

**Consolidated Financial Results for first half of the fiscal year ending March 31, 2020**  
**(April 1, 2019 — September 30, 2019)**

**Summary of Consolidated Financial Results (Six months ended September 30, 2019)**

**1. Summary of consolidated statements of operations**

	Millions of yen		Change(%) (A)/(B)	Millions of U.S. dollars
	1H FY2019 (A)	1H FY2018 (B)		1H FY2019
Net sales	406,661	419,431	97.0%	3,801
Operating income	11,116	18,519	60.0%	104
Ordinary income	10,861	19,423	55.9%	102
Net income attributable to owners of parent	5,978	12,536	47.7%	56
	Yen			U.S. dollars
Net income per share (*)	41.85	87.76		0.39

(\*) Fuji Electric conducted a 1-for-5 common stock consolidation effective October 1, 2018.

Net income per share is calculated assuming that the share consolidation was executed at the beginning of the previous consolidated fiscal year.

**2. Summary of consolidated financial position**

	Millions of yen		Millions of U.S. dollars
	9/30/2019	3/31/2019	9/30/2019
Total assets	950,433	952,659	8,883
Net assets	390,605	392,061	3,651
Equity ratio (%)	37.1%	37.0%	-

Note: U.S. dollar amounts in this financial report are translated, for convenience only, at the rate of ¥107=U.S.\$1

**3. Forecast of consolidated earnings for the fiscal year ending March 31, 2020**  
**(April 1, 2019 - March 31, 2020)**

	Millions of yen
	FY2019
Net sales	915,000
Operating income	50,000
Ordinary income	51,600
Net income attributable to owners of parent	33,000
	Yen
	FY2019
Net income per share	231.02

< 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
	9/30/2019	3/31/2019	9/30/2019
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	23,128	29,304	216
Notes and accounts receivable-trade	266,660	308,831	2,492
Merchandise and finished goods	69,753	62,185	652
Work in process	82,084	63,914	767
Raw materials and supplies	53,167	50,871	497
Other	68,181	60,072	637
Allowance for doubtful accounts	(2,180)	(2,084)	(20)
<b>Total Current assets</b>	<b>560,794</b>	<b>573,096</b>	<b>5,241</b>
<b>Noncurrent assets:</b>			
Net Property, plant and equipment	181,814	182,124	1,699
Intangible assets	24,938	17,843	233
Investments and other assets			
Investment securities	137,237	133,348	1,283
Net defined benefit asset	16,865	16,382	158
Other	29,132	30,195	272
Allowance for doubtful accounts	(483)	(484)	(5)
<b>Total Investments and other assets</b>	<b>182,751</b>	<b>179,442</b>	<b>1,708</b>
<b>Total Noncurrent assets</b>	<b>389,503</b>	<b>379,410</b>	<b>3,640</b>
<b>Deferred assets</b>	<b>135</b>	<b>152</b>	<b>1</b>
<b>Total Assets</b>	<b>950,433</b>	<b>952,659</b>	<b>8,883</b>

## Consolidated Balance Sheets

	Millions of yen		Millions of U.S. dollars
	9/30/2019	3/31/2019	9/30/2019
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	169,161	196,669	1,581
Short-term loans payable	30,058	48,296	281
Commercial papers	42,000	8,000	393
Current portion of bonds	15,000	-	140
Income taxes payable	3,959	10,892	37
Advances received	57,877	45,496	541
Other	103,901	116,538	971
<b>Total Current liabilities</b>	<b>421,958</b>	<b>425,894</b>	<b>3,944</b>
<b>Noncurrent liabilities:</b>			
Bonds payable	35,000	50,000	327
Long-term loans payable	26,162	10,548	245
Provision for directors' retirement benefits	186	215	2
Net defined benefit liability	47,706	45,794	446
Other	28,813	28,145	269
<b>Total Noncurrent liabilities</b>	<b>137,869</b>	<b>134,704</b>	<b>1,288</b>
<b>Total Liabilities</b>	<b>559,828</b>	<b>560,598</b>	<b>5,232</b>
<b>Net Assets</b>			
<b>Shareholders' equity:</b>			
Capital stock	47,586	47,586	445
Capital surplus	45,948	46,067	429
Retained earnings	224,204	223,940	2,095
Treasury stock	(7,321)	(7,316)	(68)
<b>Total Shareholders' equity</b>	<b>310,418</b>	<b>310,276</b>	<b>2,901</b>
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	47,137	43,974	441
Deferred gains or losses on hedges	(494)	(280)	(5)
Foreign currency translation adjustments	(3,697)	368	(35)
Remeasurements of defined benefit plans	(872)	(1,417)	(8)
<b>Total Accumulated other comprehensive income</b>	<b>42,072</b>	<b>42,645</b>	<b>393</b>
<b>Non-controlling interests</b>	<b>38,115</b>	<b>39,139</b>	<b>356</b>
<b>Total Net assets</b>	<b>390,605</b>	<b>392,061</b>	<b>3,651</b>
<b>Total Liabilities and Net assets</b>	<b>950,433</b>	<b>952,659</b>	<b>8,883</b>

