

# Consolidated Financial Results for 3Q FY2023

January 31, 2024  
Fuji Electric Co., Ltd.

Hello everyone. My name is Arai, in charge of the Corporate Management Planning Headquarters.

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# 1. 3Q FY2023 Results

## (YoY Comparison)

**Summary of Consolidated Financial Results  
for 9 months (Apr.-Dec.) FY2023 (YoY Comparison)**

**New record highs for net sales, operating profit, ordinary profit,  
and profit attributable to owners of parent**

(Billion yen)			
	9 months FY2022 Results	9 months FY2023 Results	Change
Net Sales	690.8	759.7	68.9
Operating Profit	42.4	57.7	15.2
(Operating Profit Ratio)	(6.1%)	(7.6%)	(1.4%)
Ordinary Profit	41.3	56.6	15.4
Extraordinary Profit	8.3	6.0	-2.3
Profit before Income Taxes	49.6	62.6	13.0
Profit Taxes	16.4	21.1	4.7
Profit attributable to Non-controlling Interests	4.3	4.3	0.0
Profit attributable to Owners of Parent	29.0	37.3	8.3

(Period-End rate : end of December) (Yen)			
US\$	132.70	141.83	9.13
EURO	141.47	157.12	15.65
RMB	19.01	19.93	0.92

(Average Exchange Rate) (Yen)			
US\$	136.51	143.29	6.78
EURO	140.59	155.29	14.70
RMB	19.88	19.98	0.10

Net Sales			
Gain on translation of earnings of overseas subsidiaries			+11.8
Demand Increase			+57.0

Operating Profit			
Increase in sales and production			+21.0
Increase in fixed costs			-14.3
Exchange rate effect			+2.0
Others**			+6.6
			+15.2

\*\* Cost reduction, price fluctuations, sales mix and others

Non-operating Profit/Loss			
Net interest expense	-0.6	(1.5 → 0.8)	
Foreign exchange income	1.3	(-0.8 → 0.5)	
Others	-0.6	(-1.8 → -2.4)	
			0.2 (-1.2 → -1.0)

Extraordinary Profit/Loss			
Gain on sales of investment Securities	-2.9	(8.9 → 6.0)	
Others	0.6	(-0.5 → 0.0)	
			-2.3 (-8.3 → 6.0)

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I will be explaining our financial results for the third quarter of fiscal year 2023.

Please refer to page 4 of the material. I will explain the profit/loss and sales compared to the previous fiscal year.

Thanks to your support, we were able to achieve record-high consolidated net sales, operating profit, ordinary profit, and net profit for the third quarter of this fiscal year. Net sales increased by 68.9 billion yen to 759.7 billion yen. Even when we exclude exchange rate impact, net sales would have increased by 57 billion yen solely by the actual demand.

Operating profit increased by 15.2 billion yen to 57.7 billion yen, and operating profit ratio increased by 1.4% to 7.6%. Non-operating profit and loss, which include foreign exchange gains of 1.3 billion yen and some negative items, increased by 0.2 billion yen in total over the previous year.

