

Consolidated Financial Results for 1H FY2022

October 27, 2022
Fuji Electric Co., Ltd.

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1. 1H FY2022 Results

(YoY Comparison)

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

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

(Billion yen)

	1H FY2021	1H FY2022	Change
Net Sales	397.7	447.1	49.5
Operating Income/Loss (Operating margin)	16.3 (4.1%)	26.7 (6.0%)	10.4 (1.9%)
Ordinary Income/Loss	16.9	28.9	12.0
Extraordinary Income/Loss	6.3	5.7	-0.6
Income/Loss before Income Taxes	23.2	34.6	11.4
Income Taxes	7.0	11.3	4.3
Net Income Attributable to Non-controlling Interests	2.2	3.0	0.8
Net Income Attributable to Owners of Parent	14.0	20.3	6.3

(Period-End rate : end of September)

(Yen)

US\$	111.92	144.81	+32.89
EURO	129.86	142.32	+12.46
RMB	17.30	20.37	+3.07

(Average Exchange Rate)

(Yen)

US\$	109.80	133.97	+24.17
EURO	130.90	138.73	+7.83
RMB	16.99	19.88	+2.89

Net Sales

Gain on translation of earnings of overseas subsidiaries	+17.7
Demand Increase	+31.7

Operating Income/Loss

Increase in sales and production volumes	+15.6
Increase in fixed costs	-6.4
Exchange rate effect	+3.4
Others*	-2.1
	+10.4

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

Non-operating Income/Loss

Net interest expense	+0.3	(0.8 → 1.1)
Foreign exchange income	+1.9	(0.2 → 2.1)
Others	-0.6	(-0.4 → -1.0)
	+1.6	(0.6 → 2.2)

