

Consolidated Financial Results **for 3Q FY2019**

January 31, 2020
Fuji Electric Co., Ltd.

Summary of Consolidated Financial Results for 9 months (Apr.-Dec.) FY2019 (YoY Comparison)

Sales and income down due to rebound from large-scale projects in the previous equivalent period and trade friction between the United States and China

(Billion yen)

	9 months FY2018 Results	9 months FY2019 Results	Change
Net Sales	622.3	611.7	-10.5
Operating Income/Loss	24.5	16.8	-7.6
Ordinary Income/Loss	26.5	17.7	-8.7
Extraordinary Income/Loss	1.7	0.8	-0.9
Income/Loss before Income Taxes	28.2	18.5	-9.7
Income Taxes	8.6	6.4	-2.2
Net Income Attributable to Non-controlling Interests	3.2	1.8	-1.4
Net Income Attributable to Owners of Parent	16.4	10.3	-6.1

(Average Exchange Rate)

(Yen)

US\$	111.14	108.67	-2.47
EURO	129.49	121.05	-8.44
RMB	16.61	15.60	-1.01

(End of the Month Rate Difference: March 31, 2019 → December 31, 2019)

(Yen)

US\$	106.24→111.00	110.99→109.56	-6.19
EURO	130.52→127.00	124.56→122.54	1.50
RMB	16.92→16.16	16.47→15.67	-0.04

Net Sales

Loss on translation of earnings of overseas subsidiaries	-3.3
Demand decrease	-7.2

Decrease in sales volumes	-5.2
Increase in fixed costs	-1.8
Exchange rate effect	-1.9
Others*	+1.3
	-7.6

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

Non-operating Income/Loss

Net interest expense	-0.1 (1.6 → 1.6)
Foreign exchange loss	-0.8 (0.2 → -0.7)
Others	-0.2 (0.2 → -0.0)
	-1.1 (2.0 → 0.9)

Extraordinary Income/Loss

Gain on sales of investment securities	1.5 (0.9 → 2.3)
Loss on valuation of investment securities	-0.4 (-0.1 → -0.5)
Gain on reversal of foreign currency translation adjustments due to subsidiary liquidation	-1.3 (1.3 → 0.0)
Others	-0.6 (-0.4 → -1.0)
	-0.9 (1.7 → 0.8)

The number of consolidated subsidiaries in 2H FY2019 changed from 72 to 73 companies.
Newly consolidated: Fuji Electric Consul Neowatt Pvt. Ltd. (FCN)

Net Sales and Operating Income by Segment for 9 months (Apr.-Dec.) for FY2019 (YoY Comparison)

Income down centered on Power Electronics Systems Energy, Power Electronics Systems Industry and Electronic Devices

(Billion yen)

	9 months FY2018 Results		9 months FY2019 Results		Change	
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss
Power Electronics Systems Energy	143.7	7.9	146.3	4.7	2.5	-3.2
Power Electronics Systems Industry	212.8	4.4	204.4	1.1	-8.4	-3.2
Electronic Devices	103.8	11.7	102.6	8.9	-1.2	-2.8
Food and Beverage Distribution	81.7	3.2	77.7	3.1	-4.1	-0.1
Power Generation	71.1	-0.5	69.6	1.1	-1.5	1.6
Others	45.9	1.8	45.7	1.7	-0.2	-0.0
Elimination and Corporate	-36.8	-3.9	-34.5	-3.9	2.4	0.0
Total	622.3	24.5	611.7	16.8	-10.5	-7.6

※Figures for FY2018 reflect the organizational restructuring conducted in FY2019.

Business Results by Segment for 9 months (Apr.-Dec.) FY2019 (YoY Comparison) ①

(Billion yen)

		9 months FY2018 Results	9 months FY2019 Results	Change	Overview	
Power Electronics Systems	Energy	Net Sales	143.7	146.3	2.5	<p>Energy Management Decrease in net sales as a result of the rebound from large-scale projects undertaken overseas during the previous equivalent period, but increase in operating results due to the benefits of cost reduction efforts</p> <p>Power Supply and Facility Systems Increase in net sales and operating results, 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</p>
		Operating Income/Loss	7.9	4.7	-3.2	<p>ED&C Components Decrease in net sales and operating results due to reduced demand from machine manufacturers, including those of machine tools</p>
	Industry	Net Sales	212.8	204.4	-8.4	<p>Automation Systems Decrease in net sales and operating results following reduced demand for low-voltage inverters and factory automation components centered on the domestic and Chinese markets</p> <p>Social Solutions Decrease in net sales and operating results due to the absence of large-scale orders for electrical equipment for railcars recorded in the previous equivalent period</p>
		Operating Income/Loss	4.4	1.1	-3.2	<p>Equipment Construction Decrease in net sales following declines in electrical and air-conditioning equipment construction projects, but increase in operating results due to the benefits of cost reduction efforts</p> <p>IT Solutions Increase in net sales and operating results because of a rise in large-scale orders in the private sector</p>