# Consolidated Statements of Income

	Millions of yen		Millions of U.S. dollars
	1H FY2019	1H FY2018	1H FY2019
<b>Net sales</b>	406,661	419,431	3,801
<b>Cost of sales</b>	308,113	313,528	2,880
<b>Gross profit</b>	98,548	105,902	921
<b>Selling, general and administrative expenses</b>	87,431	87,383	817
<b>Operating income</b>	11,116	18,519	104
<b>Non-operating income</b>			
Interest income	123	270	1
Dividends income	1,541	1,256	14
Foreign exchange gains	-	668	-
Other	575	231	5
<b>Total Non-operating income</b>	2,240	2,426	21
<b>Non-operating expenses</b>			
Interest expense	678	793	6
Equity in losses of affiliates	568	577	5
Foreign exchange losses	953	-	9
Other	294	150	3
<b>Total Non-operating expenses</b>	2,495	1,522	23
<b>Ordinary income</b>	10,861	19,423	102
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	206	40	2
Gain on sales of investment securities	207	697	2
Foreign currency translation adjustments reversal gains	-	1,299	-
<b>Total Extraordinary income</b>	414	2,037	4
<b>Extraordinary loss</b>			
Loss on disposal of noncurrent assets	298	171	3
Loss on valuation of investment securities	429	-	4
Loss on compensation for damage	421	-	4
<b>Total Extraordinary loss</b>	1,149	171	11
<b>Income before income taxes</b>	10,126	21,290	95
<b>Income taxes</b>	3,193	6,638	30
<b>Net income</b>	6,933	14,651	65
<b>Net income attributable to non-controlling interests</b>	954	2,114	9
<b>Net income attributable to owners of parent</b>	5,978	12,536	56

**Consolidated Statements of Comprehensive Income**

	Millions of yen		Millions of U.S. dollars
	1H FY2019	1H FY2018	1H FY2019
<b>Net income</b>	6,933	14,651	65
<b>Other comprehensive income</b>			
Valuation difference on available-for-sale securities	3,191	2,244	30
Deferred gains or losses on hedges	(214)	(84)	(2)
Foreign currency translation adjustments	(4,768)	(399)	(45)
Remeasurements of defined benefit plans	493	(697)	5
Share of other comprehensive income of associates accounted for using equity method	59	35	1
<b>Total other comprehensive Income</b>	(1,238)	1,098	(12)
<b>Comprehensive income</b>	5,694	15,750	53
Comprehensive income attributable to owners of parent	5,406	13,846	51
Comprehensive income attributable to non-controlling interests	288	1,903	3

