

# **Consolidated Financial Results for 1Q FY2022**

July 28, 2022

Fuji Electric Co., Ltd.

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# 1. FY2022 1Q Results

## (YoY Comparison)

# Summary of Consolidated Financial Results for 1Q FY2022 (YoY Comparison)

## New record highs achieved for net sales, operating income, and ordinary income

(Billion yen)

	FY2021 1Q	FY2022 1Q	Change
Net Sales	190.0	203.9	14.0
Operating Income/Loss (Operating Margin Ratio)	5.3 (2.8%)	9.9 (4.8%)	4.6 (2.1%)
Ordinary Income/Loss	5.9	12.3	6.4
Extraordinary Income/Loss	2.2	4.2	2.0
Income/Loss before Income Taxes	8.1	16.5	8.4
Income Taxes	2.0	5.3	3.3
Net Income Attributable to Non-controlling Interests	1.1	1.3	0.2
Net Income Attributable to Owners of Parent	5.0	9.9	5.0

(Period-End rate : End of June)

(Yen)

US\$	110.58	136.68	26.10
EURO	131.58	142.67	11.09
RMB	17.11	20.38	3.27

(Average Exchange Rate)

(Yen)

US\$	109.49	129.57	20.08
EURO	131.96	138.12	6.16
RMB	16.96	19.58	2.62

### Net Sales

Gain on translation of earnings of overseas subsidiaries	+7.1
Demand Increase	+6.9

### Operating Income/Loss

Increase in sales and production volumes	+5.0
Increase in fixed costs	-2.3
Exchange rate effect	+1.4
Others*	+0.4
	+4.6

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

### Non-operating Income/Loss

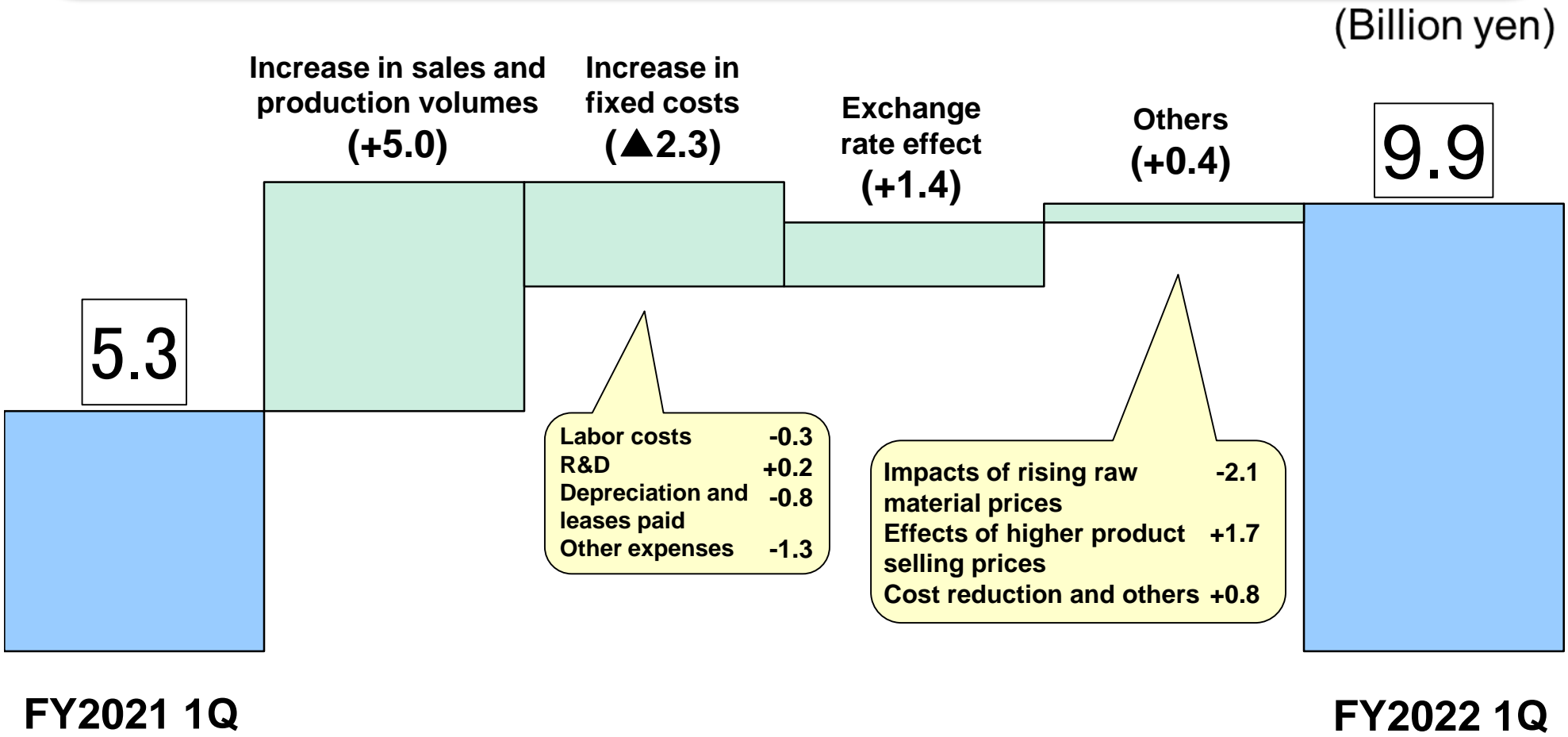
Net interest expense	+0.4	( 0.9 → 1.3 )
Foreign exchange gain	+1.5	( 0.1 → 1.6 )
Others	-0.0	( -0.4 → -0.4 )
	+1.8	( 0.6 → 2.4 )

