

# **Consolidated Financial Results for FY2014**

**April 28, 2015**

**Fuji Electric Co., Ltd.**

# Summary of Consolidated Financial Results for FY2014 (YoY Comparison)

**Substantial year-on-year improvements achieved for net sales and all income figures  
New record set for net income**

	(Billion yen)		
	FY2013	FY2014	Change
Net Sales	759.9	810.7	50.8
Operating Income/Loss	33.1	39.3	6.2
Ordinary Income/Loss	36.7	43.1	6.4
Extraordinary Income/Loss	-3.0	2.6	5.6
Income/Loss before Income Taxes	33.7	45.7	12.0
Income Taxes	12.0	14.9	2.9
Minority Interest in Income/Loss	2.2	2.8	0.7
Net Income/Loss	19.6	28.0	8.4

	(Yen)		
Average Exchange Rate US\$	100.24	109.93	9.69
Average Exchange Rate EURO	134.37	138.77	4.40

Net Sales			
Demand increase and gain on translation of earnings of overseas subsidiaries			
Operating Income/Loss			
Cost Reduction	+21.1	Price Decline	-19.5
Higher Production Volume	+4.9	Increase in Fixed Costs	-5.1
Increase in Sales	+4.5		
Exchange Rate Effect	+0.4		
	+30.9		-24.6
Non-operating Income/Loss			
Net Interest Expense	+1.4	( -1.4 → -0.0 )	
Income/Loss on Investment in Equity-method Affiliate	-1.3	( 2.3 → 1.0 )	
Foreign Exchange Gain/Loss	+1.9	( 1.8 → 3.7 )	
Other	-1.7	( 0.9 → -0.8 )	
	+0.2	( 3.6 → 3.8 )	
Extraordinary Income/Loss			
Gain on Sales of Noncurrent Assets	-0.5	( 0.5 → 0.1 )	
Gain on Sales of Investment Securities	+2.4	( 0.4 → 2.8 )	
Gain on change in Equity	+4.8	( 0.0 → 4.8 )	
Loss on Disposal of Noncurrent Assets	+0.4	( -1.3 → -0.9 )	
Loss on Devaluation of Investment Securities	+0.7	( -1.1 → -0.4 )	
Impairment Loss	-2.2	( -0.6 → -2.8 )	
Other	-0.1	( -0.8 → -1.0 )	
	+5.6	( -3.0 → 2.6 )	

# Net Sales and Operating Income by Segment for FY2014 (YoY Comparison)①

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2013	FY2014	Change	FY2013	FY2014	Change
Power and Social Infrastructure	152.3	175.2	22.9	7.7	8.3	0.6
Industrial Infrastructure	189.5	198.0	8.5	9.6	11.4	1.8
Power Electronics	174.7	184.1	9.4	5.3	6.8	1.5

## ➤ **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 due to higher net sales and the benefits of cost reduction efforts.

## ➤ **Power Electronics**

- [Net Sales]
- In the drive business, net sales improved following a rise in demand for mainstay inverters and servos.
  - In the power supply business, net sales 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 improved due to strong demand for machine tools and solar power generation-related equipment.

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

# Net Sales and Operating Income by Segment for FY2014

(YoY Comparison) ②

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2013	FY2014	Change	FY2013	FY2014	Change
Electronic Devices	123.0	137.2	14.1	6.5	8.1	1.6
Food and Beverage Distribution	120.1	119.1	-0.9	8.0	8.5	0.5
Others	60.0	61.2	1.2	1.9	1.9	-0.0
Elimination and Corporate	-59.8	-64.2	-4.4	-5.9	-5.7	0.2
<b>Total</b>	<b>759.9</b>	<b>810.7</b>	<b>50.8</b>	<b>33.1</b>	<b>39.3</b>	<b>6.2</b>

## ➤ **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]

- In the vending machines business, net sales decreased 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 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.

[Operating Income/Loss]

- Despite the decrease in net sales, the segment's overall operating results improved year on year due to the benefits of cost reduction efforts.

