

# Management Plan for FY2025

Fuji Electric Co., Ltd.

April 25, 2025

I'll talk about FY 2025 management plan.

## ■ Changes in segments (Effective April 1, 2025)

Energy: Incorporation of equipment construction- and nuclear power businesses

Industry: Incorporation of ED&C component business, reorganization of Digital Transformation Solutions business organizations

- Energy: Goal of reinforcing segment constitution through generation of plant system synergies and integrated operation of power generation businesses
- Industry: Goal of expanding sales channels and generating synergies in component sales promotions

## ■ Financial Results for FY2025 Management Plan (YoY Comparison)

Net Sales                                      ¥1,140.0 billion (YoY +¥16.6 billion)

Operating Profit                            ¥118.0 billion (YoY +¥ 0.4 billion)

Operating Profit Ratio                    10.4% (YoY - 0.1%)

Profit Attributable to

Owners of Parent                        ¥81.0 billion (YoY -¥11.2 billion)

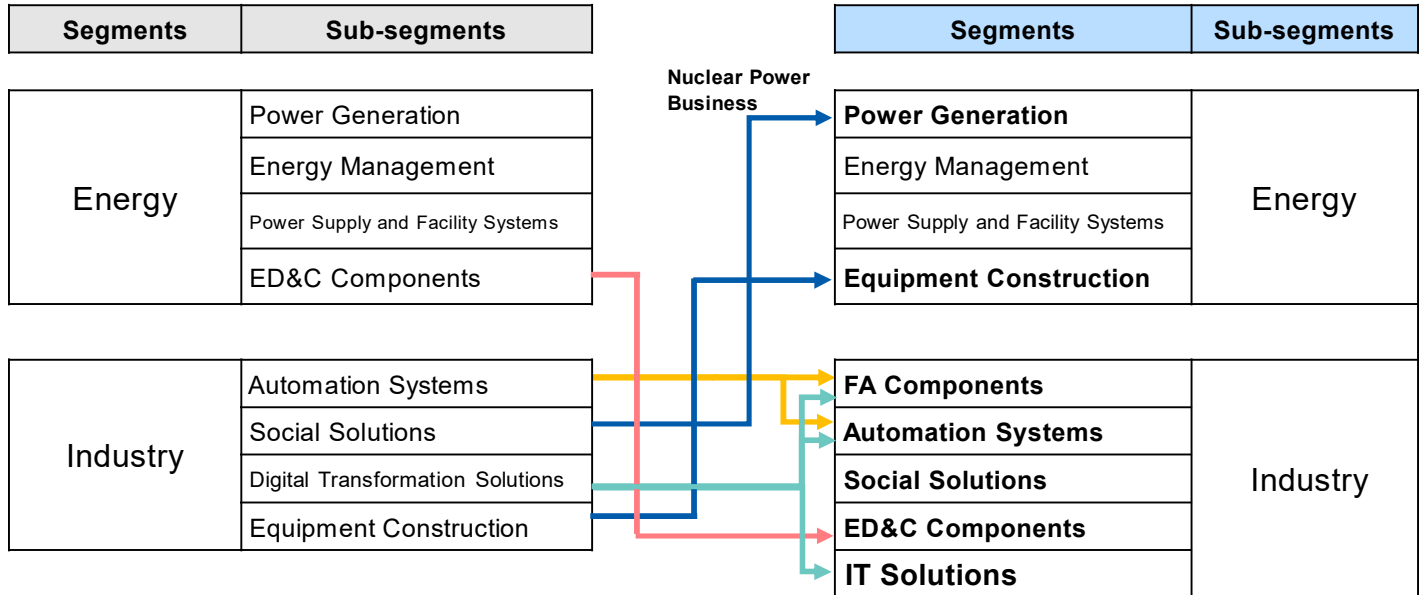
- Targets of ongoing year-on-year increases in sales and profit, operating margin of more than 10%, and net profit margin of more than 7%
- Higher sales and profit in Energy and Industry segments compensating for lower sales and profit in Semiconductors and Food and Beverage Distribution segments

# Changes in segments (Effective April 1, 2025)

**Energy** : Integrated operation and synergy generation of plant businesses following incorporation of equipment construction- and nuclear power business  
**Industry** : Integrating advanced components businesses through incorporation of ED&C components business  
 Integration of sales and production and improvement of earnings capacity of FA components businesses  
 Provision of solutions utilizing digital and AI technologies following incorporation of digital transformation-related business

**March 31<sup>st</sup>, 2025**

**April 1<sup>st</sup>, 2025**



President Kondo talked about segment changes earlier, as shown in this chart.

