

Management Plan for FY2020

October 29, 2020

Fuji Electric Co., Ltd.

Management Plan for FY2020

Target of operating income in line with previous fiscal year despite sales decreases stemming from lower demand

(Billion yen)

	FY2019 Results	FY2020 Management Plan	Change
Net Sales	900.6	870.0	-30.6
Operating Income	42.5	41.0	-1.5
Operating Margin	4.7%	4.7%	0.0pt
Net Income Attributable to Owners of Parent	28.8	27.5	-1.3

【Financial Indicators】

Net D/E Ratio※	0.4 times	0.5 times	0.0 times
Equity Ratio	36.7%	38.5%	+1.8pt
ROA (Return on Assets)	3.0%	2.7%	-0.3pt
ROE (Return on Equity)	8.0%	7.1%	-0.9pt

※ Net interest-bearing debt ÷ Shareholder's equity

Management Plan for 2H FY2020

Pursuit of higher sales and income by incorporating demand recovery amid COVID-19 pandemic

(Billion yen)

	2H FY2019 Results	2H FY2020 Management Plan	Change
Net Sales	493.9	513.0	19.1
Operating Income/Loss	31.4	35.7	4.3
Ordinary Income/Loss	33.7	37.3	3.7
Net Income Attributable to Owners of Parent	22.8	25.4	2.6

Net Sales

Loss on translation of earnings of overseas subsidiaries	-5.2
Demand increase	+24.3

Operating Income/Loss

Increase in sales and production volumes	+3.1
Increase in fixed costs	-0.8
Exchange rate effect	-1.2
Others*	+3.2
	+4.3

*cost reduction, price fluctuations and sales mix changes

2H Assumed Exchange Rate	US\$	EURO	RMB
Exchange Rate	¥ 102.00	¥ 120.00	¥ 15.00
One Yen Effect (Million yen)*	50	60	130

