

**Consolidated Financial Results for first half of the fiscal year ending March 31, 2017
(April 1, 2016 — September 30, 2016)**

Summary of Consolidated Financial Results (Six months ended September 30, 2016)

1. Summary of consolidated statements of operations

	Millions of yen			Millions of U.S. dollars
	1H FY2016 (A)	1H FY2015 (B)	Change(% (A)/(B)	1H FY2016
Net sales	351,558	354,321	99.2%	3,481
Operating income	5,870	6,884	85.3%	58
Ordinary income	2,729	7,000	39.0%	27
Net income attributable to owners of parent	22	4,170	0.5%	0
	Yen			U.S. dollars
Net income per share	0.03	5.84	0.5%	0.00

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S. dollars
	9/30/2016	3/31/2016	9/30/2016
Total assets	806,013	845,378	7,980
Net assets	257,329	260,980	2,548
Equity ratio (%)	28.3%	27.3%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥101=U.S.\$1

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2017
(April 1, 2016 - March 31, 2017)**

	Millions of yen
	FY2016
Net sales	820,000
Operating income	45,000
Ordinary income	43,000
Net income attributable to owners of parent	27,000
	FY2016
Net income per share	37.80

< 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		Millions of U.S. dollars
	<u>9/30/2016</u>	<u>3/31/2016</u>	<u>9/30/2016</u>
Assets			
Current assets:			
Cash and deposits	28,777	31,000	285
Notes and accounts receivable-trade	190,737	258,378	1,888
Merchandise and finished goods	57,129	56,290	566
Work in process	70,656	52,410	700
Raw materials and supplies	34,494	36,437	342
Other	64,581	60,582	639
Allowance for doubtful accounts	(1,061)	(1,167)	(11)
Total Current assets	<u>445,316</u>	<u>493,932</u>	<u>4,409</u>
Noncurrent assets:			
Net Property, plant and equipment			
Buildings and structures, net	84,221	83,200	834
Other, net	86,281	93,275	854
Net Property, plant and equipment	<u>170,502</u>	<u>176,476</u>	<u>1,688</u>
Intangible assets	21,332	20,369	211
Investments and other assets			
Investment securities	135,172	125,265	1,338
Net defined benefit asset	21,357	17,623	211
Other	12,953	12,504	128
Allowance for doubtful accounts	(779)	(911)	(8)
Total Investments and other assets	<u>168,704</u>	<u>154,481</u>	<u>1,670</u>
Total Noncurrent assets	<u>360,540</u>	<u>351,327</u>	<u>3,570</u>
Deferred assets	<u>156</u>	<u>117</u>	<u>2</u>
Total Assets	<u><u>806,013</u></u>	<u><u>845,378</u></u>	<u><u>7,980</u></u>

Consolidated Balance Sheets

	Millions of yen		<i>Millions of U.S. dollars</i>
	<u>9/30/2016</u>	<u>3/31/2016</u>	<u>9/30/2016</u>
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	131,628	160,416	1,303
Short-term loans payable	63,908	53,795	633
Commercial papers	6,500	22,000	64
Current portion of bonds	25,000	20,500	248
Income taxes payable	2,390	6,390	24
Advances received	49,539	40,247	490
Other	101,993	114,469	1,010
Total Current liabilities	<u>380,961</u>	<u>417,819</u>	<u>3,772</u>
Noncurrent liabilities:			
Bonds payable	50,000	40,000	495
Long-term loans payable	38,432	48,449	381
Provision for directors' retirement benefits	182	195	2
Net defined benefit liability	50,038	50,729	495
Other	29,069	27,203	288
Total Noncurrent liabilities	<u>167,722</u>	<u>166,578</u>	<u>1,661</u>
Total Liabilities	<u>548,684</u>	<u>584,397</u>	<u>5,433</u>
Net Assets			
Shareholders' equity:			
Capital stock	47,586	47,586	471
Capital surplus	45,985	46,736	455
Retained earnings	128,904	132,111	1,276
Treasury stock	(7,217)	(7,212)	(71)
Total Shareholders' equity	<u>215,258</u>	<u>219,221</u>	<u>2,131</u>
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	39,542	30,254	392
Deferred gains or losses on hedges	(2,421)	(1,132)	(24)
Foreign currency translation adjustments	(5,583)	3,377	(55)
Remeasurements of defined benefit plans	(18,944)	(21,321)	(188)
Total Accumulated other comprehensive income	<u>12,592</u>	<u>11,177</u>	<u>125</u>
Non-controlling interests	<u>29,478</u>	<u>30,581</u>	<u>292</u>
Total Net assets	<u>257,329</u>	<u>260,980</u>	<u>2,548</u>
Total Liabilities and Net assets	<u>806,013</u>	<u>845,378</u>	<u>7,980</u>

