

**Consolidated Financial Results for first half of the fiscal year
ending March 31, 2013
(April 1, 2012 — September 30, 2012)**

Summary of Consolidated Financial Results (Six months ended September 30, 2012)

1. Summary of consolidated statements of operations

	Millions of yen		Millions of U.S. dollars
	1H FY2012	1H FY2011	1H FY2012
Net sales	333,836	305,335	4,280
Operating income	-5,365	-5,563	-69
Ordinary income	-7,875	-9,832	-101
Net income	-7,642	-5,401	-98
	Yen		U.S. dollars
Net income per share	-10.70	-7.56	-0.14

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S. dollars
	9/30/2012	3/31/2012	9/30/2012
Total assets	720,397	792,848	9,236
Net assets	158,252	183,217	2,029
Net assets ratio (%)	19.3%	20.6%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥78=U.S.\$1

**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 Statements >

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
	9/30/2012	3/31/2012	9/30/2012
Assets			
Current assets:			
Cash and deposits	37,341	64,323	479
Notes and accounts receivable-trade	168,303	199,677	2,158
Merchandise and finished goods	45,730	40,860	586
Work in process	52,479	62,129	673
Raw materials and supplies	27,717	30,323	355
Other	73,365	56,719	941
Allowance for doubtful accounts	-711	-836	-9
Total Current assets	404,227	453,197	5,182
Noncurrent assets:			
Property, plant and equipment			
Buildings and structures, net	73,573	71,835	943
Other, net	93,258	86,604	1,196
Total Property, plant and equipment	166,831	158,439	2,139
Intangible assets	11,723	11,181	150
Investments and other assets			
Investment securities	96,163	125,592	1,233
Other	42,833	45,802	549
Allowance for doubtful accounts	-1,548	-1,482	-20
Total Investments and other assets	137,447	169,911	1,762
Total Noncurrent assets	316,002	339,532	4,051
Deferred assets	168	117	2
Total assets	720,397	792,848	9,236

Consolidated Balance Sheets

	Millions of yen		Millions of U.S. dollars
	9/30/2012	3/31/2012	9/30/2012
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	118,183	136,466	1,515
Short-term loans payable	98,199	108,062	1,259
Current portion of bonds	30,000	60,000	385
Income taxes payable	1,716	1,905	22
Advances received	47,054	46,575	603
Other	104,088	112,803	1,334
Total current liabilities	399,243	465,814	5,119
Noncurrent liabilities:			
Bonds payable	40,500	31,010	519
Long-term loans payable	65,983	46,792	846
Provision for retirement benefits	11,690	10,849	150
Provision for directors' retirement benefits	275	375	4
Other	44,452	54,788	570
Total Noncurrent liabilities	162,902	143,816	2,088
Total Liabilities	562,145	609,630	7,207
Net Assets			
Shareholders' equity:			
Capital stock	47,586	47,586	610
Capital surplus	46,734	46,734	599
Retained earnings	55,038	63,438	706
Treasury stock	-7,113	-7,110	-91
Total Shareholders' equity	142,245	150,648	1,824
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	4,775	18,848	61
Deferred gains or losses on hedges	-36	-81	-0
Foreign currency translation adjustments	-7,754	-5,838	-99
Total Accumulated other comprehensive income	-3,015	12,928	-39
Minority interests	19,022	19,640	244
Total Net assets	158,252	183,217	2,029
Total Liabilities and Net assets	720,397	792,848	9,236

Consolidated Statements of Operations

	Millions of yen		Millions of U.S. dollars
	1H FY2012	1H FY2011	1H FY2012
Net sales	333,836	305,335	4,280
Cost of sales	272,281	242,709	3,491
Gross profit	61,554	62,625	789
Selling, general and administrative expenses	66,920	68,189	858
Operating loss	-5,365	-5,563	-69
Non-operating income			
Interest income	64	163	1
Dividends income	1,595	1,160	20
Other	898	882	12
Total Non-operating income	2,558	2,206	33
Non-operating expenses			
Interest expense	2,011	2,520	26
Equity in losses of affiliates	1,428	1,334	18
Foreign exchange losses	1,148	2,099	15
Other	479	520	6
Total Non-operating expenses	5,068	6,475	65
Ordinary loss	-7,875	-9,832	-101
Extraordinary income			
Gain on sales of noncurrent assets	15	25	0
Gain on sales of investment securities	4	38	0
Insurance income	208	-	3
Total Extraordinary income	229	64	3
Extraordinary loss			
Loss on disposal of noncurrent assets	181	67	2
Loss on devaluation of investment securities	1,181	207	15
Settlement package	700	-	9
Office/Factory Integration Costs	-	2,511	-
Loss on disaster	-	1,139	-
Other	269	832	3
Total Extraordinary loss	2,332	4,759	30
Income (loss) before income taxes and minority interests	-9,978	-14,527	-128
Income taxes	-2,652	-9,750	-34
Income (loss) before minority interests	-7,325	-4,777	-94
Minority interests in net loss (income) of consolidated subsidiaries	317	624	4
Net income (loss)	-7,642	-5,401	-98

