

**Consolidated Financial Report for the fiscal year ended March 31, 2013**  
**(April 1, 2012 – March 31, 2013)**

**Summary of Consolidated Financial Results**

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

	Millions of yen		Change(%)	Millions of U.S. dollars
	FY2012	FY2011	(A)/(B)	FY2012
Net sales	745,781	703,534	106.0%	7,934
Operating income	21,992	19,252	114.2%	234
Ordinary income	25,714	18,554	138.6%	274
Net income	26,368	11,801	223.4%	281
	Yen			U.S. dollars
Net income per share	36.90	16.52	223.4%	0.39

**2. Summary of consolidated financial position**

	Millions of yen		Millions of U.S. dollars
	3/31/2013	3/31/2012	3/31/2013
Total assets	765,563	792,848	8,144
Net assets	215,672	183,217	2,294
Net assets ratio (%)	25.4%	20.6%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥94=U.S.\$1

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2014**  
**(April 1, 2013 - March 31, 2014)**

	Millions of yen
	FY2013
Net sales	750,000
Operating income	27,000
Ordinary income	26,000
Net income	14,000
	Yen
	FY2013
Net income per share	19.59

< 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
	3/31/2013	3/31/2012	3/31/2013
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	39,750	64,323	423
Notes and accounts receivable-trade	216,852	199,677	2,307
Merchandise and finished goods	42,464	40,860	452
Work in process	39,294	62,129	418
Raw materials and supplies	25,963	30,323	276
Deferred tax assets	18,047	20,131	192
Other	42,735	36,587	455
Allowance for doubtful accounts	-401	-836	-4
<b>Total Current assets</b>	<b>424,706</b>	<b>453,197</b>	<b>4,518</b>
<b>Noncurrent assets:</b>			
Property, plant and equipment			
Buildings and structures, net	73,249	71,835	779
Machinery, equipment and vehicles, net	21,541	22,649	229
Tools, furniture and fixtures, net	4,145	3,674	44
Land	36,201	26,623	385
Lease assets, net	23,920	28,758	254
Construction in progress	9,383	4,898	100
<b>Total Property, plant and equipment</b>	<b>168,442</b>	<b>158,439</b>	<b>1,792</b>
Intangible assets	12,706	11,181	135
Investments and other assets			
Investment securities	119,464	125,592	1,271
Long-term loans receivable	1,259	1,530	13
Prepaid pension cost	27,885	31,459	297
Deferred tax assets	4,381	4,319	47
Other	8,379	8,493	89
Allowance for doubtful accounts	-1,798	-1,482	-19
<b>Total Investments and other assets</b>	<b>159,572</b>	<b>169,911</b>	<b>1,698</b>
<b>Total Noncurrent assets</b>	<b>340,721</b>	<b>339,532</b>	<b>3,625</b>
<b>Deferred assets</b>	<b>135</b>	<b>117</b>	<b>1</b>
<b>Total Assets</b>	<b>765,563</b>	<b>792,848</b>	<b>8,144</b>

