

Consolidated Financial Report for the fiscal year ending March 31, 2021
(April 1, 2020 – March 31, 2021)

Summary of Consolidated Financial Results

1. Summary of consolidated statements of operations

	Millions of yen		Change(%) (A)/(B)	Millions of U.S. dollars
	FY2020	FY2019		FY2020
	(A)	(B)		
Net sales	875,927	900,604	97.3%	7,963
Operating income	48,595	42,515	114.3%	442
Ordinary income	50,401	44,513	113.2%	458
Net income attributable to owners of parent	41,926	28,793	145.6%	381
	Yen			U.S. dollars
Net income per share	293.52	201.57		2.67

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S. dollars
	3/31/2021	3/31/2020	3/31/2021
	Total assets	1,051,952	996,827
Net assets	461,254	406,002	4,193
Equity ratio (%)	39.6%	36.7%	-

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, 2022
(April 1, 2021 - March 31, 2022)

	Millions of yen
	FY2021
Net sales	900,000
Operating income	60,000
Ordinary income	61,000
Net income attributable to owners of parent	42,000
	Yen
	FY2021
Net income per share	294.04

< 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
	3/31/2021	3/31/2020	3/31/2021
Assets			
Current assets:			
Cash and deposits	76,546	64,073	696
Notes and accounts receivable-trade	319,644	294,504	2,906
Merchandise and finished goods	66,319	66,866	603
Work in process	65,023	67,875	591
Raw materials and supplies	51,847	53,371	471
Other	53,723	51,599	488
Allowance for doubtful accounts	(3,897)	(2,597)	(35)
Total Current assets	629,207	595,692	5,720
Noncurrent assets:			
Net Property, plant and equipment			
Buildings and structures, net	86,797	85,108	789
Machinery, equipment and vehicles, net	23,550	22,452	214
Tools, furniture and fixtures, net	6,376	5,689	58
Land	35,537	35,504	323
Lease assets, net	52,378	47,045	476
Construction in progress	3,930	5,045	36
Other	1,188	1,047	11
Total Property, plant and equipment	209,758	201,892	1,907
Intangible assets	23,426	24,606	213
Investments and other assets			
Investment securities	136,282	128,289	1,239
Long-term loans receivable	655	672	6
Net defined benefit asset	21,043	15,083	191
Deferred tax assets	14,682	17,756	133
Other	17,267	13,137	157
Allowance for doubtful accounts	(461)	(422)	(4)
Total Investments and other assets	189,468	174,517	1,722
Total Noncurrent assets	422,652	401,016	3,842
Deferred assets	92	118	1
Total Assets	1,051,952	996,827	9,563

Consolidated Balance Sheets

	Millions of yen		<i>Millions of U.S. dollars</i>
	<u>3/31/2021</u>	<u>3/31/2020</u>	<u>3/31/2021</u>
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	167,260	179,914	1,521
Short-term loans payable	21,744	21,342	198
Commercial papers	-	51,500	-
Current portion of bonds payable	-	15,000	-
Lease obligations	18,376	15,668	167
Accrued expenses	48,058	39,831	437
Income taxes payable	18,183	6,625	165
Advances received	35,239	47,203	320
Provision for product warranties	15,698	219	143
Other	31,854	45,855	290
Total Current liabilities	<u>356,416</u>	<u>423,160</u>	<u>3,240</u>
Noncurrent liabilities:			
Bonds payable	35,000	35,000	318
Long-term loans payable	96,686	38,604	879
Lease obligations	43,226	39,197	393
Deferred tax liabilities	1,678	1,172	15
Provision for directors' retirement benefits	150	193	1
Net defined benefit liability	53,322	50,011	485
Other	4,218	3,484	38
Total Noncurrent liabilities	<u>234,281</u>	<u>167,664</u>	<u>2,130</u>
Total Liabilities	<u>590,698</u>	<u>590,825</u>	<u>5,370</u>
Net Assets			
Shareholders' equity:			
Capital stock	47,586	47,586	433
Capital surplus	46,003	45,949	418
Retained earnings	271,772	241,305	2,471
Treasury stock	(7,340)	(7,327)	(67)
Total Shareholders' equity	<u>358,021</u>	<u>327,513</u>	<u>3,255</u>
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	55,761	44,606	507
Deferred gains or losses on hedges	322	(231)	3
Foreign currency translation adjustments	1,539	(3,545)	14
Remeasurements of defined benefit plans	1,351	(2,724)	12
Total Accumulated other comprehensive income	<u>58,975</u>	<u>38,105</u>	<u>536</u>
Non-controlling interests	<u>44,257</u>	<u>40,382</u>	<u>402</u>
Total Net assets	<u>461,254</u>	<u>406,002</u>	<u>4,193</u>
Total Liabilities and Net assets	<u>1,051,952</u>	<u>996,827</u>	<u>9,563</u>