Business Results by Segment for 9 months (Apr.-Dec.) FY2019 (YoY Comparison) ②

(Billion yen)

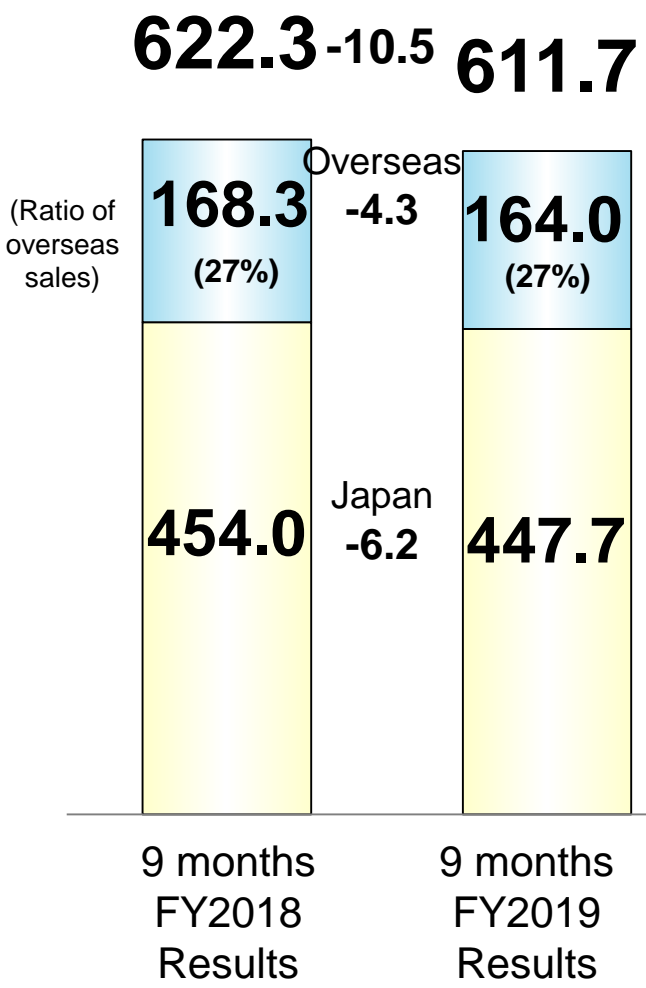
		9 months FY2018 Results	9 months FY2019 Results	Change	Overview					
Electronic Devices	Net Sales	103.8	102.6	-1.2	Decrease in net sales and operating results for semiconductors as the benefits of higher demand for automotive power semiconductors for electrified vehicles (xEVs) were outweighed by the impacts of lower demand in the industrial field centered on the Chinese market as well as the impacts of foreign exchange influences Decrease in net sales for magnetic disks due to reduced demand for products for computer application, but increase in operating results due to the benefits of cost reduction efforts					
	Operating Income/Loss	11.7	8.9	-2.8	Breakdown of Electronic Devices Sales	9 months FY2018 Results	9 months FY2019 Results	Distribution of Semiconductor Sales by Fields	9 months FY2018 Results	9 months FY2019 Results
					Semiconductors	83.8	83.3	Industrial Modules	49%	46%
				Magnetic Disks	20.1	19.3	Industrial Discrete Devices	23%	20%	
							Automobiles	28%	34%	
Food and Beverage Distribution	Net Sales	81.7	77.7	-4.1	Vending Machines Decrease in net sales and operating results due to reduced demand in the Japanese and Chinese markets					
	Operating Income/Loss	3.2	3.1	-0.1	Store Distribution Increase in net sales and operating results thanks to an increase in demand for store equipment for convenience stores					
Power Generation	Net Sales	71.1	69.6	-1.5	Decrease in net sales, despite an increase in large-scale thermal and geothermal power generation system projects, due to a decline in large-scale solar power generation system projects, but increase in operating results as a result of the rebound from the higher costs associated with a large-scale project incurred in the previous equivalent period					
	Operating Income/Loss	-0.5	1.1	1.6						

Exchange rate effect

Net Sales by Japan and Overseas Area for 9 months (Apr.-Dec.) FY2019 (YoY Comparison)

(Billion yen)

(Billion yen)



