

Consolidated Financial Results for 1H FY2012

October 26, 2012
Fuji Electric Co., Ltd.

Consolidated Financial Results for 1H FY2012

Summary of Consolidated Financial Results for 1H FY2012 (YoY Comparison)

(Billion yen)

| | 1H FY2011 | 1H FY2012 | Change |
|----------------------------------|--------------|--------------|--------|
| Net Sales | 305.3 | 333.8 | 28.5 |
| Operating Income/Loss | -5.6 | -5.4 | 0.2 |
| Ordinary Income/Loss | -9.8 | -7.9 | 2.0 |
| Extraordinary Income/Loss | -4.7 | -2.1 | 2.6 |
| Income Taxes | -9.8 | -2.7 | 7.1 |
| Minority Interest in income/loss | 0.6 | 0.3 | -0.3 |
| Net Income/Loss | -5.4 | -7.6 | -2.2 |

| | | | |
|--------------------------|----------|----------|----------|
| Sales Exchange Rate US\$ | ¥ 79.82 | ¥ 79.41 | ¥ -0.41 |
| Sales Exchange Rate EURO | ¥ 113.79 | ¥ 100.64 | ¥ -13.15 |

Operating Income/Loss

| | | | |
|-------------------------|-------|--------------------------|-------|
| Cost Reduction | +8.7 | Price Decline | -10.3 |
| Reduction in Fixed Cost | +1.8 | Exchange Rate Effect | -0.4 |
| Higher Net Sales | +1.9 | Lower Production Volumes | -1.5 |
| | +12.4 | | -12.2 |

Non-operating Income/Loss

| | | |
|--|------|---------------|
| Net Interest Expense | +0.8 | (-1.2 → -0.4) |
| Income/Loss on Investment in Equity-method Affiliate | -0.1 | (-1.3 → -1.4) |
| Exchange Rate Effect | +1.0 | (-2.1 → -1.1) |
| Others | +0.1 | (+0.4 → +0.4) |

Extraordinary Income/Loss

| | | |
|--|------|---------------|
| Insurance Income | +0.2 | (0.0 → +0.2) |
| Loss on Revaluation of investments in Securities | -1.0 | (-0.2 → -1.2) |
| Production Plant Consolidation Expenses | +2.5 | (-2.5 → 0.0) |
| Loss on Disaster | +1.1 | (-1.1 → 0.0) |
| Others | -0.3 | (-0.9 → -1.2) |

Income Taxes Income/Loss

| | |
|--|------|
| Deferred Tax Assets Recorded in the Fiscal Year Ended March 31, 2012 | +7.4 |
|--|------|

Net Sales and Operating Income by Segment for 1H FY2012 (YoY Comparison)

(Billion yen)

| | Net Sales | | | Operating Income | | |
|---------------------------------|-----------|-----------|--------|------------------|-----------|--------|
| | 1H FY2011 | 1H FY2012 | Change | 1H FY2011 | 1H FY2012 | Change |
| Power and Social Infrastructure | 52.5 | 81.7 | 29.2 | -1.1 | -1.3 | -0.3 |
| Industrial Infrastructure | 43.0 | 49.6 | 6.5 | -1.0 | -0.8 | 0.2 |
| Power Electronics | 70.7 | 63.6 | -7.1 | 1.2 | -1.3 | -2.4 |

➤ **Power and Social Infrastructure**

Sales in the power generation business were up due to large scale orders for thermal power plants. However, operating results in this business were down because of the impacts of intensified price competition, which offset the benefits of efforts to lower costs and general expenses. In the social infrastructure business, sales increased as a result of the ongoing strong demand for radiation measurement equipment. Operating results were also up due to the higher sales and lower costs.

➤ **Industrial Infrastructure**

Sales increased year on year following firm replacement demand primarily seen in Japan. While operating results were impacted by intensified cost competition, these impacts were outweighed by the benefits of the higher sales and lower costs, and operating results improved accordingly.

➤ **Power Electronics**

In the drive business, sales decreased substantially year on year due to sluggish demand in China and a slump in exports in Japan. Regardless of the relatively steady demand for power supplies to be used in telecommunications infrastructure, sales in the power supply business declined due to lower demand for products for use in IT equipment. In the ED&C components business, the domestic market saw decreased demand in the machine tool and semiconductor fields and there was a drop in investment in Taiwan, Korea, and other parts of Asia. These factors resulted in sales declines in this business. Operating results were down following the lower sales.

