

Consolidated Financial Results for 3Q FY2022

January 26, 2023

Fuji Electric Co., Ltd.

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1. 3Q FY2022 Results

(YoY Comparison)

Summary of Consolidated Financial Results for 9 months (Apr.-Dec.) FY2022 (YoY Comparison)

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

(Billion yen)

	9 months FY2021 Results	9 months FY2022 Results	Change
Net Sales	620.0	690.8	70.8
Operating Income/Loss (Operating margin)	32.7 (5.3%)	42.4 (6.1%)	9.8 (0.9%)
Ordinary Income/Loss	34.1	41.3	7.1
Extraordinary Income/Loss	7.2	8.3	1.1
Income/Loss before Income Taxes	41.4	49.6	8.2
Income Taxes	12.7	16.4	3.6
Net Income Attributable to Non-controlling Interests	3.2	4.3	1.0
Net Income Attributable to Owners of Parent	25.4	29.0	3.6

(Period-End rate : end of December)

(Yen)

US\$	115.02	132.70	+17.68
EURO	130.51	141.47	+10.96
RMB	18.06	19.01	+0.95

(Average Exchange Rate)

(Yen)

US\$	111.10	136.51	+25.41
EURO	130.62	140.59	+9.97
RMB	17.25	19.88	+2.63

Net Sales

Gain on translation of earnings of overseas subsidiaries	+15.4
Demand Increase	+55.4

Operating Income/Loss

Increase in sales and production volumes	+24.6
Increase in fixed costs	-15.9
Exchange rate effect	+4.2
Others*	-3.2
	+ 9.8

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

Non-operating Income/Loss

Net interest expense	+0.3	(1.2	→ 1.5)
Foreign exchange income	-1.2	(0.4	→ -0.8)
Others	-1.7	(-0.1	→ -1.8)
	-2.6	(1.5	→ -1.2)

