

**Consolidated Financial Report for the fiscal year ended March 31, 2019  
(April 1, 2018 — March 31, 2019)**

**Summary of Consolidated Financial Results**

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

	Millions of yen			Millions of U.S. dollars
	FY2018	FY2017	Change(%)	FY2018
	(A)	(B)	(A)/(B)	
Net sales	914,915	893,451	102.4%	8,317
Operating income	59,972	55,962	107.2%	545
Ordinary income	63,479	56,047	113.3%	577
Net income attributable to owners of parent	40,267	37,763	106.6%	366
	Yen			U.S. dollars
Net income per share (*)	281.89	264.34		2.56

(\*)Fuji Electric has conducted an one for fifth common stock consolidation effective October 1, 2018.

Net income per share is calculated assuming that the share consolidation was executed at the beginning of the previous consolidated fiscal year.

**2. Summary of consolidated financial position**

	Millions of yen		Millions of U.S. dollars
	3/31/2019	3/31/2018	3/31/2019
	Total assets	952,659	914,744
Net assets	392,061	366,546	3,564
Equity ratio (%)	37.0%	36.1%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥110=U.S.\$1

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2020  
(April 1, 2019 - March 31, 2020)**

	Millions of yen
	FY2019
Net sales	930,000
Operating income	62,000
Ordinary income	63,600
Net income attributable to owners of parent	40,400
	Yen
	FY2019
Net income per share (*)	282.82

< 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>3/31/2019</u>	<u>3/31/2018</u>	<u>3/31/2019</u>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	29,304	33,372	266
Notes and accounts receivable-trade	308,831	287,084	2,808
Merchandise and finished goods	62,185	57,821	565
Work in process	63,914	50,372	581
Raw materials and supplies	50,871	41,564	462
Other	60,072	49,538	546
Allowance for doubtful accounts	(2,084)	(1,280)	(19)
<b>Total Current assets</b>	<u>573,096</u>	<u>518,471</u>	<u>5,210</u>
<b>Noncurrent assets:</b>			
Net Property, plant and equipment			
Buildings and structures, net	80,894	82,809	735
Machinery, equipment and vehicles, net	20,868	19,384	190
Tools, furniture and fixtures, net	5,899	6,077	54
Land	35,032	34,947	318
Lease assets, net	30,220	28,982	275
Construction in progress	9,210	2,399	84
Net Property, plant and equipment	182,124	174,600	1,656
Intangible assets	17,843	19,330	162
Investments and other assets			
Investment securities	133,348	135,914	1,212
Long-term loans receivable	710	731	6
Net defined benefit asset	16,382	40,109	149
Deferred tax assets	16,825	15,911	153
Other	12,659	10,022	115
Allowance for doubtful accounts	(484)	(486)	(4)
<b>Total Investments and other assets</b>	<u>179,442</u>	<u>202,203</u>	<u>1,631</u>
<b>Total Noncurrent assets</b>	<u>379,410</u>	<u>396,134</u>	<u>3,449</u>
<b>Deferred assets</b>	<u>152</u>	<u>137</u>	<u>1</u>
<b>Total Assets</b>	<u><u>952,659</u></u>	<u><u>914,744</u></u>	<u><u>8,661</u></u>

**Consolidated Balance Sheets**

	Millions of yen		Millions of U.S. dollars
	3/31/2019	3/31/2018	3/31/2019
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	196,669	183,976	1,788
Short-term loans payable	48,296	33,865	439
Commercial papers	8,000	-	73
Current portion of bonds	-	20,000	-
Lease obligations	11,991	12,153	109
Accrued expenses	40,099	40,106	365
Income taxes payable	10,892	8,293	99
Advances received	45,496	48,569	414
Other	64,446	57,775	586
<b>Total Current liabilities</b>	<b>425,894</b>	<b>404,741</b>	<b>3,872</b>
<b>Noncurrent liabilities:</b>			
Bonds payable	50,000	40,000	455
Long-term loans payable	10,548	34,435	96
Lease obligations	25,148	23,053	229
Deferred tax liabilities	475	755	4
Provision for directors' retirement benefits	215	185	2
Net defined benefit liability	45,794	42,519	416
Other	2,521	2,506	23
<b>Total Noncurrent liabilities</b>	<b>134,704</b>	<b>143,455</b>	<b>1,225</b>
<b>Total Liabilities</b>	<b>560,598</b>	<b>548,197</b>	<b>5,096</b>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	433
Capital surplus	46,067	45,986	419
Retained earnings	223,940	195,517	2,036
Treasury stock	(7,316)	(7,284)	(67)
<b>Total Shareholders' equity</b>	<b>310,276</b>	<b>281,805</b>	<b>2,821</b>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	43,974	47,665	400
Deferred gains or losses on hedges	(280)	88	(3)
Foreign currency translation adjustments	368	1,572	3
Remeasurements of defined benefit plans	(1,417)	(496)	(13)
<b>Total Accumulated other comprehensive income</b>	<b>42,645</b>	<b>48,830</b>	<b>388</b>
<b>Non-controlling interests</b>	<b>39,139</b>	<b>35,910</b>	<b>356</b>
<b>Total Net assets</b>	<b>392,061</b>	<b>366,546</b>	<b>3,564</b>
<b>Total Liabilities and Net assets</b>	<b>952,659</b>	<b>914,744</b>	<b>8,661</b>

