

# Financial Results for the First Quarter of the Year 2019

(Three months ended on April 30, 2018)

Company: **FUJI ELECTRIC INDUSTRY CO., LTD.**

Code Number: 6654

Coordinator: Noriko Shimomura

Director and Executive Officer

Stock: Tokyo Stock Exchange

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Date of the board meeting for this period: June 4, 2018

## 1.First quarter financial results for the three months ended on April 30(February 1,2018 through April 30,2018)

### (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 2019	1,001	5.3	118	74.0	120	62.5
1st Q.FY 2018	951	5.1	68	5.4	74	6.2

  

	Net income		Net income per share –basic	Net income per share –diluted
	Millions of yen	%	Yen	Yen
1st Q.FY 2019	82	5.9	13.97	13.91
1st Q.FY 2018	77	70.6	13.19	13.14

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 2019	11,100	10,281	92.4	1,738.83
FY 2018	10,986	10,295	93.5	1,741.34

Note: Equity capital

1st Q.FY 2019

10,255 million yen

FY 2018

10,270 million yen

## 2.Dividends

	Dividend per share				
	1st Q.	2nd Q.	3rd Q.	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2018	—	16.00	—	16.00	32.00
FY 2019	—				
FY 2019 (forecast)		16.00	—	16.00	32.00

Note : Revision of dividends forecast for this period : No

### 3.Forecast of operating results for Fiscal Year 2019(February 1,2018 through January 31,2019)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
2nd Q.FY 2019	2,170	14.4	209	72.3	218	64.1
FY 2019	4,300	10.3	430	48.1	447	43.6

	Net income		Net income per share
	Millions of yen	%	Yen
2nd Q.FY 2019	151	30.5	25.65
FY 2019	309	27.6	52.56

Note 1: Percentages for net sales, operating income etc. for the 2nd Q.FY 2019 and the FY 2019 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 2019 6,669,000 FY 2018 6,669,000

Treasury stock at end of each period : 1st Q.FY 2019 770,930 FY 2018 770,922

Average number of shares : 1st Q.FY 2019 5,898,071 1st Q.FY 2018 5,898,078

※ Note with respect to “Forecast of operating results for Fiscal Year 2019”

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, 2019, Japan's economy has continued its recovery trend because of the improvements in capital investment, production activities and consumer spending.

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 Connection box for photovoltaic generation and Breaker auxiliary switch for domestic/overseas substation facilities increased however Interface unit for substation facilities of railway and Indicator for pedestrian-control signal decreased despite a good sales achievement last year. The cumulative sales amount of this quarter was 1,001 million yen (increased by 5.3% compared with the previous year).

Regarding the cumulative profit, the net sales exceeded last year, the temporary expense of enlargement of Minami-kusatsu Factory decreased and cut down expenses, the operating income was 118 million yen (increased by 74.0% compared with the previous year), the ordinary income was 120 million yen (increased by 62.5% compared with the previous year), and the net income was 82 million yen (increased by 5.9% compared with the previous year).

#### (2) Products sales

##### Control switches

The sales of Breaker auxiliary switch for domestic/overseas substation facilities and Cam switch for rolling stock cars increased.

The sales amount was 266 million yen (increased by 1.3% compared with the previous year).

##### Connecting devices

Terminal block which is our main product was selling well, but the sales of Surge absorber terminal block and Test terminal for substation facilities decreased.

The sales amount was 386 million yen (decreased by 4.5% compared with the previous year).

##### Pilot lamps and Indicators

The sales of Indicator for pedestrian-control signal and Flag drop type fault indicator for overseas' substation facilities decreased.

The sales amount was 118 million yen (decreased by 2.3% compared with the previous year).

##### Electronic devices

The sales of Telephone relay held steady but Interface unit for substation devices of railway decreased.

The sales amount was 126 million yen (decreased by 22.5% compared with the previous year).

##### Third party sales

The sales of Connection box for photovoltaic generation increased, the sales amount was 104 million yen.

### 2. Description on business performance forecast

As for the prospects of our business performances of January 2019, there have been no changes in the prospects announced by the brief note on March 8, 2018.