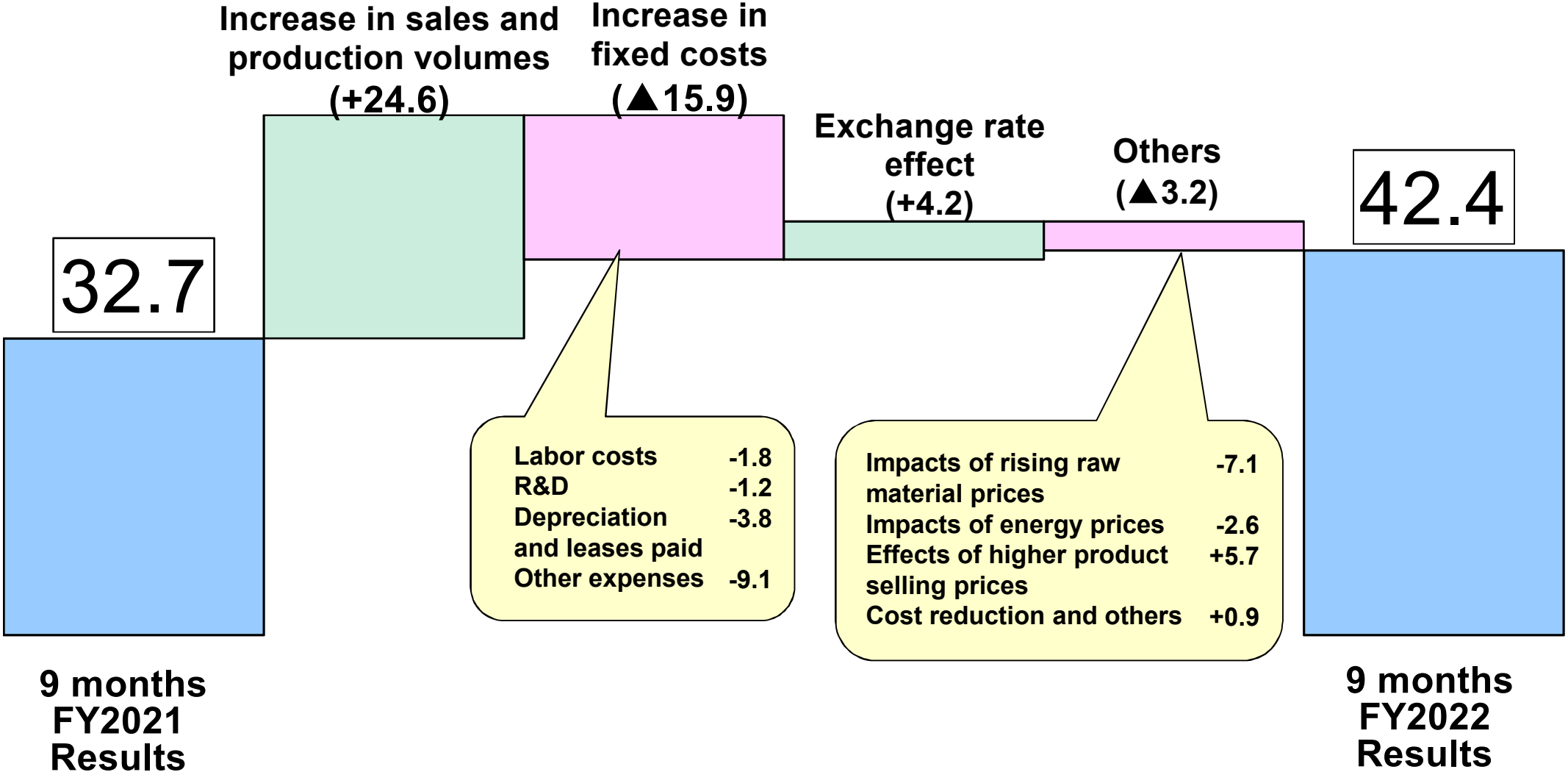
Extraordinary Income/Loss

Gain on sales of investment securities	+0.4	(8.5	→ 8.9)
Withdrawal from magnetic disk business	+0.4	(-0.4	→ 0.0)
Others	+0.3	(-0.8	→ -0.5)
	+1.1	(7.2	→ 8.3)

Breakdown of Changes in Operating Results for 9 months (Apr.-Dec.) FY2022 (YoY Comparison)

Increase in income, despite higher material and energy prices and fixed costs, due to rises in sales and production volumes as well as foreign exchange influences

(Billion yen)



Net Sales and Operating Income by Segment for 9 months (Apr.-Dec.) FY2022 (YoY Comparison)

Growth in sales in all segments
Lower operating income due to reduced production in Power Electronics Industry segment

(Billion yen)

	9 months FY2021 Results			9 months FY2022 Results			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	155.5	9.3	6.0%	180.2	15.3	8.5%	24.6	6.0	2.5%
Power Electronics Industry	220.4	6.4	2.9%	233.1	3.8	1.6%	12.8	-2.5	-1.3%
Semiconductor	129.4	19.2	14.8%	146.9	22.5	15.3%	17.4	3.3	0.5%
Power Generation	44.3	-1.1	-2.5%	55.7	0.2	0.4%	11.3	1.4	3.0%
Food and Beverage Distribution	65.3	1.6	2.4%	68.4	2.9	4.2%	3.1	1.3	1.8%
Others	39.4	1.7	4.2%	43.2	2.5	5.7%	3.8	0.8	1.5%
Elimination and Corporate	-34.4	-4.3	-	-36.7	-4.8	-	-2.2	-0.5	-
Total	620.0	32.7	5.3%	690.8	42.4	6.1%	70.8	9.8	0.9%

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

Business Results by Segment for 9 months (Apr.-Dec.) FY2022 (YoY Comparison) ①

(Billion yen)

