

# Financial Results for the Third Quarter of the Year 2018

(Nine months ended on October 31, 2017)

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 4, 2017

## 1. Third quarter financial results for the nine months ended on October 31 (February 1, 2017 through October 31, 2017)

### (1) Operating Results

(Unit: Millions of yen)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
3rd Q.FY 2018	2,827	0.7	211	(34.4)	224	(33.3)
3rd Q.FY 2017	2,806	(4.0)	322	(26.9)	336	(26.8)

  

	Net income		Net income per share - basic	Net income per share - diluted
	Millions of yen	%	Yen	Yen
3rd Q.FY 2018	179	(20.5)	30.44	30.32
3rd Q.FY 2017	225	(19.5)	37.14	37.04

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

### (2) Financial Condition

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3rd Q.FY 2018	10,995	10,231	92.8	1,730.65
FY 2017	10,835	10,246	94.4	1,733.82

Note: Equity capital

3rd Q.FY 2018 10,207 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	—	16.00	—		
FY 2018 (forecast)				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	%
FY 2018	4,200	11.4	280	(36.9)	297	(36.4)

  

	Net income		Net income per share
	Millions of yen	%	Yen
FY 2018	201	(33.7)	34.16

Note : 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	:	3rd Q.FY 2018	6,669,000	FY 2017	6,690,000
Treasury stock at end of each period	:	3rd Q.FY 2018	770,922	FY 2017	770,922
Average number of shares	:	3rd Q.FY 2018	5,898,078	3rd Q.FY 2017	6,084,944

※ 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 nine months of the fiscal year ending January 31, 2018, Japan's economy slowly recovering due to factors like high stock prices caused by strong corporate performance and improvements in 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 Cam switch, Surge absorber terminal block and LED indication lamp for domestic/overseas substation facilities increased, but Flag drop type fault indicator and Semaphore indicator for overseas substation facilities decreased. The cumulative sales amount of this quarter was 2,827 million yen (increased by 0.7% compared with the previous year).

Regarding the cumulative profit, expenses such as depreciation increased by the extension of Minami-kusatsu Factory, the operating income was 211 million yen (decreased by 34.4% compared with the previous year), the ordinary income was 224 million yen (decreased by 33.3% compared with the previous year).

In addition, Provision for loss on dissolution of the employees' pension fund of 48 million yen recorded as extraordinary loss, Gain on sales of investment securities of 63 million yen and Gain on sales of land of 20 million yen as extraordinary income, the net income was 179 million yen (decreased by 20.5% compared with the previous year).

#### (2) Products sales

##### Control switches

The sales of Cam switch for domestic/overseas substation facilities increased, however the sales of Breaker auxiliary switch for overseas substation facilities decreased, Automatic power distribution switch were sluggish.

The sales amount was 779 million yen (decreased by 0.7% compared with the previous year).

##### Connecting devices

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

The sales amount of this category reached 1,156 million yen (increased by 3.5% compared with the previous year).

##### Pilot lamps and Indicators

The sales of LED indication lamp for substation facilities and Car side pilot lamp for rolling stock were good, but Flag drop type fault indicator and Semaphore indicator for overseas substation facilities were sluggish.

The sales amount was 409 million yen (decreased by 9.0% compared with the previous year).

##### Electronic devices

The new-model Telltale module for slave stations of automatic electricity distribution control system was adopted, but the sales of Interface unit for substation devices of railway and Keep relay for substation facilities decreased.

The sales amount was 439 million yen (decreased by 0.1% compared with the previous year).

##### Third party sales

The sales of Connection box for photovoltaic generation increased, the sales amount was 43 million yen (increased by 176.6% 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 revised forecast that announced on March 7, 2017.

### 3.Non-consolidated quarterly balance sheets

Thousands of Yen

	As of January 31, 2017	As of October 31, 2017
	Amount	Amount
<b>(Assets)</b>		
<b>I Current assets</b>		
1.Cash and deposits	3,463,313	3,880,193
2.Notes and accounts receivable-trade	1,192,109	1,165,682
3.Electronically recorded monetary claims	277,037	263,309
4.Short-term investment securities	501,187	—
5.Finished goods	165,915	154,550
6.Work in process	379,590	411,470
7.Raw materials	394,597	396,133
8.Others	75,634	159,096
<b>Total current assets</b>	<b>6,449,385</b>	<b>6,430,437</b>
<b>II Noncurrent assets</b>		
(1) Property, plant and equipment		
1.Buildings, net	1,048,313	2,028,015
2.Land	1,357,427	1,347,627
3.Others, net	1,131,604	360,548
Total property, plant and equipment	3,537,345	3,736,191
(2) Intangible assets	29,667	24,820
(3) Investments and other assets		
1.Investment securities	803,878	783,070
2.Others	15,011	21,332
Total investments and other assets	818,890	804,402
<b>Total noncurrent assets</b>	<b>4,385,903</b>	<b>4,565,415</b>
<b>Total assets</b>	<b>10,835,289</b>	<b>10,995,853</b>

