

Consolidated Financial Results for 1Q FY2011

July 29, 2011

Fuji Electric Co., Ltd.

Consolidated Financial Results for 1Q FY2011

Net sales decreased, operating results improved as reductions of cost of sales and fixed cost compensated for negative effects of lower selling prices, the strong yen, and higher material prices

(Billion yen)

	1Q FY2010	1Q FY2011	Change
Net Sales	142.4	140.1	-2.3
Operating Income/Loss	-5.6	-5.5	+0.2
Ordinary Income/Loss	-7.8	-7.1	+0.7
Extraordinary Income/Loss	23.6	-3.7	-27.3
Income Taxes	6.1	-5.9	-12.0
Minority Interest in income/loss	-0.3	0.4	+0.7
Net Income/Loss	10.0	-5.4	-15.3

Sales Exchange Rate US\$	¥ 92.01	¥ 81.74	¥ -10.27
Sales Exchange Rate EURO	¥ 116.99	¥ 117.40	¥ +0.41

Operating Income/Loss

Cost Reduction	+2.6	Price Decline	-2.2
Reduction in Fixed Cost	+3.0	Exchange Rate Effect	-1.4
		Material Price Hikes	-1.1
		Effect of Earthquake	-0.7
	+5.6		-5.4

Non-operating Income/Loss

Exchange Rate Effect	+1.5	Net Interest Expense	-0.3
		Income/Loss on Investment in Equity-method Affiliate	-0.7

Extraordinary Income/Loss

Loss on Revaluation of Investment Securities	+2.5	(-2.6→-0.1)
Effect of Applying Asset Retirement Obligations	+2.3	(-2.3→0.0)
Gain on Sales of an Investment Security	-30.2	(+30.2→0.0)
Production Plant Consolidation Expenses	-2.4	(0.0→-2.4)

Net Sales and Operating Income by Segment for 1Q FY2011^①

(Billion yen)

	Net Sales			Operating Income		
	1Q FY2010	1Q FY2011	Change	1Q FY2010	1Q FY2011	Change
Energy	9.1	8.6	-0.5	0.9	1.2	+0.3
Industrial Systems	15.8	14.2	-1.6	-1.0	-0.6	+0.4
Social Systems	22.3	20.3	-2.0	-2.4	-2.6	-0.2
Power Electronics	17.4	20.9	+3.5	-0.6	-0.9	-0.3

➤ **Energy**

Net sales decreased, regardless of strong sales of radiation dosimeters, due to lower orders for power facilities. Operating results improved due to strong sales of radiation dosimeters.

➤ **Industrial Systems**

Net sales decreased due to delaying of large-scale order for high-capacity rectification equipment. Operating results improved due to reduced expenses and cost of sales.

➤ **Social Systems**

Net sales and operating results worsened due to delayed large-scale smart community orders and lower orders for education systems in social information systems.

➤ **Power Electronics**

Net sales increased due to overseas and domestic growth of inverters and strong domestic demand for emergency power generators and UPSs. Operating results worsened due to the effects of the strong yen on foreign exchange and increased expenses from up-front investments in systems for EVs, etc.

Net Sales and Operating Income by Segment for 1Q FY2011②

(Billion yen)

	Net Sales			Operating Income		
	1Q FY2010	1Q FY2011	Change	1Q FY2010	1Q FY2011	Change
Electronic Devices	32.9	29.0	-3.9	0.1	-1.5	-1.6
Magnetic Disks	11.9	7.6	-4.4	0.1	-1.6	-1.7
ED&C Components	14.9	17.9	+3.0	0.1	1.4	+1.2
Vending Machines	18.1	19.1	+1.0	-1.5	-1.0	+0.5
Others	23.2	22.6	-0.6	-0.6	-0.2	+0.3
Elimination and Corporate	-11.1	-12.4	-1.2	-0.6	-1.1	-0.5
Total	142.4	140.1	-2.3	-5.6	-5.5	+0.2

➤ **Electronic Devices**

Power Semiconductors: Sales of products for power supplies continued to slump and the sales of products for automotive electronics applications fell following the earthquake, but sales of industrial products increased in Japan and overseas, resulting in year-on-year improvements in net sales and operating results.

Magnetic Disks: We worked to reduce cost of sales and expenses to compensate for the effects of decreased demand and unfavorable foreign exchange conditions, but net sales and operating results worsened.

