

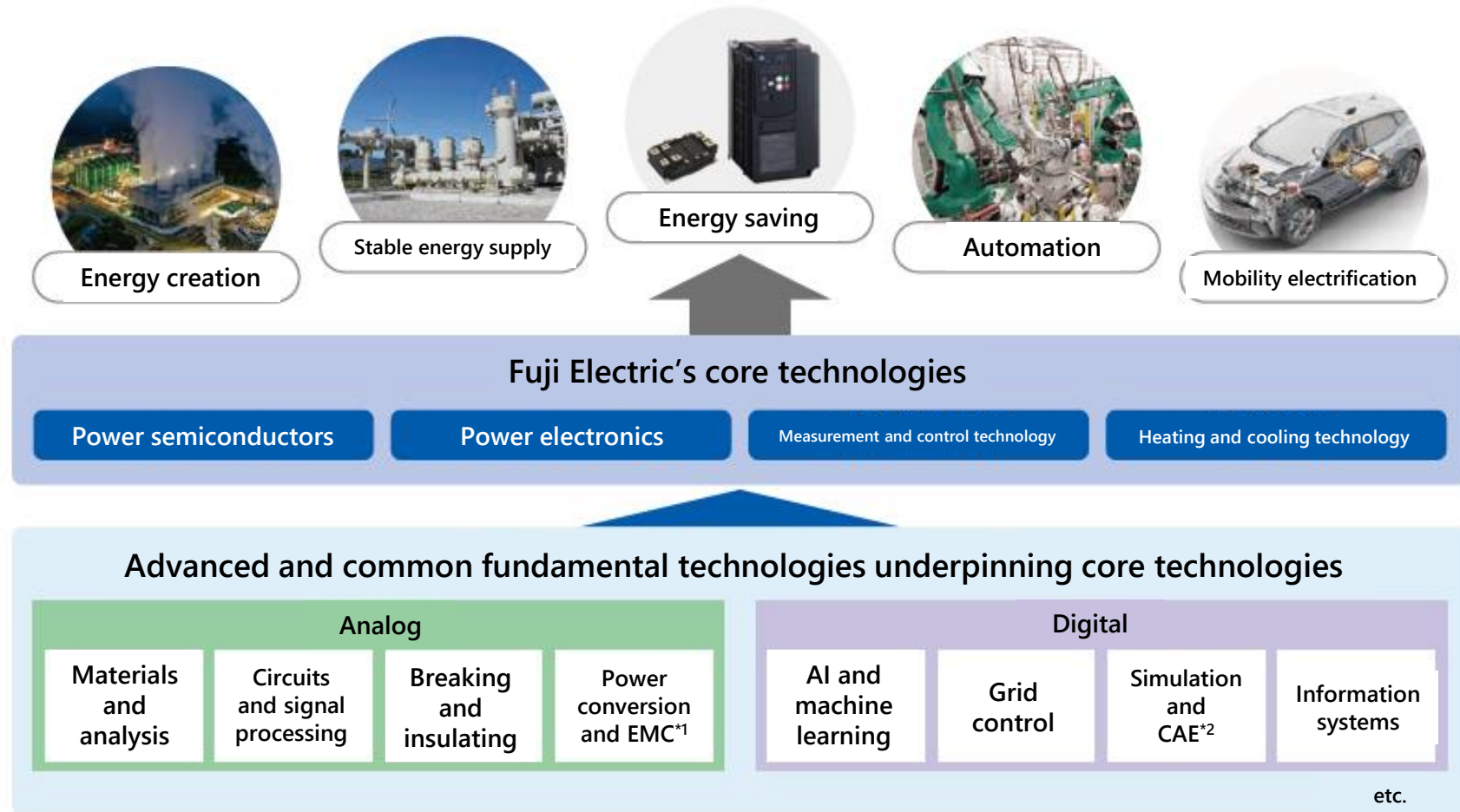
Fuji Electric R&D Strategy

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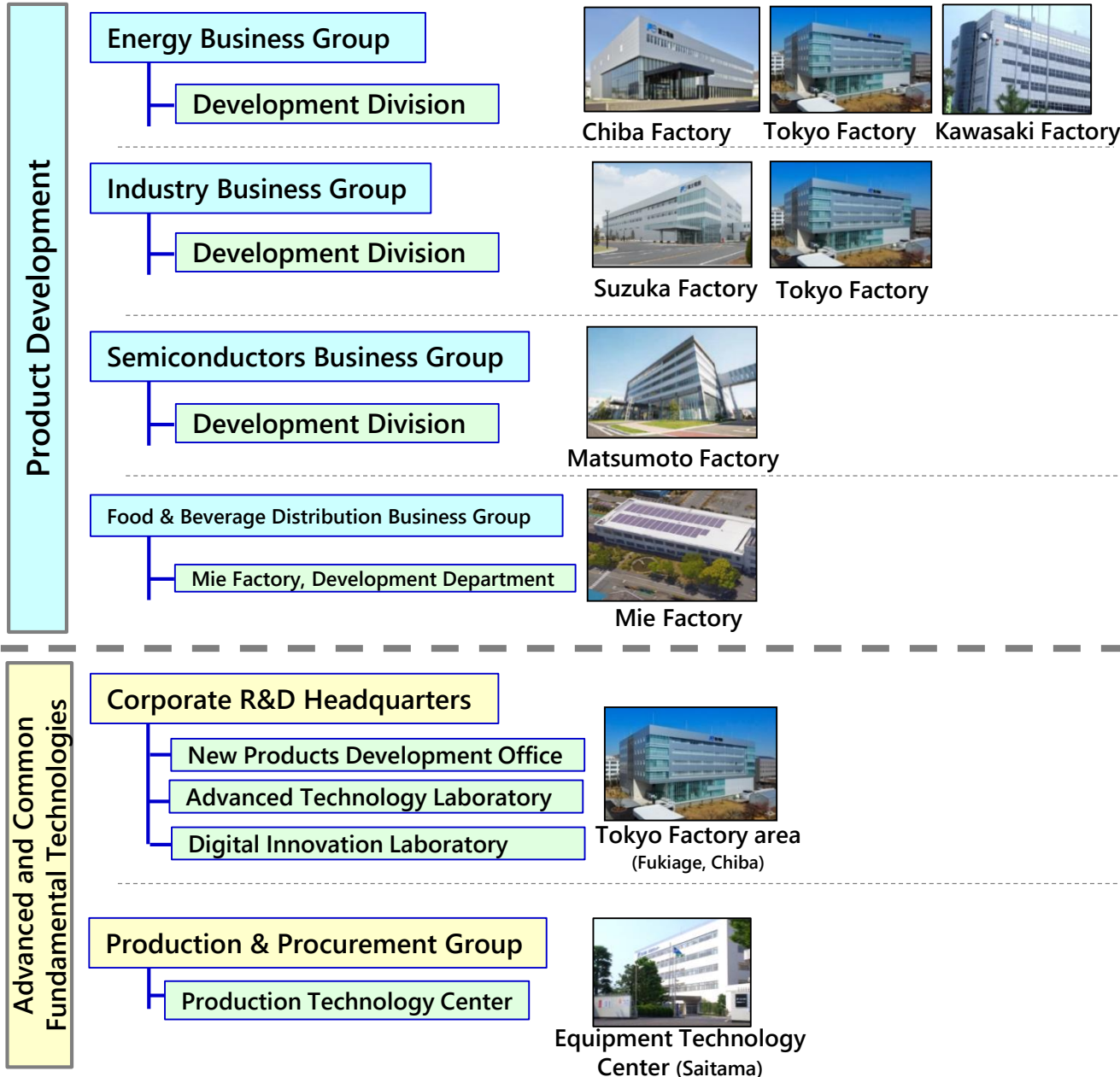
July 11th, 2024

Creation of customer value and resolution of social issues by integrating power semiconductor and power electronics technologies with advanced digital technologies



*1 Electromagnetic Compatibility *2 Compute Aided Engineering

R&D Organization and Bases



- Product development
- Product-specific elemental technologies
- Product-specific platforms

- Technology marketing
 - Advanced technologies
- AI, grid control, next-generation semiconductors, heat exchange, sensing, etc.

- Common fundamental technologies
- Materials, insulation, heat, machinery, analysis, power conversion, EMC, signal processing, equipment automation, processing, etc.
- Shared Companywide platforms
- IoT system, Information security, CAE, etc.

