

# Second Quarter Financial Results For Fiscal Year 2009

(Six months ended on July 31,2008)

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: September 11,2008

## 1.Second quarter financial results for the six months ended on July 31(February 1,2008 through July 31,2008)

### (1)Operating Results

(Unit ; one million yen)

	Net sales		Operating income		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
2nd Q.FY 2009	1,614	6.9	296	8.7	311	9.3
2nd Q.FY 2008	1,509	3.7	272	(10.8)	285	(7.3)
FY 2008	3,067		516		544	

  

	Net income		Net income per share -basic	Net income per share -diluted
	Million yen	%	Yen	Yen
2nd Q.FY 2009	183	9.7	28.45	—
2nd Q.FY 2008	167	(8.6)	25.93	—
FY 2008	314		48.77	—

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

### (2)Financial Position

	Total assets	Shareholders' Equity	Shareholders' Equity ratio	Shareholders' Equity per share
	Million yen	Million yen	%	Yen
2nd Q.FY 2009	10,919	9,834	90.1	1,525.21
2nd Q.FY 2008	10,709	9,721	90.8	1,507.71
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
2nd Q.FY 2009	444	(181)	(95)	774
2nd Q.FY 2008	17	(106)	(141)	512
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	10.00		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	3,275	6.8	535	3.7	563	3.4

	Net income		Net income per share
	Million yen	%	Yen
FY 2009	333	6.2	51.78

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

#### 4.Others

- (1) Adoption of concise accounting procedure : None  
(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 still slowing down and strongly stagnated. Export, production and personal consumption seems to lose its energy because of deceleration of US economy, strong Yen/ week Dollar, steep rise of oil and materials and falling down of stock price.

However enterprises of heavy electric equipments, our main customer, are aggressively accepting orders 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 infrastructure business in US, EU, Middle East, China and South East Asia are also active.

Thanks to these business circumstances, our products of control switches, connecting devices and electronic appliances are widely accepted in domestic heavy electric industries especially electric power relations. Overseas sales also keep a good pace. Finally our net sales of second quarter reached to 1,614 million yen (11.7% increase compared with the same period of previous year).

Regarding to the profit, in addition to sales increase the improvement of cost rate of connecting devices and cost cut of sales and general expenses contribute the following profit.

Operating profit reached to 296 million yen, ordinary profit was 311 million yen and net profit was 183 million yen. Increasing rate compared with those of the same period of previous year were 8.7%, 9.3% and 9.7% respectively.

#### (2) Products sales

##### Control switches

Sales of this category reached 456 million (11.2% increase compared with that of the previous year) because cam switches, our main item, increased over 20% thanks to the good sales for the end devices of remote control of automatic electric power distribution, and change-over switches for rolling stock was also active.

##### Connecting devices

Sales of surge absorber terminal, reliable wiring terminal blocks for electric power industries and test terminals switch board of domestic and overseas manufacturer was increased. As a result sales of this category reached 679 million yen (7.5% increase).

##### Indicators and indicator lumps

Although the sales of electro magnetic indicators and integrated LED lumps kept the sales amount of previous year, push-bottom type indicator for traffic signal was really dull to be expected. As a result sales remains 233 million (0.8% decrease).

##### Applied electronic devices

Sales of electronics appliances reached 244 million yen (6.8% increase), thanks to the sales increase of voltage relay, new type annunciator and telephone relay in spite of the sales decrease of I/O terminal for substation of electric power industries or electric railroad company.

### 2. Qualitative information on business performance forecast

As for the future business circumstances, firm demands of our devices for heavy electric industry in domestic or overseas market will continue, although the domestic economy now move from stagnation to recession caused by slowdown in US economy and steep rise of oil prices and firm's production or export is decreasing and their poor profit accelerate decrease of personal consumption.

Under these circumstances, the cam switches, surge absorber terminal blocks and reliable wiring terminal blocks (terminal blocks with preventive structure of unfinished wiring) for domestic electric power industries, test terminals for domestic/ overseas switch board market, and wiring-saving control device "terminal-com series" for general industries are expected to contribute toward sales increase.

We are to devote ourselves to attain our goals of sales and profit plan through our sales and production activities like cost rate improvement, cost cut of sales and general expenses.

