

Review of Operations — Management Plan for Fiscal 2013

Expand Sales and Profit Mainly in Power Electronics and Semiconductors

In fiscal 2013, we envision net sales rising ¥4.2 billion year on year to ¥750.0 billion with operating income growing ¥5.0 billion to ¥27.0 billion. We aim to accomplish this mainly by expanding power electronics and semiconductors on the back of domestic and overseas recovery in capital expenditures, and climbing demand for solar power generation systems in Japan.

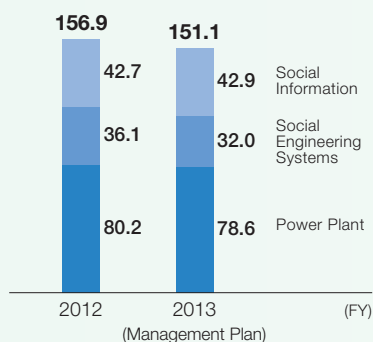
We will take the following initiatives in each segment.

* Effective April 1, 2013, changes were made to subsegments in the Power and Social Infrastructure, Industrial Infrastructure, Power Electronics, and Others segments reflecting revisions to the segments' scope of operations. Accordingly, fiscal 2012 results are shown here under the new segmentation.

Power and Social Infrastructure

Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Subsegments

(Billions of yen)

Subsegments	Main Business Areas
Power Plant	Thermal/Geothermal/ Hydraulic power generation Nuclear power-related equipment Solar power generation systems
Social Engineering Systems	Energy management systems Watt-hour meters
Social Information	Information systems

Forecast for Fiscal 2013 Sales and Operating Results

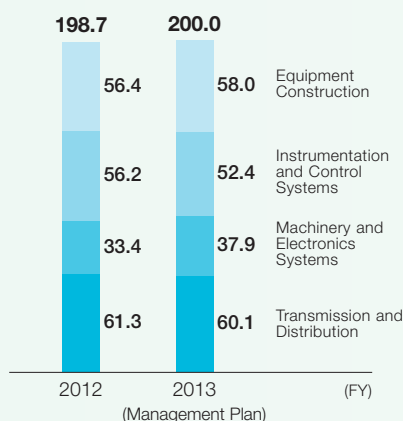
Despite strong growth in solar power generation systems, we project the segment's net sales will edge down ¥5.8 billion year on year to ¥151.1 billion in fiscal 2013, owing to fewer large projects for thermal power plants and a lapse in demand before the switchover to smart meters (next generation watt-hour meters) from watt-hour meters.

We are projecting operating income to decline by ¥0.4 billion year on year to ¥8.0 billion.

Industrial Infrastructure

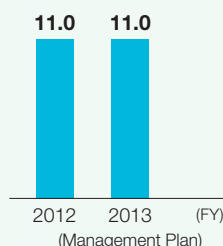
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Subsegments

(Billions of yen)

Subsegments	Main Business Areas
Transmission and Distribution	Transmission and distribution equipment, Industrial power supply equipment
Machinery and Electronics Systems	Industrial drive systems, Heating and induction furnace equipment Factory energy management systems Data centers, Clean room facilities
Instrumentation and Control Systems	Plant control systems, Measurement systems Radiation monitoring systems
Equipment Construction	Electrical and air conditioning equipment installation

Forecast for Fiscal 2013 Sales and Operating Results

We project that the segment's net sales will edge higher by ¥1.2 billion year on year to ¥200.0 billion, driven by higher sales of products and systems for overseas markets, and despite a decline in sales relating to radiation equipment.

We expect that operating income will be on par with the previous year at ¥11.0 billion.

	Net Sales			Operating Income/Loss		
	(Billions of yen)			(Billions of yen)		
	FY2012	FY2013	Change	FY2012	FY2013	Change
Power and Social Infrastructure	156.9	151.1	-5.8	8.4	8.0	-0.4
Industrial Infrastructure	198.7	200.0	1.2	11.0	11.0	0
Power Electronics	148.4	164.5	16.1	1.2	4.8	3.6
Electronic Devices	113.6	111.7	-1.9	-1.4	1.5	2.9
Food and Beverage Distribution	112.1	115.4	3.3	6.4	6.7	0.3
Others	60.6	56.9	-3.7	1.6	1.5	-0.1
Elimination and Corporate	-44.5	-49.4	-5.0	-5.3	-6.6	-1.3
Total	745.8	750.0	4.2	22.0	27.0	5.0

Initiatives in Fiscal 2013

Expand Orders and Sales of Solar Power Generation Systems, and Increase Orders for Thermal and Geothermal Power Station Systems

In the power generation business, we will work to increase orders and sales for solar power generation systems in line with anticipated strong demand in Japan. We will also work to increase orders for thermal and geothermal power generation systems in Asia and other overseas markets.

In social engineering systems, we will endeavor to commercialize smart communities. In addition, further development initiatives pertaining to full-scale introduction of smart meters will be advanced together with preparations for the mass production of these meters.



Work to expand orders and sales of solar power generation systems (Kyushu Solar Farm 7 Miyama Joint Power Station)



A power conditioner

Initiatives in Fiscal 2013

Focus on Energy-saving Businesses and Strengthen Operations in Asia

Fuji Electric will focus on capturing replacement demand in Japan and on energy-saving businesses. Overseas, business expansion efforts will be focused on Asia.

In transmission and distribution, we will consolidate businesses handling power transformation equipment, which is vital to infrastructure building, accelerate new product development, and strengthen our ability to compete on price by expanding overseas production sites.

For machinery and electronics systems, we will use electricity and heat energy visualization and optimization to make entire factories more energy efficient, including machinery, and increase their productivity.

In instrumentation and control systems, we will link various equipment and systems to provide total solutions for entire plants.

