

Consolidated Financial Results for 3Q FY2015

January 29, 2016
Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for 9 months (Apr.-Dec.) FY2015 (YoY Comparison)

(Billion yen)

	9 months FY2014	9 months FY2015	Change
Net Sales	541.8	536.1	-5.8
Operating Income/Loss	11.4	11.5	0.1
Ordinary Income/Loss	13.6	12.5	-1.1
Extraordinary Income/Loss	3.9	0.9	-2.9
Income/Loss before Income Taxes	17.5	13.4	-4.0
Income Taxes	4.7	3.3	-1.4
Profit attributable to non-controlling interests	1.6	1.9	0.4
Profit attributable to owners of parent	11.2	8.2	-3.0

(Yen)

Average Exchange Rate US\$	106.87	121.70	14.83
Average Exchange Rate EURO	140.30	134.36	-5.94

Net Sales

Loss on translation of earnings of overseas subsidiaries,
Lower demand, Impact on the new consolidation

Operating Income/Loss

Cost Reduction	+13.4	Price Decline	-10.4
Reduction in Fixed Cost	+3.5	Decrease in production	
Exchange Rate Effect	+0.4	/ net sales	-6.8
	+17.3		-17.2

Non-operating Income/Loss

Net Interest Expense	+0.9	(0.2 → 1.1)
Equity in Losses in Affiliates	-0.1	(-0.9 → -1.0)
Foreign Exchange Income	-2.1	(3.4 → 1.3)
Other	+0.1	(-0.5 → -0.4)
	-1.2	(2.2 → 1.0)

Extraordinary Income/Loss

Gain on Sales of Investment Securities	+1.2	(0.2 → 1.4)
Gain on change in equity	-4.6	(4.6 → 0.0)
Loss on Disposal of Noncurrent Assets	+0.3	(-0.6 → -0.3)
Loss on Devaluation of Investment Securities		+0.2 (-0.3 → -0.1)

Net Sales and Operating Income by Segment for 9 months (Apr.-Dec.) FY2015 (YoY Comparison) ①

(Billion yen)

	Net Sales			Operating Income/Loss		
	9 months FY2014	9 months FY2015	Change	9 months FY2014	9 months FY2015	Change
Power and Social Infrastructure	99.8	106.6	6.8	0.6	2.6	2.0
Industrial Infrastructure	110.1	109.7	-0.4	-1.5	-2.5	-1.0
Power Electronics	141.2	145.2	4.0	2.8	3.2	0.5

➤ Power and Social Infrastructure

- [Net Sales]
- In the power plant business, net sales were up year on year as the increase in orders for thermal power, geothermal power, and hydropower generation facilities outweighed the decrease in orders for solar power generation systems.
 - In the social engineering systems business, net sales were up year on year due to higher sales of smart meters.
 - In the social information business, net sales were relatively unchanged year on year.

[Operating Income/Loss] - Operating results improved due to higher net sales and the benefits of cost reduction efforts.

➤ Industrial Infrastructure

- [Net Sales]
- In the transmission and distribution business, net sales were relatively unchanged year on year.
 - In the industrial plant business, net sales were down year on year as the decrease in large-scale orders offset the benefits of strong energy saving and replacement demand in Japan.
 - In the industrial and instrumentation equipment businesses, net sales were up year on year due to robust domestic demand, despite lower demand resulted from economic slowdown in China.
 - In the equipment construction business, net sales were up year on year following increased higher orders for installation of electrical equipment and air-conditioning equipment.

[Operating Income/Loss] - Operating results worsened due to the decrease in net sales and the negative impacts of changes in the ratios of sales for specific models.

➤ Power Electronics

[Net Sales, Operating Income/Loss]

- In the drive business, net sales and operating results improved year on year as the benefits of strong domestic demand and large overseas orders for electric equipment for railcars offset the impacts of a decline in demand due to the bearish state of the Chinese market.
- In the power supply business, net sales were up year on year due to the robust demand for power supply equipment in Japan as well as the benefits of the consolidation of Fuji SMBE Pte. Ltd., and its subsidiaries, while operating results were relatively unchanged year on year due to the impacts of changes in the ratios of sales for specific models.
- In the ED&C components business, net sales were down year on year as a result of the decline in demand from domestic machinery equipment manufacturers as well as in China and other overseas markets, but operating results were relatively unchanged year on year as the benefits of cost reduction efforts counteracted the lower net sales.

