

Management Plan for FY2015

April 28, 2015

Fuji Electric Co., Ltd.

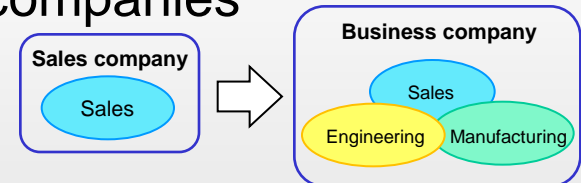
Basic Policies

Complete the FY2015 Medium-Term Management Plan

Advance growth strategies in preparation for the next medium-term management plan

Priority Tasks

- Expand operations in the Industrial Infrastructure and Power Electronics segments
- Grow businesses of overseas business companies
 - Conduct M&A activities
 - Expand local production and local consumption
- Further strengthen profitability



Management Plan for FY2015

(Billion yen)

	FY2014 Results	FY2015 Management Plan	Change	FY2015 Medium-Term Management Plan
Net Sales	810.7	850.0	39.3	850.0
Operating Income	39.3	45.0	5.7	45.0
Ordinary Income	43.1	45.0	1.9	—
Net Income	28.0	29.0	1.0	—
Net debt-equity ratio	0.5 time	0.5 time		0.7 time
Total net assets ratio	32%	33%		25%
ROA	3%	3%		3%
ROE	11%	10%		14%

	US\$	EURO
Assumed Exchange Rate	¥115.00	¥125.00
One Yen Effect* (Million yen)	20	60

