

**Consolidated Financial Results for first half of the fiscal year ending March 31, 2019  
(April 1, 2018 — September 30, 2018)**

**Summary of Consolidated Financial Results (Six months ended September 30, 2018)**

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

	Millions of yen			Millions of U.S. dollars
	1H FY2018	1H FY2017	Change(%)	1H FY2018
	(A)	(B)	(A)/(B)	
Net sales	419,431	395,014	106.2%	3,712
Operating income	18,519	12,742	145.3%	164
Ordinary income	19,423	11,726	165.6%	172
Net income attributable to owners of parent	12,536	6,219	201.6%	111
	Yen			U.S. dollars
Net income per share (*)	87.76	43.54		0.78

(\*)Fuji Electric has conducted a 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
	9/30/2018	3/31/2018	9/30/2018
	Total assets	910,134	914,744
Net assets	375,405	366,546	3,322
Equity ratio (%)	37.2%	36.1%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥113=U.S.\$1

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2019  
(April 1, 2018 - March 31, 2019)**

	Millions of yen
	FY2018
Net sales	910,000
Operating income	61,000
Ordinary income	62,500
Net income attributable to owners of parent	41,500
	Yen
	FY2018
Net income per share (*)	290.51

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

Net income per share for the fiscal year ending March 31, 2019, reflect the effect of the stock consolidation.

< 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
	9/30/2018	3/31/2018	9/30/2018
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	29,003	33,372	257
Notes and accounts receivable-trade	270,794	287,084	2,396
Merchandise and finished goods	63,364	57,821	561
Work in process	71,906	50,372	636
Raw materials and supplies	45,553	41,564	403
Other	54,119	49,538	479
Allowance for doubtful accounts	(1,275)	(1,280)	(11)
<b>Total Current assets</b>	<u>533,465</u>	<u>518,471</u>	<u>4,721</u>
<b>Noncurrent assets:</b>			
Net Property, plant and equipment	175,584	174,600	1,554
Intangible assets	19,280	19,330	171
Investments and other assets			
Investment securities	139,709	135,914	1,236
Net defined benefit asset	15,542	40,109	138
Other	26,861	26,665	238
Allowance for doubtful accounts	(480)	(486)	(4)
<b>Total Investments and other assets</b>	<u>181,633</u>	<u>202,203</u>	<u>1,607</u>
<b>Total Noncurrent assets</b>	<u>376,499</u>	<u>396,134</u>	<u>3,332</u>
<b>Deferred assets</b>	<u>169</u>	<u>137</u>	<u>1</u>
<b>Total Assets</b>	<u><u>910,134</u></u>	<u><u>914,744</u></u>	<u><u>8,054</u></u>

**Consolidated Balance Sheets**

	Millions of yen		Millions of U.S. dollars
	9/30/2018	3/31/2018	9/30/2018
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	176,865	183,976	1,565
Short-term loans payable	45,853	33,865	406
Commercial papers	12,000	-	106
Current portion of bonds	-	20,000	-
Income taxes payable	5,931	8,293	52
Advances received	49,319	48,569	436
Other	105,228	110,035	931
<b>Total Current liabilities</b>	<b>395,199</b>	<b>404,741</b>	<b>3,497</b>
<b>Noncurrent liabilities:</b>			
Bonds payable	50,000	40,000	442
Long-term loans payable	19,502	34,435	173
Provision for directors' retirement benefits	198	185	2
Net defined benefit liability	43,763	42,519	387
Other	26,064	26,315	231
<b>Total Noncurrent liabilities</b>	<b>139,529</b>	<b>143,455</b>	<b>1,235</b>
<b>Total Liabilities</b>	<b>534,729</b>	<b>548,197</b>	<b>4,732</b>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	421
Capital surplus	45,986	45,986	407
Retained earnings	201,923	195,517	1,787
Treasury stock	(7,295)	(7,284)	(65)
<b>Total Shareholders' equity</b>	<b>288,200</b>	<b>281,805</b>	<b>2,550</b>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	49,978	47,665	442
Deferred gains or losses on hedges	4	88	0
Foreign currency translation adjustments	1,296	1,572	11
Remeasurements of defined benefit plans	(1,139)	(496)	(10)
<b>Total Accumulated other comprehensive income</b>	<b>50,140</b>	<b>48,830</b>	<b>444</b>
<b>Non-controlling interests</b>	<b>37,065</b>	<b>35,910</b>	<b>328</b>
<b>Total Net assets</b>	<b>375,405</b>	<b>366,546</b>	<b>3,322</b>
<b>Total Liabilities and Net assets</b>	<b>910,134</b>	<b>914,744</b>	<b>8,054</b>

