

**Consolidated Financial Report for the fiscal year ended March 31, 2012**  
**(April 1, 2011 — March 31, 2012)**

**Summary of Consolidated Financial Results**

**1. Summary of consolidated statements of operations**

	Millions of yen		Change(%) (A)/(B)	Millions of U.S. dollars
	FY2011 (A)	FY2010 (B)		FY2011
Net sales	703,534	689,065	102.1%	8,580
Operating income	19,252	11,917	161.6%	235
Ordinary income	18,554	7,225	256.8%	226
Net income	11,801	15,104	78.1%	144
	Yen			U.S. dollars
Net income per share	16.52	21.14	78.1%	0.20

**2. Summary of consolidated financial position**

	Millions of yen		Millions of U.S. dollars
	3/31/2012	3/31/2011	3/31/2012
Total assets	792,848	805,797	9,669
Net assets	183,217	174,935	2,234
Net assets ratio (%)	20.6%	19.3%	-

Note: 1) U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥82=U.S.\$1  
2) The company has 47 consolidated subsidiaries and 4 equity-method affiliates.

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2013**  
**(April 1, 2012 - March 31, 2013)**

	Millions of yen
	FY2012
Net sales	750,000
Operating income	23,000
Ordinary income	22,000
Net income	13,000
	Yen
	FY2012
Net income per share	18.19

< Cautionary Statements With Respect to Forward-Looking Statement >

Statements made in this financial report with respect to Fuji Electric's future performance are forward-looking statements based on management's assumptions and beliefs in light of the information currently available to it. Accordingly, actual results could differ from those contained in any forward-looking statements. Potential risks and uncertainties include :

- Sudden changes in general economic conditions in Fuji Electric's markets and changes in its operating environment such as those resulting from changes in trade regulations
- Exchange rate, particularly between the yen and the U.S. dollar and Asian and European currencies
- The ability of Fuji Electric and its subsidiaries to develop and introduce products that incorporate new technology in a timely manner and to manufacture them in a cost-effective way
- The rapid pace of technological innovation, especially in the field of electronics
- Sudden changes in the supply and demand balance in the markets Fuji Electric serves
- Problems involving the intellectual property of Fuji Electric and other companies
- Stock market conditions in Japan

**Consolidated Balance Sheets**

	Millions of yen		Millions of U.S. dollars
	3/31/2012	3/31/2011	3/31/2012
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	64,323	81,883	784
Notes and accounts receivable-trade	199,677	197,350	2,435
Merchandise and finished goods	40,860	37,935	498
Work in process	62,129	41,132	758
Raw materials and supplies	30,323	30,383	370
Deferred tax assets	20,131	15,849	246
Other	36,587	39,050	446
Allowance for doubtful accounts	-836	-561	-10
<b>Total Current assets</b>	<b>453,197</b>	<b>443,024</b>	<b>5,527</b>
<b>Noncurrent assets:</b>			
Property, plant and equipment			
Buildings and structures, net	71,835	75,039	876
Machinery, equipment and vehicles, net	22,649	30,491	276
Tools, furniture and fixtures, net	3,674	3,895	45
Land	26,623	27,697	325
Lease assets, net	28,758	27,535	351
Construction in progress	4,898	1,271	60
<b>Total Property, plant and equipment</b>	<b>158,439</b>	<b>165,931</b>	<b>1,932</b>
Intangible assets	11,181	10,146	136
Investments and other assets			
Investment securities	125,592	129,333	1,532
Long-term loans receivable	1,530	2,037	19
Prepaid pension cost	31,459	43,444	384
Deferred tax assets	4,319	4,634	53
Other	8,493	8,556	104
Allowance for doubtful accounts	-1,482	-1,421	-18
<b>Total Investments and other assets</b>	<b>169,911</b>	<b>186,584</b>	<b>2,072</b>
<b>Total Noncurrent assets</b>	<b>339,532</b>	<b>362,662</b>	<b>4,141</b>
<b>Deferred assets</b>	<b>117</b>	<b>109</b>	<b>1</b>
<b>Total assets</b>	<b>792,848</b>	<b>805,797</b>	<b>9,669</b>

