

Fiscal Year 2010 Financial Results

(Year ended January 31,2010)

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: March 11,2010

Date of the general meeting of shareholders: April 27,2010

1.Results of fiscal year 2010 (February 1,2009 through January 31,2010)

(1)Operating Results

(Unit ; one million yen)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
FY 2010	2,914	(9.7)	391	(30.4)	426	(28.6)
FY 2009	3,226	5.2	563	9.0	596	9.6

	Net income		Net income per share		Return on equity	Ratio of Recurring profit to total assets	Ratio of Recurring profit to net sales
			-basic	-diluted			
	Million yen	%	Yen	Yen	%	%	%
FY 2010	248	(33.7)	38.53	—	2.5	4.1	13.4
FY 2009	374	19.1	58.08	—	3.8	5.6	17.5

Note 1 : Percentages for net sales, operating income etc. show increase (decrease) from previous year's end.

Note 2 : Equity method investment : None

(2)Financial Position

	Total assets	Shareholders' Equity	Shareholders' Equity ratio	Shareholders' Equity per share
	Million yen	Million yen	%	Yen
FY 2010	10,434	9,962	95.5	1,545.16
FY 2009	10,588	9,897	93.5	1,535.12

(3)Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investment activities	Net cash provided by (used in) financing activities	Cash and cash equivalents-ending
	Million yen	Million yen	Million yen	Million yen
FY 2010	460	(542)	(177)	435
FY 2009	660	(410)	(160)	695

2.Dividends

	Dividend per share			Total dividends	Pay-out ratio	Dividends ratio to shareholders' equity
	Interim	Year-end	Annual			
	Yen	Yen	Yen	Million yen	%	%
FY 2009	10.00	15.00	25.00	161	43.0	1.6
FY 2010	12.50	12.50	25.00	161	64.9	1.6
FY 2011 (forecast)	12.50	12.50	25.00	—	67.0	—

3.Forecast of operating results for Fiscal Year 2011(February 1,2010 through January 31,2011)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Interim	1,503	(1.8)	184	(26.3)	198	(26.3)
FY 2011	3,000	2.9	380	(2.9)	405	(4.9)

	Net income		Net income per share
	Million yen	%	Yen
Interim	117	(25.2)	18.24
FY 2011	240	(3.1)	37.33

Note : Percentages for net sales, operating income etc. for the FY 2011 show increase (decrease) from year period, respectively.

4.Others

- (1) Changes in the accounting method : Yes
(2) Changes except (1) : None

※ Note with respect to “Forecast of operating results for Fiscal Year 2011”

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

The recovery of Japan's economy initially led by the foreign demand from the emerging nation like China or India recovered ahead. Those demand increased the export and the domestic production. Now the domestic demand is picking up after bottom out of the private consumption. However the business fixed investment and employment rate still remained low level, and the above recovery was not accompanied with sense of reality.

Under those circumstances we focused our sales activity to the industries of firm performance like electric power and electric railway in the domestic market. We also focused overseas market like China, India and South and Middle East Asia. However the sales drop of the general industries was so serious that we could not keep the sales of each category (Control switches, connecting devices and indicator & indicator lumps) except electronic appliances. The sale amount was 2,914 million yen, it was 9.7% decrease compared with that of the previous year.

Regarding the profit of this fiscal year, the operating profit was 391 million yen, ordinary profit was 426 million yen and net profit was 248 million. These are caused by the sales decrease, increase of payroll cost depend on the personnel increase and application of new account policy to the valuation of inventory.

Increasing rate of each profit compared with previous year was -30.4%, -28.6% and -33.7% respectively.

(2) Products sales

Control switches

Main sales of cam switch and auxiliary switch for breaker was dropped due to controlled decrease of business fixed investment. And the sales of remote control switch for local device of automatic distribution of electric power was also dull due to decrease of new demand.

Sales amount of this category was 747 million yen (15.8% decrease compared with that of the previous year)

Connecting devices

Sales of terminal blocks for general industry market seriously dropped and test terminal for switchboard is also dull, although the sales of surge suppressor terminal blocks and the disconnecter terminal blocks for electric power industry were satisfactory.