### 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 July 31, 2007	As of July 31, 2008	Increase (Decrease)		As of January 31, 2008
	Amount	Amount	Amount	%	Amount
<b>(Assets)</b>					
<b>I Current assets</b>					
1. Cash and deposits	4,382,679	4,744,612	361,933		4,476,448
2. Notes and trade accounts receivable	1,134,114	1,159,881	25,766		1,155,472
3. Securities	1,634,157	737,239	(896,917)		1,638,162
4. Inventories	778,759	751,587	(27,171)		725,353
5. Other current assets	64,328	81,447	17,118		55,717
6. Allowance for doubtful accounts	(1,604)	(1,410)	193		(1,397)
<b>Total current assets</b>	<b>7,992,434</b>	<b>7,473,356</b>	<b>(519,078)</b>	<b>(6.5)</b>	<b>8,049,757</b>
<b>II Fixed assets</b>					
1. Tangible fixed assets	1,910,024	1,843,777	(66,247)		1,876,069
2. Intangible fixed assets	14,850	12,623	(2,227)		15,826
3. Investments and other assets	792,382	1,589,275	796,892		706,828
<b>Total fixed assets</b>	<b>2,717,258</b>	<b>3,445,676</b>	<b>728,418</b>	<b>26.8</b>	<b>2,598,724</b>
<b>Total assets</b>	<b>10,709,692</b>	<b>10,919,032</b>	<b>209,339</b>	<b>2.0</b>	<b>10,648,481</b>
<b>(Liabilities)</b>					
<b>I Current liabilities</b>					
1. Notes and trade accounts payable	444,201	470,288	26,087		399,315
2. Short-term debt	180,000	180,000	—		180,000
3. Other current liabilities	213,040	325,571	112,531		198,699
<b>Total current liabilities</b>	<b>837,241</b>	<b>975,860</b>	<b>138,618</b>	<b>16.6</b>	<b>778,014</b>
<b>II Long-term liabilities</b>					
1. Reserve for directors' and corporate auditors' retirement pay	49,054	44,216	(4,837)		51,862
2. Other long-term liabilities	102,150	64,861	(37,289)		66,458
<b>Total long-term liabilities</b>	<b>151,205</b>	<b>109,078</b>	<b>(42,127)</b>	<b>(27.9)</b>	<b>118,320</b>
<b>Total liabilities</b>	<b>988,447</b>	<b>1,084,938</b>	<b>96,491</b>	<b>9.8</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	6,865,158	7,034,657	169,498		6,947,945
4. Treasury stock, at cost	(113,229)	(113,229)	—		(113,229)
<b>Total owners' equity</b>	<b>9,543,419</b>	<b>9,712,918</b>	<b>169,498</b>	<b>1.8</b>	<b>9,626,205</b>
<b>II Valuation and translation adjustments</b>					
1. Unrealized gains on other securities	177,826	121,175	(56,650)		125,940
<b>Total valuation and translation adjustments</b>	<b>177,826</b>	<b>121,175</b>	<b>(56,650)</b>	<b>(31.9)</b>	<b>125,940</b>
<b>Total net assets</b>	<b>9,721,245</b>	<b>9,834,094</b>	<b>112,848</b>	<b>1.2</b>	<b>9,752,145</b>
<b>Total liabilities and net assets</b>	<b>10,709,692</b>	<b>10,919,032</b>	<b>209,339</b>	<b>2.0</b>	<b>10,648,481</b>

## 5. Statements of Income

thousand yen, %

	Six months ended July 31, 2007	Six months ended July 31, 2008	Increase (Decrease)		Year ended January 31, 2008
	Amount	Amount	Amount	%	Amount
I Net sales	1,509,904	1,614,484	104,579	6.9	3,067,432
II Cost of sales	867,640	926,549	58,909		1,805,610
<b>Gross margin</b>	<b>642,264</b>	<b>687,934</b>	<b>45,670</b>	<b>7.1</b>	<b>1,261,821</b>
III Selling, general, and administrative expenses	369,974	391,859	21,884		745,205
<b>Operating income</b>	<b>272,289</b>	<b>296,075</b>	<b>23,785</b>	<b>8.7</b>	<b>516,616</b>
IV Other income	14,787	17,813	3,025		31,454
V Other expenses	1,556	1,910	353		3,258
<b>Ordinary income</b>	<b>285,520</b>	<b>311,979</b>	<b>26,458</b>	<b>9.3</b>	<b>544,812</b>
VI Extraordinary gains	239	—	(239)		421
VII Extraordinary losses	287	31	(255)		9,730
<b>Income before income taxes</b>	<b>285,473</b>	<b>311,947</b>	<b>26,474</b>	<b>9.3</b>	<b>535,502</b>
Income taxes	118,284	128,519	10,235		221,050
<b>Net income</b>	<b>167,189</b>	<b>183,427</b>	<b>16,238</b>	<b>9.7</b>	<b>314,452</b>