# Consolidated Balance Sheets

	Millions of yen		Millions of U.S. dollars
	3/31/2012	3/31/2011	3/31/2012
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	136,466	134,686	1,664
Short-term loans payable	108,062	87,850	1,318
Commercial papers	10,000	-	122
Current portion of bonds	60,000	40,000	732
Lease obligations	11,102	9,608	135
Accrued expenses	36,423	36,178	444
Income taxes payable	1,905	2,416	23
Advances received	46,575	37,539	568
Other	55,277	56,618	674
<b>Total current liabilities</b>	<u>465,814</u>	<u>404,898</u>	<u>5,681</u>
<b>Noncurrent liabilities:</b>			
Bonds payable	31,010	71,010	378
Long-term loans payable	46,792	75,158	571
Lease obligations	22,521	23,228	275
Deferred tax liabilities	26,814	38,263	327
Provision for retirement benefits	10,849	12,647	132
Provision for directors' retirement benefits	375	365	5
Other	5,453	5,289	67
<b>Total Noncurrent liabilities</b>	<u>143,816</u>	<u>225,963</u>	<u>1,754</u>
<b>Total Liabilities</b>	<u>609,630</u>	<u>630,861</u>	<u>7,435</u>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	580
Capital surplus	46,734	46,734	570
Retained earnings	63,438	54,378	774
Treasury stock	-7,110	-7,106	-87
<b>Total Shareholders' equity</b>	<u>150,648</u>	<u>141,592</u>	<u>1,837</u>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	18,848	19,895	230
Deferred gains or losses on hedges	-81	4	-1
Foreign currency translation adjustments	-5,838	-6,136	-71
<b>Total Accumulated other comprehensive income</b>	<u>12,928</u>	<u>13,762</u>	<u>158</u>
<b>Minority interests</b>	<u>19,640</u>	<u>19,580</u>	<u>240</u>
<b>Total Net assets</b>	<u>183,217</u>	<u>174,935</u>	<u>2,234</u>
<b>Total Liabilities and Net assets</b>	<u>792,848</u>	<u>805,797</u>	<u>9,669</u>

# Consolidated Statements of Operations

	Millions of yen		Millions of U.S. dollars
	FY2011	FY2010	FY2011
<b>Net sales</b>	703,534	689,065	8,580
<b>Cost of sales</b>	546,688	543,557	6,667
<b>Gross profit</b>	156,845	145,507	1,913
<b>Selling, general and administrative expenses</b>	137,592	133,590	1,678
<b>Operating income</b>	19,252	11,917	235
<b>Non-operating income</b>			
Interest income	225	253	3
Dividends income	2,418	2,660	29
Equity in earnings of affiliates	2,382	2,144	29
Other	2,198	1,392	27
<b>Total Non-operating income</b>	7,223	6,450	88
<b>Non-operating expenses</b>			
Interest expense	4,937	5,585	60
Foreign exchange losses	1,026	4,390	13
Other	1,958	1,165	24
<b>Total Non-operating expenses</b>	7,922	11,141	97
<b>Ordinary income</b>	18,554	7,225	226
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	2,081	232	25
Gain on sales of investment securities	290	30,760	4
Gain on sales of subsidiaries' stocks	-	539	-
<b>Total Extraordinary income</b>	2,371	31,531	29
<b>Extraordinary loss</b>			
Loss on disposal of noncurrent assets	459	923	6
Loss on devaluation of investment securities	207	2,863	3
Loss on disappearance of pension assets	6,987	-	85
Office/Factory Integration Costs	2,642	1,600	32
Loss on disaster	1,139	-	14
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	2,270	-
Impairment loss	-	1,269	-
Other	4,142	3,382	51
<b>Total Extraordinary loss</b>	15,578	12,310	190
<b>Income before income taxes</b>	5,348	26,447	65
<b>Income taxes-current</b>	3,950	3,373	48
<b>Income taxes-deferred</b>	-11,847	6,829	-144
<b>Income taxes</b>	-7,897	10,202	-96
<b>Income before minority interests</b>	13,245	16,245	162
<b>Minority interests in income (loss) of consolidated subsidiaries</b>	1,443	1,141	18
<b>Net Income</b>	11,801	15,104	144

**Consolidated Statements of Comprehensive Income**

	Millions of yen		Millions of U.S. dollars
	<b>FY2011</b>	FY2010	<i>FY2011</i>
<b>Income before minority interests</b>	13,245	16,245	162
<b>Other comprehensive income (loss)</b>			
Valuation difference on available-for-sale securities	-1,085	-33,111	-13
Deferred gains or losses on hedges	-86	-108	-1
Foreign currency translation adjustments	370	-3,004	5
Share of other comprehensive loss of associates accounted for using equity method	35	-9	0
Total other comprehensive income (loss)	-766	-36,234	-9
<b>Comprehensive income (loss)</b>	12,478	-19,988	152
<b>Comprehensive income (loss) attributable to:</b>			
Shareholders of the Company	10,967	-20,763	134
Minority interests	1,510	775	18

# Consolidated Statements of Shareholders' Equity

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT MARCH 31, 2010</b>	47,586	46,734	42,010	-7,095	129,235
Changes of items during the period					
Dividends from surplus			-2,501		-2,501
Net income for the year			15,104		15,104
Purchase of treasury stock				-11	-11
Disposal of treasury stock		-0		1	1
Change of scope of consolidation			56		56
Change of scope of equity method			-291		-291
Total changes of items during the period	-	-0	12,367	-10	12,357
<b>BALANCE AT MARCH 31, 2011</b>	47,586	46,734	54,378	-7,106	141,592