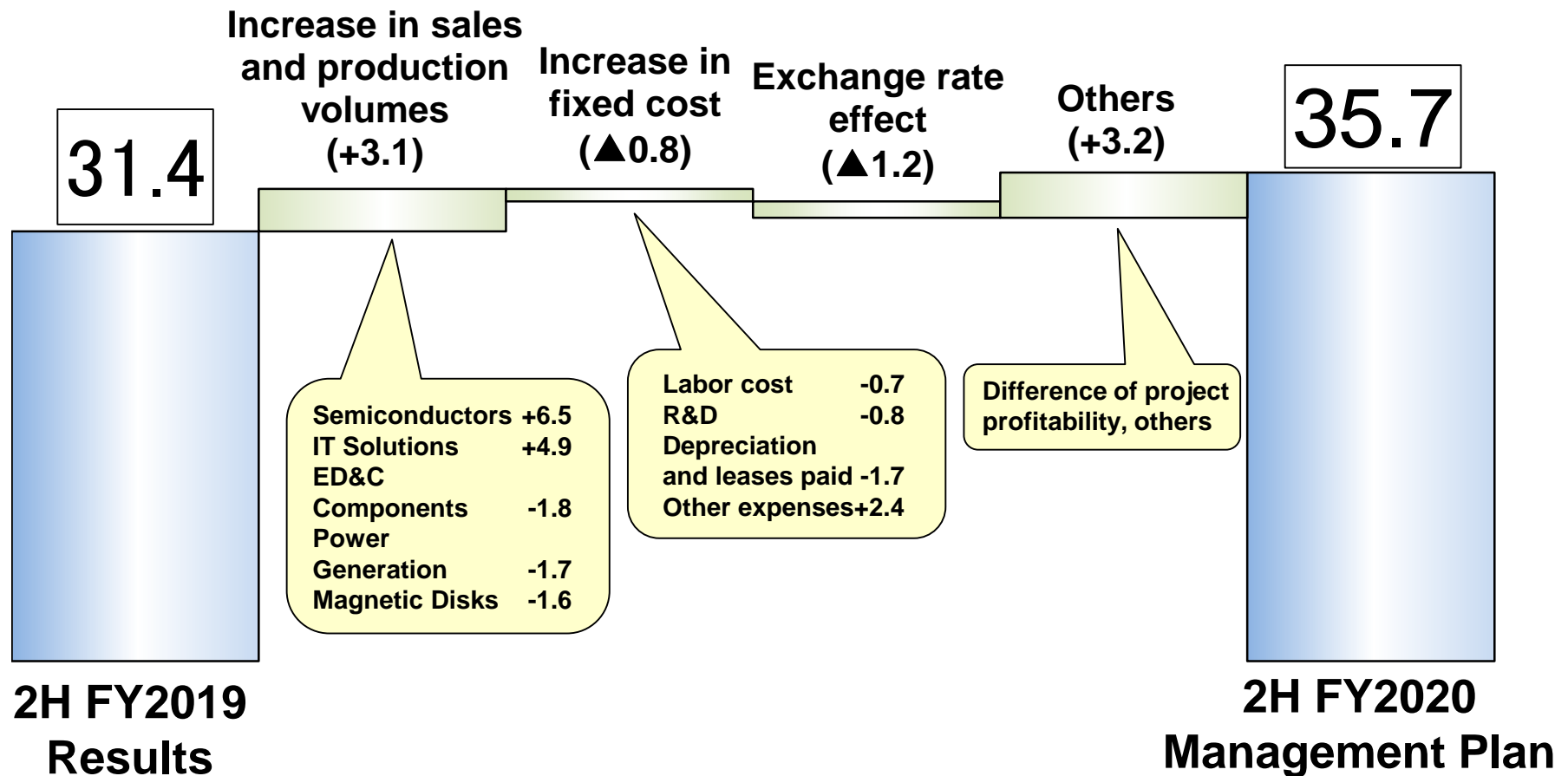
* Impact on operating income/loss

US\$ and EURO: Impact of ¥1-fluctuation / RMB: Impact of 1% fluctuations

Breakdown of Changes in Operating Results for 2H FY2020 (YoY Comparison)

Higher income due to increased sales and production volumes
and differences in profitability between projects

(Billion yen)



Net Sales and Operating Income by Segment for 2H FY2020 Management Plan

(Billion yen)

	2H FY2019 Results			2H FY2020 Management Plan			Change		Reasons for changes
	Net Sales	Operating Income/ Loss	Operating Margin	Net Sales	Operating Income/ Loss	Operating Margin	Net Sales	Operating Income/ Loss	
Power Electronics Systems Energy	119.9	8.7	7.2%	120.2	8.0	6.7%	0.3	-0.7	<ul style="list-style-type: none"> Higher net sales, despite lower demand in overseas switchgear and controlgear and in ED&C component operations, primarily as a result of increased demand for industrial transformers Operating results down due to lower sales and production volumes for ED&C components
Power Electronics Systems Industry	178.8	17.2	9.6%	207.8	18.3	8.8%	29.0	1.1	<ul style="list-style-type: none"> Improved net sales and operating results following higher demand in IT solutions field, which offset reduced demand for components in Automation systems operations
Electronic Devices	71.6	3.7	5.2%	69.6	6.6	9.5%	-2.0 -3.3	2.9 -0.9	<ul style="list-style-type: none"> Lower net sales, despite increased demand for xEV power semiconductors, due to reduced demand for magnetic disks and negative foreign exchange impacts Improved operating results largely because of increases in semiconductor sales and production volumes
Food and Beverage Distribution	49.7	0.9	1.9%	56.3	3.2	5.6%	6.6	2.3	<ul style="list-style-type: none"> Improved net sales and operating results following increased demand for vending machines overseas and for store renovation projects
Power Generation	68.1	1.5	2.2%	54.3	2.8	5.2%	-13.8	1.3	<ul style="list-style-type: none"> Lower net sales due to rebound from previously recorded large-scale orders Improved operating results because of differences in profitability between projects
Others	30.1	1.5	5.1%	27.9	0.8	3.0%	-2.2	-0.7	
Elimination and Corporate	-24.3	-2.2		-23.2	-4.0		1.1	-1.8	
Total	493.9	31.4	6.4%	513.0	35.7	7.0%	19.1	4.3	

Management Plan for FY2020

(Billion yen)

	FY2019 Results	FY2020 Management Plan	Change
Net Sales	900.6	870.0	-30.6
Operating Income/Loss	42.5	41.0	-1.5
Ordinary Income/Loss	44.5	42.5	-2.0
Net Income Attributable to Owners of Parent	28.8	27.5	-1.3

Net Sales

Loss on translation of earnings of overseas subsidiaries	-4.7
Demand decrease	-25.9

