

Second Quarter Financial Results For Fiscal Year 2012

(Six months ended on July 31, 2011)

Company: **FUJI ELECTRIC INDUSTRY CO., LTD.** Stock: Tokyo Stock Exchange
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Date of the board meeting for this period: September 8,2011

1.Second quarter financial results for the six months ended on July 31(February 1,2011 through July 31,2011)

(1)Operating Results

(Unit ; one million yen)

	Net sales		Operating income		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
2nd Q.FY 2012	1,628	11.3	187	(5.0)	203	(4.4)
2nd Q.FY 2011	1,462	(4.4)	197	(21.4)	213	(20.6)

	Net income		Net income per share -basic	Net income per share -diluted
	Million yen	%	Yen	Yen
2nd Q.FY 2012	118	(4.4)	18.46	—
2nd Q.FY 2011	124	(20.8)	19.31	—

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 2012	10,730	10,119	94.3	1,569.49
FY 2011	10,707	10,073	94.1	1,562.37

Note : Shareholders' equity
 2nd Q.FY 2012 10,119 million yen
 FY 2011 10,073 million yen

2.Dividends

	Dividend per share				
	1st Q.	2nd Q.	3rd Q.	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2011	—	12.50	—	12.50	25.00
FY 2012	—	12.50			
FY 2012 (forecast)			—	12.50	25.00

Note : Revision in dividends scheduled for the quarter : None

3.Forecast of operating results for Fiscal Year 2012(February 1,2011 through January 31,2012)

	Net sales		Operating income		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
FY 2012	3,150	4.4	301	(30.3)	323	(30.2)

	Net income		Net income per share
	Million yen	%	Yen
FY 2012	189	(29.1)	29.41

Note 1 : Percentages for net sales, operating income etc. for the FY 2012 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	:	2nd Q.FY 2012	6,669,000	FY 2011	6,669,000
Treasury stock at end of each period	:	2nd Q.FY 2012	221,408	FY 2011	221,408
Average number of shares	:	2nd Q.FY 2012	6,447,592	2nd Q.FY 2011	6,447,642

※ Note with respect to “Forecast of operating results for Fiscal Year 2012”

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 of our 2nd quarter of this financial year was seriously damaged by The Great East Japan Earthquake which brought the shortage of electric power supply and the cut off of industrial supply chains. Those invited the decrease of production and export and the shrinkage of personal consumption. However the fast recovery of the industrial supply chain is now promoting the recovering of productions and industry investment. Nevertheless the future economy is still difficult to prospect considering the influence of historic strong Yen surge and high unemployment rate in West countries.

Under those circumstances we focused our sales activity to the domestic market of electric power, electric railway and overseas market of Asia like China and the Near and Middle East. The sales of devices for the power substations of high speed railway and for the reconstruction operation from the disaster increased. The cumulative sales amount of 2nd quarter reached 1,628 million yen (11.3% increase compared with that of the previous year).

Regarding the cumulative profit, although the sales amount increased compared with that of the previous year, the additional personnel and depreciation expense increased to operate newly started Minami-Kusatsu Plant. As a result the operating profit was 187 million yen, ordinary profit was 203 million yen and net profit was 118 million yen.

Increasing rate of each profit compared with that of the previous year was -5.0%, -4.4% and -4.4% respectively.

(2) Products sales

Control switches

Sales of limit switch for switchboard for domestic market and switch for local device of automatic distribution of electric power increased, however the overseas sales of cam switch decreased. As a result the cumulative sales amount of this category reached 400 million yen (5.3% increase compared with that of the previous year).

Connecting devices

The sales of test terminal block for switchboard increased over 30% compared with those of the previous year and the terminal block for overseas motor devices and the recovering demands for the disaster supported the sales.

The sales amount of this category reached 350 million yen. (18.1% increase compared with that of previous year).

Indicators and indicator lumps

Although the sales of LED-indicator lump increased, the sales of drop type annunciators for power substation decreased over 20% and the sales of maclit indicators also decreased. The sales amount of this category increased 2.9% compared with that of the previous year. The sales amount reached 89 million yen.

Applied electronic devices

The rapid sales increase of interface unit for substation of high speed railway result sales amount of 286 million yen. The sales increased 15.9% compared with that of the previous year.

2. Qualitative information on business performance forecast

As for the future outlook, the risk factors like the shortage of electric power, the historic strong Yen surge brought by the financial crisis of the west countries, the downgrade of U.S. Bond rating and the simultaneous & global decline of stock prices make difficult to prospect the Japan's economy.

Under these circumstances, we will strive to develop new products and sell high performance cam switches, auxiliary switch for power breaker, auxiliary relay, reliable wiring terminal blocks (terminal blocks with preventive structure of unfinished wiring), side-indicator lamp for train and interface unit for substation of high speed railway.

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 2 June, 2011.