*Figures for 9 months FY2014 reflect the organizational restructuring conducted in FY2015.

Net Sales and Operating Income by Segment for 9 months (Apr.-Dec.) FY2015 (YoY Comparison) ②

(Billion yen)

	Net Sales			Operating Income/Loss		
	9 months FY2014	9 months FY2015	Change	9 months FY2014	9 months FY2015	Change
Electronic Devices	105.1	93.7	-11.4	5.9	7.4	1.5
Food and Beverage Distribution	88.0	79.4	-8.6	6.1	3.2	-2.9
Others	45.5	46.9	1.4	1.5	1.8	0.2
Elimination and Corporate	-47.7	-45.4	2.3	-4.0	-4.2	-0.2
Total	541.8	536.1	-5.8	11.4	11.5	0.1

➤ **Electronic Devices**

[Net Sales, Operating Income/Loss]

- In the semiconductors business, net sales and operating results worsened year on year due to the impacts of sluggish demand resulted from the bearish state of the Chinese market in the industrial field and the power supply application field, lower demand from major domestic customers centered on machine tools in the industrial field, and reduced sales of certain vehicles equipped with the Company's products in the automotive field.
- In the magnetic disks business, net sales were down year on year due to the negative impacts of changes in the ratios of sales for specific models, but operating results improved as the benefits of fixed cost reduction efforts outweighed the impact of lower net sales.

➤ **Food and Beverage Distribution**

[Net Sales, Operating Income/Loss]

- In the vending machines business, net sales and operating results worsened year on year because the impacts of the reduced vending machine demand in Japan stemming from limited investment among domestic beverage manufacturers outweighed the benefits of increased sales following the expansion of operations in the Chinese market.
- In the store distribution business, net sales and operating results worsened year on year as a result of lower sales of freezing and refrigerating facilities for convenience stores.

* Figures for 9 months FY2014 reflect the organizational restructuring conducted in FY2015.

Net Sales for 9 months (Apr. – Dec.) FY2015 [Japan and Overseas by Area] (YoY Comparison)

(Billion yen)

	9 months FY2014	9 months FY2015	Change	
Japan	391.6	376.8	-14.8	Electronic Devices (semiconductors) -6.0 Food and Beverage Distribution -11.2
Overseas	150.2	159.2	9.0	
Asia and others	58.9	71.4	12.4	Power and Social Infrastructure +8.5 Industrial Infrastructure +2.6 Power Electronics +7.2 Electronic Devices -6.8
China	67.4	66.1	-1.2	Power Electronics -3.0 Electronic Devices (semiconductors) -2.1 Food and Beverage Distribution +2.2
Europe	13.4	12.2	-1.2	
Americas	10.6	9.5	-1.0	

Consolidated Balance Sheet at the end of 3Q FY2015

Assets		3/31/15	12/31/15	Change
Cash and time deposit		32.0	31.2	-0.8
Notes and account receivables, trade receivables		237.6	197.9	-39.8
Inventories		137.6	179.3	41.6
Other current assets		55.8	66.4	10.7
Total current assets		463.0	474.8	11.8
Tangible fixed assets		175.0	178.0	3.0
Intangible fixed assets		15.3	19.4	4.1
Investments and other assets		251.2	218.0	-33.2
Total long-term assets		441.5	415.3	-26.1
Deferred assets		0.1	0.1	0.0
Total assets		904.5	890.2	-14.3

Liabilities and Net Assets		(Billion yen)		
		3/31/15	12/31/15	Change
Notes and account payables, trade payables		150.6	139.0	-11.6
Interest-bearing Debts		191.2	214.2	22.9
Other liabilities		243.0	237.7	-5.3
Total liabilities		584.9	590.8	5.9
Common stock		47.6	47.6	-
Capital surplus		46.7	46.7	0.0
Retained earnings		109.5	109.7	0.1
Treasury stock at cost		-7.2	-7.2	-0.0
Shareholders' equity		196.7	196.8	0.1
Accumulated other comprehensive income (Remeasurements of defined benefit plans)		93.7 (13.7)	72.5 (15.9)	-21.1 (2.2)
Non-controlling interests		29.3	30.1	0.8
Total net assets		319.6	299.4	-20.2
Total liabilities and net assets		904.5	890.2	-14.3
Total Net Assets Ratio (%)		32.1	30.3	-1.8
Net Interest-bearing Debts		159.3	183.1	23.8
Net debt-equity ratio (times)		0.5	0.7	0.2

