

**Consolidated Financial Report for the fiscal year ended March 31, 2015**  
**(April 1, 2014 – March 31, 2015)**

**Summary of Consolidated Financial Results**

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

	Millions of yen			Millions of U.S. dollars
	FY2014	FY2013	Change(%)	FY2014
	(A)	(B)	(A)/(B)	
Net sales	810,678	759,911	106.7%	6,756
Operating income	39,316	33,136	118.7%	328
Ordinary income	43,139	36,731	117.4%	359
Net income	27,978	19,582	142.9%	233
	Yen			U.S. dollars
Net income per share	39.16	27.41	142.9%	0.33

**2. Summary of consolidated financial position**

	Millions of yen		Millions of U.S. dollars
	3/31/2015	3/31/2014	3/31/2015
	Total assets	904,522	810,774
Net assets	319,636	251,225	2,664
Net assets ratio (%)	32.1%	28.0%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥120=U.S.\$1

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2016**  
**(April 1, 2015 - March 31, 2016)**

	Millions of yen
	FY2015
Net sales	850,000
Operating income	45,000
Ordinary income	45,000
Net income	29,000
	Yen
	FY2015
Net income per share	40.59

< 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		<i>Millions of U.S. dollars</i>
	<u>3/31/2015</u>	<u>3/31/2014</u>	<u>3/31/2015</u>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	31,953	34,025	266
Notes and accounts receivable-trade	237,631	222,481	1,980
Merchandise and finished goods	54,495	43,180	454
Work in process	48,787	48,030	407
Raw materials and supplies	34,330	30,231	286
Deferred tax assets	17,246	17,554	144
Other	39,301	34,365	328
Allowance for doubtful accounts	(777)	(532)	(6)
<b>Total Current assets</b>	<u>462,969</u>	<u>429,338</u>	<u>3,858</u>
<b>Noncurrent assets:</b>			
Property, plant and equipment			
Buildings and structures, net	79,195	78,094	660
Machinery, equipment and vehicles, net	20,473	21,240	171
Tools, furniture and fixtures, net	5,521	4,908	46
Land	35,080	35,199	292
Lease assets, net	27,081	28,627	226
Construction in progress	7,601	4,549	63
<b>Total Property, plant and equipment</b>	<u>174,953</u>	<u>172,619</u>	<u>1,458</u>
Intangible assets	15,295	13,874	127
Investments and other assets			
Investment securities	195,393	148,867	1,628
Long-term loans receivable	1,407	1,893	12
Net defined benefit asset	44,103	31,263	368
Deferred tax assets	2,518	4,519	21
Other	8,955	8,975	75
Allowance for doubtful accounts	(1,175)	(744)	(10)
<b>Total Investments and other assets</b>	<u>251,201</u>	<u>194,775</u>	<u>2,093</u>
<b>Total Noncurrent assets</b>	<u>441,451</u>	<u>381,269</u>	<u>3,679</u>
<b>Deferred assets</b>	<u>102</u>	<u>166</u>	<u>1</u>
<b>Total Assets</b>	<u>904,522</u>	<u>810,774</u>	<u>7,538</u>

