

Third Quarter Financial Results for Fiscal Year 2012

(Nine months ended on October 31, 2011)

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: December 1, 2011

1. Third quarter financial results for the nine months ended on October 31 (February 1, 2011 through October 31, 2011)

(1) Operating Results

(Unit ; one million yen)

	Net sales		Operating income		Recurring profit	
	Million yen	%	Million yen	%	Million yen	%
3rd Q.FY 2012	2,478	11.8	300	(5.4)	322	(5.3)
3rd Q.FY 2011	2,216	1.4	318	1.2	340	0.3

	Net income		Net income per share -basic	Net income per share -diluted
	Million yen	%	Yen	Yen
3rd Q.FY 2012	184	(7.0)	28.61	—
3rd Q.FY 2011	198	0.3	30.75	—

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

(2) Financial Position

	Total assets	Shareholders' Equity	Shareholders' Equity ratio	Shareholders' Equity per share
	Million yen	Million yen	%	Yen
3rd Q.FY 2012	10,641	10,075	94.7	1,562.65
FY 2011	10,707	10,073	94.1	1,562.37

Note : Shareholders' equity
 3rd Q.FY 2012 10,075 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 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	:	3rd Q.FY 2012	6,669,000	FY 2011	6,669,000
Treasury stock at end of each period	:	3rd Q.FY 2012	221,408	FY 2011	221,408
Average number of shares	:	3rd Q.FY 2012	6,447,592	3rd Q.FY 2011	6,447,625

※ 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 to cope with the demands related to rebuilding following the disaster.

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 remained firm for the power substations of high speed railway, for the power distribution facility and of ordinary demands except the rebuilding following the disaster.

The cumulative sales amount of 3rd quarter reached 2,478 million yen (11.8% increase compared with that of the previous year).

Regarding the cumulative profit, the additional cost for personnel and depreciation expense to operate the newly started Minami-Kusatsu Plant and the material cost increase caused by the oil and nonferrous metals price invited the reduction in profit. As a result the operating profit was 300 million yen, ordinary profit was 322 million yen and net profit was 184 million yen.

Increasing rate of each profit compared with that of the previous year was -5.4%, -5.3% and -7% respectively.

(2) Products sales

Control switches

Sales of auxiliary switch for power breaker and switch for local device of automatic distribution of electric power company increased, however the overseas sales of cam switch decreased. As a result the cumulative sales amount of this category reached 615 million yen (8.0% 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 demands for rebuilding following the disaster supported the sales.

The sales amount of this category reached 1,114 million yen. (17.5% increase compared with that of the previous year).

Indicators and indicator lumps

Although the sales of LED-indicator lumps for the Near and Middle East Asia increased, the sales of drop type annunciators and maclit indicators for power substation decreased over 20%. The sales amount of this category decreased over 2.6% compared with that of the previous year and reached 313 million yen.

Applied electronic devices

The rapid sales increase of interface unit for substation of high speed railway constructed by the domestic SHINKANSEN network plan. The sales reached 435 million yen. The sales increased 15.8% compared with that of the previous year.

2. Qualitative information on business performance forecast

The world economy will remain sluggish by the risk of the sovereign debt problem in Europe, the monetary tightening of China and the slowdown of US economy. The appreciation of YEN and the international price increase of oil and materials are additional economic problems. However Japan's economy will slowly recover supported by the demands of rebuilding following the disaster.

Under these circumstances, we will strive to gain our goal of profit through the following activities.

We will sell to the existing market of heavy electric equipment, general industry and overseas customers, the reliable cam switch, auxiliary switch of power breaker, terminal blocks with preventive structure of unfinished wiring and auxiliary relay etc.

We will sell to the railway market and the sustainable energy industries those products like interface unit and I/O terminal, switches and lamps for railway trains and high voltage terminal blocks for sustainable power generation equipment like solar and wind force power generations.

We will strive to improve the performance of business through the cost saving activities like improving the efficiency and capability of production by specialization of each factory.

As for the prospects of our business performances, there have been no changes in the prospects announced on 8 September, 2011.

3.Non-consolidated quarterly balance sheets

thousand yen

	As of October 31, 2011	As of January 31, 2011
	Amount	Amount
(Assets)		
I Current assets		
1.Cash and deposits	4,461,580	4,976,621
2.Notes and accounts receivable-trade	1,231,707	1,125,781
3.Short-term investment securities	403,440	—
4.Finished goods	151,259	107,751
5.Work in process	352,565	236,418
6.Raw materials	361,613	303,257
7.Other	71,284	74,499
Total current assets	7,033,451	6,824,329
II Noncurrent assets		
(1)Property, plant and equipment		
1.Buildings,net	1,163,003	513,218
2.Land	1,357,427	1,357,427
3.Other,net	309,531	791,532
Total property, plant and equipment	2,829,963	2,662,178
(2)Intangible assets	27,548	17,144
(3)Investments and other assets		
1.Investment securities	726,336	1,169,728
2.Other	24,385	33,825
Total investments and other assets	750,722	1,203,554
Total noncurrent assets	3,608,234	3,882,876
Total assets	10,641,686	10,707,206
(Liabilities)		
I Current liabilities		
1.Accounts payable-trade	112,148	78,216
2.Short-term loans payable	180,000	180,000
3.Income taxes payable	33,848	110,640
4.Provision for bonuses	84,254	44,387
5.Provision for directors' bonuses	13,230	22,380
6.Other	101,423	127,171
Total current liabilities	524,905	562,796
II Noncurrent liabilities	41,464	70,903
Total liabilities	566,369	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	7,361,733	7,338,444
4.Treasury stock	(113,321)	(113,321)
Total shareholders' equity	10,039,901	10,016,612
II Valuation and translation adjustments		
1.Valuation difference on available-for-sale securities	35,414	56,894
Total valuation and translation adjustments	35,414	56,894
Total net assets	10,075,316	10,073,507
Total liabilities and net assets	10,641,686	10,707,206