Consolidated Statements of Income

	Millions of yen		Millions of U.S. dollars
	1H FY2016	1H FY2015	1H FY2016
Net sales	351,558	354,321	3,481
Cost of sales	264,475	265,254	2,619
Gross profit	87,083	89,066	862
Selling, general and administrative expenses	81,212	82,181	804
Operating income	5,870	6,884	58
Non-operating income			
Interest income	122	135	1
Dividends income	1,249	1,531	12
Foreign exchange income	-	883	-
Other	209	397	2
Total Non-operating income	1,581	2,947	16
Non-operating expenses			
Interest expense	914	1,115	9
Equity in losses of affiliates	872	1,036	9
Foreign exchange losses	2,588	-	26
Other	348	680	3
Total Non-operating expenses	4,723	2,832	47
Ordinary income	2,729	7,000	27
Extraordinary income			
Gain on sales of noncurrent assets	17	107	0
Gain on sales of investment securities	145	917	1
Total Extraordinary income	162	1,024	2
Extraordinary loss			
Loss on disposal of noncurrent assets	105	210	1
Special retirement expenses	62	-	1
Loss on devaluation of investment securities	-	77	-
Loss on sales of investment securities	-	51	-
Total Extraordinary loss	168	339	2
Income before income taxes	2,723	7,685	27
Income taxes	1,073	2,422	11
Net income	1,649	5,262	16
Net income attributable to non-controlling interests	1,627	1,092	16
Net income attributable to owners of parent	22	4,170	0

Consolidated Statements of Comprehensive Income

	Millions of yen		<i>Millions of U.S. dollars</i>
	1H FY2016	1H FY2015	<i>1H FY2016</i>
Net income	1,649	5,262	16
Other comprehensive income			
Valuation difference on available-for-sale securities	9,301	(28,577)	92
Deferred gains or losses on hedges	(1,285)	244	(13)
Foreign currency translation adjustments	(9,849)	(3,280)	(98)
Remeasurements of defined benefit plans	2,337	1,474	23
Share of other comprehensive income of associates accounted for using equity method	(65)	29	(1)
Total other comprehensive Income	438	(30,108)	4
Comprehensive income	2,088	(24,845)	21
Comprehensive income attributable to:			
Comprehensive income attributable to owners of parent	1,437	(25,774)	14
Comprehensive income attributable to non-controlling interests	651	928	6

