

Consolidated Financial Results for 3Q FY2014

January 30, 2015
Fuji Electric Co., Ltd.

Substantial improvements achieved for operating income, ordinary income, and net income

(Billion yen)

	9 months FY2013	9 months FY2014	Change
Net Sales	502.6	541.8	39.2
Operating Income/Loss	5.9	11.4	5.6
Ordinary Income/Loss	6.6	13.6	7.0
Extraordinary Income/Loss	-0.4	3.9	4.3
Income/Loss before Income Taxes	6.2	17.5	11.2
Income Taxes	2.5	4.7	2.2
Minority Interest in Income/Loss	1.4	1.6	0.2
Net Income/Loss	2.3	11.2	8.9

(Yen)

Average Exchange Rate US\$	99.39	106.87	7.48
Average Exchange Rate EURO	132.23	140.30	8.07

Net Sales

Demand increase and gain on translation of earnings of overseas subsidiaries

Operating Income/Loss

Cost reduction	+10.6	Price decline	-11.4
Higher production volume	+4.9	Increase in fixed cost	-2.7
Increase in sales	+3.7		
Exchange rate effect	+0.5		
	+19.7		-14.1

Non-operating Income/Loss

Net interest expense	+1.2	(-1.0→ 0.2)
Foreign exchange income/loss	+1.1	(2.3→ 3.4)
Other	-0.9	(-0.5→ -1.4)
	+1.4	

Extraordinary Income/Loss

Gain on change in equity	+4.6	(0.0→ 4.6)
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Net Sales and Operating Income by Segment for 9 months (Apr.-Dec.) FY2014 (YoY Comparison) ①

(Billion yen)

	Net Sales			Operating Income/Loss		
	9 months FY2013	9 months FY2014	Change	9 months FY2013	9 months FY2014	Change
Power and Social Infrastructure	86.6	102.2	15.6	-0.7	0.3	1.0
Industrial Infrastructure	109.2	116.7	7.5	-1.6	-1.0	0.6
Power Electronics	124.7	129.7	5.0	1.4	2.6	1.2

➤ **Power and Social Infrastructure**

[Net Sales]

- In the power plant business, net sales were up due to a rise in orders for solar power generation systems, which offset the decline in large-scale orders for hydropower generation facilities.
- In the social engineering systems business, net sales were up due to higher sales centered on power systems and other items in the power grid field as well as smart meters.
- In the social information business, net sales increased as a result of the rise in activities targeting small to medium-scale orders.

[Operating Income/Loss] - The segment's overall operating results improved due to higher net sales.

➤ **Industrial Infrastructure**

[Net Sales]

- In the transmission and distribution business, net sales were up, reflecting a rise in large-scale orders in Japan.
- In the industrial plant business, net sales increased following strong domestic replacement demand.
- In the industrial and instrumentation equipment business, net sales were relatively unchanged year on year.
- In the equipment construction business, net sales increased due to a rise in orders for air-conditioning facility construction and solar power generation facility construction.

[Operating Income/Loss] - The segment's overall operating results improved year on year due to the higher net sales.

➤ **Power Electronics**

[Net Sales and Operating Income/Loss]

- In the drive business, net sales and operating results were relatively unchanged year on year as the decrease in overseas orders for electric equipment for railcars was counterbalanced by a rise in demand for mainstay inverters and servos in Japan and overseas.
- In the power supply business, net sales and operating results were up as a result of increased overseas demand for power supply equipment coupled with the robust demand for power conditioners for mega solar power generation projects in Japan.
- In the ED&C components business, net sales and operating results improved due to strong demand for machine tools and power distribution equipment.