	9 months FY2018 Results	9 months FY2019 Results	Change
Overseas	168.3	164.0	-3.3
Asia and Others	86.0	89.5	-1.5
China	59.8	50.5	-1.2
Europe	12.1	14.2	2.1
Americas	10.4	9.9	-0.6

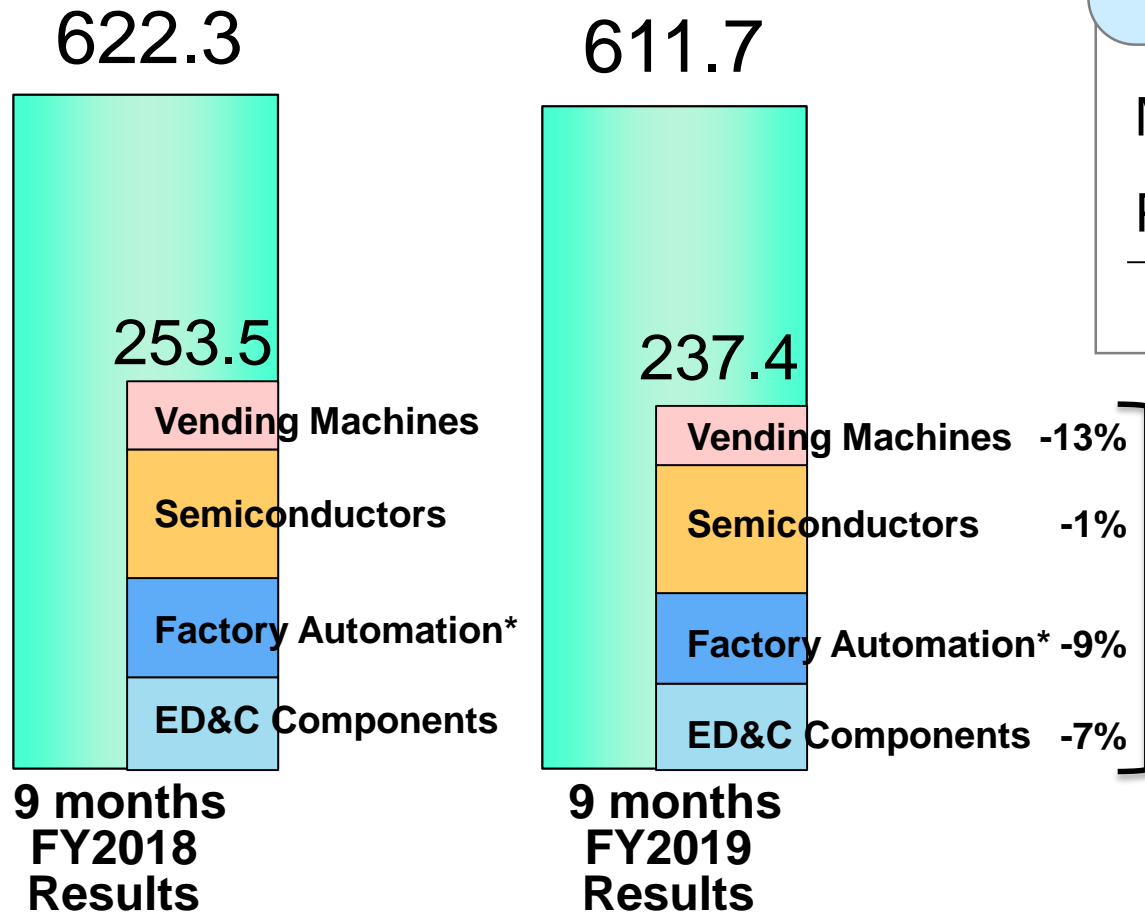
- Power Supply and Facility Systems +9.8
 - Energy Management -2.6
 - Automation Systems -1.5
 - Social Solutions -1.0
 - ED&C Components -0.8
-
- Vending Machines -3.8
 - Automation Systems -1.7
 - Semiconductors -1.5
 - Power supply and Facility Systems -1.4
-
- Semiconductors +1.8
-
- Social Solutions -1.2
 - Energy Management +0.8

Exchange rate effect

Breakdown of Net Sales by Products for 9 months (Apr.-Dec.) FY2019 (YoY Comparison)

Decrease in net sales as a result of reduced demand for major components, increase in systems sales

(Billion yen)



Breakdown of changes in net sales (YoY Comparison)

