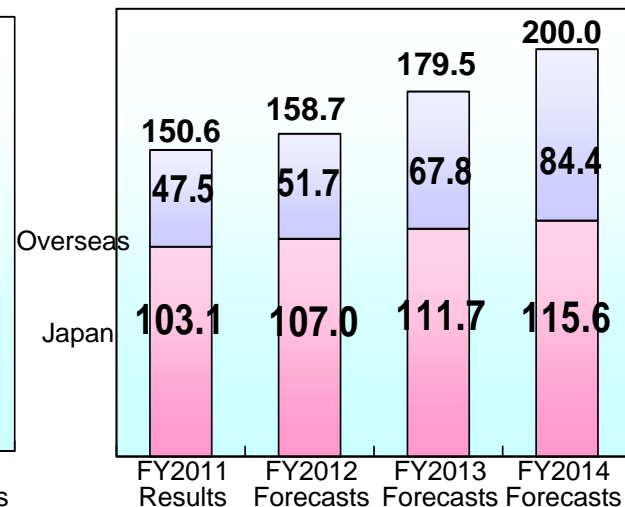
Net sales / Operating income (¥ billion)



Net sales by sub-segment (¥ billion)



Sales in Japan / Overseas (¥ billion)





FY2012 Business Strategies / Priority Measures



Business Strategies / Priority Measures for Drives

Business strategies

- Expand overseas sales and improve profitability by introducing new products
- Actively develop products for new growing field of EVs