Net Sales and Operating Income by Segment for 9 months (Apr.-Dec.) FY2014 (YoY Comparison) ②

(Billion yen)

	Net Sales			Operating Income/Loss		
	9 months FY2013	9 months FY2014	Change	9 months FY2013	9 months FY2014	Change
Electronic Devices	92.8	105.1	12.3	4.3	5.9	1.6
Food and Beverage Distribution	87.5	88.0	0.5	5.2	6.1	0.9
Others	44.0	45.5	1.5	1.6	1.5	-0.0
Elimination and Corporate	-42.2	-45.3	-3.1	-4.3	-4.0	0.3
Total	502.6	541.8	39.2	5.9	11.4	5.6

➤ Electronic Devices

[Net Sales and Operating Income/Loss]

- In the semiconductors business, net sales were up due to strong demand for inverters, servos, and other industrial machinery in the industrial field and recovered demand for products for telecommunications equipment in the power supply application field, factors that outweighed the decrease in demand in the automotive field following the consumption tax hike in Japan. Operating results improved due to higher net sales and the benefits of cost reduction efforts.
- In the magnetic disks business, net sales increased, but operating results were unchanged year on year due to the negative impacts of changes in prices and the ratios of sales for specific models.

➤ Food and Beverage Distribution

[Net Sales and Operating Income/Loss]

- In the vending machines business, net sales were relatively unchanged year on year as the sales increases that accompanied the expansion of the Chinese market offset the impacts of detracting factors in the domestic market, namely the unseasonable weather as well as a decrease in vending machine demand following the consumption tax hike. Operating results improved due to the benefits of cost reduction efforts.
- In the store distribution business, net sales were up following increased demand for freezing and refrigerating facilities for convenience stores as well as for refrigeration facilities for the distribution sector. Operating results improved due to higher net sales and the benefits of cost reduction efforts.

Net Sales for 9 months (Apr. – Dec.) FY2014 [Japan and Overseas by Area] (YoY Comparison)

(Billion yen)

	9 months FY2013	9 months FY2014	Change
Japan	371.5	391.6	20.1
Overseas	131.1	150.2	19.1
Asia and others	55.0	58.9	3.9
China	51.8	67.4	15.5
Europe	13.7	13.4	-0.3
Americas	10.6	10.6	-0.0

Power and Social Infrastructure +15.2
Industrial Infrastructure +6.8

Electronic Devices +10.4
Food and Beverage Distribution +2.7

Consolidated Balance Sheet at the end of 3Q FY2014

(Billion yen)

Assets		3/31/14	12/31/14	Change
Cash and time deposit		34.0	28.8	-5.2
Notes and account receivables, trade receivables		222.5	199.5	-23.0
Inventories		121.4	172.7	51.2
Other current assets		51.4	62.3	10.9
Total current assets		429.3	462.3	33.9
Tangible fixed assets		172.6	173.5	0.9
Intangible fixed assets		13.9	14.5	0.6
Investments and other assets		194.8	205.4	10.7
Total long-term assets		381.3	393.5	12.2
Deferred assets		0.2	0.1	-0.0
Total assets		810.8	856.8	46.0

Liabilities and Net Assets		3/31/14	12/31/14	Change
Notes and account payables, trade payables		142.1	140.4	-1.6
Interest-bearing Debts		199.5	214.4	14.9
Other liabilities		217.9	239.9	21.9
Total liabilities		559.5	594.7	35.2
Common stock		47.6	47.6	-
Capital surplus		46.7	46.7	+0.0
Retained earnings		102.6	92.1	-10.5
Treasury stock at cost		-7.1	-7.2	-0.0
Shareholders' equity		189.8	179.2	-10.6
Accumulated other comprehensive income		37.4	55.7	18.3
(Remeasurements of defined benefit plans)		(-10.6)	(-7.0)	(3.6)
Minority interests in consolidated subsidiaries		24.0	27.1	3.0
Total net assets		251.2	262.0	10.8
Total liabilities and net assets		810.8	856.8	46.0
Total net assets ratio (%)		28.0	27.4	-0.6
Net interest-bearing debts		166.1	185.9	19.8
Net debt-equity ratio (times)		0.7	0.8	0.1