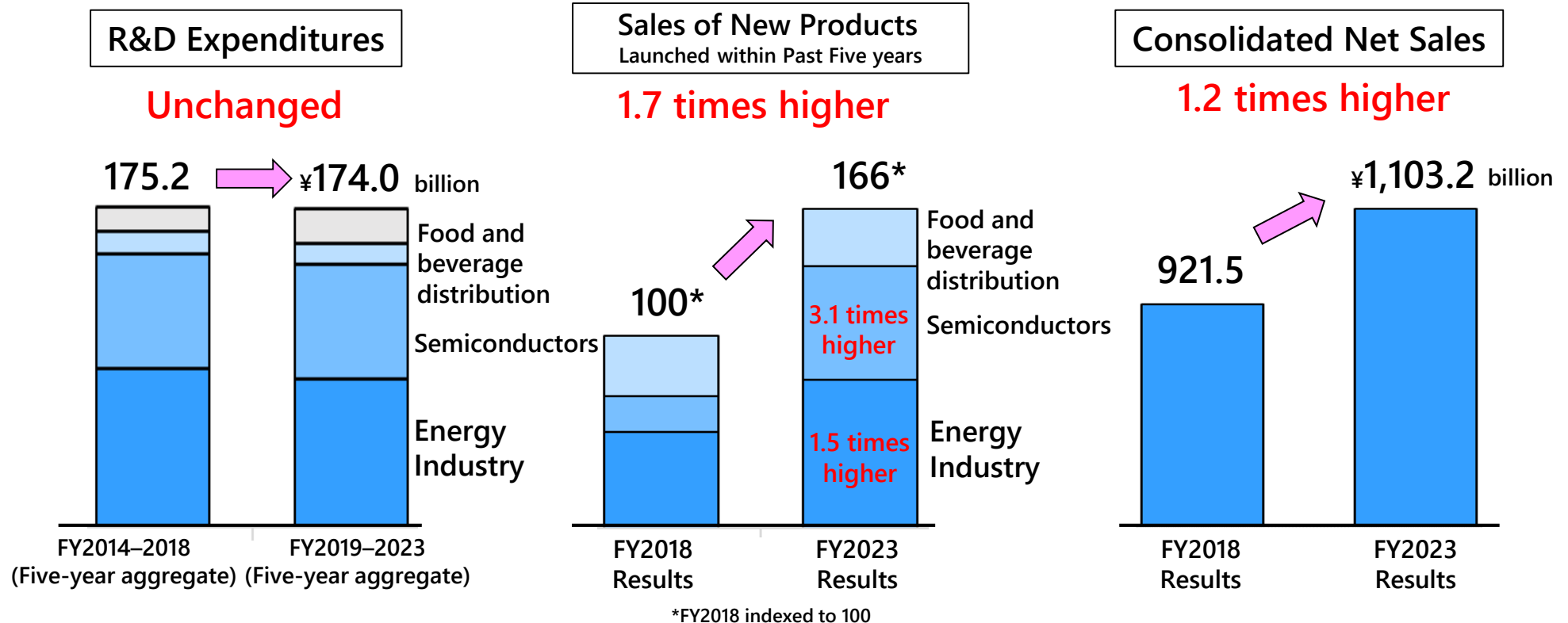
Overview of Research and Development Under FY2023 Medium-Term Management Plan (FY2019–2023)

R&D Policy

Promotion of efficient R&D to achieve sales and profit growth while creating customer value

Major Measures

- Launch of new products based on business strategies
- Acceleration of development of new products for overseas markets
- Enhancement of technology developments for addressing new social issues and creating customer value



Overview of Research and Development Under FY2023 Medium-Term Management Plan (FY2019–2023)

Introduction of industry-first and industry-leading products through development focused on customer value

Energy



Large-capacity geothermal power generation plants
Turbine with world's largest single-unit capacity



PCSs for 1,500 V DC storage batteries
Industry-leading efficiency



FR3 oil-immersed transformers
World's smallest FR3 product



UPS7500WX large-capacity UPSs
Among world's most space-efficient



SC-NEXT magnetic switches
Among world's most compact



Φ16 command switches
Among world's highest optical uniformity

Industry



Global induction furnaces
Industry-leading efficiency



Industrial inverter
Industry-leading single-unit capacity



S-Flow compact ultrasonic flowmeter
Industry-leading accuracy



OnePackEdge data collection system
Industry's fastest data collection capabilities

Food and beverage distribution



Sustainable vending machines
Industry-leading energy efficiency



Frozen food vending machines
Industry-leading energy efficiency and stocking capacity



Convenience store coffee machines
Industry's first cup identification function



Flat ice cream cases
Industry-leading energy efficiency
Industry's first to use low GWP coolant