Consolidated Statements of Cash Flows

	Millions of yen		Millions of U.S. dollars
	1H FY2016	1H FY2015	1H FY2016
I Cash flows from operating activities			
Income before income taxes	2,723	7,685	27
Depreciation and amortization	14,073	14,966	139
Interest and dividends income	(1,372)	(1,666)	(14)
Interest expenses	914	1,115	9
Loss (gain) on sales of noncurrent assets	(17)	(107)	(0)
Loss (gain) on sales of investment securities	(145)	(865)	(1)
Loss (gain) on disposal of noncurrent assets	105	210	1
Loss (gain) on devaluation of investment securities	-	77	-
Decrease (increase) in notes and accounts receivable-trade	60,207	53,824	596
Decrease (increase) in inventories	(21,105)	(24,915)	(209)
Increase (decrease) in notes and accounts payable-trade	(22,264)	(22,344)	(220)
Increase (decrease) in advances received	9,503	6,363	94
Other, net	(16,789)	(11,889)	(166)
Subtotal	25,833	22,452	256
Interest and dividends income received	1,404	1,665	14
Interest expenses paid	(916)	(1,138)	(9)
Income taxes paid	(5,091)	(5,808)	(50)
Net cash provided by operating activities	21,229	17,171	210
II Cash flows from investing activities			
Purchase of property, plant and equipment	(6,497)	(9,422)	(64)
Proceeds from sales of property, plant and equipment	40	470	0
Purchase of investment securities	(1,534)	(3,964)	(15)
Proceeds from sales of investment securities	157	1,645	2
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(242)	-	(2)
Payments of loans receivable	(2,533)	(3,149)	(25)
Collection of loans receivable	2,975	2,847	29
Other, net	(1,993)	(887)	(20)
Net cash used in investing activities	(9,628)	(12,460)	(95)
III Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(682)	(2,880)	(7)
Increase (decrease) in commercial papers	(15,500)	(10,000)	(153)
Proceeds from long-term loans payable	4,219	18,576	42
Repayment of long-term loans payable	(408)	(5,036)	(4)
Proceeds from issuance of bonds	15,000	15,000	149
Redemption of bonds	(500)	(15,000)	(5)
Repayments of lease obligations	(6,495)	(7,263)	(64)
Proceeds from sales of treasury stock	-	0	-
Purchase of treasury stock	(5)	(12)	(0)
Cash dividends paid	(3,571)	(3,572)	(35)
Cash dividends paid to non-controlling interests	(901)	(1,002)	(9)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(2,107)	-	(21)
Other, net	(68)	(70)	(1)
Net cash used in financing activities	(11,021)	(11,261)	(109)
IV Effect of exchange rate change on cash and cash equivalents	(2,882)	(458)	(29)
V Net increase (decrease) in cash and cash equivalents (I + II + III + IV)	(2,303)	(7,008)	(23)
VI Cash and cash equivalents at beginning of period	30,838	31,895	305
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	107	3,552	1
VIII Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	17	-
IX Cash and cash equivalents at end of period	28,643	28,455	284

Consolidated Segment Information

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

As of April 1, 2016, reflecting change of organization structure, the reporting segments were reclassified in Industrial Infrastructure, Power Electronics, Electronic Devices and Food and Beverage Distribution.

The reporting segment information for the first half of the fiscal year ended March 31, 2016 has been reclassified to reflect this change.

1H FY2016

	Millions of yen								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	69,866	79,184	82,002	56,131	49,294	15,079	351,558	-	351,558
Inter-segment sales and transfers	599	1,400	9,451	1,510	161	13,198	26,321	(26,321)	-
Total sales	70,466	80,585	91,453	57,642	49,455	28,277	377,880	(26,321)	351,558
Segment profits (losses)	2,476	(551)	415	3,182	2,031	1,109	8,664	(2,793)	5,870

1H FY2015

	Millions of yen								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	69,947	64,979	85,445	61,891	54,615	17,441	354,321	-	354,321
Inter-segment sales and transfers	746	772	12,201	1,484	117	13,971	29,295	(29,295)	-
Total sales	70,694	65,752	97,646	63,376	54,733	31,413	383,616	(29,295)	354,321
Segment profits (losses)	1,414	(4,266)	2,784	4,897	3,754	1,062	9,647	(2,763)	6,884

1H FY2016

	Millions of U.S. dollars								
	Power and Social Infrastructure	Industrial Infrastructure	Power Electronics	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	692	784	812	556	488	149	3,481	-	3,481
Inter-segment sales and transfers	6	14	94	15	2	131	261	(261)	-
Total sales	698	798	905	571	490	280	3,741	(261)	3,481
Segment profits (losses)	25	(5)	4	32	20	11	86	(28)	58