	Millions of yen					
	Accumulated other comprehensive income					
	Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total Accumulated other comprehensive income	Minority interests	Net assets
<b>BALANCE AT MARCH 31, 2010</b>	52,985	110	-3,464	49,631	17,267	196,134
Changes of items during the period						
Dividends from surplus						-2,501
Net income for the year						15,104
Purchase of treasury stock						-11
Disposal of treasury stock						1
Change of scope of consolidation						56
Change of scope of equity method						-291
Net changes of items other than shareholders' equity	-33,089	-106	-2,672	-35,868	2,312	-33,555
Total changes of items during the period	-33,089	-106	-2,672	-35,868	2,312	-21,198
<b>BALANCE AT MARCH 31, 2011</b>	19,895	4	-6,136	13,762	19,580	174,935

# Consolidated Statements of Shareholders' Equity

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT MARCH 31, 2011</b>	47,586	46,734	54,378	-7,106	141,592
Changes of items during the period					
Dividends from surplus			-2,858		-2,858
Net income for the year			11,801		11,801
Purchase of treasury stock				-5	-5
Disposal of treasury stock		-0		0	0
Change of scope of consolidation			117		117
Change of scope of equity method			-		-
Total changes of items during the period	-	-0	9,060	-4	9,055
<b>BALANCE AT MARCH 31, 2012</b>	47,586	46,734	63,438	-7,110	150,648

	Millions of yen					Minority interests	Net assets
	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total Accumulated other comprehensive income			
<b>BALANCE AT MARCH 31, 2011</b>	19,895	4	-6,136	13,762	19,580	174,935	
Changes of items during the period							
Dividends from surplus						-2,858	
Net income for the year						11,801	
Purchase of treasury stock						-5	
Disposal of treasury stock						0	
Change of scope of consolidation						117	
Change of scope of equity method						-	
Net changes of items other than shareholders' equity	-1,046	-86	298	-834	60	-773	
Total changes of items during the period	-1,046	-86	298	-834	60	8,281	
<b>BALANCE AT MARCH 31, 2012</b>	18,848	-81	-5,838	12,928	19,640	183,217	

## Consolidated statements of cash flows

	Millions of yen	Millions of U.S. dollars	
	FY2011	FY2010	FY2011
<b>I Net cash provided by (used in) operating activities</b>			
Income before income taxes and minority interests	5,348	26,447	65
Depreciation and amortization	29,755	27,945	363
Increase (decrease) in allowance for doubtful accounts	332	-11	4
Interest and dividends income	-2,643	-2,913	-32
Interest expenses	4,937	5,585	60
Foreign exchange losses (gains)	203	748	2
Loss (gain) on sales of noncurrent assets	-2,081	-232	-25
Loss (gain) on sales of investment securities	-290	-30,760	-4
Loss (gain) on sales of subsidiaries' stocks	-	-539	-
Loss (gain) on disposal of noncurrent assets	459	923	6
Loss (gain) on valuation of investment securities	207	2,863	3
Loss on disappearance of pension assets	6,987	-	85
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	2,270	-
Impairment loss	-	1,269	-
Decrease (increase) in notes and accounts receivable-trade	-2,034	24,122	-25
Decrease (increase) in inventories	-23,476	-16,179	-286
Increase (decrease) in notes and accounts payable-trade	2,110	5,384	26
Increase (decrease) in advances received	9,030	10,525	110
Other, net	6,389	3,676	78
Subtotal	35,233	61,127	430
Interest and dividends income received	2,920	2,745	36
Interest expenses paid	-5,371	-5,381	-66
Income taxes paid	-4,468	-4,638	-54
Net cash provided by operating activities	28,314	53,853	345
<b>II Net cash provided by (used in) investment activities</b>			
Purchase of property, plant and equipment	-15,014	-12,321	-183
Proceeds from sales of property, plant and equipment	4,418	4,987	54
Purchase of investment securities	-275	-398	-3
Proceeds from sales of investment securities	312	94,153	4
Proceeds from sales of investments in subsidiaries	-	1,450	-
Payments of loans receivable	-3,103	-7,439	-38
Collection of loans receivable	3,163	6,622	39
Other, net	-2,989	-2,811	-36
Net cash provided by (used in) investment activities	-13,489	84,241	-165
<b>III Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	11,184	-41,835	136
Increase (decrease) in commercial papers	10,000	-18,000	122
Proceeds from long-term loans payable	30,956	1,709	378
Repayment of long-term loans payable	-50,264	-14,692	-613
Proceeds from issuance of bonds	20,000	-	244
Redemption of bonds	-40,000	-10,000	-488
Repayments of lease obligations	-11,319	-7,775	-138
Proceeds from sales of treasury stock	0	1	0
Purchase of treasury stock	-5	-11	-0
Cash dividends paid	-2,858	-2,501	-35
Cash dividends paid to minority shareholders	-191	-362	-2
Other, net	-93	-	-1
Net cash used in financing activities	-32,592	-93,468	-397
<b>IV Effect of exchange rate change on cash and cash equivalents</b>			
	-56	-1,103	-1
<b>V Net increase (decrease) in cash and cash equivalents ( I + II +III+IV)</b>			
	-17,824	43,522	-217
<b>VI Cash and cash equivalents at beginning of period</b>			
	81,796	37,283	998
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>			
	289	990	4
<b>VIII Cash and cash equivalents at end of period</b>			
	64,261	81,796	784