**Consolidated Statements of Income**

	Millions of yen		<i>Millions of U.S. dollars</i>
	FY2018	FY2017	FY2018
<b>Net sales</b>	914,915	893,451	8,317
<b>Cost of sales</b>	679,876	661,824	6,181
<b>Gross profit</b>	235,038	231,627	2,137
<b>Selling, general and administrative expenses</b>	175,066	175,665	1,592
<b>Operating income</b>	59,972	55,962	545
<b>Non-operating income</b>			
Interest income	345	337	3
Dividends income	2,776	2,166	25
Share of profit of entities accounted for using equity method	1,682	1,236	15
Foreign exchange income	89	-	1
Other	1,096	924	10
<b>Total Non-operating income</b>	5,991	4,664	54
<b>Non-operating expenses</b>			
Interest expense	1,377	1,621	13
Provision of allowance for doubtful accounts for subsidiaries and affiliates	520	-	5
Foreign exchange losses	-	2,080	-
Other	586	877	5
<b>Total Non-operating expenses</b>	2,483	4,579	23
<b>Ordinary income</b>	63,479	56,047	577
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	96	209	1
Gain on sales of investment securities	1,055	1,691	10
Gain on reversal of foreign currency translation adjustments	1,299	-	12
<b>Total Extraordinary income</b>	2,451	1,900	22
<b>Extraordinary loss</b>			
Loss on disposal of noncurrent assets	1,121	366	10
Loss on valuation of investment securities	279	776	3
Impairment loss	2,242	-	20
<b>Total Extraordinary loss</b>	3,643	1,142	33
<b>Income before income taxes</b>	62,287	56,805	566
<b>Income taxes-current</b>	16,051	13,738	146
<b>Income taxes-deferred</b>	1,165	1,064	11
<b>Income taxes</b>	17,216	14,803	157
<b>Net income</b>	45,070	42,001	410
<b>Net income attributable to non-controlling interests</b>	4,802	4,237	44
<b>Net income attributable to owners of parent</b>	40,267	37,763	366

**Consolidated Statements of Comprehensive Income**

	Millions of yen		<i>Millions of U.S. dollars</i>
	<b>FY2018</b>	FY2017	<i>FY2018</i>
<b>Net income</b>	45,070	42,001	410
<b>Other comprehensive income</b>			
Valuation difference on available-for-sale securities	(3,782)	5,093	(34)
Deferred gains or losses on hedges	(369)	1,688	(3)
Foreign currency translation adjustments	(1,359)	1,597	(12)
Remeasurements of defined benefit plans	(1,106)	2,301	(10)
Share of other comprehensive income of entities accounted for using equity method	201	171	2
<b>Total other comprehensive Income</b>	(6,416)	10,852	(58)
<b>Comprehensive income</b>	38,653	52,854	351
<b>Comprehensive income attributable to:</b>			
Comprehensive income attributable to owners of parent	34,082	47,997	310
Comprehensive income attributable to non-controlling interests	4,570	4,856	42

**Consolidated Statements of Shareholders' Equity (FY2018)**

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT APRIL 1, 2018</b>	47,586	45,986	195,517	(7,284)	281,805
Changes of items during the period					
Dividends from surplus			(11,428)		(11,428)
Net income attributable to owners of parent			40,267		40,267
Purchase of treasury stock				(32)	(32)
Disposal of treasury stock		1		0	2
Change of scope of consolidation			(417)		(417)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		79			79
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	80	28,422	(31)	28,470
<b>BALANCE AT MARCH 31, 2019</b>	47,586	46,067	223,940	(7,316)	310,276