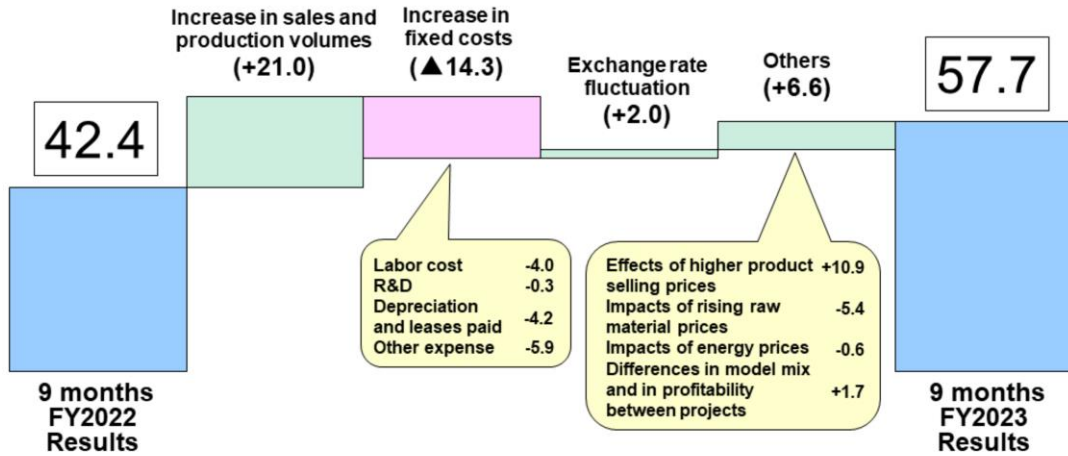
Ordinary profit increased by 15.4 billion yen to 56.6 billion yen, and extraordinary profit went down by 2.3 billion yen compared to the previous year, which means that the gain on sales of investment securities was less than the previous year, but the absolute amount of extraordinary profit was positive 6 billion yen

Net profit increased by 8.3 billion yen to 37.3 billion yen.

**Breakdown of Changes in Operating Results  
for 9 months (Apr.-Dec.) FY2023 (YoY Comparison)**

**Higher profit, despite impacts from rising material cost and fixed costs such as labor cost, due to increases in product selling price and sales and production volumes**

(Billion yen)



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The breakdown of the 15.2 billion yen increase in operating profit is shown in the staircase graph on page 5. The largest factor was the increase in sales and production volumes, which increased by 21.0 billion yen. Unfortunately, ED&C components saw a decline, but there was a large increase in semiconductors automotive, as well as a large increase in the power supply and facility systems, factory automation, and store distribution.

With regards to the fixed costs, labor cost increased by 4.0 billion yen, half overseas and half in Japan, depreciation and leases paid increased by 4.2 billion yen, mainly for semiconductors, and other expenses went up by 5.9 billion yen, which include increases in controllable expenses and outsourcing costs on the back of business expansion, which resulted in a 14.3 billion yen negative impact on the profit.

The exchange rate fluctuation impact was positive 2.0 billion yen, and the impact from Others was positive 6.6 billion yen. There were negative factors of about 6.0 billion yen due to rising raw material prices and higher energy prices, which were offset by higher product selling prices. There were the differences in the model mix and in profitability among the projects. Profitability of power generation projects, this year went up compared to those in the previous year. All of these added up to positive 6.6 billion yen in Others. In total of these factors, operating profit went up by 15.2 billion yen YOY.

**Net Sales and Operating Profit by Segment  
for 9 months (Apr.-Dec.) FY2023 (YoY Comparison)**

**Higher net sales in all segments  
Higher operating profit in the Industry, Semiconductor, and  
Food and Beverage Distribution segments**

(Billion yen)

	9 months FY2022 Results			9 months FY2023 Results			Change		
	Net Sales	Operating Profit	Operating Profit Ratio	Net Sales	Operating Profit	Operating Profit Ratio	Net Sales	Operating Profit	Operating Profit Ratio
Energy	225.7	15.3	6.8%	229.3	14.4	6.3%	3.6	-0.8	-0.5%
Industry	242.2	4.1	1.7%	279.1	11.5	4.1%	36.9	7.3	2.4%
Semiconductor	146.9	22.5	15.3%	166.5	26.4	15.9%	19.6	4.0	0.6%
Food and Beverage Distribution	68.4	2.9	4.2%	79.5	6.9	8.7%	11.1	4.0	4.4%
Others	43.2	2.5	5.7%	46.7	3.0	6.4%	3.5	0.5	0.7%
Elimination and Corporate	-35.6	-4.8	-	-41.4	-4.6	-	-5.8	0.2	-
<b>Total</b>	<b>690.8</b>	<b>42.4</b>	<b>6.1%</b>	<b>759.7</b>	<b>57.7</b>	<b>7.6%</b>	<b>68.9</b>	<b>15.2</b>	<b>1.4%</b>

※ FY2022 results reflect the organization reforms conducted in FY2023

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From page 6 onwards, we show a year-on-year comparison of net sales and operating profit by segment. The operating profit in the Energy segment went down due to the decline in the ED&C components, but other segments such as Industry, Semiconductor, and Food and Beverage Distribution posted increases in sales and profit. The Energy segment showed an increase in net sales and unfortunately a slight decrease in operating profit.