Consolidated Statements of Income

	Millions of yen		<i>Millions of U.S. dollars</i>
	FY2020	FY2019	<i>FY2020</i>
Net sales	875,927	900,604	7,963
Cost of sales	654,661	680,067	5,951
Gross profit	221,266	220,536	2,012
Selling, general and administrative expenses	172,670	178,020	1,570
Operating income	48,595	42,515	442
Non-operating income			
Interest income	327	288	3
Dividends income	2,628	2,542	24
Share of profit of entities accounted for using equity method	1,678	1,416	15
Other	1,317	1,257	12
Total Non-operating income	5,951	5,505	54
Non-operating expenses			
Interest expense	1,441	1,405	13
Foreign exchange losses	379	1,326	3
Provision of allowance for doubtful accounts for subsidiaries and associates	514	60	5
Provision of allowance for investment loss for subsidiaries and associates	442	-	4
Other	1,367	716	12
Total Non-operating expenses	4,146	3,507	38
Ordinary income	50,401	44,513	458
Extraordinary income			
Gain on sale of non-current assets	280	245	3
Gain on sale of investment securities	40,864	2,525	371
Total Extraordinary income	41,145	2,771	374
Extraordinary loss			
Loss on disposal of noncurrent assets	552	1,517	5
Loss on valuation of investment securities	1,018	1,481	9
Impairment loss	963	-	9
Cost of corrective measures for product defects	25,727	-	234
Damage compensation loss	-	425	-
Total Extraordinary loss	28,262	3,423	257
Income before income taxes	63,284	43,860	575
Income taxes-current	21,423	12,488	195
Income taxes-deferred	(3,481)	(499)	(32)
Income taxes	17,941	11,989	163
Net income	45,342	31,871	412
Net income attributable to non-controlling interests	3,415	3,078	31
Net income attributable to owners of parent	41,926	28,793	381

Consolidated Statements of Comprehensive Income

	Millions of yen		<i>Millions of U.S. dollars</i>
	FY2020	FY2019	<i>FY2020</i>
Net income	45,342	31,871	412
Other comprehensive income			
Valuation difference on available-for-sale securities	11,400	608	104
Deferred gains or losses on hedges	553	49	5
Foreign currency translation adjustments	5,935	(4,574)	54
Remeasurements of defined benefit plans	4,419	(1,531)	40
Share of other comprehensive income of associates accounted for using equity method	(215)	402	(2)
Total other comprehensive Income	22,094	(5,046)	201
Comprehensive income	67,437	26,825	613
Comprehensive income attributable to owners of parent	62,796	24,254	571
Comprehensive income attributable to non-controlling interests	4,640	2,570	42

Consolidated Statements of Shareholders' Equity (FY2020)

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
BALANCE AT APRIL 1, 2020	47,586	45,949	241,305	(7,327)	327,513
Changes during the period					
Dividends from surplus			(11,427)		(11,427)
Net income attributable to owners of parent			41,926		41,926
Purchase of treasury stock				(13)	(13)
Disposal of treasury stock		1		0	1
Change of scope of consolidation			(33)		(33)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		53			53
Net changes of items other than shareholders' equity					
Total changes during the period	-	54	30,466	(13)	30,507
BALANCE AT MARCH 31, 2021	47,586	46,003	271,772	(7,340)	358,021

	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		
BALANCE AT APRIL 1, 2020	44,606	(231)	(3,545)	(2,724)	38,105	40,382	406,002
Changes during the period							
Dividends from surplus					-		(11,427)
Net income attributable to owners of parent					-		41,926
Purchase of treasury stock					-		(13)
Disposal of treasury stock					-		1
Change of scope of consolidation					-		(33)
Change in treasury shares of parent arising from transactions with non-controlling shareholders					-		53
Net changes of items other than shareholders' equity	11,154	553	5,084	4,076	20,869	3,875	24,744
Total changes during the period	11,154	553	5,084	4,076	20,869	3,875	55,252
BALANCE AT MARCH 31, 2021	55,761	322	1,539	1,351	58,975	44,257	461,254

