



FY2026 Medium-Term Management Plan

Industry Business Group

May 23rd, 2024

I . Business Overview	P.3
II . Review of FY2023 Medium-Term Management Plan	P.7
III. Overview of FY2026 Medium-Term Management Plan	P.9
Market Outlook	
Business Policies / Business Plan	
Priority Measures	
Capital Investment / Research and Development	

I . Business Overview

Change in Subsegments (April 1, 2024)

◆ Overview of Change

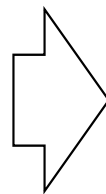
- Integration of information solutions operations of social solutions business into IT solutions business in order to form digital transformation solutions business subsegment

◆ Reason for Change

- Facilitation of integrate disclosure reflecting increased coordination between information solutions operations of Fuji Electric and Fuji Electric IT Solutions aimed at strengthening digital transformation operations

Prior to Change (–March 2024)

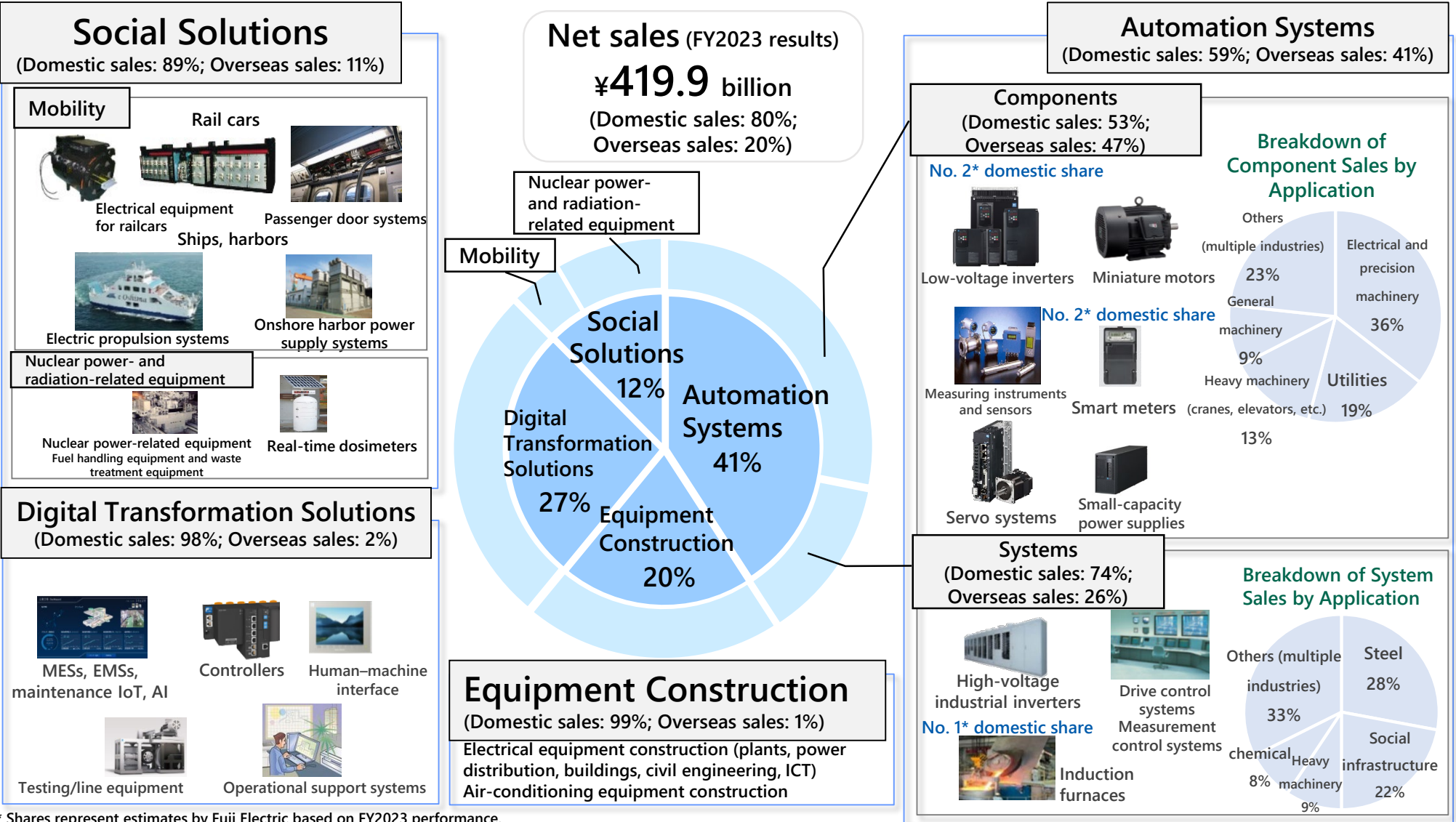
Segment	Subsegment	Operations
Industry	Automation systems	
	Social solutions	Nuclear power- and radiation-related equipment Mobility
	Equipment construction	Information solutions
	IT solutions	IT solutions



After Change (April 2024–)

Segment	Subsegment	Operations
Industry	Automation systems	
	Social solutions	Nuclear power- and radiation-related equipment Mobility
	Digital transformation solutions business	Information solutions IT solutions
	Equipment construction	

Energy saving, automation, and electrification



* Shares represent estimates by Fuji Electric based on FY2023 performance.

