Fuji Electric
Innovating Energy Technology

# Consolidated Financial Results for FY2012

## April 26, 2013
## Fuji Electric Co., Ltd.

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# Summary of Consolidated Financial Results for FY2012 (YoY Comparison)

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(Billion yen)

| | FY2011 | FY2012 | Change |
|---|---|---|---|
| Net Sales | 703.5 | 745.8 | 42.2 |
| Operating Income/Loss | 19.3 | 22.0 | 2.7 |
| Ordinary Income/Loss | 18.6 | 25.7 | 7.2 |
| Extraordinary Income/Loss | -13.2 | -9.1 | 4.1 |
| Income Taxes | -7.9 | -11.4 | -3.5 |
| Minority Interest in Income/Loss | 1.4 | 1.7 | 0.2 |
| Net Income/Loss | 11.8 | 26.4 | 14.6 |

(Yen)

| | | | |
|---|---|---|---|
| Average Exchange Rate US$ | 79.08 | 83.10 | 4.02 |
| Average Exchange Rate EURO | 108.98 | 107.14 | -1.84 |

## Net Sales

- Large scale orders for thermal power plant
- Gain (loss) on translation of earnings of overseas subsidiaries

## Operating Income/Loss

| | | | |
|---|---|---|---|
| Cost Reduction | +21.8 | Price Decline | -18.1 |
| Reduction in Fixed Cost | +8.4 | Lower Production Volumes | -9.4 |
| Exchange Rate Effect | +1.0 | Material Price Hikes | -1.9 |
| Net Sales Effect | +1.0 | and Others | |
| | +32.1 | | -29.4 |

## Non-operating Income/Loss

| | | |
|---|---|---|
| Net Interest Expense | +1.4 | ( -2.3 → -0.8) |
| Income/Loss on Investment in Equity-method Affiliate | +0.2 | ( +2.4 → +2.6) |
| Exchange Rate Effect | +2.5 | ( -1.0 → +1.4) |

## Extraordinary Income/Loss

| | | |
|---|---|---|
| Loss on Pension Assets | +7.0 | ( -7.0→ 0.0) |
| Production Plant Consolidation Expenses | +2.6 | ( -2.6 → 0.0) |
| Impairment Loss | -6.4 | ( 0.0 → -6.4) |

## Income Taxes Income/Loss

Recognition of Deferred Tax Assets

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# Net Sales and Operating Income by Segment for FY2012 (YoY Comparison)①

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（Billion yen）

| | Net Sales | | | Operating Income/Loss | | |
|---|---|---|---|---|---|---|
| | FY2011 | FY2012 | Change | FY2011 | FY2012 | Change |
| Power and Social Infrastructure | 156.6 | 198.9 | 42.3 | 12.0 | 11.6 | -0.4 |
| Industrial Infrastructure | 110.5 | 115.6 | 5.1 | 4.4 | 5.0 | 0.7 |
| Power Electronics | 150.8 | 141.6 | -9.2 | 3.8 | 2.6 | -1.2 |

➢**Power and Social Infrastructure**

[Net Sales]
- Sales in the power generation business increased due to large scale orders for thermal power plants.
- In the social infrastructure business, sales increased due to demand for solar power generation systems rose.

[Operating Income/Loss]
- Overall operating results worsened due to the heavy impacts of intensified cost competition in power generation business.

➢**Industrial Infrastructure**

[Net Sales]
- Sales increased due to firm replacement demand in Japan.

[Operating Income/Loss]
- Operating results improved due to the benefits of the higher sales and lower costs.

➢**Power Electronics**

[Net Sales]
- In the drive business, sales decreased due to sluggish demand in overseas markets.
- Sales in the power supply business declined due to lower demand for products for power supplies for the manufacturing industry and for use in IT equipment.
- In the ED&C components business, sales decreased due to lower demand in domestic market.

[Operating Income/Loss]
- Operating results in the drive business were up due to cost reductions.
- In power supply and ED&C components businesses, operating results were down following the lower sales.