Consolidated Statements of Shareholders' Equity (FY2019)

	Millions of yen				
	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
BALANCE AT APRIL 1, 2019	47,586	46,067	223,940	(7,316)	310,276
Changes during the period					
Dividends from surplus			(11,427)		(11,427)
Net income attributable to owners of parent			28,793		28,793
Purchase of treasury stock				(11)	(11)
Disposal of treasury stock		1		0	1
Change of scope of consolidation					-
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(118)			(118)
Net changes of items other than shareholders' equity					
Total changes during the period	-	(117)	17,365	(10)	17,237
BALANCE AT MARCH 31, 2020	47,586	45,949	241,305	(7,327)	327,513

	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		
BALANCE AT APRIL 1, 2019	43,974	(280)	368	(1,417)	42,645	39,139	392,061
Changes during the period							
Dividends from surplus					-		(11,427)
Net income attributable to owners of parent					-		28,793
Purchase of treasury stock					-		(11)
Disposal of treasury stock					-		1
Change of scope of consolidation					-		-
Change in treasury shares of parent arising from transactions with non-controlling shareholders					-		(118)
Net changes of items other than shareholders' equity	632	49	(3,913)	(1,306)	(4,539)	1,243	(3,296)
Total changes during the period	632	49	(3,913)	(1,306)	(4,539)	1,243	13,940
BALANCE AT MARCH 31, 2020	44,606	(231)	(3,545)	(2,724)	38,105	40,382	406,002

Consolidated Statements of Cash Flows

	Millions of yen		<i>Millions of U.S. dollars</i>
	FY2020	FY2019	<i>FY2020</i>
I Cash flows from operating activities			
Income before income taxes	63,284	43,860	575
Depreciation and amortization	36,194	32,319	329
Increase (decrease) in allowance for doubtful accounts	1,268	352	12
Increase (decrease) in provision for product warranties	15,478	60	141
Interest and dividends income	(2,955)	(2,830)	(27)
Interest expenses	1,441	1,405	13
Foreign exchange losses (gains)	204	149	2
Loss (gain) on sale of non-current assets	(280)	(245)	(3)
Loss (gain) on sale of investment securities	(40,864)	(2,525)	(371)
Loss (gain) on disposal of non-current assets	552	1,517	5
Loss (gain) on devaluation of investment securities	1,018	1,481	9
Impairment loss	963	-	9
Decrease (increase) in notes and accounts receivable-trade	(20,852)	12,127	(190)
Decrease (increase) in inventories	7,513	(11,873)	68
Increase (decrease) in notes and accounts payable-trade	(15,881)	(15,159)	(144)
Increase (decrease) in advances received	(12,185)	1,557	(111)
Other, net	862	(961)	8
Subtotal	<u>35,762</u>	<u>61,235</u>	<u>325</u>
Interest and dividends income received	2,959	2,830	27
Interest expenses paid	(1,416)	(1,396)	(13)
Income taxes paid	<u>(10,374)</u>	<u>(16,582)</u>	<u>(94)</u>
Net cash provided by (used in) operating activities	<u>26,931</u>	<u>46,087</u>	<u>245</u>
II Cash flows from investing activities			
Purchase of property, plant and equipment	(20,578)	(22,699)	(187)
Proceeds from sales of property, plant and equipment	622	741	6
Purchase of investment securities	(28)	(638)	(0)
Proceeds from sales of investment securities	49,230	8,956	448
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(9,422)	-
Payments of loans receivable	(3,418)	(7,825)	(31)
Collection of loans receivable	2,802	7,768	25
Other, net	<u>(5,151)</u>	<u>(4,500)</u>	<u>(47)</u>
Net cash provided by (used in) investing activities	<u>23,477</u>	<u>(27,621)</u>	<u>213</u>
III Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(2,678)	(2,296)	(24)
Increase (decrease) in commercial papers	(51,500)	43,500	(468)
Proceeds from long-term loans payable	62,165	30,126	565
Repayment of long-term loans payable	(2,156)	(26,663)	(20)
Redemption of bonds	(15,000)	-	(136)
Repayments of lease obligations	(17,882)	(14,625)	(163)
Proceeds from sales of treasury stock	1	1	0
Purchase of treasury stock	(13)	(11)	(0)
Cash dividends paid	(11,427)	(11,427)	(104)
Cash dividends paid to non-controlling interests	(1,134)	(1,442)	(10)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(242)	-
Proceeds from share issuance to non-controlling shareholders	105	-	1
Net cash provided by (used in) financing activities	<u>(39,520)</u>	<u>16,917</u>	<u>(359)</u>
IV Effect of exchange rate change on cash and cash equivalents	680	(772)	6
V Net increase (decrease) in cash and cash equivalents (I + II + III + IV)	<u>11,569</u>	<u>34,611</u>	<u>105</u>
VI Cash and cash equivalents at beginning of period	63,746	29,134	580
VII Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	16	-	0
VIII Cash and cash equivalents at end of period	<u>75,332</u>	<u>63,746</u>	<u>685</u>

