

# **Consolidated Financial Results** **for 3Q FY2020**

January 28, 2021  
Fuji Electric Co., Ltd.

# Summary of Consolidated Financial Results for 9 months (Apr.-Dec.) FY2020 (YoY Comparison)

**Lower sales and income due to reduced demand stemming from COVID-19 pandemic and absence of large-scale projects recorded in previous equivalent period**

(Billion yen)

	9 months FY2019 Results	9 months FY2020 Results	Change
Net Sales	611.7	561.3	-50.4
Operating Income/Loss	16.8	14.1	-2.8
Ordinary Income/Loss	17.7	14.0	-3.8
Extraordinary Income/Loss	0.8	-16.5	-17.3
Income/Loss before Income Taxes	18.5	-2.6	-21.1
Income Taxes	6.4	-0.3	-6.7
Net Income Attributable to Non-controlling Interests	1.8	1.7	-0.1
Net Income Attributable to Owners of Parent	10.3	-4.0	-14.3

(Average Exchange Rate)

(Yen)

US\$	108.67	106.11	-2.56
EURO	121.05	122.38	1.33
RMB	15.60	15.44	-0.16

(End of the Month Rate Difference: March 31, 2020 → December 31, 2020)

(Yen)

US\$	110.99→109.56	108.83→103.50	-3.90
EURO	124.56→122.54	119.55→126.95	9.42
RMB	16.47→15.67	15.31→15.88	1.37

## Net Sales

Loss on translation of earnings of overseas subsidiaries	-1.9
Demand decrease	-48.5

## Operating Income/Loss

Decrease in sales and production volumes	-13.7
Decrease in fixed costs	+6.2
Exchange rate effect	-0.5
Others*	+5.2
	-2.8

\*cost reduction, price fluctuations, sales mix changes and others

## Non-operating Income/Loss

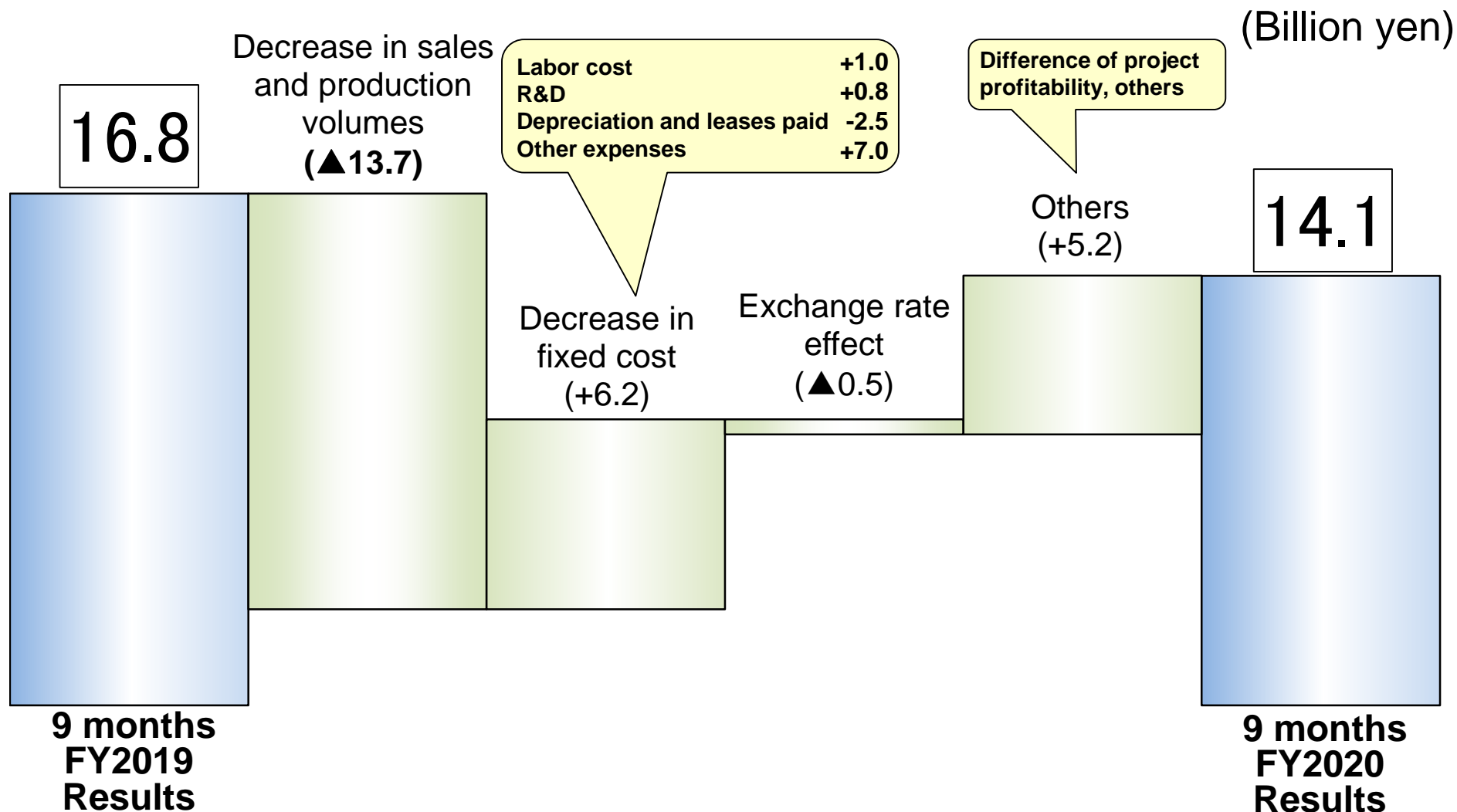
Net interest expense	0.1	( 1.6 → 1.6 )
Foreign exchange loss	-0.5	(-0.7 → -1.2 )
Others	-0.6	(-0.0 → -0.6 )
	-1.0	( 0.9 → -0.1 )