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

	Billions of yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Net sales	351.6	820.0	354.3	813.6
Operating income	5.9	45.0	6.9	45.0
Ordinary income	2.7	43.0	7.0	45.6
Net income attributable to owners of parent	0.0	27.0	4.2	30.6

2. Number of consolidated subsidiaries

	Billions of yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Number of consolidated subsidiaries	69	69	69	69
Japan	23	23	22	22
Overseas	46	46	47	47
Number of equity-method associates	5	5	5	5

3. Net income per share

	Yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Net income per share	0.03	37.80	5.84	42.90

4. Sales exchange rate (Yen)

	Yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
US\$	105.29	102.64	121.80	120.14
EURO	118.15	114.07	135.07	132.58

5. Net sales by reporting segment

	Billions of yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Power and Social Infrastructure	70.5	183.5	70.7	175.5
Industrial Infrastructure	80.6	218.0	65.8	199.4
Power Electronics	91.5	204.1	97.6	208.8
Electronic Devices	57.6	111.0	63.4	120.2
Food and Beverage Distribution	49.5	112.9	54.7	110.0
Others	28.3	57.6	31.4	62.6
Subtotal	377.9	887.2	383.6	876.5
Elimination	(26.3)	(67.2)	(29.3)	(62.9)
Total	351.6	820.0	354.3	813.6

Note : Net sales include inter-segment transactions.

6. Operating income by reporting segment

	Billions of yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Power and Social Infrastructure	2.5	11.1	1.4	9.7
Industrial Infrastructure	(0.6)	15.1	(4.3)	11.2
Power Electronics	0.4	8.9	2.8	9.4
Electronic Devices	3.2	5.9	4.9	9.8
Food and Beverage Distribution	2.0	8.0	3.8	8.0
Others	1.1	2.2	1.1	2.3
Subtotal	8.7	51.1	9.6	50.5
Elimination	(2.8)	(6.1)	(2.8)	(5.5)
Total	5.9	45.0	6.9	45.0

7. Net overseas sales

	Billions of yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Asia (except for China)	47.5	-	46.3	103.9
China	33.4	-	44.7	82.6
Europe	7.6	-	8.1	16.7
America	6.2	-	6.7	12.6
Total	94.7	-	105.7	215.8

8. R&D expenditures

	Billions of yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Power and Social Infrastructure	2.1	5.2	2.4	5.7
Industrial Infrastructure	2.4	5.9	2.7	6.2
Power Electronics	4.6	9.8	4.5	9.6
Electronic Devices	4.9	10.4	4.7	9.2
Food and Beverage Distribution	2.0	4.7	2.4	5.3
Others	0.0	0.0	0.0	0.0
Total	16.1	36.0	16.8	35.9
Ratio to net sales (%)	4.6%	4.4%	4.7%	4.4%

9. Plant and equipment investment (including leases)

	Billions of yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Power and Social Infrastructure	0.8	2.1	1.1	2.2
Industrial Infrastructure	0.9	2.3	0.8	2.1
Power Electronics	5.2	11.4	2.7	8.1
Electronic Devices	4.3	10.0	4.7	7.4
Food and Beverage Distribution	1.8	6.6	0.9	2.0
Others	0.4	1.0	3.4	5.9
Total	13.4	33.4	13.7	27.7
(Leases)	5.2	14.1	4.6	9.2

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

10. Depreciation, Leases paid

	Billions of yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Power and Social Infrastructure	0.9	1.9	0.8	1.8
Industrial Infrastructure	1.1	2.3	1.0	2.1
Power Electronics	2.7	5.9	2.9	5.7
Electronic Devices	6.1	12.7	7.2	14.1
Food and Beverage Distribution	1.0	2.1	1.1	2.3
Others	0.6	1.3	0.7	1.4
Total	12.4	26.2	13.7	27.3
(Leases)	0.6	1.3	0.6	1.2