			9 months FY2021 Results	9 months FY2022 Results	Change	Overview
Power Electronics	Energy	Net Sales	155.5	180.2	24.6 +5.7*	<p>Energy Management Net Sales Decreased by 7% Decrease in net sales and operating results as a result of the absence of large-scale orders for substation equipment for industrial applications recorded in the previous equivalent period</p> <p>Power Supply and Facility Systems Net Sales Increased by 35% 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</p> <p>ED&C Components Net Sales Increased by 13% Increase in net sales and operating results due to higher demand from manufacturers of machine tools, semiconductor production equipment, and other finished equipment. Such demand was particularly notable among manufacturers in Japan</p>
		Operating Income/Loss	9.3	15.3	6.0 +1.4*	
	Industry	Net Sales	220.4	233.1	12.8 +3.5*	<p>Automation Systems Net Sales Increased by 4% Increase in net sales as the benefits of foreign exchange influences outweighed the impacts of the COVID-19 pandemic seen 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 and FA components</p> <p>Social Solutions Net Sales Decreased by 11% Decrease in net sales and operating results due to decreases in ship- and railcar-related orders</p> <p>Equipment Construction Net Sales Increased by 1% Increase in net sales as a result of higher demand for electrical equipment construction but decrease in operating results due to increases in material and equipment prices</p> <p>IT Solutions Net Sales Increased by 19% Increase in net sales and operating results due to higher demand for large-scale academic- and private-sector projects</p>
		Operating Income/Loss	6.4	3.8	-2.5 +0.1*	

※Figures for FY2021 reflect the organizational restructuring conducted in FY2022. * Exchange rate effect

Business Results by Segment for 9 months (Apr.-Dec.) FY2022 (YoY Comparison) ②

(Billion yen)

		9 months FY2021 Results	9 months FY2022 Results	Change	Overview																
Semiconductor	Net Sales	129.4	146.9	17.4 +5.3*	<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. The growth in sales and increased production levels resulted from high operating ratios led to improvements in operating results, despite 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>FY2021</th> <th>FY2022</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>77.6</td> <td>78.5</td> <td>0.9</td> </tr> <tr> <td>Magnetic Disks</td> <td>6.0</td> <td>0.0</td> <td>-6.0</td> </tr> <tr> <td>Automotive</td> <td>51.9</td> <td>68.4</td> <td>16.5</td> </tr> </tbody> </table>	Breakdown of sales	FY2021	FY2022	Change	Industrial	77.6	78.5	0.9	Magnetic Disks	6.0	0.0	-6.0	Automotive	51.9	68.4	16.5
	Breakdown of sales	FY2021	FY2022	Change																	
Industrial	77.6	78.5	0.9																		
Magnetic Disks	6.0	0.0	-6.0																		
Automotive	51.9	68.4	16.5																		
	Operating Income/Loss	19.2	22.5	3.3 +2.9*																	
Power Generation	Net Sales	44.3	55.7	11.3	<p>Increase in net sales and operating income due to the benefits of large-scale renewable energy projects and differences in profitability between projects</p>																
		Operating Income/Loss	-1.1	0.2		1.4															
Food and Beverage Distribution	Net Sales	65.3	68.4	3.1	<p>Vending Machines Net Sales Increased by 14% Increase in net sales and operating results because of growth in demand in Japan and the benefits of cost reduction activities, which counteracted the negative impacts of a Chinese subsidiary recording an allowance for doubtful accounts</p> <p>Store Distribution Net Sales Decreased by 3% 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>																
		Operating Income/Loss	1.6	2.9		1.3															