### Extraordinary Income/Loss

Gain on sales of investment securities	+2.3	( 2.3 → 4.6 )
Others	-0.3	( -0.1 → -0.4 )
	+2.0	( 2.2 → 4.2 )

# Breakdown of Changes in Operating Results for 1Q FY2022 (YoY Comparison)

Higher income primarily as a result of increases in sales and production volumes as well as favorable foreign exchange influences  
 Cost reductions and price increases instituted to absorb impacts of soaring material prices



# Net Sales and Operating Income by Segment for 1Q FY2022 (YoY Comparison)

## Higher income in all segments except Power Electronics Industry

(Billion yen)

	FY2021 1Q			FY2022 1Q			Change		
	Net Sales	Operating Income/Loss	Operating Margin Ratio.	Net Sales	Operating Income/Loss	Operating Margin Ratio.	Net Sales	Operating Income/Loss	Operating Margin Ratio.
Power Electronics Energy	44.7	1.0	2.2%	51.3	3.9	7.6%	6.5	2.9	5.4%
Power Electronics Industry	65.3	0.3	0.5%	65.2	-1.8	-2.8%	-0.1	-2.2	-3.3%
Semiconductor	44.5	5.6	12.5%	46.2	7.1	15.4%	1.7	1.5	2.9%
Power Generation	12.0	-0.7	-5.6%	16.8	0.1	0.6%	4.9	0.8	6.2%
Food and Beverage Distribution	22.1	0.2	1.0%	21.7	1.6	7.5%	-0.4	1.4	6.6%
Others	12.3	0.5	3.8%	14.3	0.7	5.2%	2.0	0.3	1.4%
Elimination and Corporate	-11.0	-1.6	-	-11.5	-1.8	-	-0.6	-0.2	-
<b>Total</b>	<b>190.0</b>	<b>5.3</b>	<b>2.8%</b>	<b>203.9</b>	<b>9.9</b>	<b>4.8%</b>	<b>14.0</b>	<b>4.6</b>	<b>2.1%</b>

※Figures for FY2021 reflect the organizational restructuring conducted in FY2022.

# Business Results by Segment for 1Q FY2022 (YoY Comparison) ①

(Billion yen)