**Consolidated Balance Sheets**

	Millions of yen		<i>Millions of U.S. dollars</i>
	<u>3/31/2015</u>	<u>3/31/2014</u>	<u>3/31/2015</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	150,648	142,087	1,255
Short-term loans payable	68,095	76,412	567
Commercial papers	19,000	-	158
Current portion of bonds	15,000	-	125
Lease obligations	12,988	13,521	108
Accrued expenses	38,309	37,469	319
Income taxes payable	5,905	4,543	49
Advances received	38,303	33,933	319
Other	56,498	51,489	471
<b>Total Current liabilities</b>	<u>404,748</u>	<u>359,457</u>	<u>3,373</u>
<b>Noncurrent liabilities:</b>			
Bonds payable	45,500	60,500	379
Long-term loans payable	43,629	62,592	364
Lease obligations	22,260	20,726	186
Deferred tax liabilities	32,576	17,911	271
Provision for directors' retirement benefits	236	215	2
Net defined benefit liability	32,518	34,236	271
Other	3,416	3,908	28
<b>Total Noncurrent liabilities</b>	<u>180,137</u>	<u>200,091</u>	<u>1,501</u>
<b>Total Liabilities</b>	<u>584,885</u>	<u>559,548</u>	<u>4,874</u>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	397
Capital surplus	46,735	46,734	389
Retained earnings	109,543	102,631	913
Treasury stock	(7,184)	(7,148)	(60)
<b>Total Shareholders' equity</b>	<u>196,680</u>	<u>189,804</u>	<u>1,639</u>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	69,528	44,768	579
Deferred gains or losses on hedges	(513)	20	(4)
Foreign currency translation adjustments	10,978	3,202	91
Remeasurements of defined benefit plans	13,665	(10,614)	114
<b>Total Accumulated other comprehensive income</b>	<u>93,659</u>	<u>37,376</u>	<u>780</u>
<b>Minority interests</b>	<u>29,296</u>	<u>24,043</u>	<u>244</u>
<b>Total Net assets</b>	<u>319,636</u>	<u>251,225</u>	<u>2,664</u>
<b>Total Liabilities and Net assets</b>	<u><u>904,522</u></u>	<u><u>810,774</u></u>	<u><u>7,538</u></u>

**Consolidated Statements of Income**

	Millions of yen		Millions of U.S. dollars
	FY2014	FY2013	FY2014
Net sales	810,678	759,911	6,756
Cost of sales	609,376	579,856	5,078
<b>Gross profit</b>	<b>201,302</b>	<b>180,055</b>	<b>1,678</b>
Selling, general and administrative expenses	161,985	146,918	1,350
<b>Operating income</b>	<b>39,316</b>	<b>33,136</b>	<b>328</b>
<b>Non-operating income</b>			
Interest income	234	268	2
Dividends income	2,291	1,202	19
Equity in earnings of affiliates	1,031	2,348	9
Foreign exchange income	3,666	1,772	31
Other	1,097	1,578	9
<b>Total Non-operating income</b>	<b>8,321</b>	<b>7,170</b>	<b>69</b>
<b>Non-operating expenses</b>			
Interest expense	2,551	2,855	21
Provision of allowance for doubtful accounts for subsidiaries and affiliates	530	-	4
Other	1,417	720	12
<b>Total Non-operating expenses</b>	<b>4,499</b>	<b>3,575</b>	<b>37</b>
<b>Ordinary income</b>	<b>43,139</b>	<b>36,731</b>	<b>359</b>
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	81	543	1
Gain on sales of investment securities	2,778	370	23
Gain on change in equity	4,843	-	40
<b>Total Extraordinary income</b>	<b>7,703</b>	<b>913</b>	<b>64</b>
<b>Extraordinary loss</b>			
Loss on disposal of noncurrent assets	880	1,304	7
Loss on devaluation of investment securities	447	1,134	4
Impairment loss	2,830	641	24
Settlement package	810	420	7
Other	154	407	1
<b>Total Extraordinary loss</b>	<b>5,123</b>	<b>3,907</b>	<b>43</b>
<b>Income before income taxes</b>	<b>45,719</b>	<b>33,737</b>	<b>381</b>
<b>Income taxes-current</b>	<b>9,612</b>	<b>9,005</b>	<b>80</b>
<b>Income taxes-deferred</b>	<b>5,305</b>	<b>2,976</b>	<b>44</b>
<b>Income taxes</b>	<b>14,918</b>	<b>11,982</b>	<b>124</b>
<b>Income before minority interests</b>	<b>30,800</b>	<b>21,754</b>	<b>257</b>
<b>Minority interests in income of consolidated subsidiaries</b>	<b>2,822</b>	<b>2,172</b>	<b>24</b>
<b>Net income</b>	<b>27,978</b>	<b>19,582</b>	<b>233</b>

**Consolidated Statements of Comprehensive Income**

	Millions of yen		<i>Millions of U.S. dollars</i>
	<b>FY2014</b>	FY2013	<i>FY2014</i>
<b>Income before minority interests</b>	30,800	21,754	257
<b>Other comprehensive income</b>			
Valuation difference on available-for-sale securities	24,731	24,468	206
Deferred gains or losses on hedges	(531)	97	(4)
Foreign currency translation adjustments	8,785	4,351	73
Remeasurements of defined benefit plans	24,141	-	201
Share of other comprehensive income of associates accounted for using equity method	517	27	4
<b>Total other comprehensive Income</b>	57,644	28,945	480
<b>Comprehensive income</b>	88,445	50,700	737
<b>Comprehensive income attributable to:</b>	88,445	50,700	737
Shareholders of the Company	84,260	47,826	702
Minority interests	4,184	2,874	35