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

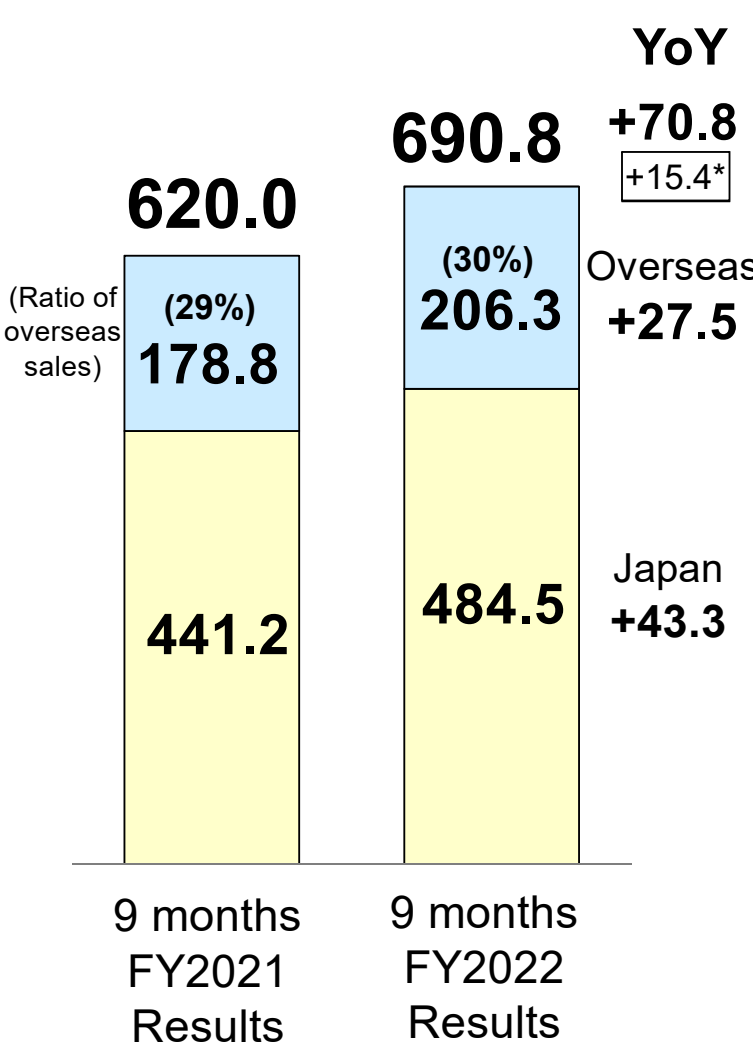
* Exchange rate effect

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Net Sales by Japan and Overseas Area for 9 months (Apr.-Dec.) FY2022 (YoY Comparison)

Sales growth in Asia, Europe, and the Americas
Higher performance in power electronics, semiconductor, and power generation businesses

(Billion yen)



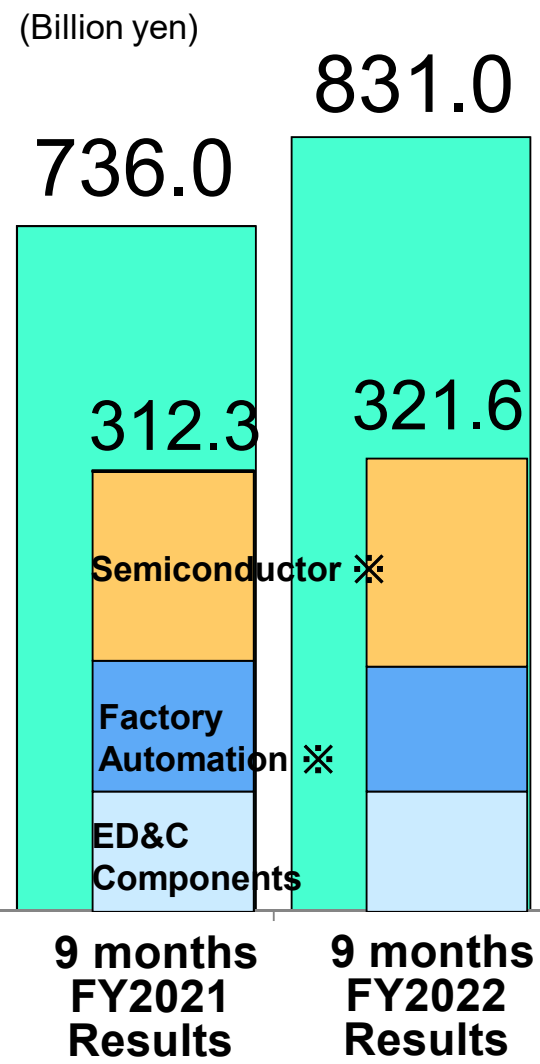
	9 months FY2021 Results	9 months FY2022 Results	Change
Overseas	178.8	206.3	+27.5
Asia and Others	80.9	102.2	+21.3
China	72.5	64.6	-7.9
Europe	13.7	21.8	+8.1
Americas	11.6	17.7	+6.0

