

**Consolidated Financial Results for first quarter of the fiscal year ending March 31, 2021
(April 1, 2020 — June 30, 2020)**

Summary of Consolidated Financial Results (Three months ended June 30, 2020)

1. Summary of consolidated statements of operations

	Millions of yen		Change(%) (A)/(B)	Millions of U.S. dollars
	3 months FY2020 (Apr.-Jun.) (A)	3 months FY2019 (Apr.-Jun.) (B)		3 months FY2020 (Apr.-Jun.)
	Yen			U.S. dollars
Net sales	168,844	176,010	95.9%	1,578
Operating income	2,435	3,642	66.9%	23
Ordinary income	2,639	3,852	68.5%	25
Net income attributable to owners of parent	1,356	2,528	53.6%	13
Net income per share (*)	9.50	17.70		0.09

2. Summary of consolidated financial position

	Millions of yen		Millions of U.S. dollars
	6/30/2020	3/31/2020	6/30/2020
Total assets	1,060,788	996,827	9,914
Net assets	417,791	406,002	3,905
Equity ratio (%)	35.6%	36.7%	-

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, 2021
(April 1, 2020 - March 31, 2021)**

We have not yet determined the forecast of consolidated earnings for the fiscal year ending March 31, 2021 because the spread of novel coronavirus disease (COVID-19) has been affecting, and it is difficult to estimate the forecast properly and reasonably at present. We will promptly disclose consolidated forecasts once we can.

< 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		<i>Millions of U.S. dollars</i>
	<u>6/30/2020</u>	<u>3/31/2020</u>	<u>6/30/2020</u>
Assets			
Current assets:			
Cash and deposits	152,407	64,073	1,424
Notes and accounts receivable-trade	238,790	294,504	2,232
Merchandise and finished goods	72,465	66,866	677
Work in process	79,512	67,875	743
Raw materials and supplies	54,399	53,371	508
Other	51,778	51,599	484
Allowance for doubtful accounts	(2,633)	(2,597)	(25)
Total Current assets	<u>646,718</u>	<u>595,692</u>	<u>6,044</u>
Noncurrent assets:			
Net Property, plant and equipment	200,590	201,892	1,875
Intangible assets	23,220	24,606	217
Investments and other assets			
Investment securities	151,616	128,289	1,417
Net defined benefit asset	15,312	15,083	143
Other	23,638	31,566	221
Allowance for doubtful accounts	(419)	(422)	(4)
Total Investments and other assets	<u>190,148</u>	<u>174,517</u>	<u>1,777</u>
Total Noncurrent assets	<u>413,959</u>	<u>401,016</u>	<u>3,869</u>
Deferred assets	<u>109</u>	<u>118</u>	<u>1</u>
Total Assets	<u><u>1,060,788</u></u>	<u><u>996,827</u></u>	<u><u>9,914</u></u>

Consolidated Balance Sheets

	Millions of yen		<i>Millions of U.S. dollars</i>
	<u>6/30/2020</u>	<u>3/31/2020</u>	<u>6/30/2020</u>
Liabilities			
Current liabilities:			
Notes and accounts payable-trade	144,128	179,914	1,347
Short-term loans payable	43,678	21,342	408
Commercial papers	80,500	51,500	752
Current portion of bonds payable	15,000	15,000	140
Income taxes payable	5,024	6,625	47
Advances received	46,178	47,203	432
Other	81,830	101,574	765
Total Current liabilities	<u>416,340</u>	<u>423,160</u>	<u>3,891</u>
Noncurrent liabilities:			
Bonds payable	35,000	35,000	327
Long-term loans payable	97,480	38,604	911
Provision for directors' retirement benefits	179	193	2
Net defined benefit liability	51,696	50,011	483
Other	42,299	43,855	395
Total Noncurrent liabilities	<u>226,656</u>	<u>167,664</u>	<u>2,118</u>
Total Liabilities	<u>642,996</u>	<u>590,825</u>	<u>6,009</u>
Net Assets			
Shareholders' equity:			
Capital stock	47,586	47,586	445
Capital surplus	46,002	45,949	430
Retained earnings	236,915	241,305	2,214
Treasury stock	(7,328)	(7,327)	(68)
Total Shareholders' equity	<u>323,176</u>	<u>327,513</u>	<u>3,020</u>
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	61,197	44,606	572
Deferred gains or losses on hedges	(29)	(231)	(0)
Foreign currency translation adjustments	(4,418)	(3,545)	(41)
Remeasurements of defined benefit plans	(2,387)	(2,724)	(22)
Total Accumulated other comprehensive income	<u>54,361</u>	<u>38,105</u>	<u>508</u>
Non-controlling interests	<u>40,254</u>	<u>40,382</u>	<u>376</u>
Total Net assets	<u>417,791</u>	<u>406,002</u>	<u>3,905</u>
Total Liabilities and Net assets	<u>1,060,788</u>	<u>996,827</u>	<u>9,914</u>