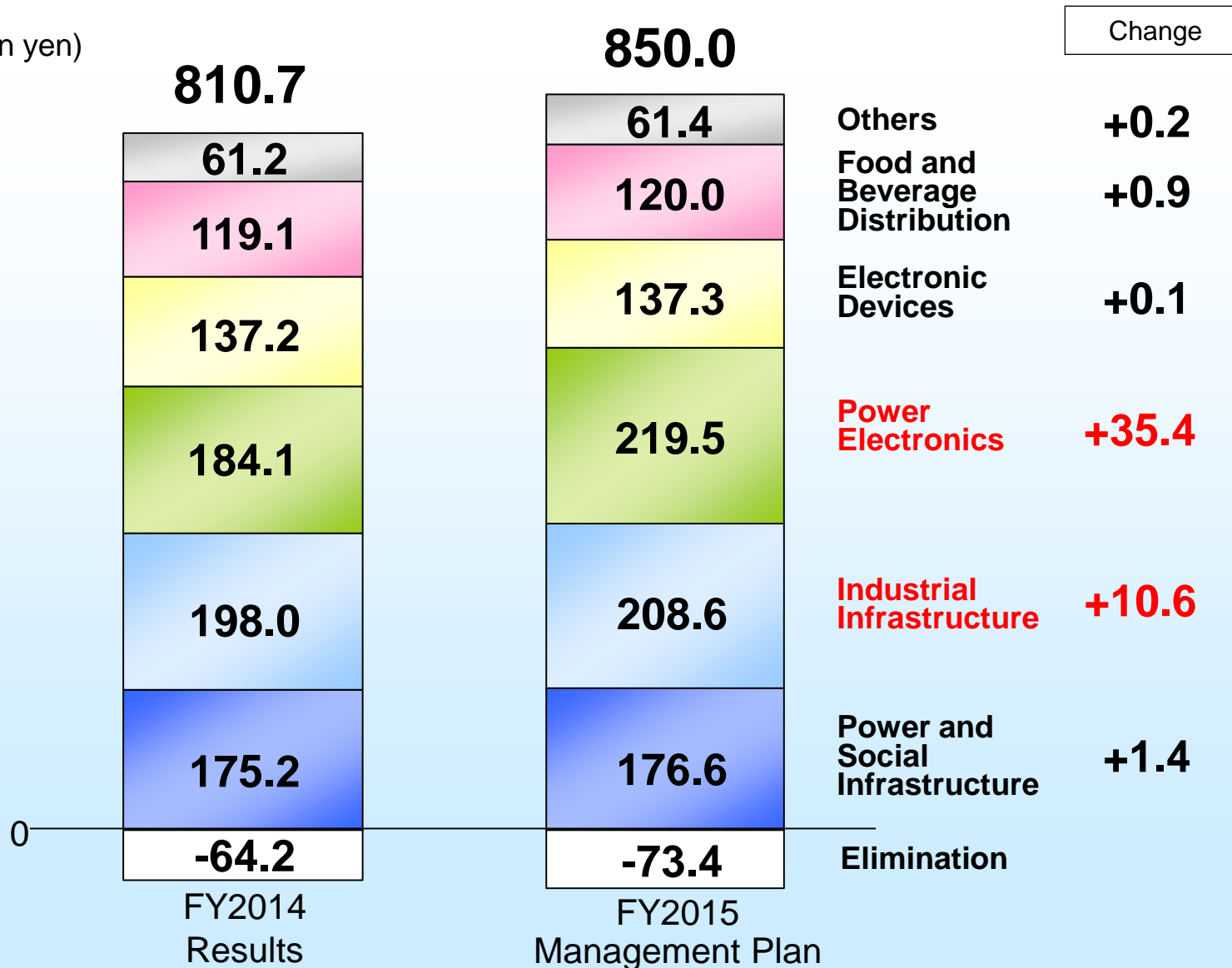
*Operating Income basis

<FY2015 New Consolidated Subsidiaries: 22>

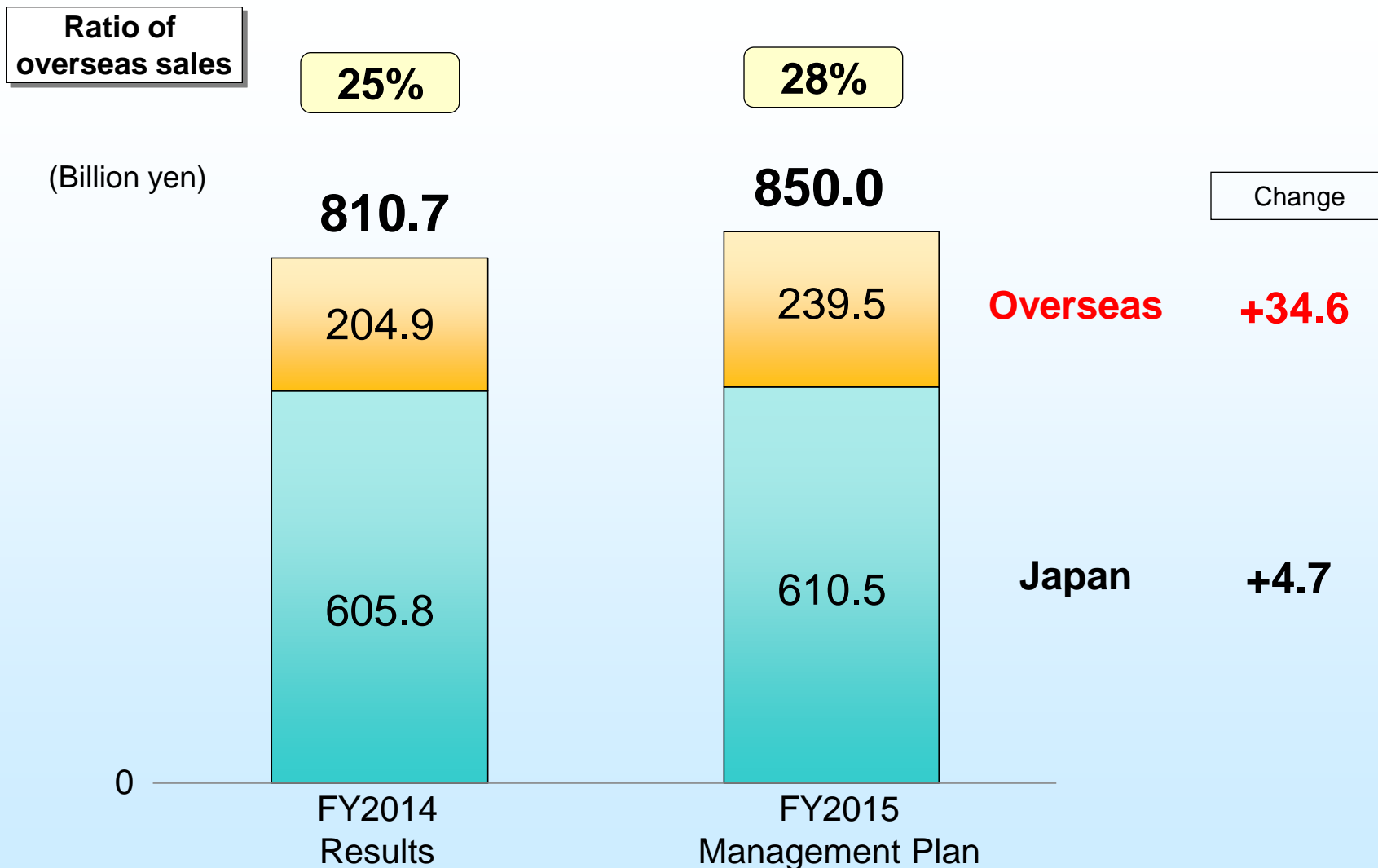
- Fuji Electric India Private Limited
- Fuji SMBE Pte Ltd.
- PT Fuji Electric Indonesia and its subsidiaries : 17
- Fuji Tusco Co., Ltd.
- Dalian Fuji Bingshan Vending Machine Sales Co., Ltd.