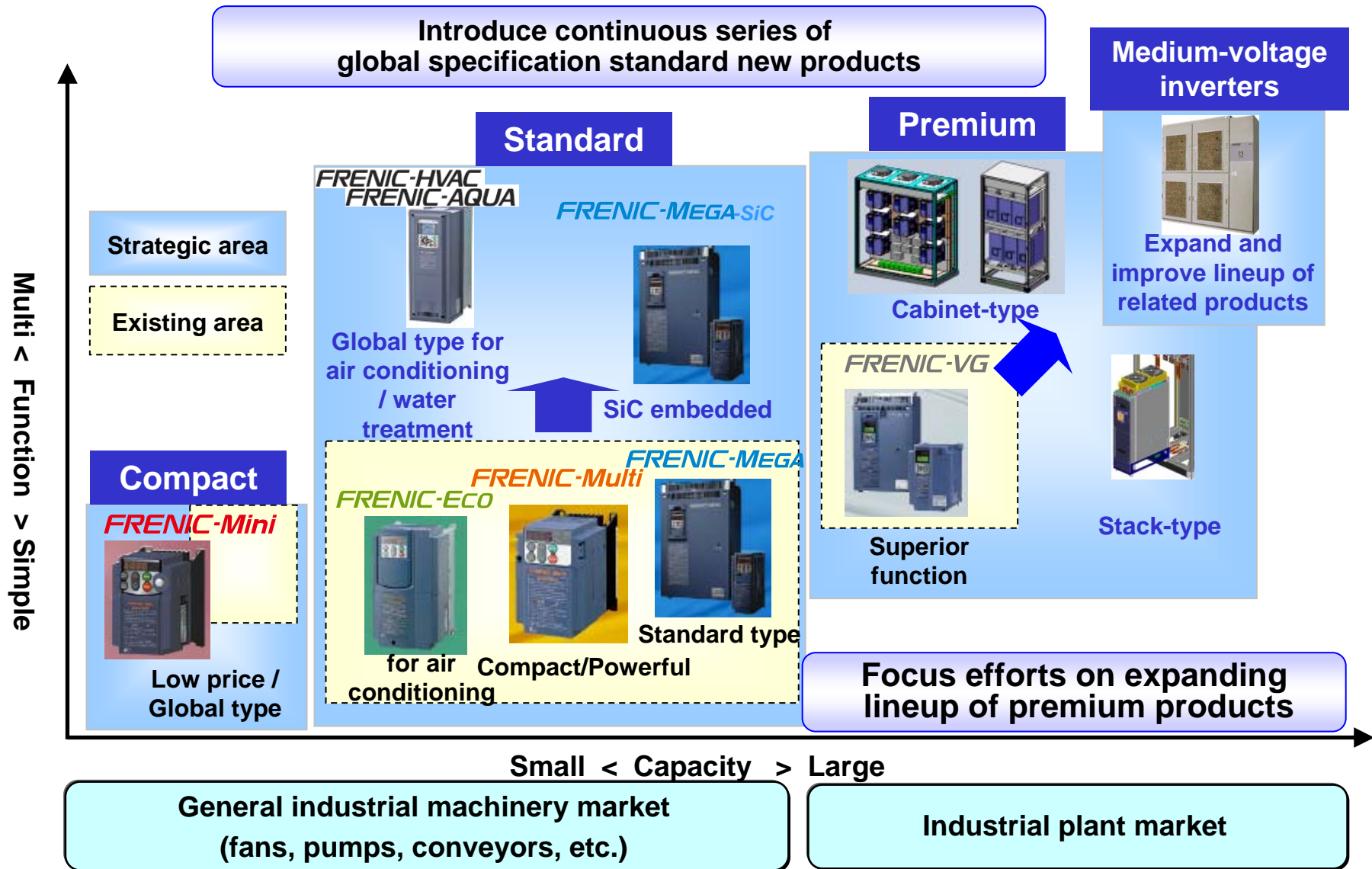
Priority measures

- Inverters: Develop market for products used in solutions and strengthen engineering capabilities
- Motors: Increase added-value nature of business through introduction of High-efficiency products
- EV: Bolster lineup of quick chargers and introduce on-board products into Chinese market
- Cost reduction initiatives
Pursue local production for local consumption by promoting local production of products (expand range of product produced overseas)
Reduce material costs through global procurement
- Shrink inventories through establishment of global supply chain



Priority Measures for Drives: Industrial Inverters

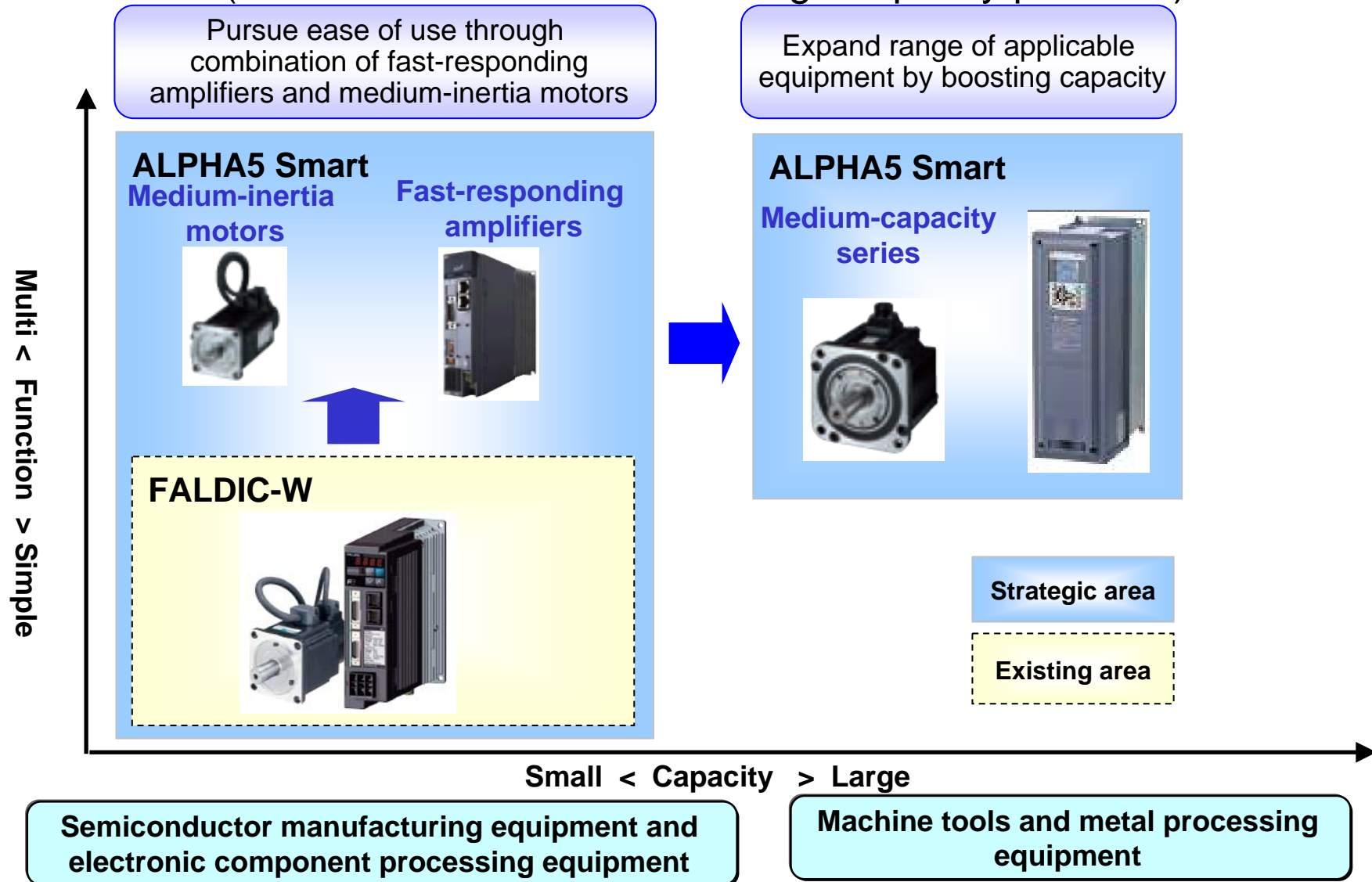
Expand solutions business through introduction of new-type inverters