**Consolidated Statements of Cash Flows**

	Millions of yen		Millions of U.S. dollars
	1H FY2019	1H FY2018	1H FY2019
<b>I Cash flows from operating activities</b>			
Income before income taxes	10,126	21,290	95
Depreciation and amortization	15,109	15,289	141
Increase (decrease) in allowance for doubtful accounts	(19)	(24)	(0)
Interest and dividends income	(1,664)	(1,526)	(16)
Interest expenses	678	793	6
Foreign exchange losses (gains)	8	(1,132)	0
Loss (gain) on sales of noncurrent assets	(206)	(40)	(2)
Loss (gain) on sales of investment securities	(207)	(697)	(2)
Loss (gain) on disposal of noncurrent assets	298	171	3
Foreign currency translation adjustments reversal gains	-	(1,299)	-
Loss (gain) on devaluation of investment securities	429	-	4
Decrease (increase) in notes and accounts receivable-trade	39,872	17,107	373
Decrease (increase) in inventories	(28,880)	(30,178)	(270)
Increase (decrease) in notes and accounts payable-trade	(25,722)	(8,248)	(240)
Increase (decrease) in advances received	12,218	665	114
Other, net	(12,908)	12,837	(121)
Subtotal	9,132	25,007	85
Interest and dividends income received	1,678	1,553	16
Interest expenses paid	(663)	(812)	(6)
Income taxes paid	(8,861)	(7,785)	(83)
Net cash provided by operating activities	1,286	17,963	12
<b>II Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(12,739)	(7,294)	(119)
Proceeds from sales of property, plant and equipment	471	159	4
Purchase of investment securities	(622)	(18)	(6)
Proceeds from sales of investment securities	303	1,162	3
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,413)	-	(88)
Payments of loans receivable	(3,164)	(3,347)	(30)
Collection of loans receivable	3,072	3,038	29
Other, net	(1,755)	(2,422)	(16)
Net cash used in investing activities	(23,847)	(8,722)	(223)
<b>III Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(826)	(5,094)	(8)
Increase (decrease) in commercial papers	34,000	12,000	318
Proceeds from long-term loans payable	15,798	3,073	148
Repayment of long-term loans payable	(17,862)	(1,506)	(167)
Proceeds from issuance of bonds	-	10,000	-
Redemption of bonds	-	(20,000)	-
Repayments of lease obligations	(6,877)	(6,451)	(64)
Purchase of treasury stock	(4)	(11)	(0)
Cash dividends paid	(5,713)	(5,714)	(53)
Cash dividends paid to non-controlling interests	(1,422)	(1,341)	(13)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(242)	-	(2)
Other, net	-	(52)	-
Net cash used in financing activities	16,849	(15,096)	157
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	(758)	1,187	(7)
<b>V Net increase (decrease) in cash and cash equivalents ( I + II + III + IV )</b>	(6,470)	(4,669)	(60)
<b>VI Cash and cash equivalents at beginning of period</b>	29,134	33,329	272
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	-	138	-
<b>VIII Cash and cash equivalents at end of period</b>	22,664	28,799	212

## Consolidated Segment Information

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

As of April 1, 2019, reflecting change of organization structure, the reporting segments were reclassified from "Power Electronics Systems - Energy Solutions" and "Power Electronics Systems - Industry Solutions", to "Power Electronics Systems Energy" and "Power Electronics Systems Industry".

Additionally, the name of reporting segment was changed from "Power and New Energy" to "Power Generation".

This name change of reporting segment do not effect the contents of information.

The reporting segment information for first half of the fiscal year ended March 31, 2019 has been reclassified to reflect these changes.

#### 1H 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	97,009	133,538	64,315	54,523	41,778	15,495	406,661	-	406,661
Inter-segment sales and transfers	1,094	5,164	1,473	163	55	15,222	23,173	(23,173)	-
Total sales	98,103	138,703	65,788	54,687	41,834	30,718	429,835	(23,173)	406,661
Segment profits (losses)	3,630	(664)	5,989	2,920	799	1,150	13,826	(2,710)	11,116

#### 1H FY2018

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	91,526	137,306	70,108	56,162	49,124	15,202	419,431	-	419,431
Inter-segment sales and transfers	2,301	4,751	1,669	119	27	15,113	23,983	(23,983)	-
Total sales	93,828	142,058	71,778	56,282	49,151	30,315	443,414	(23,983)	419,431
Segment profits (losses)	4,953	1,921	8,578	2,643	1,853	1,131	21,082	(2,563)	18,519

#### 1H FY2019

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	907	1,248	601	510	390	145	3,801	-	3,801
Inter-segment sales and transfers	10	48	14	2	1	142	217	(217)	-
Total sales	917	1,296	615	511	391	287	4,017	(217)	3,801
Segment profits (losses)	34	(6)	56	27	7	11	129	(25)	104