Net Sales (by segment)

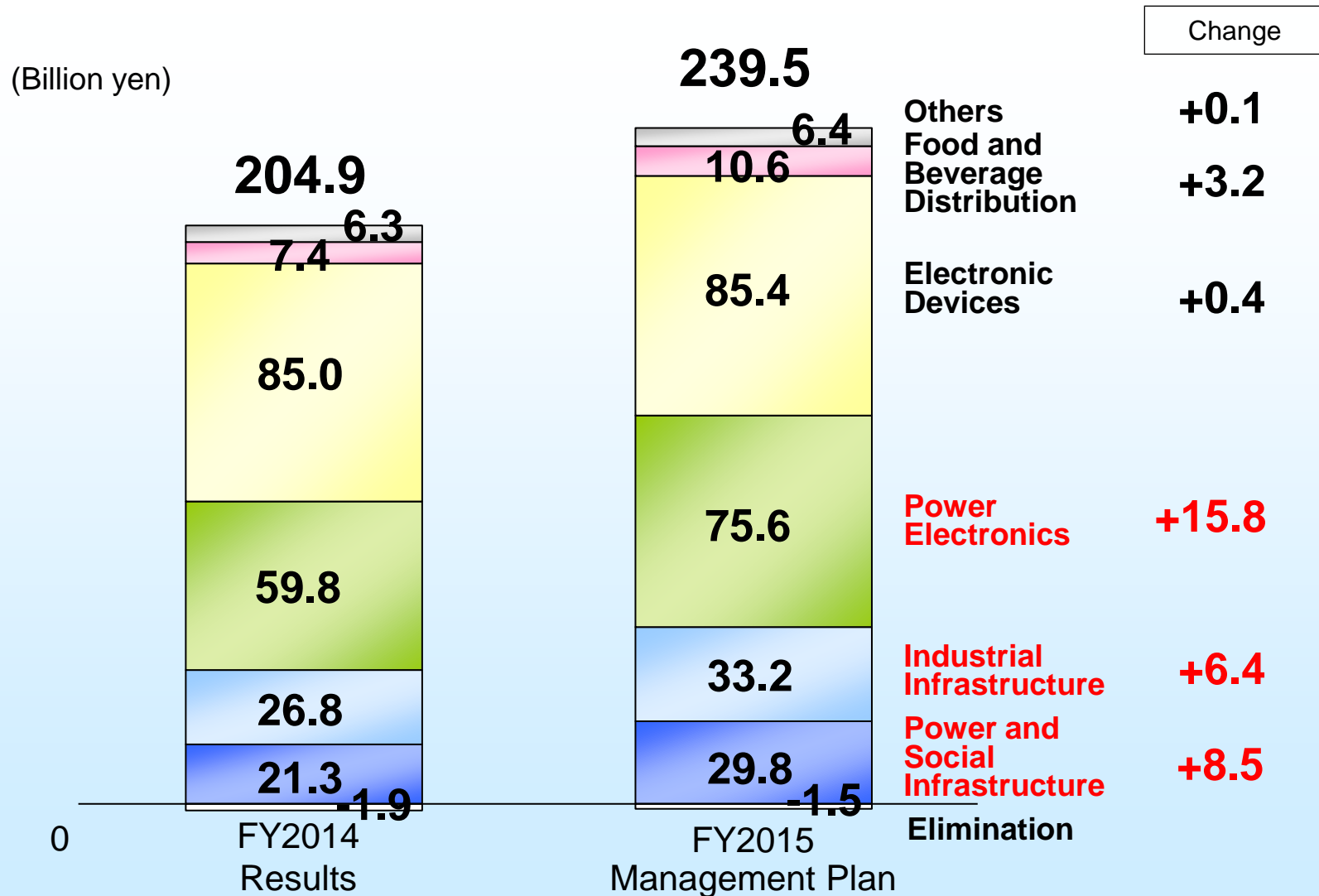
(Billion yen)