# Consolidated Segment Information (FY2011)

## Information on net sales, and profit or loss by each reporting segment

### FY2011

	Millions of yen										Consolidated
	Energy	Industrial Systems	Social Systems	Power Electronics	Electronic Devices	ED&C Components	Vending Machines	Others	Total	Adjustments	
Net Sales											
Sales to third parties	66,962	79,094	136,437	88,488	109,799	65,517	82,629	74,604	703,534	-	703,534
Inter-segment sales and transfers	174	2,919	3,284	4,538	1,074	4,408	321	37,960	54,682	-54,682	-
Total sales	67,137	82,013	139,721	93,026	110,873	69,926	82,951	112,565	758,217	-54,682	703,534
Segment profits (losses)	10,833	3,326	4,045	-962	-207	3,392	1,815	2,638	24,881	-5,628	19,252

### FY2010

	Millions of yen										Consolidated
	Energy	Industrial Systems	Social Systems	Power Electronics	Electronic Devices	ED&C Components	Vending Machines	Others	Total	Adjustments	
Net Sales											
Sales to third parties	49,182	78,317	130,385	80,439	124,999	61,174	85,200	79,365	689,065	-	689,065
Inter-segment sales and transfers	317	3,253	3,801	7,688	901	4,276	576	36,548	57,363	-57,363	-
Total sales	49,499	81,571	134,187	88,127	125,900	65,451	85,776	115,914	746,428	-57,363	689,065
Segment profits (losses)	5,554	1,564	2,761	2,177	-2,027	2,885	398	2,052	15,366	-3,449	11,917

### FY2011

	Millions of U.S. dollars										Consolidated
	Energy	Industrial Systems	Social Systems	Power Electronics	Electronic Devices	ED&C Components	Vending Machines	Others	Total	Adjustments	
Net Sales											
Sales to third parties	817	965	1,664	1,079	1,339	799	1,008	910	8,580	-	8,580
transfers	2	36	40	55	13	54	4	463	667	-667	-
Total sales	819	1,000	1,704	1,134	1,352	853	1,012	1,373	9,247	-667	8,580
Segment profits (losses)	132	41	49	-12	-3	41	22	32	303	-69	235

**Supplemental Consolidated Financial Materials****1. Financial summary**

	Billions of yen					
	FY2010		FY2011		FY2012 [Forecast]	
	change(%)		change(%)		change(%)	
Net sales	689.1	99.7%	703.5	102.1	750.0	106.6
Operating income	11.9	1289.7%	19.3	161.6	23.0	119.5
Ordinary income	7.2	-	18.6	256.8	22.0	118.6
Net income	15.1	223.5%	11.8	78.1	13.0	110.2

**2. Number of consolidated subsidiaries**

	FY2010	FY2011	FY2012 [Forecast]
Number of consolidated subsidiaries	49	47	48
Japan	27	25	26
Overseas	22	22	22
Number of equity-method associates	4	4	5

**3. Net income per share**

	Yen		
	FY2010	FY2011	FY2012 [Forecast]
Net income per share	21.14	16.52	18.19

**4. Sales exchange rate (Yen)**

	Yen		
	FY2010	FY2011	FY2012 [Forecast]
US\$	85.72	79.08	80.00
EURO	113.12	108.98	105.00

**5. Net sales by reporting segment**

	Billions of yen			
	FY2010		FY2011	
	change(%)		change(%)	
Energy	49.5	-	67.1	135.6
Industrial Systems	81.6	-	82.0	100.5
Social Systems	134.2	-	139.7	104.1
Power Electronics	88.1	-	93.0	105.6
Electronic Devices	125.9	-	110.9	88.1
ED&C Components	65.5	-	69.9	106.8
Vending Machines	85.8	-	83.0	96.7
Others	115.9	-	112.6	97.1
Subtotal	746.4	-	758.2	101.6
Elimination	-57.4	-	-54.7	-
<b>Total</b>	<b>689.1</b>	<b>99.7</b>	<b>703.5</b>	<b>102.1</b>

Note : Net sales include inter-segment transactions.

	Billions of yen					
	FY2010		FY2011		FY2012 [Forecast]	
	change(%)		change(%)		change(%)	
Power & Social Infrastructure	-	-	156.6	-	193.1	123.3
Industrial Infrastructure	-	-	108.3	-	111.0	102.5
Power Electronics	-	-	150.6	-	158.7	105.4
Electronic Devices	-	-	110.9	-	127.6	115.1
Food & Beverage Distribution	-	-	115.5	-	105.4	91.3
Others	-	-	112.6	-	113.2	100.6
Subtotal	-	-	754.4	-	809.0	107.2
Elimination	-	-	-50.9	-	-59.0	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>703.5</b>	<b>102.1</b>	<b>750.0</b>	<b>106.6</b>

Note : Net sales include inter-segment transactions.