Consolidated Statements of Comprehensive Income
For the first Half of FY2012 (April 1 - September 30, 2012)

	Millions of yen		Millions of U.S. dollars
	1H FY2012	1H FY2011	1H FY2012
Income (loss) before minority interests	-7,325	-4,777	-94
Other comprehensive income (loss)			
Valuation difference on available-for-sale securities	-14,131	-10,570	-181
Deferred gains or losses on hedges	40	-187	1
Foreign currency translation adjustments	-2,059	-1,941	-26
Share of other comprehensive income (loss) of associates accounted for using equity method	15	-20	0
Total other comprehensive income (loss)	-16,135	-12,719	-207
Comprehensive income (loss)	-23,461	-17,497	-301
Comprehensive income (loss) attributable to:			
Shareholders of the Company	-23,587	-17,801	-302
Minority interests	125	304	2

Consolidated Statements of Cash Flows
For the first Half of FY2012 (April 1 - September 30, 2012)

	Millions of yen		Millions of U.S. dollars
	1H FY2012	1H FY2011	1H FY2012
I Cash flows from operating activities			
Income (loss) before income taxes and minority interests	-9,978	-14,527	-128
Depreciation and amortization	14,584	14,064	187
Interest and dividends income	-1,659	-1,323	-21
Interest expenses	2,011	2,520	26
Loss (gain) on sales of noncurrent assets	-15	-25	-0
Loss (gain) on sales of investment securities	-4	-38	-0
Loss (gain) on disposal of noncurrent assets	181	67	2
Loss (gain) on devaluation of investment securities	1,181	207	15
Decrease (increase) in notes and accounts receivable-trade	29,638	46,509	380
Decrease (increase) in inventories	13,643	-40,601	175
Increase (decrease) in notes and accounts payable-trade	-17,006	-15,109	-218
Increase (decrease) in advances received	-2,171	7,161	-28
Other, net	-3,506	13,694	-45
Subtotal	26,898	12,599	345
Interest and dividends income received	1,662	1,627	21
Interest expenses paid	-2,096	-3,014	-27
Income taxes paid	-2,536	-6,838	-33
Net cash provided by operating activities	23,926	4,373	307
II Cash flows from investing activities			
Purchase of property, plant and equipment	-10,647	-8,404	-137
Proceeds from sales of property, plant and equipment	200	396	3
Purchase of investment securities	-7,534	-123	-97
Proceeds from sales of investment securities	7,422	88	95
Purchase of investments in subsidiaries	-321	-	-4
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-3,975	-	-51
Payments of loans receivable	-1,533	-1,513	-20
Collection of loans receivable	1,668	1,598	21
Other, net	-1,962	-1,208	-25
Net cash used in investing activities	-16,683	-9,165	-214
III Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	-8,591	6,184	-110
Increase (decrease) in commercial papers	-10,000	-	-128
Proceeds from long-term loans payable	24,711	435	317
Repayment of long-term loans payable	-11,536	-7,153	-148
Proceeds from issuance of bonds	20,000	-	256
Redemption of bonds	-40,510	-40,000	-519
Repayments of lease obligations	-5,804	-5,742	-74
Proceeds from sales of treasury stock	0	0	0
Purchase of treasury stock	-2	-2	-0
Cash dividends paid	-1,429	-1,429	-18
Cash dividends paid to minority shareholders	-262	-191	-3
Other, net	-91	-	-1
Net cash used in financing activities	-33,517	-47,899	-430
IV Effect of exchange rate change on cash and cash equivalents	-711	-1,030	-9
V Net increase (decrease) in cash and cash equivalents (I + II + III + IV)	-26,984	-53,721	-346
VI Cash and cash equivalents at beginning of period	64,261	81,796	824
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	289	-
VIII Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	2	-	0
IX Cash and cash equivalents at end of period	37,279	28,364	478

Consolidated Segment Information (1H FY2012)