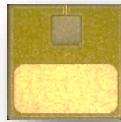
Semiconductors



7th-generation RC-IGBTs
Compact, low



7th-generation industrial IGBTs
Industry-leading output current



SiC MOSFET
World's lowest on resistance

M660 automotive module
Industry-leading power cycle resistance

Advanced technologies



Exhaust heat recovery heat pump
Industry-leading efficiency



120kW demonstration equipment

Hydrogen fuel cells
Industry-leading lifespan



Operating site diagnosis systems
One of the industry's first AI explanation functions

FY2026 Medium-Term Management Plan R&D Strategy (FY2024~FY2026)

Operating Environment Changes

Accelerated decarbonization trend

Goals of halving emissions by 2030 and achieving carbon neutrality by 2050

Evolution of digital technologies

Rapid spread of use of digital technologies to improve productivity and create value

Promotion of circular economies

Fuji Electric's Opportunities

- 1 Growth of green transformation market
- 2 Promotion of new value and business models to facilitate customers' digital transformation
- 3 Massive improvements to productivity through digital transformation

Improvement of corporate value through management emphasizing profit

Basic Policy

Important Management Targets

Priority Strategies

- Profit: Operating margin above 11%, ratio of profit attributable to owners of parent to net sales above 7%
- Financial indicators: ROE of more than 12%, ROIC of more than 10%

- Reduction of 30% in greenhouse gas emissions from production
- Employee satisfaction score of more than 3.8 points

Improvement of Profitability

- Business operation emphasizing cost of capital
- Improvement of productivity using digital technologies

R&D Strategies

Promotion of Growth Strategies

Concentrated investment in growth fields

- Introduction of new products to expand operations
- Expansion of overseas businesses
- Creation of new businesses to grow sales after 2027