The sales amount of this category was 1,205 million yen. (12.0% decrease compared with that of previous year)

Indicators and indicator lumps

Although the sales of side indicator of rolling stock and drop type annunciator for power station increased, the sales drop of maclit indicator and rectangular LED lump for electric power facilities are so serious that sales amount of this category decreased 8.2% compared with that of the previous year. Sales amount was 462 million yen.

Applied electronic devices

Thanks to the rapid sales increase of auxiliary relays and moderate increase of interface unit for substation of high speed railway and increase of setting panels for local station of automatic power distribution, the sales amount of this category reached 499 million yen. (7.3% increase compared with that of the previous year)

2. Qualitative information on business performance forecast

As for the outlook of next year the strong picking up of emerging economics will slowly bring the increase of export and production and profit of our enterprises, but domestic demand like business fixed investment and domestic private consumption could not be expected to be improved. Consequently the pace of improvement of Japan's economy is likely to remain moderate.

Under these circumstances, we will strive to sell reliable wiring terminal blocks (terminal blocks with preventive structure of unfinished wiring) for domestic electric power industries, test terminals for switch board market, side-indicator lamp for rolling stocks and wire & wiring saving control devices for general industries.

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

3. Balance Sheets

thousand yen, %

	As of January 31, 2009		As of January 31, 2010	
	Amount	%	Amount	%
(Assets)				
I Current assets				
1. Cash and deposits	4,845,830		5,235,984	
2. Notes and accounts receivable-trade	1,233,400		1,063,337	
3. Short-term investment securities	698,725		500,630	
4. Inventories	738,463		707,779	
5. Other current assets	72,949		62,414	
Total current assets	7,589,369	71.7	7,570,145	72.6
II Noncurrent assets				
1. Property, plant and equipment	1,778,378		2,153,197	
2. Intangible assets	11,572		16,792	
3. Investments and other assets	1,208,848		694,159	
Total noncurrent assets	2,998,799	28.3	2,864,149	27.4
Total assets	10,588,169	100.0	10,434,295	100.0
(Liabilities)				
I Current liabilities				
1. Notes and accounts payable-trade	87,485		61,904	
2. Short-term loans payable	180,000		180,000	
3. Other current liabilities	355,969		161,369	
Total current liabilities	623,454	5.9	403,273	3.9
II Noncurrent liabilities				
1. Provision for directors' retirement benefits	46,703		59,624	
2. Other noncurrent liabilities	20,026		8,681	
Total noncurrent liabilities	66,729	0.6	68,305	0.6
Total liabilities	690,184	6.5	471,578	4.5
(Net assets)				
I Shareholders' equity				
1. Capital stock	1,087,250		1,087,250	
2. Capital surplus	1,704,240		1,704,240	
3. Retained earnings	7,161,251		7,232,353	
4. Treasury stock	(113,229)		(113,229)	
Total shareholders' equity	9,839,511	92.9	9,910,613	95.0
II Valuation and translation adjustments				
1. Valuation difference on available-for-sale securities	58,473		52,102	
Total valuation and translation adjustments	58,473	0.6	52,102	0.5
Total net assets	9,897,984	93.5	9,962,716	95.5
Total liabilities and net assets	10,588,169	100.0	10,434,295	100.0

4.Statements of Income

thousand yen,%

	As of January 31, 2009		As of January 31, 2010	
	Amount	%	Amount	%
I Net sales	3,226,393	100.0	2,914,912	100.0
II Cost of sales	1,894,472	58.7	1,744,691	59.9
Gross profit	1,331,921	41.3	1,170,221	40.1
III Selling, general, and administrative expenses	768,560	23.8	778,338	26.7
Operating income	563,361	17.5	391,882	13.4
IV Non-operating income	37,044	1.1	37,079	1.3
V Non-operating expenses	3,548	0.1	2,737	0.1
Ordinary income	596,856	18.5	426,224	14.6
VI Extraordinary income	50,542	1.5	—	—
VII Extraordinary loss	7,830	0.2	3,003	0.1
Income before income taxes	639,568	19.8	423,220	14.5
Income taxes	265,070	8.2	174,806	6.0
Net income	374,498	11.6	248,413	8.5