* Exchange rate effect

Power Supply and Facility Systems	+9.6
ED&C Components	+1.5
Automation Systems	+6.2
Semiconductor	-1.2
(Including Magnetic Disks)	-6.0
Power Generation	+5.7
ED&C Components	-1.5
Automation Systems	-5.2
Food and Beverage Distribution	-1.0
Automation Systems	+1.0
Semiconductor	+6.5
Energy Management	+0.8
ED&C Components	+0.7
Automation Systems	+1.6
Social Solutions	+0.8
Power Generation	+1.2

Breakdown of Changes in Amount of Orders Received by Products for 9 months (Apr.-Dec.) FY2022 (YoY Comparison)

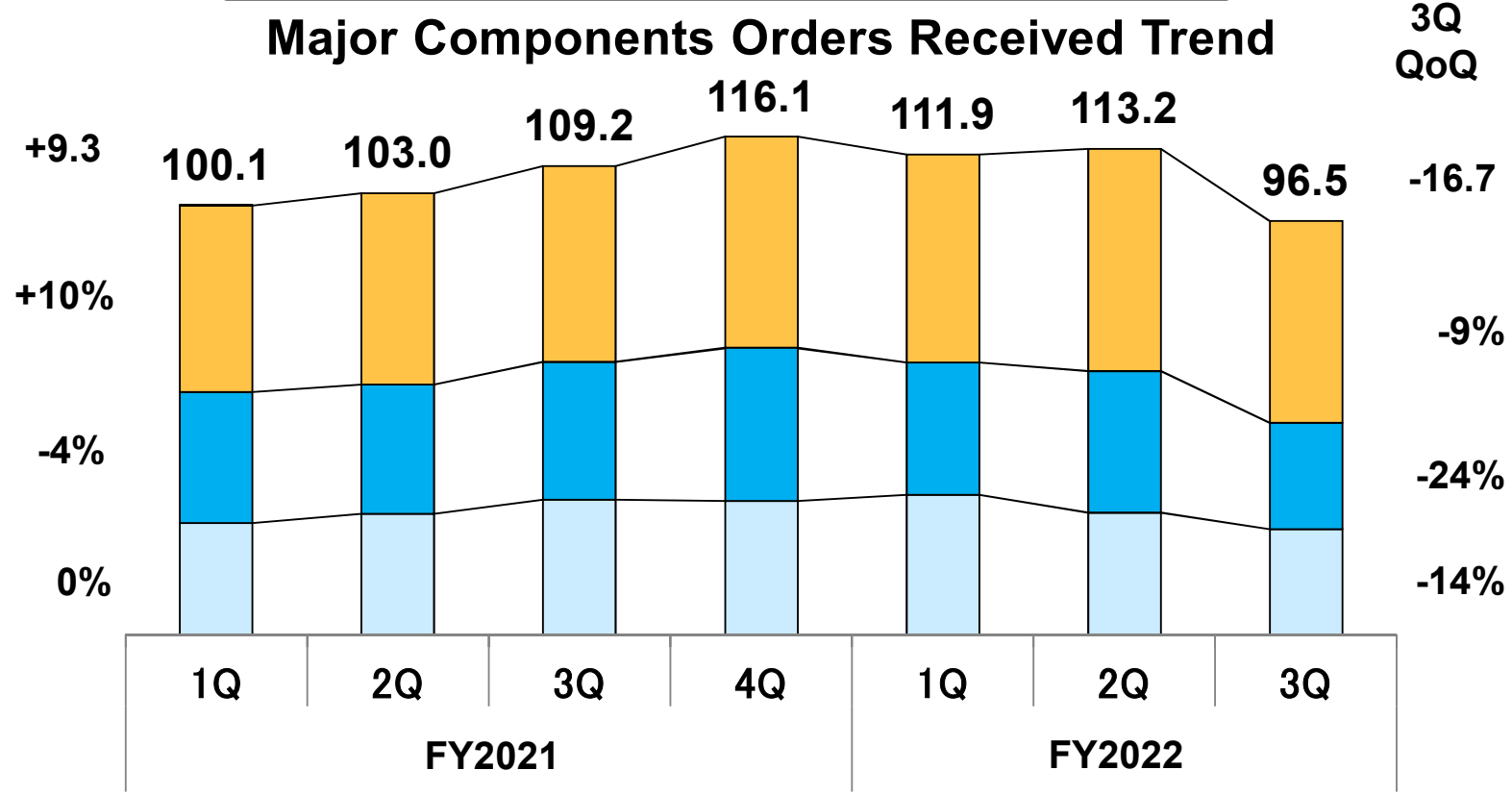
Massive increase in power electronics plant and system orders
Decrease in component orders compared with 2Q