Figures have been redistributed in accordance with new segmentation.

## Summary of Consolidated Management Plan for FY2025 (YoY Comparison)

**Targets of ongoing year-on-year increases in sales and profit, operating margin of more than 10%, and net profit margin of more than 7%**

	FY2024 Results	FY2025 Management Plan	Change
Net Sales	1,123.4	<b>1,140.0</b>	-13.5* 16.6
Operating Profit	117.6	<b>118.0</b>	-3.4* 0.4
Operating Profit Ratio	10.5%	<b>10.4%</b>	-0.1%
Ordinary Profit	118.8	<b>116.5</b>	-2.3
Profit attributable to Owners of Parent	92.2	<b>81.0</b>	-11.2
Ratio of Profit Attributable to Owners of Parent to Net Sales	8.2%	<b>7.1%</b>	-1.1%

	US\$	EURO	RMB
FY2025 Exchange Rate	¥140.00	¥154.00	¥19.80
Sensitivity of operating profit to foreign exchange influences	-140 Million Yen	110 Million Yen	340 Million Yen

### Financial Indicators

\*Exchange rate effect

ROE	14.3%	<b>11.4%</b>	-2.9%
ROIC	12.9%	<b>10.7%</b>	-2.1%
Equity Ratio	52.7%	<b>55.1%</b>	2.4%
Net D/E Ratio※	0.1 times	<b>0.1 times</b>	-0.0

※ US\$ and EURO: Impact of ¥1-fluctuation  
RMB: Impact of 1% fluctuations

※Net D/E ratio: Net interest-bearing debt ÷ Equity

The plan was developed based on the principle of higher consolidated net sales and higher consolidated operating profit than those for the previous fiscal year.

For example, the principles calls for operating profit ratio of at least 10 percent and net profit ratio of at least 7 percent.

In FY 2025, net sales should grow to 1.14 trillion yen.

If you exclude the exchange rate loss of 13.5 billion yen, the real increase will be 30 billion yen.

Operating profit should increase to 118 billion yen.

Operating profit ratio should be at 10.4%, slightly down from last year's 10.5%.

Net profit should be 81 billion yen with net profit ratio of 7.1%.

Exchange rates are shown in a table on the right.

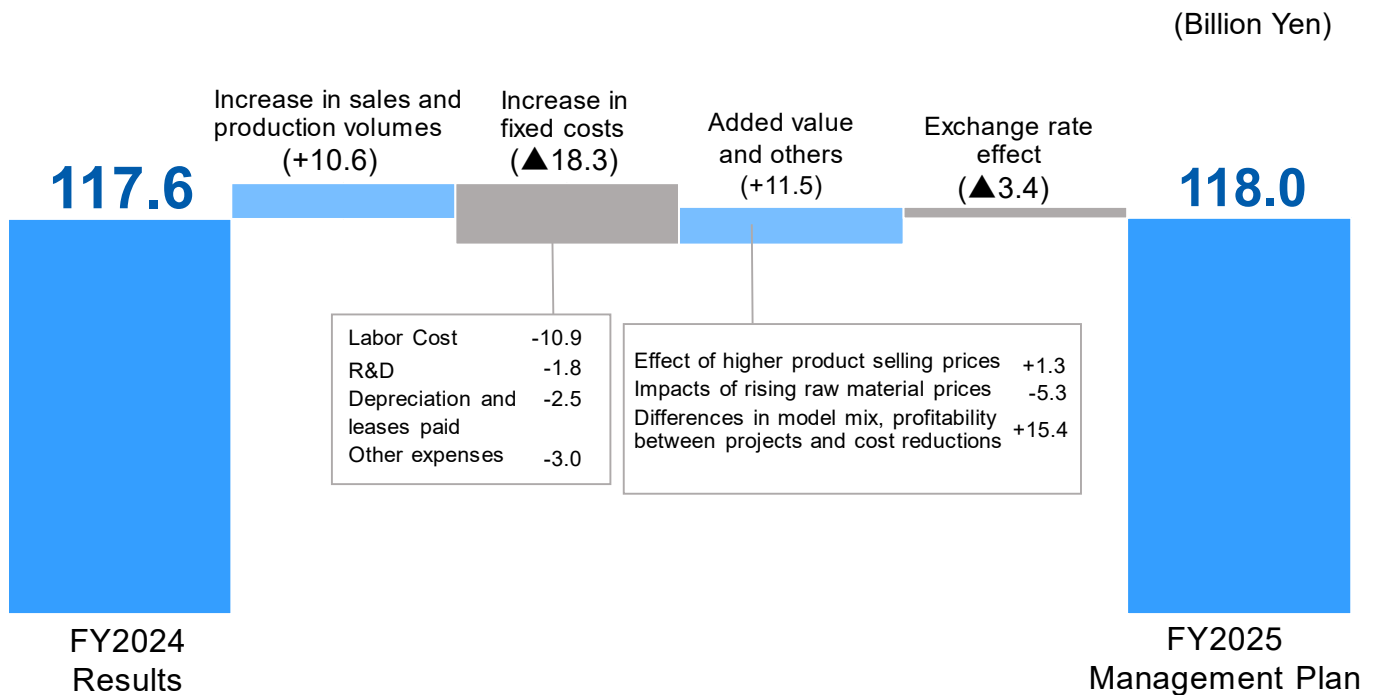
Recently the yen has been strengthening against the US dollar but yen has generally been weak against the dollar.