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# Net Sales and Operating Income by Segment for FY2012 (YoY Comparison) ②

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（Billion yen）

| | Net Sales | | | Operating Income/Loss | | |
|---|---|---|---|---|---|---|
| | FY2011 | FY2012 | Change | FY2011 | FY2012 | Change |
| Electronic Devices | 112.2 | 113.6 | 1.4 | -0.2 | -1.4 | -1.2 |
| Food and Beverage Distribution | 115.5 | 112.1 | -3.4 | -2.3 | 6.4 | 4.2 |
| Others | 112.6 | 116.9 | 4.3 | 2.6 | 2.9 | 0.2 |
| Elimination and Corporate | -54.7 | -52.9 | 1.7 | -5.6 | -5.2 | 0.4 |
| Total | 703.5 | 745.8 | 42.2 | 19.3 | 22.0 | 2.7 |

➢**Electronic Devices**

[Net Sales]
- In the semiconductor business, sales decreased due to demand in the automotive electronics business was relatively firm, while demand in the industrial and power supply application businesses was down.
- In the magnetic disk business, sales increased following the depreciation of the Japanese yen.

[Operating Income/Loss]
- In the semiconductor business, operating results worsened due to lower sales.
- In the magnetic disk business, operating results improved due to the benefits of the business restructuring initiatives implemented in the previous fiscal year.

➢**Food and Beverage Distribution**

[Net Sales]
- 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 after sales of 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.

[Operating Income/Loss]
- Operating results improved 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.

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# Net Sales for FY2012 (Japan and Overseas by area)

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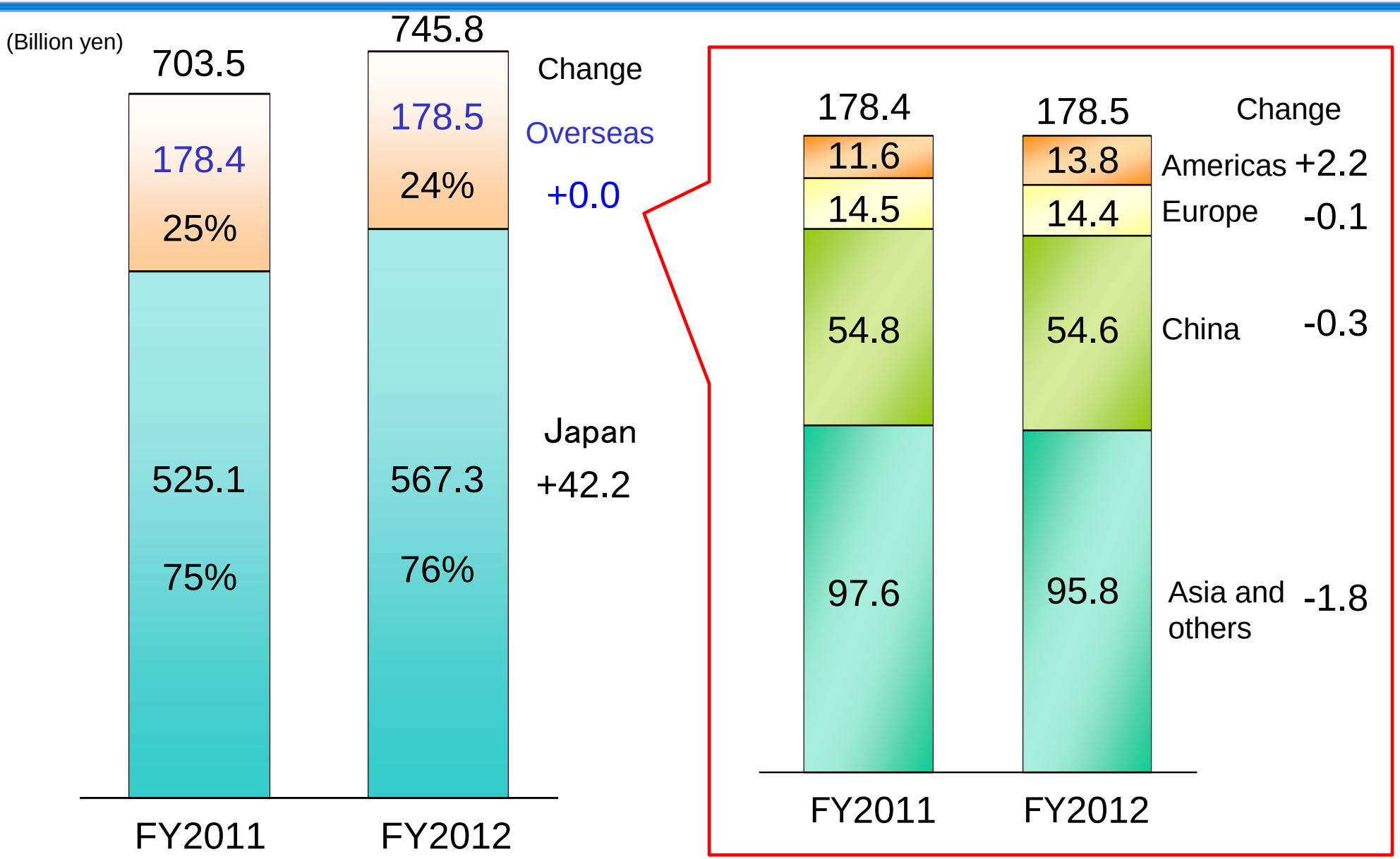