Operating Income/Loss

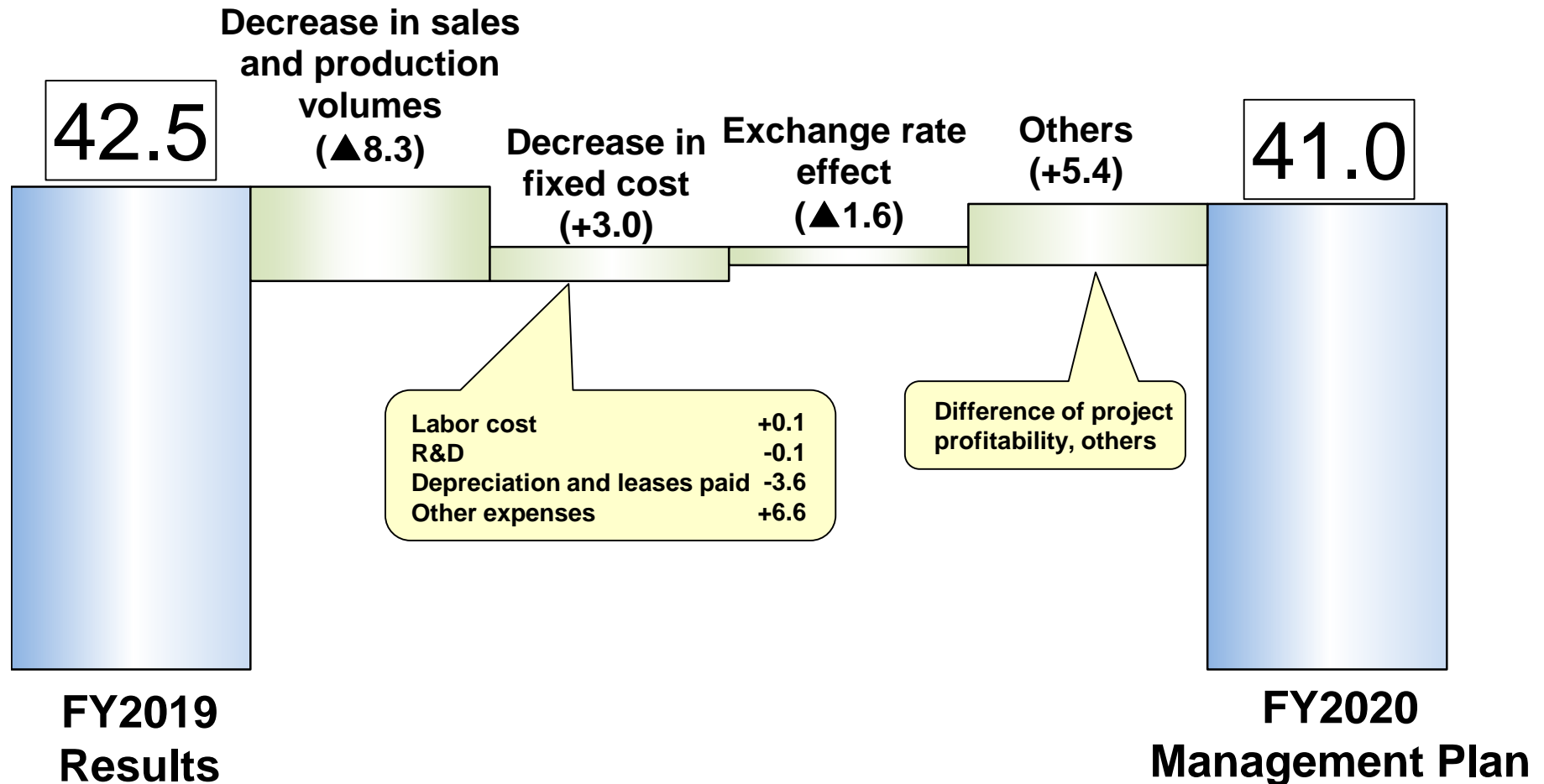
Decrease in sales and production volumes	-8.3
Decrease in fixed costs	+3.0
Exchange rate effect	-1.6
Others*	+5.4
	<hr/>
	-1.5

*cost reduction, price fluctuations and sales mix changes

Breakdown of Changes in Operating Results for FY2020 Management Plan (YoY Comparison)

Lower income due to decreased sales and production volumes

(Billion yen)



Net Sales and Operating Income by Segment for FY2020 Management Plan (YoY Comparison)

(Billion yen)