			FY2021 1Q	FY2022 1Q	Change	Overview	
Power Electronics	Energy	Net Sales	44.7	51.3	6.5 <span style="border: 1px solid black; padding: 2px;">+1.6*</span>	<p><b>Energy Management Net Sales Decreased by 23%</b> Decrease in net sales as a result of the absence of large-scale orders for substation equipment for power and industrial applications recorded in the previous equivalent period, but increase in operating results due to differences in profitability between projects</p> <p><b>Power Supply and Facility Systems Net Sales Increased by 37%</b> Increase in net sales and operating results as a result of substantially higher demand for projects from data centers and semiconductor manufacturers</p> <p><b>ED&amp;C Components Net Sales Increased by 15%</b> Increase in net sales and operating results due to higher demand from domestic manufacturers of machine tools and other finished equipment</p>	
		Operating Income/Loss	1.0	3.9	2.9 <span style="border: 1px solid black; padding: 2px;">+0.4*</span>		
	Industry	Net Sales	65.3	65.2	-0.1 <span style="border: 1px solid black; padding: 2px;">+1.9*</span>		<p><b>Automation Systems Net Sales Decreased by 3%</b> Decrease in net sales and operating results due to the impacts of the lockdowns instituted in China in response to the COVID-19 pandemic, the high prices for materials, and the effects on production from difficulties in procuring parts felt centered on low-voltage inverters and factory automation components</p> <p><b>Social Solutions Net Sales Decreased by 16%</b> Decrease in net sales and operating results due to a decrease in ship-related orders</p> <p><b>Equipment Construction Net Sales Increased by 2%</b> Increase in net sales and operating results due to higher demand for electrical equipment construction</p>
		Operating Income/Loss	0.3	-1.8	-2.2 <span style="border: 1px solid black; padding: 2px;">-0.0*</span>		
	<p><b>IT Solutions Net Sales Increased by 18%</b> Increase in net sales due to large-scale private-sector projects but unchange operating results because of differences in profitability between projects</p>						

\* Exchange rate effect

※Figures for FY2021 reflect the organizational restructuring conducted in FY2022.

# Business Results by Segment for 1Q FY2022 (YoY Comparison) ②

(Billion yen)

		FY2021 1Q	FY2022 1Q	Change	Overview																
Semiconductor	Net Sales	44.5	46.2	1.7 <span style="border: 1px solid black; padding: 2px;">+3.3*</span>	<p>Increase in net sales despite the repercussions of withdrawing from magnetic disk operations, due to growth in demand for power semiconductors for electrified vehicles (xEVs) and for industrial applications. As a result, high operating ratios were able to be maintained leading to increases in sales volumes and subsequently improvements in operating results, regardless of the rise in expenses for bolstering power semiconductor production capacity</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Breakdown of sales</th> <th>FY2021 1Q</th> <th>FY2022 1Q</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>28.1</td> <td>27.0</td> <td>-1.1</td> </tr> <tr> <td>Magnetic Disks</td> <td>5.0</td> <td>0.0</td> <td>-5.0</td> </tr> <tr> <td>Automotive</td> <td>16.4</td> <td>19.2</td> <td>2.8</td> </tr> </tbody> </table>	Breakdown of sales	FY2021 1Q	FY2022 1Q	Change	Industrial	28.1	27.0	-1.1	Magnetic Disks	5.0	0.0	-5.0	Automotive	16.4	19.2	2.8
	Breakdown of sales	FY2021 1Q	FY2022 1Q	Change																	
Industrial	28.1	27.0	-1.1																		
Magnetic Disks	5.0	0.0	-5.0																		
Automotive	16.4	19.2	2.8																		
Operating Income/Loss	5.6	7.1	1.5 <span style="border: 1px solid black; padding: 2px;">+1.0*</span>																		
Power Generation	Net Sales	12.0	16.8	4.9	Increase in net sales and operating results due to the benefits of large-scale renewable energy projects																
	Operating Income/Loss	-0.7	0.1	0.8																	
Food and Beverage Distribution	Net Sales	22.1	21.7	-0.4	<p><b>Vending Machines Net Sales Increased by 12%</b> Increase in net sales and operating results because of growth in demand in Japan and the benefits of cost reduction activities</p>																
	Operating Income/Loss	0.2	1.6	1.4	<p><b>Store Distribution Net Sales Decreased by 12%</b> Decrease in net sales and operating results due to the absence of large-scale orders for automatic change dispensers recorded in the previous equivalent period</p>																