## **Consolidated Balance Sheets**

	Millions of yen		Millions of U.S. dollars
	3/31/2013	3/31/2012	3/31/2013
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	129,934	136,466	1,382
Short-term loans payable	62,594	108,062	666
Commercial papers	28,000	10,000	298
Current portion of bonds	10,000	60,000	106
Lease obligations	11,832	11,102	126
Accrued expenses	39,242	36,423	417
Income taxes payable	2,918	1,905	31
Advances received	39,620	46,575	421
Other	56,323	55,277	599
<b>Total Current liabilities</b>	<b>380,466</b>	<b>465,814</b>	<b>4,048</b>
<b>Noncurrent liabilities:</b>			
Bonds payable	40,500	31,010	431
Long-term loans payable	85,623	46,792	911
Lease obligations	18,555	22,521	197
Deferred tax liabilities	7,626	26,814	81
Provision for retirement benefits	11,681	10,849	124
Provision for directors' retirement benefits	266	375	3
Other	5,170	5,453	55
<b>Total Noncurrent liabilities</b>	<b>169,424</b>	<b>143,816</b>	<b>1,802</b>
<b>Total Liabilities</b>	<b>549,890</b>	<b>609,630</b>	<b>5,850</b>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	506
Capital surplus	46,734	46,734	497
Retained earnings	87,620	63,438	932
Treasury stock	-7,115	-7,110	-76
<b>Total Shareholders' equity</b>	<b>174,824</b>	<b>150,648</b>	<b>1,860</b>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	20,383	18,848	217
Deferred gains or losses on hedges	-83	-81	-1
Foreign currency translation adjustments	-551	-5,838	-6
<b>Total Accumulated other comprehensive income</b>	<b>19,747</b>	<b>12,928</b>	<b>210</b>
<b>Minority interests</b>	<b>21,100</b>	<b>19,640</b>	<b>224</b>
<b>Total Net assets</b>	<b>215,672</b>	<b>183,217</b>	<b>2,294</b>
<b>Total Liabilities and Net assets</b>	<b>765,563</b>	<b>792,848</b>	<b>8,144</b>

**Consolidated Statements of Operations**

	Millions of yen		Millions of U.S. dollars
	FY2012	FY2011	FY2012
<b>Net sales</b>	745,781	703,534	7,934
<b>Cost of sales</b>	587,457	546,688	6,250
<b>Gross profit</b>	158,323	156,845	1,684
<b>Selling, general and administrative expenses</b>	136,330	137,592	1,450
<b>Operating income</b>	21,992	19,252	234
<b>Non-operating income</b>			
Interest income	158	225	2
Dividends income	2,722	2,418	29
Equity in earnings of affiliates	2,562	2,382	27
Foreign exchange income	1,446	-	15
Other	1,870	2,198	20
<b>Total Non-operating income</b>	8,760	7,223	93
<b>Non-operating expenses</b>			
Interest expense	3,729	4,937	40
Foreign exchange losses	-	1,026	-
Other	1,308	1,958	14
<b>Total Non-operating expenses</b>	5,038	7,922	54
<b>Ordinary income</b>	25,714	18,554	274
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	29	2,081	0
Gain on sales of investment securities	750	290	8
Insurance income	265	-	3
<b>Total Extraordinary income</b>	1,045	2,371	11
<b>Extraordinary loss</b>			
Loss on disposal of noncurrent assets	404	459	4
Loss on devaluation of investment securities	520	207	6
Impairment loss	6,446	-	69
Loss on liquidation of subsidiaries	827	-	9
Settlement package	700	-	7
Loss on disappearance of pension assets	-	6,987	-
Office/Factory integration costs	-	2,642	-
Loss on disaster	-	1,139	-
Other	1,242	4,142	13
<b>Total Extraordinary loss</b>	10,141	15,578	108
<b>Income before income taxes</b>	16,617	5,348	177
<b>Income taxes-current</b>	5,725	3,950	61
<b>Income taxes-deferred</b>	-17,152	-11,847	-182
<b>Income taxes</b>	-11,426	-7,897	-122
<b>Income before minority interests</b>	28,044	13,245	298
<b>Minority interests in income (loss) of consolidated subsidiaries</b>	1,676	1,443	18
<b>Net Income</b>	26,368	11,801	281

**Consolidated Statements of Comprehensive Income**

	Millions of yen		Millions of U.S. dollars
	<b>FY2012</b>	FY2011	<i>FY2012</i>
<b>Income before minority interests</b>	28,044	13,245	298
<b>Other comprehensive income (loss)</b>			
Valuation difference on available-for-sale securities	1,554	-1,085	17
Deferred gains or losses on hedges	-2	-86	-0
Foreign currency translation adjustments	5,761	370	61
Share of other comprehensive income of associates accounted for using equity method	34	35	0
<b>Total other comprehensive Income (loss)</b>	7,348	-766	78
<b>Comprehensive income</b>	35,393	12,478	377
<b>Comprehensive income attributable to:</b>			
Shareholders of the Company	33,187	10,967	353
Minority interests	2,205	1,510	23