Net Sales and Operating Income by Segment for 1H FY2012 (YoY Comparison)

(Billion yen)

| | Net Sales | | | Operating Income | | |
|--------------------------------|--------------|--------------|-------------|------------------|-------------|------------|
| | 1H FY2011 | 1H FY2012 | Change | 1H FY2011 | 1H FY2012 | Change |
| Electronic Devices | 58.6 | 51.5 | -7.0 | -0.6 | -2.9 | -2.2 |
| Food and Beverage Distribution | 54.6 | 56.7 | 2.1 | -1.6 | 2.4 | 4.0 |
| Others | 50.7 | 54.2 | 3.4 | 0.2 | 0.9 | 0.7 |
| Elimination and Corporate | -24.7 | -23.4 | 1.3 | -2.6 | -2.4 | 0.2 |
| Total | 305.3 | 333.8 | 28.5 | -5.6 | -5.4 | 0.2 |

➤ **Electronic Devices**

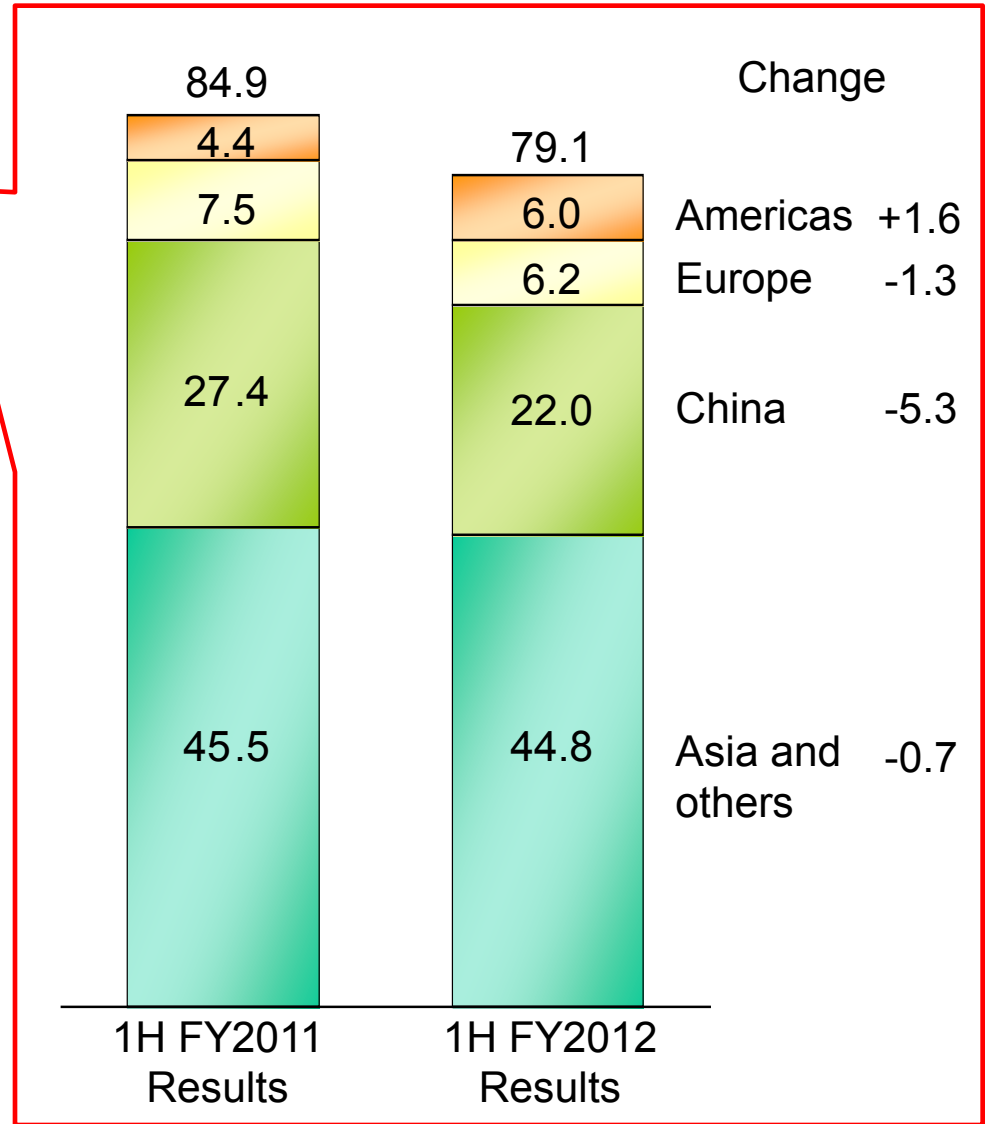
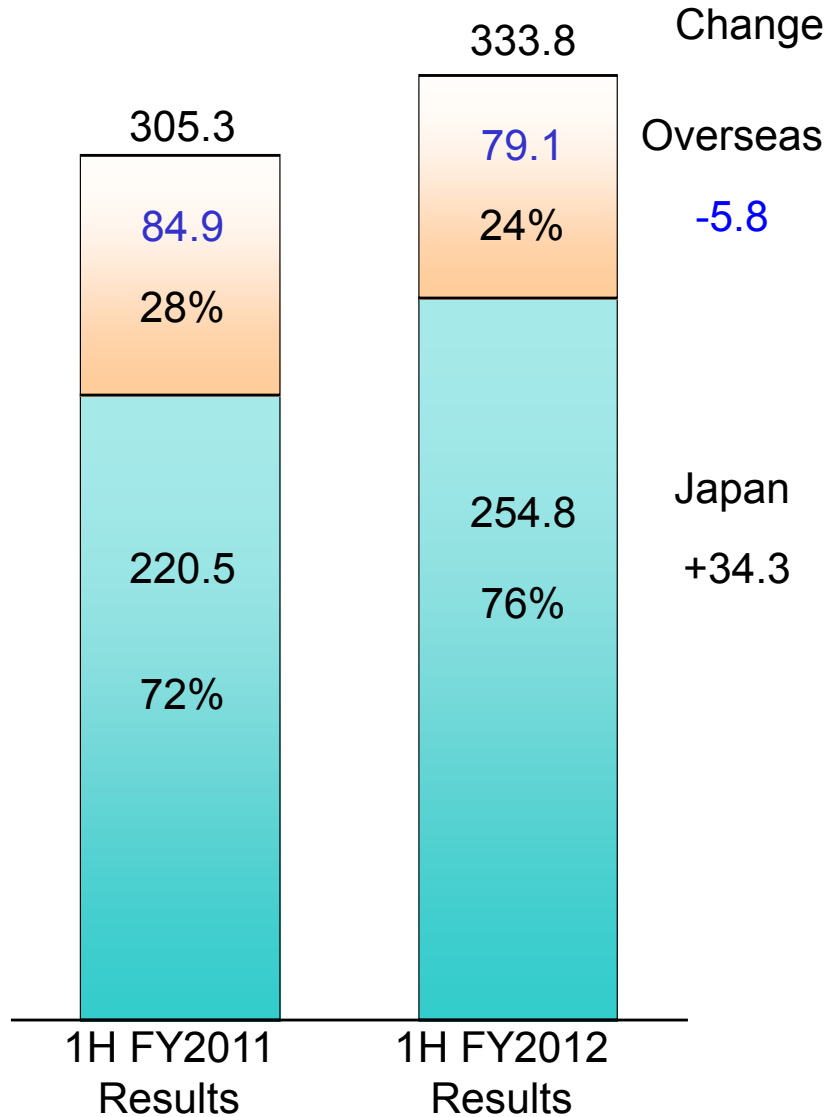
In the semiconductor business, demand in the automotive electronics business was up, while demand in the industrial and power supply application businesses was down. As a result, both sales and operating results worsened. In the magnetic disk business, sluggish conditions in the HDD market and lower selling prices drove sales down. However, operating results improved year on year due to the benefits of the business restructuring initiatives implemented in the previous fiscal year.

➤ **Food and Beverage Distribution**

In the vending machine business, sales increased year on year due to strong replacement demand for energy-saving environmentally friendly vending machines. In the store distribution business, sales rose as a result of increased orders for the establishment of new convenience stores and the renovation of existing stores as well as automatic change dispenser replacement demand. Operating results improved for both businesses due to higher sales, cost reductions, and the benefits from the business restructuring initiatives implemented in the previous fiscal year.