	Millions of yen						
	Accumulated other comprehensive income					Non-controlling 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, 2018</b>	47,665	88	1,572	(496)	48,830	35,910	366,546
Changes of items during the period							
Dividends from surplus					-		(11,428)
Net income attributable to owners of parent					-		40,267
Purchase of treasury stock					-		(32)
Disposal of treasury stock					-		2
Change of scope of consolidation					-		(417)
Change in treasury shares of parent arising from transactions with non-controlling shareholders					-		79
Net changes of items other than shareholders' equity	(3,690)	(369)	(1,204)	(921)	(6,185)	3,228	(2,956)
Total changes of items during the period	(3,690)	(369)	(1,204)	(921)	(6,185)	3,228	25,514
<b>BALANCE AT MARCH 31, 2019</b>	43,974	(280)	368	(1,417)	42,645	39,139	392,061

**Consolidated Statements of Shareholders' Equity (FY2017)**

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
<b>BALANCE AT APRIL 1, 2017</b>	47,586	45,985	166,289	(7,241)	252,619
Changes of items during the period					
Dividends from surplus			(8,571)		(8,571)
Net income attributable to owners of parent			37,763		37,763
Purchase of treasury stock				(43)	(43)
Disposal of treasury stock		0		0	0
Change of scope of consolidation			36		36
Change in treasury shares of parent arising from transactions with non-controlling shareholders		0			0
Net changes of items other than shareholders' equity					
<b>Total changes of items during the period</b>	-	0	29,228	(42)	29,186
<b>BALANCE AT MARCH 31, 2018</b>	47,586	45,986	195,517	(7,284)	281,805

	Millions of yen						
	Accumulated other comprehensive income					Non-controlling 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, 2017</b>	42,751	(1,600)	175	(2,730)	38,596	32,647	323,863
Changes of items during the period							
Dividends from surplus					-		(8,571)
Net income attributable to owners of parent					-		37,763
Purchase of treasury stock					-		(43)
Disposal of treasury stock					-		0
Change of scope of consolidation					-		36
Change in treasury shares of parent arising from transactions with non-controlling shareholders					-		0
Net changes of items other than shareholders' equity	4,914	1,688	1,397	2,233	10,233	3,263	13,497
<b>Total changes of items during the period</b>	4,914	1,688	1,397	2,233	10,233	3,263	42,683
<b>BALANCE AT MARCH 31, 2018</b>	47,665	88	1,572	(496)	48,830	35,910	366,546

**Consolidated Statements of Cash Flows**

	Millions of yen		Millions of U.S. dollars
	FY2018	FY2017	FY2018
<b>I Cash flows from operating activities</b>			
Income before income taxes	62,287	56,805	566
Depreciation and amortization	30,906	30,151	281
Increase (decrease) in allowance for doubtful accounts	802	(347)	7
Interest and dividends income	(3,122)	(2,503)	(28)
Interest expenses	1,377	1,621	13
Foreign exchange losses (gains)	(544)	741	(5)
Loss (gain) on sales of noncurrent assets	(96)	(209)	(1)
Loss (gain) on sales of investment securities	(1,055)	(1,691)	(10)
Loss (gain) on disposal of noncurrent assets	1,121	366	10
Loss (gain) on devaluation of investment securities	279	776	3
Impairment loss	2,242	-	20
Foreign currency translation adjustments reversal gains	(1,299)	-	(12)
Decrease (increase) in notes and accounts receivable-trade	(21,949)	(16,633)	(200)
Decrease (increase) in inventories	(26,937)	(6,933)	(245)
Increase (decrease) in notes and accounts payable-trade	12,410	18,645	113
Increase (decrease) in advances received	(3,129)	3,487	(28)
Other, net	12,186	4,380	111
Subtotal	65,479	88,657	595
Interest and dividends income received	3,142	2,507	29
Interest expenses paid	(1,412)	(1,652)	(13)
Income taxes paid	(12,260)	(36,365)	(111)
Net cash provided by operating activities	54,949	53,146	500
<b>II Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(15,932)	(12,279)	(145)
Proceeds from sales of property, plant and equipment	354	640	3
Purchase of investment securities	(639)	(2,362)	(6)
Proceeds from sales of investment securities	1,600	2,741	15
Payments of loans receivable	(7,381)	(4,634)	(67)
Collection of loans receivable	7,339	5,299	67
Other, net	(6,788)	(3,955)	(62)
Net cash used in investing activities	(21,448)	(14,550)	(195)
<b>III Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(10,680)	(4,570)	(97)
Increase (decrease) in commercial papers	8,000	-	73
Proceeds from long-term loans payable	3,044	2,060	28
Repayment of long-term loans payable	(2,068)	(25,559)	(19)
Proceeds from issuance of bonds	10,000	10,000	91
Redemption of bonds	(20,000)	(5,000)	(182)
Repayments of lease obligations	(13,106)	(12,785)	(119)
Proceeds from sales of treasury stock	2	0	0
Purchase of treasury stock	(32)	(43)	(0)
Cash dividends paid	(11,428)	(8,571)	(104)
Cash dividends paid to non-controlling interests	(1,340)	(2,364)	(12)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(512)	(1)	(5)
Other, net	(52)	(53)	(0)
Net cash used in financing activities	(38,174)	(46,887)	(347)
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	338	(374)	3
<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV)</b>	(4,333)	(8,664)	(39)
<b>VI Cash and cash equivalents at beginning of period</b>	33,329	41,886	303
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	138	108	1
<b>VIII Cash and cash equivalents at end of period</b>	29,134	33,329	265

