

# First Quarter Financial Results For Fiscal Year 2009

(Three months ended on April 30,2008)

Company: **FUJI ELECTRIC INDUSTRY CO., LTD.** Stock: Tokyo Stock Exchange  
 Code Number: 6654 URL: <http://www.fujidk.co.jp/>  
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Date of the board meeting for this period: June 5,2008

## 1.First quarter financial results for the three months ended on April 30(February 1,2008 through April 30,2008)

### (1)Operating Results

(Unit ; one million yen)

	Net sales		Operating income		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
1st Q.FY 2009	804	11.7	140	21.9	146	22.6
1st Q.FY 2008	720	(1.7)	114	(27.1)	119	(25.6)
FY 2008	3,067		516		544	

	Net income		Net income per share -basic	Net income per share -diluted
	Million yen	%	Yen	Yen
1st Q.FY 2009	85	25.2	13.30	—
1st Q.FY 2008	68	(30.3)	10.62	—
FY 2008	314		48.77	—

Note : Percentages for net sales, operating income etc. show increase ( decrease ) from previous year's first quarter.

### (2)Financial Position

	Total assets	Shareholders' Equity	Shareholders' Equity ratio	Shareholders' Equity per share
	Million yen	Million yen	%	Yen
1st Q.FY 2009	10,781	9,755	90.5	1,513.01
1st Q.FY 2008	10,665	9,614	90.1	1,491.15
FY 2008	10,648	9,752	91.6	1,512.50

### (3)Cash Flows

	Operating activities cash flow	Investing activities cash flow	Financing activities cash flow	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
1st Q.FY 2009	223	(54)	(81)	694
1st Q.FY 2008	(107)	(46)	(122)	467
FY 2008	242	(174)	(205)	606

## 2.Dividends

	Dividend per share		
	Interim	Year-end	Annual
FY 2008	Yen 10.00	Yen 15.00	Yen 25.00
FY 2009	/		25.00
FY 2009 (forecast)	10.00	15.00	

### 3.Forecast of operating results for Fiscal Year 2009(February 1,2008 through January 31,2009)

	Net sales		Operating income		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
FY 2009 Interim	1,589	5.2	186	(31.6)	199	(30.1)
FY 2009	3,250	6.0	427	(17.2)	452	(16.9)

	Net income		Net income per share
	Million yen	%	Yen
FY 2009 Interim	118	(29.1)	18.38
FY 2009	269	(14.5)	41.72

Note 1 : Percentages for net sales, operating income etc. for the FY2009 interim and the FY 2009 show increase ( decrease ) from interim period and year period, respectively.

#### 4.Others

- (1) Adoption of concise accounting procedure : Yes  
(2) Changes in the accounting method : None

※ Note with respect to “Forecast of operating results for Fiscal Year 2009”

Forecasts announced by the Company referred to above were prepared based on management’s assumptions with information available at this time and therefore involve known and unknown risks and uncertainties.

Please note such risks and uncertainties may cause the actual results to be materially different from the forecasts ( earnings forecast, dividend forecast, and other forecasts).

## Qualitative information / Financial affairs

### 1. Qualitative information on business performance

#### (1) General situation

Japan's economic growth has been slowing because of deceleration of US economy, strong Yen and weak Dollar, steep rise of material prices and drop of housing investment.

Enterprises of heavy electric equipment, our main customer, is aggressively getting order from domestic and overseas market, which are active because of brisk investment of Japanese electric power industries and new construction of electric power plants overseas.

Developments of electric power and railway infrastructure business in US, EU, Middle East, China and South East Asia are also active. Thanks to these business circumstances, our products for domestic market including new type terminal blocks were widely accepted and overseas sales also keeps a good pace. Finally our net sales of first quarter reached to 804 million yen (22% increase compared with the same period of previous year).

Regarding to the profit, we struggled to improve production efficiency, procurement cost of materials and expenses. As a result the operating profit reached to 140 million yen, the ordinary profit was 148 million yen and the net profit was 85 million yen. Increasing rate compared with the same period of previous year were 21.9%, 22.8% and 25.2% respectively.