	FY2019 Results			FY2020 Management Plan			Change	
	Net Sales	Operating Income/ Loss	Operating Margin	Net Sales	Operating Income/ Loss	Operating Margin	Net Sales	Operating Income/ Loss
Power Electronics Systems Energy	218.0	12.3	5.7%	202.0	9.6	4.8%	-16.0	-2.7
Power Electronics Systems Industry	317.5	16.5	5.2%	336.0	18.5	5.5%	18.5	2.0
Electronic Devices	137.4	9.7	7.1%	142.0	12.9	9.1%	-3.0 4.6	-1.0 3.2
Food and Beverage Distribution	104.4	3.8	3.7%	94.0	0.6	0.6%	-10.4	-3.2
Power Generation	109.9	2.3	2.1%	87.0	3.9	4.5%	-22.9	1.6
Others	60.8	2.7	4.4%	53.0	1.6	3.0%	-7.8	-1.1
Elimination and Corporate	-47.5	-4.9		-44.0	-6.1		3.5	-1.2
Total	900.6	42.5	4.7%	870.0	41.0	4.7%	-4.7 -30.6	-1.6 -1.5

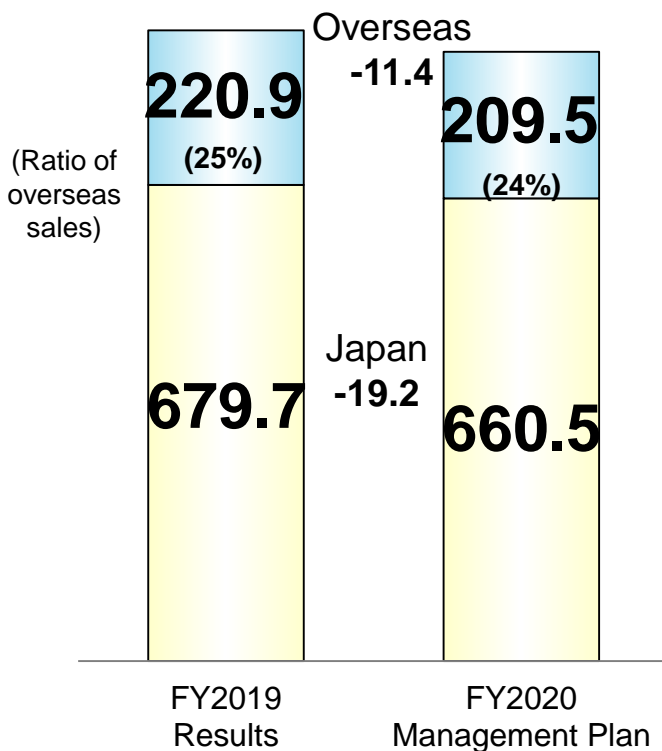
Exchange rate effect

Net Sales by Japan and Overseas Area for FY2020 Management Plan (YoY Comparison)

(Billion yen)

(Billion yen)

900.6 -30.6 **870.0**



	FY2019 Results	FY2020 Management Plan	Change
Overseas	220.9	209.5	-11.4
Asia and Others	124.6	108.8	-15.8
China	62.6	71.7	9.1
Europe	19.0	16.2	-2.8
Americas	14.7	12.9	-1.8