## Consolidated Segment Information

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

As of April 1, 2018, reflecting change of organization structure, the reporting segments were reclassified in Power Electronics Systems - Energy Solutions and Power Electronics Systems - Industry Solutions.

The reporting segment information for the fiscal year ended March 31, 2018 has been reclassified to reflect this change.

#### FY2018

	Millions of yen								
	Power Electronics Systems - Energy Solutions	Power Electronics Systems - Industry Solutions	Power and New Energy	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	220,409	308,921	106,921	133,828	113,345	31,488	914,915	-	914,915
Inter-segment sales and transfers	4,378	13,021	90	3,506	260	30,740	51,997	(51,997)	-
Total sales	224,787	321,942	107,012	137,334	113,606	62,228	966,913	(51,997)	914,915
Segment profits (losses)	16,854	19,393	4,750	15,623	5,756	2,765	65,143	(5,170)	59,972

#### FY2017

	Millions of yen								
	Power Electronics Systems - Energy Solutions	Power Electronics Systems - Industry Solutions	Power and New Energy	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	214,450	310,165	96,757	123,502	117,485	31,089	893,451	-	893,451
Inter-segment sales and transfers	3,164	10,814	121	3,368	268	29,313	47,052	(47,052)	-
Total sales	217,615	320,980	96,879	126,871	117,753	60,403	940,503	(47,052)	893,451
Segment profits (losses)	14,015	18,920	5,521	13,699	6,234	2,859	61,250	(5,288)	55,962

#### FY2018

	Millions of U.S. dollars								
	Power Electronics Systems - Energy Solutions	Power Electronics Systems - Industry Solutions	Power and New Energy	Electronic Devices	Food and Beverage Distribution	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	2,004	2,808	972	1,217	1,030	286	8,317	-	8,317
Inter-segment sales and transfers	40	118	1	32	2	279	473	(473)	-
Total sales	2,044	2,927	973	1,248	1,033	566	8,790	(473)	8,317
Segment profits (losses)	153	176	43	142	52	25	592	(47)	545

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

	Billions of yen		
	<b>FY2018</b>	FY2019 [Forecast]	FY2017
Net sales	914.9	930.0	893.5
Operating income	60.0	62.0	56.0
Ordinary income	63.5	63.6	56.0
Net income attributable to owners of parent	40.3	40.4	37.8

**2. Number of consolidated subsidiaries**

	Billions of yen		
	<b>FY2018</b>	FY2019 [Forecast]	FY2017
Number of consolidated subsidiaries	72	72	70
Japan	23	23	23
Overseas	49	49	47
Number of equity-method associates	4	4	5

**3. Net income per share**

	Yen		
	<b>FY2018</b>	FY2019 [Forecast]	FY2017
Net income per share (*)	281.89	282.82	264.34

(\*)Fuji Electric has conducted an one for fifth common stock consolidation effective October 1, 2018.

Net income per share is calculated assuming that the share consolidation was executed at the beginning of the previous consolidated fiscal year.

**4. Average exchange rates (Yen)**

	Yen		
	<b>FY2018</b>	FY2019 [Forecast]	FY2017
US\$	110.91	105.00	110.85
EURO	128.41	123.00	129.70
RMB	16.54	16.00	16.75

**5. Net sales by reporting segment**

	Billions of yen	
	<b>FY2018</b>	FY2017
Power Electronics Systems - Energy Solutions	224.8	217.6
Power Electronics Systems - Industry Solutions	321.9	321.0
Power and New Energy	107.0	96.9
Electronic Devices	137.3	126.9
Food and Beverage Distribution	113.6	117.8
Others	62.2	60.4
Subtotal	966.9	940.5
Elimination	(52.0)	(47.1)
<b>Total</b>	<b>914.9</b>	<b>893.5</b>