Consolidated Segment Information

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

FY2020

	Millions of yen								
	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	206,559	332,294	154,033	76,300	80,114	26,624	875,927	-	875,927
Inter-segment sales and transfers	2,669	13,589	3,451	255	238	26,069	46,273	(46,273)	-
Total sales	209,229	345,884	157,484	76,556	80,352	52,694	922,201	(46,273)	875,927
Segment profits (losses)	14,018	21,781	17,652	(5,280)	2,517	2,216	52,903	(4,308)	48,595

FY2019

	Millions of yen								
	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	214,851	307,013	134,384	104,052	109,278	31,024	900,604	-	900,604
Inter-segment sales and transfers	3,162	10,469	3,037	361	612	29,819	47,462	(47,462)	-
Total sales	218,013	317,482	137,421	104,413	109,891	60,843	948,066	(47,462)	900,604
Segment profits (losses)	12,322	16,547	9,718	3,842	2,298	2,694	47,424	(4,909)	42,515

FY2020

	Millions of U.S. dollars								
	Power Electronics Systems Energy	Power Electronics Systems Industry	Electronic Devices	Food and Beverage Distribution	Power Generation	Others	Total	Adjustments	Consolidated
Net Sales									
Sales to third parties	1,878	3,021	1,400	694	728	242	7,963	-	7,963
Inter-segment sales and transfers	24	124	31	2	2	237	421	(421)	-
Total sales	1,902	3,144	1,432	696	730	479	8,384	(421)	7,963
Segment profits (losses)	127	198	160	(48)	23	20	481	(39)	442

Supplemental Consolidated Financial Materials

1. Financial summary

	Billions of yen		
	FY2020	FY2021 [Forecast]	FY2019
Net sales	875.9	900.0	900.6
Operating income	48.6	60.0	42.5
Ordinary income	50.4	61.0	44.5
Net income attributable to owners of parent	41.9	42.0	28.8

2. Number of consolidated subsidiaries

	Billions of yen		
	FY2020	FY2021 [Forecast]	FY2019
Number of consolidated subsidiaries	74	73	73
Japan	23	22	23
Overseas	51	51	50
Number of equity-method associates	4	4	4

3. Net income per share

	Yen		
	FY2020	FY2021 [Forecast]	FY2019
Net income per share(*)	293.52	294.04	201.57

4. Average exchange rates (Yen)

	Yen		
	FY2020	FY2021 [Forecast]	FY2019
US\$	106.06	102.00	108.74
EURO	123.70	123.00	120.82
RMB	15.67	15.50	15.60

5. Net sales by reporting segment

	Billions of yen		
	FY2020	FY2019	
Power Electronics Systems Energy	209.2	218.0	
Power Electronics Systems Industry	345.9	317.5	
Electronic Devices	157.5	137.4	
Food and Beverage Distribution	76.6	104.4	
Power Generation	80.4	109.9	
Others	52.7	60.8	
Subtotal	922.2	948.1	
Elimination	(46.3)	(47.5)	
Total	875.9	900.6	