## Business Results by Segment for 9 months (Apr.-Dec.) FY2023 (YoY Comparison) ①

		9 months FY2022 Results	9 months FY2023 Results	Change	Overview
Energy	Net Sales	225.7	229.3	3.6 +3.7*	<b>Power Generation Net Sales Decreased by 21%</b> Decrease in net sales and operating results as a result of the absence of large-scale renewable energy projects recorded in the previous equivalent period.
	Operating Profit/Loss	15.3	14.4	-0.8 +0.3*	<b>Energy Management Net Sales Increased by 10%</b> Increase in net sales and operating result as a result of increases in large-scale orders for substation equipment for industrial applications and for power supply equipment.
Industry	Net Sales	242.2	279.1	36.9 +3.3*	<b>Power Supply and Facility Systems Net Sales Increased by 25%</b> Increase in net sales and operating result as a result of increases in projects from data centers and semiconductor manufacturers.
	Operating Profit/Loss	4.1	11.5	7.3 +0.3*	<b>ED&amp;C Components Net Sales Decreased by 10%</b> Decrease in net sales and operating result as a result of reductions in demand from finished machinery manufacturers and for semiconductor production equipment.

※ FY2022 results reflect the organization reforms conducted in FY2023

\* Exchange rate effect

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I will explain in more detail about each segment from page 7. In the Energy Segment, sales increased by 3.6 billion yen, while operating profit decreased by 0.8 billion yen.

There are four sub-segments. In the Power Generation business, net sales declined and operating profit went down slightly as a result of the absence of large-scale renewable energy projects recorded in the previous equivalent period. Energy management showed increases both in sales and profit driven by large orders for substation equipment and power supply equipment. Power Supply and Facility Systems showed a significant increase in both sales and profit driven by increases in projects from data centers and semiconductor manufacturers, especially overseas.

In the ED&C components business, sales and profit decreased as a result of decline in demand from finished machinery manufacturers and for semiconductor production equipment. In Industry segment, net sales increased by 36.9 billion yen and operating profit increased by 7.3 billion yen. There are four sub-segments here as well.

In the Automation System, especially in the factory automation business, both sales and profit increased mainly due to increased production of factory automation components. In the Social Solution business, net sales and operating profit went up largely as a result of increases in orders for nuclear power- and radiation-related equipment. In the Equipment Construction business, net sales went up a lot and profit went up by a single digit.

In the IT solutions business, net sales increased, but profit remained almost unchanged. Sales increased due to winning large projects in the academic sector and large projects in the public sector.

**Business Results by Segment for 9 months (Apr.-Dec.) FY2023  
(YoY Comparison) ②**

(Billion yen)

		9 months FY2022 Results	9 months FY2023 Results	Change	Overview												
Semiconductor	Net Sales	146.9	166.5	19.6 +4.7*	<p>Increase in net sales as a result of growth in demand for power semiconductors for electrified vehicles (xEVs) and the growth in sales led to increase in operating results, despite the rise in expenses for bolstering power semiconductor production capacity and the increases in material costs.</p> <table border="1"> <thead> <tr> <th>Breakdown of sales</th> <th>FY2022</th> <th>FY2023</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>78.5</td> <td>73.6</td> <td>-4.9</td> </tr> <tr> <td>Automotive</td> <td>68.4</td> <td>92.9</td> <td>24.5</td> </tr> </tbody> </table>	Breakdown of sales	FY2022	FY2023	Change	Industrial	78.5	73.6	-4.9	Automotive	68.4	92.9	24.5
	Breakdown of sales	FY2022	FY2023	Change													
Industrial	78.5	73.6	-4.9														
Automotive	68.4	92.9	24.5														
	Operating Profit/Loss	22.5	26.4	4.0 +1.4*													
Food and Beverage Distribution	Net Sales	68.4	79.5	11.1	<p><b>Vending Machines Net Sales Increased by 9%</b> Increased in net sales and operating results as a result of growth in demand in Japan and the benefits of cost reduction activities.</p> <p><b>Store Distribution Net Sales Increased by 23%</b> Increased in net sales and operating results as a result of higher orders for counter fixtures combined with growth in demand for convenience store equipment renovations.</p>												
	Operating Profit/Loss	2.9	6.9	4.0													