Priority Measures for Drives: Servo Systems

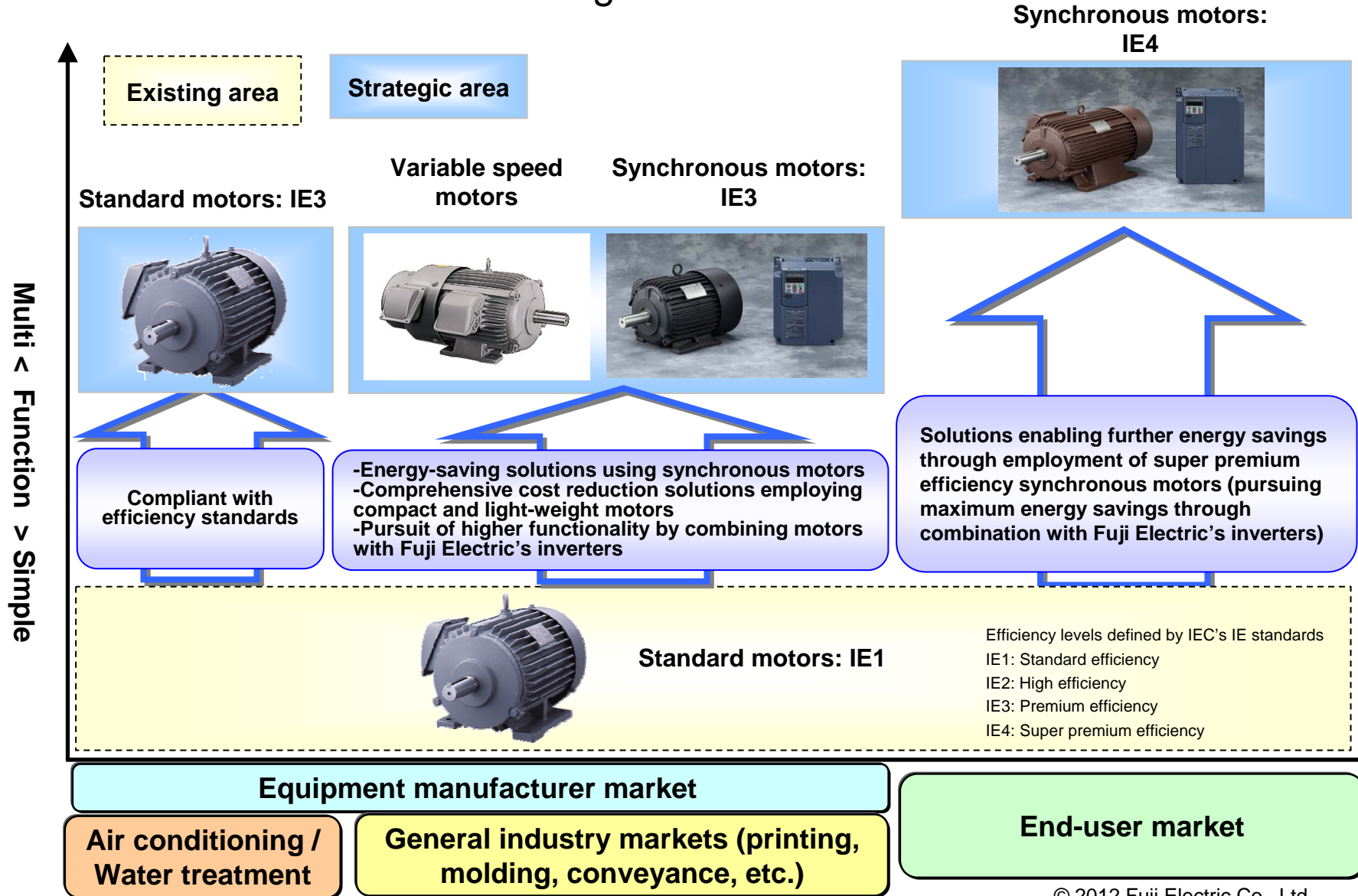
Expand overseas sales by utilizing new products
(bolster series of functional / high-capacity products)