5.Statements of Cash Flows

thousand yen

	Year ended January 31, 2009	Year ended January 31, 2010
Description	Amount	Amount
I . Net cash provided by (used in) operating activities		
Income before income taxes	639,568	423,220
Depreciation and amortization	219,421	203,414
Increase (decrease) in allowance for doubtful accounts	(1,397)	—
Increase (decrease) in provision for directors' bonuses	1,525	(4,150)
Increase (decrease) in provision for directors' retirement benefits	(5,159)	12,921
Interest and dividends income	(30,650)	(28,627)
Interest expenses	3,313	2,737
Insurance income	(49,145)	—
Loss on retirement of property, plant and equipment	185	2,935
Loss (gain) on sales of property, plant and equipment	—	68
Loss (gain) on valuation of investment securities	7,645	—
Decrease (increase) in notes and accounts receivable-trade	(77,927)	170,062
Decrease (increase) in inventories	(13,110)	30,683
Increase (decrease) in notes and accounts payable-trade	(311,829)	(25,581)
Other, net	5,342	(1,135)
Subtotal	387,782	787,104
Interest and dividends received	24,622	24,209
Interest expenses paid	(3,096)	(2,736)
Proceeds from insurance income	324,170	—
Income taxes paid	(72,665)	(348,472)
Net cash provided by (used in) operating activities	660,813	460,104
II . Net cash provided by (used in) investment activities		
Payment for time deposits	(8,120,000)	(7,500,000)
Proceeds from time deposits	7,840,000	6,850,000
Purchase of short-term investment securities	(697,012)	—
Proceeds from sales of short-term investment securities	1,640,000	700,000
Purchase of property, plant and equipment	(171,323)	(580,517)
Purchase of intangible assets	(1,990)	(10,389)
Purchase of investment securities	(899,240)	(612)
Other, net	(1,043)	(789)
Net cash provided by (used in) investment activities	(410,608)	(542,308)
III . Net cash provided by (used in) financing activities		
Cash dividends paid	(160,822)	(177,643)
Net cash provided by (used in) financing activities	(160,822)	(177,643)
IV . Net increase (decrease) in cash and cash equivalents	89,382	(259,846)
V . Cash and cash equivalents-Beginning	606,448	695,830
VI . Cash and cash equivalents-Ending	695,830	435,984

6.Others

(1) Actual of orders

thousand yen

Products category	Year ended January 31, 2009	Year ended January 31, 2010
	Amount	Amount
Control switches	908,270	713,759
Connecting devices	1,356,596	1,194,568
Indicators and indicator lamps	504,943	454,287
Applied electronic devices	451,162	515,137
Total	3,220,973	2,877,752

(2) Backlog of orders

thousand yen

Products category	Year ended January 31, 2009	Year ended January 31, 2010
	Amount	Amount
Control switches	118,914	84,984
Connecting devices	87,263	76,454
Indicators and indicator lamps	40,198	32,010
Applied electronic devices	79,799	95,565
Total	326,174	289,014

(3) Sales

thousand yen

Products category	Year ended January 31, 2009	Year ended January 31, 2010
	Amount	Amount
Control switches	887,641	747,689
Connecting devices	1,369,656	1,205,377
Indicators and indicator lamps	503,534	462,475
Applied electronic devices	465,561	499,371
Total	3,226,393	2,914,912

① Distribution channel

thousand yen

	Year ended January 31, 2009	Year ended January 31, 2010
	Amount	Amount
Japanese manufacturer	2,083,874	1,831,205
Trading company (home sales)	758,745	716,953
Trading company (overseas sales)	383,773	366,753
Total	3,226,393	2,914,912

② Foreign market for trading company (overseas sales)

thousand yen

	Year ended January 31, 2009	Year ended January 31, 2010
	Amount	Amount
Middle East	155,259	159,378
Southeast Asia	131,957	115,833
China	96,556	91,541
Total	383,773	366,753