Net Sales (Japan and Overseas)

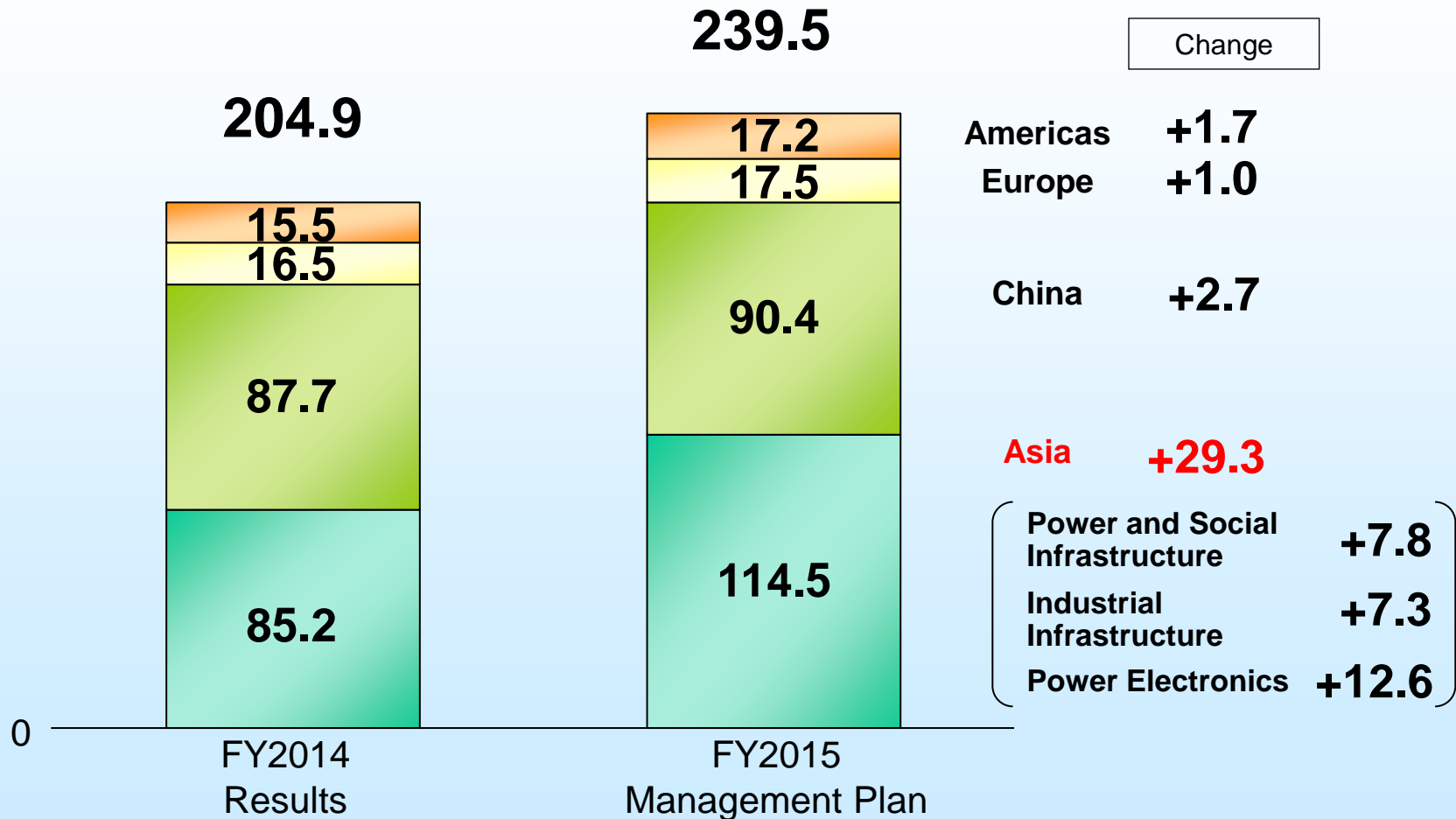


Overseas Net Sales (by segment)