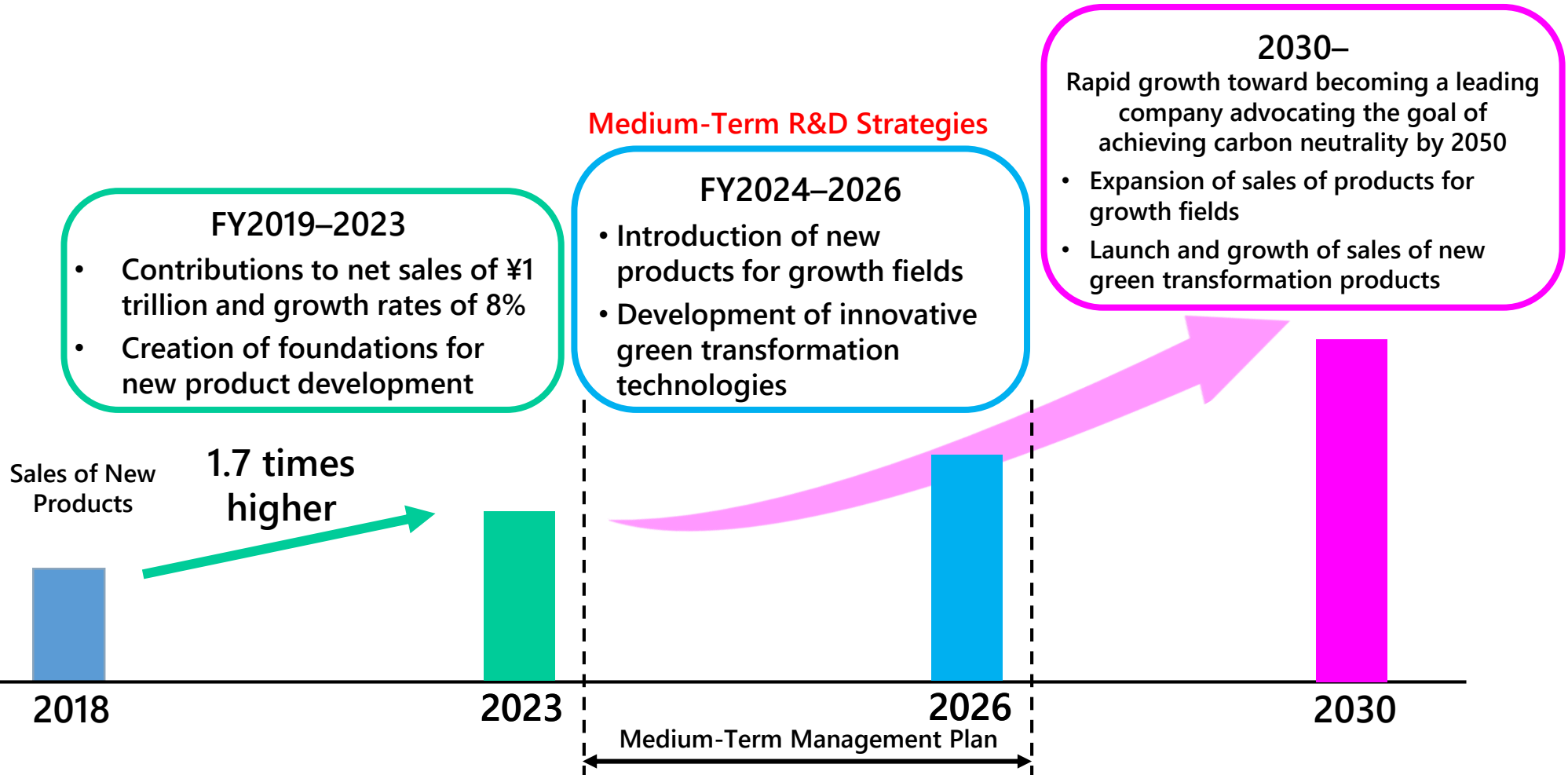
Strengthening of Management Foundations

- Social** Employees first Well-being
- Environment** Environmental Vision 2050
- Governance** Thorough compliance Stronger risk management

R&D Strategies of FY2026 Medium-Term Management Plan (Goals Leading Up to 2030)

Research and development aimed at ongoing creation of new products for growth fields (green transformation, digital transformation, global markets)

- Growth of domestic and overseas operations through introduction of new products
- Creation of new businesses to contribute to sales growth in FY2027 and beyond



R&D Policy

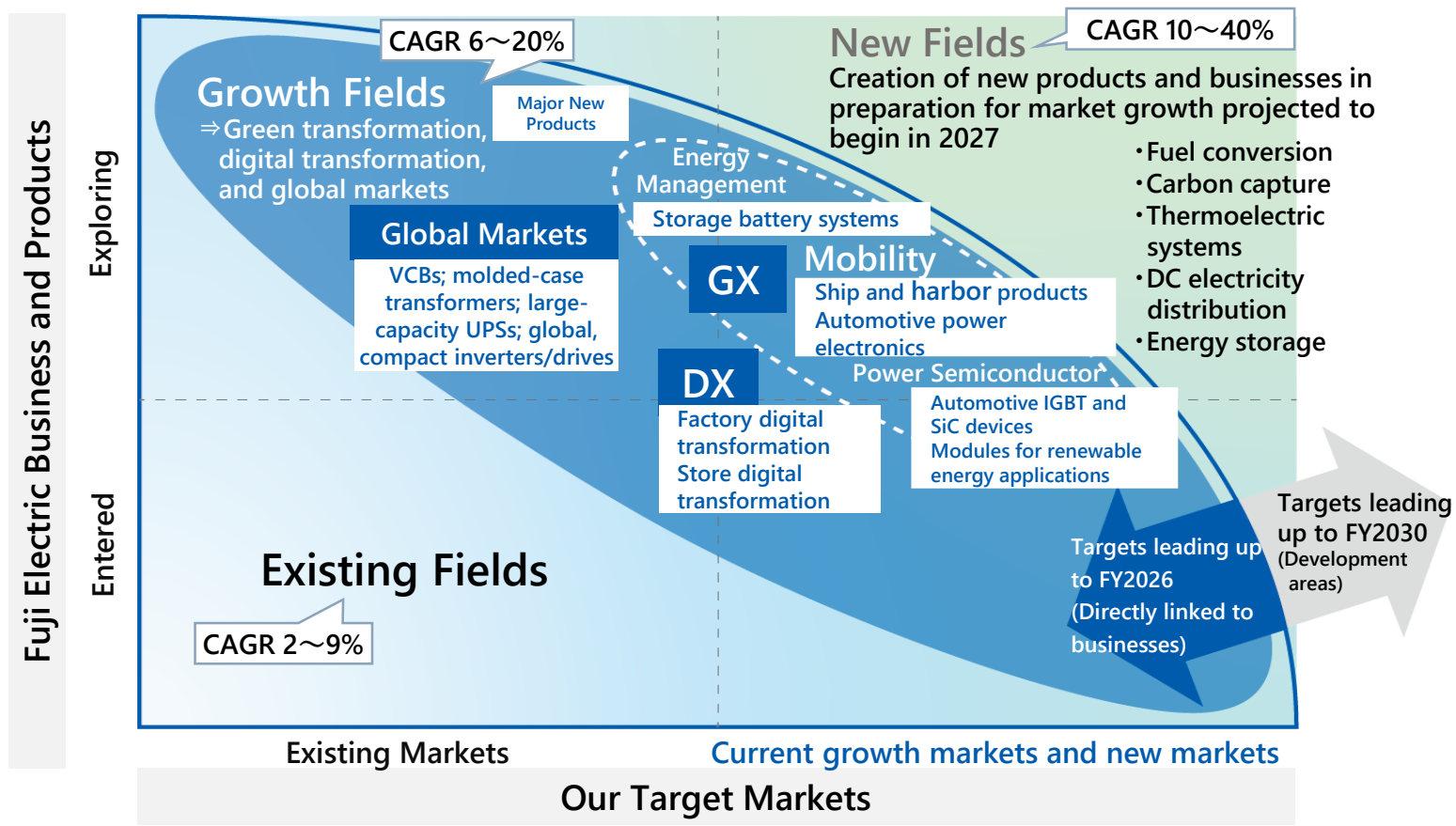
Contribute to ongoing growth through research and development for supporting businesses and shaping the future