	Billions of yen		
	FY2020	FY2021 [Forecast]	FY2019
Power Electronics Systems Energy	209.2	217.0	-
Power Electronics Systems Industry	345.9	329.0	-
Semiconductors	157.5	174.0	-
Power Generation	80.4	84.0	-
Food and Beverage Distribution	76.6	87.5	-
Others	52.7	50.0	-
Subtotal	922.2	941.5	-
Elimination	(46.3)	(41.5)	-
Total	875.9	900.0	-

6. Operating income by reporting segment

	Billions of yen	
	FY2020	FY2019
Power Electronics Systems Energy	14.0	12.3
Power Electronics Systems Industry	21.8	16.5
Electronic Devices	17.7	9.7
Food and Beverage Distribution	(5.3)	3.8
Power Generation	2.5	2.3
Others	2.2	2.7
Subtotal	52.9	47.4
Elimination	(4.3)	(4.9)
Total	48.6	42.5

	Billions of yen		
	FY2020	FY2021 [Forecast]	FY2019
Power Electronics Systems Energy	14.0	15.2	-
Power Electronics Systems Industry	21.8	22.2	-
Semiconductors	17.7	21.6	-
Power Generation	2.5	3.3	-
Food and Beverage Distribution	(5.3)	2.7	-
Others	2.2	1.8	-
Subtotal	52.9	66.8	-
Elimination	(4.3)	(6.8)	-
Total	48.6	60.0	-

7. Net overseas sales

	Billions of yen	
	FY2020	FY2019
Asia (except for China)	108.2	124.6
China	83.9	62.6
Europe	16.5	19.0
America	13.3	14.7
Total	221.9	220.9

8. R&D expenditures

	Billions of yen	
	FY2020	FY2019
Power Electronics Systems Energy	6.8	7.1
Power Electronics Systems Industry	8.9	8.7
Electronic Devices	10.6	10.9
Food and Beverage Distribution	4.2	4.4
Power Generation	3.0	3.3
Others	0.0	0.1
Total	33.6	34.5
Ratio to net sales (%)	3.8%	3.8%

	Billions of yen		
	FY2020	FY2021 [Forecast]	FY2019
Power Electronics Systems Energy	6.8	7.7	-
Power Electronics Systems Industry	8.9	10.1	-
Semiconductors	10.6	12.2	-
Power Generation	3.0	3.0	-
Food and Beverage Distribution	4.2	3.3	-
Others	0.0	0.1	-
Total	33.6	36.4	-
Ratio to net sales (%)	3.8%	4.0%	-

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

	Billions of yen	
	FY2020	FY2019
Power Electronics Systems Energy	7.4	8.5
Power Electronics Systems Industry	4.6	4.3
Electronic Devices	19.9	31.3
Food and Beverage Distribution	1.8	2.3
Power Generation	1.1	1.0
Others	1.1	0.8
Total	35.9	48.2
(Leases)	18.2	29.1

	Billions of yen		
	FY2020	FY2021 [Forecast]	FY2019
Power Electronics Systems Energy	7.4	7.1	-
Power Electronics Systems Industry	4.6	10.5	-
Semiconductors	19.9	41.0	-
Power Generation	1.1	1.1	-
Food and Beverage Distribution	1.8	1.4	-
Others	1.1	0.8	-
Total	35.9	61.7	-
(Leases)	18.2	18.2	-

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

10. Depreciation, Leases paid

	Billions of yen	
	FY2020	FY2019
Power Electronics Systems Energy	5.3	5.1
Power Electronics Systems Industry	4.4	4.2
Electronic Devices	18.3	15.4
Food and Beverage Distribution	2.2	2.2
Power Generation	1.2	1.2
Others	1.0	1.1
Total	32.4	29.1
(Leases)	1.0	1.0

	Billions of yen		
	FY2020	FY2021 [Forecast]	FY2019
Power Electronics Systems Energy	5.3	5.5	-
Power Electronics Systems Industry	4.4	5.2	-
Semiconductors	18.3	21.8	-
Power Generation	1.2	1.2	-
Food and Beverage Distribution	2.2	2.2	-
Others	1.0	0.9	-
Total	32.4	36.8	-
(Leases)	1.0	1.2	-