Note: Percentages of total net sales figures represent FY2023 results and are calculated before deduction and adjustment for inter-segment sales.

Strengths of Industry Segment

Automation Systems

【Components】



Low-voltage inverters
No. 2 domestic share



Smart meters
No. 2 domestic share

Swift development of power electronics equipped with Fuji Electric power semiconductors

【Systems】

Steel plants
(metal bar compression equipment)



No. 1 domestic share

Harbor cranes
(drive systems)



No. 1 domestic share

Induction furnaces



No. 1 domestic share

Industry-specific engineering capabilities fostered while building robust delivery track record

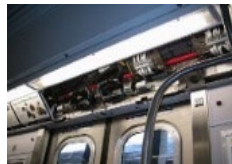
Social Solutions

Nuclear power- and radiation-related equipment
Monitoring posts, personal dosimeters



No. 1 domestic share

Rail cars (electrical doors)



Domestic market share 50%
(Conventional lines)
U.S. market share 25%
(Subway)

Sophisticated sensing and electrical equipment control technologies, high reliability

Digital Transformation Solutions

MESs, EMS, smart maintenance



Controllers, Human-machine interfaces, Factory automation systems (testing/line equipment)

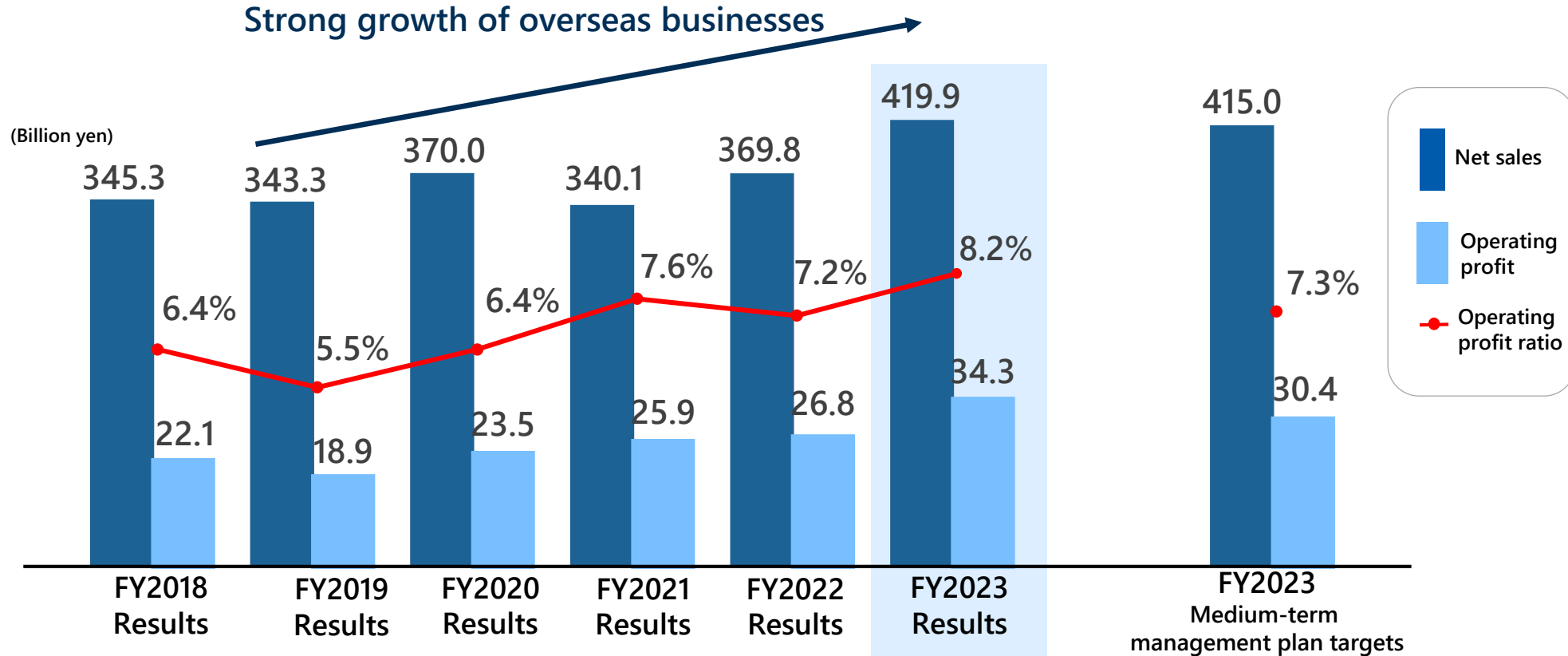


Integrated product lineup encompassing everything from edge controllers to manufacturing and quality control solutions

Note: Shares represent estimates by Fuji Electric based on FY2023 performance.

II. Review of FY2023 Medium-Term Management Plan

Review of FY2023 Medium-Term Management Plan



Successes

- Increased local production and consumption
- Acceleration of regional partnership strategies
- Development of global products

Challenges

- Further growth of overseas businesses
- Development of decarbonization and digital transformation solutions
- Strengthening of earning structures of automation systems business

Note: Figures have been restated to reflect a business reorganization conducted in FY2023.