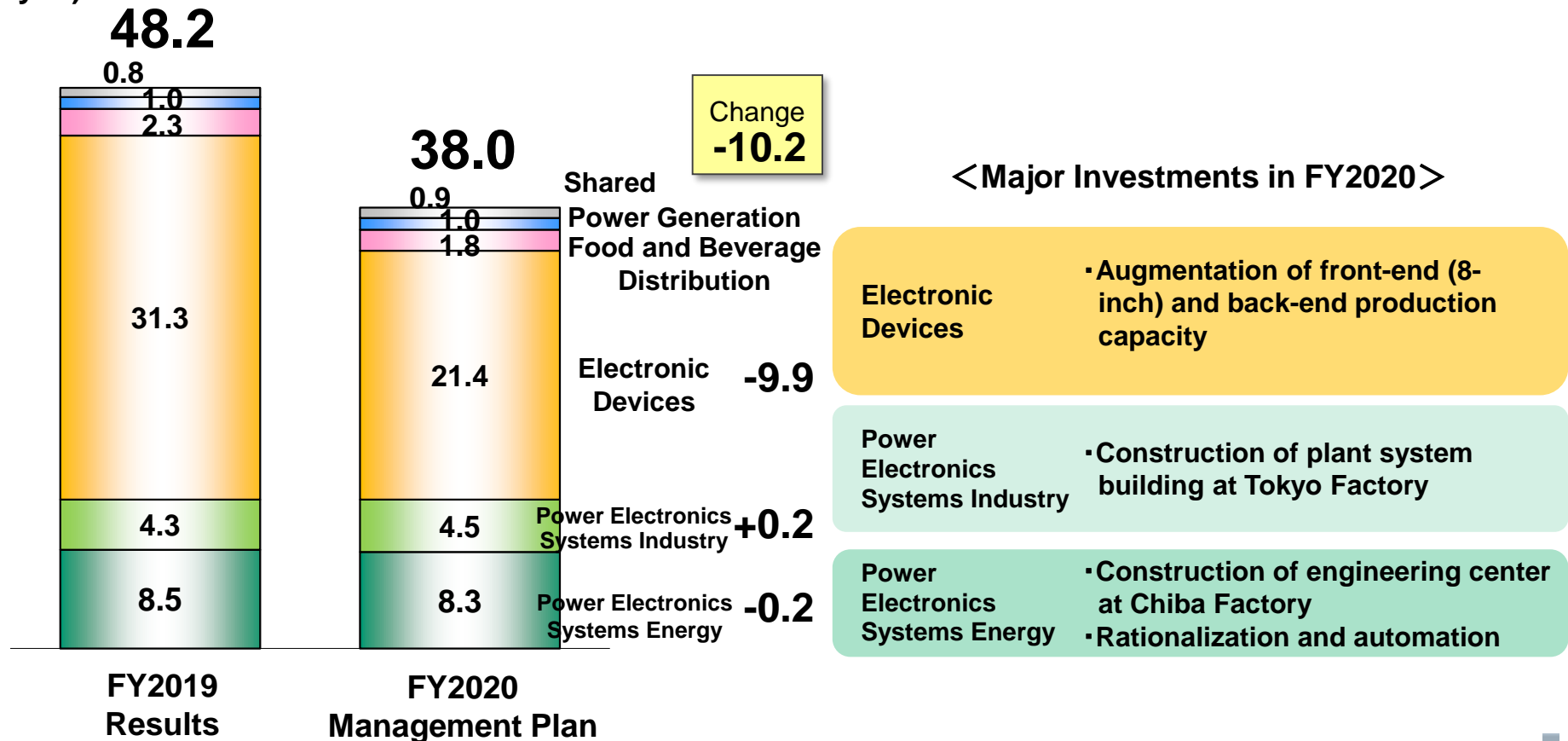
Power Supply and Facility Systems -9.0
Magnetic Disks -8.5
Power Generation -3.5
Automation Systems +3.6

Semiconductors +5.1
Automation Systems +2.8
Power Supply and Facility Systems +1.3