## 6.Statements of Cash Flows

thousand yen

	Six months ended July 31, 2007	Six months ended July 31, 2008	Year ended January 31, 2008
Description	Amount	Amount	Amount
<b>I . Cash flows from operating activities</b>			
Income before income taxes	285,473	311,947	535,502
Depreciation and amortization	85,534	101,972	192,120
Increase (decrease) in allowance for doubtful accounts	(214)	13	(421)
Increase (decrease) in reserve for directors' and corporate auditors' bonuses	(11,462)	(8,175)	(2,525)
Increase (decrease) in reserve for directors' and corporate auditors' retirement pay	(156,835)	(7,645)	(154,028)
Interest income and dividend receivable	(11,657)	(14,704)	(24,633)
Interest expense	1,556	1,674	3,258
Loss on disposal of tangible fixed assets	287	31	9,730
Decrease (increase) in notes and trade accounts receivable	(12,932)	(4,408)	(34,289)
Decrease (increase) in inventories	(46,799)	(26,233)	6,606
Increase (decrease) in notes and trade accounts payable	(9,899)	(70,973)	(54,785)
Other, net	20,003	15,188	9,192
Sub-total	143,054	440,633	485,728
Interest income and dividend received	9,083	11,931	20,046
Interest paid	(1,620)	(1,699)	(3,299)
Income taxes paid	(133,132)	(5,947)	(259,697)
<b>Net cash provided by (used in) operating activities</b>	<b>17,384</b>	<b>444,917</b>	<b>242,778</b>
<b>II . Cash flows from investing activities</b>			
Payment for time deposits	(3,870,000)	(3,970,000)	(7,740,000)
Proceeds from time deposits	3,870,000	3,870,000	7,740,000
Payment for acquisition of securities	(697,480)	(697,012)	(737,336)
Proceeds from sales of securities	700,000	1,600,000	740,000
Payment for acquisition of tangible fixed assets	(107,065)	(88,314)	(170,096)
Payment for acquisition of intangible fixed assets	(1,764)	—	(5,649)
Payment for acquisition of investments in securities	—	(898,940)	—
Other, net	(505)	3,029	(1,100)
<b>Net cash provided by (used in) investing activities</b>	<b>(106,815)</b>	<b>(181,237)</b>	<b>(174,182)</b>
<b>III . Cash flows from financing activities</b>			
Cash dividends paid	(141,313)	(95,516)	(205,570)
<b>Net cash provided by (used in) financing activities</b>	<b>(141,313)</b>	<b>(95,516)</b>	<b>(205,570)</b>
<b>IV . Net increase (decrease) of cash and cash equivalents</b>	<b>(230,743)</b>	<b>168,163</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>512,679</b>	<b>774,612</b>	<b>606,448</b>

## 7.Others

### (1) Actual of orders

thousand yen

	Six months ended July 31, 2007	Six months ended July 31, 2008	Year ended January 31, 2008
Products category	Amount	Amount	Amount
Control switches	440,038	470,534	861,892
Connecting devices	634,470	679,583	1,313,913
Indicators and indicator lamps	237,488	238,121	480,002
Applied electronic devices	232,971	252,066	465,342
Total	1,544,968	1,640,306	3,121,151

### (2) Backlog of orders

thousand yen

	Six months ended July 31, 2007	Six months ended July 31, 2008	Year ended January 31, 2008
Products category	Amount	Amount	Amount
Control switches	124,919	111,924	98,284
Connecting devices	88,670	100,279	100,322
Indicators and indicator lamps	33,308	43,774	38,788
Applied electronic devices	66,041	101,433	94,198
Total	312,940	357,416	331,594

### (3) Sales

thousand yen

	Six months ended July 31, 2007	Six months ended July 31, 2008	Year ended January 31, 2008
Products category	Amount	Amount	Amount
Control switches	410,856	456,889	859,344
Connecting devices	632,349	679,626	1,300,141
Indicators and indicator lamps	237,387	233,136	474,421
Applied electronic devices	229,310	244,832	433,524
Total	1,509,904	1,614,484	3,067,432

#### ① Distribution channel

thousand yen

	Six months ended July 31, 2007	Six months ended July 31, 2008	Year ended January 31, 2008
	Amount	Amount	Amount
Japanese manufacturer	963,992	1,064,246	2,003,048
Trading company (home sales)	374,230	369,511	742,385
Trading company (overseas sales)	171,681	180,725	321,998
Total	1,509,904	1,614,484	3,067,432

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

thousand yen

	Six months ended July 31, 2007	Six months ended July 31, 2008	Year ended January 31, 2008
	Amount	Amount	Amount
Southeast Asia	77,132	68,691	125,377
Middle East	47,281	75,393	104,631
China	47,267	36,640	91,989
Total	171,681	180,725	321,998