**Consolidated Statements of Income**

	Millions of yen		<i>Millions of U.S. dollars</i>
	<b>1H FY2018</b>	1H FY2017	<i>1H FY2018</i>
<b>Net sales</b>	419,431	395,014	<i>3,712</i>
<b>Cost of sales</b>	313,528	295,865	<i>2,775</i>
<b>Gross profit</b>	105,902	99,149	<i>937</i>
<b>Selling, general and administrative expenses</b>	87,383	86,406	<i>773</i>
<b>Operating income</b>	18,519	12,742	<i>164</i>
<b>Non-operating income</b>			
Interest income	270	143	<i>2</i>
Dividends income	1,256	1,045	<i>11</i>
Foreign exchange income	668	-	<i>6</i>
Other	231	231	<i>2</i>
<b>Total Non-operating income</b>	2,426	1,419	<i>21</i>
<b>Non-operating expenses</b>			
Interest expense	793	813	<i>7</i>
Equity in losses of affiliates	577	995	<i>5</i>
Foreign exchange losses	-	357	<i>-</i>
Other	150	270	<i>1</i>
<b>Total Non-operating expenses</b>	1,522	2,436	<i>13</i>
<b>Ordinary income</b>	19,423	11,726	<i>172</i>
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	40	182	<i>0</i>
Gain on sales of investment securities	697	10	<i>6</i>
Gain on reversal of foreign currency translation adjustments	1,299	-	<i>11</i>
<b>Total Extraordinary income</b>	2,037	193	<i>18</i>
<b>Extraordinary loss</b>			
Loss on disposal of noncurrent assets	171	168	<i>2</i>
Special retirement expenses	-	26	<i>-</i>
<b>Total Extraordinary loss</b>	171	194	<i>2</i>
<b>Income before income taxes</b>	21,290	11,724	<i>188</i>
<b>Income taxes</b>	6,638	4,252	<i>59</i>
<b>Net income</b>	14,651	7,472	<i>130</i>
<b>Net income attributable to non-controlling interests</b>	2,114	1,252	<i>19</i>
<b>Net income attributable to owners of parent</b>	12,536	6,219	<i>111</i>

**Consolidated Statements of Comprehensive Income**

	Millions of yen		<i>Millions of U.S. dollars</i>
	<b>1H FY2018</b>	1H FY2017	<i>1H FY2018</i>
<b>Net income</b>	14,651	7,472	<i>130</i>
<b>Other comprehensive income</b>			
Valuation difference on available-for-sale securities	2,244	11,892	<i>20</i>
Deferred gains or losses on hedges	(84)	1,418	<i>(1)</i>
Foreign currency translation adjustments	(399)	2,337	<i>(4)</i>
Remeasurements of defined benefit plans	(697)	626	<i>(6)</i>
Share of other comprehensive income of associates accounted for using equity method	35	84	<i>0</i>
<b>Total other comprehensive Income</b>	<b>1,098</b>	<b>16,359</b>	<i><b>10</b></i>
<b>Comprehensive income</b>	<b>15,750</b>	<b>23,832</b>	<i><b>139</b></i>
<b>Comprehensive income attributable to:</b>			
Comprehensive income attributable to owners of parent	13,846	22,119	<i>123</i>
Comprehensive income attributable to non-controlling interests	1,903	1,712	<i>17</i>