When the yen weakens by one yen to the dollar, our operating profit will decrease by 140 million yen.

Since last year, exchange rates applied to our overseas transactions have often been unfavorable for our operating profit.

## Breakdown of Changes in Operating Profit for FY2025 (YoY Comparison)

**Higher profit, despite adverse impacts of fixed cost increases, rising material prices, and foreign exchange influences, due to benefits of sales and production volume increases, differences in profitability between models, and cost reductions**



The chart shows changes in operating profit for FY 2025.

Increase in sales and production volumes will add 10.6 billion yen to our operating profit.

We assume an increase in the volume of Energy segment, an improvement in Semiconductor segment, and the volume increase in ED&C components and IT solutions.

Next, increases in fix costs, a measure of investments for growth.

It should be noted that we increased labor cost by 10.9 billion yen year-on-year. We also increased capital costs after careful consideration.

Next, price increases in added value and others. We will raise prices for FA and ED&C components. but we anticipate the intensifying competition in industrial semiconductors. So, overall, we expect positive contribution of 1.3 billion yen.

Impact of raw material prices is expected to be negative 5.3 billion yen, considering a recent uptick.

We expect the model mix, different profitability between projects, and cost reduction will continue to work favorably for our profit. We're particularly working to make up for the unfavorable model mix in the power plant business we saw in the previous year.

We have been also stepping up cost reduction in Semiconductor and Food and Beverage Distribution segments.

## Net Sales and Operating Profit by Segment for FY2025

**Higher sales and profit in Energy and Industry segments compensating for lower sales and profit in Semiconductors and Food and Beverage Distribution segments**

(Billion Yen)

	FY2024 Results			FY2025 Management Plan			Change		
	Net Sales	Operating profit	Operating profit ratio	Net Sales	Operating profit	Operating profit ratio	Net Sales	Operating profit	Operating profit ratio
Energy	354.3	36.3	10.2%	374.5	46.5	12.4%	-4.6*	20.1	-0.6*
Industry	400.0	34.0	8.5%	413.5	40.5	9.8%	-4.1*	13.5	-0.6*
Semiconductors	236.8	37.1	15.7%	223.0	21.5	9.6%	-4.8*	-13.8	-2.2*
Food and Beverage Distribution	111.5	13.9	12.5%	105.0	12.0	11.4%	-6.5	-1.9	-1.0%
Others	56.1	3.8	6.7%	58.0	4.0	6.9%	1.9	0.2	0.2%
Elimination and Corporate	-35.4	-7.3	-	-34.0	-6.5	-	1.4	0.8	-
Total	1,123.4	117.6	10.5%	1,140.0	118.0	10.4%	-13.5*	16.6	-3.4*

※ Figures for FY2024 performance reflect the business reorganization undertaken in the FY2025.

\*Exchange rate effect

Next, net sales and operating profit by segment.

As President Kondo mentioned earlier, because Semiconductors and Food and Beverage Distribution segments had a strong year in FY2024, their performance this fiscal year is expected to be weak in comparison. But expected higher sales and profit stemming from our prior investments in Energy and Industry segments should compensate for possible poor results of the other two segments.

In the process of segments changes, service subsegments have been reassigned to different segments, and that affected operating profit of each segment.

Operating profit ratio for Energy is now at 12.4%;

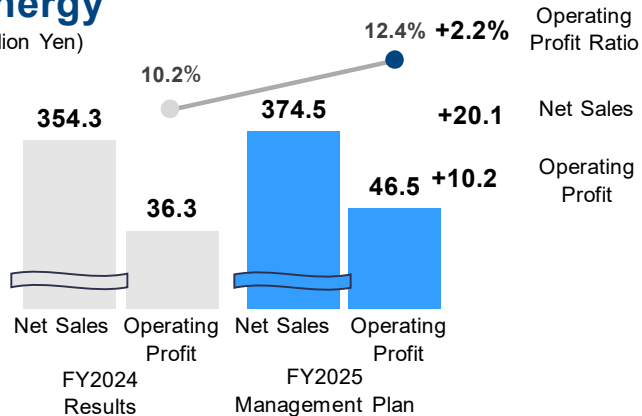
Industry, 9.8%;

Semiconductors, around 9.6%;

Food and Beverage Distribution, 11% despite expecting no special demand like the previous year.