**6. Operating income by reporting segment**

	Billions of yen			
	FY2010		FY2011	
	change(%)		change(%)	
Energy	5.6	-	10.8	195.0
Industrial Systems	1.6	-	3.3	212.7
Social Systems	2.8	-	4.0	146.5
Power Electronics	2.2	-	-1.0	-
Electronic Devices	-2.0	-	-0.2	-
ED&C Components	2.9	-	3.4	117.6
Vending Machines	0.4	-	1.8	456.0
Others	2.1	-	2.6	128.6
Subtotal	15.4	-	24.9	161.9
Elimination	-3.4	-	-5.6	-
<b>Total</b>	<b>11.9</b>	<b>1,289.7</b>	<b>19.3</b>	<b>161.6</b>

	Billions of yen					
	FY2010		FY2011		FY2012 [Forecast]	
	change(%)		change(%)		change(%)	
Power & Social Infrastructure	-	-	12.0	-	9.5	79.1
Industrial Infrastructure	-	-	5.6	-	5.5	98.3
Power Electronics	-	-	2.6	-	5.9	229.5
Electronic Devices	-	-	-0.2	-	4.0	-
Food & Beverage Distribution	-	-	2.3	-	3.5	154.7
Others	-	-	2.6	-	2.0	75.8
Subtotal	-	-	24.9	-	30.4	122.3
Elimination	-	-	-5.6	-	-7.4	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>19.3</b>	<b>161.6</b>	<b>23.0</b>	<b>119.5</b>

**7. Net overseas sales**

	Billions of yen					
	FY2010		FY2011		FY2011	
	change(%)		change(%)		change(%)	
Asia (except for China), Other	100.9	-	97.6	96.7	101.0	103.5
China	49.0	-	54.8	111.7	68.0	124.1
Europe	15.1	-	14.5	95.6	17.7	122.4
America	13.2	-	11.6	88.0	16.6	143.4
<b>Total</b>	<b>178.2</b>	<b>100.3</b>	<b>178.4</b>	<b>100.1</b>	<b>203.3</b>	<b>113.9</b>

## 8. R&D expenditures

	Billions of yen
	FY2010
Energy Solutions	4.8
Environment Solutions	10.4
Semiconductors	7.0
ED&C Components	2.5
Vending Machines	3.3
Magnetic Disks	4.5
Others	0.0
Corporate (basic research)	0.0
<b>Total</b>	<b>32.6</b>
Ratio to net sales (%)	4.7%

## 9. Plant and equipment investment (including leases)

	Billions of yen
	FY2010
Energy Solutions	1.1
Environment Solutions	2.8
Semiconductors	8.9
ED&C Components	1.5
Vending Machines	4.0
Magnetic Disks	8.1
Others	0.4
Corporate	0.4
<b>Total</b>	<b>27.2</b>
(Leases)	(10.5)

Note: Leases are included in total plant and equipment investment.

## 10. Depreciation, Leases paid

	Billions of yen
	FY2010
Energy Solutions	3.6
Environment Solutions	4.4
Semiconductors	12.9
ED&C Components	2.5
Vending Machines	2.8
Magnetic Disks	13.9
Others	0.9
Corporate	0.5
<b>Total</b>	<b>41.5</b>
(Leases)	(15.8)

Note: Leases paid for plant and equipment investment and begun to pay before the end of March, 2008.

## 11. Number of employees

	FY2010
Energy Solutions	2,347
Environment Solutions	8,197
Semiconductors	5,158
ED&C Components	2,626
Vending Machines	1,903
Magnetic Disks	1,539
Others	1,973
Corporate	819
<b>Total</b>	<b>24,562</b>
Japan	18,002
Overseas	6,560

## 12. R&D expenditures

	Billions of yen
	<b>FY2011</b>
Energy	2.9
Industrial Systems	3.5
Social Systems	4.5
Power Electronics	5.3
Electronic Devices	11.0
ED&C Components	3.0
Vending Machines	1.9
Others	0.0
<b>Total</b>	<b>32.2</b>
Ratio to net sales (%)	4.6%

## 13. Plant and equipment investment (including leases)

	Billions of yen
	<b>FY2011</b>
Energy	1.1
Industrial Systems	1.1
Social Systems	1.0
Power Electronics	1.7
Electronic Devices	13.4
ED&C Components	2.6
Vending Machines	2.2
Others	2.0
<b>Total</b>	<b>25.0</b>
(Leases)	(10.7)

Note: Leases are included in total plant and equipment investment.

## 14. Depreciation, Leases paid

	Billions of yen
	<b>FY2011</b>
Energy	1.8
Industrial Systems	1.3
Social Systems	1.2
Power Electronics	2.2
Electronic Devices	22.8
ED&C Components	2.3
Vending Machines	2.7
Others	1.4
<b>Total</b>	<b>35.8</b>
(Leases)	(8.4)

Note: Leases paid for plant and equipment investment and begun to pay before the end of March, 2008.