  

	Billions of yen		
	<b>FY2018</b>	FY2019 [Forecast]	FY2017
Power Electronics Systems Energy	224.1	220.0	-
Power Electronics Systems Industry	322.5	332.0	-
Power Generation	107.0	116.0	-
Electronic Devices	137.3	150.3	-
Food and Beverage Distribution	113.6	113.6	-
Others	62.2	60.0	-
Subtotal	966.8	991.9	-
Elimination	(51.9)	(61.9)	-
<b>Total</b>	<b>914.9</b>	<b>930.0</b>	<b>-</b>

## 6. Operating income by reporting segment

	Billions of yen	
	FY2018	FY2017
Power Electronics Systems - Energy Solutions	16.9	14.0
Power Electronics Systems - Industry Solutions	19.4	18.9
Power and New Energy	4.8	5.5
Electronic Devices	15.6	13.7
Food and Beverage Distribution	5.8	6.2
Others	2.8	2.9
Subtotal	65.1	61.3
Elimination	(5.2)	(5.3)
<b>Total</b>	<b>60.0</b>	<b>56.0</b>

	Billions of yen		
	FY2018	FY2019 [Forecast]	FY2017
Power Electronics Systems Energy	16.8	16.8	-
Power Electronics Systems Industry	19.4	21.9	-
Power Generation	4.8	4.3	-
Electronic Devices	15.6	17.5	-
Food and Beverage Distribution	5.8	6.6	-
Others	2.8	2.2	-
Subtotal	65.1	69.4	-
Elimination	(5.2)	(7.4)	-
<b>Total</b>	<b>60.0</b>	<b>62.0</b>	<b>-</b>

## 7. Net overseas sales

	Billions of yen	
	FY2018	FY2017
Asia (except for China)	121.7	110.9
China	78.4	75.0
Europe	16.5	17.6
America	15.8	15.2
<b>Total</b>	<b>232.4</b>	<b>218.7</b>

## 8. R&D expenditures

	Billions of yen	
	FY2018	FY2017
Power Electronics Systems - Energy Solutions	5.6	7.6
Power Electronics Systems - Industry Solutions	9.3	9.4
Power and New Energy	3.3	3.5
Electronic Devices	11.1	10.4
Food and Beverage Distribution	4.4	4.5
Others	0.1	0.2
<b>Total</b>	<b>33.7</b>	<b>35.6</b>
Ratio to net sales (%)	3.7%	4.0%

	Billions of yen		
	FY2018	FY2019 [Forecast]	FY2017
Power Electronics Systems Energy	5.6	7.6	-
Power Electronics Systems Industry	9.3	9.7	-
Power Generation	3.3	3.5	-
Electronic Devices	11.1	11.8	-
Food and Beverage Distribution	4.4	4.5	-
Others	0.1	0.1	-
<b>Total</b>	<b>33.7</b>	<b>37.2</b>	<b>-</b>
Ratio to net sales (%)	3.7%	4.0%	-

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

	Billions of yen	
	FY2018	FY2017
Power Electronics Systems - Energy Solutions	6.5	4.8
Power Electronics Systems - Industry Solutions	4.3	2.8
Power and New Energy	1.1	1.5
Electronic Devices	28.1	11.1
Food and Beverage Distribution	2.3	4.8
Others	1.0	1.5
<b>Total</b>	<b>43.3</b>	<b>26.5</b>
(Leases)	20.6	13.1

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

	Billions of yen		
	FY2018	FY2019 [Forecast]	FY2017
Power Electronics Systems Energy	6.5	9.1	-
Power Electronics Systems Industry	4.3	6.1	-
Power Generation	1.1	1.1	-
Electronic Devices	28.1	34.1	-
Food and Beverage Distribution	2.3	2.6	-
Others	1.0	0.6	-
<b>Total</b>	<b>43.3</b>	<b>53.7</b>	<b>-</b>
(Leases)	20.6	32.5	-

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

**10. Depreciation, Leases paid**

	Billions of yen	
	FY2018	FY2017
Power Electronics Systems - Energy Solutions	5.0	4.9
Power Electronics Systems - Industry Solutions	4.3	4.2
Power and New Energy	1.2	1.2
Electronic Devices	13.5	13.1
Food and Beverage Distribution	2.3	2.0
Others	1.1	1.2
<b>Total</b>	<b>27.5</b>	<b>26.6</b>
(Leases)	1.0	1.1