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# Summary of Consolidated Financial Results for FY2012 (Comparison with Forecast)

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(Billion yen)

| | FY2012 | | Change |
|---|---|---|---|
| | Forecasts | Results | |
| Net Sales | 750.0 | 745.8 | -4.2 |
| Operating Income/Loss | 23.0 | 22.0 | -1.0 |
| Ordinary Income/Loss | 22.0 | 25.7 | 3.7 |
| Net Income/Loss | 13.0 | 26.4 | 13.4 |

(Yen)

| | | | |
|---|---|---|---|
| Average Exchange Rate US$ | 81.25 | 83.10 | 1.85 |
| Average Exchange Rate EURO | 105.38 | 107.14 | 1.76 |

**Operating Income/Loss**

- Worsened due to decreasing sales volume
- Reduction in fixed assets and favorable impact of exchange rate

**Non-operating Income/Loss**

Positive turn in foreign exchange gains and net interest income

**Extraordinary Income/Loss**

Recognition of Deferred Tax Assets

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# Net Sales and Operating Income by Segment for FY2012 (Comparison with Forecast)

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（Billion yen）

| | Net Sales | | | Operating Income | | |
|---|---|---|---|---|---|---|
| | FY2012 | | Change | FY2012 | | Change |
| | Forecasts | Results | | Forecasts | Results | |
| Power and Social Infrastructure | 197.6 | 198.9 | 1.3 | 11.2 | 11.6 | 0.4 |
| Industrial Infrastructure | 120.9 | 115.6 | -5.3 | 5.7 | 5.0 | -0.7 |
| Power Electronics | 145.8 | 141.6 | -4.2 | 3.1 | 2.6 | -0.5 |
| Electronic Devices | 112.4 | 113.6 | 1.2 | 0.5 | -1.4 | -1.9 |
| Food and Beverage Distribution | 111.1 | 112.1 | 1.0 | 5.8 | 6.4 | 0.6 |
| Others | 116.2 | 116.9 | 0.7 | 2.8 | 2.9 | 0.1 |
| Elimination and Corporate | -54.1 | -52.9 | 1.2 | -6.0 | -5.2 | 0.8 |
| Total | 750.0 | 745.8 | -4.2 | 23.0 | 22.0 | -1.0 |

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# Consolidated Balance Sheet at the end of FY2012