Consolidated Statements of Income

	Millions of yen		Millions of U.S. dollars
	3 months FY2020 (Apr.-Jun.)	3 months FY2019 (Apr.-Jun.)	<i>3 months FY2020 (Apr.-Jun.)</i>
Net sales	168,844	176,010	1,578
Cost of sales	125,874	129,258	1,176
Gross profit	42,970	46,752	402
Selling, general and administrative expenses	40,534	43,109	379
Operating income	2,435	3,642	23
Non-operating income			
Interest income	69	66	1
Dividends income	1,450	1,397	14
Other	120	102	1
Total Non-operating income	1,640	1,566	15
Non-operating expenses			
Interest expense	350	323	3
Equity in losses of affiliates	253	254	2
Foreign exchange losses	438	667	4
Other	395	111	4
Total Non-operating expenses	1,437	1,356	13
Ordinary income	2,639	3,852	25
Extraordinary income			
Gain on sales of noncurrent assets	32	7	0
Gain on sales of investment securities	31	207	0
Total Extraordinary income	64	215	1
Extraordinary loss			
Loss on disposal of noncurrent assets	91	39	1
Loss on valuation of investment securities	-	399	-
Total Extraordinary loss	91	439	1
Income before income taxes	2,612	3,628	24
Income taxes	663	915	6
Net income	1,948	2,712	18
Net income attributable to non-controlling interests	592	183	6
Net income attributable to owners of parent	1,356	2,528	13

Consolidated Statements of Comprehensive Income

	Millions of yen		<i>Millions of U.S. dollars</i>
	3 months FY2020 (Apr.-Jun.)	3 months FY2019 (Apr.-Jun.)	<i>3 months FY2020 (Apr.-Jun.)</i>
Net income	1,948	2,712	18
Other comprehensive income			
Valuation difference on available-for-sale securities	16,698	(2,073)	156
Deferred gains or losses on hedges	201	(49)	2
Foreign currency translation adjustments	(842)	(2,887)	(8)
Remeasurements of defined benefit plans	320	264	3
Share of other comprehensive income of associates accounted for using equity method	(132)	54	(1)
Total other comprehensive Income	16,245	(4,692)	152
Comprehensive income	18,194	(1,979)	170
Comprehensive income attributable to owners of parent	17,611	(1,775)	165
Comprehensive income attributable to non-controlling interests	582	(204)	5

Consolidated Segment Information

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

3 months FY2020 (Apr.-Jun.)

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	37,783	55,432	34,282	18,954	15,560	6,832	168,844	-	168,844
Inter-segment sales and transfers	597	2,514	725	67	96	5,345	9,346	(9,346)	-
Total sales	38,380	57,946	35,007	19,022	15,657	12,177	178,191	(9,346)	168,844
Segment profits (losses)	1,189	(1,373)	2,747	(179)	896	317	3,598	(1,162)	2,435

3 months FY2019 (Apr.-Jun.)

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	41,926	51,050	32,220	28,661	14,624	7,527	176,010	-	176,010
Inter-segment sales and transfers	488	2,440	717	77	17	7,478	11,219	(11,219)	-
Total sales	42,414	53,491	32,938	28,738	14,641	15,005	187,230	(11,219)	176,010
Segment profits (losses)	1,183	(2,747)	3,296	2,242	550	538	5,064	(1,422)	3,642

3 months FY2020 (Apr.-Jun.)