11. Number of employees

	FY2020	FY2019	
Power Electronics Systems Energy	6,604	6,676	
Power Electronics Systems Industry	9,135	9,129	
Electronic Devices	6,514	6,621	
Food and Beverage Distribution	2,170	2,346	
Power Generation	1,198	1,224	
Others	1,972	1,964	
Total	27,593	27,960	
Japan	17,647	17,681	
Overseas	9,946	10,279	

	FY2020	FY2021 [Forecast]	FY2019
Power Electronics Systems Energy	6,604	6,750	-
Power Electronics Systems Industry	9,135	9,554	-
Semiconductors	6,514	6,456	-
Power Generation	1,198	1,196	-
Food and Beverage Distribution	2,170	2,028	-
Others	1,972	2,027	-
Total	27,593	28,011	-
Japan	17,647	17,901	-
Overseas	9,946	10,110	-

Financial Performance

(1) Qualitative Information regarding Consolidated Results of Operations

1. Results of Operations in the Fiscal Year Ended March 31, 2021

In the fiscal year ended March 31, 2020, Fuji Electric launched Reiwa Prosperity 2023, a new five-year medium-term management plan slated to conclude with the fiscal year ending March 31, 2024, the year in which we will celebrate the centennial anniversary of Fuji Electric's founding. Under this plan, the Company is implementing growth strategies prescribing the concentration of resources on growth fields, namely the power electronics systems and power semiconductor businesses, and the expansion of overseas businesses.

The operating environment for the fiscal year ended March 31, 2021, saw the ongoing curtailment of investments in Japan and overseas due to the global COVID-19 pandemic, resulting in the prolongation of difficult conditions. In China, meanwhile, economic activities were quickly resumed during the first half of the fiscal year, and there were indications of recovery in capital investment in the manufacturing industry. Furthermore, domestic machine tool-related demand increased leading up to the second half of the fiscal year, and there was pronounced growth in domestic and overseas semiconductor demand triggered by the popularization of electrified vehicles (xEVs) and renewable energy.

Consolidated net sales in the fiscal year ended March 31, 2021, decreased ¥24.7 billion year on year, to ¥875.9 billion. Factors behind this decrease included reductions in demand in the Power Electronics Systems Energy, Food and Beverage Distribution, and Power Generation segments. These reductions in demand were the result of the capital investment curtailments and delivery postponements stemming from the global COVID-19 pandemic. Another factor was the rebound from large-scale orders recorded in the previous fiscal year.

Consolidated operating income rose ¥6.1 billion year on year, to ¥48.6 billion, and ordinary income was ¥5.9 billion, to ¥50.4 billion, as the benefits of fixed cost and other cost reduction activities offset the decline in net sales. In addition, net profit attributable to owners of parent rose to the record high of ¥41.9 billion, an increase of ¥13.1 billion. This feat was a result of recording ¥40.9 billion in extraordinary income following the sale of certain investment securities to secure funds for growth investments, which outweighed the ¥25.7 billion in expenses for addressing defects in power semiconductor products for specific fields recorded under extraordinary loss.

Consolidated results of operations for the fiscal year ended March 31, 2021, were as follows.

	(¥ billion)		
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change
Net sales	900.6	875.9	(24.7)
Operating income	42.5	48.6	6.1
Ordinary income	44.5	50.4	5.9
Net income attributable to owners of parent	28.8	41.9	13.1

2. Results by Segment

Power Electronics Systems Energy

Net sales: ¥209.2 billion (down 4% year on year)

Operating income: ¥14.0 billion (up ¥1.7 billion year on year)

In the Power Electronics Systems Energy segment, net sales were down year on year in all businesses, but operating income was up year on year due to the benefits of cost reduction activities.

- In the energy management business, net sales were down year on year 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 fiscal year, but operating results were up year on year due to the benefits of cost reduction activities.
- In the power supply and facility systems business, net sales were down year on year as a result of the rebound from large-scale projects recorded in switchgear and controlgear operations in the previous fiscal year, but operating results were up year on year due to the benefits of cost reduction activities.
- In the ED&C components business, net sales and operating results were down year on year due to the decline in demand from Japanese manufacturers of machine tools and other finished equipment seen in the first half of the fiscal year. This demand later recovered in the second half of the fiscal year.