## Extraordinary Income/Loss

Cost of corrective measures for product defects	-16.7	( 0.0 → -16.7 )
Gain on sales of investment securities	-2.1	( 2.3 → 0.2 )
Loss on valuation of investment securities	0.5	(-0.5 → -0.0 )
Others	0.9	(-1.0 → -0.1 )
	-17.3	( 0.8 → -16.5 )

# Breakdown of Changes in Operating Results for 9 months (Apr.-Dec.) FY2020 (YoY Comparison)

## Lower income due to reduced sales and production volumes



# Net Sales and Operating Income by Segment for 9 months (Apr.-Dec.) for FY2020 (YoY Comparison)

Higher sales and income in Electronic Devices segment due to increased power semiconductor demand  
Lower sales and income in Food and Beverage Distribution segment due to substantial drop in demand

(Billion yen)

	9 months FY2019 Results		9 months FY2020 Results		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Systems Energy	146.3	4.7	136.3	5.0	-9.9	0.3
Power Electronics Systems Industry	204.4	1.1	201.6	2.3	-2.8	1.2
Electronic Devices	102.6	8.9	112.3	11.4	9.7	2.5
Food and Beverage Distribution	77.7	3.1	54.1	-4.4	-23.6	-7.5
Power Generation	69.6	1.1	50.8	1.8	-18.7	0.6
Others	45.7	1.7	38.4	1.2	-7.3	-0.6
Elimination and Corporate	-34.5	-3.9	-32.3	-3.1	2.2	0.7
<b>Total</b>	<b>611.7</b>	<b>16.8</b>	<b>561.3</b>	<b>14.1</b>	<b>-50.4</b>	<b>-2.8</b>

※Figures for FY2019 reflect the organizational restructuring conducted in FY2020.

# Business Results by Segment for 9 months (Apr.-Dec.) FY2020 (YoY Comparison) ①

(Billion yen)