\* Exchange rate effect

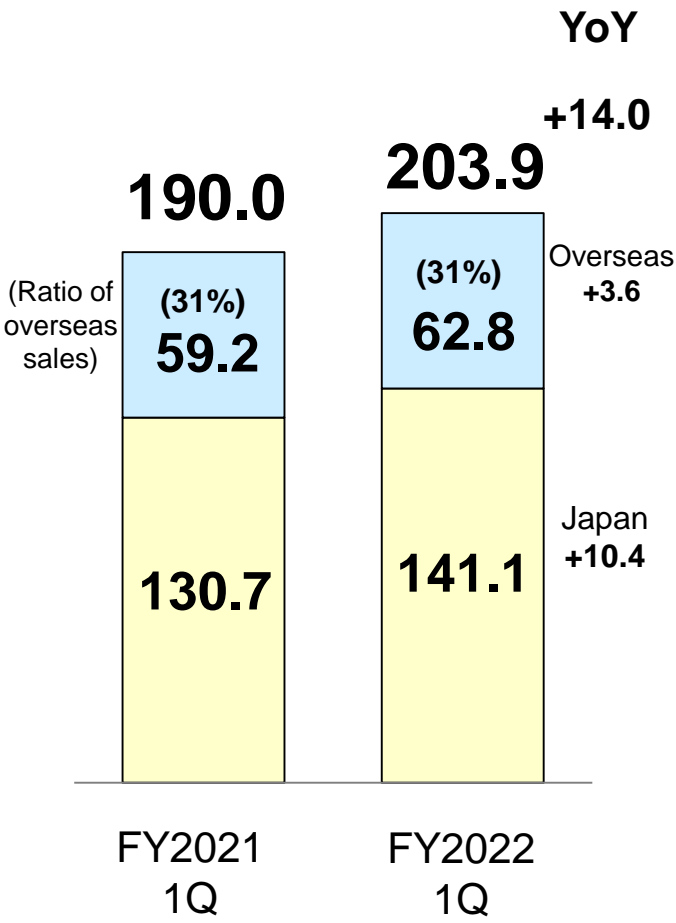
※Figures for FY2021 reflect the organizational restructuring conducted in FY2022.



# Net Sales by Japan and Overseas Area for 1Q FY2022 (YoY Comparison)

**Lower sales in China due to lockdowns, but higher sales in all other regions**

(Billion yen)



(Billion yen)

	FY2021 1Q	FY2022 1Q	Change
<b>Overseas</b>	<b>59.2</b>	<b>62.8</b>	<b>+7.1*</b> 3.6
Asia and Others	27.5	29.8	+2.4* 2.4
China	24.0	21.5	+3.4* -2.5
Europe	4.4	6.4	2.0
Americas	3.3	5.1	1.7

Power Supply and Facility Systems +1.1  
 ED&C Components +0.6  
 Automation Systems +1.6  
 Semiconductor -4.0  
 (including Magnetic Disks) -5.0  
 Power Generation +3.4