Major components	-16.1
Plant systems, others	+5.6
Total	-10.5

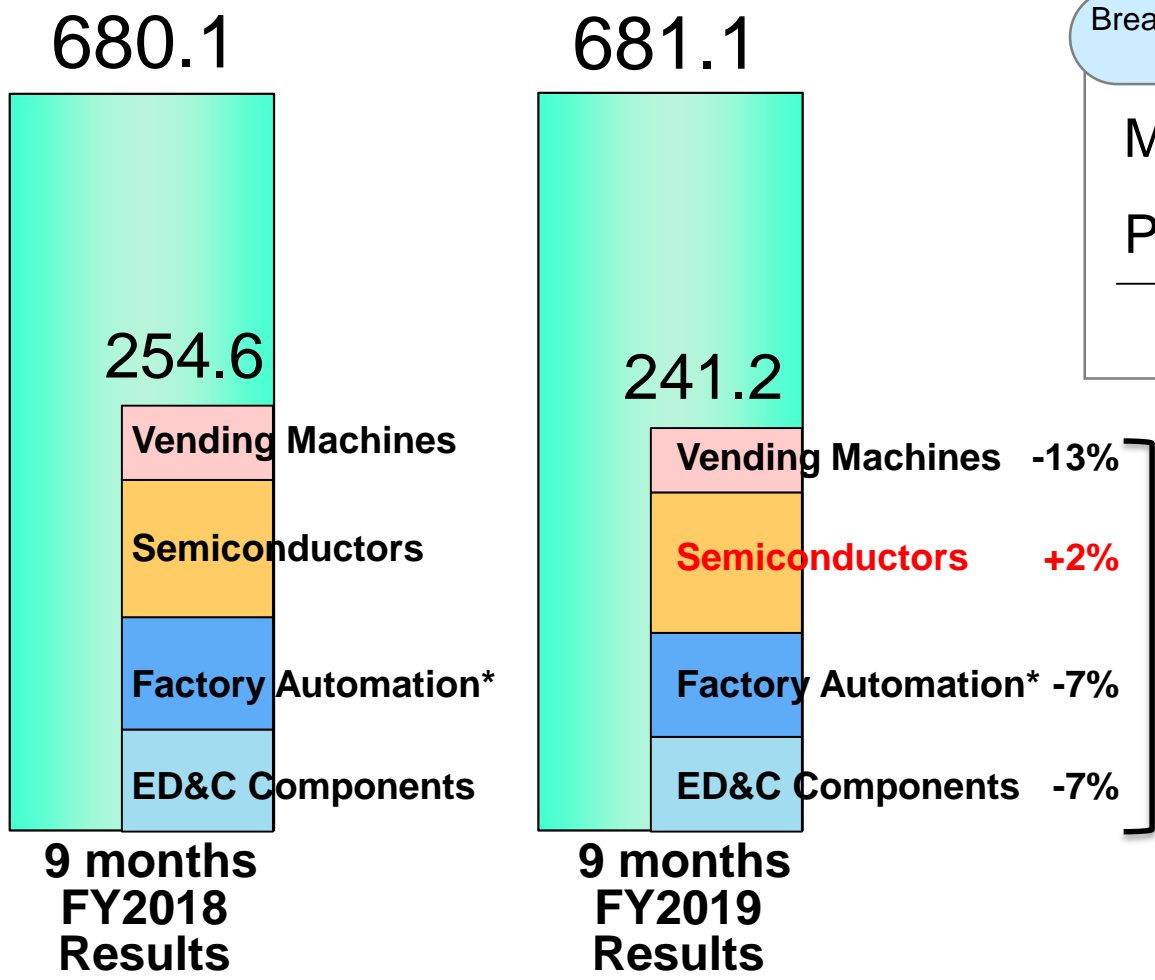
Major components

※Factory Automation: low-voltage inverters, motors, FA components and measuring instruments

Breakdown of Amount of Orders Received by Products for 9 months (Apr.-Dec.) FY2019 (YoY Comparison)

Orders unchanged, large increase in systems orders and YoY increase in semiconductors

(Billion yen)



Breakdown of changes in Amount of Orders Received (YoY Comparison)

Major components	-13.4
Plant systems, others	+14.4
Total	+1.0

Major components

※Factory Automation: low-voltage inverters, motors, FA components and measuring instruments

Summary of Consolidated Financial Results for 3Q (Oct.-Dec.) FY2019 (YoY Comparison)

(Billion yen)	3Q FY2018	3Q FY2019	Change
Net Sales	202.8	205.1	2.3
Operating Income/Loss	6.0	5.7	-0.2
Ordinary Income/Loss	7.0	6.9	-0.2
Net Income Attributable to Owners of Parent	3.8	4.3	0.5

(Average Exchange Rate)

(Yen)

	3Q FY2018	3Q FY2019	Change
US\$	112.90	108.76	-4.14
EURO	128.78	120.32	-8.46
RMB	16.32	15.45	-0.87