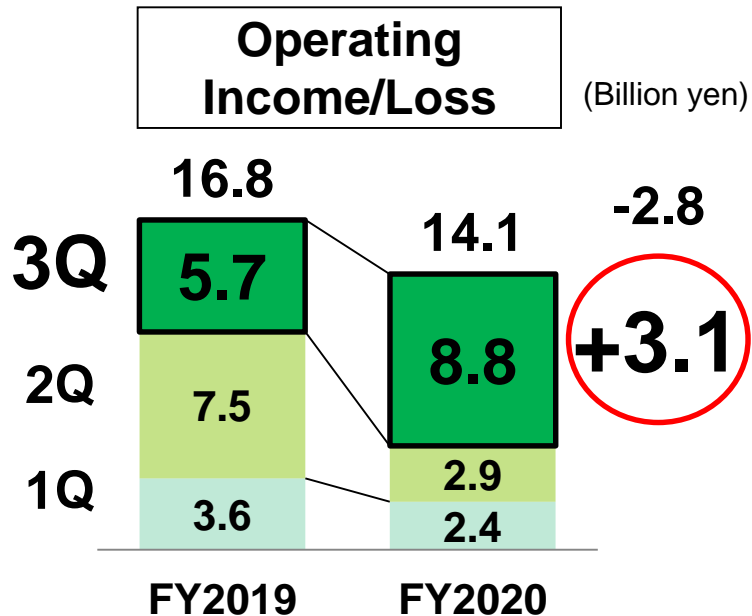
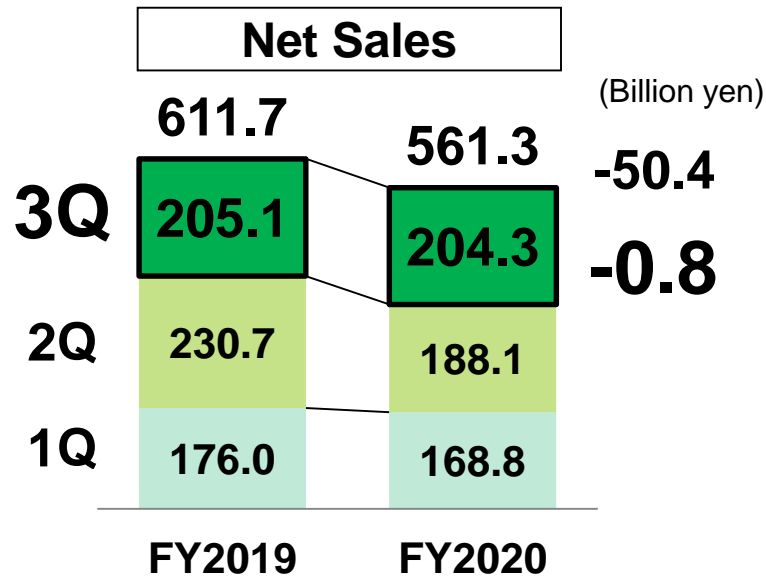
		9 months FY2019 Results	9 months FY2020 Results	Change	Overview	
Power Electronics Systems	Energy	Net Sales	146.3	136.3	-9.9	<p><b>Energy Management Net Sales Decreased by 6%</b> Decrease in net sales as a result of a decline in demand for smart meters and the absence of large-scale projects for industrial power supply equipment recorded in the previous equivalent period, but increase in operating results due to the differences in profitability between projects</p> <p><b>Power Supply and Facility Systems Net Sales Decreased by 6%</b> Decrease in net sales as a result of the rebound from large-scale projects recorded in switchgear and controlgear operations in the previous equivalent period, but increase in operating results due to the benefits of cost reduction activities</p>
		Operating Income/Loss	4.7	5.0	0.3	<p><b>ED&amp;C Components Net Sales Decreased by 7%</b> Decrease in net sales and operating results due to the reduced demand from Japanese manufacturers of machine tools and switchboard manufacturers</p>
	Industry	Net Sales	204.4	201.6	-2.8	<p><b>Automation Systems Net Sales Decreased by 2%</b> Decrease in net sales and operating results, despite the higher demand for low-voltage inverters and factory automation components seen in China, as a result of sluggish demand in Japan</p> <p><b>Social Solutions Net Sales Increased by 25%</b> Increase in net sales and operating results thanks to increases in demand for electrical equipment for railcars and in demand for ship exhaust gas cleaning systems</p>
		Operating Income/Loss	1.1	2.3	1.2	<p><b>Equipment Construction Net Sales Decreased by 6%</b> Decrease in net sales due to delays in capital investment plans and the rebound from large-scale electrical equipment construction projects recorded in the previous equivalent period, but increase in operating results due to the benefits of cost reduction efforts</p> <p><b>IT Solutions Net Sales Decreased by 4%</b> Decrease in net sales due to the rebound from large-scale projects recorded in the previous equivalent period, but increase in operating results due to differences in profitability between projects.</p>