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(Billion yen)

| Assets | 3/31/12 | 3/31/13 | Change |
|---|---|---|---|
| Cash and time deposit | 64.3 | 39.8 | -24.6 |
| Notes and account receivables, trade receivables | 199.7 | 216.9 | 17.2 |
| Inventories | 133.3 | 107.7 | -25.6 |
| Other current assets | 55.9 | 60.4 | 4.5 |
| Total current assets | 453.2 | 424.7 | -28.5 |
| Tangible fixed assets | 158.4 | 168.4 | 10.0 |
| Intangible fixed assets | 11.2 | 12.7 | 1.5 |
| Investments and other assets | 169.9 | 159.6 | -10.3 |
| Total long-term assets | 339.5 | 340.7 | 1.2 |
| Deferred assets | 0.1 | 0.1 | +0.0 |
| Total assets | 792.8 | 765.6 | -27.3 |

| Liabilities and Net Assets | 3/31/12 | 3/31/13 | Change |
|---|---|---|---|
| Notes and account payables, trade payables | 136.5 | 129.9 | -6.5 |
| Interest-bearing Debts | 255.9 | 226.7 | -29.1 |
| Other liabilities | 217.3 | 193.2 | -24.1 |
| Total liabilities | 609.6 | 549.9 | -59.7 |
| Common stock | 47.6 | 47.6 | - |
| Capital surplus | 46.7 | 46.7 | -0.0 |
| Retained earnings | 63.4 | 87.6 | 24.2 |
| Treasury stock at cost | -7.1 | -7.1 | -0.0 |
| Shareholders' equity | 150.6 | 174.8 | 24.2 |
| Accumulated other comprehensive income | 12.9 | 19.7 | 6.8 |
| Minority interests in consolidated subsidiaries | 19.6 | 21.1 | 1.5 |
| Total net assets | 183.2 | 215.7 | 32.5 |
| Total liabilities and net assets | 792.8 | 765.6 | -27.3 |

| | | | |
|---|---|---|---|
| Net Interest-bearing Debts | 191.6 | 187.0 | -4.6 |

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# Consolidated Cash Flow for FY2012

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(Billion yen)

| | FY2011 | FY2012 |
|---|---|---|
| Cash Flows from Operating Activities | 28.3 | 55.3 |
| Cash Flows from Investing Activities | -13.5 | -24.3 |
| Free Cash Flow | 14.8 | 31.1 |
| Cash Flows from Financing Activities | -32.6 | -56.8 |
| Effect of Exchange Rate Change and Others | 0.3 | 1.2 |
| Increase / Decrease | -17.5 | -24.6 |
| Cash and Cash Equivalents at Beginning of Year | 81.8 | 64.3 |
| Cash and Cash Equivalents at End of Year | 64.3 | 39.7 |

Reduction of inventory assets

Redemption of corporate bonds

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# Summary of Priority Measures for FY2012

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## ◆Improve profitability by reducing cost rigorously and strengthen manufacturing capabilities

- Expand global purchasing

  Cost reduction: ¥21.8 billion

- Commencement of full-scale operations at Equipment Technology Center consolidating production technology-related functions

## ◆Improve cash flow by reducing inventory assets

| | FY2011 | FY2012 |
|---|---|---|
| Inventory Assets (year-end) | ¥133.3 billion | ¥107.7 billion |
| Free Cash Flow | ¥14.8 billion | ¥31.1 billion |

## ◆Establish sales and production bases to expand overseas business

- Sales : Brazil
- Engineering : Singapore, Indonesia
- Production : Decide to construct a new plant in Thailand
  Commence production of power semiconductors in Shenzhen, China

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# Financial Summary

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| | FY2011 | FY2012 |
|---|---|---|
| Net debt-equity ratio | 1.2 times | 1.0 time |
| Total net assets ratio | 20.6% | 25.4% |
| ROA | 1.5% | 3.4% |
| ROE | 7.4% | 14.7% |

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# Dividends

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(Yen)

| | Interim | Year-end | Annual |
|---|---|---|---|
| FY2011 | 2.00 | 2.00 | 4.00 |
| FY2012 | 2.00 | 3.00 (plan) | 5.00 (plan) |

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