ED&C Components -0.7  
 Automation Systems -2.1  
 Semiconductor +0.6

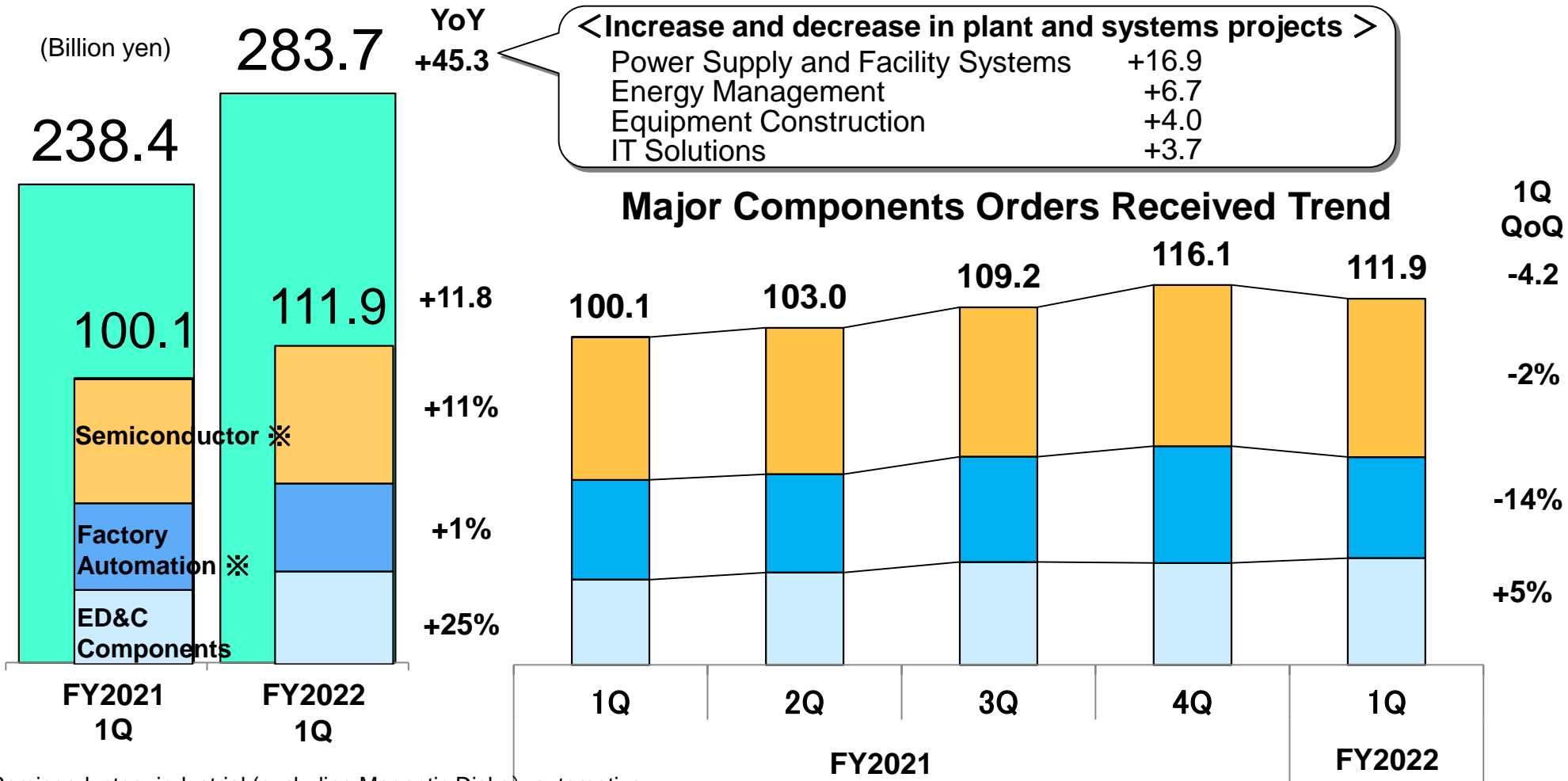
Automation Systems +0.4  
 Semiconductor +1.8

ED&C Components +0.4  
 Automation Systems +0.6  
 Power Generation +0.4

\* Exchange rate effect

# Breakdown of Changes in Amount of Orders Received by Products for 1Q FY2022 (YoY Comparison)

**Consistently high level of orders for major components**  
**Favorable trend in orders for power electronics plant and system projects**



※Semiconductor : industrial (excluding Magnetic Disks), automotive

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

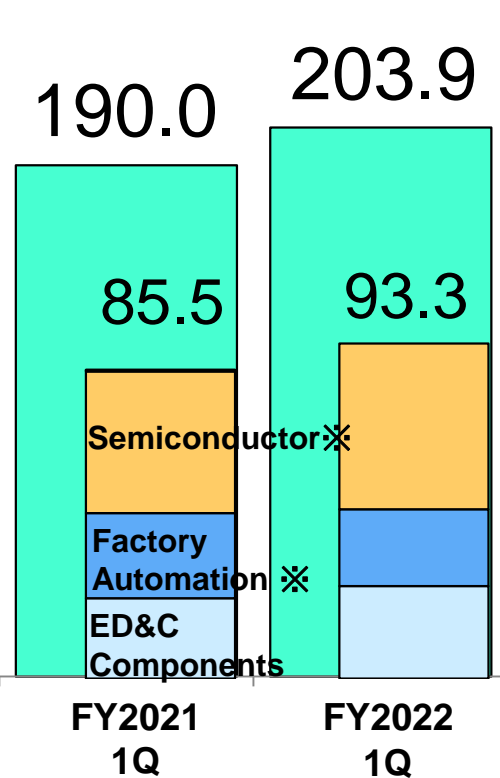
※Figures for FY2021 reflect the organizational restructuring conducted in FY2022.