**Consolidated Statements of Cash Flows**

	Millions of yen	<i>Millions of U.S. dollars</i>	
	1H FY2018	1H FY2017	1H FY2018
<b>I Cash flows from operating activities</b>			
Income before income taxes	21,290	11,724	188
Depreciation and amortization	15,289	14,587	135
Increase (decrease) in allowance for doubtful accounts	(24)	(104)	(0)
Interest and dividends income	(1,526)	(1,188)	(14)
Interest expenses	793	813	7
Foreign exchange losses (gains)	(1,132)	137	(10)
Loss (gain) on sales of noncurrent assets	(40)	(182)	(0)
Loss (gain) on sales of investment securities	(697)	(10)	(6)
Loss (gain) on disposal of noncurrent assets	171	168	2
Foreign currency translation adjustments reversal gains	(1,299)	-	(11)
Decrease (increase) in notes and accounts receivable-trade	17,107	29,257	151
Decrease (increase) in inventories	(30,178)	(19,675)	(267)
Increase (decrease) in notes and accounts payable-trade	(8,248)	(10,649)	(73)
Increase (decrease) in advances received	665	10,275	6
Other, net	12,837	(7,001)	114
Subtotal	25,007	28,151	221
Interest and dividends income received	1,553	1,204	14
Interest expenses paid	(812)	(823)	(7)
Income taxes paid	(7,785)	(28,176)	(69)
Net cash provided by operating activities	17,963	356	159
<b>II Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(7,294)	(5,443)	(65)
Proceeds from sales of property, plant and equipment	159	584	1
Purchase of investment securities	(18)	(126)	(0)
Proceeds from sales of investment securities	1,162	25	10
Payments of loans receivable	(3,347)	(1,975)	(30)
Collection of loans receivable	3,038	2,233	27
Other, net	(2,422)	(1,853)	(21)
Net cash used in investing activities	(8,722)	(6,555)	(77)
<b>III Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(5,094)	(2,459)	(45)
Increase (decrease) in commercial papers	12,000	16,500	106
Proceeds from long-term loans payable	3,073	1,000	27
Repayment of long-term loans payable	(1,506)	(14,096)	(13)
Proceeds from issuance of bonds	10,000	10,000	88
Redemption of bonds	(20,000)	(5,000)	(177)
Repayments of lease obligations	(6,451)	(6,163)	(57)
Purchase of treasury stock	(11)	(11)	(0)
Cash dividends paid	(5,714)	(4,285)	(51)
Cash dividends paid to non-controlling interests	(1,341)	(2,208)	(12)
Other, net	(52)	(54)	(0)
Net cash used in financing activities	(15,096)	(6,780)	(134)
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	1,187	400	11
<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV)</b>	(4,669)	(12,579)	(41)
<b>VI Cash and cash equivalents at beginning of period</b>	33,329	41,886	295
<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>	28,799	29,415	255

## 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 first half of the fiscal year ended March 31, 2018 has been reclassified to reflect this change.

#### 1H 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	91,889	136,944	49,124	70,108	56,162	15,202	419,431	-	419,431
Inter-segment sales and transfers	2,302	4,810	27	1,669	119	15,113	24,042	(24,042)	-
Total sales	94,191	141,755	49,151	71,778	56,282	30,315	443,473	(24,042)	419,431
Segment profits (losses)	4,971	1,904	1,853	8,578	2,643	1,131	21,082	(2,563)	18,519

#### 1H 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	88,945	133,953	37,870	63,175	55,393	15,675	395,014	-	395,014
Inter-segment sales and transfers	740	4,361	22	1,546	129	14,175	20,975	(20,975)	-
Total sales	89,686	138,314	37,893	64,721	55,523	29,851	415,990	(20,975)	395,014
Segment profits (losses)	2,012	1,836	1,182	6,729	2,219	1,517	15,498	(2,755)	12,742

#### 1H 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	813	1,212	435	620	497	135	3,712	-	3,712
Inter-segment sales and transfers	20	43	0	15	1	134	213	(213)	-
Total sales	834	1,254	435	635	498	268	3,925	(213)	3,712
Segment profits (losses)	44	17	16	76	23	10	187	(23)	164

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

	Billions of yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Net sales	419.4	910.0	395.0	893.5
Operating income	18.5	61.0	12.7	56.0
Ordinary income	19.4	62.5	11.7	56.0
Net income attributable to owners of parent	12.5	41.5	6.2	37.8

**2. Number of consolidated subsidiaries**

	Billions of yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Number of consolidated subsidiaries	72	72	70	70
Japan	23	23	23	23
Overseas	49	49	47	47
Number of equity-method associates	5	5	5	5

**3. Net income per share**

	Yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Net income per share (*)	87.76	290.51	43.54	264.34