➤ **ED&C Components**

Net sales and operating results improved greatly due to growth in Japanese and overseas markets as result of strong demand from Asia.

➤ **Vending Machines**

Net sales increased due to replacement demand for energy-saving vending machines. Operating results improved due to increased vending machine sales and reduction in fixed costs associated with vending machines and currency handling systems.

Consolidated Balance Sheet for FY2011

(Billion yen)

Assets	3/31/11	6/30/11	Change
Cash and time deposit	81.9	67.7	-14.2
Notes and account receivables, trade receivables	197.4	147.6	-49.8
Inventories	109.5	127.9	+18.4
Other current assets	54.3	60.8	+6.5
Total current assets	443.0	404.0	-39.0
Tangible fixed assets	165.9	161.8	-4.1
Intangible fixed assets	10.1	10.2	+0.1
Investments and other assets	186.6	179.2	-7.4
Total long-term assets	362.7	351.2	-11.4
Deferred assets	0.1	0.1	-0.0
Total assets	805.8	755.3	-50.5

Liabilities and Net Assets	3/31/11	6/30/11	Change
Notes and account payables, trade payables	134.7	115.9	-18.8
Interest-bearing Debts	274.0	259.0	-15.0
Other liabilities	222.2	213.7	-8.5
Total liabilities	630.9	588.7	-42.2
Common stock	47.6	47.6	—
Capital surplus	46.7	46.7	—
Retained earnings	54.4	47.7	-6.7
Treasury stock at cost	-7.1	-7.1	-0.0
Shareholders' equity	141.6	134.9	-6.7
Accumulated other comprehensive income	13.8	12.0	-1.8
Minority interests in consolidated subsidiaries	19.6	19.8	+0.2
Total net assets	174.9	166.7	-8.3
Total liabilities and net assets	805.8	755.3	-50.5

Total Net Assets Ratio (%)*	19.3	19.4	+0.1
Net Interest-bearing Debts	192.2	191.3	-0.9
Net Debt-Equity Ratio (times)	1.2	1.3	+0.1

*Minority interests in consolidated subsidiaries is not included.

Consolidated Financial Forecasts for 1H FY2011

Consolidated Forecasts for 1H FY2011

Net sales increased and operating results improved due to greater sales volumes and cost reductions, offsetting lower selling prices, higher material prices, and unfavorable foreign exchange conditions

(Billion yen)

	1H FY2010 Results	1H FY2011 Forecasts	Change
Net Sales	297.5	316.0	+18.5
Operating Income/Loss	-11.0	-8.5	+2.5
Ordinary Income/Loss	-16.7	-12.5	+4.2
Net Income/Loss	1.7	-7.0	-8.7

Operating Income/Loss

Cost Reduction	+7.1	Price Decline	-5.8
Increase in Sales Quantity	+7.1	Exchange Rate Effect	-2.6
Reduction in Fixed Cost	+0.6	Material Price Hikes	-2.5
		Effect of Earthquake	-1.4
	+14.8		-12.3

Assumed exchange rate in 2Q

	US\$	EURO
Sales Exchange Rate (Yen)	¥ 80.00	¥ 105.00
One Yen Effect (Million yen)	120	30

*Operating income basis

Sales Exchange Rate US\$	¥ 88.95	¥ 80.87	¥ -8.08
Sales Exchange Rate EURO	¥ 113.85	¥ 111.20	¥ -2.65

Net Sales and Operating Income by Segment for 1H FY2011

(Billion yen)

	Net Sales			Operating Income			Net Sales	Operating Income
	1H FY2010 Results	1H Y2011 Forecasts	Change	1H Y2010 Results	1H Y2011 Forecasts	Change		
Energy	16.9	22.0	+5.1	0.3	1.4	+1.1	63.0	6.3
Industrial Systems	33.3	34.5	+1.2	-1.3	-1.0	+0.3	82.0	2.2
Social Systems	50.0	53.0	+3.0	-4.2	-3.4	+0.8	140.0	5.1
Power Electronics	38.8	45.0	+6.2	-0.7	-1.5	-0.8	100.0	4.1
Electronic Devices	61.8	61.5	-0.3	-1.9	-1.7	+0.2	131.8	3.3
Magnetic Disks	19.8	16.3	-3.5	-2.3	-1.4	+0.9	35.0	0.0
ED&C Components	31.5	35.5	+4.0	1.0	2.4	+1.4	70.0	4.0
Vending Machines	39.8	39.0	-0.8	-2.4	-1.1	+1.3	79.0	1.4
Others	51.4	49.0	-2.4	-0.4	-0.3	+0.1	117.5	1.7
Elimination and Corporate	-26.0	-23.5	+2.5	-1.5	-3.3	-1.8	-53.3	-6.1
Total	297.5	316.0	+18.5	-11.0	-8.5	+2.5	730.0	22.0