# Business Results by Segment for 9 months (Apr.-Dec.) FY2020 (YoY Comparison) ②

(Billion yen)

		9 months FY2019 Results	9 months FY2020 Results	Chang e	Overview																									
Electronic Devices	Net Sales	102.6	112.3	9.7	<p><b>Semiconductors Net Sales Increased by 18%</b> Increase in net sales and operating results thanks to the increased demand for power semiconductors for machine tools manufactures, for the new energy market and for electrified vehicles (xEVs)</p> <p><b>Magnetic Disks Net Sales Decreased by 26%</b> Decrease in net sales and operating results due to lower demand for PCs</p> <table border="1"> <tr> <td rowspan="3">Breakdown of Electronic Devices Sales</td> <td>9 months FY2019 Results</td> <td>9 months FY2020 Results</td> <td rowspan="3">Distribution of Semiconductor Sales by Fields</td> <td>9 months FY2019 Results</td> <td>9 months FY2020 Results</td> </tr> <tr> <td>Semiconductors</td> <td>83.3</td> <td>98.0</td> <td>Industrial Modules</td> <td>46%</td> <td>45%</td> </tr> <tr> <td>Magnetic Disks</td> <td>19.3</td> <td>14.3</td> <td>Industrial Discrete Devices</td> <td>20%</td> <td>16%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Automobiles</td> <td>34%</td> <td>39%</td> </tr> </table>	Breakdown of Electronic Devices Sales	9 months FY2019 Results	9 months FY2020 Results	Distribution of Semiconductor Sales by Fields	9 months FY2019 Results	9 months FY2020 Results	Semiconductors	83.3	98.0	Industrial Modules	46%	45%	Magnetic Disks	19.3	14.3	Industrial Discrete Devices	20%	16%					Automobiles	34%	39%
	Breakdown of Electronic Devices Sales	9 months FY2019 Results	9 months FY2020 Results	Distribution of Semiconductor Sales by Fields			9 months FY2019 Results	9 months FY2020 Results																						
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Magnetic Disks		19.3	14.3		Industrial Discrete Devices	20%	16%																							
				Automobiles	34%	39%																								
	Operating Income/Loss	8.9	11.4	2.5																										
Food and Beverage Distribution	Net Sales	77.7	54.1	-23.6	<p><b>Vending Machine Net Sales Decreased by 31%</b> Decrease in net sales and operating results due to controls in capital investment by Japanese beverage manufacturers as well as lower demand in the Chinese market</p> <p><b>Store Distribution Net Sales Decreased by 29%</b> Decreased in net sales and operating results because of a decline in demand for store equipment for convenience stores</p>																									
	Operating Income/Loss	3.1	-4.4	-7.5																										
Power Generation	Net Sales	69.6	50.8	-18.7	Decrease in net sales due to the rebound from a large-scale thermal power system project and from renewable energy projects recorded in the previous equivalent period, but increase in operating results because of differences in profitability between projects																									
	Operating Income/Loss	1.1	1.8	0.6																										

# Quarterly Consolidated Financial Results for 9 months (Apr.-Dec.) FY2020 (YoY Comparison)



Massive increase in income as Power Electronics Systems Energy and Electronic Devices segments compensate for decline in Food and Beverage Distribution segment income

	3Q FY2019 Results		3Q FY2020 Results		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Systems Energy	48.2	1.1	54.6	3.4	6.4	2.3
Power Electronics Systems Industry	65.7	1.8	73.4	2.1	7.7	0.3
Electronic Devices	36.8	2.9	39.9	5.1	3.0	2.2
Food and Beverage Distribution	23.0	0.2	16.4	-1.8	-6.5	-2.0
Power Generation	27.7	0.3	18.2	0.7	-9.6	0.3
Others	15.0	0.6	13.4	0.4	-1.6	-0.2
Elimination and Corporate	-11.3	-1.2	-11.5	-1.1	-0.2	0.1
<b>Total</b>	<b>205.1</b>	<b>5.7</b>	<b>204.3</b>	<b>8.8</b>	<b>-0.8</b>	<b>3.1</b>