## Supplemental Consolidated Financial Materials

### 1. Financial summary

	Billions of yen					
	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Net sales	230.7	406.7	915.0	223.6	419.4	914.9
Operating income	7.5	11.1	50.0	12.2	18.5	60.0
Ordinary income	7.0	10.9	51.6	12.1	19.4	63.5
Net income attributable to owners of parent	3.4	6.0	33.0	7.2	12.5	40.3

### 2. Number of consolidated subsidiaries

	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Number of consolidated subsidiaries	73	73	73	72	72	72
Japan	23	23	23	23	23	23
Overseas	50	50	50	49	49	49
Number of equity-method associates	4	4	4	5	5	4

### 3. Net income per share

	Yen					
	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Net income per share(*)	24.15	41.85	231.02	50.13	87.76	281.89

(\*) Fuji Electric conducted an 1-for-5 common stock consolidation effective October 1, 2018.

Net income per share is calculated assuming that the share consolidation was executed at the beginning of the previous consolidated fiscal year.

### 4. Average exchange rates (Yen)

	Yen					
	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
US\$	107.35	108.63	106.81	111.46	110.26	110.91
EURO	119.34	121.42	122.21	129.63	129.85	128.41
RMB	15.29	15.68	15.34	16.37	16.75	16.54

### 5. Net sales by reporting segment

	Billions of yen					
	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Power Electronics Systems Energy	55.7	98.1	217.0	49.2	93.8	224.1
Power Electronics Systems Industry	85.2	138.7	337.0	82.9	142.1	322.5
Electronic Devices	32.9	65.8	136.0	36.4	71.8	137.3
Food and Beverage Distribution	25.9	54.7	112.0	27.7	56.3	113.6
Power Generation	27.2	41.8	116.0	24.7	49.2	107.0
Others	15.7	30.7	60.0	15.4	30.3	62.2
Subtotal	242.6	429.8	978.0	236.4	443.4	966.8
Elimination	(12.0)	(23.2)	(63.0)	(12.8)	(24.0)	(51.9)
<b>Total</b>	<b>230.7</b>	<b>406.7</b>	<b>915.0</b>	<b>223.6</b>	<b>419.4</b>	<b>914.9</b>

### 6. Operating income by reporting segment

	Billions of yen					
	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Power Electronics Systems Energy	2.4	3.6	13.8	3.6	5.0	16.8
Power Electronics Systems Industry	2.1	(0.7)	19.4	3.3	1.9	19.4
Electronic Devices	2.7	6.0	11.6	3.8	8.6	15.6
Food and Beverage Distribution	0.7	2.9	5.8	1.2	2.6	5.8
Power Generation	0.2	0.8	4.3	0.9	1.9	4.8
Others	0.6	1.2	2.4	0.6	1.1	2.8
Subtotal	8.8	13.8	57.3	13.4	21.1	65.1
Elimination	(1.3)	(2.7)	(7.3)	(1.3)	(2.6)	(5.2)
<b>Total</b>	<b>7.5</b>	<b>11.1</b>	<b>50.0</b>	<b>12.2</b>	<b>18.5</b>	<b>60.0</b>



## 7. Net overseas sales

Billions of yen						
	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Asia (except for China)	31.2	55.8	-	29.9	57.6	121.7
China	16.1	32.7	-	20.6	41.7	78.4
Europe	4.1	8.8	-	4.0	8.2	16.5
America	3.2	6.3	-	4.0	7.4	15.8
<b>Total</b>	<b>54.7</b>	<b>103.5</b>	<b>-</b>	<b>58.5</b>	<b>114.9</b>	<b>232.4</b>

## 8. R&D expenditures

Billions of yen						
	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Power Electronics Systems Energy	1.8	3.3	7.3	0.4	2.0	5.6
Power Electronics Systems Industry	2.3	4.4	9.3	2.5	4.7	9.3
Electronic Devices	2.7	5.4	11.0	2.9	5.6	11.1
Food and Beverage Distribution	1.2	2.2	4.5	1.1	2.1	4.4
Power Generation	0.8	1.4	3.5	0.9	1.5	3.3
Others	0.0	0.0	0.1	0.0	0.0	0.1
<b>Total</b>	<b>8.6</b>	<b>16.7</b>	<b>35.7</b>	<b>7.8</b>	<b>15.8</b>	<b>33.7</b>
Ratio to net sales (%)	3.7%	4.1%	3.9%	3.5%	3.8%	3.7%