\* Exchange rate effect

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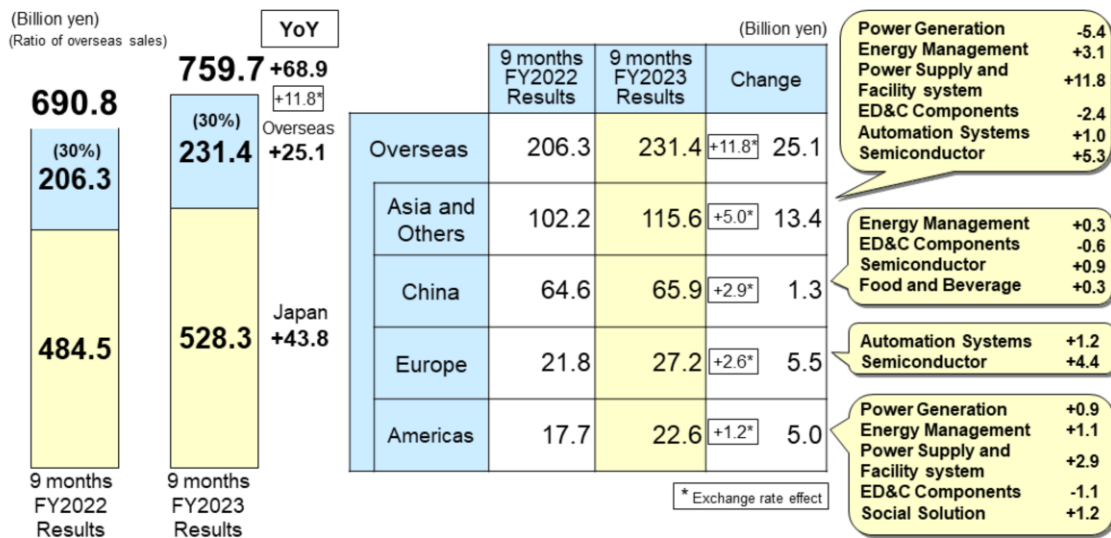
Moving on to page 8. In the Semiconductor segment, net sales increased by 19.6 billion yen. Operating profit increased by 4.0 billion yen. In the industrial business, net sales were down and profit was down slightly. On the other hand, in the automotive business, both sales and profit increased significantly. Although there was an increase in capital expenditure for production capacity and the impact of a sharp rise in raw material prices, the automotive business achieved a large increase in both sales and profit, reflecting cost reductions and higher sales prices.

In Food and Beverage Distribution, net sales increased by 11.1 billion yen and operating profit by 4.0 billion yen, and both sales and profit increased in vending machines and store distribution. In particular, the store distribution business was able to achieve a significant increase in both sales and profit due to an increase in projects for convenience store renovations and counter fixtures.