# Breakdown of Changes in Amount of Sales by Products 1Q FY2022 (YoY Comparison)

**Lower sales of power electronics factory automation components due to lockdowns in China**  
**Higher sales of semiconductors, ED&C components, and plant systems**

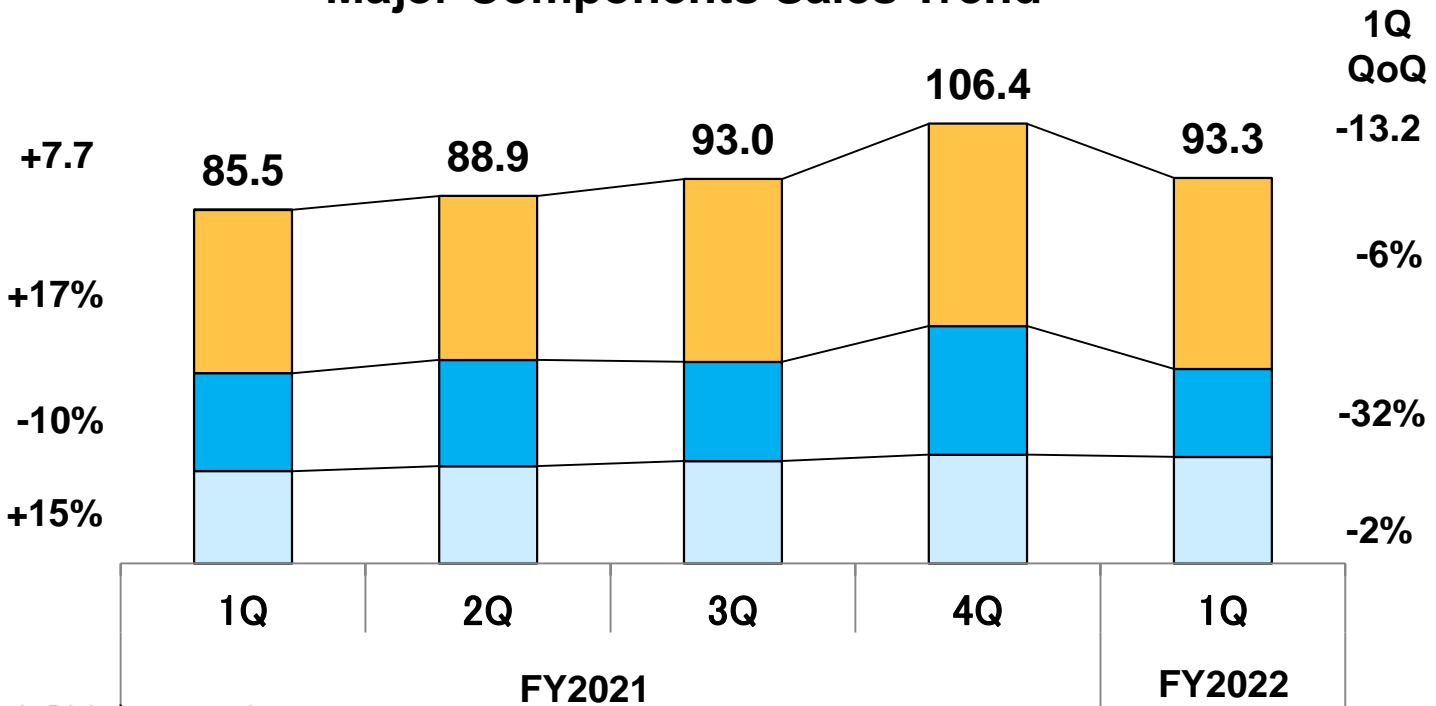
< Increase and decrease in plant and systems projects >  
 Power Supply and Facility Systems +4.9  
 Power generation +4.9  
 IT Solutions +2.0

(Billion yen)



YoY  
+14.0

## Major Components Sales Trend



※Semiconductor : industrial (excluding Magnetic Disks), automotive  
 ※Factory Automation : low-voltage inverters, motors, FA components and measuring instruments  
 ※Figures for FY2021 reflect the organizational restructuring conducted in FY2022.

# **2. FY2022 Forecasts**

## **(YoY Comparison)**

# Consolidated Financial Results Forecasts for six month and Full-year FY2022 (YoY Comparison)

## No change to six-month or full-year forecasts announced on April 27, 2022

(Billion yen)	1 <sup>st</sup> Half		Full-year	
	FY2021 Results	FY2022 Forecasts (July 28, 2022)	FY2021 Results	FY2022 Forecasts (July 28, 2022)
Net Sales	397.7	424.0	910.2	960.0
Operating Income/Loss	16.3	22.0	74.8	82.0
Ordinary Income/Loss	16.9	22.0	79.3	83.0
Net Income Attributable to Owners of Parent	14.0	15.5	58.7	59.0