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

Billions of yen						
	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Power Electronics Systems Energy	1.8	3.0	8.9	1.3	2.0	6.5
Power Electronics Systems Industry	1.1	1.8	5.1	1.5	2.2	4.3
Electronic Devices	7.8	14.7	32.7	5.7	8.3	28.1
Food and Beverage Distribution	0.5	0.7	2.2	0.4	0.7	2.3
Power Generation	0.3	0.3	1.1	0.2	0.3	1.1
Others	0.2	0.4	0.7	0.5	0.7	1.0
<b>Total</b>	<b>11.6</b>	<b>21.0</b>	<b>50.6</b>	<b>9.6</b>	<b>14.1</b>	<b>43.3</b>
(Leases)	7.0	13.3	30.7	3.8	6.0	20.6

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

## 10. Depreciation, Leases paid

Billions of yen						
	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Power Electronics Systems Energy	1.2	2.5	5.2	1.2	2.5	5.0
Power Electronics Systems Industry	1.0	2.0	4.3	1.1	2.1	4.3
Electronic Devices	3.5	6.9	16.0	3.4	6.7	13.5
Food and Beverage Distribution	0.5	1.0	2.2	0.6	1.1	2.3
Power Generation	0.3	0.6	1.2	0.3	0.6	1.2
Others	0.3	0.5	1.0	0.3	0.5	1.1
<b>Total</b>	<b>6.9</b>	<b>13.5</b>	<b>30.0</b>	<b>6.9</b>	<b>13.5</b>	<b>27.5</b>
(Leases)	0.3	0.5	1.2	0.3	0.5	1.0

## 11. Number of employees

	2Q FY2019	1H FY2019	FY2019 [Forecast]	2Q FY2018	1H FY2018	FY 2018
Power Electronics Systems Energy	6,688	6,688	6,797	6,594	6,594	6,574
Power Electronics Systems Industry	8,482	8,482	8,442	8,435	8,435	8,329
Electronic Devices	6,722	6,722	6,675	6,806	6,806	6,782
Food and Beverage Distribution	2,395	2,395	2,390	2,622	2,622	2,522
Power Generation	1,244	1,244	1,234	1,324	1,324	1,295
Others	1,997	1,997	1,993	1,944	1,944	1,914
<b>Total</b>	<b>27,528</b>	<b>27,528</b>	<b>27,531</b>	<b>27,725</b>	<b>27,725</b>	<b>27,416</b>
Japan	17,863	17,863	17,777	17,894	17,894	17,647
Overseas	9,665	9,665	9,754	9,831	9,831	9,769

## Financial Performance

### (1) Qualitative Information regarding Consolidated Results of Operations

In the six-month period ended September 30, 2019, 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 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.

Overseas, the operating environment for the six-month period ended September 30, 2019, saw an increased trend toward the curtailing of investments centered on China and other parts of Asia as a result of the prolongation of the trade friction between the United States and China that continued on from the previously fiscal year. In Japan, the slowdown in the overseas market resulted in bearish exports of machine tools. Regardless, demand for investments in replacements of aged equipment remained firm.

Consolidated net sales in the six-month period ended September 30, 2019, decreased ¥12.8 billion year on year, to ¥406.7 billion. Factors behind this decrease included the rebound from large-scale projects recorded in the previous equivalent period as well as the fact that demand was down in the four segments other than the Power Electronics Systems Energy and Others segments occurred as forecast. The reduction in demand was a result of the trends toward production adjustment and curtailed capital investment triggered by the trade friction between the United States and China.

As a result of the lower sales and the impacts of foreign exchange influences, which offset the benefits of cost reduction efforts, consolidated operating income decreased ¥7.4 billion year on year, to ¥11.1 billion; ordinary income was down ¥8.6 billion, to ¥10.9 billion; and net income attributable to owners of parent declined ¥6.6 billion, to ¥6.0 billion.

Consolidated results of operations for the six-month period were as follows.