Further, we will collaborate with the segment's equipment construction business to bolster engineering services and further expand the solutions business.

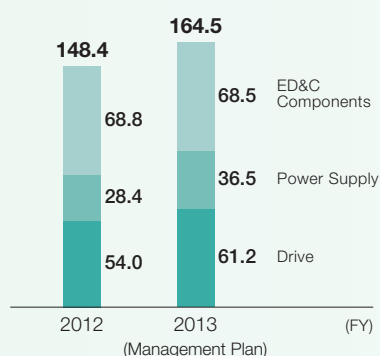


Transforming equipment being installed onsite for Kappa Substation of Eskom Holdings, a state owned-power producer in the Republic of South Africa

Power Electronics

Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Subsegments

Drive
Power Supply
ED&C Components

Main Business Areas

Inverters/ Servo systems, Motors
EV systems, Transport systems
Uninterruptible power supply systems (UPSs)
Power conditioners (PCs)
Power distribution and control equipment

Forecast for Fiscal 2013 Sales and Operating Results

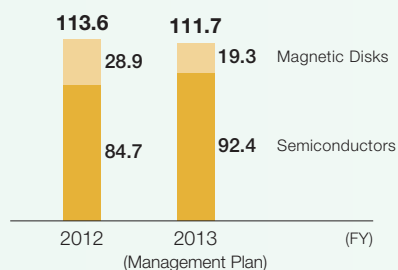
We are projecting a ¥16.1 billion increase in the segment's net sales to ¥164.5 billion. The main factors are expected to be sales expansion, mainly of new inverter products, and higher sales of PCs.

Operating income is expected to climb ¥3.6 billion to ¥4.8 billion, owing to the increase in sales, coupled with the beneficial effects of business restructuring carried out in the previous fiscal year.

Electronic Devices

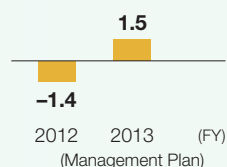
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Subsegments

Semiconductors
Magnetic Disks

Main Business Areas

Power semiconductors
Photoconductive drums, Solar cells
Magnetic disks

Forecast for Fiscal 2013 Sales and Operating Results

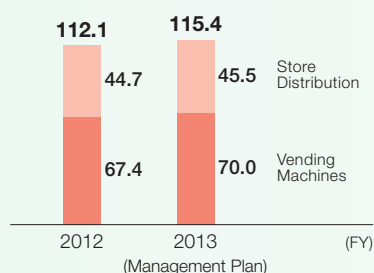
We project that the segment's net sales will edge lower by ¥1.9 billion year on year to ¥111.7 billion, due to a sharp drop in sales of magnetic disks. Meanwhile, we are projecting higher sales for power semiconductors, mainly in the industrial and automotive sectors.

Operating income is projected to return to profit, changing by ¥2.9 billion year on year to ¥1.5 billion. This result is expected due to the effects of increased sales of power semiconductors and business restructuring in the previous fiscal year. Profits are expected to decline in magnetic disks, however.

Food and Beverage Distribution

Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Subsegments

Vending Machines
Store Distribution

Main Business Areas

Food and beverage vending machines
Retail distribution systems
Showcases
Currency handling equipment

Forecast for Fiscal 2013 Sales and Operating Results

We are projecting segment net sales to increase ¥3.3 billion year on year to ¥115.4 billion. We expect the increase to be driven by higher sales of vending machines in Japan and expanded vending machine operations in China, along with higher sales of retail distribution systems. Meanwhile, sales will be offset by lower sales from vending machine contents (food and beverages) as sales of these have stopped.

We are projecting operating income to grow by ¥0.3 billion year on year to ¥6.7 billion, due to the effect of increased sales and reduced costs.

Initiatives in Fiscal 2013

Overseas Sales Growth Driven by Global Launch of New Products

For drives and power supplies, we will proactively develop and launch new products for the global market in our mainstay areas including inverters, UPSs, and PCs. Concurrently, we will work to reinforce our price competitiveness by expanding production at our new factory in Thailand. We will also focus on developing new products equipped with next-generation power semiconductors (SiC devices), which offer lower power consumption, strong performance in high temperature environments, and miniaturization of the equipment in which they are used.

In ED&C components, we will concentrate on the new energy field in Japan while striving to enhance product lineups and grow sales in Asia and China.



Develop global products such as compact inverters (left) and uninterruptible power supply systems (UPSs) (right) to expand business in Asia and China

Initiatives in Fiscal 2013

Strengthen Power Semiconductors in the Industrial and Automotive Sectors

We will target power semiconductor sales growth, driven by demand recovery in the industrial sector and robust demand in the automotive sector.

In addition, we will look to increase productivity by starting up processing lines for 8-inch wafers, while enhancing price competitiveness by expanding overseas production in countries like Malaysia and China. Moreover, we will speed up the spread of SiC devices—next-generation power semiconductors—by establishing state-of-the-art processing lines for 6-inch wafers for their production.



Start of processing and mass-production of 8-inch wafers for power semiconductors at the Yamanashi Factory

Initiatives in Fiscal 2013

Launch New Vending Machine Models and Increase Business in China

In vending machines, we will bolster development of hybrid heat pump vending machines and other environmentally friendly vending machines.

Additionally, we will work to increase business in China's growing vending machine market by reinforcing our operations capabilities with the addition of two local subsidiaries as consolidated subsidiaries from fiscal 2013.

In store distribution, we will strive to grow orders for store equipment from supermarkets and convenience stores. We will also take steps to expand into new fields such as refrigerated distribution, providing total solutions that leverage our cooling technology to cover every part of the journey from where food is produced to where it is consumed.



Hybrid heat-pump vending machines significantly reduce power consumption