## 15. Number of employees

	<b>FY2011</b>
Energy	1,141
Industrial Systems	2,172
Social Systems	4,374
Power Electronics	2,934
Electronic Devices	6,688
ED&C Components	2,711
Vending Machines	1,598
Others	3,355
<b>Total</b>	<b>24,973</b>
Japan	17,933
Overseas	7,040

## 16. R&D expenditures

	Billions of yen
	FY2012
	[Forecast]
Power & Social Infrastructure	6.4
Industrial Infrastructure	4.4
Power Electronics	7.7
Electronic Devices	10.8
Food & Beverage Distribution	3.0
Others	0.0
<b>Total</b>	<b>32.3</b>
Ratio to net sales (%)	4.3%

## 17. Plant and equipment investment (including leases)

	Billions of yen
	FY2012
	[Forecast]
Power & Social Infrastructure	2.3
Industrial Infrastructure	4.1
Power Electronics	8.9
Electronic Devices	15.3
Food & Beverage Distribution	1.7
Others	1.4
<b>Total</b>	<b>33.7</b>
(Leases)	(14.4)

Note: Leases are included in total plant and equipment investment.

## 18. Depreciation, Leases paid

	Billions of yen
	FY2012
	[Forecast]
Power & Social Infrastructure	3.1
Industrial Infrastructure	2.1
Power Electronics	4.5
Electronic Devices	20.4
Food & Beverage Distribution	2.7
Others	1.4
<b>Total</b>	<b>34.2</b>
(Leases)	(4.8)

Note: Leases paid for plant and equipment investment and begun to pay before the end of March, 2008.

## 19. Number of employees

	FY2012
	[Forecast]
Power & Social Infrastructure	4,704
Industrial Infrastructure	3,117
Power Electronics	5,660
Electronic Devices	7,155
Food & Beverage Distribution	2,020
Others	3,472
<b>Total</b>	<b>26,128</b>
Japan	18,352
Overseas	7,776

## Financial Performance

### (1) Qualitative Information regarding Consolidated Results of Operations

Regarding the business conditions that the Fuji Electric Group faced in fiscal 2011, ended March 31, 2012, Japan's market recovered modestly as a result of demand stemming from restoration following the Great East Japan Earthquake. Overseas markets saw a further increase in uncertainty due to the deterioration of the global economy that Europe's financial crisis triggered, floods in Thailand, and a softening of China's economic growth.

Amid these conditions, in accordance with its management strategy, the Group focused on two areas: Expand business development with a focus on energy and environment, and Expand our business on a global scale. At the same time, aiming to enable long-term perspectives and quick responses to market changes, the Group advanced reforms that base business management on markets and customers.

Consolidated business results for fiscal 2011 were as follows.

Net sales increased ¥14.5 billion year on year, to ¥703.5 billion. By business segment, year-on-year increases in the net sales of the Energy, Industrial Systems, Social Systems, Power Electronics, and ED&C Components segments counteracted year-on-year decreases in the net sales of the Electronic Devices and Vending Machine segments.

In operating results, operating loss improved ¥7.3 billion year on year, to ¥19.3 billion, due to higher net sales and reductions in cost and fixed cost as a result of business restructuring. Ordinary loss improved ¥11.3 billion year on year, to ¥18.6 billion.

Net loss was ¥11.8 billion, a deterioration of ¥3.3 billion year on year. This reflected the recognition of a gain on sales of investment securities in the previous fiscal year and extraordinary loss arising from loss on pension assets in fiscal 2011.

Operating results for fiscal 2011 were as follows.

(¥ billion)

	Fiscal 2010	Fiscal 2011	Change
Net sales	689.1	703.5	14.5
Operating income/loss	11.9	19.3	7.3
Ordinary income/loss	7.2	18.6	11.3
Net income/loss	15.1	11.8	-3.3

## Results by Segment

### **[Energy] YoY: Net sales increased 36%, operating results improved ¥5.3 billion**

Net sales rose 36% year on year, to ¥67.1 billion, and operating results improved ¥5.3 billion year on year, to ¥10.8 billion.

In the power plant business, net sales increased year on year as a result of contributions to net sales made by new project orders received in the previous period. In the nuclear power-related equipment and radiation control systems business, net sales were up year on year due to higher demand for radiation dosimeters. Operating results grew year on year thanks to higher revenues, cost reductions, and curbed expenses.

### **[Industrial Systems] YoY: Net sales increased 1%, operating results improved ¥1.8 billion**

Net sales rose 1% year on year, to ¥82.0 billion, and operating results improved ¥1.8 billion year on year, to ¥3.3 billion.

In the industrial plant business, net sales rose year on year due to an increase in overseas orders. In the facilities business, net sales were down year on year because of a decline in large orders. Operating results improved year on year due to lower costs and expenses.

### **[Social Systems] YoY: Net sales rose 4%, operating results improved ¥1.3 billion**

Net sales rose 4% year on year, to ¥139.7 billion, and operating loss improved ¥1.3 billion year on year, to ¥4.0 billion.

Net sales rose year on year because, although net sales in the energy distribution business were unchanged year on year, net sales in the retail stores business were up as result of increased refurbishment projects and new projects for convenience stores. Operating results were up year on year thanks to higher revenues, cost reductions, and curbed expenses.