# Net Sales by Japan and Overseas Area for 9 months (Apr.-Dec.) FY2023 (YoY Comparison)

**Higher sales in all regions  
(sales down in China when excluding foreign exchange influences)**

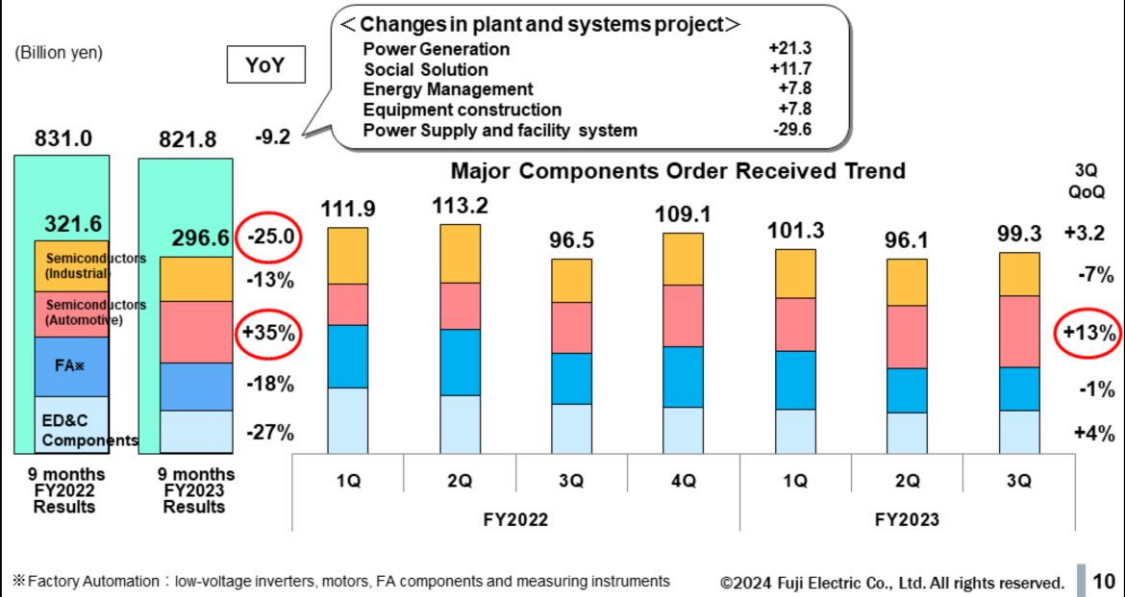


※ FY2022 results reflect the organization reforms conducted in FY2023

Page 9 shows net sales broken down by Japan and overseas. Overseas sales increased by 25.1 billion yen, which includes an increase from foreign exchange. Domestic sales increased by 43.8 billion yen. In total, net sales increased by 68.9 billion yen over the previous year. As for the 25.1 billion yen increase overseas, by region, sales increased in all regions, mainly in Asia, but if we exclude impact from foreign exchange, actual sales in China went down due to market conditions. Looking at by business division, ED & C Components saw a weak trend of sales in Asia, China and the Americas.

Amount of Orders Received by major components for 9 months (Apr.-Dec.) FY2023

Continuation of strong performance for automotive semiconductors but lower orders for industrial components