Priority Measures for Drives: Motors

Introduce highly efficient motors and strengthen the solution combining with inverters



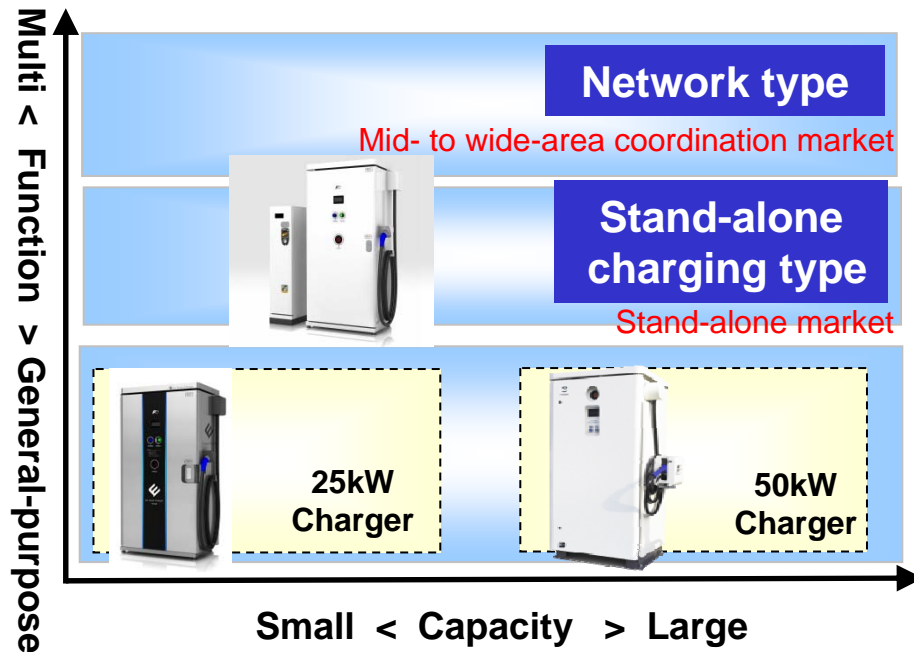


Priority Measures for Drives: EV Systems

Quick chargers: Enhance functionality of domestic lineup and develop overseas operations

On-board devices: Begin full-fledged advancement into Chinese market focusing on drives

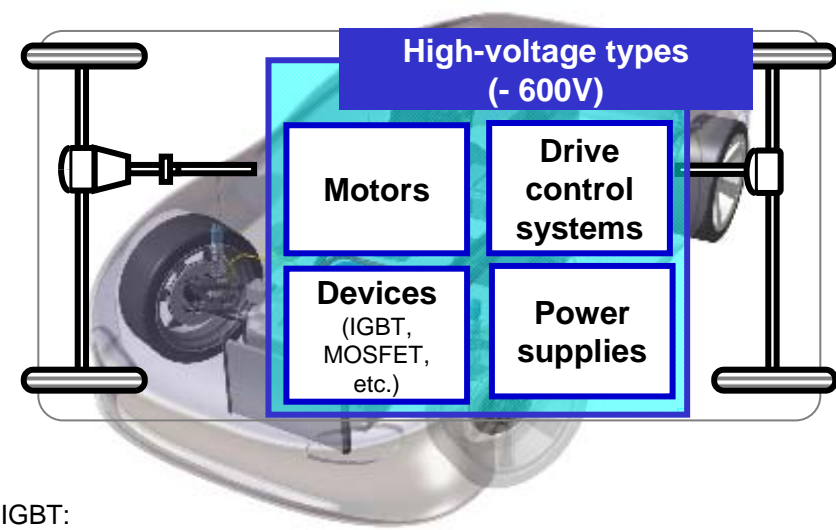
Quick Charger line-up



measures

Enhance functionality of domestic lineup (payment / transmission functions)
 Enter into US market by acquiring certification under UL standards

