

# First Quarter Financial Results For Fiscal Year 2011

(Three months ended on April 30,2010)

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: June 1,2010

## 1.First quarter financial results for the three months ended on April 30(February 1,2010 through April 30,2010)

### (1)Operating Results

(Unit ; one million yen)

	Net sales		Operating income		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
1st Q.FY 2011	674	(12.6)	64	(50.4)	70	(48.5)
1st Q.FY 2010	771	—	129	—	137	—

  

	Net income		Net income per share -basic	Net income per share -diluted
	Million yen	%	Yen	Yen
1st Q.FY 2011	40	(49.7)	6.29	—
1st Q.FY 2010	80	—	12.50	—

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 2011	10,541	9,942	94.3	1,542.00
FY 2010	10,434	9,962	95.5	1,545.16

Note : Shareholders' equity  
 1st Q.FY 2011 9,942 million yen  
 FY 2010 9,962 million yen

## 2.Dividends

	Dividend per share				
	1st Q.	2nd Q.	3rd Q.	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2010	—	12.50	—	12.50	25.00
FY 2011	—				
FY 2011 (forecast)		12.50	—	12.50	25.00

Note : Revision in dividends scheduled for the quarter : None

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

	Net sales		Operating income		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
2nd Q.FY 2011	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
2nd Q.FY 2011	117	(25.2)	18.24
FY 2011	240	(3.1)	37.33

Note 1 : Percentages for net sales, operating income etc. for the 2nd Q.FY 2011 and the FY 2011 show increase ( decrease ) from interim period and year period, respectively.

2 : Revision of consolidated financial forecast in this term : None

#### 4.Others

(1) Adoption of concise accounting procedure : Yes

(2) Changes in the accounting method : None

(3) Changes except(2) : None

(4) About number of shares

Number of shares issued	:	1st Q.FY 2011	6,669,000	FY 2010	6,669,000
Treasury stock at end of each period	:	1st Q.FY 2011	221,339	FY 2010	221,303
Average number of shares	:	1st Q.FY 2011	6,447,685	1st Q.FY 2010	6,447,697

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

Forecasts announced by the Company referred to above be 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 economy in 1<sup>st</sup> quarter of this fiscal year is now likely recovering due to the active foreign demand from the emerging nation like China or India and the policy effect by the government. Now the business fixed investment, the profit of firm and the private consumption are recovering.

Under those circumstances we focused our sales activity to the industries of steady 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. Although the amount of the orders in 1<sup>st</sup> quarter exceeded the previous year level, the sales amount fell short of the results of previous year due to the insufficient delivery. We could not keep the sales of each category (Control switches, connecting devices and indicator & indicator lumps) except electronic appliances. The sale amount was 674 million yen (12.6% decrease compared with that of the previous year.)

Regarding the profit, the operating profit was 64 million yen, ordinary profit was 70 million yen and net profit was 40 million. These are mainly caused by the sales decrease in spite of the improvement of cost rate of products and cost cut of expenses.

Increasing rate of each profit compared with previous year was -50.4%, -48.5% and -49.7% respectively.

#### (2) Products sales

##### Control switches

Main sales of door switch for rolling stock increased satisfactorily, however the sales of auxiliary switch for breakers in substations 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 renewal demands.

Sales amount of this category was 186 million yen (16.3% decrease compared with that of the previous year level)

##### Connecting devices

The sales of disconnecter terminal blocks for electric power industry were satisfactory, but the sales of terminal blocks for general industry, test terminal for switchboard and connectors for protective relay were dropped.

The sales amount of this category was 291 million yen. (6.6% decrease compared with that of previous year level)

##### Indicators and indicator lumps

Although the sales of side indicator for rolling stock increased, that of the drop type annunciators for power substation, maclit indicators and rectangular LED lumps for electric power facilities dropped so seriously that the sales amount of this category decreased 33.3% compared with that of the previous year level. Sales amount was 84 million yen.

##### Applied electronic devices

Thanks to the double sales increase of auxiliary relays and moderate increase of interface unit for substation of high speed railway and the increase of I/O terminal for substation of electric power and railway facilities, the sales amount of this category reached 111 million yen. (1.8% increase compared with that of the previous year level)

### 2. Qualitative information on business performance forecast

As for the future outlook the strong picking up of emerging economics and the policy effect by the government will bring the increase of the business fixed investment and the profit of the enterprises and the domestic private consumption will be improved. Consequently moderate improvement of Japan's economy is likely to remain.

Under these circumstances, we will strive to sell auxiliary relay, high performance cam switch, reliable wiring terminal blocks (terminal blocks with preventive structure of unfinished wiring) , disconnecter terminals and side-indicator lamps and door switches for rolling stocks.

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.

As for the prospects of our business performances, there have been no changes in the prospects announced on 3 March, 2010.