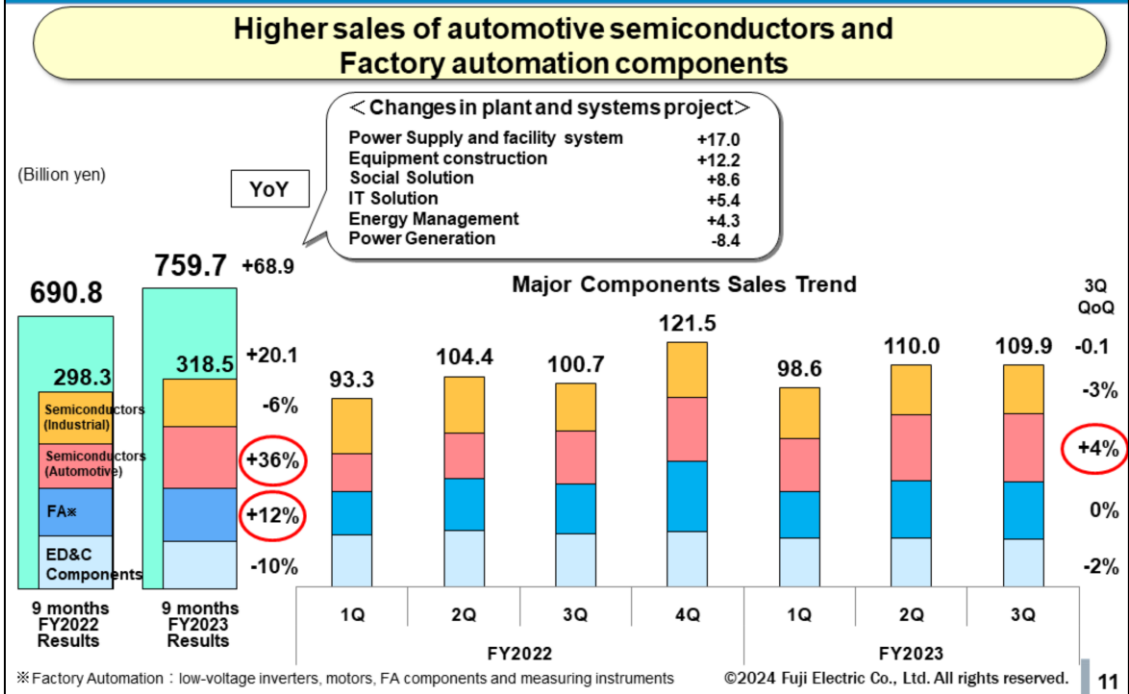
Page 10 shows a year-on-year comparison of orders received by major components. The overall orders received decreased by 9.2 billion yen to 821.8 billion yen, with an increase in orders for plant-related products.

While orders for power supply and facility systems went down due to the large advance orders received in the previous year, those for power generation, social solutions and energy management increased YOY. On the other hand, orders for major components decreased by 25 billion yen to 296.6 billion yen.

However, orders for automotive semiconductors increased significantly by 35%. Orders for FA and ED&C components went down by double digits YOY due to orders received in advance last year and partly due to market conditions.

The right side of the chart shows Q3 vs. Q2. As expected, the semiconductor automotive business was up 13% in Q3 compared to the Q2.

Amount of Sales by major components for 9 months  
(Apr.-Dec.) FY2023



On page 11 shows sales by major components. Overall sales increased by 68.9 billion yen, but in components, sales increased by 20.1 billion yen to 318.5 billion yen. Sales of semiconductor automotive increased by 36%, and factory automation sales increased by 12% due to the orders received in the previous year and the ample amount of backlog. Sales in ED & C Components went down. If you look at sales in Q3 versus Q2, semiconductor automotive were up 4%, sales in FA were flat Q on Q.

## 2. Balance Sheet

## Consolidated Balance Sheet at the End of 3Q FY2023

Assets				Liabilities and Net Assets			
	3/31/23	12/31/23	Change		3/31/23	12/31/23	Change
Cash and deposit	84.7	52.5	-32.2	Notes and account payables-trade	201.6	183.2	-18.4
Notes and account receivables-trade, Contract assets	388.5	363.6	-24.9	Interest-bearing debts	183.3	175.2	-8.1
Inventories	198.7	238.7	40.0	Other liabilities	224.6	231.8	7.2
Other current assets	41.7	61.9	20.3	<b>Total liabilities</b>	<b>609.5</b>	<b>590.2</b>	<b>-19.3</b>
<b>Total current assets</b>	<b>713.6</b>	<b>716.8</b>	<b>3.2</b>	Share capital	47.6	47.6	-
Property, plant and equipment	283.9	293.8	9.9	Capital surplus	46.0	46.0	0.0
Intangible assets	24.0	25.2	1.2	Retained earnings	364.9	385.0	20.1
Investments and other assets	160.0	158.7	-1.4	Treasury shares	-7.4	-7.4	-0.0
<b>Total Non-current assets</b>	<b>467.9</b>	<b>477.6</b>	<b>9.7</b>	<b>Shareholders' equity</b>	<b>451.1</b>	<b>471.2</b>	<b>20.1</b>
Deferred assets	0.1	0.0	-0.0	Accumulated other comprehensive income	66.0	77.4	11.4
<b>Total assets</b>	<b>1,181.6</b>	<b>1,194.5</b>	<b>12.9</b>	Non-controlling interests	55.0	55.7	0.7
Net interest-bearing debt <sup>※1</sup>	99.1	123.2	24.1	<b>Total net assets</b>	<b>572.1</b>	<b>604.3</b>	<b>32.2</b>
Net D/E ratio <sup>※2</sup> (times)	0.2	0.2	0.0	<b>Total liabilities and net assets</b>	<b>1,181.6</b>	<b>1,194.5</b>	<b>12.9</b>
Equity ratio	43.8%	45.9%	2.2%				