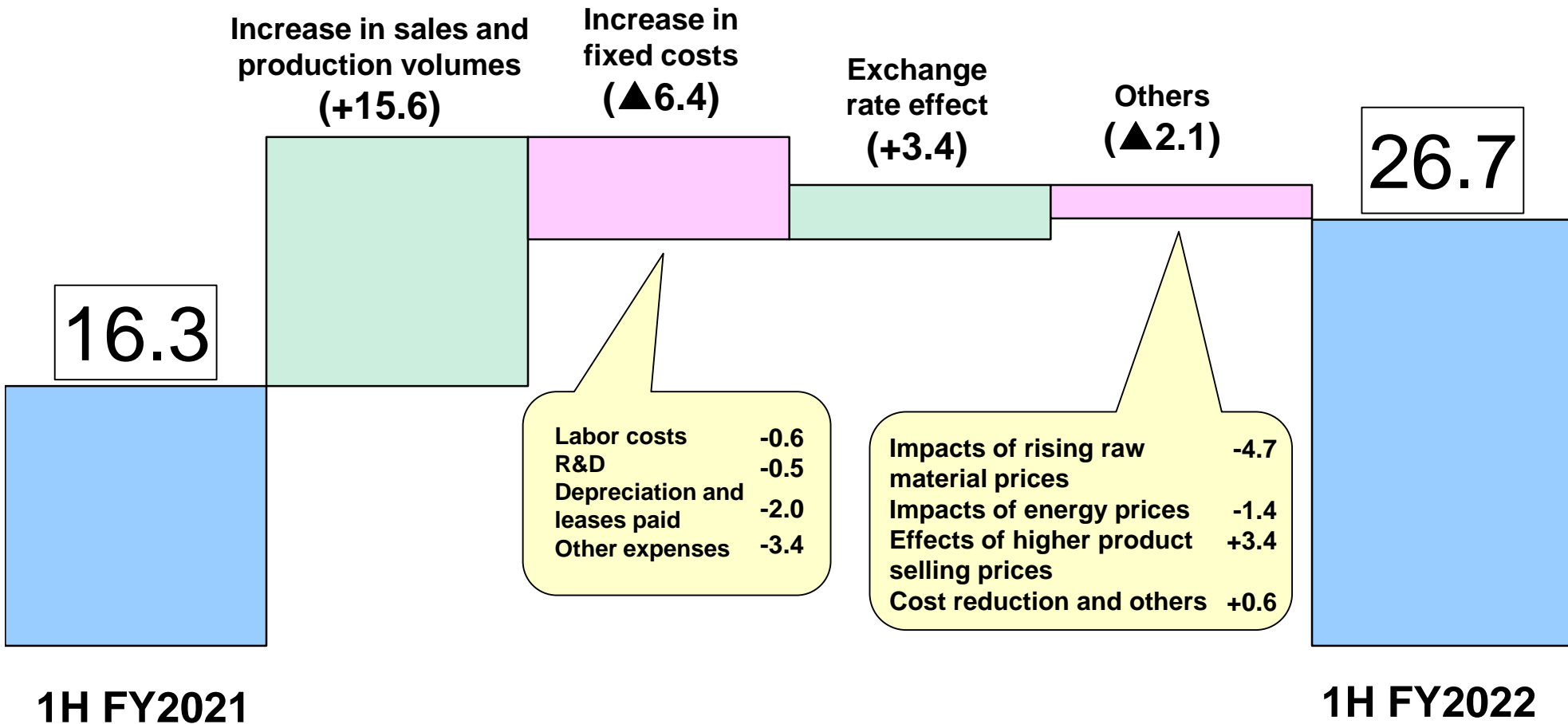
Extraordinary Income/Loss

Gain on sales of investment securities	-1.9	(8.2 → 6.3)
Withdrawal from magnetic disk business	+1.2	(-1.2 → 0.0)
Others	+0.1	(-0.7 → -0.6)
	-0.6	(6.3 → 5.7)

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

Growth in income, despite rising material and energy prices and increased fixed costs, due to higher sales and production volumes and beneficial foreign exchange influences

(Billion yen)



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

Operating income growth driven by Power Electronics Energy, Semiconductor, and Food and Beverage Distribution segments

(Billion yen)

	1H FY2021			1H FY2022			Change		
	Net Sales	Operating Income/Loss	Operating margin	Net Sales	Operating Income/Loss	Operating margin	Net Sales	Operating Income/Loss	Operating margin
Power Electronics Energy	98.7	4.2	4.3%	115.6	9.6	8.3%	16.9	5.4	4.0%
Power Electronics Industry	139.8	2.4	1.7%	150.2	1.1	0.7%	10.4	-1.3	-1.0%
Semiconductor	85.0	11.8	13.9%	97.0	14.9	15.4%	12.0	3.1	1.5%
Power Generation	26.6	-1.1	-4.3%	34.8	-0.5	-1.4%	8.2	0.6	2.9%
Food and Beverage Distribution	44.3	0.9	1.9%	44.8	3.2	7.2%	0.5	2.4	5.3%
Others	25.5	1.0	4.0%	28.6	1.5	5.4%	3.1	0.5	1.4%
Elimination and Corporate	-22.3	-2.8	-	-23.9	-3.2	-	-1.6	-0.4	-
Total	397.7	16.3	4.1%	447.1	26.7	6.0%	49.5	10.4	1.9%

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

Business Results by Segment for 1H FY2022 (YoY Comparison) ①

(Billion yen)

			1H FY2021	1H FY2022	Change	Overview
Power Electronics	Energy	Net Sales	98.7	115.6	16.9 +4.5*	Energy Management Net Sales Decreased by 9% Decrease in net sales as a result of the absence of large-scale orders for substation equipment for industrial applications recorded in the previous equivalent period, but increase in operating results due to the benefits of cost reduction activities Power Supply and Facility Systems Net Sales Increased by 34% Increase in net sales and operating results as a result of substantially higher demand for projects from data centers and semiconductor manufacturers in Japan and overseas ED&C Components Net Sales Increased by 17% Increase in net sales and operating results due to higher demand from domestic manufacturers of machine tools and other finished equipment
		Operating Income/Loss	4.2	9.6	5.4 +0.9*	
	Industry	Net Sales	139.8	150.2	10.4 +4.9*	Automation Systems Net Sales Increased by 2% Increase in net sales as the benefits of foreign exchange influences outweighed the impacts of lockdowns in China but decrease in operating results due to the high prices for materials and the effects on production from difficulties in procuring parts felt centered on low-voltage inverters Social Solutions Net Sales Decreased by 7% Decrease in net sales due to a decrease in ship-related orders, but increase in operating results following the benefits of cost reduction activities Equipment Construction Net Sales Decreased by 2% Decrease in net sales and operating results due to the absence of large-scale orders for air-conditioning equipment recorded in the previous fiscal year IT Solutions Net Sales Increased by 28% Increase in net sales and operating results due to large-scale academic- and private-sector projects
		Operating Income/Loss	2.4	1.1	-1.3 +0.2*	

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

* Exchange rate effect

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

(Billion yen)