## Energy

(Billion Yen)

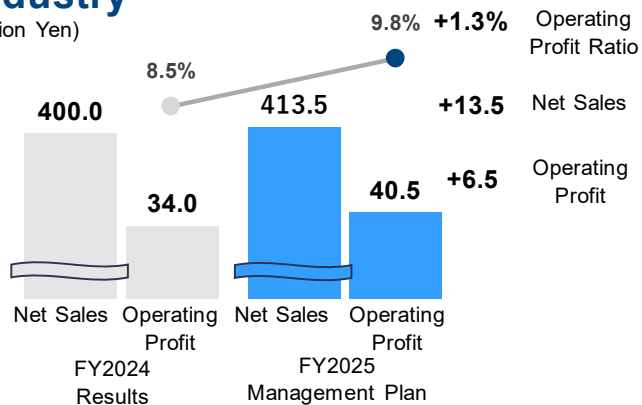


### Performance outlook

Higher sales and profit primarily due to increased demand in decarbonization-related operations of energy management business, equipment construction business, and profitability improvement of thermal and geothermal power generation plants business

## Industry

(Billion Yen)



### Performance outlook

Higher sales and profit largely due to improvement of earnings capacity in FA component business, recovery in demand for ED&C components business, and increased demand in IT solutions business

Next, I'll give you an overview of each segment.

For more detail, please refer to what President Kondo briefed you on this and a briefing on strategies of the four segments scheduled for May 27th.

In Energy segment, net sales will increase by 20.1 billion yen to 374.5 billion yen.

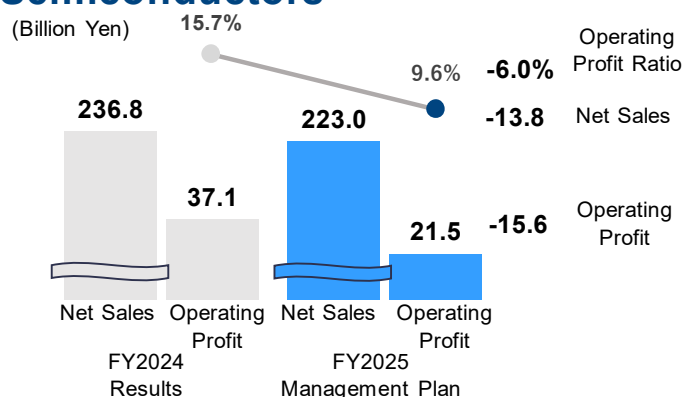
Operating profit will increase by 10.2 billion yen to 46.5 billion yen. We expect higher sales and operating profit driven by profitability improvement of thermal and geothermal power generation plant businesses, stronger energy management business and higher demand for equipment construction business.

Net sales will increase by 13.5 billion yen.

Operating profit will rise by 6.5 billion yen to 40.5 billion yen.

We aim for higher profit and sales this fiscal year supported by various measures in FA component business, a recovery in demand for ED&C components, and increased demand for IT solutions, especially in academic projects.

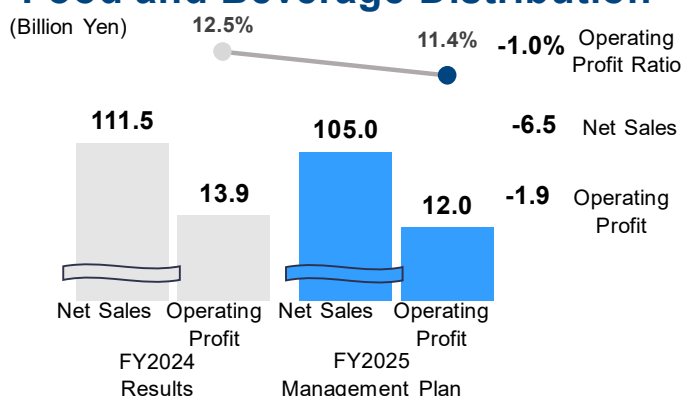
## Semiconductors



### Performance outlook

Increase in net sales as a result of the consistent renewable energy demand and second-half FA demand recovery in industrial business, and decrease in net sales due to reduced demand for electrified vehicles in automotive business  
Profit down primarily as a result of sales volume reductions, rising material prices, fixed cost increases, and sales prices impact

## Food and Beverage Distribution



### Performance outlook

Decrease in net sales due to limited domestic vending machine investment and rebound from special demand trend seen for automatic change dispensers that stemmed from the issuance of newly designed paper currency in Japan  
Profit down as a result of rebound from special demand trend despite positive contributions from increased sales of new products

Next, Semiconductor segment. Net sales is set at 223 billion yen, a drop of 13.8 billion yen from the previous year

Operating profit will decrease by 15.6 billion yen to 21.5 billion yen.