III. Overview of FY2026 Medium-Term Management Plan

		Japan (FY2024–2026)		
Automation Systems	Components	<ul style="list-style-type: none"> ● Recovery in semiconductor production equipment anticipated to begin in late FY2024 ● Strong performance of pumps for domestic construction and overseas mining applications ● Growth in relation to automotive battery factories and decarbonization of automobile factories 	➡	
	Systems (Material industry, electric furnaces)	<ul style="list-style-type: none"> ● Promotion of equipment electrification and fuel conversion to contribute to decarbonization of existing production processes ● Growth of customers' decarbonization businesses (hydrogen, new energy) 	➡	
Social Solutions	Nuclear power- and radiation-related equipment	<ul style="list-style-type: none"> ● Return to normal levels for new capital investment related to nuclear fuel cycle ● Accelerated trends in restarting and decommissioning nuclear reactors and in developing innovative next-generation reactors stimulated by government energy policy targeting green innovation 	➡	
	Mobility	Rail cars	<ul style="list-style-type: none"> ● Railcar production to bottom out in FY2024 and then climb slightly above FY2023's level in FY2025 	➡
		Ships, harbors	<ul style="list-style-type: none"> ● Popularization of low-emissions and emissions-free ships following institution of new greenhouse gas emissions regulations ● Accelerated efforts to create carbon-neutral ships 	➡
Digital Transformation Solutions		<ul style="list-style-type: none"> ● Increased automation and process reform needs as a result of workforce contraction and digital transformation trend 	➡	

		Overseas (FY2024–2026)		
Automation Systems	Components	China	<ul style="list-style-type: none"> ● Gradual recovery anticipated over medium term, despite opaque conditions created by sluggish real estate and export markets 	➡
		Southeast Asia	<ul style="list-style-type: none"> ● Continuation of steady growth in infrastructure investment centered on fan and pump markets 	➡
		India	<ul style="list-style-type: none"> ● Increased production of air-conditioning equipment, elevators, and machinery ● Start of transition to smart meters for utilities applications 	➡
		Europe	<ul style="list-style-type: none"> ● Growth in elevator replacement demand and air-conditioning equipment market 	➡
	Systems	Americas	<ul style="list-style-type: none"> ● Brisk capital investment in oil and gas market ● Solid demand in market for air-conditioning equipment (freezers, etc.) 	➡
		Southeast Asia	<ul style="list-style-type: none"> ● Firm steel and nonferrous metal plant investment; growth in harbor cranes 	➡
		India	<ul style="list-style-type: none"> ● Growth driven by steel, oil, and ceramics industry; growth in harbor cranes 	➡
		Social Solutions	Mobility	Rail cars

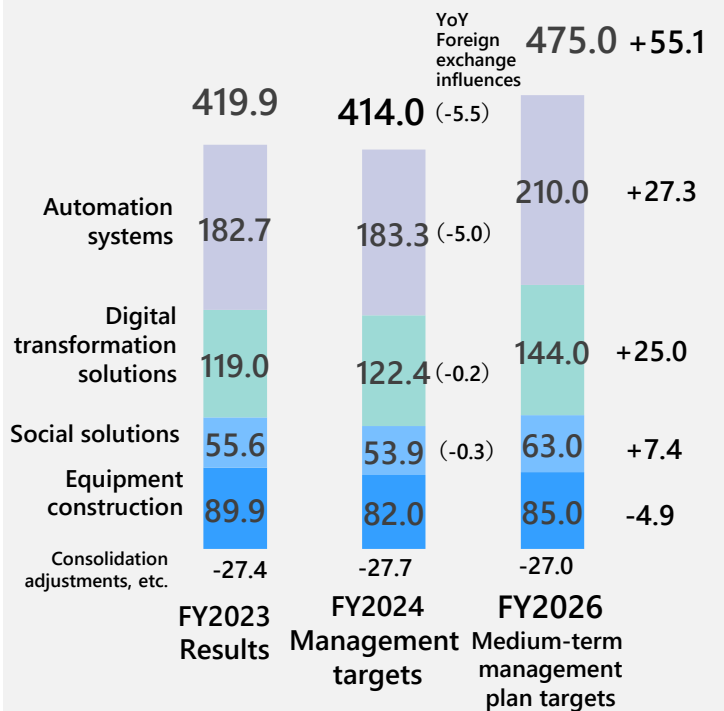
Pursuit of business growth and profitability improvement centered on automation systems and digital transformation solutions businesses

Business Policies

- ◆ Creation of competitive components for use in strengthening systems offerings
- ◆ Utilization of systems to grow green transformation and overseas businesses
- ◆ Reinforcement of earnings structure of automation systems business