Power Electronics Systems Industry

Net sales: ¥345.9 billion (up 9% year on year)

Operating income: ¥21.8 billion (up ¥5.2 billion year on year)

In the Power Electronics Systems Industry segment, net sales and operating income were up year on year due to higher demand in the IT solutions business, the automation systems business, and the social solutions business, which offset the decline in sales in the equipment construction business that stemmed from delays in customers' capital investment plans.

- In the automation systems business, net sales and operating results improved year on year due to the higher demand seen centered on factory automation components in China, which counteracted the impacts of sluggish demand in Japan.
- In the social solutions business, net sales and operating results improved year on year thanks to increases in demand for electrical equipment for railcars and in demand for ship exhaust gas cleaning systems.
- In the equipment construction business, net sales decreased year on year due to delays in customers' capital investment plans and the rebound from large-scale electrical equipment construction projects recorded in the previous fiscal year, but operating results improved year on year due to the benefits of cost reduction efforts.
- In the IT solutions business, net sales and operating results improved year on year as a result of the Company's involvement in large-scale projects related to the GIGA School Concept.

Note: Effective October 1, 2020, ship exhaust gas cleaning system operations were transferred from the automation systems business to the social solutions business. Figures for the previous fiscal year have been restated to reflect this change.

Electronic Devices

Net sales: ¥157.5 billion (up 15% year on year)

Operating income: ¥17.7 billion (up ¥7.9 billion year on year)

• In the electronic devices business, net sales and operating results improved year on year thanks to the increased demand for products for xEVs as well as power semiconductors for the new energy market and for factory automation systems. The higher demand compensated for the rise in expenses associated with investments for bolstering power semiconductor production capacity.

Food and Beverage Distribution

Net sales: ¥76.6 billion (down 27% year on year)

Operating loss: ¥5.3 billion (down ¥9.1 billion year on year)

In the Food and Beverage Distribution segment, net sales and operating income decreased due to massive reductions in demand in the vending machine and store distribution businesses as a result of the capital investment curtailments and delivery postponements stemming from the prolongation of the global COVID-19 pandemic.

• In the vending machine business, net sales and operating results were down year on year due to the curtailment of capital investment by Japanese beverage manufacturers as well as lower demand in China and other Asian markets.

• In the store distribution business, net sales and operating results were down year on year because of a decline in demand for store equipment for convenience stores and delivery postponements.

Power Generation

Net sales: ¥80.4 billion (down 27% year on year)

Operating income: ¥2.5 billion (up ¥0.2 billion year on year)

• In the power generation business, net sales were down year on year due to the rebound from a large-scale thermal power system project and from renewable energy projects recorded in the previous fiscal year, but operating results improved year on year, despite increased construction costs stemming from COVID-19-related process delays, because of differences in profitability between projects.

Others

Net sales: ¥52.7 billion (down 13% year on year)

Operating income: ¥2.2 billion (down ¥0.5 billion year on year)

3. Forecasts for the Fiscal Year Ending March 31, 2022

Forecasts for consolidated business results in the fiscal year ending March 31, 2022, are as follows.

Further, forecasts for the fiscal year ending March 31, 2022, assume exchange rates of US\$1 = ¥102, €1 = ¥123, RMB1 = ¥15.5.

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, 2021 Results	Fiscal year ending March 31, 2022 Forecasts	Change
Net sales	875.9	900.0	24.1
Operating income	48.6	60.0	11.4
Ordinary income	50.4	61.0	10.6
Net income attributable to owners of parent	41.9	42.0	0.1

(Forecasts by Segment) (¥ billion)

	Fiscal year ended March 31, 2021 Results		Fiscal year ending March 31, 2022 Forecasts		Change	
	Net sales	Operating Income (Loss)	Net sales	Operating Income (Loss)	Net sales	Operating Income (Loss)
Power Electronics Systems Energy	209.2	14.0	217.0	15.2	7.8	1.2
Power Electronics Systems Industry	345.9	21.8	329.0	22.2	(16.9)	0.4
Semiconductors	157.5	17.7	174.0	21.6	16.5	3.9
Power Generation	80.4	2.5	84.0	3.3	3.6	0.8
Food and Beverage Distribution	76.6	(5.3)	87.5	2.7	10.9	8.0
Others	52.7	2.2	50.0	1.8	(2.7)	(0.4)
Elimination and Corporate	(46.3)	(4.3)	(41.5)	(6.8)	4.8	(2.5)
Total	875.9	48.6	900.0	60.0	24.1	11.4

Effective from April 1, 2021, the Electronic Devices segment was renamed the Semiconductors segment.