Applicable on-board products



IGBT:

insulated gate bipolar transistor

MOSFET:

metal oxide semiconductor field effect transistor

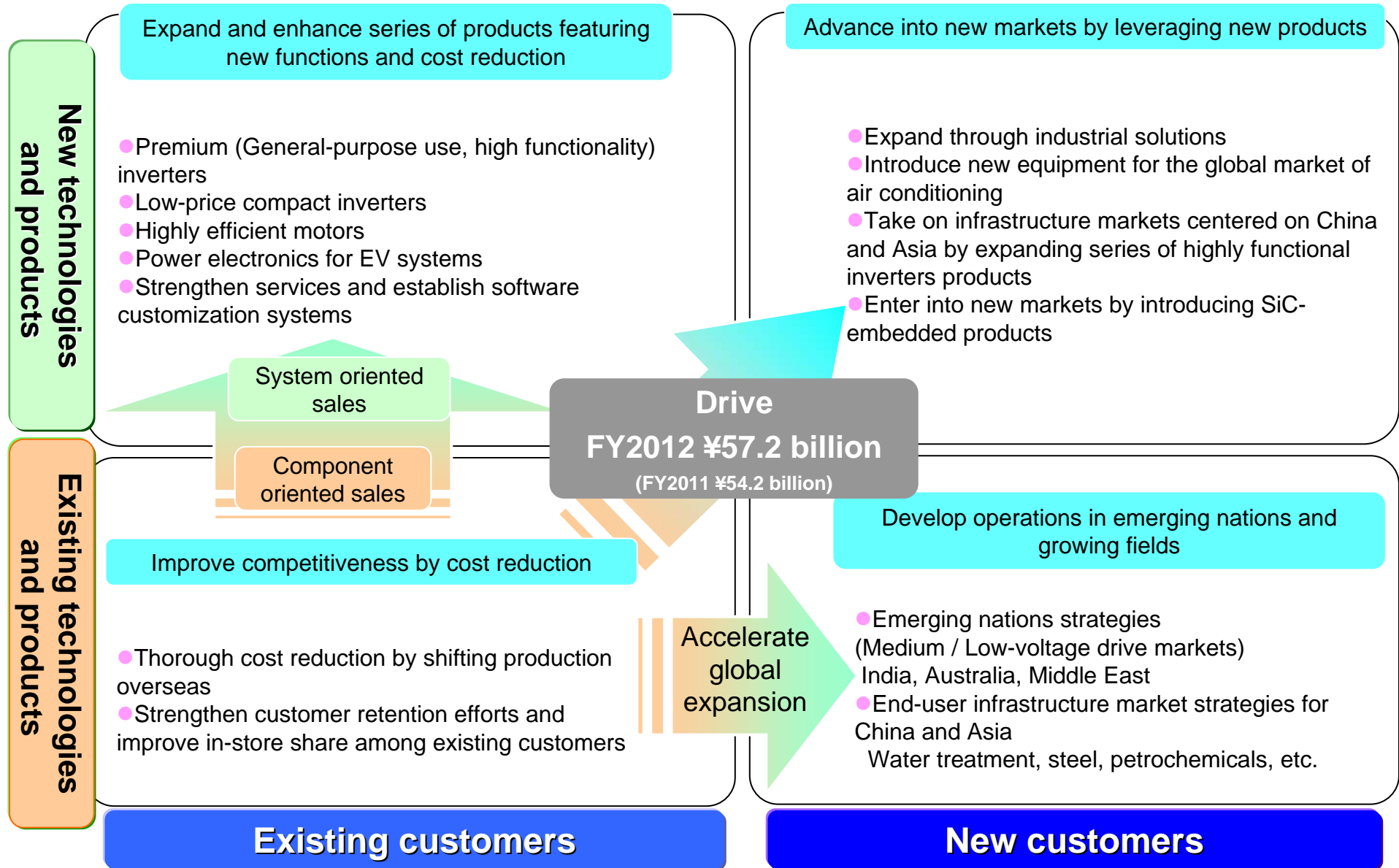
measures

For Chinese market

Introduce next-generation circuit boards for buses
 Enter into passenger vehicle drive market