(\*)Fuji Electric has conducted a 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			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
US\$	110.26	107.63	111.06	110.85
EURO	129.85	127.42	126.29	129.70

**5. Net sales by reporting segment**

	Billions of yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Power Electronics Systems - Energy Solutions	94.2	225.0	89.7	217.6
Power Electronics Systems - Industry Solutions	141.8	323.0	138.3	321.0
Power and New Energy	49.2	102.0	37.9	96.9
Electronic Devices	71.8	140.0	64.7	126.9
Food and Beverage Distribution	56.3	113.0	55.5	117.8
Others	30.3	62.1	29.9	60.4
Subtotal	443.5	965.1	416.0	940.5
Elimination	(24.0)	(55.1)	(21.0)	(47.1)
<b>Total</b>	<b>419.4</b>	<b>910.0</b>	<b>395.0</b>	<b>893.5</b>

**6. Operating income by reporting segment**

	Billions of yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Power Electronics Systems - Energy Solutions	5.0	17.4	2.0	14.0
Power Electronics Systems - Industry Solutions	1.9	19.2	1.8	18.9
Power and New Energy	1.9	6.2	1.2	5.5
Electronic Devices	8.6	15.9	6.7	13.7
Food and Beverage Distribution	2.6	6.2	2.2	6.2
Others	1.1	2.4	1.5	2.9
Subtotal	21.1	67.4	15.5	61.3
Elimination	(2.6)	(6.4)	(2.8)	(5.3)
<b>Total</b>	<b>18.5</b>	<b>61.0</b>	<b>12.7</b>	<b>56.0</b>



## 7. Net overseas sales

	Billions of yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Asia (except for China)	57.6	-	49.8	110.9
China	41.7	-	37.1	75.0
Europe	8.2	-	8.8	17.6
America	7.4	-	8.3	15.2
<b>Total</b>	<b>114.9</b>	<b>-</b>	<b>104.1</b>	<b>218.7</b>

## 8. R&D expenditures

	Billions of yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Power Electronics Systems - Energy Solutions	2.0	6.0	3.6	7.6
Power Electronics Systems - Industry Solutions	4.7	9.6	4.4	9.4
Power and New Energy	1.5	3.5	1.4	3.5
Electronic Devices	5.6	11.3	5.0	10.4
Food and Beverage Distribution	2.1	4.4	2.1	4.5
Others	0.0	0.1	0.0	0.2
<b>Total</b>	<b>15.8</b>	<b>34.8</b>	<b>16.6</b>	<b>35.6</b>
Ratio to net sales (%)	3.8%	3.8%	4.2%	4.0%

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

	Billions of yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Power Electronics Systems - Energy Solutions	2.0	7.5	1.5	4.8
Power Electronics Systems - Industry Solutions	2.2	5.2	0.9	2.8
Power and New Energy	0.3	1.2	0.5	1.5
Electronic Devices	8.3	35.2	5.8	11.1
Food and Beverage Distribution	0.7	2.7	1.9	4.8
Others	0.7	1.1	0.6	1.5
<b>Total</b>	<b>14.1</b>	<b>52.8</b>	<b>11.3</b>	<b>26.5</b>
(Leases)	6.0	25.4	5.7	13.1

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

## 10. Depreciation, Leases paid

	Billions of yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Power Electronics Systems - Energy Solutions	2.5	5.2	2.4	4.9
Power Electronics Systems - Industry Solutions	2.1	4.5	2.0	4.2
Power and New Energy	0.6	1.2	0.6	1.2
Electronic Devices	6.7	14.1	6.3	13.1
Food and Beverage Distribution	1.1	2.4	0.9	2.0
Others	0.5	1.1	0.6	1.2
<b>Total</b>	<b>13.5</b>	<b>28.5</b>	<b>12.8</b>	<b>26.6</b>
(Leases)	0.5	1.3	0.6	1.1