※1 Net interest-bearing debt: Interest-bearing debt – Cash and cash equivalents  
 ※2 Net D/E ratio: Net interest-bearing debt ÷ Equity

(Billion yen)

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Page 13 shows the balance sheet. This is a comparison between the end of last fiscal year, March 31 and December 31. Since the impact of COVID-19 has decreased, cash and deposits have been reduced by 32.2 billion yen to 52.5 billion yen in order to bring them closer to the normal level.

Notes and account receivables-trade, contract assets, mainly plant-related receivables that had accumulated by March, were down 24.9 billion yen due to progress in collection. On the other hand, toward the end of March, inventories, mainly plant-related assets, increased by 40 billion yen. Property, plant and equipment, mainly in power semiconductors, increased by 9.9 billion yen, and total assets increased by 12.9 billion yen to 1,194.5 billion yen.

In net assets on the right side, retained earnings increased by 20.1 billion yen to 385.0 billion yen. On the lower left, net interest-bearing debt increased by 24.1 billion yen to 123.2 billion yen. The net debt-to-equity ratio was 0.2 times, and the equity ratio was approximately 46%.

# **3. FY2023 Forecasts**

**(Comparison with Forecasts on Oct. 26, 2023)**

**Summary of Consolidated Financial Results Forecasts for FY2023**  **Fuji Electric**  
 (Comparison with Forecasts on Oct. 26, 2023) Innovating Energy Technology

**Upward revision to full-year forecasts based on nine-month performance**

(Billion yen)	Forecasts		Change	
	(October 26, 2023)	(January 31, 2024)	Change	Ratio
Net Sales	1,060.0	1,070.0	+1.1*	10.0
Operating Profit	96.0	100.0	+0.7*	4.0
(Operating Profit Ratio)	(9.1%)	(9.3%)		(0.2%)
Ordinary Profit	94.5	99.0		4.5
Profit Attributable to Owners of Parent	64.5	68.0		3.5

Assumed Exchange Rate for 4Q FY2023			
	US\$	EURO	RMB
October 26 Forecasts	¥140.00	¥150.00	¥19.50
January 31 Forecasts	(no change)	(no change)	(no change)
Foreign Exchange Rate Sensitivity* (Million yen)	20	50	100

※ Impact on operating profit (3 month impact from January to March 2024)  
 US\$ and EURO: Impact of ¥1 yen depreciation-fluctuations  
 RMB: Impact of 1% yen depreciation fluctuations

(Billion yen)	Forecasts (October 26, 2023)		Forecasts (January 31, 2024)		Change			
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit		
Energy	332.0	27.0	331.0	26.3	+1.1*	-1.0	+0.2*	-0.7
Industry	406.0	32.6	410.0	32.9				0.3
Semiconductor	223.0	34.3	224.0	35.7			+0.5*	1.4
Food and Beverage Distribution	99.0	6.5	104.0	7.7				1.2
Others	60.0	3.8	61.0	4.2				0.4
Elimination and Corporate	-60.0	-8.2	-60.0	-6.8				1.4
<b>Total</b>	<b>1,060.0</b>	<b>96.0</b>	<b>1,070.0</b>	<b>100.0</b>				<b>4.0</b>

\* Exchange rate effect  
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As you can see on page 15, we have revised our full-year forecast upward based on the financial results for the first three quarters. Net sales were revised up by 10 billion yen to 1,070 billion yen, operating profit increased by 4 billion yen to 100 billion yen, operating profit ratio increased by 0.2% to 9.3%, ordinary profit increased by 4.5 billion yen to 99 billion yen, and net profit increased by 3.5 billion yen to 68 billion yen, resulting in a net profit ratio of 6.4%. Below that shows forecasts by segment.