**Consolidated Statements of Shareholders' Equity**

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT APRIL 1, 2014</b>	47,586	46,734	102,631	(7,148)	189,804
Cumulative effect of changes in accounting policies			(16,026)		(16,026)
Restated balance	47,586	46,734	86,605	(7,148)	173,778
Changes of items during the period					
Dividends from surplus			(5,715)		(5,715)
Net income for the year			27,978		27,978
Purchase of treasury stock				(37)	(37)
Disposal of treasury stock		0		0	1
Change of scope of consolidation			675		675
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	22,938	(36)	22,902
<b>BALANCE AT MARCH 31, 2015</b>	47,586	46,735	109,543	(7,184)	196,680

	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	Remeasurements Of Defined Benefit Plans	Total Accumulated other comprehensive income			
<b>BALANCE AT APRIL 1, 2014</b>	44,768	20	3,202	(10,614)	37,376	24,043	251,225	
Cumulative effect of changes in accounting policies						(179)	(16,206)	
Restated balance	44,768	20	3,202	(10,614)	37,376	23,864	235,019	
Changes of items during the period								
Dividends from surplus					-		(5,715)	
Net income for the year					-		27,978	
Purchase of treasury stock					-		(37)	
Disposal of treasury stock					-		1	
Change of scope of consolidation					-		675	
Net changes of items other than shareholders' equity	24,760	(533)	7,776	24,280	56,282	5,432	61,714	
Total changes of items during the period	24,760	(533)	7,776	24,280	56,282	5,432	84,617	
<b>BALANCE AT MARCH 31, 2015</b>	69,528	(513)	10,978	13,665	93,659	29,296	319,636	

**Consolidated Statements of Shareholders' Equity**

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT APRIL 1, 2013</b>	47,586	46,734	87,620	(7,115)	174,824
Cumulative effect of changes in accounting policies					-
Restated balance	47,586	46,734	87,620	(7,115)	174,824
Changes of items during the period					
Dividends from surplus			(4,287)		(4,287)
Net income for the year			19,582		19,582
Purchase of treasury stock				(32)	(32)
Disposal of treasury stock		0		0	1
Change of scope of consolidation			(283)		(283)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	15,011	(32)	14,979
<b>BALANCE AT MARCH 31, 2014</b>	47,586	46,734	102,631	(7,148)	189,804

	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	Remeasurements Of Defined Benefit Plans	Total Accumulated other comprehensive income		
<b>BALANCE AT APRIL 1, 2013</b>	20,383	(83)	(551)	-	19,747	21,100	215,672
Cumulative effect of changes in accounting policies							-
Restated balance	20,383	(83)	(551)	-	19,747	21,100	215,672
Changes of items during the period							
Dividends from surplus					-		(4,287)
Net income for the year					-		19,582
Purchase of treasury stock					-		(32)
Disposal of treasury stock					-		1
Change of scope of consolidation					-		(283)
Net changes of items other than shareholders' equity	24,385	103	3,754	(10,614)	17,628	2,943	20,572
Total changes of items during the period	24,385	103	3,754	(10,614)	17,628	2,943	35,552
<b>BALANCE AT MARCH 31, 2014</b>	44,768	20	3,202	(10,614)	37,376	24,043	251,225

