

# Financial Results for the First Quarter of the Year 2018

(Three months ended on April 30, 2017)

Company: **FUJI ELECTRIC INDUSTRY CO., LTD.** Stock: Tokyo Stock Exchange  
 Code Number: 6654 URL: <http://www.fujidk.co.jp/>  
 Coordinator: Noriko Shimomura Head Office: Kyoto, JAPAN  
 Executive Officer and General Manager Telephone: (075) 221-7978

Date of the board meeting for this period: June 1, 2017

## 1. First quarter financial results for the three months ended on April 30 (February 1, 2017 through April 30, 2017)

### (1) Operating Results

(Unit: Millions of Yen)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
1st Q.FY 2018	951	5.1	68	5.4	74	6.2
1st Q.FY 2017	905	(4.6)	64	(43.9)	69	(43.3)

  

	Net income		Net income per share -basic	Net income per share -diluted
	Millions of yen	%	Yen	Yen
1st Q.FY 2018	77	70.6	13.19	13.14
1st Q.FY 2017	45	(40.2)	7.24	7.23

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

### (2) Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
1st Q.FY 2018	10,933	10,196	93.1	1,724.98
FY 2017	10,835	10,246	94.4	1,733.82

Note: Equity capital

1st Q.FY 2018 10,174 million yen  
 FY 2017 10,226 million yen

## 2. Dividends

	Dividend per share				
	1st Q.	2nd Q.	3rd Q.	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2017	—	16.00	—	16.00	32.00
FY 2018	—				
FY 2018 (forecast)		16.00	—	16.00	32.00

Note : Revision of dividends forecast for this period : No

### 3.Forecast of operating results for Fiscal Year 2018(February 1,2017 through January 31,2018)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
2nd Q.FY 2018	2,000	5.8	101	(51.1)	113	(47.9)
FY 2018	4,200	11.4	280	(36.9)	297	(36.4)

	Net income		Net income per share
	Millions of yen	%	Yen
2nd Q.FY 2018	75	(48.2)	12.80
FY 2018	201	(33.7)	34.16

Note 1: Percentages for net sales, operating income etc. for the 2nd Q.FY 2018 and the FY 2018 show increase (decrease) from interim period and year period, respectively.

2 : Revision of operating results forecast for this period : No

#### 4.Others

(1) Application of special accounting policy for quarterly financial reporting : No

(2) Changes in the accounting policy : No

(3) Changes except (2) : No

(4) About number of shares

Number of shares issued : 1st Q.FY 2018 6,669,000 FY 2017 6,669,000

Treasury stock at end of each period : 1st Q.FY 2018 770,922 FY 2017 770,922

Average number of shares : 1st Q.FY 2018 5,898,078 1st Q.FY 2017 6,298,095

※ Note with respect to “Forecast of operating results for Fiscal Year 2018”

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. Description on business performance

#### (1) General situation

During the first part of the fiscal year ending January 31, 2018, Japan's economy has continued its recovery trend, because of the improvement of corporate profits, exports and production activities.

Under these circumstances, we focused our sales activity on the domestic market of electric power, general industries, electric railway and overseas market of Southeast Asia and the Near and Middle East. As a result of this performance, the sales of Surge absorber terminal block for substation facilities and LED indication lamp increased, but the sales of Door control switch for maintenance device of rolling stock decreased despite a good sales achievement last year. The cumulative sales amount of this quarter was 951 million yen (increased by 5.1% compared with the previous year).

Regarding the cumulative profit, expenses such as depreciation increased by the extension of Minami-kusatsu Factory, though the net sales exceeded the result for the previous year, the operating income was 68 million yen (increased by 5.4% compared with the previous year), the ordinary income was 74 million yen (increased by 6.2% compared with the previous year), and the net income was 77 million yen (increased by 70.6% compared with the previous year).

#### (2) Products sales

##### Control switches

The sales of Door control switch for maintenance device of rolling stock decreased despite a good sales achievement last year, though the sales of Cam switch for domestic and overseas substation facilities and Breaker auxiliary switch increased.

The sales amount was 262 million yen (increased by 0.1% compared with the previous year).

##### Connecting devices

The sales of Surge absorber terminal block for substation facilities increased, Test terminal and Switch disconnecter were selling well.

The sales amount was 404 million yen (increased by 9.0% compared with the previous year).

##### Pilot lamps and Indicators

The sales of Indicator for pedestrian-control signal and LED indication lamp for substation facilities increased, but the sales of Semaphore indicator and Flag drop type fault indicator for overseas' substation facilities were stagnant.

The sales amount was 120 million yen (decreased by 4.3% compared with the previous year).

##### Electronic devices

The new-model Telltale module for slave stations of automatic electricity distribution control system was adopted, Interface unit for substation devices of railway and Telephone relay were selling well.

The sales amount of this category increased by 11.9% to 163 million yen compared with the previous year.