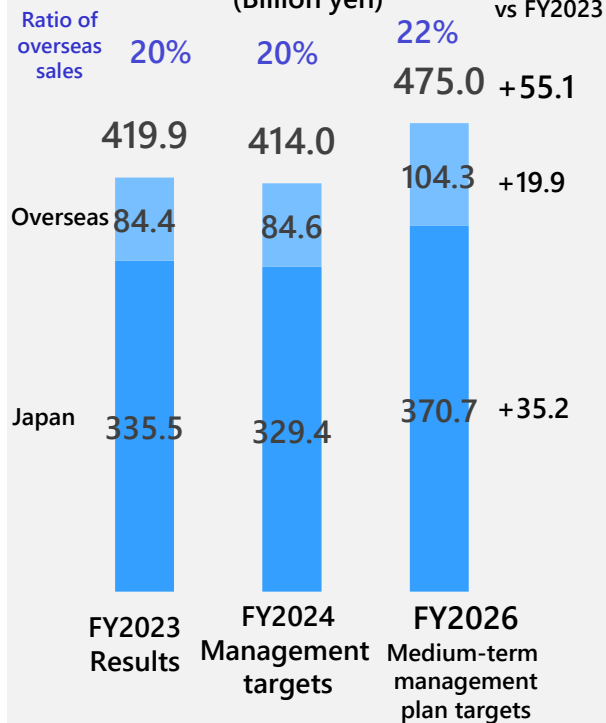
Net Sales by Subsegment

(Billion yen) vs FY2023



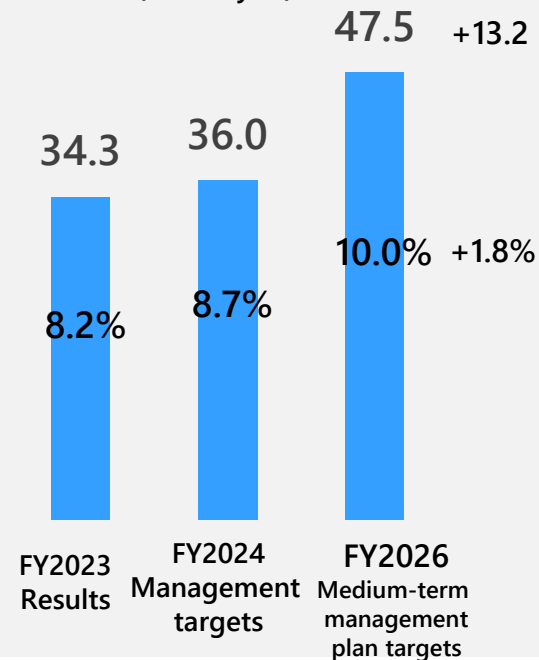
Domestic and Overseas Net Sales

(Billion yen) vs FY2023



Operating Profit / Operating Profit Ratio

(Billion yen) vs FY2023



Strengthening of Existing Operations

【Automation systems】

- **Expansion of overseas systems operations**
Introduction and enhancement of global products
Ongoing acceleration of partnership strategies
- **Expansion of operations in India**
Entry into smart meter businesses
Solicitation of elevator products
- **Promotion of electrification**
Encouragement of changes to new heat sources
(Increased use of induction furnaces and industry heating equipment)
Electrification of hydraulic equipment
- **Strengthening of profit structure**
Further promotion of local production and consumption (six-region network)
Standardization of engineering to improve efficiency



Expansion of New and Growth Fields

【Digital transformation solutions】

- **Expansion of digital transformation solutions for manufacturing industry**
Promotion of global smart factories
Broadening of lineup of heat products
(heat source electrification, EMS solutions)

【Social solutions】

Mobility

- **Promotion of electrification in mobility field**
Introduction of new products for ship and harbor equipment
Launch of automotive power electronics business

Nuclear power- and radiation-related equipment

- **Increases to sales volumes in light of steady advancement of large-scale projects as well as restarts and decommissioning of reactors**
- **Generation of synergies with internal resources**

Expansion of Overseas Businesses (Regional Strategies)

		China	Southeast Asia, etc.	India	Europe and North America
Ratio of overseas sales		41 % → 43 % (FY2023) (FY2026)			
Distribution of overseas sales		26 % → 24 % (FY2023) (FY2026)	20 % → 20 %	29 % → 32 %	25 % → 24 %
Sales Plan		¥19.4 billion → ¥22.0 billion (FY2023) (FY2026)	¥14.6 billion → ¥18.0 billion	¥21.8 billion → ¥29.0 billion	¥18.7 billion → 22.0 billion
Target industries		 Steel Electricity Equipment manufacturing	 HVAC Elevators Steel Ports Chemical Equipment manufacturing Electricity	 Oil and gas Chillers Elevators	
Priority measures	Components	<ul style="list-style-type: none"> Engagement in new systems business negotiations (Lithium-ion batteries, semiconductor production equipment) Increased local production and consumption of measuring instruments 	<ul style="list-style-type: none"> Growth of sales from air-conditioning equipment market Expansion of distributor network (Philippines, Indonesia, Vietnam, etc.) 	<ul style="list-style-type: none"> Increased in-house production of existing component products Entry into smart meter business Promotion of sales of products for elevators 	<ul style="list-style-type: none"> Enhancement of capacity to accommodate low-voltage inverter demand through start of production in North America Solicitation of elevator products Bolstering of coordination with partners
	Systems	<ul style="list-style-type: none"> Promotion of induction furnace sales Sales promotion through partnerships and joint venture in Shanghai (Drive control, industrial heating systems) 	<ul style="list-style-type: none"> Proposal of harbor crane systems (Industrial inverters, automation) Incorporation of demand from Japanese Renewal business (Increased coordination between sales companies and Japanese headquarters) 	<ul style="list-style-type: none"> Solicitation of products for steel plants (Industrial inverters, EMS packages for energy centers) Localization of sales, development, and engineering systems 	<ul style="list-style-type: none"> Promotion of high-voltage inverter sales Pumps for various plant applications (Oil, gas, water treatment, etc.)