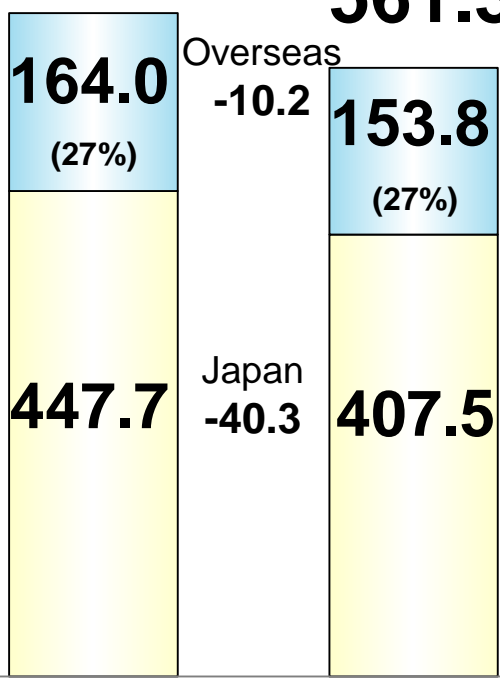
# Net Sales by Japan and Overseas Area for 9 months (Apr.-Dec.) FY2020 (YoY Comparison)

## Higher sales due to recovery of Chinese market

(Billion yen)

**611.7**  
-50.4  
**561.3**

(Ratio of overseas sales)



(Billion yen)

	9 months FY2019 Results	9 months FY2020 Results	Change
Overseas	164.0	153.8	-10.2
Asia and Others	89.5	72.6	-16.8
China	50.5	60.0	9.5
Europe	14.2	11.5	-2.7
Americas	9.9	9.7	-0.2

- Power Supply and Facility Systems** -6.1
- Power Generation** -5.4
- Magnetic Disks** -5.0
- Energy Management** -2.6
- Automation Systems** +1.9
- Semiconductors** +1.3

- Semiconductors** +6.3
- Automation Systems** +2.8
- Power Supply and Facility Systems** +1.0
- ED&C Components** +1.0
- Vending Machines** -1.6

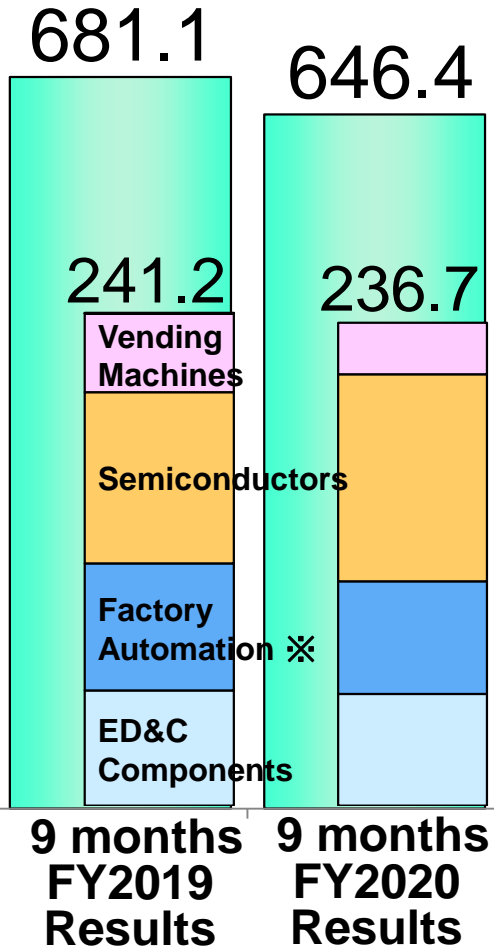
**9 months FY2019 Results**      **9 months FY2020 Results**