	Billions of yen		
	FY2018	FY2019 [Forecast]	FY2017
Power Electronics Systems Energy	5.0	5.5	-
Power Electronics Systems Industry	4.3	4.9	-
Power Generation	1.2	1.2	-
Electronic Devices	13.5	17.2	-
Food and Beverage Distribution	2.3	2.3	-
Others	1.1	0.9	-
<b>Total</b>	<b>27.5</b>	<b>32.1</b>	<b>-</b>
(Leases)	1.0	1.5	-

**11. Number of employees**

	FY2018	FY2017
Power Electronics Systems - Energy Solutions	6,591	6,473
Power Electronics Systems - Industry Solutions	8,312	8,185
Power and New Energy	1,295	1,340
Electronic Devices	6,782	6,506
Food and Beverage Distribution	2,522	2,574
Others	1,914	1,931
<b>Total</b>	<b>27,416</b>	<b>27,009</b>
Japan	17,647	17,704
Overseas	9,769	9,305

	FY2018	FY2019 [Forecast]	FY2017
Power Electronics Systems Energy	6,574	6,801	-
Power Electronics Systems Industry	8,329	8,579	-
Power Generation	1,295	1,240	-
Electronic Devices	6,782	6,830	-
Food and Beverage Distribution	2,522	2,478	-
Others	1,914	2,012	-
<b>Total</b>	<b>27,416</b>	<b>27,940</b>	<b>-</b>
Japan	17,647	17,854	-
Overseas	9,769	10,086	-

## Financial Performance

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

#### 1. Results of Operations in the Fiscal Year Ended March 31, 2019

In the fiscal year ended March 31, 2019, the outlook for the Company's operating environment overseas saw a trend toward limited investment emerge in the Chinese market during the second half of the fiscal year amid the trade friction between the United States and China. In Japan, meanwhile, robust demand was seen for investments in replacements of aged equipment, production equipment automation aimed at productivity improvements, labor saving, and energy conservation, although there was slowdown in certain sectors.

In this environment, we sought to complete the measures put forth in the FY2018 Medium-Term Management Plan, Renovation 2018, which concluded with the fiscal year ended March 31, 2019. To this end, we strengthened the power electronics systems business and aggressively invested in the expansion of our power semiconductors operations while also pursuing increased profitability by further enhancing manufacturing capabilities and re-energizing the Companywide Pro-7 Activities that are aimed at improving work quality.

Consolidated net sales in the fiscal year ended March 31, 2019, increased ¥21.5 billion year on year, to ¥914.9 billion, due to higher demand centered on the Power Electronics Systems—Energy Solutions segment, the Power and New Energy segment, and the Electronic Devices segment. Despite the impacts of slowdown in demand seen in the second half of the fiscal year as well as increased costs associated with a large-scale project in the Power and New Energy segment, consolidated operating income in the fiscal year ended March 31, 2019, rose ¥4.0 billion year on year, to ¥60.0 billion, and ordinary income was up ¥7.4 billion, to ¥63.5 billion, due to higher sales and the benefits of cost reduction efforts. Both of these figures represented new record highs. Meanwhile, net income attributable to owners of parent increased ¥2.5 billion, to ¥40.3 billion.

In this manner, the targets of the FY2018 Medium-Term Management Plan—net sales of ¥900.0 billion, operating income of ¥54.0 billion, and net income attributable to owners of parent of ¥34.0 billion—were achieved.

Consolidated results of operations for the fiscal year ended March 31, 2019, were as follows.

	(¥ billion)		
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change
Net sales	893.5	914.9	21.5
Operating income	56.0	60.0	4.0
Ordinary income	56.0	63.5	7.4
Net income attributable to owners of parent	37.8	40.3	2.5

## 2. Results by Segment

### **Power Electronics Systems—Energy Solutions**

**Net sales: ¥224.8 billion (up 3% year on year)**

**Operating income: ¥16.9 billion (up ¥2.8 billion year on year)**

In the Power Electronics Systems—Energy Solutions segment, net sales and operating income were up year on year due to strong performance in the power supply and facility systems business and the ED&C components business.

- In the energy management business, net sales decreased year on year primarily as a result of the rebound from a large-scale project undertaken overseas during the previous fiscal year and reduced demand for smart meters. However, operating results improved year on year due to the benefits of cost reduction efforts.
- In the power supply and facility systems business, net sales and operating results improved year on year due to an increase in large-scale orders in Japan.
- In the ED&C components business, net sales and operating results improved year on year because of strong demand from distribution panel manufacturers.