**Consolidated Statements of Cash Flows**

	Millions of yen		Millions of U.S. dollars
	FY2014	FY2013	FY2014
<b>I Cash flows from operating activities</b>			
Income before income taxes and minority interests	45,719	33,737	381
Depreciation and amortization	33,615	30,849	280
Increase (decrease) in allowance for doubtful accounts	657	(941)	5
Interest and dividends income	(2,526)	(1,471)	(21)
Interest expenses	2,551	2,855	21
Foreign exchange losses (gains)	610	1,125	5
Loss (gain) on sales of noncurrent assets	(81)	(543)	(1)
Loss (gain) on sales of investment securities	(2,778)	(370)	(23)
Loss (gain) on change in equity	(4,843)	-	(40)
Loss (gain) on disposal of noncurrent assets	880	1,304	7
Loss (gain) on devaluation of investment securities	447	1,134	4
Impairment loss	2,830	641	24
Decrease (increase) in notes and accounts receivable-trade	(8,646)	(1,185)	(72)
Decrease (increase) in inventories	(12,572)	(9,964)	(105)
Increase (decrease) in notes and accounts payable-trade	3,410	8,290	28
Increase (decrease) in advances received	3,958	(6,445)	33
Other, net	(4,457)	3,544	(37)
Subtotal	58,775	62,561	490
Interest and dividends income received	2,572	1,451	21
Interest expenses paid	(2,536)	(2,958)	(21)
Income taxes paid	(7,352)	(7,403)	(61)
Net cash provided by operating activities	51,459	53,651	429
<b>II Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(15,248)	(13,823)	(127)
Proceeds from sales of property, plant and equipment	868	2,280	7
Purchase of investment securities	(10,253)	(3,666)	(85)
Proceeds from sales of investment securities	6,233	9,464	52
Payments of loans receivable	(6,530)	(6,939)	(54)
Collection of loans receivable	5,578	6,986	46
Other, net	(3,397)	(3,952)	(28)
Net cash used in investing activities	(22,750)	(9,649)	(190)
<b>III Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(7,926)	1,404	(66)
Increase (decrease) in commercial papers	19,000	(28,000)	158
Proceeds from long-term loans payable	751	95	6
Repayment of long-term loans payable	(24,357)	(13,798)	(203)
Proceeds from issuance of bonds	-	20,000	-
Redemption of bonds	-	(10,000)	-
Repayments of lease obligations	(14,562)	(15,214)	(121)
Proceeds from sales of treasury stock	1	1	0
Purchase of treasury stock	(37)	(32)	(0)
Cash dividends paid	(5,715)	(4,287)	(48)
Cash dividends paid to minority shareholders	(982)	(645)	(8)
Other, net	-	(91)	-
Net cash used in financing activities	(33,828)	(50,569)	(282)
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	1,718	(76)	14
<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV)</b>	(3,401)	(6,644)	(28)
<b>VI Cash and cash equivalents at beginning of period</b>	33,412	39,688	278
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	1,883	368	16
<b>VIII Cash and cash equivalents at end of period</b>	31,895	33,412	266



## Consolidated Segment Information

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

As of April 1, 2014, reflecting change of organization structure, the reporting segments were reclassified in Power and Social Infrastructure, Industrial Infrastructure, Power Electronics and Electronic Devices.

The reporting segment information for the fiscal year ended March 31, 2014 has been reclassified to reflect this change.

#### FY2014

	Millions of yen								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
<b>Net Sales</b>									
Sales to third parties	173,502	193,119	162,243	130,772	118,824	32,215	810,678	-	810,678
Inter-segment sales and transfers	1,711	4,915	21,867	6,416	289	28,988	64,189	(64,189)	-
<b>Total sales</b>	<b>175,213</b>	<b>198,035</b>	<b>184,110</b>	<b>137,189</b>	<b>119,113</b>	<b>61,203</b>	<b>874,868</b>	<b>(64,189)</b>	<b>810,678</b>
<b>Segment profits (losses)</b>	<b>8,266</b>	<b>11,423</b>	<b>6,822</b>	<b>8,071</b>	<b>8,527</b>	<b>1,882</b>	<b>44,993</b>	<b>(5,676)</b>	<b>39,316</b>

#### FY2013

	Millions of yen								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
<b>Net Sales</b>									
Sales to third parties	150,590	186,153	155,927	115,547	119,830	31,862	759,911	-	759,911
Inter-segment sales and transfers	1,730	3,394	18,817	7,502	226	28,136	59,808	(59,808)	-
<b>Total sales</b>	<b>152,321</b>	<b>189,548</b>	<b>174,745</b>	<b>123,049</b>	<b>120,056</b>	<b>59,998</b>	<b>819,720</b>	<b>(59,808)</b>	<b>759,911</b>
<b>Segment profits (losses)</b>	<b>7,659</b>	<b>9,624</b>	<b>5,331</b>	<b>6,472</b>	<b>8,047</b>	<b>1,912</b>	<b>39,046</b>	<b>(5,909)</b>	<b>33,136</b>