Net Sales (Japan and Overseas by area)

(Billion yen)



Summary of Consolidated Financial Results for 1H FY2012 (Comparison with forecasts)

(Billion yen)

| | 1H FY2012 | | |
|--------------------------|------------------------|----------|---------|
| | Forecasts (4/26/12) | Results | Change |
| Net Sales | 340.0 | 333.8 | -6.2 |
| Operating Income/Loss | -5.5 | -5.4 | 0.1 |
| Ordinary Income/Loss | -8.0 | -7.9 | 0.1 |
| Net Income/Loss | -8.0 | -7.6 | 0.4 |
| Sales Exchange Rate US\$ | ¥ 80.00 | ¥ 79.41 | ¥ -0.59 |
| Sales Exchange Rate EURO | ¥ 105.00 | ¥ 100.64 | ¥ -4.36 |

Operating Income/Loss

| | | | |
|-------------------------|------|--|------|
| Price Decline | +0.4 | Exchange Rate Effect | -0.2 |
| Cost Reduction | +1.3 | Decrease in Sales Quantity and others | -6.8 |
| Reduction in Fixed Cost | +5.4 | | |
| | +7.1 | | -7.0 |

Non-operating Income/Loss

| | |
|----------------------|--------------------|
| Net Interest Expense | +0.8 (-1.2 → -0.4) |
| Exchange Rate Effect | -0.9 (-0.2 → -1.1) |
| Others | +0.1 (-1.0 → -0.9) |

Net Sales and Operating Income by Segment for 1H FY2012 (Comparison with forecasts)

(Billion yen)

| | Net Sales | | | Operating Income | | |
|---------------------------------|------------------------|---------|--------|------------------------|---------|--------|
| | Forecasts (4/26/12) | Results | Change | Forecasts (4/26/12) | Results | Change |
| Power and Social Infrastructure | 85.0 | 81.7 | -3.3 | -1.0 | -1.3 | -0.3 |
| Industrial Infrastructure | 50.0 | 49.6 | -0.4 | -0.5 | -0.8 | -0.3 |
| Power Electronics | 70.0 | 63.6 | -6.4 | 0 | -1.3 | -1.3 |

➤ **Power and Social Infrastructure**

Plant orders were delayed until the second half of the year, and sales and operating results dropped below forecasts accordingly.

➤ **Industrial Infrastructure**

Plant orders were delayed until the second half of the year, and sales and operating results dropped below forecasts accordingly.

➤ **Power Electronics**

Sales, particularly those in the drive and ED&C components businesses, fell due to sluggish demand in China and other parts of Asia as well as a slump in exports in Japan, and sales and operating results were significantly lower than forecasts accordingly.

Net Sales and Operating Income by Segment for 1H FY2012 (Comparison with forecasts)

(Billion yen)

| | Net Sales | | | Operating Income | | |
|-----------------------------------|------------------------|--------------|-------------|------------------------|-------------|------------|
| | Forecasts (4/26/12) | Results | Change | Forecasts (4/26/12) | Results | Change |
| Electronic Devices | 56.0 | 51.5 | -4.5 | -2.0 | -2.9 | -0.9 |
| Food and Beverage Distribution | 51.0 | 56.7 | 5.7 | 1.0 | 2.4 | 1.4 |
| Others | 54.5 | 54.2 | -0.3 | 0 | 0.9 | 0.9 |
| Elimination and Corporate | -26.5 | -23.4 | 3.1 | -3.0 | -2.4 | 0.6 |
| Total | 340.0 | 333.8 | -6.2 | -5.5 | -5.4 | 0.1 |

➤ **Electronic Devices**

Sales and operating results in the semiconductor business were significantly lower than forecasts due to declines in demand in the industrial and power supply application businesses.

In the magnetic disk business, sales were lower than forecasted, but operating results were higher than forecasts as a result of reduced costs and general expenses.

➤ **Food and Beverage Distribution**

Sales and operating results were significantly higher than forecasted due to strong replacement demand for energy-saving environmentally friendly vending machines in the vending machine business as well as increased orders for the establishment of new convenience stores and the renovation of existing stores in the store distribution business.