		1H FY2021	1H FY2022	Change	Overview																
Semiconductor	Net Sales	85.0	97.0	12.0 +7.3*	<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 well as to the benefits of foreign exchange influences. As a result, high operating ratios were able to be maintained, leading to improvements in operating results, regardless of the rise in expenses for bolstering power semiconductor production capacity and the increases in material and energy costs</p> <table border="1"> <thead> <tr> <th>Breakdown of sales</th> <th>1H FY2021</th> <th>1H FY2022</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>52.7</td> <td>55.3</td> <td>2.7</td> </tr> <tr> <td>Magnetic Disks</td> <td>5.8</td> <td>0.0</td> <td>-5.8</td> </tr> <tr> <td>Automotive</td> <td>32.4</td> <td>41.7</td> <td>9.3</td> </tr> </tbody> </table>	Breakdown of sales	1H FY2021	1H FY2022	Change	Industrial	52.7	55.3	2.7	Magnetic Disks	5.8	0.0	-5.8	Automotive	32.4	41.7	9.3
	Breakdown of sales	1H FY2021	1H FY2022	Change																	
Industrial	52.7	55.3	2.7																		
Magnetic Disks	5.8	0.0	-5.8																		
Automotive	32.4	41.7	9.3																		
	Operating Income/Loss	11.8	14.9	3.1 +2.3*																	
Power Generation	Net Sales	26.6	34.8	8.2	<p>Increase in net sales and operating results due to the benefits of large-scale renewable energy projects</p>																
	Operating Income/Loss	-1.1	-0.5	0.6																	
Food and Beverage Distribution	Net Sales	44.3	44.8	0.5	<p>Vending Machines Net Sales Increased by 12% Increase in net sales and operating results because of growth in demand in Japan and the benefits of cost reduction activities</p> <p>Store Distribution Net Sales Decreased by 8% Decrease in net sales due to the absence of large-scale orders for automatic change dispensers recorded in the previous equivalent period, but increase in operating results relatively unchanged because of the benefits of cost reduction activities</p>																
	Operating Income/Loss	0.9	3.2	2.4																	

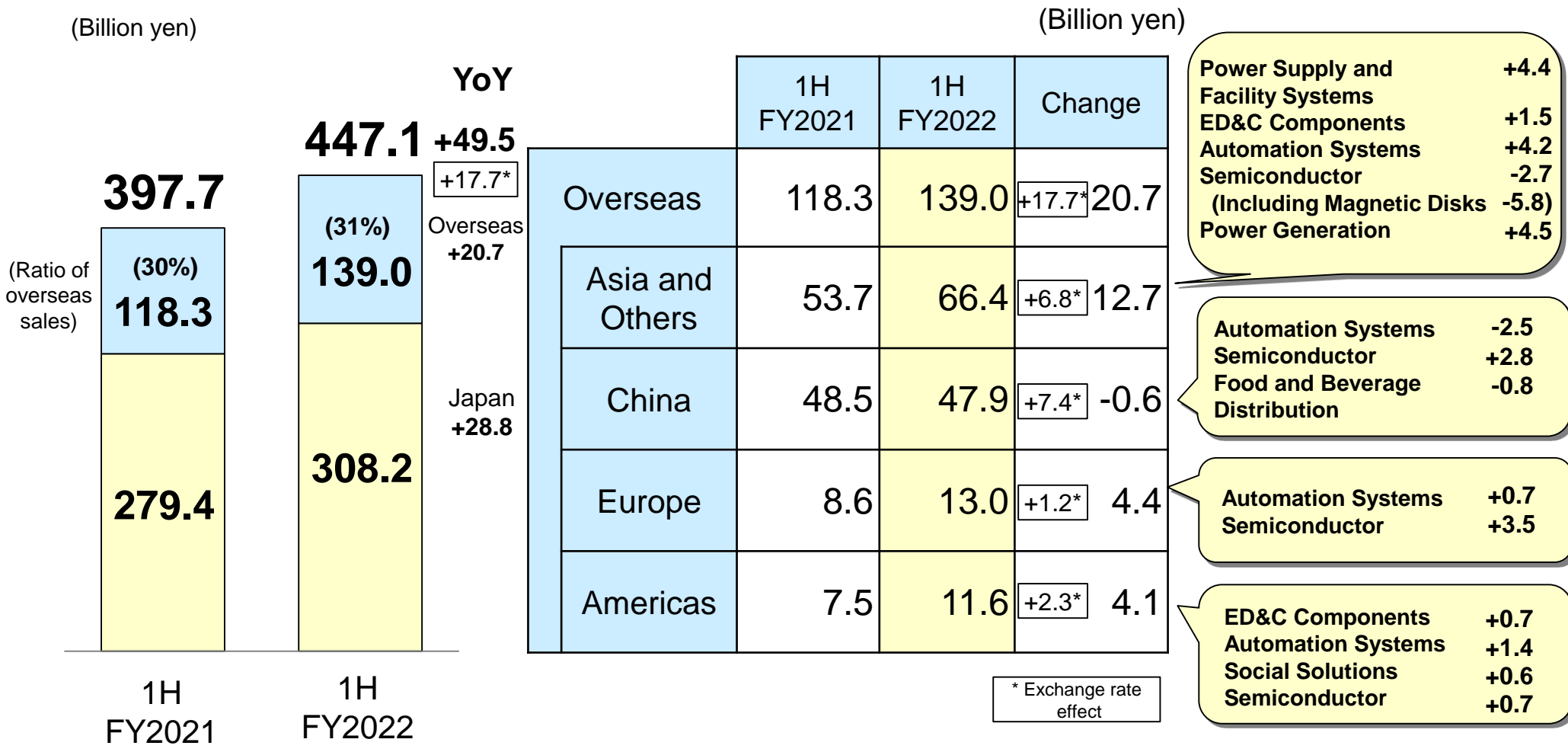
*Figures for FY2021 reflect the organizational restructuring conducted in FY2022.