Further Promotion of Local Production and Consumption (Six-Region Network)

Target of increasing rate of local production and consumption for major components (low-voltage inverters, measuring instruments, etc.) to 70%; enhancement of overseas competitiveness by promoting local production and consumption of systems over three-year period

Shanghai Electric Fuji Electric Power Technology (Wuxi)
Medium-voltage inverters



Wuxi Fuji Electric FA
Low-voltage inverters, servo amps, human-machine interfaces, measuring instruments



Fuji Electric Motor (Dalian)
Industrial motors, servo motors



Fuji Electric (Zhuhai)
Induction furnaces



Fuji Electric France Clermont-Ferrand
Measuring instruments, low-voltage inverters



Fuji Gemco Delhi, India
Industrial inverters



Fuji Electric India
Chennai, India
Low-voltage inverters
Smart meters



Pune/Chennai, India
Three-phase UPSs, high-frequency filters, power stabilization equipment, central PCs, 7000HXi UPSs, transmitters
Large-capacity UPSs
Medium-capacity UPSs



Low-voltage inverters
Switchgear
Temperature controllers
Industrial inverters



Fuji Electric Manufacturing (Thailand)

Thailand
Integrated component and system factory
Industrial inverters

Fuji CAC Joint Stock Company
Vietnam
System products, engineering



Fuji SEMEC Canada, United States
Door switchgears, low-voltage inverters

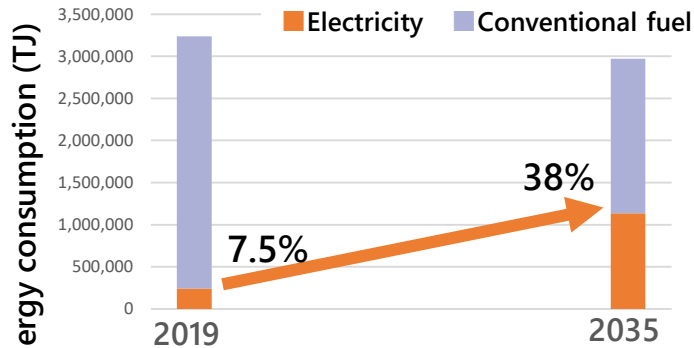


Local Production and Consumption Ratios of Major Components

	FY2023 results	FY2026 targets
China	89%	90%
Asia	70%	
India	33%	65%
Europe	25%	
Americas	0%	45%
Total for overseas	38%	70%

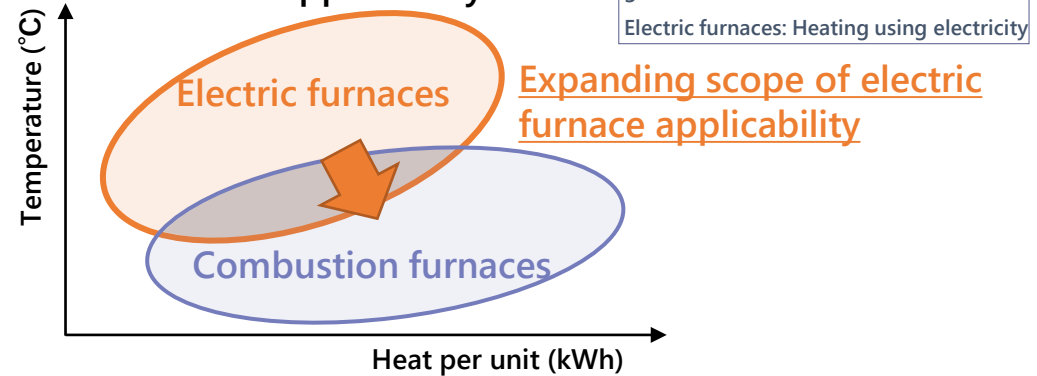
Acceleration of electrification of industrial furnaces and heating systems to reduce CO₂ emissions (steel, chemicals, etc.); focus on service bundles incorporating energy saving, preventative maintenance, and automation to capture demand related to increasing number of electric furnaces (induction furnaces)

Steel Industry Electrification Projects



Source: Comprehensive study of energy consumption of industrial facilities 2022

Scope of Industrial Furnace Applicability



Casting EMSs

Furnace Operation Support Robots

- Support for energy-efficiency improvements using dedicated casting EMSs
- Shortening of facility downtime using maintenance management systems
- Comprehensive production planning and traceability management



- Promotion of automation with furnace operation support robots (coordination with partners)
- Contribution to employe safety and workstyle reforms

Energy Management

Reduction of energy consumption through efficiency improvements and loss prevention

Electricity

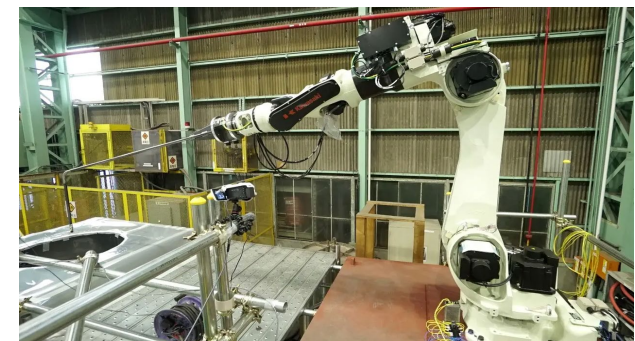
Heat, air conditioning

Equipment/Maintenance Management O&M

Equipment logs

Inspection/failure logs

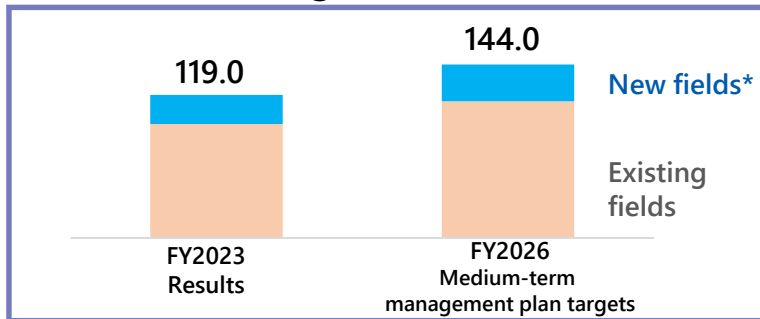
Equipment operating logs



Robots produced by Kawasaki Heavy Industries

Acceleration of efforts to address customer management tasks of achieving real-time management and smart manufacturing