【Reference】 Net Sales and Operating Income by New Segment for FY2010

(Billion yen)

	Net Sales					Operating Income				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
Energy	9.1	7.8	10.9	21.7	49.5	0.9	-0.6	2.1	3.2	5.6
Industrial Systems	15.8	17.6	16.7	31.5	81.6	-1.0	-0.2	-0.7	3.6	1.6
Social Systems	22.3	27.7	28.9	55.3	134.2	-2.4	-1.8	-0.1	7.1	2.8
Power Electronics	17.4	21.4	22.1	27.2	88.1	-0.6	-0.0	1.1	1.8	2.2
Electronic Devices	32.9	28.9	31.0	33.1	125.9	0.1	-2.0	-1.3	1.1	-2.0
Magnetic Disks	11.9	7.9	10.5	10.0	40.4	0.1	-2.4	-2.6	-0.3	-5.2
ED&C Components	14.9	16.6	16.5	17.5	65.5	0.1	0.9	1.0	0.9	2.9
Vending Machines	18.1	21.7	20.6	25.4	85.8	-1.5	-0.9	0.5	2.3	0.4
Others	23.2	28.2	27.0	37.6	115.9	-0.6	0.2	0.3	2.2	2.1
Elimination and Corporate	-11.1	-14.9	-14.7	-16.6	-57.4	-0.6	-0.9	-1.1	-0.9	-3.4
Total	142.4	155.1	159.0	232.6	689.1	-5.6	-5.4	1.7	21.2	11.9

【Reference】 Net Sales and Operating Income by New Segment for FY2009

(Billion yen)

	Net Sales					Operating Income				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
Energy	13.7	12.6	8.7	17.4	52.4	1.5	1.7	0.8	3.2	7.2
Industrial Systems	17.0	24.5	21.8	35.7	99.0	-0.3	0.8	0.8	2.6	3.9
Social Systems	23.3	32.9	29.0	62.7	147.9	-2.0	0.7	-0.8	8.2	6.1
Power Electronics	9.5	13.1	17.1	21.0	60.8	-0.8	-0.5	0.3	3.7	2.7
Electronic Devices	21.4	25.5	31.2	37.7	115.8	-9.9	-4.9	-2.0	2.8	-14.0
Magnetic Disks	7.9	8.2	12.2	16.2	44.4	-3.0	-3.7	-2.0	1.3	-7.4
ED&C Components	8.2	10.3	12.5	13.9	44.9	-1.8	-1.9	-0.6	-0.4	-4.7
Vending Machines	21.9	22.2	19.4	27.9	91.4	-0.3	-1.9	-1.1	2.4	-0.8
Others	28.0	31.7	26.5	41.7	128.0	-0.8	1.0	0.5	2.1	2.8
Elimination and Corporate	-10.7	-14.0	-10.7	-13.6	-48.9	-0.2	-0.8	-0.8	-0.5	-2.3
Total	132.3	158.9	155.5	244.6	691.2	-14.6	-5.9	-2.8	24.2	0.9

Disclaimer

1. These materials are outside the scope of auditing procedures required by law, and as of the date of this results presentation, financial statement auditing procedures required by law have not yet been completed.
2. Statements made in this documents or in the presentation to which they pertain regarding estimates or projections are forward-looking statements based on the company's judgments and assumptions in light of information currently available. Actual results may differ materially from those projected as a result of uncertainties inherent in such judgments and assumptions, as well as changes in business operations or other internal or external conditions. Accordingly, the company gives no guarantee regarding the reliability of any information contained in these forward-looking statements.
3. These documents are for information purpose only, and do not constitute an inducement by the company to make investments.
4. Unauthorized reproduction of these documents, in part or in whole, is prohibited.