Sales and operating profit forecast in the Energy Segment are down due in part to the negative impact of the ED&C Components business. Other segments such as Industry, Semiconductor, and Food and Beverage Distribution are up in both sales and profit forecast, with sales up 10.0 billion yen and operating profit up 4.0 billion yen.

As we always say, we forecast expenses slightly conservatively, so we think there is room for a reduction of about 1 billion yen. The exchange rate, as you can see in the upper right-hand corner, has not been changed from October, and is still 140 yen to the US dollar, 150 yen to the euro, and 19.5 yen to the RMB.

If foreign exchange rates remain at the current level, we believe this will lead to an increase in profits by more than one billion yen. When I mentioned about operating profit target last time, I said that we were aiming for a step up to reach a large milestone, but this time, I would like to clearly say that we have set a goal of 100 billion yen.

The operating profit ratio forecast now stands at 9.3%, and we are currently in the process of putting together a medium-term management plan that will start in FY2024. I feel that with this forecast, we have set the stage for aiming at a double digit operating profit ratio.

# 4. Reference



## Reference

### ■ ED&C components amount of orders received

	3Q QoQ	3Q YoY
All	+4%	-15%
Japan	+10%	-25%
Overseas	-9%	+40%

9 months (Apr.-Dec.) YoY
-27%
-31%
-13%

### ■ Low-voltage inverters amount of orders received

	3Q QoQ	3Q YoY
All	-3%	-20%
Japan	+17%	-36%
Overseas	-11%	-9%

9 months (Apr.-Dec.) YoY
-39%
-47%
-35%

### ■ Semiconductor amount of orders received

	3Q QoQ	3Q YoY
All	+5%	+20%
Industrial	-7%	-3%
Automotive	+13%	+39%

9 months (Apr.-Dec.) YoY
+9%
-13%
+35%

### ■ Vending machines amount of orders received

	3Q QoQ	3Q YoY
All	-6%	-5%

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

## Summary of Consolidated Financial Results Forecasts for FY2023 Fuji Electric (YoY Comparison) Innovating Energy Technology

(Billion yen)	FY2022 Results	FY2023 Forecasts (January 31, 2024)	Change
Net Sales	1,009.4	1,070.0	+9.3* 60.6
Operating Profit	88.9	100.0	+2.3* 11.1
(Operating Profit Ratio)	(8.8%)	(9.3%)	(0.5%)
Ordinary Profit	87.8	99.0	11.2
Profit Attributable to Owners of Parent	61.3	68.0	6.7

(Billion yen)	FY2022 Results		FY2023 Forecast (January 31, 2024)		Change	
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit
Energy	333.3	28.6	331.0	26.3	+4.4* -2.3	+0.6* -2.3
Industry	369.8	26.8	410.0	32.9	+2.4* 40.2	+0.4* 6.1
Semiconductor	206.2	32.2	224.0	35.7	+2.5* 17.8	+1.3* 3.5
Food and Beverage Distribution	95.3	4.4	104.0	7.7	8.7	3.3
Others	59.8	3.7	61.0	4.2	1.2	0.5
Elimination and Corporate	-54.9	-6.7	-60.0	-6.8	-5.1	-0.1
<b>Total</b>	<b>1,009.4</b>	<b>88.9</b>	<b>1,070.0</b>	<b>100.0</b>	<b>60.6</b>	<b>11.1</b>

※ FY2022 results reflect the organization reforms conducted in FY2023

\* Exchange rate effect

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