Major Components Orders Received Trend

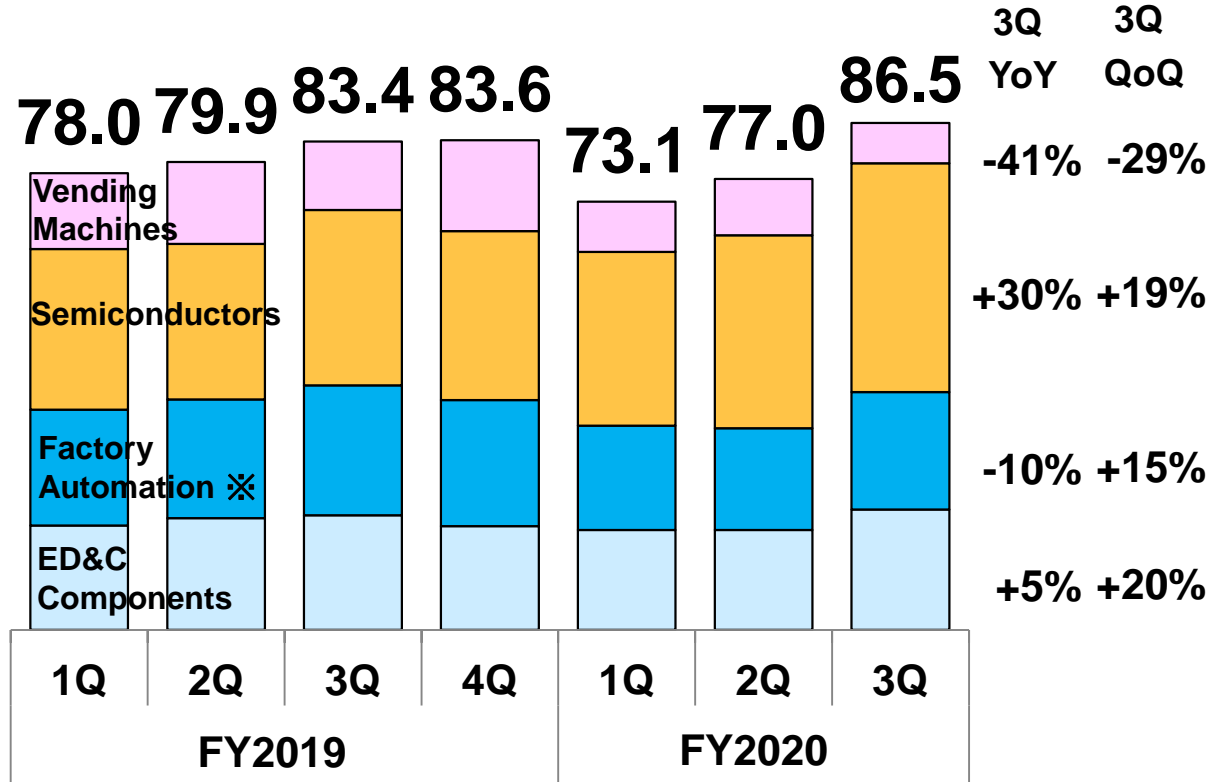
Recovery trend seen in component orders after bottoming out in first quarter

(Billion yen)



Major Components Orders Received Trend

9 months YoY



※Factory Automation : low-voltage inverters, motors, FA components and measuring instruments

## Increase in cash and deposits to prepare for emergency circumstances

(Billion yen)

Assets		3/31/20	12/31/20	Change
Cash and time deposit		64.1	106.1	42.0
Notes and account receivables, trade receivables		294.5	248.8	-45.7
Inventories		188.1	227.3	39.2
Other current assets		49.0	62.6	13.6
<b>Total current assets</b>		<b>595.7</b>	<b>644.8</b>	<b>49.2</b>
Tangible fixed assets		201.9	199.8	-2.0
Intangible fixed assets		24.6	22.1	-2.5
Investments and other assets		174.5	212.1	37.6
<b>Total long-term assets</b>		<b>401.0</b>	<b>434.1</b>	<b>33.0</b>
Deferred assets		0.1	0.1	-0.0
<b>Total assets</b>		<b>996.8</b>	<b>1,079.0</b>	<b>82.2</b>
Net interest-bearing debt※1		153.6	208.2	54.6
Net D/E ratio※2 (times)		0.4	0.5	0.1
Equity ratio		36.7%	35.5%	-1.2

Liabilities and Net Assets		3/31/20	12/31/20	Change
Notes and account payables, trade payables		179.9	155.9	-24.1
Interest-bearing debts		217.4	312.9	95.5
Other liabilities		193.5	185.4	-8.2
<b>Total liabilities</b>		<b>590.8</b>	<b>654.1</b>	<b>63.3</b>
Capital stock		47.6	47.6	-
Capital surplus		45.9	46.0	0.1
Retained earnings		241.3	225.8	-15.5
Treasury stock at cost		-7.3	-7.3	-0.0
<b>Shareholders' equity</b>		<b>327.5</b>	<b>312.1</b>	<b>-15.4</b>
Accumulated other comprehensive income		38.1	71.0	32.9
Non-controlling interests		40.4	41.8	1.4
<b>Total net assets</b>		<b>406.0</b>	<b>424.9</b>	<b>18.9</b>
<b>Total liabilities and net assets</b>		<b>996.8</b>	<b>1,079.0</b>	<b>82.2</b>