# Consolidated Statements of Shareholders' Equity

	Millions of yen				
	Shareholders' Equity				Total Shareholders' Equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
<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				Total Accumulated other comprehensive income		
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments				
<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 Shareholders' Equity

	Millions of yen				
	Shareholders' Equity				Total Shareholders' Equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
<b>BALANCE AT MARCH 31, 2012</b>	47,586	46,734	63,438	-7,110	150,648
Changes of items during the period					
Dividends from surplus			-2,858		-2,858
Net income for the year			26,368		26,368
Purchase of treasury stock				-5	-5
Disposal of treasury stock		-0		0	0
Change of scope of consolidation			-		-
Change of scope of equity method			672		672
Total changes of items during the period	-	-0	24,181	-5	24,176
<b>BALANCE AT MARCH 31, 2013</b>	47,586	46,734	87,620	-7,115	174,824

	Millions of yen					
	Accumulated other comprehensive income				Minority interests	Net assets
	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, 2012</b>	18,848	-81	-5,838	12,928	19,640	183,217
Changes of items during the period						
Dividends from surplus						-2,858
Net income for the year						26,368
Purchase of treasury stock						-5
Disposal of treasury stock						0
Change of scope of consolidation						-
Change of scope of equity method						672
Net changes of items other than shareholders' equity	1,534	-1	5,286	6,819	1,459	8,279
Total changes of items during the period	1,534	-1	5,286	6,819	1,459	32,455
<b>BALANCE AT MARCH 31, 2013</b>	20,383	-83	-551	19,747	21,100	215,672

**Consolidated Statements of Cash Flows**

	Millions of yen		Millions of U.S. dollars
	FY2012	FY2011	FY2012
<b>I Cash flows from operating activities</b>			
Income before income taxes and minority interests	16,617	5,348	177
Depreciation and amortization	31,054	29,755	330
Increase (decrease) in allowance for doubtful accounts	-135	332	-1
Interest and dividends income	-2,880	-2,643	-31
Interest expenses	3,729	4,937	40
Foreign exchange losses (gains)	-256	203	-3
Gain on sales of noncurrent assets	-29	-2,081	-0
Gain on sales of investment securities	-750	-290	-8
Loss on disposal of noncurrent assets	404	459	4
Loss on devaluation of investment securities	520	207	6
Impairment loss	6,446	-	69
Loss on liquidation of subsidiaries	827	-	9
Loss on disappearance of pension assets	-	6,987	-
Increase in notes and accounts receivable-trade	-11,034	-2,034	-117
Decrease (increase) in inventories	36,873	-23,476	392
Increase (decrease) in notes and accounts payable-trade	-10,643	2,110	-113
Increase (decrease) in advances received	-9,553	9,030	-102
Other, net	130	6,389	1
Subtotal	61,321	35,233	652
Interest and dividends income received	2,859	2,920	30
Interest expenses paid	-4,096	-5,371	-44
Income taxes paid	-4,742	-4,468	-50
Net cash provided by operating activities	55,342	28,314	589
<b>II Cash flows from investing activities</b>			
Purchase of property, plant and equipment	-17,912	-15,014	-191
Proceeds from sales of property, plant and equipment	510	4,418	5
Purchase of investment securities	-7,688	-275	-82
Proceeds from sales of investment securities	8,628	312	92
Purchase of investments in subsidiaries	-321	-	-3
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-3,823	-	-41
Payments of loans receivable	-4,535	-3,103	-48
Collection of loans receivable	4,294	3,163	46
Other, net	-3,438	-2,989	-37
Net cash used in investing activities	-24,286	-13,489	-258
<b>III Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	-8,331	11,184	-89
Increase in commercial papers	18,000	10,000	191
Proceeds from long-term loans payable	52,224	30,956	556
Repayment of long-term loans payable	-62,561	-50,264	-666
Proceeds from issuance of bonds	20,000	20,000	213
Redemption of bonds	-60,510	-40,000	-644
Repayments of lease obligations	-12,431	-11,319	-132
Proceeds from sales of treasury stock	0	0	0
Purchase of treasury stock	-5	-5	-0
Cash dividends paid	-2,858	-2,858	-30
Cash dividends paid to minority shareholders	-262	-191	-3
Other, net	-91	-93	-1
Net cash used in financing activities	-56,827	-32,592	-605
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	1,196	-56	13
<b>V Net decrease in cash and cash equivalents ( I + II + III + IV)</b>	-24,575	-17,824	-261
<b>VI Cash and cash equivalents at beginning of period</b>	64,261	81,796	684
<b>VII Increase in cash and cash equivalents resulting from change of scope of consolidation</b>	-	289	-
<b>VIII Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries</b>	2	-	0
<b>IX Cash and cash equivalents at end of period</b>	39,688	64,261	422