For the first Half of FY2012 (April 1 - September 30, 2012)

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

1H FY2011

	Millions of yen								
	Power &	Industrial	Power	Electronic	Food &	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	51,603	40,958	66,899	57,320	54,519	34,034	305,335	-	305,335
Inter-segment sales and transfers	867	2,058	3,796	1,238	44	16,683	24,689	-24,689	-
Total sales	52,470	43,017	70,695	58,559	54,564	50,717	330,024	-24,689	305,335
Segment profits (losses)	-1,080	-1,004	1,150	-640	-1,588	196	-2,967	-2,596	-5,563

1H FY2012

	Millions of yen								
	Power & Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food & Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	81,025	48,110	60,807	50,203	56,637	37,052	333,836	-	333,836
Inter-segment sales and transfers	655	1,443	2,776	1,344	63	17,113	23,397	-23,397	-
Total sales	81,680	49,553	63,584	51,548	56,700	54,165	357,233	-23,397	333,836
Segment profits (losses)	-1,343	-841	-1,258	-2,864	2,441	870	-2,995	-2,369	-5,365

1H FY2012

	Millions of U.S. dollars								
	Power & Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food & Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	1,039	617	780	644	726	475	4,280	-	4,280
Inter-segment sales and transfers	8	19	36	17	1	219	300	-300	-
Total sales	1,047	635	815	661	727	694	4,580	-300	4,280
Segment profits (losses)	-17	-11	-16	-37	31	11	-38	-30	-69

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

	Billions of yen			
	1H FY2011	FY2011	1H FY2012	FY2012 [Forecast]
Net sales	305.3	703.5	333.8	750.0
Operating income	-5.6	19.3	-5.4	23.0
Ordinary income	-9.8	18.6	-7.9	22.0
Net income	-5.4	11.8	-7.6	13.0

2. Number of consolidated subsidiaries

	1H FY2011	FY2011	1H FY2012	FY2012 [Forecast]
Number of consolidated subsidiaries	48	47	48	47
Japan	25	25	26	25
Overseas	23	22	22	22
Number of equity-method associates	4	4	5	5

3. Net income per share

	Yen			
	1H FY2011	FY2011	1H FY2012	FY2012 [Forecast]
Net income per share	-7.56	16.52	-10.70	18.19

4. Sales exchange rate (Yen)

	Yen			
	1H FY2011	FY2011	1H FY2012	FY2012 [Forecast]
US\$	79.82	79.08	79.41	78.71
EURO	113.79	108.98	100.64	99.32

5. Net sales by reporting segment

	Billions of yen			
	1H FY2011	FY2011	1H FY2012	FY2012 [Forecast]
Power & Social Infrastructure	52.5	156.6	81.7	197.6
Industrial Infrastructure	43.0	110.5	49.6	120.9
Power Electronics	70.7	150.8	63.6	145.8
Electronic Devices	58.6	112.2	51.5	112.4
Food & Beverage Distribution	54.6	115.5	56.7	111.1
Others	50.7	112.6	54.2	116.2
Subtotal	330.0	758.2	357.2	804.1
Elimination	-24.7	-54.7	-23.4	-54.1
Total	305.3	703.5	333.8	750.0

Note : Net sales include inter-segment transactions.

6. Operating income by reporting segment

	Billions of yen			
	1H FY2011	FY2011	1H FY2012	FY2012 [Forecast]
Power & Social Infrastructure	-1.1	12.0	-1.3	11.2
Industrial Infrastructure	-1.0	4.4	-0.8	5.7
Power Electronics	1.2	3.8	-1.3	3.1
Electronic Devices	-0.6	-0.2	-2.9	0.5
Food & Beverage Distribution	-1.6	2.3	2.4	5.8
Others	0.2	2.6	0.9	2.8
Subtotal	-3.0	24.9	-3.0	29.0
Elimination	-2.6	-5.6	-2.4	-6.0
Total	-5.6	19.3	-5.4	23.0

7. Net overseas sales

	Billions of yen			
	1H FY2011	FY2011	1H FY2012	FY2012 [Forecast]
Asia (except for China)	45.5	97.6	44.8	-
China	27.4	54.8	22.0	-
Europe	7.5	14.5	6.2	-
America	4.4	11.6	6.0	-
Total	84.9	178.4	79.1	-

8. R&D expenditures

	Billions of yen	
	1H FY2011	FY2011
Energy	1.3	2.9
Industrial Systems	1.6	3.5
Social Systems	1.8	4.5
Power Electronics	2.7	5.3
Electronic Devices	5.5	11.0
ED&C Components	1.5	3.0
Vending Machines	1.0	1.9
Others	0.0	0.0
Total	15.4	32.2
Ratio to net sales (%)	5.0%	4.6%