# Net Sales for FY2014 [Japan and Overseas by area] (YoY Comparison)

(Billion yen)

	FY2013	FY2014	Change
Japan	582.2	605.8	23.5
Overseas	177.7	204.9	27.2
Asia	77.3	85.2	7.9
China	68.4	87.7	19.3
Europe	17.4	16.5	-0.8
Americas	14.7	15.5	0.8

Power and Social Infrastructure +3.6

Power Electronics +4.1

Electronic Devices +12.9

Food and Beverage Distribution +3.1

# Summary of Consolidated Financial Results for FY2014 (Comparison with Forecast)

(Billion yen)

	FY2014		Change
	Forecasts (Jan. 29, 2015)	Results	
Net Sales	800.0	810.7	10.7
Operating Income/Loss	41.0	39.3	-1.7
Ordinary Income/Loss	43.0	43.1	0.1
Net Income/Loss	27.0	28.0	1.0

gain on translation of earnings

(Yen)

Average Exchange Rate US\$	107.65	109.93	2.28
Average Exchange Rate EURO	140.23	138.77	-1.46

(Billion yen)

	Net Sales			Operating Income/Loss		
	Forecasts (Jan. 29, 2015)	Results	Change	Forecasts (Jan. 29, 2015)	Results	Change
Power and Social Infrastructure	168.5	175.2	6.7	8.3	8.3	-0.0
Industrial Infrastructure	204.7	198.0	-6.7	12.6	11.4	-1.2
Power Electronics	181.7	184.1	2.4	8.7	6.8	-1.9
Electronic Devices	133.5	137.2	3.7	8.0	8.1	0.1
Food and Beverage Distribution	118.7	119.1	0.4	8.0	8.5	0.5
Others	57.1	61.2	4.1	1.7	1.9	0.2
Elimination and Corporate	-64.2	-64.2	0.0	-6.3	-5.7	0.6
<b>Total</b>	<b>800.0</b>	<b>810.7</b>	<b>10.7</b>	<b>41.0</b>	<b>39.3</b>	<b>-1.7</b>

# Consolidated Balance Sheet at the end of FY2014

Assets				Liabilities and Net Assets			
	3/31/14	3/31/15	Change		3/31/14	3/31/15	Change
Cash and time deposit	34.0	32.0	-2.1	Notes and account payables, trade payables	142.1	150.6	8.6
Notes and account receivables, trade receivables	222.5	237.6	15.2	Interest-bearing debts	199.5	191.2	-8.3
Inventories	121.4	137.6	16.2	Other liabilities	217.9	243.0	25.1
Other current assets	51.4	55.8	4.4	<b>Total liabilities</b>	<b>559.5</b>	<b>584.9</b>	<b>25.3</b>
<b>Total current assets</b>	<b>429.3</b>	<b>463.0</b>	<b>33.6</b>	Common stock	47.6	47.6	-
Tangible fixed assets	172.6	175.0	2.3	Capital surplus	46.7	46.7	0.0
Intangible fixed assets	13.9	15.3	1.4	Retained earnings	102.6	109.5	6.9
Investments and other assets	194.8	251.2	56.4	Treasury stock at cost	-7.1	-7.2	-0.0
<b>Total long-term assets</b>	<b>381.3</b>	<b>441.5</b>	<b>60.2</b>	<b>Shareholders' equity</b>	<b>189.8</b>	<b>196.7</b>	<b>6.9</b>
Deferred assets	0.2	0.1	-0.1	Accumulated other comprehensive income (Remeasurements of defined benefit plans)	37.4	93.7	56.3
<b>Total assets</b>	<b>810.8</b>	<b>904.5</b>	<b>93.7</b>	(-10.6)	(-10.6)	(13.7)	(24.3)
				Minority interests in consolidated subsidiaries	24.0	29.3	5.3
				<b>Total net assets</b>	<b>251.2</b>	<b>319.6</b>	<b>68.4</b>
				<b>Total liabilities and net assets</b>	<b>810.8</b>	<b>904.5</b>	<b>93.7</b>
				Net Interest-bearing debts	166.1	159.3	-6.8

(Billion yen)

	FY2013	FY2014
Cash Flows from Operating Activities	53.7	51.5
Cash Flows from Investing Activities	-9.6	-22.8
Free Cash Flow	44.0	28.7
Cash Flows from Financing Activities	-50.6	-33.8
Effect of Exchange Rate Change and Others	0.3	3.6
Increase / Decrease	-6.3	-1.5
Cash and Cash Equivalents at Beginning of Year	39.7	33.4
Cash and Cash Equivalents at End of Year	33.4	31.9



	FY2013	FY2014
Net debt-equity ratio	0.7 time	0.5 time
Total net assets ratio	28%	32%
ROA	3%	3%
ROE	9%	11%

(Yen)

	Interim	Year-end	Annual
FY2013	3.00	4.00	7.00
FY2014	4.00	5.00 (plan)	9.00 (plan)

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