### 3.Non-consolidated quarterly balance sheets

Thousands of Yen

	As of January 31, 2018	As of April 30, 2018
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,914,637	4,026,884
Notes and accounts receivable-trade	1,250,781	1,226,988
Electronically recorded monetary claims	288,485	316,496
Merchandise	—	565
Finished goods	130,725	157,000
Work in process	355,503	379,942
Raw materials	407,571	412,980
Others	123,030	97,349
<b>Total current assets</b>	<b>6,470,736</b>	<b>6,618,208</b>
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings, net	1,998,654	1,970,349
Land	1,347,627	1,347,627
Others, net	341,186	342,250
Total property, plant and equipment	3,687,468	3,660,227
Intangible assets	23,182	22,517
Investments and other assets		
Investment securities	782,757	777,361
Others	22,055	21,739
Total investments and other assets	804,812	799,101
<b>Total noncurrent assets</b>	<b>4,515,464</b>	<b>4,481,846</b>
<b>Total assets</b>	<b>10,986,200</b>	<b>11,100,054</b>

### 3.Non-consolidated quarterly balance sheets

Thousands of Yen

	As of January 31, 2018	As of April 30, 2018
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	137,301	182,999
Short-term loans payable	120,000	120,000
Income taxes payable	87,938	51,909
Provision for bonuses	65,102	111,034
Provision for directors' bonuses	1,810	3,590
Others	105,274	177,205
<b>Total current liabilities</b>	<b>517,427</b>	<b>646,739</b>
<b>Noncurrent liabilities</b>		
Provision for retirement benefits	54,074	54,341
Provision for loss on dissolution of the employees' pension fund	48,140	48,140
Others	71,326	69,651
<b>Total noncurrent liabilities</b>	<b>173,541</b>	<b>172,133</b>
<b>Total liabilities</b>	<b>690,968</b>	<b>818,872</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	8,083,179	8,071,178
Treasury stock	(816,477)	(816,487)
<b>Total shareholders' equity</b>	<b>10,058,192</b>	<b>10,046,180</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	212,365	209,573
<b>Total valuation and translation adjustments</b>	<b>212,365</b>	<b>209,573</b>
<b>Share option</b>	<b>24,673</b>	<b>25,427</b>
<b>Total net assets</b>	<b>10,295,232</b>	<b>10,281,182</b>
<b>Total liabilities and net assets</b>	<b>10,986,200</b>	<b>11,100,054</b>

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

Thousands of Yen

	Three months ended April 30, 2017	Three months ended April 30, 2018
	Amount	Amount
Net sales	951,758	1,001,907
Cost of sales	611,408	620,527
<b>Gross profit</b>	<b>340,349</b>	<b>381,379</b>
Selling, general and administrative expenses	272,278	262,932
<b>Operating income</b>	<b>68,070</b>	<b>118,447</b>
Non-operating income		
Interest income	845	632
Subsidy income	4,197	—
Commission income	—	1,554
Others	1,371	1,501
Total non-operating income	6,414	3,688
Non-operating expenses		
Interest expenses	356	267
Loss on investments in partnership	—	1,383
Others	—	0
Total non-operating expenses	356	1,651
<b>Ordinary income</b>	<b>74,129</b>	<b>120,484</b>
Extraordinary income		
Gain on sales of investment securities	38,448	—
Total extraordinary income	38,448	—
Extraordinary loss		
Loss on retirement of noncurrent assets	70	—
Total extraordinary losses	70	—
<b>Income before income taxes</b>	<b>112,507</b>	<b>120,484</b>
Income taxes	34,701	38,116
<b>Net income</b>	<b>77,805</b>	<b>82,367</b>

## 5.Others

### (1) Actual of orders

Thousands of Yen	
	Three months ended April 30, 2018
Products category	Amount
Control switches	277,013
Connecting devices	391,323
Pilot lamps and Indicators	157,447
Electronic devices	154,559
Third party sales	10,771
Total	991,115

### (2) Backlog of orders

Thousands of Yen	
	Three months ended April 30, 2018
Products category	Amount
Control switches	184,077
Connecting devices	154,761
Pilot lamps and Indicators	108,636
Electronic devices	124,891
Third party sales	21,512
Total	593,880

### (3) Sales

Thousands of Yen	
	Three months ended April 30, 2018
Products category	Amount
Control switches	266,047
Connecting devices	386,298
Pilot lamps and Indicators	118,073
Electronic devices	126,503
Third party sales	104,984
Total	1,001,907

#### ① Distribution channel

Thousands of Yen	
	Three months ended April 30, 2018
	Amount
Domestic sales	928,852
Overseas sales	73,055
Total	1,001,907

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

Thousands of Yen	
	Three months ended April 30, 2018
	Amount
Southeast Asia	47,688
Middle East	9,777
China	10,510
Europe	3,195
U.S.A.	1,884
Total	73,055