9. Plant and equipment investment (including leases)

	Billions of yen	
	1H FY2011	FY2011
Energy	0.4	1.1
Industrial Systems	0.6	1.1
Social Systems	0.2	1.0
Power Electronics	0.4	1.7
Electronic Devices	4.3	13.4
ED&C Components	1.2	2.6
Vending Machines	1.0	2.2
Others	1.0	2.0
Total	9.1	25.0
(Leases)	(4.3)	(10.7)

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

10. Depreciation, Leases paid

	Billions of yen	
	1H FY2011	FY2011
Energy	0.9	1.8
Industrial Systems	0.6	1.3
Social Systems	0.6	1.2
Power Electronics	1.1	2.2
Electronic Devices	11.4	22.8
ED&C Components	1.1	2.3
Vending Machines	1.4	2.7
Others	0.7	1.4
Total	17.8	35.8
(Leases)	(4.9)	(8.4)

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

11. Number of employees

	1H FY2011	FY2011
Energy	1,799	1,141
Industrial Systems	2,043	2,172
Social Systems	3,906	4,374
Power Electronics	2,920	2,934
Electronic Devices	7,007	6,688
ED&C Components	2,702	2,711
Vending Machines	1,665	1,598
Others	3,368	3,355
Total	25,409	24,973
Japan	18,155	17,933
Overseas	7,254	7,040

12. R&D expenditures

Billions of yen		
	1H FY2012	FY2012 [Forecast]
Power & Social Infrastructure	3.0	-
Industrial Infrastructure	2.1	-
Power Electronics	3.6	-
Electronic Devices	5.1	-
Food & Beverage Distribution	1.4	-
Others	0.0	-
Total	15.2	-
Ratio to net sales (%)	4.6%	-

13. Plant and equipment investment (including leases)

Billions of yen		
	1H FY2012	FY2012 [Forecast]
Power & Social Infrastructure	0.6	-
Industrial Infrastructure	0.9	-
Power Electronics	1.4	-
Electronic Devices	5.3	-
Food & Beverage Distribution	0.9	-
Others	0.7	-
Total	9.8	-
(Leases)	(2.8)	(-)

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

14. Depreciation, Leases paid

Billions of yen		
	1H FY2012	FY2012 [Forecast]
Power & Social Infrastructure	1.4	-
Industrial Infrastructure	0.8	-
Power Electronics	2.0	-
Electronic Devices	9.7	-
Food & Beverage Distribution	1.4	-
Others	0.7	-
Total	15.9	-
(Leases)	(2.6)	(-)

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

15. Number of employees

	1H FY2012	FY2012 [Forecast]
Power & Social Infrastructure	4,340	-
Industrial Infrastructure	3,079	-
Power Electronics	5,618	-
Electronic Devices	6,868	-
Food & Beverage Distribution	2,014	-
Others	3,576	-
Total	25,495	-
Japan	18,716	-
Overseas	6,779	-

Financial Performance

(1) Qualitative Information regarding Consolidated Results of Operations

In the six-month period ended September 30, 2012, the operating environment for Fuji Electric proved to be difficult for its power electronics and semiconductor operations overseas due to the market stagnation that stemmed from the sovereign debt crisis in Europe and the particularly prominent economic slowdown in China. Domestically, conditions were steady for the most part, despite the fact that economic recovery started to decelerate in the summer as a result of sluggish conditions in the global economy.

In this environment, the Company pushed forward with initiatives geared toward advancing the management policies of “expand energy-related businesses” and “globalize.” At the same time, we worked to reinforce management foundations by pursuing improved profitability through thorough cost reductions, strengthening manufacturing capabilities, improving cash flows by reducing inventories, and developing sales and production foundations to expand overseas operations.

Consolidated business results for the six-month period ended September 30, 2012, were as follows.

Net sales increased ¥28.5 billion year on year, to ¥333.8 billion, largely due to the contributions of large-scale contracts in the power generation business. By business segment, year-on-year increases in the net sales of the Power and Social Infrastructure, Industrial Infrastructure, Food and Beverage Distribution, and Other segments counteracted year-on-year decreases in the net sales of the Power Electronics and Electronic Devices segments.

In operating results, operating loss improved ¥0.2 billion year on year, to ¥5.4 billion. Likewise, ordinary loss improved ¥2.0 billion year on year, to ¥7.9 billion. Net loss worsened ¥2.2 billion year on year, to ¥7.6 billion.