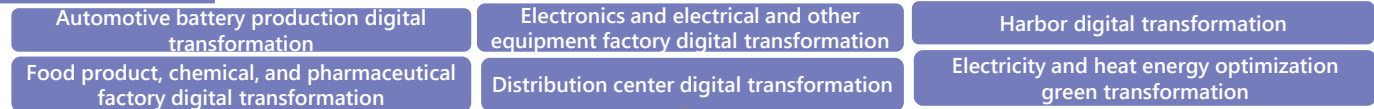
FY2026 Sales Target (Billion yen)



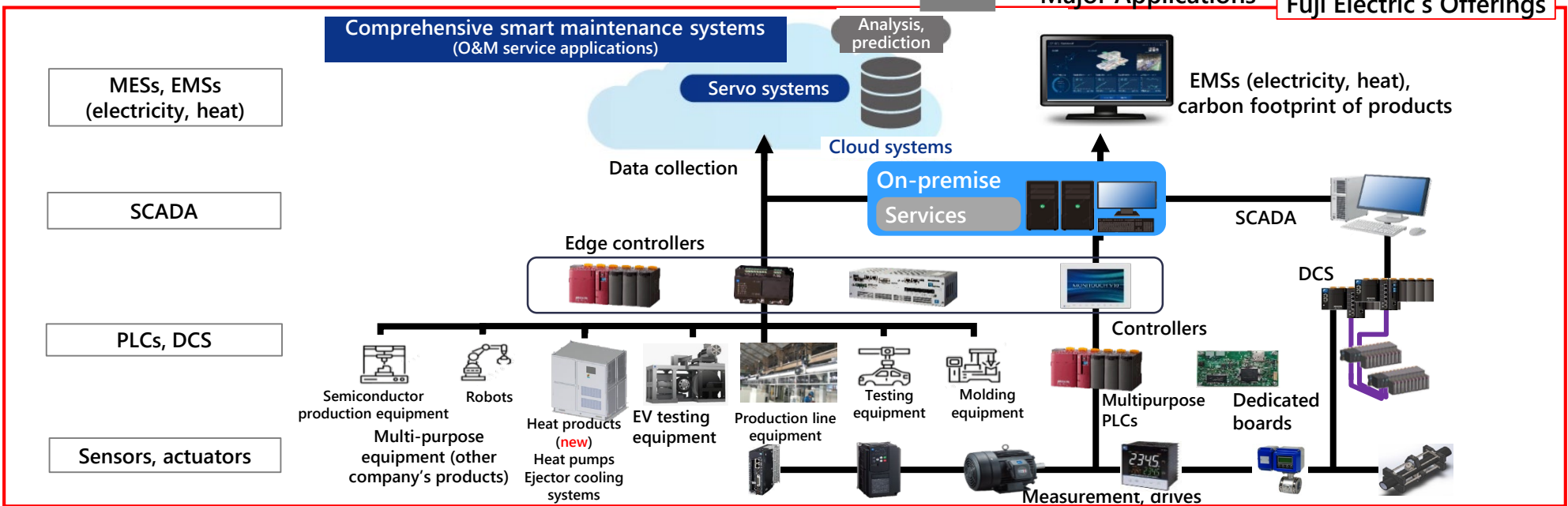
Priority Measures

- Supply of packages bundling products for creating smart factories
 - Integration, analysis, and utilization of production, energy, equipment, maintenance, and other on-site data
 - Consolidation and integrated management of information from multiple production sites
 - Enhancement of proposal capabilities by combining electricity, heat, and information (digital transformation) offerings
- Sales of solutions based on usage cases at Fuji Electric factories and enhancement of digital transformation project lineup

* "New fields" refers to new markets and new products.



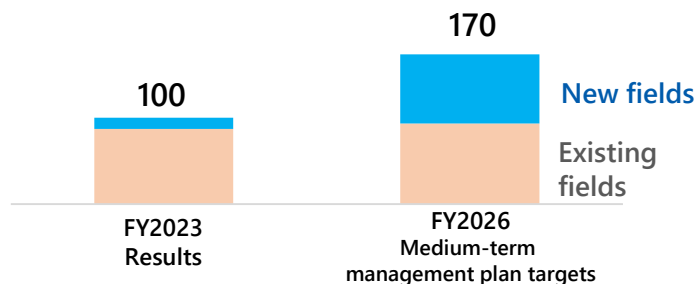
ERP, SCM



Expansion of operations in new fields (ships, harbors, electrified vehicles) and improvement of earnings in existing fields (railcars)

FY2026 Sales Target

Note: FY2023 is indexed to 100.