Upward Revision of Consolidated Financial Result Forecasts for FY2014 Fuji Electric (Comparison with forecasts as of Oct. 30, 2014)

Innovating Energy Technology

(Billion yen)

	FY2014 Forecasts (Oct. 30, 2014)	FY2014 Forecasts (Jan. 29, 2014)	Change
Net Sales	790.0	800.0	10.0
Operating Income/Loss	40.0	41.0	1.0
Ordinary Income/Loss	41.0	43.0	2.0
Net Income/Loss	24.0	27.0	3.0

Assumed exchange rate in 4Q

US\$	EURO
¥110	¥140

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2014 Forecasts (Oct. 30, 2014)	FY2014 Forecasts (Jan. 29, 2014)	Change	FY2014 Forecasts (Oct. 30, 2014)	FY2014 Forecasts (Jan. 29, 2014)	Change
Power and Social Infrastructure	165.1	168.5	3.4	8.3	8.3	0.0
Industrial Infrastructure	204.7	204.7	0.0	12.6	12.6	0.0
Power Electronics	181.7	181.7	0.0	8.7	8.7	0.0
Electronic Devices	126.9	133.5	6.6	7.7	8.0	0.3
Food and Beverage Distribution	118.7	118.7	0.0	7.3	8.0	0.7
Others	57.1	57.1	0.0	1.7	1.7	0.0
Elimination and Corporate	-64.2	-64.2	0.0	-6.3	-6.3	0.0
Total	790.0	800.0	10.0	40.0	41.0	1.0

Consolidated Financial Result Forecasts for FY2014 (YoY Comparison)

(Billion yen)

	FY2013 Results	FY2014 Forecasts	Change
Net Sales	759.9	800.0	40.1
Operating Income/Loss	33.1	41.0	7.9
Ordinary Income/Loss	36.7	43.0	6.3
Net Income/Loss	19.6	27.0	7.4

Assumed exchange rate in 4Q

US\$	EURO
¥110	¥140

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2013 Results	FY2014 Forecasts	Change	FY2013 Results	FY2014 Forecasts	Change
Power and Social Infrastructure	152.3	168.5	16.2	7.7	8.3	0.7
Industrial Infrastructure	189.5	204.7	15.2	9.6	12.6	2.9
Power Electronics	174.7	181.7	6.9	5.3	8.7	3.4
Electronic Devices	123.0	133.5	10.4	6.5	8.0	1.5
Food and Beverage Distribution	120.1	118.7	-1.4	8.0	8.0	0.0
Others	60.0	57.1	-2.9	1.9	1.7	-0.2
Elimination and Corporate	-59.8	-64.2	-4.4	-5.9	-6.3	-0.4
Total	759.9	800.0	40.1	33.1	41.0	7.9

Reference:
 Summary of Consolidated Financial Results for 3Q (Oct.-Dec.) FY2014
 (YoY Comparison)

(Billion yen)

	3Q FY2013	3Q FY2014	Change
Net Sales	174.1	196.5	22.4
Operating Income/Loss	2.9	5.5	2.7
Ordinary Income/Loss	4.1	7.5	3.4
Net Income/Loss	2.0	9.2	7.2

(Billion yen)

	Net Sales			Operating Income/Loss		
	3Q FY2013	3Q FY2014	Change	3Q FY2013	3Q FY2014	Change
Power and Social Infrastructure	29.7	39.8	10.2	0.1	0.7	0.6
Industrial Infrastructure	39.4	42.7	3.3	0.2	0.7	0.5
Power Electronics	45.5	47.8	2.3	0.9	1.5	0.6
Electronic Devices	33.9	40.0	6.1	2.2	2.2	0.1
Food and Beverage Distribution	25.2	27.0	1.8	0.5	1.2	0.6
Others	15.3	15.8	0.5	0.5	0.5	0.0
Elimination and Corporate	-14.8	-16.6	-1.8	-1.5	-1.3	0.2
Total	174.1	196.5	22.4	2.9	5.5	2.7

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