#### FY2014

	Millions of U.S. dollars								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
<b>Net Sales</b>									
Sales to third parties	1,446	1,609	1,352	1,090	990	268	6,756	-	6,756
Inter-segment sales and transfers	14	41	182	53	2	242	535	(535)	-
<b>Total sales</b>	<b>1,460</b>	<b>1,650</b>	<b>1,534</b>	<b>1,143</b>	<b>993</b>	<b>510</b>	<b>7,291</b>	<b>(535)</b>	<b>6,756</b>
<b>Segment profits (losses)</b>	<b>69</b>	<b>95</b>	<b>57</b>	<b>67</b>	<b>71</b>	<b>16</b>	<b>375</b>	<b>(47)</b>	<b>328</b>

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

	Billions of yen		
	<b>FY2014</b>	FY2013	FY2015 [Forecast]
Net sales	810.7	759.9	850.0
Operating income	39.3	33.1	45.0
Ordinary income	43.1	36.7	45.0
Net income	28.0	19.6	29.0

**2. Number of consolidated subsidiaries**

	<b>FY2014</b>	FY2013	FY2015 [Forecast]
	Number of consolidated subsidiaries	48	48
Japan	22	24	22
Overseas	26	24	48
Number of equity-method associates	5	5	5

**3. Net income per share**

	Yen		
	<b>FY2014</b>	FY2013	FY2015 [Forecast]
Net income per share	39.16	27.41	40.59

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

	Yen		
	<b>FY2014</b>	FY2013	FY2015 [Forecast]
US\$	109.93	100.24	115.00
EURO	138.77	134.37	125.00

**5. Net sales by reporting segment**

	Billions of yen		
	<b>FY2014</b>	FY2013	FY2015 [Forecast]
Power and Social Infrastructure	175.2	152.3	176.6
Industrial Infrastructure	198.0	189.5	208.6
Power Electronics	184.1	174.7	219.5
Electronic Devices	137.2	123.0	137.3
Food and Beverage Distribution	119.1	120.1	120.0
Others	61.2	60.0	61.4
Subtotal	874.9	819.7	923.4
Elimination	(64.2)	(59.8)	(73.4)
<b>Total</b>	<b>810.7</b>	<b>759.9</b>	<b>850.0</b>

Note : Net sales include inter-segment transactions.

**6. Operating income by reporting segment**

	Billions of yen		
	<b>FY2014</b>	FY2013	FY2015 [Forecast]
Power and Social Infrastructure	8.3	7.7	8.4
Industrial Infrastructure	11.4	9.6	12.5
Power Electronics	6.8	5.3	9.6
Electronic Devices	8.1	6.5	10.3
Food and Beverage Distribution	8.5	8.0	8.5
Others	1.9	1.9	1.9
Subtotal	45.0	39.0	51.1
Elimination	(5.7)	(5.9)	(6.1)
<b>Total</b>	<b>39.3</b>	<b>33.1</b>	<b>45.0</b>

**7. Net overseas sales**

	Billions of yen		
	<b>FY2014</b>	FY2013	FY2015 [Forecast]
Asia (except for China)	85.2	77.3	114.5
China	87.7	68.4	90.4
Europe	16.5	17.4	17.5
America	15.5	14.7	17.2
<b>Total</b>	<b>204.9</b>	<b>177.7</b>	<b>239.5</b>

## 8. R&D expenditures

	Billions of yen		
	FY2014	FY2013	FY2015 [Forecast]
Power and Social Infrastructure	4.8	4.5	5.8
Industrial Infrastructure	6.2	6.0	6.9
Power Electronics	9.9	7.5	10.2
Electronic Devices	9.3	9.4	9.8
Food and Beverage Distribution	4.9	4.7	5.9
Others	0.0	0.0	0.0
<b>Total</b>	<b>35.0</b>	<b>32.0</b>	<b>38.6</b>
Ratio to net sales (%)	4.3%	4.2%	4.5%