Operating results for the six-month period ended September 30, 2012, were as follows.

(¥ billion)

	1H Fiscal 2011	1H Fiscal 2012	Change
Net sales	305.3	333.8	28.5
Operating income/loss	-5.6	-5.4	0.2
Ordinary income/loss	-9.8	-7.9	2.0
Net income/loss	-5.4	-7.6	-2.2

Results by Segment

[Power Generation / Social Infrastructure]

YoY: Net sales increased 56%, operating results worsened ¥0.3 billion

Net sales rose 56% year on year, to ¥81.7 billion, and operating loss worsened ¥0.3 billion year on year, to ¥1.3 billion.

Sales in the power generation business were up year on year due to large scale orders for thermal power plants. However, operating results in this business dropped significantly because of the impacts of intensified price competition, which offset the benefits of efforts to lower costs and general expenses. In the social infrastructure business, sales increased as a result of the ongoing strong demand for radiation measurement equipment. Operating results were also up due to the higher sales and lower costs.

[Industrial Infrastructure]

YoY: Net sales increased 15%, operating results improved ¥0.2 billion

Net sales rose 15% year on year, to ¥49.6 billion, and operating loss improved ¥0.2 billion year on year, to ¥0.8 billion.

Sales in the industrial plant business and the facilities business increased year on year following firm replacement demand. This demand was particularly robust in Japan. While operating results in both businesses were impacted by intensified cost competition, these impacts were outweighed by the benefits of the higher sales and lower costs, and operating results improved year on year for both business businesses accordingly.

[Power Electronics]

YoY: Net sales decreased 10%, operating results worsened ¥2.4 billion

Net sales decreased 10% year on year, to ¥63.6 billion, and operating loss worsened ¥2.4 billion year on year, to ¥1.3 billion.

In the drive business, sales decreased substantially year on year due to sluggish overseas demand, particularly in China, and a slump in exports in Japan. Regardless of the relatively steady demand for power supplies to be used in telecommunications infrastructure, sales in the power supply business declined due to lower demand for products for use in IT equipment. In the ED&C components business, the domestic market saw decreased demand in the machine tool and semiconductor fields and there was a drop in investment in Taiwan, Korea, and other parts of Asia. These factors resulted in sales declines in this business. Operating results for the entire segment were down following the lower sales.

[Electronic Devices]

YoY: Net sales decreased 12%, operating results worsened ¥2.2 billion

Net sales decreased 12% year on year, to ¥51.5 billion, and operating loss worsened ¥2.2 billion year on year, to ¥2.9 billion.

In the semiconductor business, demand in the automotive electronics business was up, while demand in the industrial and power supply application businesses was down. As a result, both sales and operating results worsened. In the magnetic disk business, sluggish conditions in the HDD market and lower selling prices drove sales down. However, operating results improved year on year due to the benefits of the business restructuring initiatives implemented in the previous fiscal year.

[Food and Beverage Distribution]

YoY: Net sales increased 4%, operating results improved ¥4.0 billion

Net sales rose 4% year on year, to ¥56.7 billion, and operating income improved ¥4.0 billion year on year, to ¥2.4 billion.

In the vending machine business, sales increased year on year due to strong replacement demand from beverage manufacturers for energy-saving environmentally friendly vending machines, particularly hybrid heat pump vending machines. In the store distribution business, sales rose as a result of increased orders for the establishment of new convenience stores and the renovation of existing stores as well as automatic change dispenser replacement demand. Operating results improved for both businesses due to higher sales, cost reductions, and the benefits from the business restructuring initiatives implemented in the previous fiscal year.

[Others]

YoY: Net sales increased 7%, operating results improved ¥0.7 billion

Net sales rose 7% year on year, to ¥54.2 billion, and operating results improved ¥0.7 billion year on year, to ¥0.9 billion.

(2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2012	Breakdown (%)	September 30, 2012	Breakdown (%)	Change
Total assets	792.8	100.0	720.4	100.0	-72.5
Interest-bearing debt	255.9	32.3	234.7	32.6	-21.2
Shareholder's equity*1	163.6	20.6	139.2	19.3	-24.3
Debt-equity ratio*2 (times)	1.6		1.7		+0.1

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

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

Total assets stood at ¥720.4 billion on September 30, 2012, down ¥72.5 billion from the end of the previous fiscal year. Total current assets decreased ¥49.0 billion principally because of lower cash and cash and deposits following the redemption of bonds and a decline in notes and accounts receivable-trade. Total noncurrent assets decreased ¥23.5 billion due to declines in the value of investment securities following differences in mark-to-market valuation.