The impact of exchange rates is negative 4.8 billion yen for net sales and negative 2.2 billion yen for operating profit. Without the exchange rate impact, net sales will actually decline by about 9 billion yen, and operating profit will drop by about 13.4 billion yen.

In Industry segment, net sales is expected to go up because of continued strong demand for renewable energy and a recovery in demand for FA expected in the second half of the year.

The volume of automotive semiconductors is expected to decline because of a drop in the volume of electric vehicles and shrinking models mainly for US and European customers. Operating profit will see a drop due to rising raw material prices and fixed costs, and the exchange rate impact.

In Food and Beverage Distribution, net sales will fall 6.5 billion yen to 105 billion yen.

Operating profit will fall 1.9 billion yen to 12 billion yen.

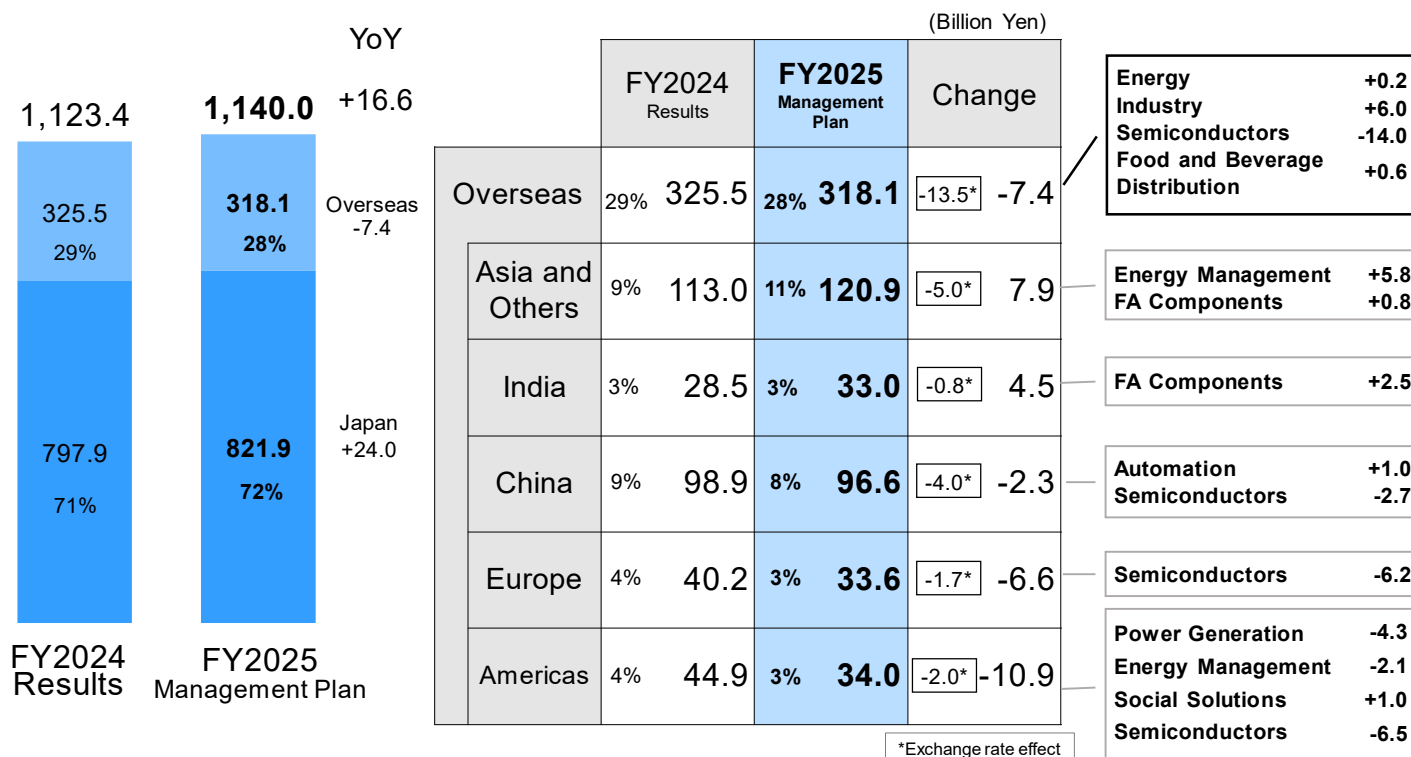
Operating profit ratio is set at 11.4%.