### **Power Electronics Systems—Industry Solutions**

**Net sales: ¥321.9 billion (relatively unchanged year on year)**

**Operating income: ¥19.4 billion (up ¥0.5 billion year on year)**

In the Power Electronics Systems—Industry Solutions segment, net sales and operating income increased year on year. Performance was driven by the factory automation business, the equipment construction business, and the IT solutions business.

- In the factory automation business, net sales and operating results improved year on year due to increased domestic demand centered on inverters, motors, and factory automation systems, the benefits of which outweighed the impacts of the bearish trends seen overseas during the second half of the fiscal year.
- In the process automation business, net sales and operating results worsened year on year due to the absence of a large-scale order recorded in the previous fiscal year.
- In the social solutions business, net sales and operating results worsened year on year primarily as a result of lower demand for electrical equipment for railcars.
- In the equipment construction business, net sales and operating results improved year on year following an increase in orders for construction of electrical equipment such as factory power distribution equipment.
- In the IT solutions business, net sales and operating results improved year on year due to an increase in orders from the academic sector and the public sector.

### **Power and New Energy**

**Net sales: ¥107.0 billion (up 10% year on year)**

**Operating income: ¥4.8 billion (down ¥0.8 billion year on year)**

- In the power and new energy business, net sales increased year on year following growth in orders for solar power generation systems, but operating results worsened year on year due to higher costs associated with a large-scale order.

### **Electronic Devices**

**Net sales: ¥137.3 billion (up 8% year on year)**

**Operating income: ¥15.6 billion (up ¥1.9 billion year on year)**

- In the electronic devices business, net sales and operating results improved year on year thanks to higher demand for products for automotive applications, amid the trend toward electric vehicles, and for magnetic disks. These factors offset the impacts of the sluggish demand seen in the domestic industrial power semiconductor market during the second half of the fiscal year.

### **Food and Beverage Distribution**

**Net sales: ¥113.6 billion (down 4% year on year)**

**Operating income: ¥5.8 billion (down ¥0.5 billion year on year)**

- In the vending machine business, net sales and operating results improved year on year largely thanks to increased demand from domestic customers.
- In the store distribution business, net sales and operating results worsened year on year because of a decline in demand for store equipment for convenience stores.

### **Others**

**Net sales: ¥62.2 billion (up 3% year on year)**

**Operating income: ¥2.8 billion (down ¥0.1 billion year on year)**

Note: Effective April 1, 2018, the businesses contained within the Power Electronics Systems—Energy Solutions and the Power Electronics Systems—Industry Solutions reporting segments were changed to reflect a structural reorganization. Year-on-year comparisons have been calculated using figures for the fiscal year ended March 31, 2018, that have been restated to reflect this change.

### 3. Forecasts for the Fiscal Year Ending March 31, 2020

Forecasts for consolidated business results in the fiscal year ending March 31, 2020, are as follows.

Further, forecasts for the fiscal year ending March 31, 2020, assume exchange rates of US\$1 = ¥105, €1 = ¥123, RMB1 = ¥16.

Further forecasts for the fiscal year ending March 31, 2020, assume exchange rates of US\$1 = ¥XX, €1 = ¥XX, RMB1 = ¥XX

#### (Consolidated Business Results Forecasts)

(¥ billion)

	Fiscal year ended March 31, 2019 Results	Fiscal year ending March 31, 2020 Forecasts	Change
Net sales	914.9	930.0	15.1
Operating income	60.0	62.0	2.0
Ordinary income	63.5	63.6	0.1
Net income attributable to owners of parent	40.3	40.4	0.1

#### (Forecasts by Segment)

(¥ billion)

	Fiscal year ended March 31, 2019 Results		Fiscal year ending March 31, 2020 Forecasts		Change	
	Net sales	Operating Income (Loss)	Net sales	Operating Income (Loss)	Net sales	Operating Income (Loss)
Power Electronics Systems Energy	224.1	16.8	220.0	16.8	(4.1)	0.0
Power Electronics Systems Industry	322.5	19.4	332.0	21.9	9.5	2.5
Power Generation	107.0	4.8	116.0	4.3	9.0	(0.5)
Electronic Devices	137.3	15.6	150.3	17.5	12.9	1.9
Food and Beverage Distribution	113.6	5.8	113.6	6.6	0.0	0.8
Others	62.2	2.8	60.0	2.2	(2.2)	(0.5)
Elimination and Corporate	(51.9)	(5.2)	(61.9)	(7.4)	(10.0)	(2.2)
Total	914.9	60.0	930.0	62.0	15.1	2.0

Effective from April 1, 2019, the Company reorganized its power electronics systems business to form the Power Electronics Systems Energy segment and the Power Electronics Systems Industry segment. In addition, the Power and New Energy segment was renamed the Power Generation segment. Figures for the fiscal year ended March 31, 2019, for the Power Electronic Systems Energy segment and Power Electronic Systems Industry segment have been restated to reflect this change.