Major Measures

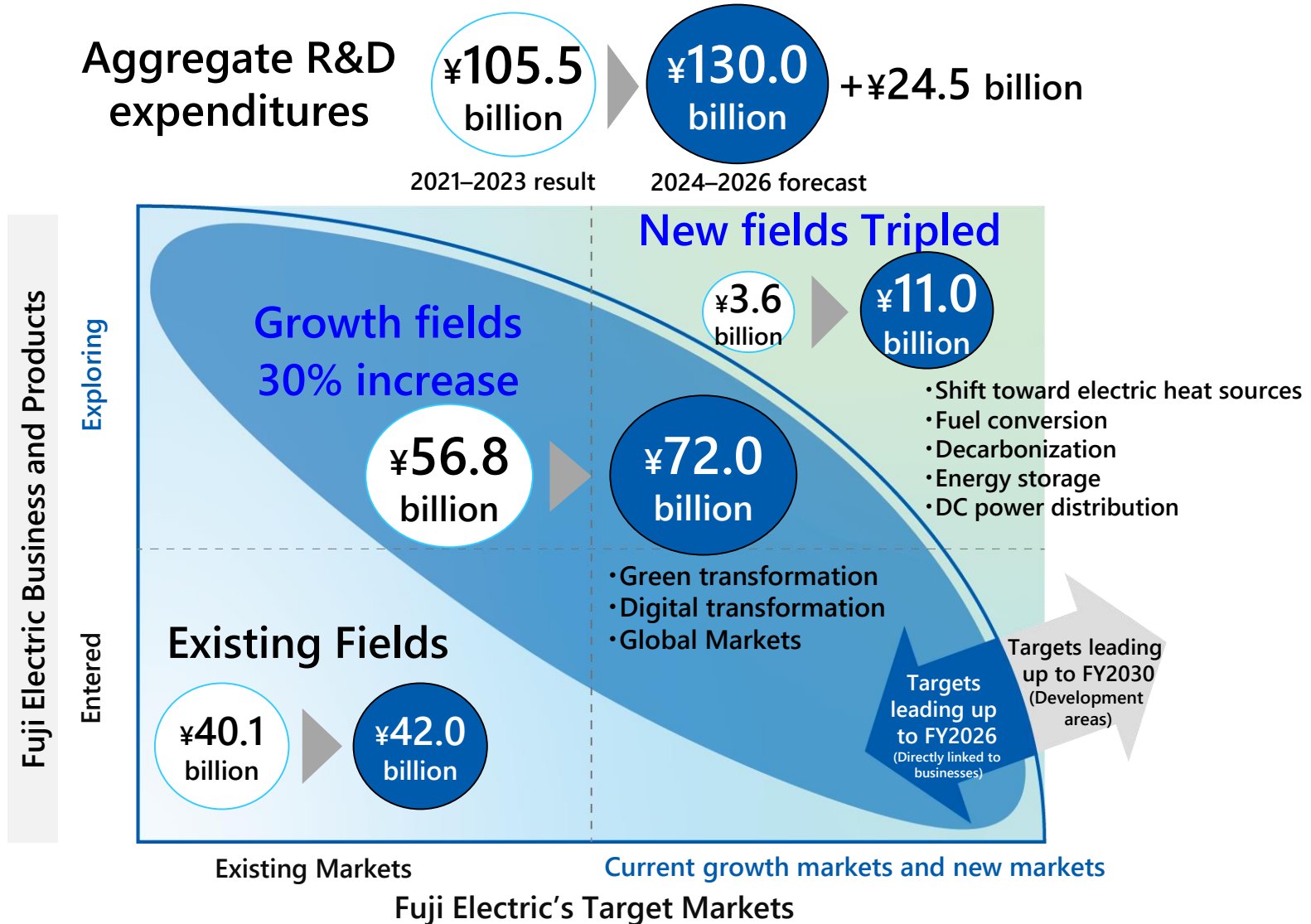
Existing fields: Advance next-generation development projects, bolster competitiveness, and enhance platform development to help continue and grow existing businesses