In domestic vending machine business, investment will slow down.

Another factor behind setting lower targets is due to lack of last year's special demand related to automatic change dispensers for allowing new Japanese bills to be used. Although we work to increase sales through new product launches, we still expect an overall decline in profit.



## Higher sales in India and other parts of Asia, etc



※ Figures for FY2024 performance reflect the business reorganization undertaken in the FY2025.

Next, overseas sales by region.

Overseas sales are expected to decrease by 7.4 billion yen. The fall is particularly steep for Semiconductor segment.

In Asia, other than Japan, China, and India we plan to increase sales of energy management business.

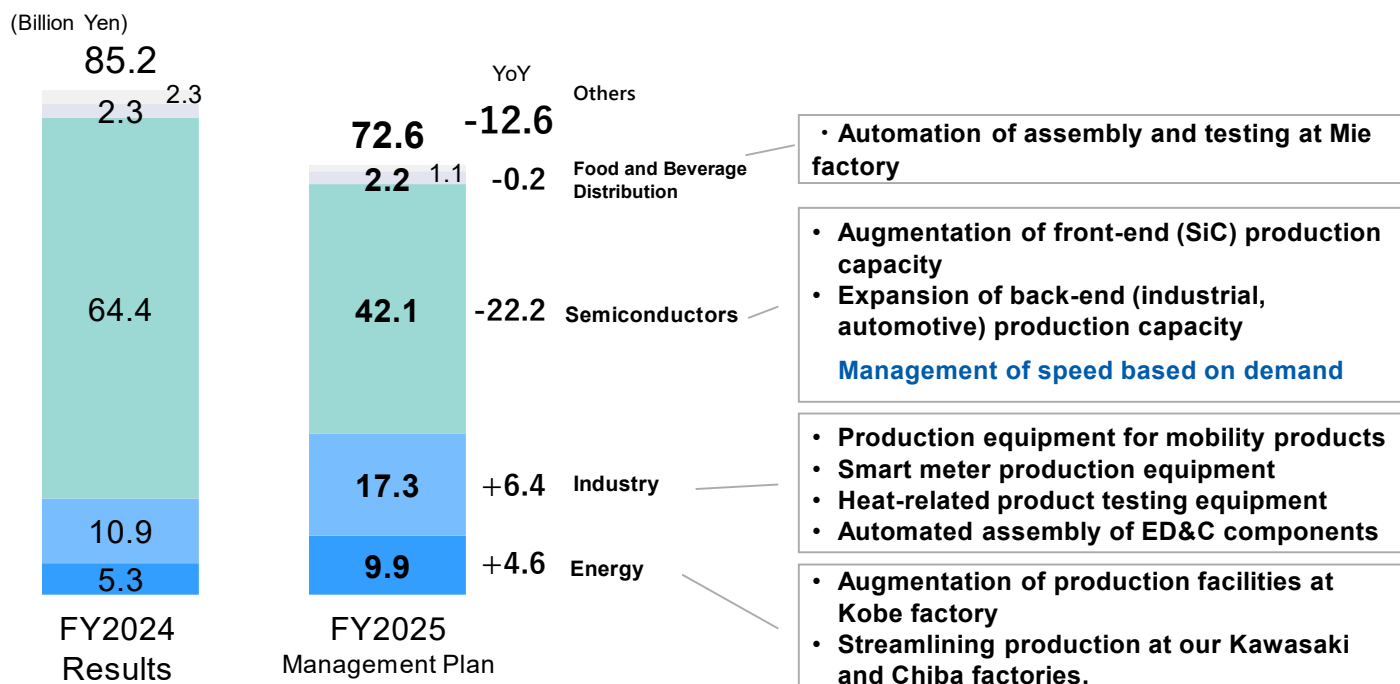
In India, full-scale mass production of smart meters will start.

Taking these developments into account, we have set a net sales target of 33 billion yen, up 4.5 billion yen from the previous year.

# Capital Investment for FY2025 (YoY Comparison)

## Ongoing aggressive development investments in growth fields

### Management of investment speed based on demand



※ Figures for FY2024 performance reflect the business reorganization undertaken in the FY2025.

Next, capital investment.

The plan calls for 72.6 billion yen, down 12.6 billion yen from the previous year.