※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 Financial Results Forecasts for FY2020 (Comparison with Forecasts on Oct. 29, 2020)

Operating income forecast unchanged as Electronic Devices segment is projected to compensate for Food and Beverage Distribution segment income decline  
Net income attributable to owners of parent increases due to recording of gain on sales of investment securities

(Billion yen)	FY2020 Forecasts (Oct. 29, 2020)	FY2020 Forecasts (Jan. 28, 2021)	Change
Net Sales	870.0	860.0	-10.0
Operating Income/Loss	41.0	41.0	0.0
Ordinary Income/Loss	42.5	42.5	0.0
Net Income Attributable to Owners of Parent	27.5	33.0	5.5

4Q Assumed Exchange Rate

	US\$	EURO	RMB
Exchange Rate (yen)	102.00	120.00	15.00
One Yen Effect (Million yen)	50	30	90

\* Impact on operating income/loss  
US\$ and EURO: Impact of ¥1-fluctuation / RMB: Impact of 1% fluctuations

(Billion yen)	FY2020 Forecasts (Oct. 29, 2020)		FY2020 Forecasts (Jan. 28, 2021)		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Systems Energy	202.0	9.6	202.0	9.6	0.0	0.0
Power Electronics Systems Industry	336.0	18.5	336.0	18.5	0.0	0.0
Electronic Devices	142.0	12.9	149.0	16.4	7.0	3.5
Food and Beverage Distribution	94.0	0.6	80.0	-4.4	-14.0	-5.0
Power Generation	87.0	3.9	87.0	3.9	0.0	0.0
Others	53.0	1.6	53.0	1.6	0.0	0.0
Elimination and Corporate	-44.0	-6.1	-47.0	-4.6	-3.0	1.5
Total	870.0	41.0	860.0	41.0	-10.0	0.0

# Consolidated Financial Results Forecasts for FY2020 (YoY Comparison)

(Billion yen)	FY2019 Results	FY2019 Forecasts (Jan. 28, 2021)	Change
Net Sales	900.6	860.0	-40.6
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	33.0	4.2

(Billion yen)	FY2019 Results		FY2019 Forecasts (Jan. 28, 2021)		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Systems Energy	218.0	12.3	202.0	9.6	-16.0	-2.7
Power Electronics Systems Industry	317.5	16.5	336.0	18.5	18.5	2.0
Electronic Devices	137.4	9.7	149.0	16.4	11.6	6.7
Food and Beverage Distribution	104.4	3.8	80.0	-4.4	-24.4	-8.2
Power Generation	109.9	2.3	87.0	3.9	-22.9	1.6
Others	60.8	2.7	53.0	1.6	-7.8	-1.1
Elimination and Corporate	-47.5	-4.9	-47.0	-4.6	0.5	0.3
<b>Total</b>	<b>900.6</b>	<b>42.5</b>	<b>860.0</b>	<b>41.0</b>	<b>-40.6</b>	<b>-1.5</b>

## ■ Low-voltage inverters amount of orders received

	3Q QoQ	3Q YoY
All	+17%	-9%
Japan	+10%	-19%
Overseas	+23%	-0%

9 months (Apr.-Dec.) YoY
-15%
-26%
-5%

## ■ Semiconductors amount of orders received

	3Q QoQ	3Q YoY
All	+19%	+30%
Automobiles	+31%	+64%
Industrial Discrete Devices	+7%	-3%
Industrial Modules	+13%	+20%

9 months (Apr.-Dec.) YoY
+21%
+37%
-5%
+20%

## ■ Vending machines amount of orders received

	3Q QoQ	3Q YoY
All	-29%	-41%
Japan	-29%	-37%
Overseas	-28%	-60%
China	-36%	-47%
Southeast Asia, others	-18%	-68%

9 months (Apr.-Dec.) YoY
-35%
-33%
-45%
-48%
-40%

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