### 3.Non-consolidated quarterly balance sheets

Thousands of Yen

	As of January 31, 2017	As of October 31, 2017
	Amount	Amount
<b>(Liabilities)</b>		
<b>I Current liabilities</b>		
1.Accounts payable-trade	93,241	170,328
2.Short-term loans payable	150,000	120,000
3.Income taxes payable	33,924	72,968
4.Provision for bonuses	64,855	115,337
5.Provision for directors' bonuses	—	1,370
6.Others	109,520	115,497
<b>Total current liabilities</b>	<b>451,540</b>	<b>595,501</b>
<b>II Noncurrent liabilities</b>		
1.Provision for retirement benefits	50,437	54,559
2.Provision for loss on dissolution of the employees' pension fund	—	48,140
3.Others	87,173	66,243
<b>Total noncurrent liabilities</b>	<b>137,610</b>	<b>168,943</b>
<b>Total liabilities</b>	<b>589,151</b>	<b>764,445</b>
<b>(Net assets)</b>		
<b>I Shareholders' equity</b>		
1.Capital stock	1,087,250	1,087,250
2.Capital surplus	1,704,240	1,704,240
3.Retained earnings	8,029,062	8,019,863
4.Treasury stock	(816,477)	(816,477)
<b>Total shareholders' equity</b>	<b>10,004,075</b>	<b>9,994,875</b>
<b>II Valuation and translation adjustments</b>		
1.Valuation difference on available-for-sale securities	222,116	212,612
<b>Total valuation and translation adjustments</b>	<b>222,116</b>	<b>212,612</b>
<b>III Share option</b>	<b>19,946</b>	<b>23,919</b>
<b>Total net assets</b>	<b>10,246,138</b>	<b>10,231,408</b>
<b>Total liabilities and net assets</b>	<b>10,835,289</b>	<b>10,995,853</b>

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

Thousands of Yen

	Nine months ended October 31, 2016	Nine months ended October 31, 2017
	Amount	Amount
I Net sales	2,806,727	2,827,649
II Cost of sales	1,742,404	1,841,781
<b>Gross profit</b>	<b>1,064,323</b>	<b>985,867</b>
III Selling, general and administrative expenses	742,060	774,590
<b>Operating income</b>	<b>322,263</b>	<b>211,277</b>
IV Non-operating income		
1. Interest income	3,892	2,011
2. Dividends income	5,070	6,492
3. Subsidy income	4,828	4,197
4. Others	4,318	3,854
Total non-operating income	18,109	16,555
V Non-operating expenses		
1. Interest expenses	1,481	938
2. Commission fee	735	—
3. Loss on investments in partnership	—	2,092
4. Foreign exchange losses	1,424	79
Total non-operating expenses	3,641	3,110
<b>Ordinary income</b>	<b>336,732</b>	<b>224,722</b>
VI Extraordinary income		
1. Gain on sales of investment securities	—	63,140
2. Gain on sales of land	—	20,200
Total extraordinary incomes	—	83,340
VII Extraordinary loss		
1. Loss on retirement of noncurrent assets	97	70
2. Provision for loss on dissolution of the employees' pension fund	—	48,140
Total extraordinary losses	97	48,210
<b>Income before income taxes</b>	<b>336,635</b>	<b>259,852</b>
Income taxes	110,665	80,313
<b>Net income</b>	<b>225,969</b>	<b>179,539</b>

## 5.Others

### (1) Actual of orders

Thousands of Yen	
	Nine months ended October 31, 2017
Products category	Amount
Control switches	787,132
Connecting devices	1,182,023
Pilot lamps and Indicators	419,891
Electronic devices	438,022
Third party sales	312,322
Total	3,139,392

### (2) Backlog of orders

Thousands of Yen	
	Nine months ended October 31, 2017
Products category	Amount
Control switches	168,134
Connecting devices	154,959
Pilot lamps and Indicators	102,295
Electronic devices	87,683
Third party sales	268,971
Total	782,043

### (3) Sales

Thousands of Yen

	Nine months ended October 31, 2017
Products category	Amount
Control switches	779,462
Connecting devices	1,156,129
Pilot lamps and Indicators	409,456
Electronic devices	439,250
Third party sales	43,350
Total	2,827,649

#### ① Sales form

Thousands of Yen

	Nine months ended October 31, 2017
Market	Amount
Domestic sales	2,544,909
Overseas sales	282,740
Total	2,827,649

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

Thousands of Yen

	Nine months ended October 31, 2017
Market	Amount
Southeast Asia	144,088
Middle East	80,358
China	40,291
Europe	4,273
U.S.A.	13,728
Total	282,740