11. Number of employees

	Billions of yen			
	1H FY2016	FY2016 [Forecast]	1H FY2015	FY2015
Power and Social Infrastructure	2,560	2,551	2,505	2,478
Industrial Infrastructure	5,313	5,365	5,429	5,348
Power Electronics	7,820	7,910	7,906	7,795
Electronic Devices	6,424	6,415	6,590	6,481
Food and Beverage Distribution	2,566	2,677	2,289	2,369
Others	2,033	2,054	2,073	2,037
Total	26,716	26,972	26,792	26,508
Japan	17,947	17,853	17,877	17,635
Overseas	8,769	9,119	8,915	8,873

Financial Performance

(1) Qualitative Information regarding Consolidated Results of Operations

In the six-month period ended September 30, 2016, an overall recovery trend was seen overseas driven by principal developed countries, including the United States and European countries. However, a rising sense of uncertainty remained due to factors such as economic downturn in Asia, largely seen in China. In the domestic economy, the general trend was that of recovery, despite the sluggish conditions seen in certain sectors due to the progressive appreciation of the yen.

In this environment, we unveiled the FY2018 Medium-Term Management Plan, Renovation 2018. Acting in accordance with the plan's basic policy of "further renovation of Fuji Electric," we are implementing growth strategies including reforming operating processes in social engineering system, industrial infrastructure, and power electronics businesses; expanding overseas operations; and creating high-value-added products while also improving profitability.

During the six-month period ended September 30, 2016, we advanced the various measures of our growth strategies, and demand grew. However, net sales decreased ¥2.8 billion year on year, to ¥351.6 billion, due to the heavy impacts of foreign exchange rate fluctuations. By business segment, Industrial Infrastructure saw increased net sales, while Power and Social Infrastructure, Power Electronics, Electronic Devices, Food and Beverage Distribution, and Others saw net sales decline. Operating income decreased ¥1.0 billion year on year, to ¥5.9 billion, and ordinary income declined ¥4.3 billion, to ¥2.7 billion, as the heavy impacts of foreign exchange rate fluctuations outweighed the benefits of cost reduction efforts. At the same time, profit attributable to owners of parent was down ¥4.1 billion.

Consolidated results of operations for the six-month period were as follows.

	(¥ billion)		
	Six-month period ended September 30, 2015	Six-month period ended September 30, 2016	Change
Net sales	354.3	351.6	(2.8)
Operating income	6.9	5.9	(1.0)
Ordinary income	7.0	2.7	(4.3)
Profit (loss) attributable to owners of parent	4.2	0.0	(4.1)

Results by Segment

[Power and Social Infrastructure]

YoY: Net sales relatively unchanged, operating income increased ¥1.1 billion

Net sales were relatively unchanged year on year at ¥70.5 billion, and operating income increased ¥1.1 billion year on year, to ¥2.5 billion.

In the power plant business, net sales were down and operating results worsened year on year as the increase in orders for hydraulic power generation facilities was outweighed by the decrease in orders for solar power generation systems. In the social engineering systems business, net sales were up and operating results improved year on year due to higher sales of smart meters. In the social information business, net sales were up and operating results improved year on year following higher sales targeting the academic field.

[Industrial Infrastructure]

YoY: Net sales increased 23%, operating loss decreased ¥3.7 billion

Net sales increased 23% year on year, to ¥80.6 billion, and operating loss decreased ¥3.7 billion year on year, to ¥0.6 billion.

In the transmission and distribution business, net sales were up and operating results improved year on year due to contributions from large-scale orders from domestic industries. In the industrial plant business, net sales were up and operating results improved year on year as a result of strong energy saving and replacement demand in Japan as well as increased sales in new solutions businesses targeting data centers. Net sales were down year on year in the industrial and instrumentation equipment business following a decline in overseas demand, but operating results improved year on year due to the benefits of cost reduction efforts. The equipment construction business saw a year-on-year increase in net sales and improved operating results following contributions from large-scale domestic orders for installation of electrical equipment.