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	353	518	320	177	145	64	1,578	-	1,578
Inter-segment sales and transfers	6	23	7	1	1	50	87	(87)	-
Total sales	359	542	327	178	146	114	1,665	(87)	1,578
Segment profits (losses)	11	(13)	26	(2)	8	3	34	(11)	23

Supplemental Consolidated Financial Materials**1. Financial summary**

	Billions of yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast] 1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	1H FY2019 (Apr.-Sep.)
Net sales	168.8	-	176.0	406.7
Operating income	2.4	-	3.6	11.1
Ordinary income	2.6	-	3.9	10.9
Net income attributable to owners of parent	1.4	-	2.5	6.0

2. Number of consolidated subsidiaries

	Billions of yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast] 1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	1H FY2019 (Apr.-Sep.)
Number of consolidated subsidiaries	74	-	72	73
Japan	23	-	23	23
Overseas	51	-	49	50
Number of equity-method associates	4	-	4	4

3. Net income per share

	Yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast] 1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	1H FY2019 (Apr.-Sep.)
Net income per share(*)	9.50	-	17.70	41.85

4. Average exchange rates (Yen)

	Yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast] 1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	1H FY2019 (Apr.-Sep.)
US\$	107.62	-	109.90	108.63
EURO	118.48	-	123.49	121.42
RMB	15.17	-	16.07	15.68

5. Net sales by reporting segment

	Billions of yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast] 1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	1H FY2019 (Apr.-Sep.)
Power Electronics Systems Energy	38.4	-	42.4	98.1
Power Electronics Systems Industry	57.9	-	53.5	138.7
Electronic Devices	35.0	-	32.9	65.8
Food and Beverage Distribution	19.0	-	28.7	54.7
Power Generation	15.7	-	14.6	41.8
Others	12.2	-	15.0	30.7
Subtotal	178.2	-	187.2	429.8
Elimination	(9.3)	-	(11.2)	(23.2)
Total	168.8	-	176.0	406.7

6. Operating income by reporting segment

	Billions of yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast] 1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	1H FY2019 (Apr.-Sep.)
Power Electronics Systems Energy	1.2	-	1.2	3.6
Power Electronics Systems Industry	(1.4)	-	(2.7)	(0.7)
Electronic Devices	2.7	-	3.3	6.0
Food and Beverage Distribution	(0.2)	-	2.2	2.9
Power Generation	0.9	-	0.6	0.8
Others	0.3	-	0.5	1.2
Subtotal	3.6	-	5.1	13.8
Elimination	(1.2)	-	(1.4)	(2.7)
Total	2.4	-	3.6	11.1

7. Net overseas sales

	Billions of yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast]		1H FY2019 (Apr.-Sep.)
		1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	
Asia (except for China)	23.2	-	24.6	55.8
China	19.2	-	16.5	32.7
Europe	3.9	-	4.7	8.8
America	2.7	-	3.1	6.3
Total	49.0	-	48.9	103.5

8. R&D expenditures

	Billions of yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast]		1H FY2019 (Apr.-Sep.)
		1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	
Power Electronics Systems Energy	1.4	-	1.6	3.3
Power Electronics Systems Industry	2.1	-	2.1	4.4
Electronic Devices	2.4	-	2.7	5.4
Food and Beverage Distribution	1.0	-	1.1	2.2
Power Generation	0.5	-	0.6	1.4
Others	0.0	-	0.0	0.0
Total	7.4	-	8.0	16.7
Ratio to net sales (%)	4.4%	-	4.6%	4.1%

9. Plant and equipment investment (including leases)

	Billions of yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast]		1H FY2019 (Apr.-Sep.)
		1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	
Power Electronics Systems Energy	1.7	-	1.2	3.0
Power Electronics Systems Industry	0.6	-	0.6	1.8
Electronic Devices	4.2	-	7.0	14.7
Food and Beverage Distribution	0.3	-	0.2	0.7
Power Generation	0.2	-	0.1	0.3
Others	0.1	-	0.2	0.4
Total	7.0	-	9.4	21.0
(Leases)	3.1	-	6.3	13.3