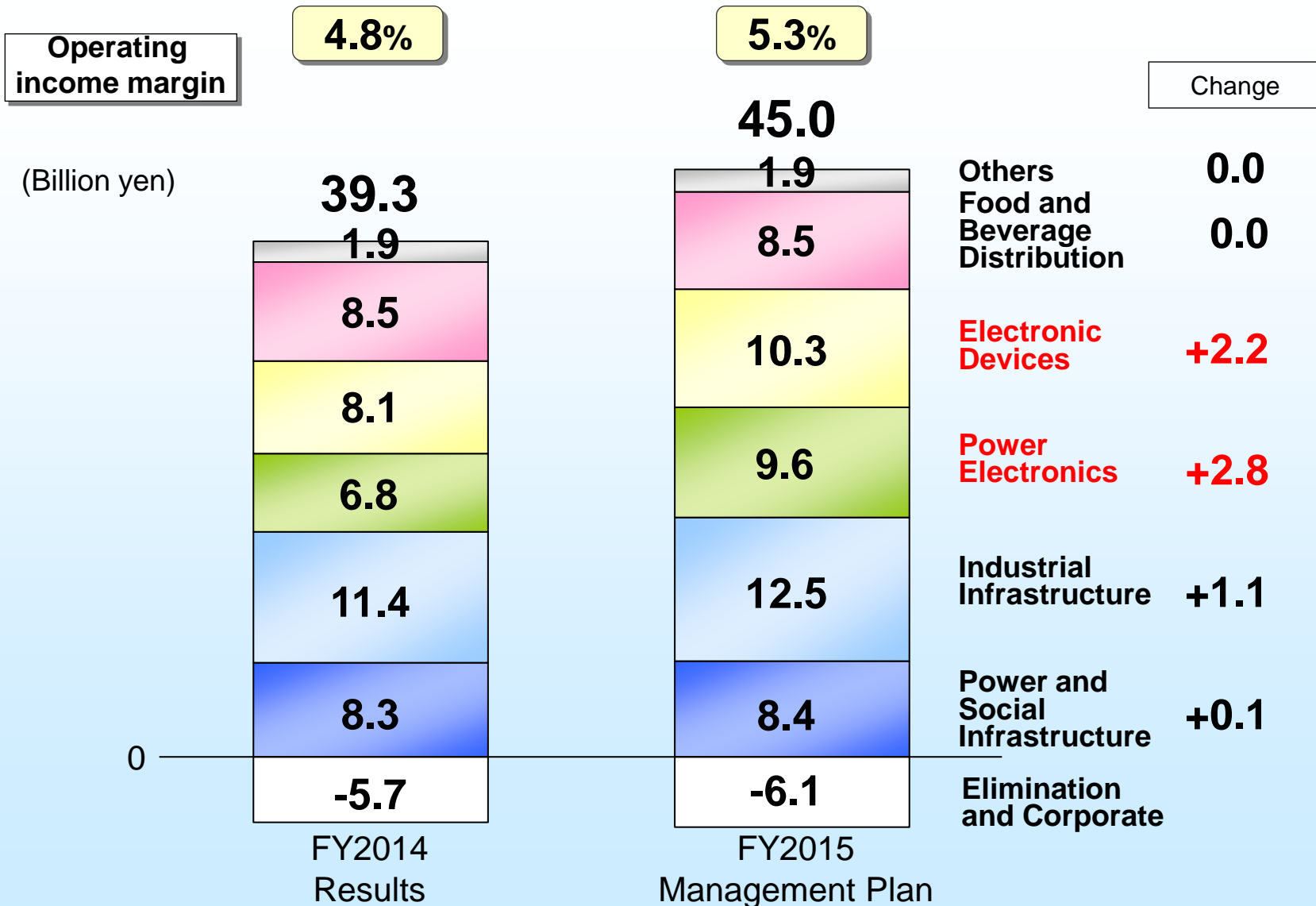


Overseas Net Sales (by area)

(Billion yen)



Operating Income (by segment)



Priority Measures by Segment

- **Expand orders in the new energy field
(solar power generation systems, fuel cells)**
- **Capture orders for thermal and geothermal power
generation facilities**
- **Strengthen power plant service business
(M&A activities)**
- **Increase orders in the smart community field
(smart meters, power grids)**

- **Increase orders by strengthening manufacturing/engineering systems in Asia (M&A activities)**
- **Expand orders in service businesses (maintenance, diagnostics, renewals)**