## Consolidated Segment Information (FY2012)

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

FY2011

	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	154,356	106,674	142,745	109,799	115,354	74,605	703,534	-	703,534
Inter-segment sales and transfers	2,247	3,820	8,081	2,436	108	37,960	54,654	-54,654	-
Total sales	156,603	110,494	150,826	112,235	115,462	112,565	758,188	-54,654	703,534
Segment profits (losses)	12,019	4,385	3,778	-207	2,262	2,638	24,876	-5,623	19,252

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	197,488	112,397	133,831	110,584	111,891	79,588	745,781	-	745,781
Inter-segment sales and transfers	1,372	3,231	7,817	3,007	195	37,301	52,926	-52,926	-
Total sales	198,860	115,629	141,649	113,591	112,086	116,890	798,707	-52,926	745,781
Segment profits (losses)	11,631	5,042	2,601	-1,416	6,423	2,880	27,161	-5,168	21,992

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	2,101	1,196	1,424	1,176	1,190	847	7,934	-	7,934
Inter-segment sales and transfers	15	34	83	32	2	397	563	-563	-
Total sales	2,116	1,230	1,507	1,208	1,192	1,244	8,497	-563	7,934
Segment profits (losses)	124	54	28	-15	68	31	289	-55	234

## Supplemental Consolidated Financial Materials

### 1. Financial summary

	Billions of yen		
	FY2011	FY2012	FY2013 [Forecast]
Net sales	703.5	745.8	750.0
Operating income	19.3	22.0	27.0
Ordinary income	18.6	25.7	26.0
Net income	11.8	26.4	14.0

### 2. Number of consolidated subsidiaries

	FY2011	FY2012	FY2013 [Forecast]
Number of consolidated subsidiaries	47	47	48
Japan	25	25	24
Overseas	22	22	24
Number of equity-method associates	4	5	5

### 3. Net income per share

	Yen		
	FY2011	FY2012	FY2013 [Forecast]
Net income per share	16.52	36.90	19.59

### 4. Sales exchange rate (Yen)

	Yen		
	FY2011	FY2012	FY2013 [Forecast]
US\$	79.08	83.10	90.00
EURO	108.98	107.14	115.00

### 5. Net sales by reporting segment

	Billions of yen		Billions of yen	
	FY2011	FY2012	FY2012 [New segments]	FY2013 [Forecast]
Power & Social Infrastructure	156.6	198.9	156.9	151.1
Industrial Infrastructure	110.5	115.6	198.7	200.0
Power Electronics	150.8	141.6	148.4	164.5
Electronic Devices	112.2	113.6	113.6	111.7
Food & Beverage Distribution	115.5	112.1	112.1	115.4
Others	112.6	116.9	60.6	56.9
Subtotal	758.2	798.7	790.2	799.4
Elimination	-54.7	-52.9	-44.5	-49.4
<b>Total</b>	<b>703.5</b>	<b>745.8</b>	<b>745.8</b>	<b>750.0</b>

Note : Net sales include inter-segment transactions.