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

10. Depreciation, Leases paid

	Billions of yen			
	1Q FY2020 (Apr.-Jun.)	[Forecast]		1H FY2019 (Apr.-Sep.)
		1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	
Power Electronics Systems Energy	1.2	-	1.2	2.5
Power Electronics Systems Industry	1.0	-	1.0	2.0
Electronic Devices	4.3	-	3.4	6.9
Food and Beverage Distribution	0.5	-	0.5	1.0
Power Generation	0.3	-	0.3	0.6
Others	0.2	-	0.3	0.5
Total	7.6	-	6.6	13.5
(Leases)	0.3	-	0.2	0.5

11. Number of employees

	[Forecast]			
	1Q FY2020 (Apr.-Jun.)	[Forecast]		1H FY2019 (Apr.-Sep.)
		1H FY2020 (Apr.-Sep.)	1Q FY2019 (Apr.-Jun.)	
Power Electronics Systems Energy	6,771	-	6,669	6,688
Power Electronics Systems Industry	9,230	-	8,486	8,482
Electronic Devices	6,641	-	6,805	6,722
Food and Beverage Distribution	2,328	-	2,464	2,395
Power Generation	1,267	-	1,242	1,244
Others	1,999	-	2,008	1,997
Total	28,236	-	27,674	27,528
Japan	18,031	-	17,928	17,863
Overseas	10,205	-	9,746	9,665

Financial Performance

(1) Qualitative Information regarding Consolidated Results of Operations

In the fiscal year ended March 31, 2020, 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.

The operating environment for the three-month period ended June 30, 2020, saw the ongoing curtailment of investments in Japan and overseas due to the global COVID-19 pandemic that has greatly restricted economic activities worldwide, resulting in prolonged uncertain situations. In China, on the other hand, economic activities gradually resumed and there were indications of recovery in capital investment of the manufacturing industry.

Consolidated net sales in the three-month period ended June 30, 2020, decreased ¥7.2 billion year on year, to ¥168.8 billion. Factors behind this decrease included the rebound from the fact that demand was down mainly in the Power Electronics Systems Energy segment and the Food and Beverage Distribution segment. The reduction in demand was a result of the delivery delays and capital investment curtailments stemming from the restrictions placed on business activities for the purpose of combating the global COVID-19 pandemic.

As a result of the lower sales, the impacts of foreign exchange influences, and higher expenses associated with upfront investments in the power semiconductor business, which offset the benefits of cost and fixed cost reduction efforts, consolidated operating income decreased ¥1.2 billion year on year, to ¥2.4 billion; ordinary income was down ¥1.2 billion, to ¥2.6 billion; and net income attributable to owners of parent declined ¥1.2 billion, to ¥1.4 billion.

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

	(¥ billion)		
	Three-month period ended June 30, 2019	Three-month period ended June 30, 2020	Change
Net sales	176.0	168.8	(7.2)
Operating income	3.6	2.4	(1.2)
Ordinary income	3.9	2.6	(1.2)
Net income attributable to owners of parent	2.5	1.4	(1.2)

Results by Segment

Power Electronics Systems Energy

Net sales: ¥38.4 billion (down 10% year on year)

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

In the Power Electronics Systems Energy segment, net sales were down year on year primarily as a result of the decline in demand in the energy management and ED&C components businesses, but operating income unchanged year on year due to the benefits of cost and fixed cost reduction efforts.

- In the energy management business, net sales and operating results were down year on year as a result of the rebound from large-scale projects for industrial power supply equipment in the previous equivalent period and the decline in demand for smart meters.
- In the power supply and facility systems business, net sales were down year on year as a result of the decline in demand for electrical facilities and rebound from large-scale projects in the switchgear and controlgear operations in the previous equivalent period. However, operating results were up year on year due to the benefits of cost reduction efforts.
- In the ED&C components business, net sales were down year on year due to the sluggish demand from Japanese machine manufacturers including machine tools and switchboard manufacturers, but operating results were up year on year due to the benefits of cost and fixed cost reduction efforts.

Power Electronics Systems Industry

Net sales: ¥57.9 billion (up 8% year on year)

Operating loss: ¥1.4 billion (up ¥1.4 billion year on year)

In the Power Electronics Systems Industry segment, net sales increased year on year while operating loss decreased following the increased demand mainly in the automation systems and IT solutions businesses, despite reduced sales in the equipment construction business due to extension of construction periods.