### 3.Non-consolidated quarterly balance sheets

thousand yen

	As of April 30, 2010	As of January 31, 2010
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,387,171	5,235,984
Notes and accounts receivable-trade	997,042	1,063,337
Short-term investment securities	200,340	500,630
Finished goods	136,577	112,259
Work in process	282,144	307,252
Raw materials	279,187	288,267
Other	54,225	62,414
<b>Total current assets</b>	<b>7,336,689</b>	<b>7,570,145</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Land	1,357,427	1,357,427
Other, net	815,009	795,769
Total property, plant and equipment	2,172,437	2,153,197
Intangible assets	15,703	16,792
Investments and other assets	1,017,036	694,159
<b>Total noncurrent assets</b>	<b>3,205,176</b>	<b>2,864,149</b>
<b>Total assets</b>	<b>10,541,865</b>	<b>10,434,295</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	80,238	61,904
Short-term loans payable	180,000	180,000
Income taxes payable	29,501	38,984
Provision for bonuses	75,370	42,271
Provision for directors' bonuses	3,812	15,250
Other	149,927	64,862
<b>Total current liabilities</b>	<b>518,850</b>	<b>403,273</b>
<b>Noncurrent liabilities</b>		
Provision for directors' retirement benefits	—	59,624
Long-term accounts payable-other	58,744	—
Other	21,985	8,681
<b>Total noncurrent liabilities</b>	<b>80,729</b>	<b>68,305</b>
<b>Total liabilities</b>	<b>599,579</b>	<b>471,578</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,087,250	1,087,250
Capital surplus	1,704,240	1,704,240
Retained earnings	7,192,343	7,232,353
Treasury stock	(113,260)	(113,229)
<b>Total shareholders' equity</b>	<b>9,870,572</b>	<b>9,910,613</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	71,713	52,102
<b>Total valuation and translation adjustments</b>	<b>71,713</b>	<b>52,102</b>
<b>Total net assets</b>	<b>9,942,286</b>	<b>9,962,716</b>
<b>Total liabilities and net assets</b>	<b>10,541,865</b>	<b>10,434,295</b>

#### 4.Non-consolidated quarterly statements of income

thousand yen

	Three months ended April 30, 2009	Three months ended April 30, 2010
	Amount	Amount
Net sales	771,759	674,315
Cost of sales	450,975	414,391
<b>Gross profit</b>	<b>320,784</b>	<b>259,924</b>
Selling, general and administrative expenses	190,901	195,557
<b>Operating income</b>	<b>129,882</b>	<b>64,366</b>
Non-operating income		
Interest income	6,542	5,668
Other	1,744	1,447
<b>Total non-operating income</b>	<b>8,287</b>	<b>7,116</b>
Non-operating expenses		
Interest expenses	675	669
<b>Total non-operating expenses</b>	<b>675</b>	<b>669</b>
<b>Ordinary income</b>	<b>137,493</b>	<b>70,813</b>
Extraordinary loss		
Loss on retirement of noncurrent assets	—	362
Loss on sales of noncurrent assets	68	—
<b>Total extraordinary losses</b>	<b>68</b>	<b>362</b>
<b>Income before income taxes</b>	<b>137,425</b>	<b>70,450</b>
Income taxes	56,815	29,864
<b>Net income</b>	<b>80,610</b>	<b>40,586</b>

## 5.Non-consolidated quarterly statements of cash flows

thousand yen

Description	Three months ended April 30, 2009	Three months ended April 30, 2010
	Amount	Amount
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	137,425	70,450
Depreciation and amortization	39,630	39,965
Increase (decrease) in provision for bonuses	33,538	33,098
Increase (decrease) in provision for directors' bonuses	(15,470)	(11,437)
Increase (decrease) in provision for directors' retirement benefits	1,248	(59,624)
Interest and dividends income	(6,542)	(5,668)
Interest expenses	675	669
Loss on retirement of property, plant and equipment	—	362
Loss (gain) on sales of property, plant and equipment	68	—
Decrease (increase) in notes and accounts receivable-trade	115,815	66,294
Decrease (increase) in inventories	(12,325)	9,870
Increase (decrease) in notes and accounts payable-trade	16,039	18,334
Increase (decrease) in long-term accounts payable-other	—	58,744
Other, net	31,977	41,631
Subtotal	342,081	262,692
Interest and dividends income received	10,984	12,309
Interest expenses paid	(853)	(854)
Income taxes paid	(208,116)	(34,936)
<b>Net cash provided by (used in) operating activities</b>	<b>144,096</b>	<b>239,211</b>
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(3,800,000)	(3,800,000)
Proceeds from withdrawal of time deposits	3,750,000	3,800,000
Proceeds from sales and redemption of securities	—	300,000
Purchase of property, plant and equipment	(32,049)	(17,066)
Purchase of intangible assets	(3,475)	—
Purchase of investment securities	(149)	(300,150)
Other, net	215	(233)
<b>Net cash provided by (used in) investing activities</b>	<b>(85,459)</b>	<b>(17,449)</b>
<b>Net cash provided by (used in) financing activities</b>		
Purchase of treasury stock	—	(31)
Cash dividends paid	(82,277)	(70,543)
<b>Net cash provided by (used in) financing activities</b>	<b>(82,277)</b>	<b>(70,574)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(23,640)</b>	<b>151,187</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>695,830</b>	<b>435,984</b>
<b>Cash and cash equivalents at end of period</b>	<b>672,190</b>	<b>587,171</b>

## 6.Others

### (1) Actual of orders

thousand yen

	Three months ended April 30, 2010
Products category	Amount
Control switches	190,426
Connecting devices	327,173
Indicators and indicator lamps	132,819
Applied electronic devices	142,880
Total	793,299

### (2) Backlog of orders

thousand yen

	Three months ended April 30, 2010
Products category	Amount
Control switches	88,801
Connecting devices	112,278
Indicators and indicator lamps	79,869
Applied electronic devices	127,048
Total	407,998

### (3) Sales

thousand yen

	Three months ended April 30, 2010
Products category	Amount
Control switches	186,608
Connecting devices	291,350
Indicators and indicator lamps	84,960
Applied electronic devices	111,396
Total	674,315

#### ① Distribution channel

thousand yen

	Three months ended April 30, 2010
	Amount
Japanese manufacturer	415,757
Trading company (home sales)	181,081
Trading company (overseas sales)	77,476
Total	674,315

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

thousand yen

	Three months ended April 30, 2010
	Amount
Southeast Asia	28,984
Middle East	27,663
China	20,828
Total	77,476