Business Strategies for Drives



Business strategies

- Expand overseas operations
- Increase share in domestic market
- Focus on the new energy market, a growth field
- Cost reduction by shifting production overseas

Priority measures

- Expand UPS lineup centered on products for Chinese and Asian markets and establish sales system for these products
- Aggressively introduce high-efficiency products and promote sales of these products
- Introduce high-capacity power conditioners for mega solar systems
- Reduce costs by shifting production facilities to overseas bases, especially for overseas sales products
- Construct a globally competitive supply chain

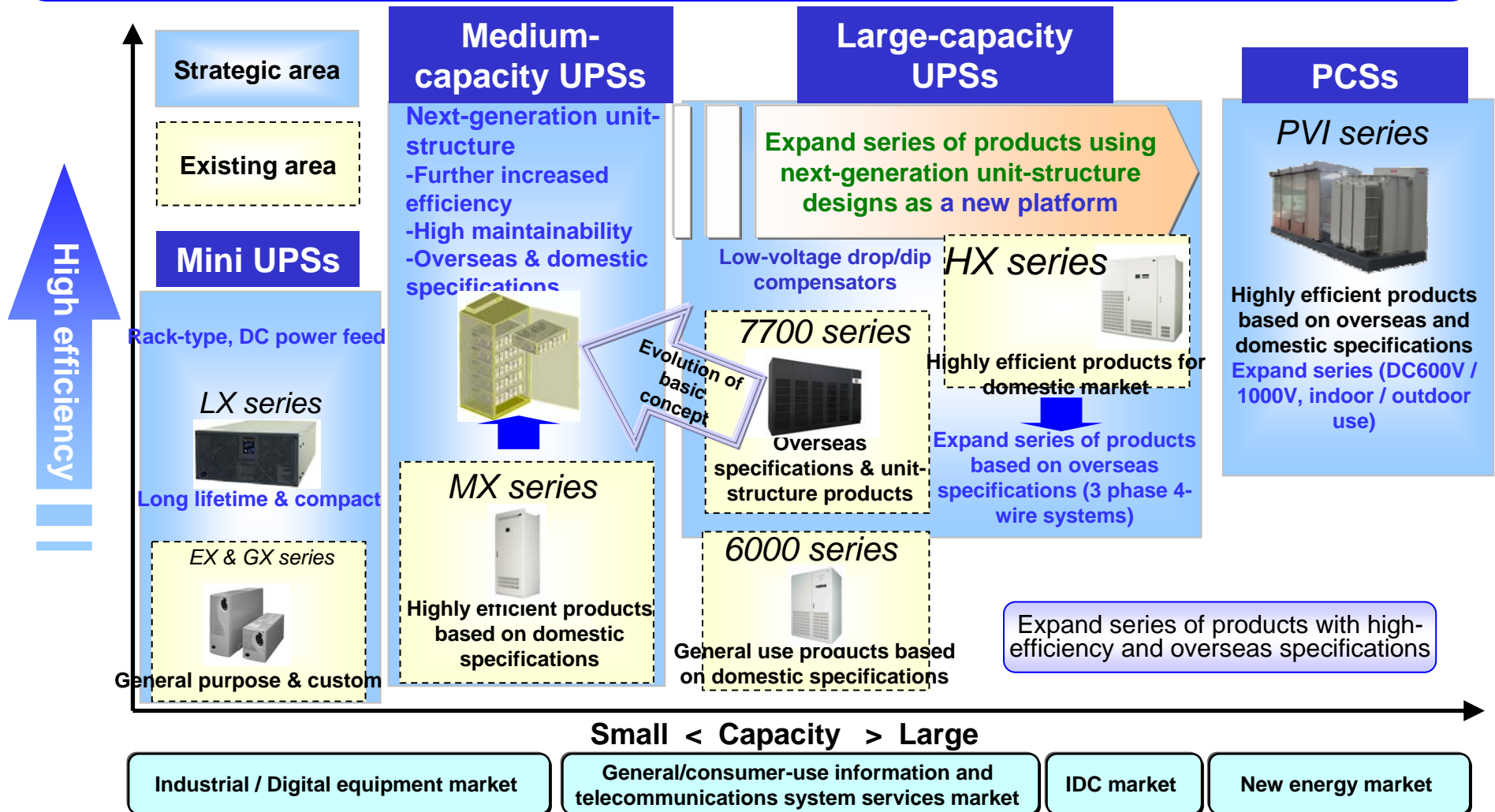


Priority Measures for Power Supplies

Begin full-fledged advancement into Chinese and Asian markets

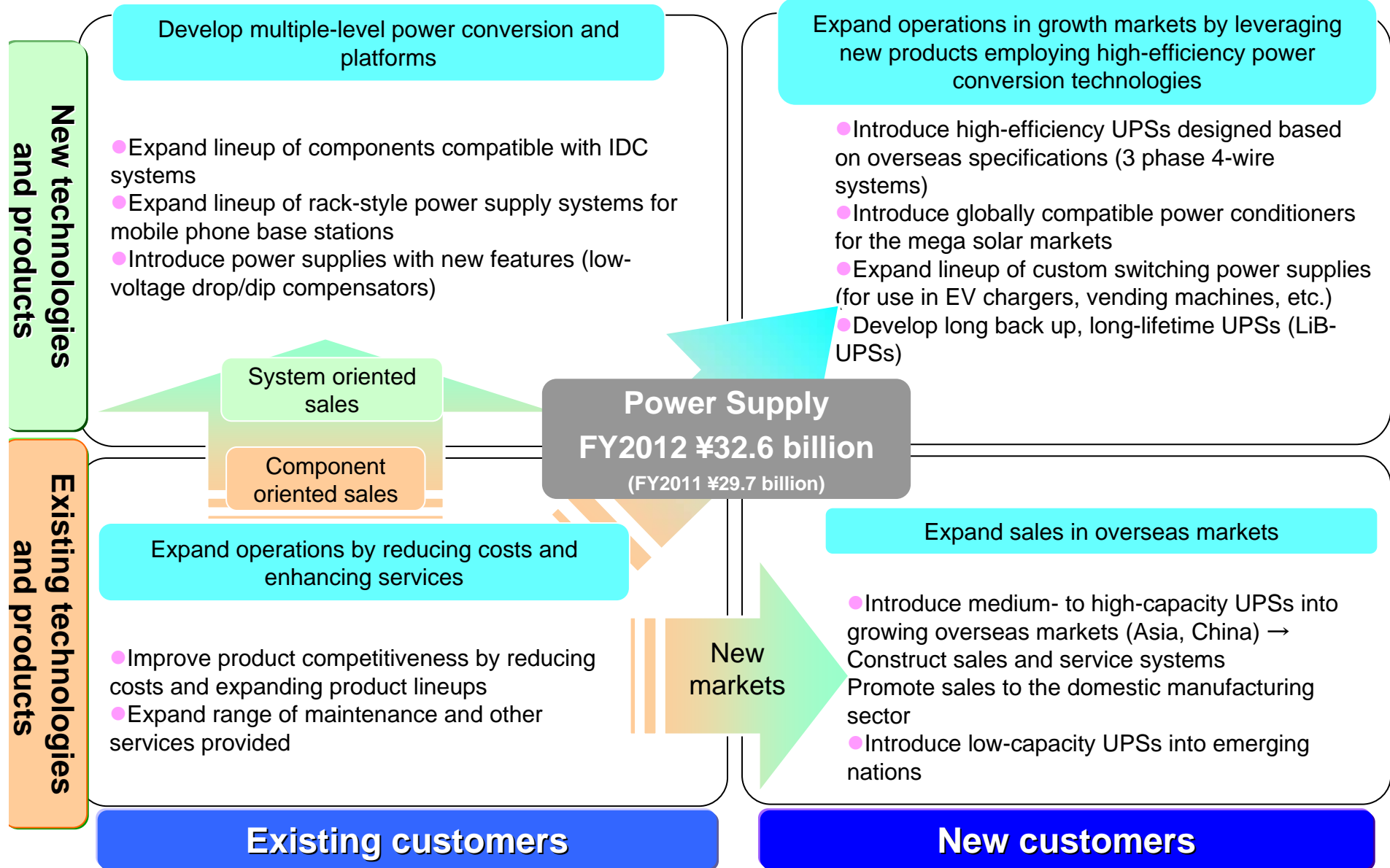
Actively introduce high-efficiency products utilizing new devices and highly efficient power conversion technologies

Develop and expand the new product series employing next-generation unit-structure designs





Business Strategies for Power Supplies





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