* Exchange rate effect

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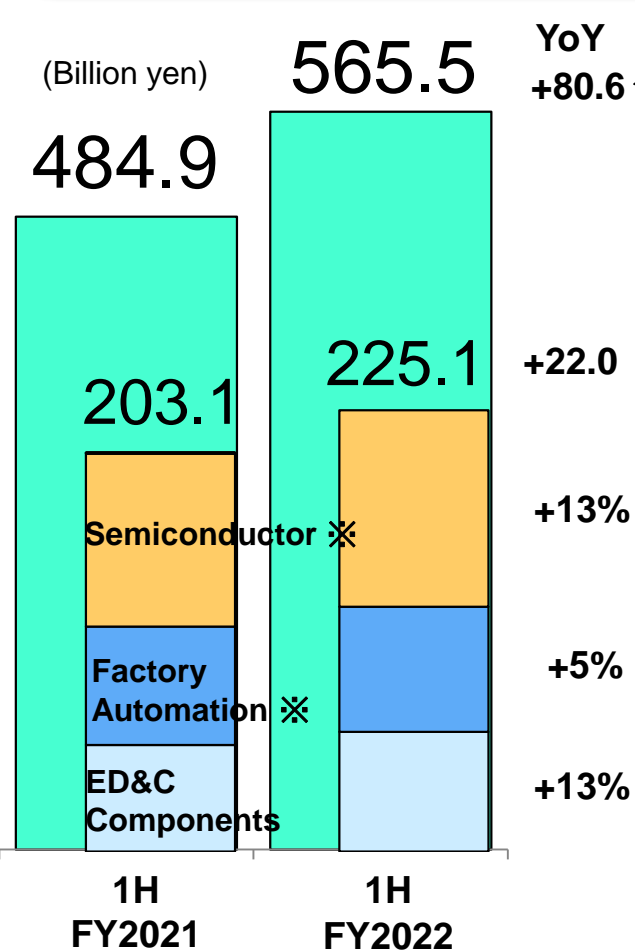
Net Sales by Japan and Overseas Area for 1H FY2022 (YoY Comparison)

Higher sales as reduction in sales in China, due to lockdowns, was counteracted by performance in other regions



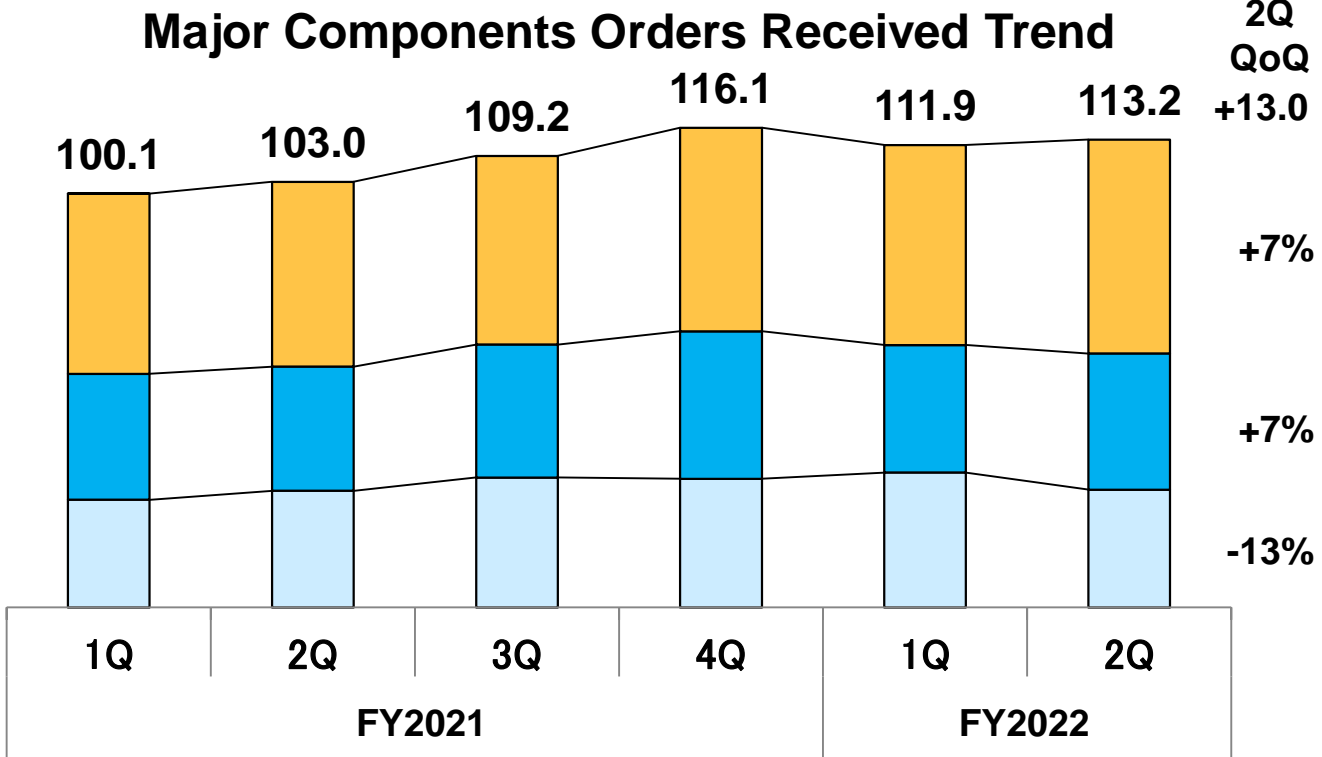
Breakdown of Changes in Amount of Orders Received by Products for 1H FY2022 (YoY Comparison)