## 11. Number of employees

	Billions of yen			
	1H FY2018	FY2018 [Forecast]	1H FY2017	FY2017
Power Electronics Systems - Energy Solutions	6,607	6,681	6,455	6,473
Power Electronics Systems - Industry Solutions	8,422	8,443	8,124	8,185
Power and New Energy	1,324	1,316	1,360	1,340
Electronic Devices	6,806	7,049	6,368	6,506
Food and Beverage Distribution	2,622	2,541	2,568	2,574
Others	1,944	1,956	1,949	1,931
<b>Total</b>	<b>27,725</b>	<b>27,986</b>	<b>26,824</b>	<b>27,009</b>
Japan	17,894	17,814	17,900	17,704
Overseas	9,831	10,172	8,924	9,305

## Financial Performance

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

In the six-month period ended September 30, 2018, the Company's operating environment saw the continuation of favorable trends in labor saving and energy conservation demand in China and other parts of Asia. 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. However, the outlook for the future grew increasingly opaque due to slowdown in certain markets stemming from trade friction between the United States and China.

In this environment, we seek to complete the measures put forth in the FY2018 Medium-Term Management Plan, Renovation 2018, which is scheduled to conclude with the fiscal year ending March 31, 2019. To this end, we are aggressively investing in the strengthening of the power electronics systems business and 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 six-month period ended September 30, 2018, increased ¥24.4 billion year on year, to ¥419.4 billion, as a result of sales growth in all segments driven by higher demand.

Due to the benefits of higher sales and cost reduction efforts, operating results improved in the Company's five principal segments. Accordingly, consolidated operating income rose ¥5.8 billion year on year, to ¥18.5 billion; ordinary income was up ¥7.7 billion, to ¥19.4 billion; and net income attributable to owners of parent increased ¥6.3 billion, to ¥12.5 billion. All of these figures represented new six-month highs.

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

	(¥ billion)		
	Six-month period ended September 30, 2017	Six-month period ended September 30, 2018	Change
Net sales	395.0	419.4	24.4
Operating income	12.7	18.5	5.8
Ordinary income	11.7	19.4	7.7
Net income attributable to owners of parent	6.2	12.5	6.3

## Results by Segment

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

**Net sales: ¥94.2 billion (up 5% year on year)**

**Operating income: ¥5.0 billion (up ¥3.0 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 energy management business and the ED&C components business.

- In the energy management business, net sales and operating results improved year on year due to solid performance with regard to energy management systems and industrial substation equipment.
- 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 for electrical facilities and other offerings.
- In the ED&C components business, net sales and operating results improved year on year because of strong demand seen from machine tool and other machinery manufacturers.

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

**Net sales: ¥141.8 billion (up 2% year on year)**

**Operating income: ¥1.9 billion (up ¥0.1 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, which benefited from robust demand for the automation of production facilities primarily in Japan, China, and other parts of Asia, as well as by 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 overseas and domestic demand centered on low-voltage inverters, motors, and factory automation systems.
- In the process automation business, net sales and operating results worsened year on year due to the absence of large-scale orders recorded in the previous equivalent period.
- In the social solutions business, net sales and operating results improved year on year as a result of higher orders for radiation equipment and systems.
- In the equipment construction business, net sales and operating results improved year on year following an increase in orders for factory power distribution equipment and other electrical equipment construction.
- In the IT solutions business, net sales and operating results improved year on year due to an increase in orders centered on the public sector.

### **Power and New Energy**

**Net sales: ¥49.2 billion (up 30% year on year)**

**Operating income: ¥1.9 billion (up ¥0.7 billion year on year)**

- In the power and new energy business, net sales and operating results improved year on year following an increase in orders for thermal and geothermal power generation systems as well as for solar power generation systems.

### **Electronic Devices**

**Net sales: ¥71.8 billion (up 11% year on year)**

**Operating income: ¥8.6 billion (up ¥1.8 billion year on year)**

- In the electronic devices business, net sales and operating results improved year on year thanks to the robust demand for power semiconductors for industrial and automotive applications as well as higher demand for magnetic disks.

### **Food and Beverage Distribution**

**Net sales: ¥56.3 billion (up 1% year on year)**

**Operating income: ¥2.6 billion (up ¥0.4 billion year on year)**

- In the vending machine business, net sales and operating results improved year on year thanks to increased demand from domestic customers coupled with the recovery of the Chinese market.
- 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: ¥30.3 billion (up 2% year on year)**

**Operating income: ¥1.1 billion (down ¥0.4 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 six-month period ended September 30, 2017, that have been restated to reflect this change.