### 6. Operating income by reporting segment

	Billions of yen		Billions of yen	
	FY2011	FY2012	FY2012 [New segments]	FY2013 [Forecast]
Power & Social Infrastructure	12.0	11.6	8.4	8.0
Industrial Infrastructure	4.4	5.0	11.0	11.0
Power Electronics	3.8	2.6	1.2	4.8
Electronic Devices	-0.2	-1.4	-1.4	1.5
Food & Beverage Distribution	2.3	6.4	6.4	6.7
Others	2.6	2.9	1.6	1.5
Subtotal	24.9	27.2	27.3	33.6
Elimination	-5.6	-5.2	-5.3	-6.6
<b>Total</b>	<b>19.3</b>	<b>22.0</b>	<b>22.0</b>	<b>27.0</b>

### 7. Net overseas sales

	Billions of yen		
	FY2011	FY2012	FY2013 [Forecast]
Asia (except for China)	97.6	95.8	96.0
China	54.8	54.6	58.7
Europe	14.5	14.4	15.3
America	11.6	13.8	15.9
<b>Total</b>	<b>178.4</b>	<b>178.5</b>	<b>186.0</b>

## 8. R&D expenditures

	Billions of yen
	FY2011
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%

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

	Billions of yen
	FY2011
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.

## 10. Depreciation, Leases paid

	Billions of yen
	FY2011
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.

## 11. Number of employees

	FY2011
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

## 12. R&D expenditures

	Billions of yen	Billions of yen	
	<b>FY2012</b>	FY2012	FY2013
		[New segments]	[Forecast]
Power & Social Infrastructure	6.8	5.1	4.7
Industrial Infrastructure	4.1	5.3	6.3
Power Electronics	6.7	7.3	8.0
Electronic Devices	9.6	9.6	9.5
Food & Beverage Distribution	3.8	3.8	4.6
Others	0.1	0.0	0.0
<b>Total</b>	<b>31.2</b>	<b>31.2</b>	<b>33.0</b>
Ratio to net sales (%)	4.2%	4.2%	4.4%

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

	Billions of yen	Billions of yen	
	<b>FY2012</b>	FY2012	FY2013
		[New segments]	[Forecast]
Power & Social Infrastructure	2.2	2.0	2.2
Industrial Infrastructure	2.1	2.2	2.3
Power Electronics	7.1	7.2	9.7
Electronic Devices	17.2	17.2	12.4
Food & Beverage Distribution	2.2	2.2	2.7
Others	1.0	0.9	0.9
<b>Total</b>	<b>31.8</b>	<b>31.8</b>	<b>30.2</b>
(Leases)	(16.5)	(16.5)	(10.1)

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

## 14. Depreciation, Leases paid

	Billions of yen	Billions of yen	
	<b>FY2012</b>	FY2012	FY2013
		[New segments]	[Forecast]
Power & Social Infrastructure	2.6	2.1	2.2
Industrial Infrastructure	1.6	2.2	2.7
Power Electronics	4.1	4.2	5.0
Electronic Devices	20.2	20.2	17.3
Food & Beverage Distribution	2.7	2.7	2.9
Others	1.5	1.3	1.4
<b>Total</b>	<b>32.7</b>	<b>32.7</b>	<b>31.6</b>
(Leases)	(4.2)	(4.2)	(1.7)