Priority Measures

Rail cars

- Capitalization on replacement demand associated with previously delivered railcars in the United States
- Focus on global customers to grow orders (global products)
- Improvement of quality

Ships, harbors

- Introduction of new global products to acquire new orders
- Acceleration of partnership strategies

Electrified Vehicles

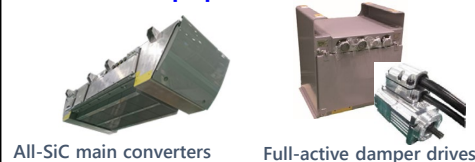
- Development of production systems for automotive power electronics and launch of new products

Medium- to Long-Term Outlook for Target Markets

	2024	2025	2026	-2030
Railcar systems 【Existing field】	Door replacement demand in U.S.		Application of next-generation doors	Application of all-SiC devices
Ships (electrification) 【New fields】	Introduction of hybrid ships		Full-electric ships	
Harbors (shoreside power) 【New fields】	Introduction		Popularization	
Electrified vehicles 【New fields】	Expansion of application			

Rail cars

Electrical equipment for railcars



High-value-added products

Global door platforms
(Condition-based management functions)



Ships, harbors

Electric propulsion



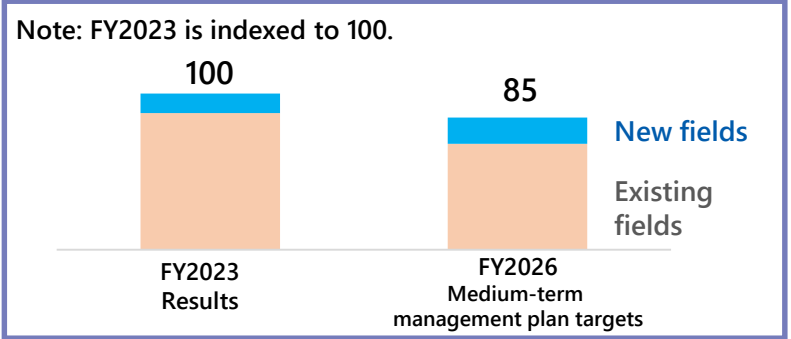
Shoreside power supply systems



Steady Progress of Large-Scale Projects and Acquisition of Orders in New Business Fields

Response to growth of decarbonization-related market through synergies between core technologies and products and reinforcement of manufacturing foundations

FY2026 Sales Target










Priority Measures

- Completion of large-scale projects (nuclear fuel cycle) and expansion of after service businesses
- Development of new products through coordination with customers
- Generation of synergies with nuclear power- and radiation-related equipment businesses (comprehensive project orders)
- Bolstering of project staff in preparation for growth in project numbers

Medium- to Long-Term Outlook for Target Markets






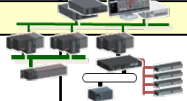
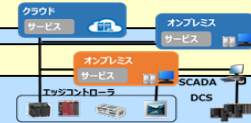

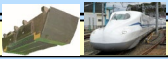





	2024	2025	2026	-2030
Nuclear fuel cycle 【Existing field】	Completion of new factories and start of operation			
Resumption of nuclear power plant operation 【New fields】	Increased projects in reflection of government energy policy			
Decommissioning 【New fields】	Rise in sales volumes due to aging and decommissioning of facilities			
Innovative next-generation reactors 【New fields】	Increased investment in high-temperature gas reactors, etc.			

	Core Technologies	Plant and Other Major Products
Nuclear power-related equipment Primarily MOX fuel production and non-reactor peripheral equipment	Remote control → Fuel production equipment → Remote transportation of radiative materials	  Glovebox equipment Fuel handling equipment
	Nuclear engineering → Innovative next-generation reactors	 Structure inside of high-temperature gas reactor
	Nuclear waste treatment → Advanced solidification technologies → Cutting/decontamination devices	 Advanced solidification/mixing devices
Radiation-related equipment	Sensing technologies, high-quality monitoring → Dosimeters → Monitors	   Waste measurement monitors Environmental radiation monitors Entry management systems

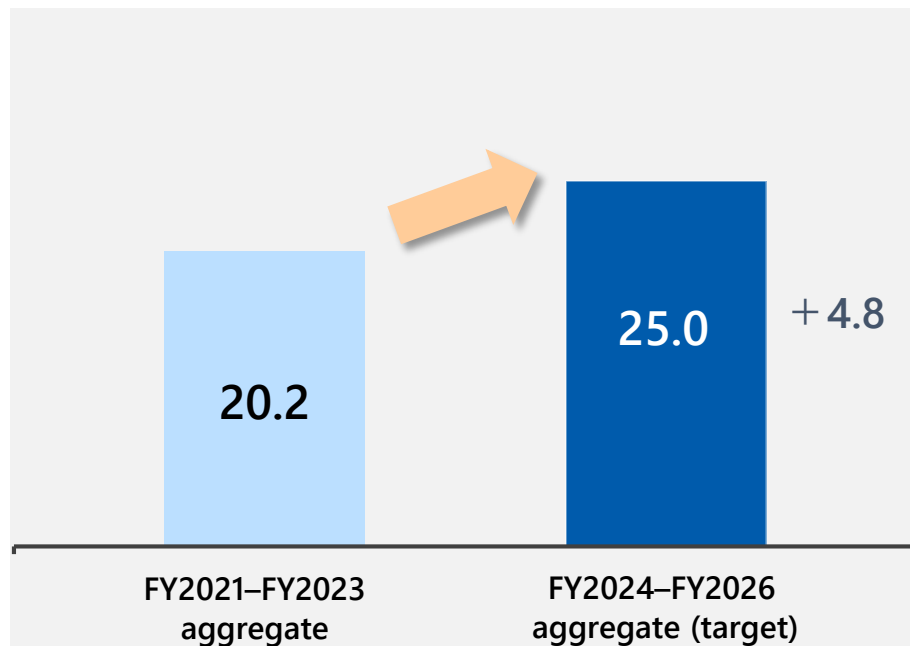
Comprehensive decommissioning orders

Development Schedule (Product Strategy)