(¥ billion)

	Six-month period ended September 30, 2018	Six-month period ended September 30, 2019	Change
Net sales	419.4	406.7	(12.8)
Operating income	18.5	11.1	(7.4)
Ordinary income	19.4	10.9	(8.6)
Net income attributable to owners of parent	12.5	6.0	(6.6)

## Results by Segment

### Power Electronics Systems Energy

**Net sales: ¥98.1 billion (up 5% year on year)**

**Operating income: ¥3.6 billion (down ¥1.3 billion year on year)**

In the Power Electronics Systems Energy segment, net sales were up year on year following strong demand in the power supply and facility systems business, but operating income was down as a result of lower demand in the ED&C components business.

- In the energy management business, net sales decreased year on year primarily as a result of the rebound from large-scale projects undertaken overseas during the previous equivalent period. However, operating results improved year on year due to the benefits of cost reduction efforts.
- In the power supply and facility systems business, net sales and operating results improved year on year, despite the absence of a large-scale order recorded in the previous equivalent period in Japan, as a result of a rise in large-scale overseas orders in switchgear and controlgear operations.
- In the ED&C components business, net sales and operating results worsened year on year due to reduced demand from machine tool and other equipment manufacturers.

### Power Electronics Systems Industry

**Net sales: ¥138.7 billion (down 2% year on year)**

**Operating loss: ¥0.7 billion (compared with operating income of ¥1.9 billion in the previous equivalent period)**

In the Power Electronics Systems Industry segment, net sales decreased and an operating loss was posted, despite operating income being recorded in the previous equivalent period. Factors behind this outcome included lower demand in the automation systems business and the absence of large-scale projects recorded in the previous equivalent period in the social solutions business.

- In the automation systems business, net sales and operating results worsened year on year following reduced demand for low-voltage inverters and factory automation components in Japan and overseas.
- In the social solutions business, net sales and operating results worsened year on year due to the absence of large-scale projects for electrical equipment for railcars recorded in the previous equivalent period.
- In the equipment construction business, net sales decreased year on year following declines in electrical and air-conditioning equipment construction projects. However, 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 because of a rise in large-scale orders in the private sector.

### Electronic Devices

**Net sales: ¥65.8 billion (down 8% year on year)**

**Operating income: ¥6.0 billion (down ¥2.6 billion year on year)**

- In the electronic devices business, net sales and operating income worsened year on year as the benefits of higher demand for automotive power semiconductors for electrified vehicles (xEVs) were outweighed by the impacts of lower demand in the industrial field centered on the Japanese and

Chinese markets as well as the impacts of foreign exchange influences.

#### **Food and Beverage Distribution**

**Net sales: ¥54.7 billion (down 3% year on year)**

**Operating income: ¥2.9 billion (up ¥0.3 billion year on year)**

- In the vending machine business, net sales and operating results worsened year on year due to reduced demand in the Japanese and Chinese markets.
- In the store distribution business, net sales and operating results improved year on year thanks to an increase in demand for store equipment for convenience stores.

#### **Power Generation**

**Net sales: ¥41.8 billion (down 15% year on year)**

**Operating income: ¥0.8 billion (down ¥1.1 billion year on year)**

- In the power generation business, net sales and operating results worsened year on year as the decline in large-scale solar power generation system projects outweighed the increase in large-scale thermal and geothermal power generation system projects.

#### **Others**

**Net sales: ¥30.7 billion (up 1% year on year)**

**Operating income: ¥1.2 billion (unchanged year on year)**

Note: Effective April 1, 2019, the Power Electronics Systems—Energy Solutions and Power Electronics Systems—Industry Solutions reporting segments were changed to form the Power Electronics Systems Energy and Power Electronics Systems Industry segments. In addition, the Power and New Energy segment was renamed the Power Generation segment. Year-on-year comparisons have been calculated using figures for the six-month period ended September 30, 2018, that have been restated to reflect these changes.

## (2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2019	Breakdown (%)	September 30, 2019	Breakdown (%)	Change
Total assets	952.7	100.0	950.4	100.0	(2.2)
Interest-bearing debt	154.0	16.2	185.9	19.6	+31.9
Shareholder's equity*1	352.9	37.0	352.5	37.1	(0.4)
Debt-to-equity ratio*2 (times)	0.4		0.5		+0.1

\*1 Shareholders' equity = Total net assets — Non-controlling interests

\*2 Debt-to-equity ratio = Interest-bearing debt / Shareholders' equity

Total assets on September 30, 2019, stood at ¥950.4 billion, a decrease of ¥2.2 billion from the end of the previous fiscal year. Total current assets decreased ¥12.3 billion primarily as a result of a decline in notes and accounts receivable-trade, which offset a rise in inventories. Total noncurrent assets were up ¥10.1 billion due to higher intangible assets and an increase stemming from valuation difference on available-for-sale securities.