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

## 15. Number of employees

	<b>FY2012</b>	FY2012	FY2013
		[New segments]	[Forecast]
Power & Social Infrastructure	4,277	2,768	2,816
Industrial Infrastructure	2,897	5,104	5,059
Power Electronics	5,524	5,941	6,366
Electronic Devices	6,689	6,647	6,841
Food & Beverage Distribution	1,985	1,938	2,410
Others	3,584	2,558	2,544
<b>Total</b>	<b>24,956</b>	<b>24,956</b>	<b>26,036</b>
Japan	18,271	18,271	18,355
Overseas	6,685	6,685	7,681

## Financial Performance

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

In fiscal 2012, ended March 31, 2013, 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 delayed recovery in demand that was particularly prominent in China. Domestically, economic conditions started to decelerate in the summer as a result of sluggish conditions in the global economy. However, government measures implemented at the end of 2012 brought hope for economic recovery, and we are gradually seeing signs of a positive turn in conditions.

In this environment, the Company pushed forward with initiatives geared toward advancing the management policy of “expand energy-related businesses.” 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 fiscal 2012 were as follows.

Net sales increased ¥42.2 billion year on year, to ¥745.8 billion, largely due to the contributions of large-scale contracts in the power generation business and the depreciation of the Japanese yen. By business segment, year-on-year increases in the net sales of the Power and Social Infrastructure, Industrial Infrastructure, Electronic Devices, and Other segments counteracted year-on-year decreases in the net sales of the Power Electronics and Food and Beverage Distribution segments.

In operating results, operating income improved ¥2.7 billion year on year, to ¥22.0 billion. This was because the benefits of thorough cost reduction measures as well as the business restructuring initiatives implemented in the previous fiscal year outweighed the impacts of intensified cost competition. Likewise, ordinary income improved ¥7.2 billion year on year, to ¥25.7 billion. Net income improved ¥14.6 billion year on year, to ¥26.4 billion, representing a new record high.

Operating results for fiscal 2012 were as follows.

	(¥ billion)		
	Fiscal 2011	Fiscal 2012	Change
Net sales	703.5	745.8	42.2
Operating income	19.3	22.0	2.7
Ordinary income	18.6	25.7	7.2
Net income/loss	11.8	26.4	14.6

## Results by Segment

### [Power and Social Infrastructure]

**YoY: Net sales increased 27%, operating results worsened ¥0.4 billion**

Net sales rose 27% year on year, to ¥198.9 billion, and operating income worsened ¥0.4 billion year on year, to ¥11.6 billion.

Sales in the power generation business were up year on year due to large scale orders for thermal power plants, but operating results worsened due to the heavy impacts of intensified cost competition. In the social infrastructure business, demand for solar power generation systems rose following the launch of the feed-in tariff scheme for renewable energy, and the energy distribution business drove year-on-year improvements in net sales and operating results accordingly.

### [Industrial Infrastructure]

**YoY: Net sales increased 5%, operating results improved ¥0.7 billion**

Net sales rose 5% year on year, to ¥115.6 billion, and operating income improved ¥0.7 billion year on year, to ¥5.0 billion.

In the industrial plant business, sales increased year on year due to relatively firm replacement demand in Japan. Sales also increased in the facilities business, which benefited from domestic replacement demand and revenues from large-scale projects overseas. 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 businesses accordingly.

### [Power Electronics]

**YoY: Net sales decreased 6%, operating results worsened ¥1.2 billion**

Net sales decreased 6% year on year, to ¥141.6 billion, and operating income worsened ¥1.2 billion year on year, to ¥2.6 billion.

In the drive business, sales decreased year on year following sluggish demand in China and other overseas markets. However, the benefits of lower costs and general expenses resulted in improvements in operating results. In the power supply business, sales and operating results worsened due to decreased demand for power supplies for the manufacturing industry and for use in IT equipment. Further, lower demand from machinery manufacturers in the Japanese market led to the deterioration of sales and operating results in the ED&C components business.

**[Electronic Devices]**

**YoY: Net sales increased 1%, operating results worsened ¥1.2 billion**

Net sales increased 1% year on year, to ¥113.6 billion, and operating loss worsened ¥1.2 billion year on year, to ¥1.4 billion.