(End of the Month Rate Difference: September 30, 2019 → December 31, 2019)

(Yen)

US\$	113.57→111.00	107.92→109.56	4.21
EURO	132.14→127.00	118.02→122.54	9.66
RMB	16.50→16.16	15.13→15.67	0.88

(Billion yen)	3Q FY2018		3Q FY2019		Change	
	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss	Net Sales	Operating Income/ Loss
Power Electronics Systems Energy	49.9	2.9	48.2	1.1	-1.8	-1.9
Power Electronics Systems Industry	70.7	2.4	65.7	1.8	0.6 -5.1	-0.3 -0.6
Electronic Devices	32.1	3.1	36.8	2.9	1.6 4.8	-0.3 -0.2
Food and Beverage Distribution	25.4	0.5	23.0	0.2	-2.5	-0.4
Power Generation	21.9	-2.3	27.7	0.3	5.8	2.7
Others	15.6	0.6	15.0	0.6	-0.6	-0.0
Elimination and Corporate	-12.9	-1.3	-11.3	-1.2	1.5	0.2
Total	202.8	6.0	205.1	5.7	2.1 2.3	-0.8 -0.2

Exchange rate effect

Consolidated Balance Sheet at the End of 3Q FY2019

(Billion yen)

Assets		3/31/19	12/31/19	Change
Cash and time deposit		29.3	31.2	1.9
Notes and account receivables, trade receivables		308.8	256.4	-52.5
Inventories		177.0	223.5	46.5
Other current assets		58.0	68.0	10.0
Total current assets		573.1	579.0	5.9
Tangible fixed assets		182.1	192.6	10.5
Intangible fixed assets		17.8	24.5	6.7
Investments and other assets		179.4	185.4	6.0
Total long-term assets		379.4	402.6	23.2
Deferred assets		0.2	0.1	-0.0
Total assets		952.7	981.7	29.1

Liabilities and Net Assets		3/31/19	12/31/19	Change
Notes and account payables, trade payables		196.7	183.7	-13.0
Interest-bearing debts		154.0	207.9	53.9
Other liabilities		209.9	188.2	-21.7
Total liabilities		560.6	579.8	19.2
Capital stock		47.6	47.6	-
Capital surplus		46.1	45.9	-0.1
Retained earnings		223.9	222.8	-1.1
Treasury stock at cost		-7.3	-7.3	-0.0
Shareholders' equity		310.3	309.0	-1.3
Accumulated other comprehensive income		42.6	53.6	10.9
Non-controlling interests		39.1	39.3	0.2
Total net assets		392.1	401.9	9.8
Total liabilities and net assets		952.7	981.7	29.1

Net interest-bearing debt※1	124.9	177.2	52.3
Net D/E ratio※2 (times)	0.4	0.5	0.1
Equity ratio	37.0%	36.9%	-0.1

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

※2 Net D/E ratio: Net interest-bearing debt ÷ Shareholder's equity

Consolidated Financial Results Forecasts for FY2019 (YoY Comparison)

No change to full-year forecasts

(Billion yen)	FY2018 Results	FY2019 Forecasts (Jan. 30, 2020)	Change
Net Sales	914.9	915.0	0.1
Operating Income/Loss	60.0	50.0	-10.0
Ordinary Income/Loss	63.5	51.6	-11.9
Net Income Attributable to Owners of Parent	40.3	33.0	-7.3

4Q Assumed Exchange Rate

	US\$	EURO	RMB
Exchange Rate (yen)	105	123	15.0
One Yen Effect (Million yen)	60	40	90

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

(Billion yen)	FY2018 Results		Forecasts (Jan. 30, 2020)		Change			
	Net Sales	Operating Income/Loss	Net Sales	Operating Income/Loss	Net Sales		Operating Income/Loss	
Power Electronics Systems Energy	224.1	16.8	217.0	13.8	-1.3	-7.1	-0.2	-3.0
Power Electronics Systems Industry	322.5	19.4	337.0	19.4	-2.5	14.5	-0.9	0.0
Electronic Devices	137.3	15.6	136.0	11.6	-4.9	-1.3	-2.3	-4.0
Food and Beverage Distribution	113.6	5.8	112.0	5.8	-0.7	-1.6	-0.1	0.0
Power Generation	107.0	4.8	116.0	4.3		9.0		-0.5
Others	62.2	2.8	60.0	2.4		-2.2		-0.4
Elimination and Corporate	-51.9	-5.2	-63.0	-7.3		-11.1		-2.1
Total	914.9	60.0	915.0	50.0	-9.3	0.1	-3.5	-10.0

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