- In the automation systems business, net sales were up year on year while operating results unchanged year on year following the increased demand mainly for FA components in China and FA systems, despite reduced demand for low-voltage inverters mainly in Japan.
- In the social solutions business, net sales and operating results improved year on year thanks to increased large-scale projects for electrical equipment for railcars.
- In the equipment construction business, net sales decreased year on year due to sluggish sales of electrical equipment constructions arising from the postponement of capital investment plans and extension of construction periods, but 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 thanks to the increased large-scale projects in the public and academic sectors.

Electronic Devices

Net sales: ¥35.0 billion (up 6% year on year)

Operating income: ¥2.7 billion (down ¥0.5 billion year on year)

- In the electronic devices business, net sales improved year on year thanks to the increased demand for power semiconductors for the new energy market mainly in China and for electrified vehicles (xEVs), but operating results were down year on year as a result of higher expenses associated with

upfront investments for bolstering capacity for producing power semiconductors as well as negative foreign exchange influences.

Food and Beverage Distribution

Net sales: ¥19.0 billion (down 34% year on year)

Operating loss: ¥0.2 billion (compared with operating income of ¥2.2 billion in the previous equivalent period)

In the Food and Beverage Distribution segment, net sales decreased and operating loss was posted due to reduced demand in the vending machine and store distribution businesses as a result of the delivery delays and capital investment curtailments stemming from the global COVID-19 pandemic.

- In the vending machine business, net sales and operating results were down year on year due to the self-restraint on sales activities and reduced capital investment of Japanese beverage manufacturers, and reduced demand in the Chinese market.
- In the store distribution business, net sales and operating results were down year on year because of a decline in demand for store equipment for convenience stores and cancellations of and delays in some renovation works.

Power Generation

Net sales: ¥15.7 billion (up 7% year on year)

Operating income: ¥0.9 billion (up ¥0.3 billion year on year)

- In the power generation business, net sales and operating results improved year on year as a result of the increased large-scale thermal power and solar power generation system projects.

Others

Net sales: ¥12.2 billion (down 19% year on year)

Operating income: ¥0.3 billion (down ¥0.2 billion year on year)

(2) Quantitative Information regarding Consolidated Financial Position

(¥ billion)

	March 31, 2020	Breakdown (%)	June 30, 2020	Breakdown (%)	Change
Total assets	996.8	100.0	1,060.8	100.0	+64.0
Interest-bearing debt	217.4	21.8	325.7	30.7	+108.4
Shareholder's equity*1	365.6	36.7	377.5	35.6	+11.9
Debt-to-equity ratio*2 (times)	0.6		0.9		+0.3

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

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

Total assets on June 30, 2020, stood at ¥1,060.8 billion, an increase of ¥64.0 billion from the end of the previous fiscal year. Total current assets increased ¥51.0 billion primarily as a result of rises in cash and deposits and inventories, which offset a decline in notes and accounts receivable-trade. Total noncurrent assets were up ¥12.9 billion thanks to an increase due to an increase stemming from valuation difference on available-for-sale securities.

Interest-bearing debt as of June 30, 2020, amounted to ¥325.7 billion, up ¥108.4 billion from the previous fiscal year-end. Further, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—increased ¥20.7 billion from the previous fiscal year-end, amounting to ¥174.4 billion on June 30, 2020.

Net assets on June 30, 2020, was ¥417.8 billion, up ¥11.8 billion from the previous fiscal year-end. This outcome was because of an increase associated with valuation difference on available-for-sale securities. In addition, shareholders' equity—total net assets net of non-controlling interests—was up ¥11.9 billion from the previous fiscal year-end, standing at ¥377.5 billion on June 30, 2020. The debt-to-equity ratio (interest-bearing debt ÷ shareholders' equity) was 0.9 times, up 0.3 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.

(3) Qualitative Information regarding Consolidated Forecasts and Forecast Information

The Company has chosen not to release forecasts for consolidated business results in the fiscal year ending March 31, 2021, as it is currently difficult to project future trends in capital investment and production by customers amid the limited economic activity in Japan and other countries stemming from the global COVID-19 pandemic. Forecasts will be disclosed promptly when the Company is able to estimate the impacts of this situation on economic activities with a sufficient degree of accuracy.