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

	Billions of yen		
	FY2014	FY2013	FY2015 [Forecast]
Power and Social Infrastructure	2.4	1.6	2.5
Industrial Infrastructure	2.6	2.1	2.1
Power Electronics	9.0	8.4	12.1
Electronic Devices	10.6	11.4	11.2
Food and Beverage Distribution	2.4	2.6	3.0
Others	2.0	0.8	5.9
<b>Total</b>	<b>29.0</b>	<b>26.9</b>	<b>36.9</b>
(Leases)	12.2	12.5	14.5

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

## 10. Depreciation, Leases paid

	Billions of yen		
	FY2014	FY2013	FY2015 [Forecast]
Power and Social Infrastructure	1.8	1.8	1.9
Industrial Infrastructure	2.1	2.2	2.8
Power Electronics	5.1	4.2	6.2
Electronic Devices	19.0	18.0	15.1
Food and Beverage Distribution	2.4	2.2	2.5
Others	1.3	1.3	1.6
<b>Total</b>	<b>31.7</b>	<b>29.7</b>	<b>30.0</b>
(Leases)	1.4	1.7	1.5

## 11. Number of employees

	Billions of yen		
	FY2014	FY2013	FY2015 [Forecast]
Power and Social Infrastructure	2,615	2,526	2,549
Industrial Infrastructure	5,405	5,378	5,581
Power Electronics	6,564	6,317	8,133
Electronic Devices	6,593	6,549	6,707
Food and Beverage Distribution	2,456	2,365	2,448
Others	2,107	2,389	2,175
<b>Total</b>	<b>25,740</b>	<b>25,524</b>	<b>27,593</b>
Japan	17,814	18,022	18,010
Overseas	7,926	7,502	9,583

## Financial Performance

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

#### Results of Operations in the Fiscal Year Ended March 31, 2015

In the fiscal year ended March 31, 2015, the domestic economy experienced a modest recovery trend. While the rebound was felt from the demand rush that preceded the April 2014 consumption tax hike, this was offset by positive factors including the recovery of corporate performance. Overseas, activity was weak in certain markets, but the overall trend was that of gradual improvement supported by the recovery of the United States and other major developed nations.

In response to these conditions, Fuji Electric concentrated on advancing the management policies of expanding energy-related businesses and globalizing operations. At the same time, we positioned the current fiscal year as a year for aggressive management expansion, a step forward from the previous year, which was designated as the first year for aggressive management. As such, we worked to boost profitability focused on businesses in the Industrial Infrastructure and Power Electronics segments while strengthening overseas operations.

Consolidated business results for the fiscal year ended March 31, 2015, were as follows.

Net sales rose ¥50.8 billion year on year, to ¥810.7 billion, following increased demand and beneficial foreign exchange translations. By business segment, Power and Social Infrastructure, Industrial Infrastructure, Power Electronics, Electronic Devices, and Others saw increased net sales, while Food and Beverage Distribution saw net sales decline.

Operating income improved ¥6.2 billion year on year, to ¥39.3 billion. This reflected higher net sales and improved profitability stemming from cost reductions. Further, ordinary income increased ¥6.4 billion, to ¥43.1 billion. At the same time, Net income rose ¥8.4 billion and reached a new record high of ¥28.0 billion due in part to the recording of gain on change in equity as a result of an affiliate becoming listed on the stock exchange.

Consolidated results of operations for the fiscal year ended March 31, 2015, were as follows.

(¥ billion)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Change
Net sales	759.9	810.7	50.8
Operating income	33.1	39.3	6.2
Ordinary income	36.7	43.1	6.4
Net income	19.6	28.0	8.4

## Results by Segment

### [Power and Social Infrastructure]

**YoY: Net sales increased 15%, operating results improved ¥0.6 billion**

Net sales rose 15% year on year, to ¥175.2 billion, and operating income increased ¥0.6 billion year on year, to ¥8.3 billion yen.

In the power plant business, net sales were up year on year 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. Overall, the segment saw improved operating results due to higher net sales.

### [Industrial Infrastructure]

**YoY: Net sales increased 4%, operating results improved ¥1.8 billion**

Net sales rose 4% year on year, to ¥198.0 billion, and operating income increased ¥1.8 billion year on year, to ¥11.4 billion.