## (2) Quantitative Information regarding Consolidated Financial Position

	(¥ billion)				
	March 31, 2018	Breakdown (%)	Sep. 30, 2018	Breakdown (%)	Change
Total assets	914.7	100.0	910.1	100.0	(4.6)
Interest-bearing debt	163.5	17.9	161.9	17.8	(1.6)
Shareholder's equity*1	330.6	36.1	338.3	37.2	7.7
Debt-to-equity ratio*2 (times)	0.5		0.5		0.0

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

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

Total assets on September 30, 2018, stood at ¥910.1 billion, a decrease of ¥4.6 billion from the end of the previous fiscal year. Total current assets increased ¥15.0 billion as the decline in notes and accounts receivable-trade was counteracted by the rise in inventories. Total noncurrent assets were down ¥19.6 billion due to a decrease in net defined benefit asset.

Interest-bearing debt as of September 30, 2018, amounted to ¥161.9 billion, down ¥1.6 billion from the previous fiscal year-end. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—increased ¥3.0 billion from the previous fiscal year-end, amounting to ¥133.1 billion on September 30, 2018.

Net assets on September 30, 2018, stood at ¥375.4 billion, up ¥8.9 billion from the previous fiscal year-end. This outcome was because of an increase in retained earnings. In addition, shareholders' equity—total net assets net of non-controlling interests—was up ¥7.7 billion from the previous fiscal year-end, standing at ¥338.3 billion on September 30, 2018. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was 0.5 times, relatively unchanged 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.

In the six-month period ended September 30, 2018, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a positive ¥9.2 billion, an improvement of ¥15.4 billion compared with free cash flow of a negative ¥6.2 billion in the previous fiscal year.

### Cash flows from operating activities

Net cash provided by operating activities was ¥18.0 billion, compared with ¥0.4 billion for the previous equivalent period. Major factors increasing cash included income before income taxes and a decrease in notes and accounts receivable-trade, a result of efforts to collect receivables. Major factors decreasing cash included an increase in inventories.

This was an improvement of ¥17.6 billion year on year.

### Cash flows from investing activities

Net cash used in investing activities was ¥8.7 billion, compared with ¥6.6 billion in the previous fiscal year. This was primarily related to the purchase of property, plant and equipment.

This was a deterioration of ¥2.2 billion year on year.

**Cash flows from financing activities**

Net cash used in financing activities was ¥15.1 billion, compared with ¥6.8 billion in the previous fiscal year. This was principally due to repayment of lease obligations and cash dividends paid.

As a result, consolidated cash and cash equivalents on September 30, 2018, amounted to ¥28.8 billion, down ¥4.5 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, 2018, Fuji Electric has chosen to revise the consolidated forecast for business results for the fiscal year ending March 31, 2019, that was announced together with financial results for the three-month period ended June 30, 2018, on July 26, 2018.

The forecast assumes exchange rates of US\$1 = ¥105 and € 1 = ¥125 for the period from October 1, 2018, onward.

(Consolidated Forecasts for the Fiscal Year Ending March 31, 2019) (¥ billion)

	Previous announcement	Revised announcement	Change
Net sales	900.0	910.0	10.0
Operating income	58.5	61.0	2.5
Ordinary income	60.0	62.5	2.5
Net income attributable to owners of parent	39.5	41.5	2.0

(Reference: Consolidated Forecasts for the Fiscal Year Ending March 31, 2019, by Segment) (¥ billion)

	Net sales			Operating income (loss)		
	Previous announcement	Revised announcement	Change	Previous announcement	Revised announcement	Change
Power Electronics Systems—Energy Solutions	224.4	225.0	0.6	16.4	17.4	1.0
Power Electronics Systems—Industry Solutions	322.0	323.0	1.0	19.2	19.2	0.0
Power and New Energy	102.0	102.0	0.0	6.5	6.2	(0.3)
Electronic Devices	133.0	140.0	7.0	15.2	15.9	0.7
Food and Beverage Distribution	116.0	113.0	(3.0)	6.5	6.2	(0.3)
Others	59.1	62.1	3.0	2.2	2.4	0.2
Elimination and Corporate	(565)	(55.1)	1.3	(7.6)	(6.4)	1.1
Total	900.0	910.0	10.0	58.5	61.0	2.5