Growth fields: Launch green transformation, digital transformation, and global products by 2026 to propel growth strategies

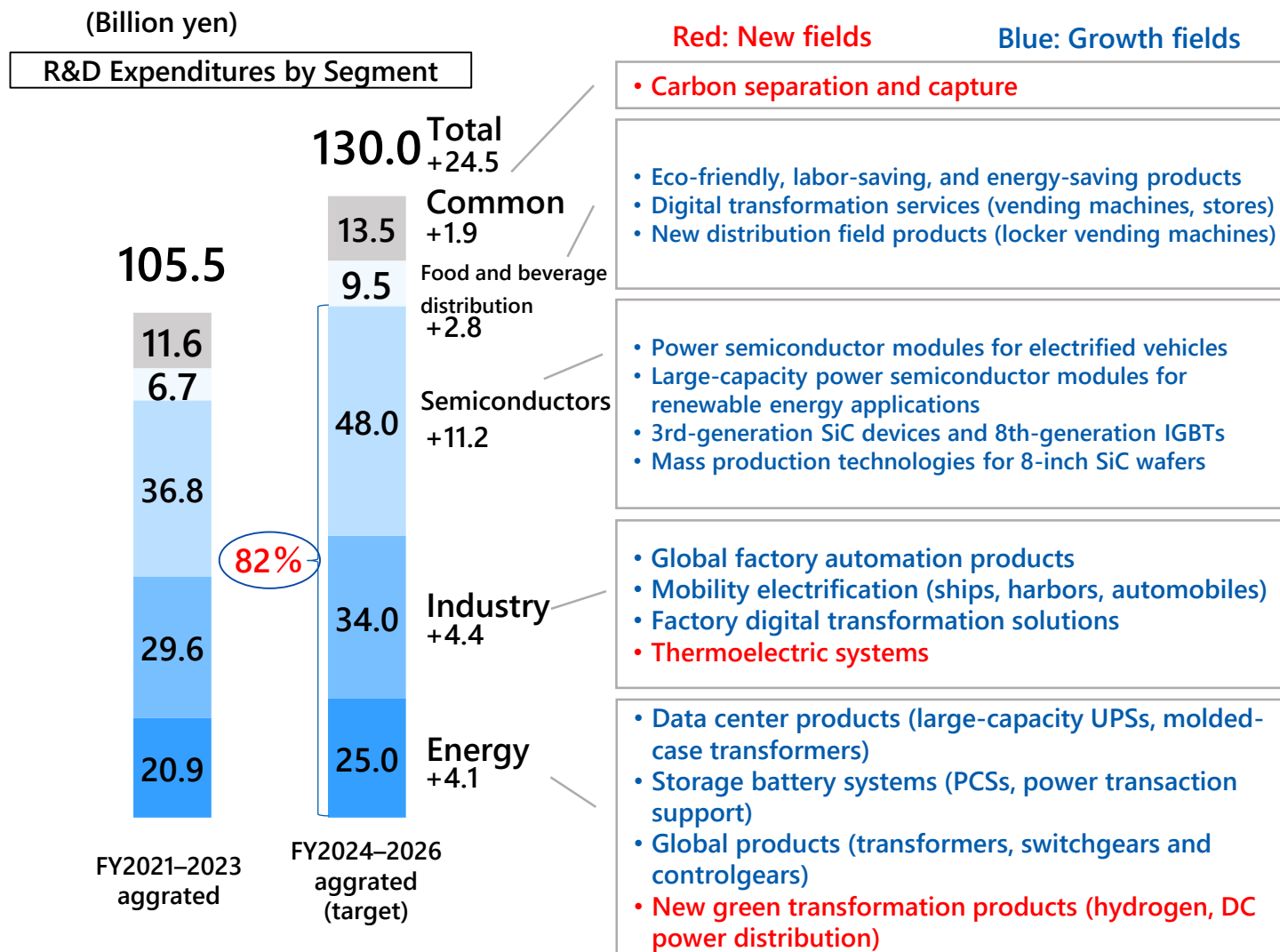
New fields: Acquire new green transformation technologies and create new products in preparation for market growth projected to begin in 2030