In the transmission and distribution business, net sales were up year on year, 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. The segment's overall operating results improved year on year due to the higher net sales and the benefits of cost reduction efforts.

### [Power Electronics]

**YoY: Net sales increased 5%, operating results improved ¥1.5 billion**

Net sales rose 5% year on year, to ¥184.1 billion, and operating results improved ¥1.5 billion year on year, to ¥6.8 billion.

In the drive business, net sales and operating results improved year on year following a rise in demand for mainstay inverters and servos. In the power supply business, net sales and operating results were up year on year 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 year on year due to strong demand for machine tools and solar power generation-related equipment.

**[Electronic Devices]**

**YoY: Net sales increased 11%, operating results improved ¥1.6 billion**

Net sales rose 11% year on year, to ¥137.2 billion, and operating income improved ¥1.6 billion year on year, to ¥8.1 billion.

In the semiconductors business, net sales were up year on year 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]**

**YoY: Net sales decreased 1%, operating results improved ¥0.5 billion**

Net sales decreased 1% year on year, to ¥119.1 billion, and operating results improved ¥0.5 billion year on year, to ¥8.5 billion.

In the vending machines business, net sales decreased year on year as the sales increases in China and other overseas markets were offset by the impacts of detracting factors in the domestic market, namely the unseasonable weather, the decrease in vending machine demand following the consumption tax hike, and the fact that demand for convenience store coffee machines returned to normal levels. In the store distribution business, net sales were down year on year as customer demand for automatic change dispensers declined, counteracting the benefits of higher sales of freezing and refrigerating facilities for convenience stores, refrigeration facilities for the distribution sector, and equipment and systems for crop production facilities. Despite the decrease in net sales, the segment's overall operating results improved year on year due to the benefits of cost reduction efforts.

**[Others]**

**YoY: Net sales increased 2%, operating results were unchanged year on year**

Net sales rose 2% year on year, to ¥61.2 billion, and operating income were unchanged year on year at ¥1.9 billion.

### Forecasts for the Fiscal Year Ending March 31, 2016

Forecasts for consolidated business results in the fiscal year ending March 31, 2016, are as follows.

Further, forecasts for the fiscal year ending March 31, 2016, assume exchange rates of US\$1 = ¥115 and €1 = ¥125.

#### Consolidated Business Results Forecasts

(¥ billion)

	Fiscal year ended March 31, 2015 Results	Fiscal year ending March 31, 2016 Forecasts	Change
Net sales	810.7	850.0	39.3
Operating income	39.3	45.0	5.7
Ordinary income	43.1	45.0	1.9
Net income	28.0	29.0	1.0

#### Forecasts by Segment

(¥ billion)

	Fiscal year ending March 31, 2016 Forecasts	
	Net Sales	Operating Income/Loss
Power and Social Infrastructure	176.6	8.4
Industrial Infrastructure	208.6	12.5
Power Electronics	219.5	9.6
Electronic Devices	137.3	10.3
Food and Beverage Distribution	120.0	8.5
Others	61.4	1.9
Elimination and Corporate	-73.4	-6.1
Total	850.0	45.0

In the fiscal year ending March 31, 2016, the Power and Social Infrastructure business segment will work to increase orders for high-efficiency thermal power generation facilities and geothermal power generation facilities. It will also endeavor to expand operations in the new energy field such as solar power generation systems and fuel cells. At the same time, the segment will work to boost earnings from domestic smart meter operations while accelerating the expansion of its power grid operations, which deal with power transmission and distribution systems and energy management systems.

In the Industrial Infrastructure business segment, the focus of domestic operations will be steadily capturing demand for energy-saving equipment as well as replacement demand in fields where investment is expected to be brisk. At the same time, local production and engineering systems will be strengthened centered on the rapidly growing Asia region in order to boost competitiveness and further expand overseas operations.

The Power Electronics business segment will quickly launch new productions, including those employing next-generation power semiconductors, while working to boost competitiveness by reorganizing domestic mother factories and expanding its systems for promoting the local production and consumption of products overseas. At the same time, it will utilize the Singaporean low-voltage switchboard manufacturer acquired during the fiscal year ended March 31, 2015 (Fuji SMBE Pte. Ltd.), to expand sales channels centered on Asia and reinforce its engineering capabilities.