3.Non-consolidated quarterly balance sheets

thousand yen

	As of July 31, 2011	As of January 31, 2011
	Amount	Amount
(Assets)		
I Current assets		
1.Cash and deposits	4,517,339	4,976,621
2.Notes and accounts receivable-trade	1,286,519	1,125,781
3.Finished goods	112,809	107,751
4.Work in process	296,044	236,418
5.Raw materials	344,896	303,257
6.Other	75,009	74,499
Total current assets	6,642,618	6,824,329
II Noncurrent assets		
(1)Property, plant and equipment		
1.Buildings,net	1,186,543	513,218
2.Land	1,357,427	1,357,427
3.Other,net	313,153	791,532
Total property, plant and equipment	2,857,124	2,662,178
(2)Intangible assets	25,776	17,144
(3)Investments and other assets		
1.Investment securities	1,182,814	1,169,728
2.Other	22,592	33,825
Total investments and other assets	1,205,407	1,203,554
Total noncurrent assets	4,088,307	3,882,876
Total assets	10,730,926	10,707,206
(Liabilities)		
I Current liabilities		
1.Accounts payable-trade	110,003	78,216
2.Short-term loans payable	180,000	180,000
3.Income taxes payable	87,104	110,640
4.Provision for bonuses	45,238	44,387
5.Provision for directors' bonuses	8,830	22,380
6.Other	121,637	127,171
Total current liabilities	552,814	562,796
II Noncurrent liabilities	58,708	70,903
Total liabilities	611,523	633,699
(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	7,376,848	7,338,444
4.Treasury stock	(113,321)	(113,321)
Total shareholders' equity	10,055,016	10,016,612
II Valuation and translation adjustments		
1.Valuation difference on available-for-sale securities	64,386	56,894
Total valuation and translation adjustments	64,386	56,894
Total net assets	10,119,403	10,073,507
Total liabilities and net assets	10,730,926	10,707,206

4.Non-consolidated quarterly statements of income

thousand yen

	Six months ended July 31, 2010	Six months ended July 31, 2011
	Amount	Amount
I Net sales	1,462,924	1,628,597
II Cost of sales	872,898	1,036,216
Gross profit	590,026	592,381
III Selling, general and administrative expenses	392,880	405,120
Operating income	197,145	187,260
IV Non-operating income		
1.Interest income	11,423	9,316
2.Dividends income	2,801	2,840
3.Other	3,186	5,627
Total non-operating income	17,411	17,784
V Non-operating expenses		
1.Interest expenses	1,349	1,324
Total non-operating expenses	1,349	1,324
Ordinary income	213,207	203,721
VI Extraordinary loss		
1.Loss on retirement of noncurrent assets	634	220
Total extraordinary losses	634	220
Income before income taxes	212,572	203,501
Income taxes	88,070	84,502
Net income	124,502	118,999

5. Non-consolidated quarterly statements of cash flows

thousand yen

Description	Six months ended July 31, 2010	Six months ended July 31, 2011
	Amount	Amount
I. Net cash provided by (used in) operating activities		
Income before income taxes	212,572	203,501
Depreciation and amortization	86,850	128,614
Increase (decrease) in provision for bonuses	(932)	851
Increase (decrease) in provision for directors' bonuses	(7,625)	(13,550)
Increase (decrease) in provision for directors' retirement benefits	(59,624)	—
Interest and dividends income	(14,224)	(12,156)
Interest expenses	1,349	1,324
Loss on retirement of property, plant and equipment	634	220
Decrease (increase) in notes and accounts receivable-trade	(76,189)	(160,737)
Decrease (increase) in inventories	56,867	(116,323)
Increase (decrease) in notes and accounts payable-trade	22,687	31,787
Increase (decrease) in long-term accounts payable-other	58,744	(17,280)
Other, net	24,776	50,455
Subtotal	305,887	96,705
Interest and dividends income received	18,301	15,910
Interest expenses paid	(1,350)	(1,165)
Income taxes paid	(35,192)	(108,034)
Net cash provided by (used in) operating activities	287,646	3,416
II. Net cash provided by (used in) investing activities		
Payments into time deposits	(4,600,000)	(4,100,000)
Proceeds from withdrawal of time deposits	4,800,000	4,200,000
Proceeds from sales and redemption of securities	300,000	—
Purchase of property, plant and equipment	(82,073)	(380,679)
Purchase of intangible assets	(1,092)	(1,505)
Purchase of investment securities	(300,318)	(336)
Other, net	(466)	—
Net cash provided by (used in) investing activities	(116,049)	(282,520)
III. Net cash provided by (used in) financing activities		
Purchase of treasury stock	(91)	—
Cash dividends paid	(79,933)	(80,177)
Net cash provided by (used in) financing activities	(80,024)	(80,177)
IV. Net increase (decrease) in cash and cash equivalents	323,671	(359,281)
V. Cash and cash equivalents at beginning of period	435,984	676,621
VI. Cash and cash equivalents at end of period	759,655	317,339

6.Others

(1) Actual of orders

thousand yen

	Six months ended July 31, 2011
Products category	Amount
Control switches	416,672
Connecting devices	763,739
Indicators and indicator lamps	215,707
Applied electronic devices	334,119
Total	1,730,238

(2) Backlog of orders

thousand yen

	Six months ended July 31, 2011
Products category	Amount
Control switches	117,985
Connecting devices	144,250
Indicators and indicator lamps	38,209
Applied electronic devices	134,440
Total	434,886

(3) Sales

thousand yen

	Six months ended July 31, 2011
Products category	Amount
Control switches	400,408
Connecting devices	735,018
Indicators and indicator lamps	206,796
Applied electronic devices	286,373
Total	1,628,597

① Distribution channel

thousand yen

	Six months ended July 31, 2011
	Amount
Japanese manufacturer	994,166
Trading company (home sales)	429,250
Trading company (overseas sales)	205,180
Total	1,628,597

② Foreign market for trading company (overseas sales)

thousand yen

	Six months ended July 31, 2011
	Amount
Southeast Asia	101,812
Middle East	66,697
China	36,671
Total	205,180