[Power Electronics]

YoY: Net sales decreased 6%, operating income decreased ¥2.4 billion

Net sales decreased 6% year on year, to ¥91.5 billion, and operating income decreased ¥2.4 billion year on year, to ¥0.4 billion.

In the drive business, net sales decreased year on year due to lower demand for inverters overseas, particularly in China, and the impacts of unfavorable foreign exchange rates, and operating results worsened due to the lower sales and adverse foreign exchange influences as well as increased upfront investment and R&D expenditures at overseas bases. In the power supply business, net sales were down year on year as the decline in demand for power conditioning sub-systems for megasolar power generation systems and the impacts of unfavorable foreign exchange rates offset the strong performance of switchgear and controlgear operations overseas. Regardless, operating results improved due to the benefits of cost reduction efforts. In the ED&C components business, net sales decreased and operating results worsened year on year following reduced demand from machine tools and other machinery manufacturers and the impacts of unfavorable foreign exchange rates.

[Electronic Devices]

YoY: Net sales decreased 9%, operating income decreased ¥1.7 billion

Net sales decreased 9% year on year, to ¥57.6 billion, and operating income decreased ¥1.7 billion year on year, to ¥3.2 billion.

In the semiconductors business, net sales decreased and operating results worsened year on year as firm performance in the automotive field and the recovery of demand in the industrial and power supply application fields were counteracted by the impacts of unfavorable foreign exchange rates. In the magnetic disks business, net sales were down and operating results worsened year on year because of the declines in demand following deteriorating market conditions and the impacts of unfavorable foreign exchange rates.

[Food and Beverage Distribution]

YoY: Net sales decreased 10%, operating income decreased ¥1.7 billion

Net sales decreased 10% year on year, to ¥49.5 billion, and operating income decreased ¥1.7 billion year on year, to ¥2.0 billion.

In the vending machine business, net sales decreased and operating results worsened year on year because of the impacts of the reduced vending machine demand in Japan stemming from limited investment among domestic beverage manufacturers. In the store distribution business, net sales increased year on year due to the strong performance of automatic change dispensers and store facilities, but operating results worsened year on year as a result of a less favorable sales mix.

[Others]

YoY: Net sales decreased 10%, operating income relatively unchanged

Net sales decreased 10% year on year, to ¥28.3 billion, and operating income was relatively unchanged year on year at ¥1.1 billion.

(2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2016	Breakdown (%)	September 30, 2016	Breakdown (%)	Change
Total assets	845.4	100.0	806.0	100.0	(39.4)
Interest-bearing debt	184.7	21.9	183.8	22.8	(0.9)
Shareholder's equity* ¹	230.4	27.3	227.9	28.3	(2.5)
Debt-equity ratio* ² (time)	0.8		0.8		0.0

*1 Shareholders' equity = Total net assets - Non-controlling interests

*2 Debt-equity ratio = Interest-bearing debt / Shareholders' equity

Total assets on September 30, 2016, stood at ¥806.0 billion, a decrease of ¥39.4 billion from the end of the previous fiscal year. Total current assets decreased ¥48.6 billion, as the decline in notes and accounts receivable-trade counteracted the rise in inventories. Total noncurrent assets were up ¥9.2 billion, due to an increase stemming from valuation difference on available-for-sale securities.

Interest-bearing debt as of September 30, 2016, amounted to ¥183.8 billion, down ¥0.9 billion from the previous fiscal year-end. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—increased ¥1.3 billion from the previous fiscal year-end, amounting to ¥155.2 billion on September 30, 2016.