Interest-bearing debt as of September 30, 2019, amounted to ¥185.9 billion, up ¥31.9 billion from the previous fiscal year-end. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—increased ¥38.4 billion from the previous fiscal year-end, amounting to ¥163.2 billion on September 30, 2019.

Net assets on September 30, 2019, stood at ¥390.6 billion, down ¥1.5 billion from the previous fiscal year-end. This outcome was because of a decrease stemming from foreign currency translation adjustments, which counteracted an increase associated with valuation difference on available-for-sale securities. In addition, shareholders' equity—total net assets net of non-controlling interests—was down ¥0.4 billion from the previous fiscal year-end, standing at ¥352.5 billion on September 30, 2019. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was 0.5 times, up 0.1 times from the previous fiscal year. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ shareholders' equity) was 0.5 times, up 0.1 times from the previous fiscal year-end.

In the six-month period ended September 30, 2019, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a negative ¥22.6 billion, a deterioration of ¥31.8 billion compared with a positive free cash flow of ¥9.2 billion in the previous equivalent.

### Cash flows from operating activities

Net cash provided by operating activities was ¥1.3 billion, compared with ¥18.0 billion in the previous equivalent period. Major factors increasing cash included a decrease in notes and accounts receivable-trade, a result of efforts to collect receivables. Major factors decreasing cash included an increase in inventories.

This was a deterioration of ¥16.7 billion year on year.

### Cash flows from investing activities

Net cash used in investing activities was ¥23.8 billion, compared with ¥8.7 billion in the previous equivalent period. This was primarily related to the purchase of property, plant and equipment and of shares of subsidiaries.

This was a deterioration of ¥15.1 billion year on year.

### Cash flows from financing activities

Net cash provided by financing activities was ¥16.8 billion, compared with net cash used in

financing activities of ¥15.1 billion in the previous equivalent period. This was principally due to an increase in commercial papers.

As a result, consolidated cash and cash equivalents on September 30, 2019, amounted to ¥22.7 billion, down ¥6.5 billion from the previous fiscal year-end.

### (3) Qualitative Information regarding Consolidated Forecasts and Forecast Information

In light of the business result trends seen in the six-month period ended September 30, 2019, Fuji Electric has chosen to revise the consolidated forecast for business results for the fiscal year ending March 31, 2020, that was announced together with financial results for the three-month period ended June 30, 2019, on July 25, 2019.

The forecast assumes exchange rates of US\$1 = ¥105, €1 = ¥123, and RMB1 = ¥15 for the period from October 1, 2019, onward.

(Consolidated Forecasts for the Fiscal Year Ending March 31, 2020) (¥ billion)

	Previous announcement	Revised announcement	Change
Net sales	930.0	915.0	(15.0)
Operating income	62.0	50.0	(12.0)
Ordinary income	63.6	51.6	(12.0)
Net income attributable to owners of parent	40.4	33.0	(7.4)

(Reference: Consolidated Forecasts for the Fiscal Year Ending March 31, 2020, by Segment)

(¥billion)

	Net sales			Operating income (loss)		
	Previous announcement	Revised announcement	Change	Previous announcement	Revised announcement	Change
Power Electronics Systems Energy	220.0	217.0	(3.0)	16.8	13.8	(3.0)
Power Electronics Systems Industry	332.0	337.0	5.0	21.9	19.4	(2.5)
Electronic Devices	150.3	136.0	(14.3)	17.5	11.6	(5.9)
Food and Beverage Distribution	113.6	112.0	(1.6)	6.6	5.8	(0.8)
Power Generation	116.0	116.0	0.0	4.3	4.3	0.0
Others	60.0	60.0	0.0	2.2	2.4	0.2
Elimination and Corporate	(61.9)	(63.0)	(1.1)	(7.4)	(7.3)	0.1
Total	930.0	915.0	(15.0)	62.0	50.0	(12.0)