Interest-bearing debt on September 30, 2012, amounted to ¥234.7 billion, a decrease of ¥21.2 billion from the previous fiscal year-end that was primarily attributable to the redemption of bonds. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—amounted to ¥197.4 billion on September 30, 2012, an increase of ¥5.8 billion from the previous fiscal year-end.

Net assets stood at ¥158.3 billion on September 30, 2012, ¥25.0 billion lower than in the previous fiscal year. This was primarily due to lower retained earnings and valuation difference on available-for-sale securities. In addition, shareholders' equity—net assets net of minority interests—was down ¥24.3 billion from the previous fiscal year-end, standing at ¥139.2 billion on September 30, 2012. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) rose 0.1 times from the previous fiscal year-end, to 1.7 times. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was 1.4 times, up 0.2 times from the previous fiscal year-end.

In the six-month period ended September 30, 2012, consolidated free cash flow (net cash provided by operating activities + net cash used in investment activities) was ¥7.2 billion, an improvement of ¥12.0 billion compared with negative free cash flow of ¥4.8 billion a year earlier.

Cash flows from operating activities

Net cash provided by operating activities was ¥23.9 billion, compared with ¥4.4 billion a year earlier. This was mainly due to our efforts to collect notes and accounts receivable-trade as well as a decrease in inventories, which offset a decrease in notes and accounts payable-trade.

This was an improvement of ¥19.6 billion year on year.

Cash flows from investing activities

Net cash used in investment activities was ¥16.7 billion, compared with ¥9.2 billion a year earlier. This was primarily related to the purchase of property, plant and equipment and the purchase of investments in subsidiaries.

This was a deterioration of ¥7.5 billion year on year.

Cash flows from financing activities

Net cash used in financing activities was ¥33.5 billion, compared with ¥47.9 billion a year earlier. This was principally due to the redemption of bonds.

As a result, consolidated cash and cash equivalents on September 30, 2012, amounted to ¥37.3 billion, down ¥27.0 billion from the previous fiscal year-end.

(3) Qualitative Information Regarding Consolidated Forecasts

In light of the business result trends seen in the six-month period ended September 30, 2012, the Company has chosen not to revise its consolidated forecasts for business results for the full fiscal year ending March 31, 2013, announced on April 26, 2012, despite the following disparities between forecasted and actual segment results.

The forecasts for the remainder of the fiscal year assume exchange rates of US\$1 = ¥78 and €1 = ¥98.

Consolidated Forecasts for Fiscal 2012 (¥ billion)

	Initial Forecast	Revised forecast	Change
Net sales	750.0	750.0	0
Operating income	23.0	23.0	0
Ordinary income	22.0	22.0	0
Net income	13.0	13.0	0

Consolidated Forecasts for Fiscal 2012 by Segment (¥ billion)

	Net Sales			Operating Income/Loss		
	Previous Forecasts	Revised Forecasts	Difference	Previous Forecasts	Revised Forecasts	Difference
Power and Social Infrastructure	193.1	197.6	4.5	9.5	11.2	1.7
Industrial Infrastructure	111.0	120.9	9.9	5.5	5.7	0.2
Power Electronics	158.7	145.8	-12.9	5.9	3.1	-2.8
Electronic Devices	127.6	112.4	-15.2	4.0	0.5	-3.5
Food and Beverage Distribution	105.4	111.1	5.7	3.5	5.8	2.3
Others	113.2	116.2	3.0	2.0	2.8	0.8
Elimination and Corporate	-59.0	-54.1	4.9	-7.4	-6.0	1.4
Total	750.0	750.0	0	23.0	23.0	0

For net sales by segment, the net sales in the Power Electronics and Electronic Devices segments are expected to fall below previously released forecasts due to reduced demand for products for China. However, net sales in the Power and Social Infrastructure, Industrial Infrastructure, Food and Beverage Distribution, and Other segments are projected to be higher than the prior forecasts. As a result, overall net sales will be generally in line with the previously released forecasts.

As for operating results, operating results for the Power Electronics and Electronic Devices segments are expected to fall below previously released forecasts due to lower net sales. Meanwhile, operating results in the Power and Social Infrastructure, Industrial Infrastructure, Food and Beverage Distribution, and Other segments will likely be higher than forecasted. As a result, overall operating results will be generally in line with the previously released forecasts.