YoY +95.1

< Increase and decrease in plant and systems projects >

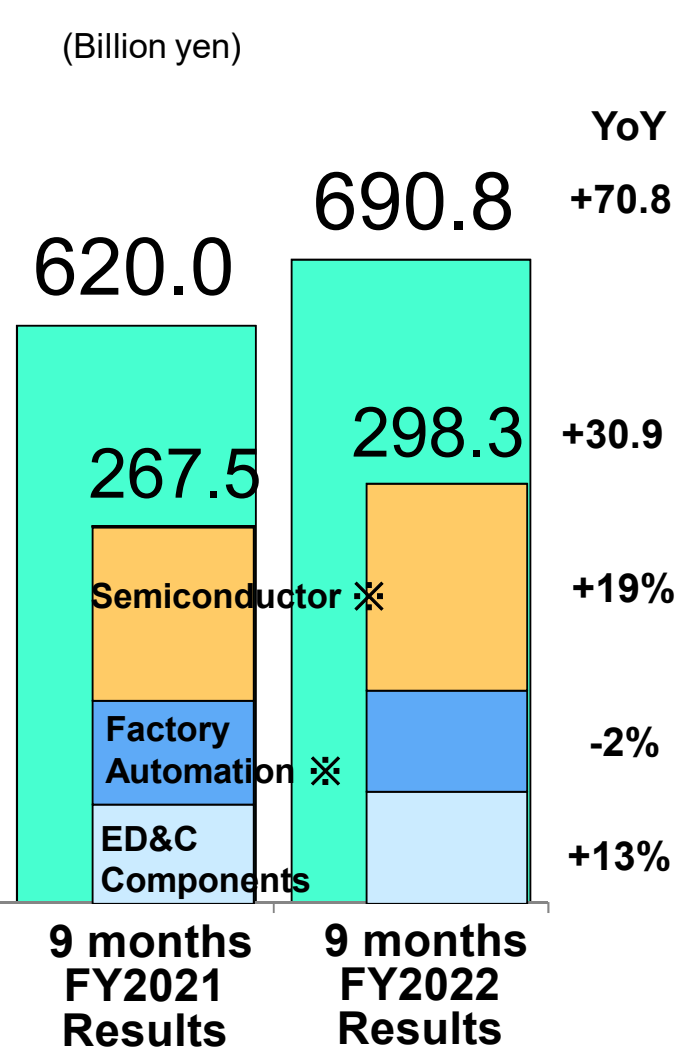
Power Supply and Facility Systems	+44.2
Energy Management	+22.9
Equipment Construction	+14.9
IT Solutions	+5.3
Power Generation	-12.9



※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.