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



< Increase and decrease in plant and systems projects >

Power Supply and Facility Systems	+35.7
Energy Management	+15.8
Equipment Construction	+15.0
IT Solutions	+3.8
Power Generation	-16.5



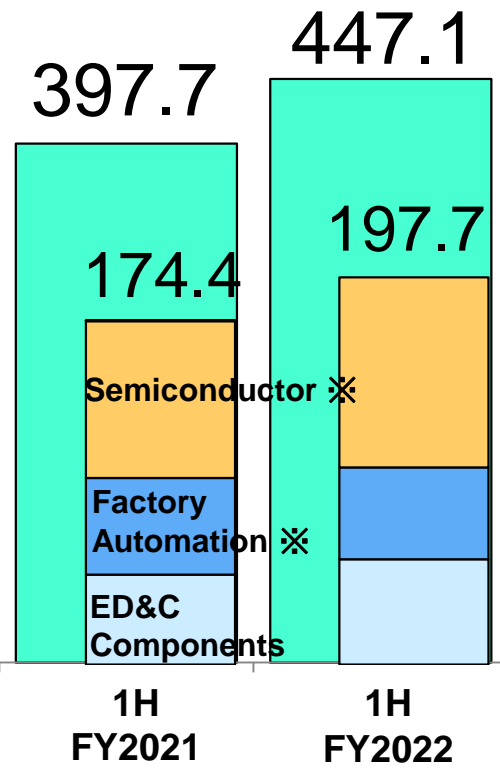
※Semiconductor : industrial (excluding Magnetic Disks), automotive
 ※Factory Automation : low-voltage inverters, motors, FA components and measuring instruments
 ※Figures for FY2021 reflect the organizational restructuring conducted in FY2022.

Breakdown of Changes in Amount of Sales by Products for 1H FY2022 (YoY Comparison)

Higher sales of semiconductors, ED&C components, and plant systems
Recovery in factory automation component performance in 2Q when compared to 1Q

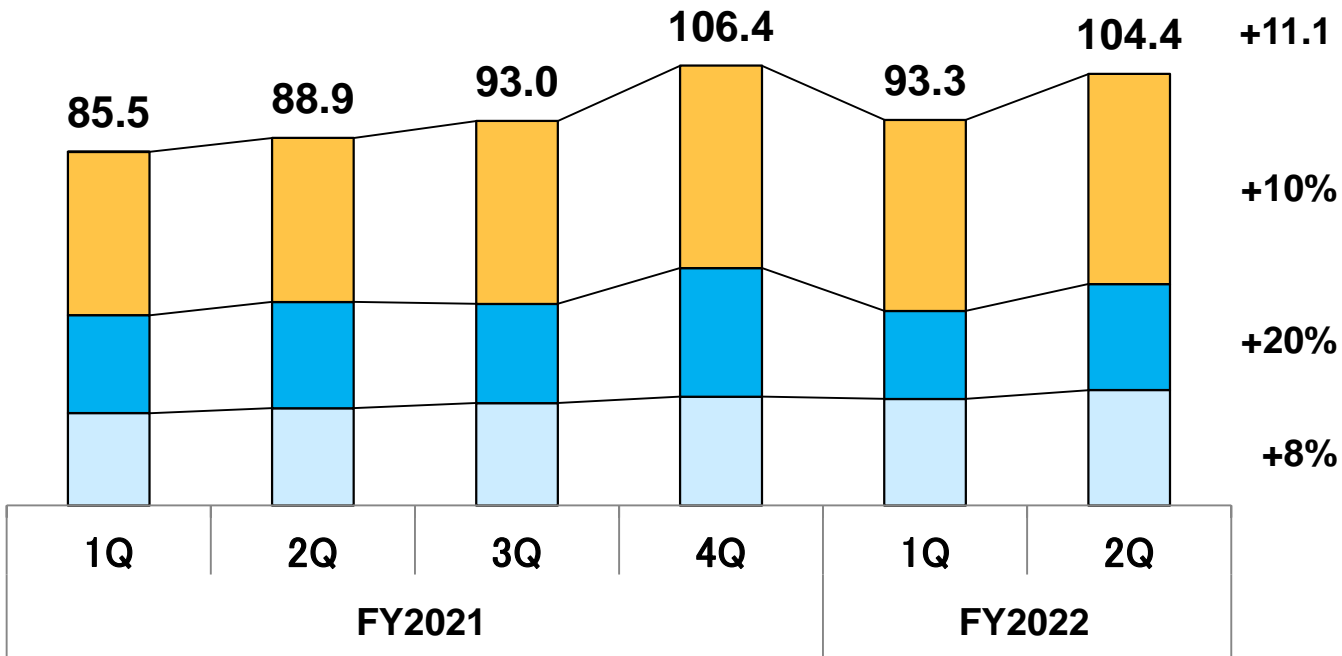
(Billion yen)