#### (2) Products sales

##### Control switches

Sales of this category reached 222 million yen (9.9% increase compared with the same period of previous year) because of active demands of cam switches, our main item, for the end devices of remote control of automatic electric power distribution.

##### Connecting devices

Although the sales of rectangle connector for switchgear of substations were sluggish, surge absorber terminal, reliable wiring terminal blocks for electric power industry and test terminals for switchboard of domestic and overseas manufacture were shipped considerably. As a result sales of this category reached 334 million (11.2% increase).

##### Indicators and indicator lumps

Although the sales of electro magnetic indicators (Drop type annunciator or maclit indicator) exceeded the sales amount of previous year, pilot lumps of round type were sluggish because of domestic oversupply of this category. As a result the sales remains 116 million (0.8% increase).

##### Applied electronic devices

Sales of Electronics devices reached 131 million (29% increase) thanks to a good sale of I/O terminal and new type annunciator for substations of electric power industries or electric railroad company.

### 2. Qualitative information on business performance forecast

The demand of device for heavy electric industry is increasing because of active investment of plant and equipment in domestic market and active infrastructure business such as electric power, railway or desalination overseas. Under these circumstances, the reliable wiring terminal blocks newly developed for electric power companies, cam switches, test terminals and I/O terminals for electric power or electric railroad companies are expected to contribute toward sales increase.

As for "TERMINAL-COM" series, wiring-saving control device, for general industries, we are concentrating energy to put a plan on track within this fiscal year.

In first quarter the operating results in sales, operating profit, ordinary profit and net profit exceed the present operating plan and the results of previous year. However we must recognize that price of raw materials and cost of labor outside weigh heavily on profit. At the present time there is no change of the operating plan officially announced on 14 March 2008.

### 3. Other information

#### (1) Adoption of concise accounting procedure

An inventory valuation method is based on a book inventory method.

Corporate taxes were calculated by using an estimated annual effective tax rate based on the legal effective tax rate.

#### (2) Changes in the accounting method

None

#### 4. Balance Sheets

thousand yen, %

	As of April 30, 2007	As of April 30, 2008	Increase (Decrease)		As of January 31, 2008
	Amount	Amount	Amount	%	Amount
<b>(Assets)</b>					
<b>I Current assets</b>					
1. Cash and deposits	4,337,521	4,564,206	226,684		4,476,448
2. Notes and trade accounts receivable	1,141,148	1,175,903	34,755		1,155,472
3. Securities	1,238,235	1,139,233	(99,001)		1,638,162
4. Inventories	772,231	735,945	(36,285)		725,353
5. Other current assets	79,686	57,271	(22,414)		55,717
6. Allowance for doubtful accounts	(1,843)	(1,430)	413		(1,397)
<b>Total current assets</b>	<b>7,566,979</b>	<b>7,671,130</b>	<b>104,151</b>	<b>1.4</b>	<b>8,049,757</b>
<b>II Fixed assets</b>					
1. Tangible fixed assets	1,905,703	1,872,127	(33,576)		1,876,069
2. Intangible fixed assets	17,567	14,225	(3,342)		15,826
3. Investments and other assets	1,174,874	1,223,822	48,948		706,828
<b>Total fixed assets</b>	<b>3,098,145</b>	<b>3,110,174</b>	<b>12,029</b>	<b>0.4</b>	<b>2,598,724</b>
<b>Total assets</b>	<b>10,665,124</b>	<b>10,781,305</b>	<b>116,181</b>	<b>1.1</b>	<b>10,648,481</b>
<b>(Liabilities)</b>					
<b>I Current liabilities</b>					
1. Notes and trade accounts payable	448,764	427,448	(21,315)		399,315
2. Short-term debt	180,000	180,000	—		180,000
3. Other current liabilities	339,267	299,240	(40,027)		198,699
<b>Total current liabilities</b>	<b>968,032</b>	<b>906,689</b>	<b>(61,342)</b>	<b>(6.3)</b>	<b>778,014</b>
<b>II Long-term liabilities</b>					
1. Reserve for directors' and corporate auditors' retirement pay	47,341	43,121	(4,220)		51,862
2. Other long-term liabilities	35,245	76,078	40,833		66,458
<b>Total long-term liabilities</b>	<b>82,586</b>	<b>119,199</b>	<b>36,613</b>	<b>44.3</b>	<b>118,320</b>
<b>Total liabilities</b>	<b>1,050,618</b>	<b>1,025,889</b>	<b>(24,729)</b>	<b>(2.4)</b>	<b>896,335</b>
<b>(Net assets)</b>					
<b>I Owners' equity</b>					
1. Common stock	1,087,250	1,087,250	—		1,087,250
2. Additional paid-in capital	1,704,240	1,704,240	—		1,704,240
3. Retained earnings	6,766,465	6,936,980	170,514		6,947,945
4. Treasury stock, at cost	(113,229)	(113,229)	—		(113,229)
<b>Total owners' equity</b>	<b>9,444,725</b>	<b>9,615,240</b>	<b>170,514</b>	<b>1.8</b>	<b>9,626,205</b>
<b>II Valuation and translation adjustments</b>					
1. Unrealized gains on other securities	169,780	140,175	(29,604)		125,940
<b>Total valuation and translation adjustments</b>	<b>169,780</b>	<b>140,175</b>	<b>(29,604)</b>	<b>(17.4)</b>	<b>125,940</b>
<b>Total net assets</b>	<b>9,614,506</b>	<b>9,755,416</b>	<b>140,910</b>	<b>1.5</b>	<b>9,752,145</b>
<b>Total liabilities and net assets</b>	<b>10,665,124</b>	<b>10,781,305</b>	<b>116,181</b>	<b>1.1</b>	<b>10,648,481</b>