Net assets on September 30, 2016, stood at ¥257.3 billion, down ¥3.7 billion from the previous fiscal year-end. This was because of a decrease resulted from foreign currency translation adjustments, which offset the increase stemming from valuation difference on available-for-sale securities. In addition, shareholders' equity—total net assets net of non-controlling interests—was down ¥2.5 billion from the previous fiscal year-end, standing at ¥227.9 billion on September 30, 2016. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was 0.8 times, the same as at the previous fiscal year-end. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was unchanged from the previous fiscal year-end at 0.7 times.

In the six-month period ended September 30, 2016, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a positive ¥11.6 billion, an increase of ¥4.7 billion compared with free cash flow of a positive ¥6.9 billion in the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities was ¥21.2 billion, compared with ¥17.2 billion for the previous equivalent period. Major factors increasing cash included a decrease in notes and accounts receivable-trade, a result of efforts to collect receivables. Major factors decreasing cash included an increase in inventories and a decrease in notes and accounts payable-trade.

This was an increase of ¥4.1 billion year on year.

Cash flows from investing activities

Net cash used in investing activities was ¥9.6 billion, compared with ¥12.5 billion in the previous fiscal year. This was primarily related to the purchase of property, plant and equipment.

This was a decrease of ¥2.8 billion year on year.

Cash flows from financing activities

Net cash used in financing activities was ¥11.0 billion, compared with ¥11.3 billion in the previous fiscal year. This was principally due to repayment of lease obligations.

As a result, consolidated cash and cash equivalents on September 30, 2016, amounted to ¥28.6 billion, down ¥2.2 billion from the previous fiscal year-end.

(3) Qualitative Information regarding Consolidated Forecasts and Forecast Information

In light of the business result trends seen in the six-month period ended September 30, 2016, Fuji Electric has chosen to revise the consolidated forecast for business results for the fiscal year ending March 31, 2017, that was announced together with financial results for the three-month period ended June 30, 2016, on July 28, 2016.

The forecast for the fiscal year ending March 31, 2017, assumes exchange rates of US\$1 = ¥100 and € 1 = ¥ 110 for the period from October 1, 2016, onward.

(Consolidated Forecasts for the Fiscal Year Ending March 31, 2017) (¥ billion)

	Previous announcement	Revised announcement	Change
Net sales	830.0	820.0	(10.0)
Operating income	47.0	45.0	(2.0)
Ordinary income	47.0	43.0	(4.0)
Profit attributable to owners of parent	31.0	27.0	(4.0)

(Reference: Consolidated Forecasts for the Fiscal Year Ending March 31, 2017, by Segment)

(¥billion)

	Net sales			Operating income (loss)		
	Previous announcement	Revised announcement	Change	Previous announcement	Revised announcement	Change
Power and Social Infrastructure	177.9	183.5	5.6	10.5	11.1	0.5
Industrial Infrastructure	216.9	218.0	1.1	13.6	15.1	1.5
Power Electronics	214.6	204.1	(10.6)	11.6	8.9	(2.6)
Electronic Devices	120.0	111.0	(9.0)	7.5	5.9	(1.7)
Food and Beverage Distribution	113.6	112.9	0.7	8.0	8.0	0.0
Others	55.0	57.6	2.6	2.1	2.2	0.1
Elimination and Corporate	(68.2)	(67.2)	1.0	(6.2)	(6.1)	0.1
Total	830.0	820.0	(10.0)	47.0	45.0	(2.0)

While net sales are anticipated to exceed the previously released forecasts in the Power and Social Infrastructure, Industrial Infrastructure, and Others segments due to increased demand, sales in the Power Electronics, Electronic Devices, and Food and Beverage Distribution segments are expected to fall below these forecasts primarily due to unfavorable foreign exchange translations.

Meanwhile, the benefits of increased net sales and reduced costs will lead operating income in the Power and Social Infrastructure, Industrial Infrastructure, and Others segments to be higher than anticipated. However, operating income in the Power Electronics and Electronic Devices segments will be lower than expected due to reduced sales and the impacts of unfavorable foreign exchange translations. Operating income in the Food and Beverage Distribution segment will be the same as previously announced.