< Increase and decrease in plant and systems projects >
 Power Supply and Facility Systems +10.7
 Power Generation +8.2
 IT Solutions +6.9



YoY
 +49.5
 +23.2
 +23%
 -5%
 +17%

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. 1H FY2022 Results

(Comparison with Forecasts on July 28, 2022)

Summary of Consolidated Financial Results for 1H FY2022 (Comparison with Forecasts on July 28, 2022)

Expectation-exceeding income growth in Power Electronics Energy, Semiconductor, and Food and Beverage Distribution segments

(Billion yen)	Forecasts (July 28, 2022)	Results	Change
Net Sales	424.0	447.1	23.1
Operating Income/Loss (Operating margin)	22.0 (5.2%)	26.7 (6.0%)	4.7 (6.0%)
Ordinary Income/Loss	22.0	28.9	6.9
Net Income Attributable to Owners of Parent	15.5	20.3	4.8

Net Sales

Gain on translation of earnings of overseas subsidiaries	+12.6
Demand Increase	+10.5

Operating Income/Loss

Increase in sales and production volumes	+3.2
Decrease in fixed costs	+1.8
Exchange rate effect	+2.0
Others*	-2.3
	+4.7

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

(Billion yen)	Forecasts (July 28, 2022)		Results		Change		Change factor
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	
Power Electronics Energy	109.0	7.2	115.6	9.6	+3.7* 6.6	+0.7* 2.4	Higher sales and income due to ED&C Components demand increase
Power Electronics Industry	144.0	1.7	150.2	1.1	+3.8* 6.2	+0.4* -0.6	Higher sales due to increased automation systems business sales and beneficial foreign exchange influences, but lower income because of higher raw material prices
Semiconductor	93.0	13.4	97.0	14.9	+4.5* 4.0	+0.9* 1.5	Net sales in line with forecast when excluding foreign exchange influences; sales of industrial semiconductors compensating for decline in sales of automotive semiconductors; higher operating income following increased production and reduced fixed costs
Power Generation	32.0	0.0	34.8	-0.5	2.8	-0.5	Higher sales due to early recording of projects scheduled for 2H, but lower income because of differences in profitability between projects
Food and Beverage Distribution	44.0	2.2	44.8	3.2	0.8	1.0	Higher sales and income due to increased demand for vending machines in Japan and for store distribution equipment and reduced fixed costs
Others	26.0	1.1	28.6	1.5	2.6	0.4	
Elimination and Corporate	-24.0	-3.6	-23.9	-3.2	0.1	0.4	
Total	424.0	22.0	447.1	26.7	23.1	4.7	

* Exchange rate effect

3. Balance Sheet

Cash Flow Statement

Consolidated Balance Sheet at the End of 1H FY2022

Assets

	3/31/22	9/30/22	Change
Cash and time deposit	93.0	111.5	18.5
Notes and account receivables, trade receivables	357.3	307.3	-50.1
Inventories	170.3	200.9	30.6
Other current assets	61.4	75.0	13.6
Total current assets	682.0	694.6	12.6
Tangible fixed assets	233.7	246.2	12.5
Intangible fixed assets	22.5	24.0	1.5
Investments and other assets	178.9	160.8	-18.1
Total long-term assets	435.1	431.0	-4.0
Deferred assets	0.1	0.1	-0.0
Total assets	1,117.1	1,125.7	8.6
Net interest-bearing debt※1	117.0	86.2	-30.8
Net D/E ratio※2 (times)	0.2	0.2	-0.1
Equity ratio	42.3%	43.5%	1.1%