### Assumed Exchange Rate from 2Q to 4Q

	US\$	EURO	RMB
Exchange Rate (Yen)	¥120.00	¥133.00	¥19.00
Foreign Exchange Rate Sensitivity (Million yen)	30	80	220

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

(Billion yen)	1 <sup>st</sup> Half				Full-year			
	Net Sales		Operating Income/Loss		Net Sales		Operating Income/Loss	
	FY2021 Results	FY2022 Forecasts (July 28, 2022)	FY2021 Results	FY2022 Forecasts (July 28, 2022)	FY2021 Results	FY2022 Forecasts (July 28, 2022)	FY2021 Results	FY2022 Forecasts (July 28, 2022)
Power Electronics Energy	98.7	109.0	4.2	7.2	231.0	236.0	21.2	22.1
Power Electronics Industry	139.8	144.0	2.4	1.7	324.1	349.0	23.8	26.8
Semiconductor	85.0	93.0	11.8	13.4	178.8	200.0	27.1	30.5
Power Generation	26.6	32.0	-1.1	0.0	78.6	82.0	3.1	4.1
Food and Beverage Distribution	44.3	44.0	0.9	2.2	90.8	92.0	3.0	5.1
Others	25.5	26.0	1.0	1.1	54.7	54.0	2.8	2.6
Elimination and Corporate	-22.3	-24.0	-2.8	-3.6	-47.8	-53.0	-6.3	-9.2
Total	397.7	424.0	16.3	22.0	910.2	960.0	74.8	82.0

# 3. Balance Sheet

# Consolidated Balance Sheet at the End of 1Q FY2022 (YoY Comparison)

Assets			
	3/31/22	6/30/22	Change
Cash and time deposit	93.0	104.4	11.4
Notes and account receivables, trade receivables	357.3	305.1	-52.2
Inventories	170.3	192.9	22.6
Other current assets	61.4	69.5	8.1
<b>Total current assets</b>	<b>682.0</b>	<b>671.9</b>	<b>-10.1</b>
Tangible fixed assets	233.7	238.3	4.6
Intangible fixed assets	22.5	23.3	0.8
Investments and other assets	178.9	166.7	-12.2
<b>Total long-term assets</b>	<b>435.1</b>	<b>428.2</b>	<b>-6.8</b>
Deferred assets	0.1	0.1	-0.0
<b>Total assets</b>	<b>1,117.1</b>	<b>1,100.2</b>	<b>-16.9</b>
Net interest-bearing debt※1	117.0	96.9	-20.1
Net D/E ratio※2 (times)	0.2	0.2	-0.0
Equity ratio	42.3%	43.5%	1.2%

Liabilities and Net Assets			
	3/31/22	6/30/22	Change
Notes and account payables, trade payables	171.7	165.6	-6.2
Interest-bearing debts	208.4	199.6	-8.8
Other liabilities	213.2	206.4	-6.9
<b>Total liabilities</b>	<b>593.4</b>	<b>571.6</b>	<b>-21.8</b>
Capital stock	47.6	47.6	—
Capital surplus	46.0	46.0	—
Retained earnings	319.3	321.4	2.1
Treasury stock at cost	-7.4	-7.4	-0.0
<b>Shareholders' equity</b>	<b>405.5</b>	<b>407.5</b>	<b>2.1</b>
Accumulated other comprehensive income	67.4	71.3	3.8
Non-controlling interests	50.8	49.8	-1.0
<b>Total net assets</b>	<b>523.7</b>	<b>528.6</b>	<b>4.9</b>
<b>Total liabilities and net assets</b>	<b>1,117.1</b>	<b>1,100.2</b>	<b>-16.9</b>

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

※2 Net D/E ratio: Net interest-bearing debt ÷ Equity

# 4. Reference



## ■ ED&C Components

### amount of orders received

	1Q QoQ	1Q YoY
All	+5%	+25%
Japan	+4%	+32%
Overseas	+8%	+10%

## ■ Low-voltage inverters

### amount of orders received

	1Q QoQ	1Q YoY
All	-15%	+16%
Japan	-22%	-9%
Overseas	-12%	+33%

## ■ Semiconductor

### amount of orders received

	1Q QoQ	1Q YoY
All (Exclude Magnetic Disks)	-2%	+11%
Industrial (Exclude Magnetic Disks)	-1%	+5%
Automotive	-2%	+21%

## ■ Vending machines

### amount of orders received

	1Q QoQ	1Q YoY
All	-6%	+12%

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