Consolidated Financial Results Forecasts for FY2015 (Comparison with Previous Forecasts)

(Billion yen)

	FY2015 Forecasts (Oct. 29, 2015)	FY2015 Forecasts (Jan. 28, 2015)	Change
Net Sales	850.0	850.0	0.0
Operating Income/Loss	45.0	45.0	0.0
Ordinary Income/Loss	45.0	45.0	0.0
Profit attributable to owners of parent	29.0	29.0	0.0

Assumed Exchange Rate in 4Q FY2015

	*Operating income basis	
	US\$	EURO
Assumed Exchange Rate	¥115.00	¥125.00
One Yen Effect * (Million yen)	10	20

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2015 Forecasts (Oct. 29, 2015)	FY2015 Forecasts (Jan. 28, 2015)	Change	FY2015 Forecasts (Oct. 29, 2015)	FY2015 Forecasts (Jan. 28, 2015)	Change
Power and Social Infrastructure	178.8	178.8	0.0	9.4	9.4	0.0
Industrial Infrastructure	212.7	212.7	0.0	13.0	13.0	0.0
Power Electronics	218.5	211.4	-7.1	9.6	9.2	-0.4
Electronic Devices	124.1	124.1	0.0	8.6	8.6	0.0
Food and Beverage Distribution	123.6	123.6	0.0	8.5	8.5	0.0
Others	61.5	62.7	1.3	2.1	2.1	0.0
Elimination and Corporate	-69.1	-63.3	5.8	-6.1	-5.7	0.4
Total	850.0	850.0	0.0	45.0	45.0	0.0

Consolidated Financial Results Forecasts for FY2015 (YoY Comparison)

(Billion yen)

	FY2014 Results	FY2015 Forecasts (Jan. 28, 2015)	Change
Net Sales	810.7	850.0	39.3
Operating Income/Loss	39.3	45.0	5.7
Ordinary Income/Loss	43.1	45.0	1.9
Profit attributable to owners of parent	28.0	29.0	1.0

Assumed Exchange Rate in 4Q FY2015

	*Operating income basis	
	US\$	EURO
Assumed Exchange Rate	¥115.00	¥125.00
One Yen Effect * (Million yen)	10	20

(Billion yen)

	Net Sales			Operating Income/Loss		
	FY2014 Results	FY2015 Forecasts (Jan. 28, 2015)	Change	FY2014 Results	FY2015 Forecasts (Jan. 28, 2015)	Change
Power and Social Infrastructure	169.2	178.8	9.6	7.8	9.4	1.6
Industrial Infrastructure	191.4	212.7	21.4	11.1	13.0	1.8
Power Electronics	200.9	211.4	10.5	7.6	9.2	1.6
Electronic Devices	137.2	124.1	-13.1	8.1	8.6	0.5
Food and Beverage Distribution	119.1	123.6	4.4	8.5	8.5	0.0
Others	61.2	62.7	1.5	1.9	2.1	0.2
Elimination and Corporate	-68.3	-63.3	5.0	-5.7	-5.7	-0.1
Total	810.7	850.0	39.3	39.3	45.0	5.7

* Figures for FY2014 reflect the organizational restructuring conducted in FY2015.

Reference: M&A Activities for Expanding Overseas Operations (Major Accomplishments in FY2015)

	Overview	New Company Name	Date of starting Operation
Power and Social Infrastructure	【America】 Acquired turbine generator and power plant service company	Reliable Turbine Services LLC	Sep. 2015
	【Germany】 Acquired fuel cell sales and engineering company	Fuji N ₂ telligence GmbH	Jan. 2016 (planned)
Industrial Infrastructure	【Vietnam】 Acquired engineering firm	Fuji CAC Joint Stock Company	Feb. 2016 (planned)
Power Electronics	【North America】 Acquired railcar door manufacturing and sales company	Fuji SEMEC Inc.	Feb. 2016 (planned)

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