### **[Power Electronics] YoY: Net sales increased 6%, operating results worsened ¥3.1 billion**

Net sales rose 6% year on year, to ¥93.0 billion, while operating loss worsened ¥3.1 billion year on year, to ¥1.0 billion.

In the drive business, net sales increased year on year because of higher demand for products for China and other Asian markets. Operating results declined year on year as a consequence of lower market prices and the effect of foreign exchange rates. In the power supply business, net sales and operating results rose year on year due to an increase in demand for uninterruptible power supply systems (UPSs) for data centers and power supply equipment for communications infrastructure.

### **[Electronic Devices] YoY: Net sales decreased 12%, operating results improved ¥1.8 billion**

Net sales declined 12% year on year, to ¥110.9 billion, and operating loss improved ¥1.8 billion year on year, to ¥0.2 billion.

In the semiconductor business, net sales were unchanged year on year because the automotive electronics business offset a decrease in the net sales of the power supply application business that reflected a slumping PC market. Operating results declined year on year due to the effect of foreign exchange rates and an increase in fixed cost, which accompanied advance investment. In the magnetic disk business, net sales were down year on year because of a slowdown in the HDD market from the third quarter onward due to flooding in Thailand. Operating results rose significantly year on year and moved into the black thanks to business restructuring.

**[ED&C Components] YoY: Net sales rose 7%, operating results improved ¥0.5 billion**

Net sales rose 7% year on year, to ¥69.9 billion, and operating results improved ¥0.5 billion year on year, to ¥3.4 billion.

Net sales were up year on year due to solid demand from machinery manufacturers in Japan's market. In overseas markets, net sales were unchanged year on year because, although flooding in Thailand generated restoration demand, there was a downturn in investment in China and Asia due to concern over economic recession in North America and Europe. As a result, net sales and operating results increased year on year.

**[Vending Machines] YoY: Net sales decreased 3%, operating results improved ¥1.4 billion**

Net sales declined 3% year on year, to ¥83.0 billion, and operating results improved ¥1.4 billion year on year, to ¥1.8 billion.

In the vending machine business, net sales were lower year on year as decreases in market prices and sales of goods sold in vending machines counteracted higher unit sales of vending machines due to replacement demand for energy-saving, environment-friendly vending machines that resulted from power-saving initiatives after the earthquake. Operating results rose year on year and moved into the black due to business restructuring. In the currency-handling equipment business, net sales and operating income were up year on year thanks to stronger demand for automated change dispensers in the retail market and curbed expenses.

**[Other] YoY: Net sales decreased 3%, operating results improved ¥0.6 billion**

Net sales declined 3% year on year, to ¥112.6 billion, and operating results improved ¥0.6 billion year on year, to ¥2.6 billion.



## Outlook for Fiscal 2012

The outlook for consolidated business results for fiscal 2012, ending March 31, 2013, is as follows.

Further, this outlook assumes foreign exchange rates of US\$1=¥80 and €1=¥105.

### Consolidated Business Results Forecasts

(¥ billion)

	Fiscal 2011	Fiscal 2012	Change
Net sales	703.5	750.0	46.5
Operating income	19.3	23.0	3.7
Ordinary income	18.6	22.0	3.4
Net income	11.8	13.0	1.2

### Forecasts by Segment

(¥ billion)

	Forecasts for Fiscal 2012	
	Net Sales	Operating Income/Loss
Power Generation / Social Infrastructure	193.1	9.5
Industrial Infrastructure	111.0	5.5
Power Electronics	158.7	5.9
Electronic Devices	127.6	4.0
Food and Beverage distribution	105.4	3.5
Others	113.2	2.0
Elimination and Corporate	-59.0	-7.4
Total	750.0	23.0

Effective from fiscal 2012, the Fuji Electric has reclassified its business segments into six categories: Power Generation / Social Infrastructure, Industrial Infrastructure, Power Electronics, Electronic Devices, Food and Beverage distribution, and Other.

In the Power Generation / Social Infrastructure segment, the power plant business will make a full-fledged entry into Japan's market for high-efficiency combined cycle power generation, which combines gas turbines and steam turbines. At the same time, this business will increase sales through capital participation in power generation companies in the field of geothermal power generation, an area where the Fuji Electric boasts a leading market share. The social infrastructure business will take measures to create businesses in the smart community area.

In the Industrial Infrastructure segment, the Fuji Electric will work to increase orders from overseas for plant systems while expanding and improving local engineering bases in Asia. Further,

the Company will create synergies among its existing businesses and the substation business that it has assumed as a result of the dissolution of a joint venture with Hitachi, Ltd., and Meidensha Corporation in April 2012.

In the Power Electronics segment, as its core business, the Fuji Electric will, with a view to expanding overseas businesses, develop businesses through local product design and local manufacturing that caters to local quality and pricing requirements. At the same time, the Company will improve profitability by rigorously reducing cost. Also, in the drive business the Company will rebuild the inverter business and motor business, which are mainstay businesses.