- **Increase orders in the assembly and industrial distribution fields**

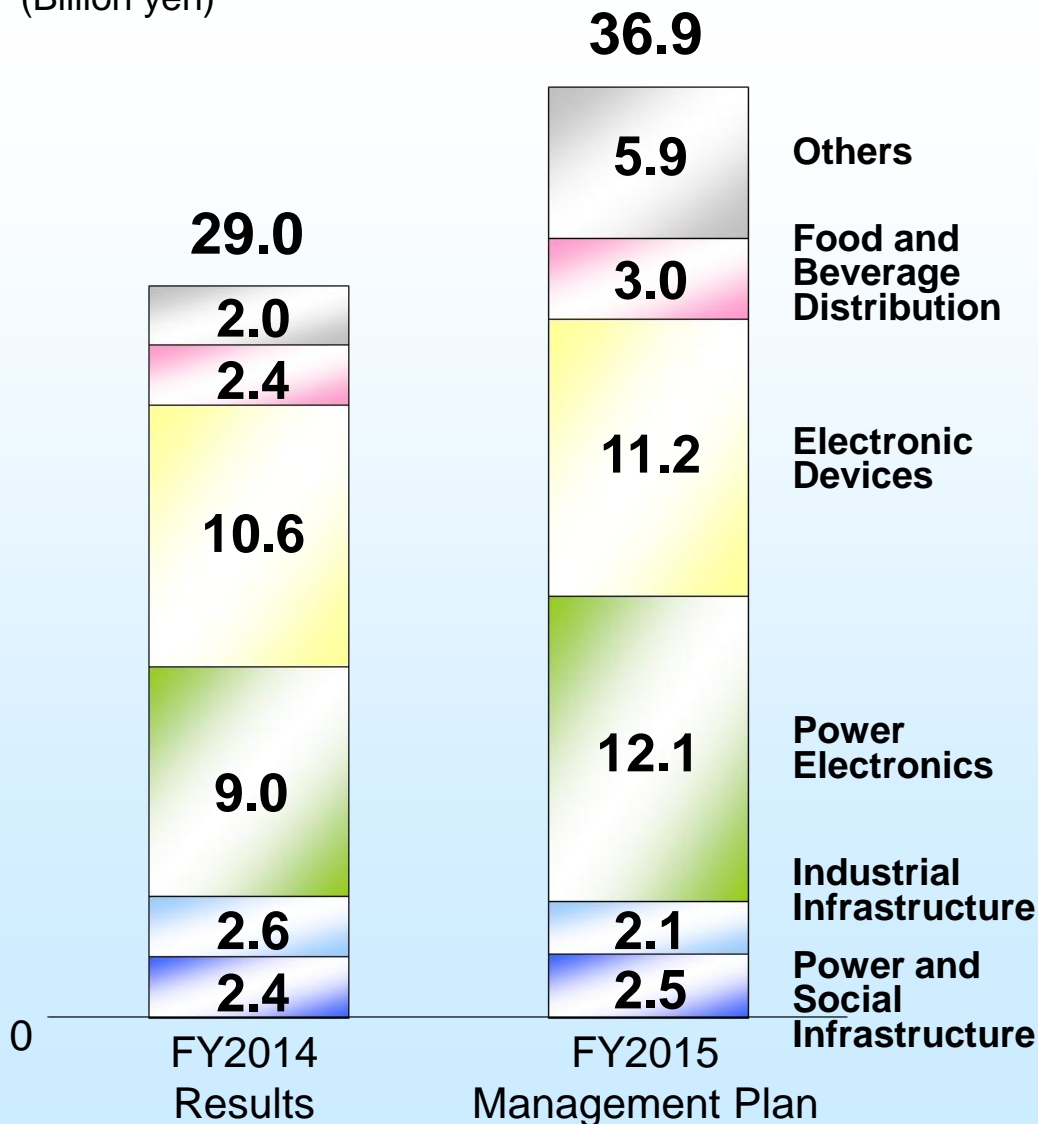
- **Increase overseas inverters and servos orders (start of production in U.S./India, M&A activities)**
- **Strengthen and expand railcar system operations (in-house production in U.S., M&A activities)**
- **Enhance mother factory functions for industrial motors (Suzuka)**
- **Accelerate development of automotive power electronics**
- **Promote sales of medium- to large-capacity UPSs overseas (Asia, U.S.)**
- **Strengthen switchgear and controlgear business by leveraging Fuji SMBE**
- **Create strong earnings structures in drive and power supply operations**