## 5. Statements of Income

thousand yen, %

	Three months ended April 30, 2007	Three months ended April 30, 2008	Increase (Decrease)		Year ended January 31, 2008
	Amount	Amount	Amount	%	Amount
I Net sales	720,539	804,981	84,442	11.7	3,067,432
II Cost of sales	417,493	470,786	53,293		1,805,610
<b>Gross margin</b>	<b>303,045</b>	<b>334,194</b>	<b>31,149</b>	<b>10.3</b>	<b>1,261,821</b>
III Selling, general, and administrative expenses	188,202	194,175	5,972		745,205
<b>Operating income</b>	<b>114,842</b>	<b>140,019</b>	<b>25,177</b>	<b>21.9</b>	<b>516,616</b>
IV Other income	5,015	6,831	1,815		31,454
V Other expenses	728	832	103		3,258
<b>Ordinary income</b>	<b>119,129</b>	<b>146,018</b>	<b>26,889</b>	<b>22.6</b>	<b>544,812</b>
VI Extraordinary gains	—	—	—		421
VII Extraordinary losses	273	13	(259)		9,730
<b>Income before income taxes</b>	<b>118,855</b>	<b>146,005</b>	<b>27,149</b>	<b>22.8</b>	<b>535,502</b>
Income taxes	50,360	60,254	9,894		221,050
<b>Net income</b>	<b>68,495</b>	<b>85,750</b>	<b>17,254</b>	<b>25.2</b>	<b>314,452</b>