Consolidated Balance Sheet for 1H FY2012

(Billion yen)

| Assets | | 3/31/12 | 9/30/12 | Change |
|--|--|--------------|--------------|--------------|
| Cash and time deposit | | 64.3 | 37.3 | -27.0 |
| Notes and account receivables, trade receivables | | 199.7 | 168.3 | -31.4 |
| Inventories | | 133.3 | 125.9 | -7.4 |
| Other current assets | | 55.9 | 72.7 | 16.8 |
| Total current assets | | 453.2 | 404.2 | -49.0 |
| Tangible fixed assets | | 158.4 | 166.8 | 8.4 |
| Intangible fixed assets | | 11.2 | 11.7 | 0.5 |
| Investments and other assets | | 169.9 | 137.4 | -32.5 |
| Total long-term assets | | 339.5 | 316.0 | -23.5 |
| Deferred assets | | 0.1 | 0.2 | 0.1 |
| Total assets | | 792.8 | 720.4 | -72.5 |

| Liabilities and Net Assets | | 3/31/12 | 9/30/12 | Change |
|---|--|--------------|--------------|--------------|
| Notes and account payables, trade payables | | 136.5 | 118.2 | -18.3 |
| Interest-bearing Debts | | 255.9 | 234.7 | -21.2 |
| Other liabilities | | 217.3 | 209.3 | -8.0 |
| Total liabilities | | 609.6 | 562.1 | -47.5 |
| Common stock | | 47.6 | 47.6 | — |
| Capital surplus | | 46.7 | 46.7 | -0.0 |
| Retained earnings | | 63.4 | 55.0 | -8.4 |
| Treasury stock at cost | | -7.1 | -7.1 | -0.0 |
| Shareholders' equity | | 150.6 | 142.2 | -8.4 |
| Accumulated other comprehensive income | | 12.9 | -3.0 | -15.9 |
| Minority interests in consolidated subsidiaries | | 19.6 | 19.0 | -0.6 |
| Total net assets | | 183.2 | 158.3 | -25.0 |
| Total liabilities and net assets | | 792.8 | 720.4 | -72.5 |

| | | | |
|-------------------------------|-------|-------|------|
| Total Net Assets Ratio (%) | 20.6 | 19.3 | -1.3 |
| Net Interest-bearing Debts | 191.6 | 197.4 | 5.8 |
| Net Debt-Equity Ratio (times) | 1.2 | 1.4 | 0.2 |

*Minority interests in consolidated subsidiaries is not included.

Consolidated Cash Flow for 1H FY2012

(Billion yen)

| | 1H FY2011 | 1H FY2012 |
|--|--------------|--------------|
| Cash Flows from Operating Activities | 4.4 | 23.9 |
| Cash Flows from Investing Activities | -9.2 | -16.7 |
| Free Cash Flow | -4.8 | 7.2 |
| Cash Flows from Financing Activities | -47.9 | -33.5 |
| Effect of Exchange Rate Change and Others | -0.7 | -0.7 |
| Increase / Decrease | -53.4 | -27.0 |
| Cash and Cash Equivalents at Beginning of Year | 81.8 | 64.3 |
| Cash and Cash Equivalents at End of Year | 28.4 | 37.3 |

Collection of trade receivables
Inventories reductions

Redemption of Corporate bonds

Consolidated Financial Forecasts for FY2012

**Forecasts for individual segments revised based on recent market trends,
but overall consolidated results forecasts unchanged**

(Billion yen)

| | FY2012 Forecasts (4/26/12) | FY2012 Forecasts (10/25/12) | Change |
|--------------------------|----------------------------------|-----------------------------------|--------|
| Net Sales | 750.0 | 750.0 | 0.0 |
| Operating Income/Loss | 23.0 | 23.0 | 0.0 |
| Ordinary Income/Loss | 22.0 | 22.0 | 0.0 |
| Net Income/Loss | 13.0 | 13.0 | 0.0 |

| | US\$ | EURO |
|-----------------------------------|---------|---------|
| Sales Exchange Rate | ¥ 78.00 | ¥ 98.00 |
| One Yen Effect * (Million yen) | 210 | 40 |

*from 3Q to 4Q

Net Sales and Operating Income by Segment for FY2012 (Comparison with forecasts)