- **Develop and launch 7th generation industrial IGBT modules**
- **Accelerate development of SiC modules for power electronics**
- **Improve profitability by developing local production and consumption systems for power semiconductors**
(Ratio of back-end processing conducted overseas: 48% → 51%)
- **Strengthen earning structures through integration of magnetic disk and semiconductor subsidiaries in Malaysia**
- **Increase joint-development of next-generation magnetic disk products with customers**

- **Expand overseas vending machine operations (target net sales of ¥10.0 billion)**
Strengthen production systems and establish sales companies (China, Thailand)
- **Enhance lineup of store system products for the convenience store industry**
- **Increase orders for distribution systems (refrigerated distribution, D-BOX)**
- **Commence full-fledged development of operations targeting crop production facilities**

Capital Investment

(Billion yen)

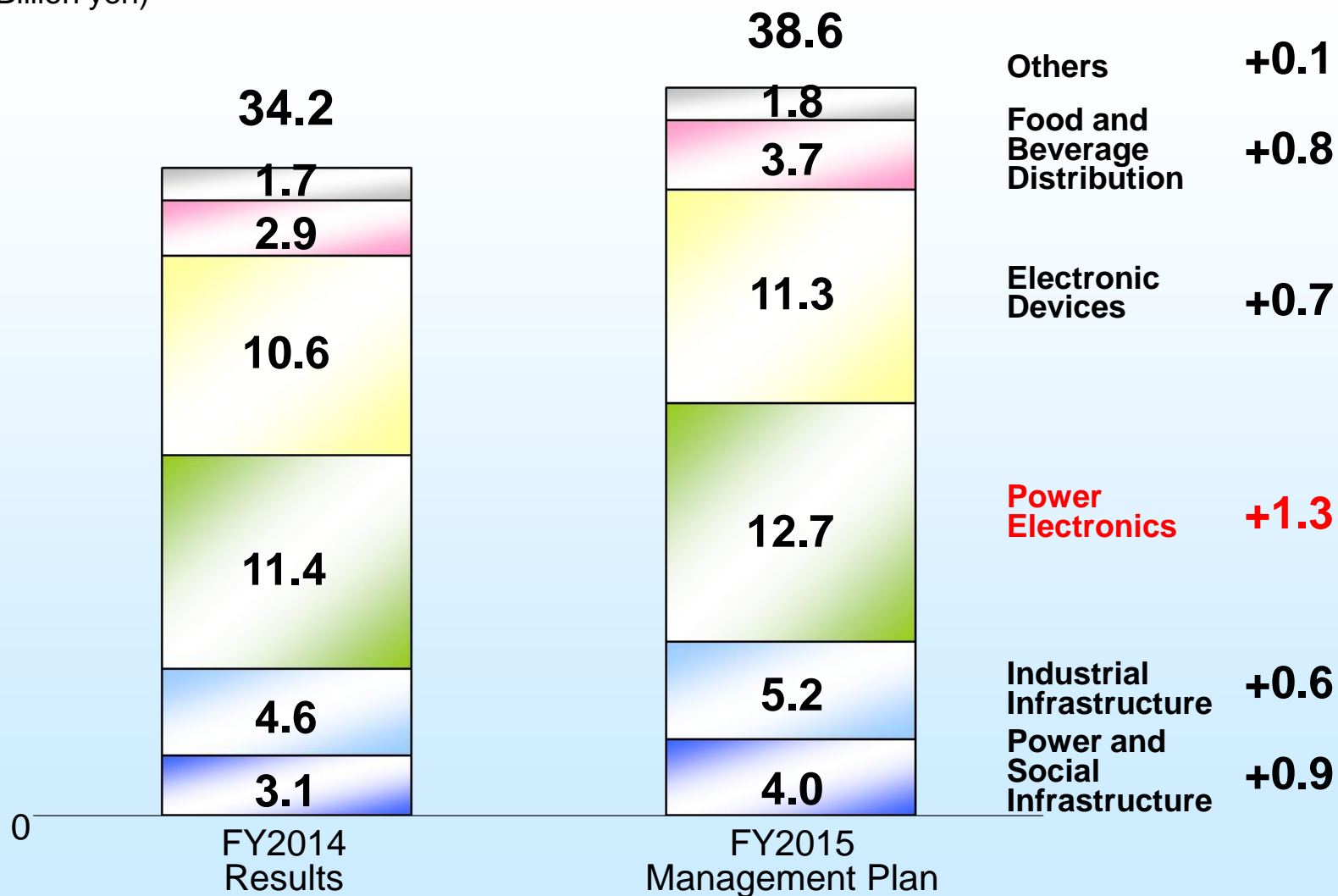


【Details of capital investment】

- Core R&D Center (Tokyo Factory)
- Production facility for the new product
- Semiconductor Development Center (Matsumoto Factory)
- Next-generation power semiconductors development facilities
- Development Center (Suzuka Factory)
- Production facility for the new product
- Substation equipment production facility
- Smart meter's production facility

R&D

(Billion yen)



* These R&D expenses are classified into each segment depending on its theme.
It varies from the numerical values described in Consolidated Financial Report for the fiscal year ended March 31, 2015.

Improving Manufacturing Capabilities and Getting Back to Basics

- **Recommence domestic production (establish mother factories)**
 - **Promote in-house manufacturing**
 - **Cultivate production technology engineers**
 - **Technical succession**
- ⇒ **Advance globalization**

Reference: 1H FY2015 Management Plan

(Billion yen)

	1H FY2014 Results	1H FY2015 Management Plan	Change
Net Sales	345.3	364.3	19.0
Operating Income/Loss	5.9	6.0	0.1
Ordinary Income/Loss	6.1	3.8	-2.3
Net Income/Loss	2.0	1.0	-1.0

(Billion yen)

	Net Sales			Operating Income/Loss		
	1H FY2014 Results	1H FY2015 Management Plan	Change	1H FY2014 Results	1H FY2015 Management Plan	Change
Power and Social Infrastructure	62.4	71.7	9.3	-0.4	0.6	1.0
Industrial Infrastructure	73.9	68.8	-5.1	-1.7	-3.7	-2.0
Power Electronics	82.0	101.1	19.1	1.1	2.1	1.0
Electronic Devices	65.1	69.1	4.0	3.7	5.5	1.8
Food and Beverage Distribution	61.0	56.3	-4.7	5.0	3.2	-1.8
Others	29.7	29.9	0.2	1.0	0.9	-0.1
Elimination and Corporate	-28.7	-32.5	-3.8	-2.7	-2.7	-0.0
Total	345.3	364.3	19.0	5.9	6.0	0.1

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