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

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

Liabilities and Net Assets

(Billion yen)

	3/31/22	9/30/22	Change
Notes and account payables, trade payables	171.7	175.2	3.5
Interest-bearing debts	208.4	197.2	-11.2
Other liabilities	213.2	212.6	-0.6
Total liabilities	593.4	585.0	-8.4
Capital stock	47.6	47.6	-
Capital surplus	46.0	46.0	-0.0
Retained earnings	319.3	331.7	12.4
Treasury stock at cost	-7.4	-7.4	-0.0
Shareholders' equity	405.5	417.9	12.4
Accumulated other comprehensive income	67.4	71.3	3.9
Non-controlling interests	50.8	51.5	0.7
Total net assets	523.7	540.7	16.9
Total liabilities and net assets	1,117.1	1,125.7	8.6

Consolidated Cash Flow for 1H FY2022

(Billion yen)

		1H FY2021	1H FY2022
I	Cash Flows from Operating Activities	39.8	59.9
II	Cash Flows from Investing Activities	0.2	-10.7
I + II	Free Cash Flow	40.0	49.2
III	Cash Flows from Financing Activities	-19.2	-35.7
IV	Cash and Cash Equivalents at End of Period	97.1	110.9

4. FY2022 Forecasts

(Comparison with Forecasts on July 28, 2022)

Summary of Consolidated Financial Results Forecasts for FY2022 Fuji Electric (Comparison with Forecasts on July 28, 2022)

Innovating Energy Technology

Upward revision to full-year forecast in reflection of six-month performance

(Billion yen)	Forecasts (July 28, 2022)	Forecasts (October 27, 2022)	Change
Net Sales	960.0	985.0	+15.9* 25.0
Operating Income/Loss (Operating margin)	82.0 (8.5%)	87.0 (8.8%)	+2.2* 5.0 (0.3%)
Ordinary Income/Loss	83.0	88.0	5.0
Net Income Attributable to Owners of Parent	59.0	59.5	0.5

Assumed Exchange Rate for 2nd Half

	US\$	EURO	RMB
Exchange Rate (Yen)	¥135.00 (July 28 Forecasts ¥120.00)	¥135.00 (July 28 Forecasts ¥133.00)	¥19.50 (July 28 Forecasts ¥19.00)
Foreign Exchange Rate Sensitivity (Million yen)	-10	60	160

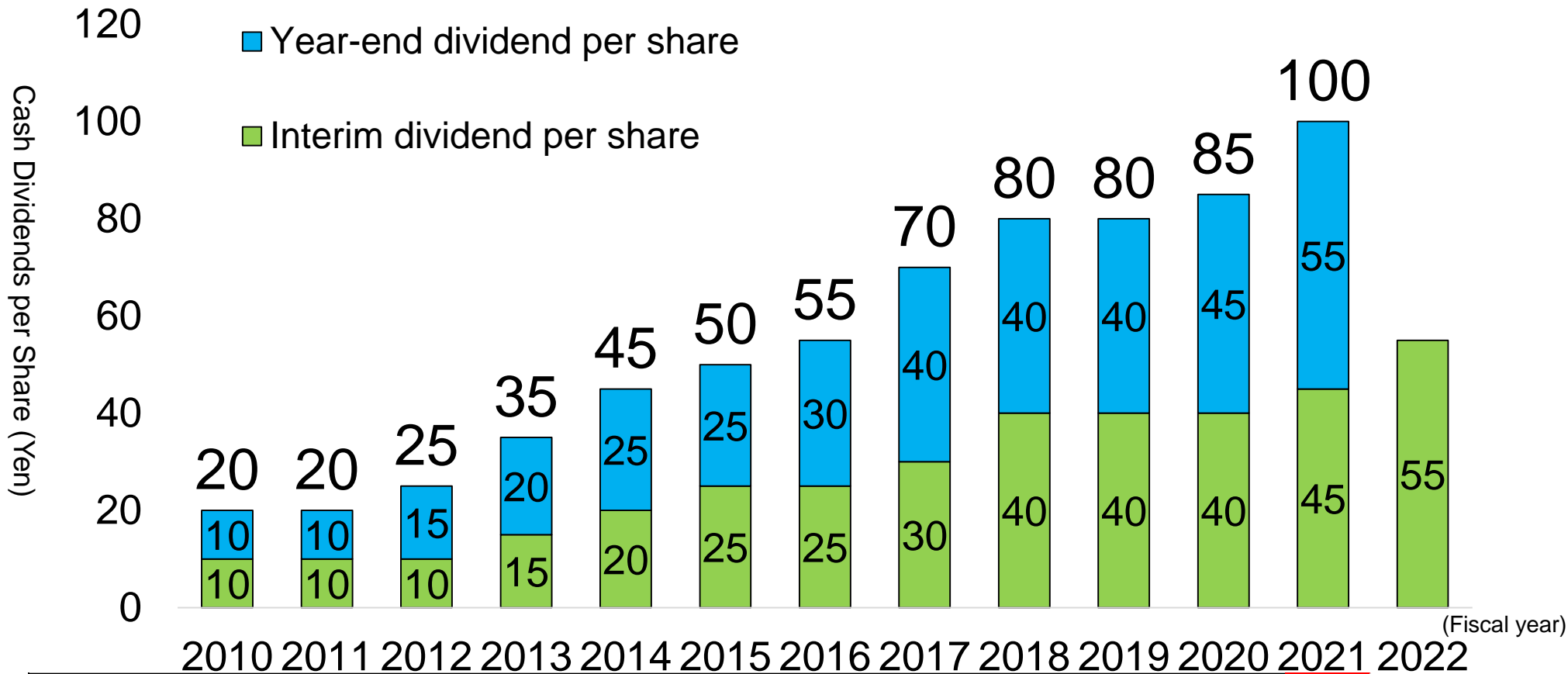
US\$ and EURO: Impact of ¥1-fluctuations, RMB: Impact of 1% fluctuations