The Electronic Devices business segment will pursue higher sales in the semiconductor field by accelerating product development ventures, including those for next-generation power semiconductors, and then launching these new products. In addition, it will continue the drive to expand overseas production that began in the fiscal year ended March 31, 2014, in order to optimize production systems on a global basis.

The Food and Beverage Distribution business segment will expand its vending machine business in China and other Asian markets while boosting cost competitiveness by pursuing further reductions in vending machine costs. Increased orders for equipment for convenience stores and other stores will also be targeted, and new products will be developed in this area. In the store distribution field, we will grow new businesses that fuse heating and cooling technologies with solutions.



## (2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2014	Breakdown (%)	March 31, 2015	Breakdown (%)	Change
Total assets	810.8	100.0	904.5	100.0	+93.7
Interest-bearing debt	199.5	24.6	191.2	21.1	-8.3
Shareholder's equity* <sup>1</sup>	227.2	28.0	290.3	32.1	+63.2
Debt-equity ratio* <sup>2</sup> (times)	0.9		0.7		-0.2

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

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

Total assets on March 31, 2015, stood at ¥904.5 billion, an increase of ¥93.7 billion from the end of the previous fiscal year. Total current assets increased ¥33.6 billion, due mainly to a rise in inventories and notes and accounts receivable-trade. Total noncurrent assets were up ¥60.2 billion, due to a higher valuation difference on available-for-sale securities.

Interest-bearing debt as of March 31, 2015, amounted to ¥191.2 billion, down ¥8.3 billion from the previous fiscal year-end. This decrease was largely due to a decline in long-term loans payable. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—decreased ¥6.8 billion from the previous fiscal year-end, amounting to ¥159.3 billion on March 31, 2015.

Net assets on March 31, 2015, stood at ¥319.6 billion, up ¥68.4 billion from the previous fiscal year-end. This was because of increases stemming from valuation difference on available-for-sale securities and remeasurements of defined benefit plans. In addition, shareholders' equity—total net assets net of minority interests—was up ¥63.2 billion from the previous fiscal year-end, standing at ¥290.3 billion on March 31, 2015. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was 0.7 times, down 0.2 times from the previous fiscal year-end. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was 0.5 times, down 0.2 times.

(¥ billion)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Change
Cash flow from operating activities	53.7	51.5	-2.2
Cash flow from investing activities	-9.6	-22.8	-13.1
Free cash flow	44.0	28.7	-15.3
Cash flow from financing activities	-50.6	-33.8	16.7
Cash and cash equivalents	33.4	31.9	-1.5

In the fiscal year ended March 31, 2015, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was ¥28.7 billion, a deterioration of ¥15.3 billion compared with free cash flow of ¥44.0 billion in the previous fiscal year

**Cash flows from operating activities**

Net cash provided by operating activities was ¥51.5 billion, compared with ¥53.7 billion for the previous fiscal year. Major factors increasing cash included the recording of income before income taxes and minority interests and increase in advances received. Major factors decreasing cash included increase in inventories and increase in notes and accounts receivable-trade.

This was a deterioration of ¥2.2 billion year on year.

**Cash flows from investing activities**

Net cash used in investing activities was ¥22.8 billion, compared with ¥9.6 billion in the previous fiscal year. This was primarily related to the purchase of property, plant and equipment and the purchase of investment securities.

This was a deterioration of ¥13.1 billion year on year.

**Cash flows from financing activities**

Net cash used in financing activities was ¥33.8 billion, compared with ¥50.6 billion in the previous fiscal year. This was principally due to repayment of long-term loans payable.

As a result, consolidated cash and cash equivalents at fiscal year-end amounted to ¥31.9 billion, down ¥1.5 billion from the previous fiscal year-end.

**(3) Basic Policy Regarding Distribution of Earnings; Dividends for Fiscal 2014 and Fiscal 2015**

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 2015, and our financial position, we plan to pay a year-end dividend of ¥5 per share for fiscal 2014. Together with the interim dividend of ¥4 per share, this will give an annual dividend of ¥9 per share for fiscal 2014.

We have not yet determined the dividend to be paid for fiscal 2015.