**(2) Quantitative Information regarding Consolidated Financial Position**

	March 31, 2018	Breakdown (%)	March 31, 2019	Breakdown (%)	Change
Total assets	914.7	100.0	952.7	100.0	37.9
Interest-bearing debt	163.5	17.9	154.0	16.2	(9.5)
Shareholder's equity*1	330.6	36.1	352.9	37.0	22.3
Debt-to-equity ratio*2 (times)	0.5		0.4		(0.1)

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

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

Total assets on March 31, 2019, stood at ¥952.7 billion, an increase of ¥37.9 billion from the end of the previous fiscal year. Total current assets increased ¥54.6 billion primarily as a result of the rise in inventories and notes and accounts receivable-trade. Total noncurrent assets were down ¥16.7 billion due to a decrease in net defined benefit asset, which offset a rise in property, plant and equipment.

Interest-bearing debt as of March 31, 2019, amounted to ¥154.0 billion, down ¥9.5 billion from the previous fiscal year-end primarily due to the redemption of bonds. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—decreased ¥5.3 billion from the previous fiscal year-end, amounting to ¥124.9 billion on March 31, 2019.

Net assets on March 31, 2019, stood at ¥392.1 billion, up ¥25.5 billion from the previous fiscal year-end largely as the result of an increase in retained earnings. In addition, shareholders' equity—total net assets net of non-controlling interests—was up ¥22.3 billion from the previous fiscal year-end, standing at ¥352.9 billion on March 31, 2019. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was 0.4 times, down 0.1 times from the previous fiscal year-end. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was 0.4 times, relatively unchanged from the previous fiscal year-end.

(¥ billion)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Change
Net cash provided by operating activities	53.1	54.9	1.8
Net cash provided by (used in) investing activities	(14.6)	(21.4)	(6.9)
Free cash flow	38.6	33.5	(5.1)
Net cash used in financing activities	(46.9)	(38.2)	8.7
Cash and cash equivalents at the end of period	33.3	29.1	(4.2)

In the fiscal year ended March 31, 2019, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a positive ¥33.5 billion, a decrease of ¥5.1 billion compared with positive free cash flow of ¥38.6 billion in the previous fiscal year.

### **Cash flows from operating activities**

Net cash provided by operating activities was ¥54.9 billion, compared with ¥53.1 billion in the previous fiscal year. Major factors increasing cash included income before income taxes and an increase in notes and accounts payable-trade. Major factors decreasing cash included an increase in inventories and an increase in notes and accounts receivable-trade.

This was an increase of ¥1.8 billion year on year.

### **Cash flows from investing activities**

Net cash used in investing activities was ¥21.4 billion, compared with ¥14.6 billion in the previous fiscal year. This was primarily related to the purchase of property, plant and equipment.

This was an increase of ¥6.9 billion year on year.

### **Cash flows from financing activities**

Net cash used in financing activities was ¥38.2 billion, compared with ¥46.9 billion in the previous fiscal year. This was principally due to the redemption of bonds and repayments of lease obligations.

As a result, consolidated cash and cash equivalents on March 31, 2019, amounted to ¥29.1 billion, down ¥4.2 billion from the previous fiscal year-end.

**(3) Basic Policy Regarding Distribution of Earnings and Dividends for the Fiscal Year Ended March 31, 2019, and the Fiscal Year Ending March 31, 2020**

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, development of human resources, and other uses 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 a comprehensive evaluation of the business results from the relevant fiscal year, research and development and capital investment plans for future growth, and the operating environment.

We regard the acquisition of treasury stock as a flexible mechanism to supplement dividends from retained earnings when warranted by the cash flow position.

Based on a rigorous evaluation of performance during the fiscal year ended March 31, 2019, forecasted performance for the fiscal year ending March 31, 2020, and our financial position, we plan to pay a year-end dividend of ¥40 per share for the fiscal year ended March 31, 2019.

Effective October 1, 2018, the Company conducted a one-for-five reverse stock split pertaining to shares of common stock. The per share amount for the year-end dividend has been calculated to reflect this reverse stock split. When adjusted based on the number of shares following the reverse stock split, the annual dividend for the fiscal year ended March 31, 2019, amounted to ¥80 per share, including the post-adjustment interim dividend.

We have not yet decided the dividend to be paid for the fiscal year ending March 31, 2020.