(Billion yen)	Forecasts (July 28, 2022)		Forecasts (October 27, 2022)		Change	
	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss
Power Electronics Energy	236.0	22.1	252.0	26.6	+5.6* 16.0	+1.1* 4.5
Power Electronics Industry	349.0	26.8	355.0	25.6	+5.4* 6.0	+0.3* -1.2
Semiconductor	200.0	30.5	204.0	31.3	+4.0* 4.0	+1.0* 0.8
Power Generation	82.0	4.1	82.0	4.1	0.0	0.0
Food and Beverage Distribution	92.0	5.1	93.0	4.2	1.0	-0.9
Others	54.0	2.6	55.0	3.3	1.0	0.7
Elimination and Corporate	-53.0	-9.2	-56.0	-8.1	-3.0	1.1
Total	960.0	82.0	985.0	87.0	25.0	5.0

* Exchange rate effect

5. Divided of Surplus

Interim dividend of ¥55 per share decided



Dividend payout ratio	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	18.9%	24.2%	13.6%	25.5%	23.0%	23.3%	19.2%	26.5%	28.4%	39.7%	29.0%	24.3%	

※Dividend figures for prior to the reverse stock split (the fiscal years ended March 31, 2011 to 2018, and the six-month period ended September 30, 2018) are per five shares.

6. Reference

■ ED&C components amount of orders received

	2Q QoQ	2Q YoY
All	-13%	+1%
Japan	-8%	+2%
Overseas	-25%	-2%

1H YoY
+13%
+16%
+4%

■ Low-voltage inverters amount of orders received

	2Q QoQ	2Q YoY
All	+12%	+32%
Japan	+32%	+8%
Overseas	+3%	+50%

1H YoY
+24%
+0%
+41%

■ Semiconductor amount of orders received

	2Q QoQ	2Q YoY
All (Excluding Magnetic Disks)	+7%	+16%
Industrial (Excluding Magnetic Disks)	+1%	+6%
Automotive	+15%	+30%

1H YoY
+13%
+6%
+26%

■ Vending machines amount of orders received

	2Q QoQ	2Q YoY
All	+2%	+11%

1H YoY
+11%

Summary of Consolidated Financial Results Forecasts for FY2022 (YoY Comparison)

(Billion yen)	FY2021 Results	FY2022 Forecasts (October 27, 2022)	Change
Net Sales	910.2	985.0	74.8
Operating Income/Loss (Operating margin)	74.8 (8.2%)	87.0 (8.8%)	12.2 (0.6%)
Ordinary Income/Loss	79.3	88.0	8.7
Net Income Attributable to Owners of Parent	58.7	59.5	0.8

(Billion yen)	FY2021 Results		FY2022 Forecasts (October 27, 2022)		Change	
	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss
Power Electronics Energy	231.0	21.2	252.0	26.6	21.0	5.4
Power Electronics Industry	324.1	23.8	355.0	25.6	30.9	1.8
Semiconductor	178.8	27.1	204.0	31.3	25.2	4.2
Power Generation	78.6	3.1	82.0	4.1	3.4	1.0
Food and Beverage Distribution	90.8	3.0	93.0	4.2	2.2	1.2
Others	54.7	2.8	55.0	3.3	0.3	0.5
Elimination and Corporate	-47.8	-6.3	-56.0	-8.1	-8.2	-1.8
Total	910.2	74.8	985.0	87.0	74.8	12.2

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

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