Capital investment in Semiconductor segment will fall by 22.2 billion yen to 42.1 billion yen.

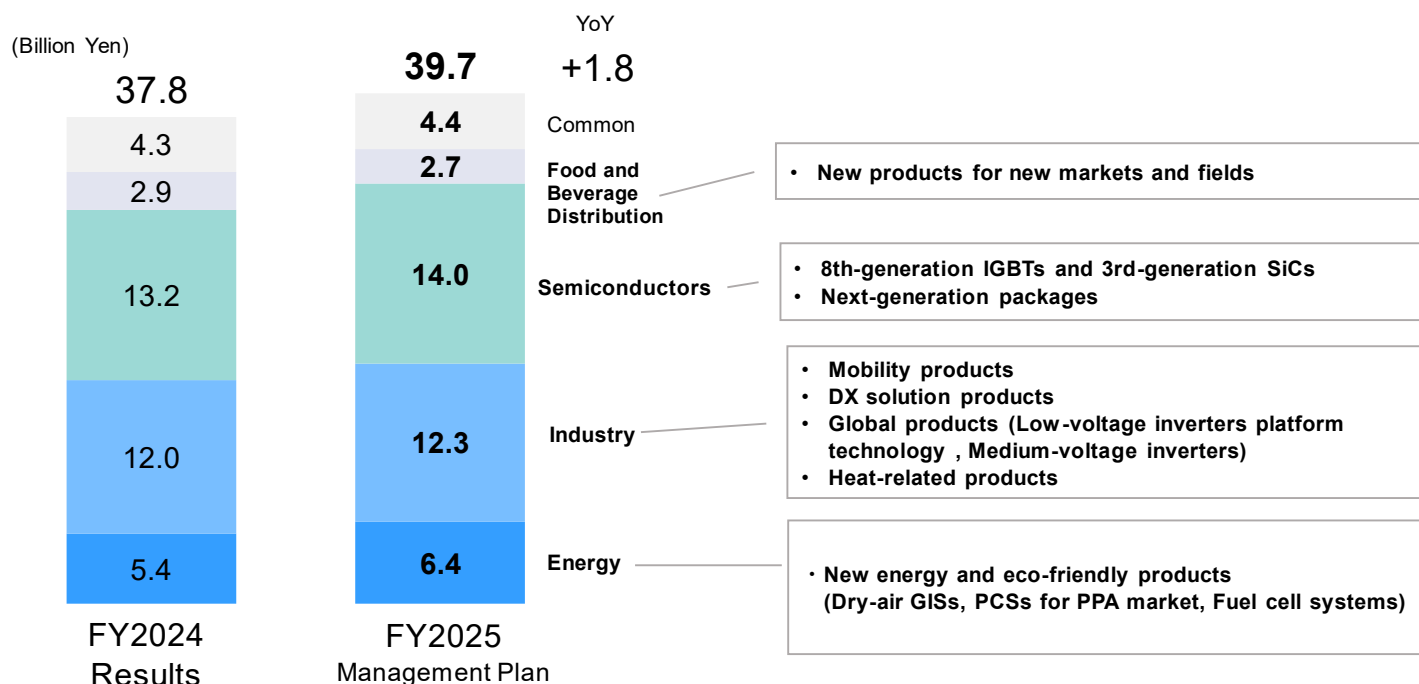
A capital investment plan for Industry and Energy segments include the boosting in production capacity.

In Energy segment, investment is planned for an augmentation of production at Kobe factory and the streamlining of production at Kawasaki and Chiba factories.

Additional 6.4 billion yen investment is planned for Industry segment to cover production equipment for the mobility area and smart meters

For Semiconductor segment, we'll continue to adjust production capacity while making investments to increase capacity in the front-end process.

## Ongoing aggressive development investments in energy, industrial, and power semiconductors businesses



※ 1: The amount for R&D expenditures above have been divided by segment based on theme and may therefore differ from the figures contained in the consolidated financial report.

※ 2: Figures for FY2024 performance reflect the business reorganization undertaken in the FY2025.

Next, R&D. We plan to increase R&D investment by 1.8 billion yen to 39.7 billion yen.

We will make R&D investment based on research themes stated in the medium-term management plan and make R&D investment to support future growth.