In the semiconductor business, demand in the automotive electronics business was relatively firm, 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, sales increased year on year following the depreciation of the Japanese yen and operating results improved due to the benefits of the business restructuring initiatives implemented in the previous fiscal year.

**[Food and Beverage Distribution]**

**YoY: Net sales decreased 3%, operating results improved ¥4.2 billion**

Net sales decreased 3% year on year, to ¥112.1 billion, and operating income improved ¥4.2 billion year on year, to ¥6.4 billion.

In the vending machine business, there was strong replacement demand for energy-saving environmentally friendly vending machines, and the launch of coffee machines for convenience stores contributed to sales improvements. However, sales declined year on year after sales of the food and beverage items sold in vending machines were stopped. In the store distribution business, sales rose as a result of automatic change dispenser replacement demand as well as increased orders for freezing, refrigerating, and energy-saving facilities for convenience stores and other establishments. Operating results improved for both businesses due to the benefits from the business restructuring initiatives implemented in the previous fiscal year as well as cost reductions and the introduction of new products.

**[Others]**

**YoY: Net sales increased 4%, operating results improved ¥0.2 billion**

Net sales rose 4% year on year, to ¥116.9 billion, and operating income improved ¥0.2 billion year on year, to ¥2.9 billion.

## Outlook for Fiscal 2013

The outlook for consolidated business results for fiscal 2013, ending March 31, 2014, is as follows.

Further, this outlook assumes foreign exchange rates of US\$1=¥90 and €1=¥115.

### Consolidated Business Results Forecasts

(¥ billion)

	Fiscal 2012 Results	Fiscal 2013 Forecasts	Change
Net sales	745.8	750.0	4.2
Operating income	22.0	27.0	5.0
Ordinary income	25.7	26.0	0.3
Net income	26.4	14.0	-12.4

### Forecasts by Segment

(¥ billion)

	Fiscal 2013 Forecasts	
	Net Sales	Operating Income/Loss
Power and Social Infrastructure	151.1	8.0
Industrial Infrastructure	200.0	11.0
Power Electronics	164.5	4.8
Electronic Devices	111.7	1.5
Food and Beverage Distribution	115.4	6.7
Others	56.9	1.5
Elimination and Corporate	-49.4	-6.6
Total	750.0	27.0

In the Power and Social Infrastructure segment, we will work to increase orders for thermal and geothermal power generation systems in Asia and other overseas markets. We will also expand orders and photovoltaic power generation systems, which are expected to continue experiencing strong demand in Japan. Further, development initiatives pertaining to next-generation smart meters will be advanced together with preparations for the mass production of these meters. At the same time, we will endeavor to commercialize smart communities.

In the Industrial Infrastructure segment, domestically, Fuji Electric will focus on reinstalling social infrastructure to revitalize Japan and on energy-saving and environmental businesses. Overseas, business expansion efforts will be focused on Asia. In addition to improving the cost competitiveness of transformers, which form the foundation of infrastructure, we will combine sensor systems and power electronics to further differentiate our measurement control systems



business. Moreover, coordination between plant system and equipment construction ventures will be strengthened, and we will expand application of our expertise in these fields to new markets and fields, such as overseas markets and the air conditioning and heat management field.

In the Power Electronics segment, Fuji Electric will pursue the development of globally competitive products such as its mainstay inverters, uninterruptible power supply systems (UPSs), and power conditioners (PCSs). Developed products will be actively introduced into the market. Further, production will be expanded at our new factory in Thailand, which serves as a global production base, and we will work to make this facility more competitive. Further, the development of products employing next-generation power semiconductors (silicon carbide (SiC) devices) will be an area of focus as these semiconductors help reduce electricity usage and contribute to the miniaturization of equipment.