## 6.Statements of Cash Flows

thousand yen

	Three months ended April 30, 2007	Three months ended April 30, 2008	Year ended January 31, 2008
Description	Amount	Amount	Amount
<b>I. Cash flows from operating activities</b>			
Income before income taxes	118,855	146,005	535,502
Depreciation and amortization	39,703	48,875	192,120
Increase (decrease) in allowance for doubtful accounts	25	32	(421)
Increase (decrease) in reserve for directors' and corporate auditors' bonuses	(15,810)	(14,344)	(2,525)
Increase (decrease) in reserve for directors' and corporate auditors' retirement pay	(158,549)	(8,741)	(154,028)
Interest income and dividend receivable	(3,698)	(5,496)	(24,633)
Interest expense	728	832	3,258
Loss on disposal of tangible fixed assets	273	13	9,730
Decrease (increase) in notes and trade accounts receivable	(19,966)	(20,431)	(34,289)
Decrease (increase) in inventories	(40,271)	(10,592)	6,606
Increase (decrease) in notes and trade accounts payable	(5,336)	28,133	(54,785)
Other, net	103,602	59,433	9,192
Sub-total	19,555	223,721	485,728
Interest income and dividend received	4,978	7,618	20,046
Interest paid	(552)	(869)	(3,299)
Income taxes paid	(131,332)	(7,315)	(259,697)
<b>Net cash provided by (used in) operating activities</b>	<b>(107,351)</b>	<b>223,154</b>	<b>242,778</b>
<b>II. Cash flows from investing activities</b>			
Payment for time deposits	(3,520,000)	(3,520,000)	(7,740,000)
Proceeds from time deposits	3,520,000	3,520,000	7,740,000
Payment for acquisition of securities	—	—	(737,336)
Proceeds from sales of securities	—	500,000	740,000
Payment for acquisition of tangible fixed assets	(46,067)	(53,765)	(170,096)
Payment for acquisition of intangible fixed assets	—	—	(5,649)
Payment for acquisition of investments in securities	—	(500,129)	—
Other, net	(240)	(240)	(1,100)
<b>Net cash provided by (used in) investing activities</b>	<b>(46,308)</b>	<b>(54,135)</b>	<b>(174,182)</b>
<b>III. Cash flows from financing activities</b>			
Cash dividends paid	(122,241)	(81,261)	(205,570)
<b>Net cash provided by (used in) financing activities</b>	<b>(122,241)</b>	<b>(81,261)</b>	<b>(205,570)</b>
<b>IV. Net increase (decrease) of cash and cash equivalents</b>	<b>(275,901)</b>	<b>87,757</b>	<b>(136,974)</b>
<b>V. Cash and cash equivalents-Beginning</b>	<b>743,423</b>	<b>606,448</b>	<b>743,423</b>
<b>VI. Cash and cash equivalents-Ending</b>	<b>467,521</b>	<b>694,206</b>	<b>606,448</b>

## 7.Others

### (1) Actual of orders

thousand yen

	Three months ended April 30, 2007	Three months ended April 30, 2008	Year ended January 31, 2008
Products category	Amount	Amount	Amount
Control switches	205,108	246,542	861,892
Connecting devices	317,561	343,232	1,313,913
Indicators and indicator lamps	138,808	122,752	480,002
Applied electronic devices	135,144	134,999	465,342
Total	796,621	847,527	3,121,151

### (2) Backlog of orders

thousand yen

	Three months ended April 30, 2007	Three months ended April 30, 2008	Year ended January 31, 2008
Products category	Amount	Amount	Amount
Control switches	98,774	122,715	98,284
Connecting devices	103,473	109,130	100,322
Indicators and indicator lamps	55,924	44,559	38,788
Applied electronic devices	95,786	97,734	94,198
Total	353,958	374,140	331,594

### (3) Sales

thousand yen

	Three months ended April 30, 2007	Three months ended April 30, 2008	Year ended January 31, 2008
Products category	Amount	Amount	Amount
Control switches	202,071	222,112	859,344
Connecting devices	300,637	334,423	1,300,141
Indicators and indicator lamps	116,092	116,982	474,421
Applied electronic devices	101,737	131,463	433,524
Total	720,539	804,981	3,067,432

#### ① Distribution channel

thousand yen

	Three months ended April 30, 2007	Three months ended April 30, 2008	Year ended January 31, 2008
	Amount	Amount	Amount
Japanese manufacturer	470,252	540,895	2,003,048
Trading company (home sales)	183,147	181,906	742,385
Trading company (overseas sales)	67,138	82,180	321,998
Total	720,539	804,981	3,067,432

#### ② Foreign market for trading company (overseas sales)

thousand yen

	Three months ended April 30, 2007	Three months ended April 30, 2008	Year ended January 31, 2008
	Amount	Amount	Amount
Southeast Asia	25,220	34,239	125,377
Middle East	26,169	35,987	104,631
China	15,749	11,952	91,989
Total	67,138	82,180	321,998