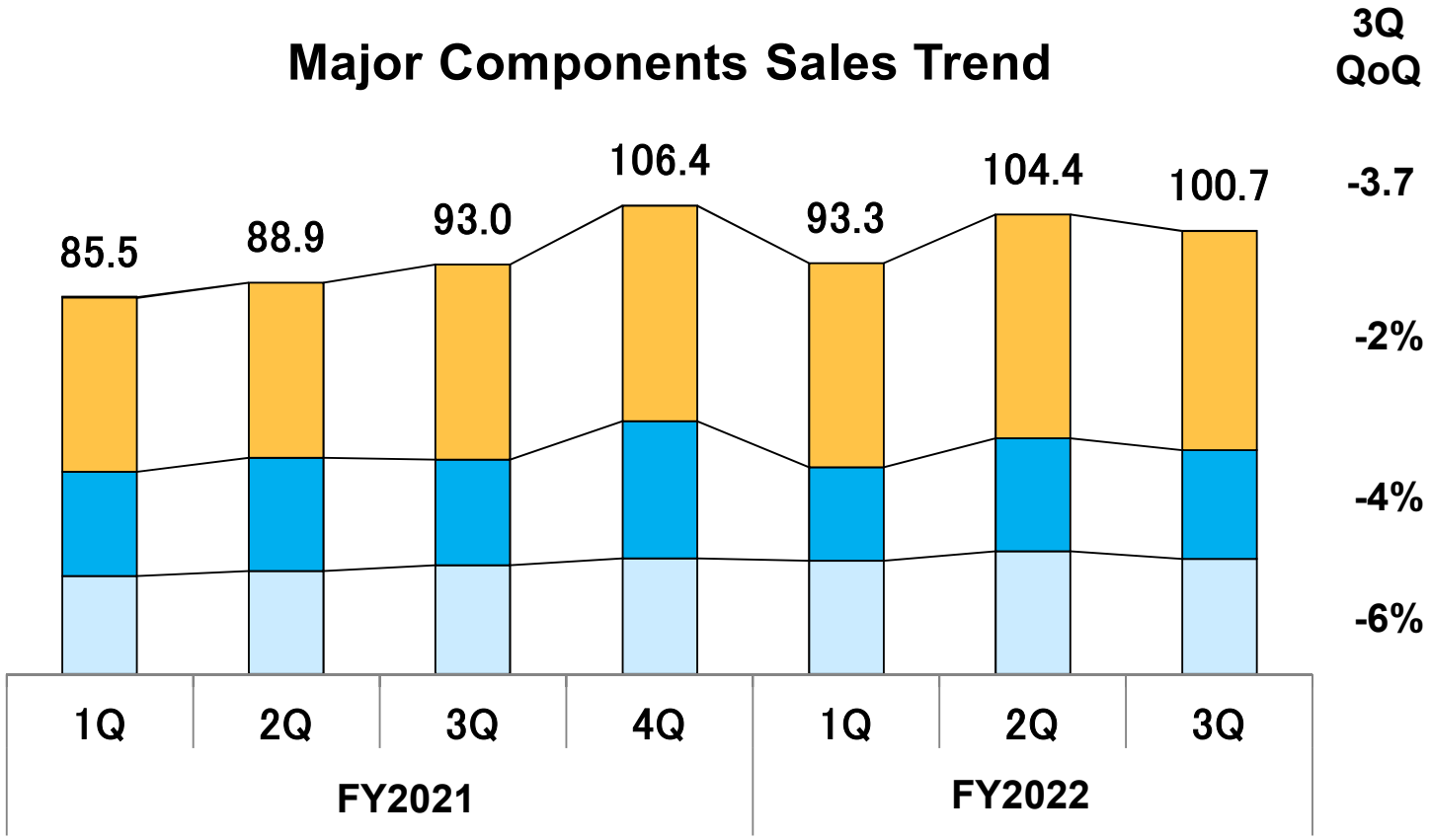
Breakdown of Changes in Amount of Sales by Products for 9 months (Apr.-Dec.) FY2022 (YoY Comparison)