4.Non-consolidated quarterly statements of income

thousand yen

	Nine months ended October 31, 2010	Nine months ended October 31, 2011
	Amount	Amount
I Net sales	2,216,398	2,478,735
II Cost of sales	1,314,647	1,579,682
Gross profit	901,750	899,053
III Selling, general and administrative expenses	583,668	598,253
Operating income	318,082	300,799
IV Non-operating income		
1.Interest income	16,845	13,745
2.Dividends income	2,801	2,840
3.Other	4,598	7,652
Total non-operating income	24,245	24,238
V Non-operating expenses		
1.Interest expenses	2,022	1,997
2.Other	—	827
Total non-operating expenses	2,022	2,824
Ordinary income	340,305	322,213
VI Extraordinary loss		
1.Loss on retirement of noncurrent assets	645	234
2.Loss on valuation of investment securities	—	7,170
Total extraordinary losses	645	7,404
Income before income taxes	339,660	314,808
Income taxes	141,399	130,329
Net income	198,260	184,479

5.Non-consolidated quarterly statements of cash flows

thousand yen

	Nine months ended October 31, 2010	Nine months ended October 31, 2011
Description	Amount	Amount
I. Net cash provided by (used in) operating activities		
Income before income taxes	339,660	314,808
Depreciation and amortization	141,244	209,089
Increase (decrease) in provision for bonuses	35,275	39,867
Increase (decrease) in provision for directors' bonuses	(2,031)	(9,150)
Increase (decrease) in provision for directors' retirement benefits	(59,624)	—
Interest and dividends income	(19,647)	(16,585)
Interest expenses	2,022	1,997
Loss on retirement of property, plant and equipment	645	234
Loss (gain) on valuation of investment securities	—	7,170
Decrease (increase) in notes and accounts receivable-trade	(96,365)	(105,925)
Decrease (increase) in inventories	39,277	(218,011)
Increase (decrease) in notes and accounts payable-trade	32,701	33,932
Increase (decrease) in long-term accounts payable-other	58,744	(17,280)
Other, net	235	41,538
Subtotal	472,139	281,684
Interest and dividends income received	24,483	20,800
Interest expenses paid	(2,015)	(2,012)
Income taxes paid	(121,539)	(209,817)
Net cash provided by (used in) operating activities	373,067	90,654
II. Net cash provided by (used in) investing activities		
Payments into time deposits	(6,600,000)	(5,900,000)
Proceeds from withdrawal of time deposits	6,900,000	6,100,000
Proceeds from sales and redemption of securities	500,000	—
Purchase of property, plant and equipment	(354,169)	(430,896)
Purchase of intangible assets	(2,576)	(14,385)
Purchase of investment securities	(500,325)	(486)
Other, net	(699)	—
Net cash provided by (used in) investing activities	(57,770)	(245,768)
III. Net cash provided by (used in) financing activities		
Purchase of treasury stock	(91)	—
Cash dividends paid	(159,461)	(159,927)
Net cash provided by (used in) financing activities	(159,553)	(159,927)
IV. Net increase (decrease) in cash and cash equivalents	155,743	(315,040)
V. Cash and cash equivalents at beginning of period	435,984	676,621
VI. Cash and cash equivalents at end of period	591,727	361,580

6.Others

(1) Actual of orders

thousand yen

	Nine months ended October 31, 2011
Products category	Amount
Control switches	608,817
Connecting devices	1,114,777
Indicators and indicator lamps	332,733
Applied electronic devices	446,870
Total	2,503,199

(2) Backlog of orders

thousand yen

	Nine months ended October 31, 2011
Products category	Amount
Control switches	95,200
Connecting devices	115,883
Indicators and indicator lamps	48,551
Applied electronic devices	98,073
Total	357,709

(3) Sales

thousand yen

	Nine months ended October 31, 2011
Products category	Amount
Control switches	615,339
Connecting devices	1,114,425
Indicators and indicator lamps	313,479
Applied electronic devices	435,492
Total	2,478,735

① Distribution channel

thousand yen

	Nine months ended October 31, 2011
	Amount
Japanese manufacturer	1,528,841
Trading company (home sales)	639,196
Trading company (overseas sales)	310,697
Total	2,478,735

② Foreign market for trading company (overseas sales)

thousand yen

	Nine months ended October 31, 2011
	Amount
Southeast Asia	145,870
Middle East	116,231
China	48,595
Total	310,697