Priority investment in development of new products for growth fields and development of technologies for new fields



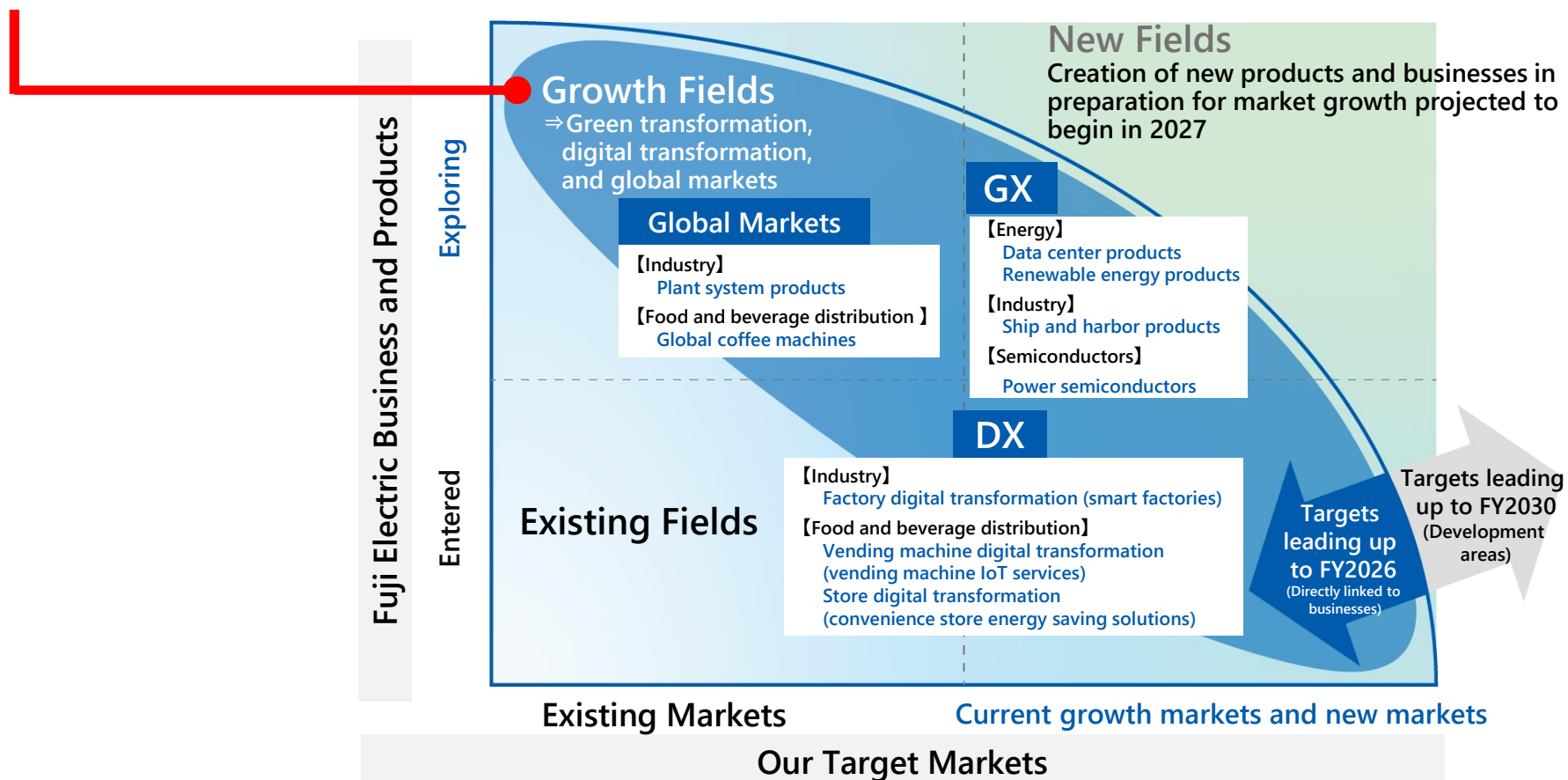
【Reference】 R&D Expenditures by Segment



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.

【Research and Development looking toward FY2026 for each business group】

- Business Overview
- Operating Environment and Business Opportunities
- Market Outlook and Technical Requirements
- Key Development Themes (Growth Fields)



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