Ongoing high sales of major components supported by order backlog
Continuation of favorable plant and system sales



< Increase and decrease in plant and systems projects >

Power Supply and Facility Systems	+17.7
Power Generation	+11.3
IT Solutions	+7.2



※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. Balance Sheet

Consolidated Balance Sheet at the End of 3Q FY2022

Assets

	3/31/22	12/31/22	Change
Cash and time deposit	93.0	97.1	4.1
Notes and account receivables, trade receivables	357.3	328.9	-28.5
Inventories	170.3	210.2	39.9
Other current assets	61.4	62.2	0.9
Total current assets	682.0	698.4	16.5
Tangible fixed assets	233.7	266.7	33.0
Intangible fixed assets	22.5	23.3	0.8
Investments and other assets	178.9	160.7	-18.2
Total long-term assets	435.1	450.7	15.6
Deferred assets	0.1	0.1	-0.0
Total assets	1,117.1	1,149.2	32.1
Net interest-bearing debt※1	117.0	108.3	-8.8
Net D/E ratio※2 (times)	0.2	0.2	-0.0
Equity ratio	42.3%	42.1%	-0.3%

Liabilities and Net Assets

(Billion yen)

	3/31/22	12/31/22	Change
Notes and account payables, trade payables	171.7	188.1	16.3
Interest-bearing debts	208.4	204.9	-3.5
Other liabilities	213.2	221.0	7.8
Total liabilities	593.4	614.0	20.6
Capital stock	47.6	47.6	-
Capital surplus	46.0	46.0	-0.0
Retained earnings	319.3	332.5	13.2
Treasury stock at cost	-7.4	-7.4	-0.0
Shareholders' equity	405.5	418.7	13.2
Accumulated other comprehensive income	67.4	64.6	-2.9
Non-controlling interests	50.8	52.0	1.1
Total net assets	523.7	535.2	11.5
Total liabilities and net assets	1,117.1	1,149.2	32.1

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

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

3. FY2022 Forecasts

Summary of Consolidated Financial Results Forecasts for FY2022 Fuji Electric (YoY Comparison) Innovating Energy Technology

No changes to full-year performance forecast

(Billion yen)	FY2021 Results	FY2022 Forecasts (January 26, 2023)	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

4Q Assumed Exchange Rate			
	US\$	EURO	RMB
Exchange Rate (Yen)	¥135.00	¥135.00	¥19.50
Foreign Exchange Rate Sensitivity (Million yen)	30.0	40.0	120.0

No change of the exchange rate from the forecast on October 27

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

(Billion yen)	FY2021 Results		FY2022 Forecasts (January 26, 2023)		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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4. Reference

■ ED&C components amount of orders received

	3Q QoQ	3Q YoY
All	-14%	-22%
Japan	-5%	-14%
Overseas	-42%	-48%

9 months (Apr.-Dec.) YoY
0%
+5%
-13%

■ Low-voltage inverters amount of orders received

	3Q QoQ	3Q YoY
All	-41%	-36%
Japan	-34%	-31%
Overseas	-45%	-39%

9 months (Apr.-Dec.) YoY
+2%
-11%
+10%

■ Semiconductor amount of orders received

	3Q QoQ	3Q YoY
All (Excluding Magnetic Disks)	-9%	+3%
Industrial (Excluding Magnetic Disks)	-24%	-17%
Automotive	+9%	+30%

9 months (Apr.-Dec.) YoY
+10%
-2%
+27%

■ Vending machines amount of orders received

	3Q QoQ	3Q YoY
All	+6%	+20%

9 months (Apr.-Dec.) YoY
+14%

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