In the Electronic Devices segment, Fuji Electric will improve production efficiency by installing production lines for 6-inch next-generation power semiconductors and utilizing processing lines for 8-inch wafers. The Company will also expand production in Malaysia, China, the Philippines, and other overseas sites in pursuit of higher levels of competitiveness.

In the Food and Beverage Distribution segment, Fuji Electric will develop new, differentiated vending machines, such as those that include provisions for shifting the burden of peak-hour electricity usage. The Company will also expand its business in China. In the store distribution business, we will expand businesses targeting the convenience store industry, develop currency handling systems for use overseas, establish refrigerated distribution services utilizing our heating and cooling technologies, and otherwise work to develop businesses in new fields.

## (2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2011	Breakdown (%)	March 31, 2012	Breakdown (%)	Change
Total assets	792.8	100.0	765.6	100.0	-27.3
Interest-bearing debt	255.9	32.3	226.7	29.6	-29.1
Shareholder's equity* <sup>1</sup>	163.6	20.6	194.6	25.4	+31.0
Debt-equity ratio* <sup>2</sup> (times)	1.6		1.2		-0.4

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

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

Total assets at the end of fiscal 2012 stood at ¥765.6 billion, a decrease of ¥27.3 billion from the end of the previous fiscal year. Total current assets decreased ¥28.5 billion principally because lower cash and deposits and inventories offset an increase in notes and accounts receivable-trade. Total noncurrent assets were up ¥1.2 billion mainly due to an increase in property, plant and equipment, which compensated for a decline in investments and other assets.

Interest-bearing debt at fiscal year-end amounted to ¥226.7 billion, down ¥29.1 billion from the previous fiscal year-end, which was primarily attributable to the redemption of bonds. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—amounted to ¥187.0 billion at fiscal year-end, a decline of ¥4.6 billion from the previous fiscal year-end.

Net assets at fiscal year-end stood at ¥215.7 billion, an increase of ¥32.5 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 ¥31.0 billion from the previous fiscal year-end, standing at ¥194.6 billion at fiscal year-end. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) declined 0.4 times from the previous fiscal year-end, to 1.2 times. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) declined 0.2 times, to 1.0 times.

	FY2011	FY2012	Change
Cash flow from operating activities	28.3	55.3	27.0
Cash flow from investing activities	-13.5	-24.3	-10.8
Free cash flow	14.8	31.1	16.2
Cash flow from financing activities	-32.6	-56.8	-24.2
Cash and cash equivalents	64.3	39.7	-24.6

In fiscal 2012, consolidated free cash flow (net cash from operating activities + net cash from investment activities) was ¥31.1 billion, an improvement of ¥16.2 billion compared with free cash flow of ¥14.8 billion in the previous fiscal year.

**Cash flows from operating activities**

Net cash provided by operating activities was ¥55.3 billion, compared with ¥28.3 billion for the previous fiscal year. This was mainly due to a decrease in inventories.

This was an improvement of ¥27.0 billion year on year.

**Cash flows from investing activities**

Net cash used in investment activities was ¥24.3 billion, compared with ¥13.5 billion in the previous fiscal year. This was primarily related to purchase of property, plant and equipment and purchase of investments in subsidiaries.

This was a deterioration of ¥10.8 billion year on year.

**Cash flows from financing activities**

Net cash used in financing activities was ¥56.8 billion, compared with ¥32.6 billion in the previous fiscal year. This was principally due to the redemption of bonds.

As a result, consolidated cash and cash equivalents at fiscal year-end amounted to ¥39.7 billion, down ¥24.6 billion from the previous fiscal year-end.

**(3) Basic Policy Regarding Distribution of Earnings; Dividends for Fiscal 2012 and Fiscal 2013**

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 performance, forecasted performance for fiscal 2013, and our financial position, we plan to pay a year-end dividend of ¥3 per share for fiscal 2012. Together with the interim dividend of ¥2 per share, this will give a full-year dividend of ¥5 per share for fiscal 2012.

We have not yet determined the dividend to be paid for fiscal 2013.