In the Electronic Devices segment, the power semiconductors business will work to increase sales by advancing local design and local manufacturing in China. In addition, the Group will expand its automotive application business through the acquisition of the Tsugaru Factory of Renesas Northern Japan Semiconductor, Inc., which is scheduled for July 2012. At the same time, the Group will start up full-fledged mass production of next-generation power devices that use SiC (silicon carbide) for application in Fuji Electric's power electronics products.

In the Food and Beverage distribution segment, the retail stores business will develop heating and cooling technology horizontally and create new businesses that contribute to safe, reliable food distribution from production regions through to consumers. The vending machine business will work to increase sales of hybrid-heat-pump vending machines while developing business in China in earnest.

## (2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2011	Breakdown (%)	March 31, 2012	Breakdown (%)	Change
Total assets	805.8	100.0	792.8	100.0	-12.9
Interest-bearing debt	274.0	34.0	255.9	32.3	-18.2
Shareholder's equity*1	155.4	19.3	163.6	20.6	+8.2
Debt-equity ratio*2 (times)	1.8		1.6		-0.2

\*1 Shareholders' equity = Total net assets — Minority interests

\*2 D/E ratio = Interest-bearing debt/ Shareholders' equity

Total assets at the end of fiscal 2011 stood at ¥792.8 billion, a decrease of ¥12.9 billion from the end of the previous fiscal year. Total current assets increased ¥10.2 billion principally because higher notes and accounts receivable-trade and inventories offset a decrease in cash and deposits. Total noncurrent assets were down ¥23.1 billion mainly due to a decrease in prepaid pension cost.

Interest-bearing debt at fiscal year-end amounted to ¥255.9 billion, down ¥18.2 billion from the previous fiscal year-end, which was primarily attributable to decreases in bonds payable and long-term loans payable. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—amounted to ¥191.6 billion at fiscal year-end, a decline of ¥0.6 billion from the previous fiscal year-end.

Net assets at fiscal year-end stood at ¥183.2 billion, an increase of ¥8.3 billion from the previous fiscal year-end, which was mainly due to higher retained earnings. In addition, shareholders' equity—net assets net of minority interests—was up ¥8.2 billion from the previous fiscal year-end, standing at ¥163.6 billion at fiscal year-end. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) declined 0.2 percentage points from the previous fiscal year-end, to 1.6 times. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was 1.2 times percentage points, the same as at the previous fiscal year-end.

	FY2010	FY2011	YoY Change
Cash flow from operating activities	53.9	28.3	.25.5
Cash flow from investing activities	84.2	-13.5	-97.7
Free cash flow	138.1	14.8	-123.3
Cash flow from financing activities	-93.5	-32.6	60.9
Cash and cash equivalents	81.8	64.3	-17.5

In fiscal 2011, consolidated free cash flow (net cash provided by operating activities + net cash provided by investment activities) was ¥14.8 billion, a deterioration of ¥123.3 billion compared with free cash flow of ¥138.1 billion in the previous fiscal year.

### **Cash flows from operating activities**

Net cash provided by operating activities was ¥28.3 billion, compared with ¥53.9 billion for the previous fiscal year. This was mainly due to stepped-up efforts to collect advances.

This was a deterioration of ¥25.5 billion year on year.

### **Cash flows from investing activities**

Net cash used in investment activities was ¥13.5 billion, compared with net cash provided by investment activities of ¥84.2 billion in the previous fiscal year. This was primarily related to purchase of property, plant and equipment.

This was a deterioration of ¥97.7 billion year on year.

### **Cash flows from financing activities**

Net cash used in financing activities was ¥32.6 billion, compared with net cash used in financing activities of ¥93.5 billion in the previous fiscal year. This was principally due to decreases in bonds payable and long-term loans payable.

As a result, consolidated cash and cash equivalents at fiscal year-end amounted to ¥64.3 billion, down ¥17.5 billion from the previous fiscal year-end.

## **(3) Basic Policy Regarding Distribution of Earnings; Dividends for Fiscal 2011 and Fiscal 2012**

We intend to return profit gained through business activities to shareholders. At the same time—while maintaining and strengthening our management foundation—we intend to appropriate profit for consolidated shareholders' equity in order to secure internal reserves for research and development, capital investment, human resources, and other investments reflecting a medium-to-long-term viewpoint.

We will determine the amount of dividends to be paid from retained earnings in light of the above medium-to-long-term business cycle; our policy of paying stable and continuous dividends; and comprehensive consideration of the business results of the relevant fiscal year, research and development and capital investment plans for future growth, and business conditions.

We regard the acquisition of treasury stock as a flexible mechanism to supplement dividends when warranted by the cash flow position.

In light of comprehensive consideration of our financial position, we plan to pay a year-end dividend of ¥2 per share for fiscal 2011. Together with the interim dividend of ¥2 per share, this will give a full-year dividend of ¥4 per share for fiscal 2011.

We have not yet determined the dividend to be paid for fiscal 2012.