### 2. Description on business performance forecast

As for the prospects of our business performances of January 2018, there have been no changes in the prospects announced by the brief note on March 7, 2017.

### 3.Non-consolidated quarterly balance sheets

Thousands of Yen

	As of January 31, 2017	As of April 30, 2017
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,463,313	3,194,448
Notes and accounts receivable-trade	1,192,109	1,231,446
Electronically recorded monetary claims	277,037	331,034
Short-term investment securities	501,187	500,410
Finished goods	165,915	186,698
Work in process	379,590	392,025
Raw materials	394,597	371,842
Others	75,634	165,327
<b>Total current assets</b>	<b>6,449,385</b>	<b>6,373,234</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings, net	1,048,313	2,042,865
Land	1,357,427	1,357,427
Others, net	1,131,604	358,469
Total property, plant and equipment	3,537,345	3,758,762
Intangible assets	29,667	29,306
Investments and other assets		
Investment securities	803,878	749,423
Others	15,011	22,720
Total investments and other assets	818,890	772,144
<b>Total noncurrent assets</b>	<b>4,385,903</b>	<b>4,560,213</b>
<b>Total assets</b>	<b>10,835,289</b>	<b>10,933,448</b>

### 3.Non-consolidated quarterly balance sheets

Thousands of Yen

	As of January 31, 2017	As of April 30, 2017
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	93,241	132,572
Short-term loans payable	150,000	150,000
Income taxes payable	33,924	67,803
Provision for bonuses	64,855	113,302
Provision for directors' bonuses	—	920
Others	109,520	144,476
<b>Total current liabilities</b>	<b>451,540</b>	<b>609,075</b>
<b>Noncurrent liabilities</b>		
Provision for retirement benefits	50,437	59,676
Others	87,173	68,241
<b>Total noncurrent liabilities</b>	<b>137,610</b>	<b>127,917</b>
<b>Total liabilities</b>	<b>589,151</b>	<b>736,992</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	8,029,062	8,012,498
Treasury stock	(816,477)	(816,477)
<b>Total shareholders' equity</b>	<b>10,004,075</b>	<b>9,987,511</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	222,116	186,531
<b>Total valuation and translation adjustments</b>	<b>222,116</b>	<b>186,531</b>
<b>Share option</b>	<b>19,946</b>	<b>22,412</b>
<b>Total net assets</b>	<b>10,246,138</b>	<b>10,196,455</b>
<b>Total liabilities and net assets</b>	<b>10,835,289</b>	<b>10,933,448</b>

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

Thousands of Yen

	Three months ended April 30, 2016	Three months ended April 30, 2017
	Amount	Amount
Net sales	905,882	951,758
Cost of sales	574,746	611,408
<b>Gross profit</b>	<b>331,136</b>	<b>340,349</b>
Selling, general and administrative expenses	266,554	272,278
<b>Operating income</b>	<b>64,582</b>	<b>68,070</b>
Non-operating income		
Interest income	1,584	845
Subsidy income	4,415	4,197
Others	734	1,371
Total non-operating income	6,734	6,414
Non-operating expenses		
Interest expenses	549	356
Foreign exchange losses	971	—
Others	0	—
Total non-operating expenses	1,522	356
<b>Ordinary income</b>	<b>69,794</b>	<b>74,129</b>
Extraordinary income		
Gain on sales of investment securities	—	38,448
Total extraordinary income	—	38,448
Extraordinary loss		
Loss on retirement of noncurrent assets	92	70
Total extraordinary losses	92	70
<b>Income before income taxes</b>	<b>69,701</b>	<b>112,507</b>
Income taxes	24,099	34,701
<b>Net income</b>	<b>45,601</b>	<b>77,805</b>

## 5.Others

### (1) Actual of orders

Thousands of Yen	
	Three months ended April 30, 2017
Products category	Amount
Control switches	271,690
Connecting devices	416,336
Pilot lamps and Indicators	145,957
Electronic devices	468,638
Total	1,302,623

### (2) Backlog of orders

Thousands of Yen	
	Three months ended April 30, 2017
Products category	Amount
Control switches	169,623
Connecting devices	141,057
Pilot lamps and Indicators	116,915
Electronic devices	393,568
Total	821,164

(3) Sales

Thousands of Yen	
	Three months ended April 30, 2017
Products category	Amount
Control switches	262,531
Connecting devices	404,344
Pilot lamps and Indicators	120,901
Electronic devices	163,981
Total	951,758

① Distribution channel

Thousands of Yen	
	Three months ended April 30, 2017
	Amount
Japanese manufacturer	778,936
Trading company (home sales)	98,623
Trading company (overseas sales)	74,199
Total	951,758

② Foreign market for trading company (overseas sales)

Thousands of Yen	
	Three months ended April 30, 2017
	Amount
Southeast Asia	34,860
Middle East	11,955
China	20,816
Europe	1,711
U.S.A.	4,855
Total	74,199