Capital Investment for FY2020 Management Plan

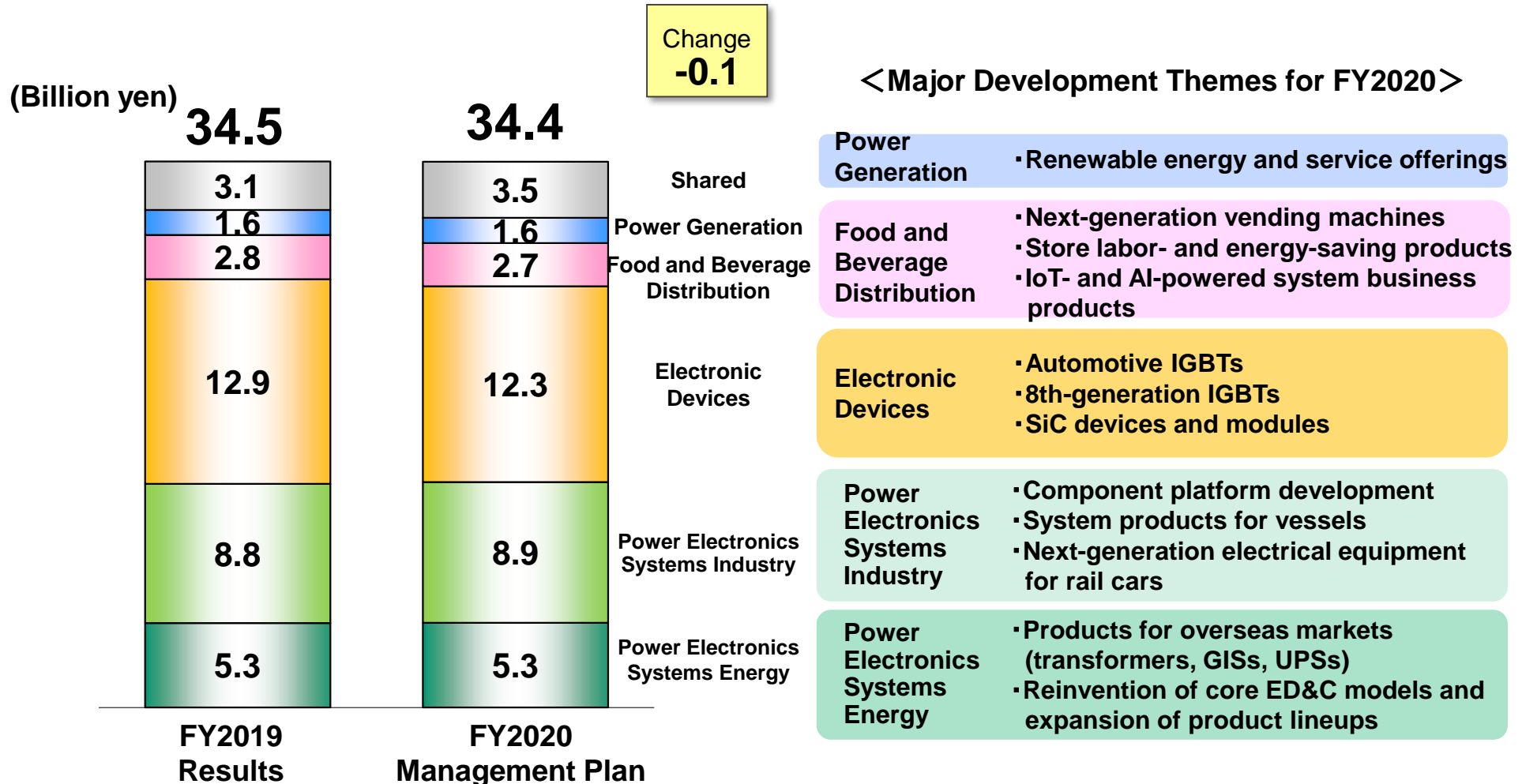
Investments in increased production in Electric Devices segment
Construction of new engineering center in Power Electronics Systems business

(Billion yen)



Research and Development for FY2020 Management Plan

Ongoing aggressive investment in focus businesses



Note: Figures for R&D expenditures above have been divided by segment based on theme and may therefore differ from the figures contained in the consolidated financial report.

Consolidated Balance Sheet at the End of FY2020

Assets

	3/31/20	3/31/21	Change
Cash and time deposit	64.1	81.0	16.9
Notes and account receivables, trade receivables	294.5	309.9	15.4
Inventories	188.1	180.1	-8.0
Other current assets	49.0	49.2	0.2
Total current assets	595.7	620.2	24.5
Tangible fixed assets	201.9	210.6	8.7
Intangible fixed assets	24.6	20.3	-4.3
Investments and other assets	174.5	200.3	25.8
Total long-term assets	401.0	431.3	30.3
Deferred assets	0.1	0.1	0.0
Total assets	996.8	1,051.6	54.8
Net interest-bearing debt※1	153.6	185.3	31.7
Net D/E ratio※2 (times)	0.4	0.5	0.0
Equity ratio	36.7%	38.5%	1.8%

Liabilities and Net Assets

(Billion yen)

	3/31/20	3/31/21	Change
Notes and account payables, trade payables	179.9	161.9	-18.0
Interest-bearing debts	217.4	265.3	47.9
Other liabilities	193.5	177.1	-16.4
Total liabilities	590.8	604.3	13.5
Capital stock	47.6	47.6	-
Capital surplus	45.9	46.0	0.1
Retained earnings	241.3	257.3	16.0
Treasury stock at cost	-7.3	-7.3	0.0
Shareholders' equity	327.5	343.6	16.1
Accumulated other comprehensive income	38.1	61.0	22.9
Non-controlling interests	40.4	42.7	2.3
Total net assets	406.0	447.3	41.3
Total liabilities and net assets	996.8	1,051.6	54.8

※1 Net interest-bearing debt: Interest-bearing debt – Cash and cash equivalents

※2 Net D/E ratio: Net interest-bearing debt ÷ Shareholder's equity

Consolidated Cash Flow for FY2020

(Billion yen)

		FY2019	FY2020
I	Cash Flows from Operating Activities	46.1	25.6
II	Cash Flows from Investing Activities	-27.6	-20.6
I + II	Free Cash Flow	18.5	5.0
III	Cash Flows from Financing Activities	16.9	11.2
IV	Cash and Cash Equivalents at End of Period	63.7	80.0

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