(Billion yen)

| | Net Sales | | | Operating Income | | |
|---------------------------------|----------------------------------|-----------------------------------|------------|----------------------------------|-----------------------------------|------------|
| | FY2012 Forecasts (4/26/12) | FY2012 Forecasts (10/25/12) | Change | FY2012 Forecasts (4/26/12) | FY2012 Forecasts (10/25/12) | Change |
| Power and Social Infrastructure | 193.1 | 197.6 | 4.5 | 9.5 | 11.2 | 1.7 |
| Industrial Infrastructure | 111.0 | 120.9 | 9.9 | 5.5 | 5.7 | 0.2 |
| Power Electronics | 158.7 | 145.8 | -12.9 | 5.9 | 3.1 | -2.8 |
| Electronic Devices | 127.6 | 112.4 | -15.2 | 4.0 | 0.5 | -3.5 |
| Food and Beverage Distribution | 105.4 | 111.1 | 5.7 | 3.5 | 5.8 | 2.3 |
| Others | 113.2 | 116.2 | 3.0 | 2.0 | 2.8 | 0.8 |
| Elimination and Corporate | -59.0 | -54.1 | 4.9 | -7.4 | -6.0 | 1.4 |
| Total | 750.0 | 750.0 | 0.0 | 23.0 | 23.0 | 0.0 |

➤ **Power and Social Infrastructure**

Sales and operating income will exceed initial forecasts, primarily in the social infrastructure business.

➤ **Industrial Infrastructure**

Sales will exceed initial forecasts due to efforts to exploit new replacement demand in Japan.

➤ **Power Electronics**

Sales, particularly those in the drive and ED&C components businesses, will suffer due to sluggish demand in China and other parts of Asia as well as a slump in exports in Japan, and sales and operating results will be significantly lower than initial forecasts accordingly.

➤ **Electronic Devices**

The semiconductor business will suffer due to lower demand, particularly in the industrial application business, and sales and operating results will be significantly lower than initial forecasts accordingly.

In the magnetic disk business, sales and operating results will be slightly lower than initial forecasts.

➤ **Food and Beverage Distribution**

Sales and operating results will be substantially higher than initial forecasts due to the strong performance seen during the first half of the fiscal year in the vending machine and store distribution businesses.

Consolidated Forecasts for FY2012 (YoY Comparison)

(Billion yen)

| | FY2011 Results | FY2012 Forecasts | Change |
|-----------------------|----------------|------------------|--------|
| Net Sales | 703.5 | 750.0 | 46.5 |
| Operating Income/Loss | 19.3 | 23.0 | 3.7 |
| Ordinary Income/Loss | 18.6 | 22.0 | 3.4 |
| Net Income/Loss | 11.8 | 13.0 | 1.2 |

| | US\$ | EURO |
|-----------------------------------|--------|--------|
| Sales Exchange Rate | ¥78.00 | ¥98.00 |
| One Yen Effect * (Million yen) | 210 | 40 |

*from 3Q to 4Q

(Billion yen)

| | Net Sales | | | Operating Income | | |
|---------------------------------|----------------|------------------|-------------|------------------|------------------|------------|
| | FY2011 Results | FY2012 Forecasts | Change | FY2011 Results | FY2012 Forecasts | Change |
| Power and Social Infrastructure | 156.6 | 197.6 | 41.0 | 12.0 | 11.2 | -0.9 |
| Industrial Infrastructure | 110.5 | 120.9 | 10.4 | 4.4 | 5.7 | 1.3 |
| Power Electronics | 150.8 | 145.8 | -5.0 | 3.8 | 3.1 | -0.7 |
| Electronic Devices | 112.2 | 112.4 | 0.2 | -0.2 | 0.5 | 0.7 |
| Food and Beverage Distribution | 115.5 | 111.1 | -4.3 | 2.3 | 5.8 | 3.6 |
| Others | 112.6 | 116.2 | 3.6 | 2.6 | 2.8 | 0.1 |
| Elimination and Corporate | -54.7 | -54.1 | 0.6 | -5.6 | -6.0 | -0.4 |
| Total | 703.5 | 750.0 | 46.5 | 19.3 | 23.0 | 3.7 |

Interim dividends set at ¥2 per share

(Yen)

| | Interim | Year-end | Full-year |
|-------------------------------|---------|----------|-----------|
| Dividends Paid for FY2010 | 2.00 | 2.00 | 4.00 |
| Dividends Paid for FY2011 | 2.00 | 2.00 | 4.00 |
| Expected Dividends for FY2012 | 2.00 | TBD | TBD |

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