Improvement of development efficiency, swift introduction of new products, and expansion of range of platform utilizing models

	Major Development Themes	Target Regions	FY2022	FY2023	FY2024	FY2025	FY2026	
Automation Systems	Low-voltage inverters	Japan China Asia Europe North America	Deployment of models for 7th platform		Elevator-use inverters 	Development of 8th platform		
	Systems •Bolstering of industrial inverter functions •Large-capacity water-cooled inverters •Global Medium-voltage inverters •Medium-sized industrial motor model updates and lineup expansion	Japan China Asia	Industrial inverters 	Large-capacity water-cooled inverters 	Medium-sized industrial motor model updates 	Series expansion	Global high-voltage inverters	
	Plant control systems •Global control systems	Japan Asia		Next-generation DCSs/PLCs	Security measures		Cloud platforms	
Digital Transformation Solutions	Digital transformation product lineup expansion •Development of platforms for factory digital transformation and expansion of employing systems •Promotion of standardization and cloud compatibility in relation to office digital transformation Heat products	Japan China Asia	Digital transformation solutions 		Heat products 			
Mobility	Electrical mobility equipment and systems •Electrical equipment for shinkansen trains •Next-generation door platforms and condition-based management systems •Automotive power electronics •Electric propulsion, shaft generators •Shoreside power supply systems •CO ₂ /ammonia capture systems for ships	Japan North America Asia India	Smaller, lighter, and all-SiC electrical equipment for shinkansen trains 	Standardized door development and lineup expansion 	Automotive power electronics 	Electric propulsion, shaft generators 	CO ₂ /ammonia capture systems	
			Development projects for utilizing advanced solidification technologies at domestic power companies	Next-generation dosimeter development 	New survey meters 			
Nuclear Power- and Radiation-Related Equipment	Waste treatment equipment •Spend fuel solidification (SIAL®) system Personal exposure management, components for overseas markets •Next-generation dosimeters •New survey meters	Japan China Asia Europe and North America						

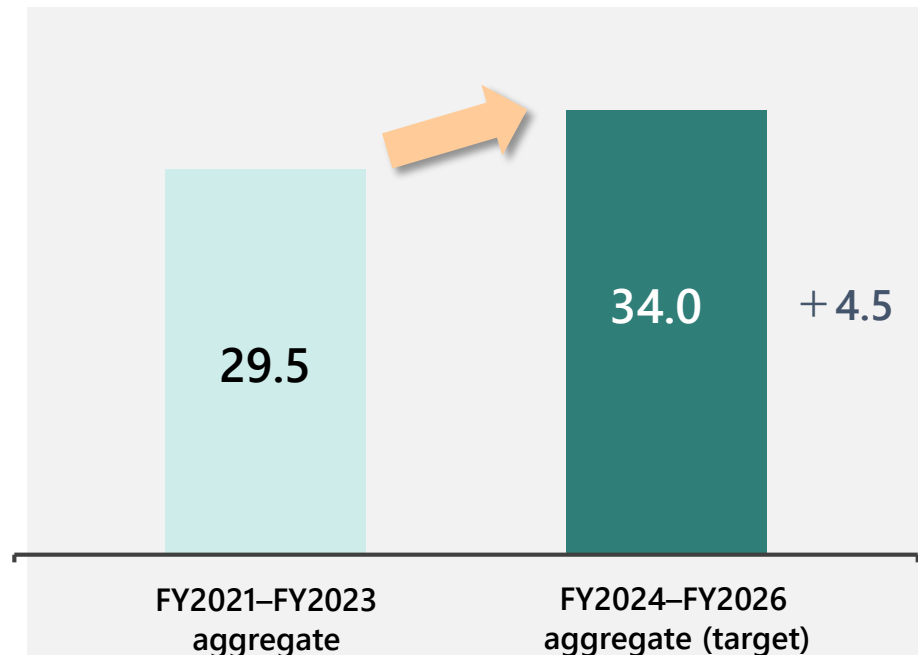
Capital Investment (Billion yen)



Investment for expanding businesses using new products

- New investment in smart meters and automotive power electronics
- Investments for increasing production at overseas production bases
- Rationalization, upgrades, and renovation

Research and Development (Billion yen)



Creation of competitive components for growing green transformation and digital transformation markets

- Development of decarbonization products and environmental impact reducing technologies (Electrified mobility, heat products, CO₂/ ammonia capture equipment)
- Digital transformation-related equipment (smart factories)
- Enhancement of global product lineup
- Development of platforms utilizing next-generation IGBTs and SiC devices

Note: The R&D expenditure figures above represent expenditures that have been allocated to segments based on theme and may therefore differ from figures contained in consolidated financial reports.

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