(2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2020	Breakdown (%)	March 31, 2021	Breakdown (%)	Change
Total assets	996.8	100.0	1,052.0	100.0	+55.1
Interest-bearing debt	217.4	21.8	216.2	20.6	(1.2)
Equity*1	365.6	36.7	417.0	39.6	+51.4
Debt-to-equity ratio*2 (times)	0.6		0.5		(0.1)

*1 Equity = Total net assets — Non-controlling interests

*2 Debt-to-equity ratio = Interest-bearing debt/ Equity

Total assets on March 31, 2021, stood at ¥1,052.0 billion, an increase of ¥55.1 billion from the end of the previous fiscal year. Total current assets increased ¥33.5 billion primarily as a result of rises in cash and deposits and notes and accounts receivable-trade, which offset a decline in inventories. Total noncurrent assets were up ¥21.6 billion due to higher property, plant and equipment, an increase stemming from valuation difference on available-for-sale securities, and a rise in net defined benefit asset.

Interest-bearing debt as of March 31, 2021, amounted to ¥216.2 billion, down ¥1.2 billion from the previous fiscal year-end following a decline in commercial paper and the redemption of bonds, the effects of which counteracted an increase in long-term loans payable. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—decreased ¥12.7 billion from the previous fiscal year-end, amounting to ¥140.9 billion on March 31, 2021.

Net assets on March 31, 2021, were ¥461.3 billion, up ¥55.3 billion from the previous fiscal year-end. This outcome was because of an increase in retained earnings as well an increase stemming from valuation difference on available-for-sale securities. In addition, equity—total net assets net of non-controlling interests—was up ¥51.4 billion from the previous fiscal year-end, standing at ¥417.0 billion on March 31, 2021. The debt-to-equity ratio (interest-bearing debt ÷ equity) was 0.5 times, down 0.1 times from the previous fiscal year. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ equity) was 0.3 times, down 0.1 times from the previous fiscal year.

(¥ billion)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Change
Net cash provided by (used in) operating activities	46.1	26.9	(19.2)
Net cash provided by (used in) investing activities	(27.6)	23.5	51.1
Free cash flow	18.5	50.4	31.9
Net cash provided by (used in) financing activities	16.9	(39.5)	(56.4)
Cash and cash equivalents at the end of period	63.7	75.3	11.6

In the fiscal year ended March 31, 2021, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a positive ¥50.4 billion, an increase of ¥31.9 billion compared with positive free cash flow of ¥18.5 billion in the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities was ¥26.9 billion, compared with ¥46.1 billion in the previous fiscal year. Major factors increasing cash included income before income taxes and a decrease in inventories. Major factors decreasing cash included an increase in notes and accounts receivable-trade and a decrease in notes and accounts payable-trade.

This was a decrease of ¥19.2 billion year on year.

Cash flows from investing activities

Net cash provided by investing activities was ¥23.5 billion, compared with net cash used in investing activities of ¥27.6 billion in the previous fiscal year. This was primarily related to proceeds from sales of investment securities, which offset the purchase of property, plant and equipment.

This was an improvement of ¥51.1 billion year on year.

Cash flows from financing activities

Net cash used in financing activities was ¥39.5 billion, compared with net cash provided by financing activities of ¥16.9 billion in the previous fiscal year. This was principally due to a decrease in commercial paper and the repayments of lease obligations, which counteracted the increase in proceeds from long-term loans payable.

As a result, consolidated cash and cash equivalents on March 31, 2021, amounted to ¥75.3 billion, up ¥11.6 billion from the previous fiscal year-end.

(3) Basic Policy Regarding Distribution of Earnings and Dividends for the Fiscal Year Ended March 31, 2021, and the Fiscal Year Ending March 31, 2022

We intend to return profit gained through business activities to shareholders. At the same time—while 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, 2021, forecasted performance for the fiscal year ending March 31, 2022, and our financial position, we plan to pay a year-end dividend of ¥45 per share for the fiscal year ended March 31, 2021, which will make for an annual dividend of ¥85 per share when including the interim dividend.

We have not yet decided the dividend to be paid for the fiscal year ending March 31, 2022.