# Balance Sheet at the End of FY2025 (YoY Comparison)

**Increase total net assets mainly due to investments in property, plant and equipment and intangible assets**

Assets				Liabilities and Net Sales			
	3/31/25	3/31/26	Change		3/31/25	3/31/26	Change
Cash and deposit	63.5	<b>49.6</b>	-14.0	Notes and account payables-trade	192.8	<b>196.1</b>	3.2
Notes and account receivables-trade, Contract assets	417.8	<b>434.7</b>	16.9	Interest-bearing debts	104.9	<b>89.8</b>	-15.1
Inventories	238.7	<b>238.3</b>	-0.4	Other liabilities	283.8	<b>273.4</b>	-10.4
Other current assets	46.7	<b>50.4</b>	3.7	Total liabilities	581.5	<b>559.2</b>	-22.3
Total current assets	766.7	<b>773.1</b>	6.4	Share capital	47.6	<b>47.6</b>	-
Property, plant and equipment	347.1	<b>355.5</b>	8.4	Capital surplus	64.6	<b>64.6</b>	-
Intangible assets	30.3	<b>38.3</b>	8.0	Retained earnings	493.9	<b>549.8</b>	55.9
Investments and other assets	168.0	<b>168.7</b>	0.7	Treasury shares	-4.3	<b>-4.3</b>	-
Total long-term assets	545.4	<b>562.5</b>	17.1	Shareholders' equity	601.8	<b>657.7</b>	55.9
Deferred assets	0.1	<b>0.0</b>	-0.0	Accumulated other comprehensive income	90.0	<b>77.9</b>	-12.1
Total assets	1,312.2	<b>1,335.6</b>	23.4	Non-controlling interests	38.9	<b>40.7</b>	1.8
ROE	14.3%	<b>11.4%</b>	-2.9%	Total net assets	730.7	<b>776.4</b>	45.7
ROIC	12.9%	<b>10.7%</b>	-2.1%	Total liabilities and net assets	1,312.2	<b>1,335.6</b>	23.4
Equity ratio	52.7%	<b>55.1%</b>	2.4%				
Net interest-bearing debt*1	42.2	<b>41.1</b>	-1.1				
Net D/E ratio (times) *2	0.1	<b>0.1</b>	-0.0				

※1 Net interest-bearing debt: Interest-bearing debt – Cash and cash equivalents  
 ※2 Net D/E ratio: Net interest-bearing debt ÷ Equity

Next, Balance Sheet. An increase of 16.9 billion yen in notes and accounts receivable and an increase in property, plant and equipment as well as intangible assets are the primary drivers for total asset increase.

Property, plant and equipment will increase mainly through capital investment.

Intangible assets will increase by 8 billion yen through investment in a new core operation system.

Working capital will be generated by an increase in trade receivables and trade payables that would increase in proportion to business growth.

Total net assets will increase by 23.4 billion yen due to increased retained earnings. Total assets are supposed to rise at the same rate. ROE and ROIC will be lower than the previous year but we will strive to achieve ROE of at least 12% and ROIC of at least 10%, as per our medium-term plan.

## Statement of Cash Flows (YoY Comparison)

		(Billion yen)	
		FY2024	FY2025
I	Cash flows from operating activities	144.9	111.4
II	Cash flows from investing activities	-63.4	-79.3
I + II	Free cash flow	81.5	32.0
III	Cash flows from financing activities	-86.2	-42.9
IV	Cash and cash equivalent at the end period	62.7	48.7

Next, Cash flow. Cash flow from operating activities is expected to be 111.4 billion yen even after an increase in trade receivables and contract assets and an increase in income tax payments are taken into account.

Cash flow from investing activities will be an outflow of 79.3 billion yen, mainly due to capital investment in Semiconductor segment. Free cash flow is projected to be 32 billion yen.

# Summary of Consolidated Management Plan for 1H FY2025 (YoY Comparison)

(Billion Yen)

	FY2024 1H Results	FY2025 1H Management Plan	Change	
Net Sales	497.4	<b>519.0</b>	-4.8*	21.6
Operating Profit	40.3	<b>34.0</b>	-1.5*	-6.3
Operating Profit Ratio	8.1%	<b>6.6%</b>	-1.5%	
Ordinary Profit	38.9	<b>31.0</b>	-7.9	
Profit Attributable to Owners of Parent	35.5	<b>19.0</b>	-16.5	
Ratio of Profit Attributable to Owners of Parent to Net Sales	7.1%	<b>3.7%</b>	-3.4%	

	FY2024 1H Results		FY2025 1H Management Plan		Change	
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit
Energy	144.0	10.0	<b>163.0</b>	<b>15.0</b>	-2.4*	5.0
Industry	175.4	8.1	<b>191.5</b>	<b>8.5</b>	-1.1*	0.4
Semiconductors	108.0	15.1	<b>103.0</b>	<b>7.5</b>	-1.4*	-7.6
Food and Beverage Distribution	58.3	8.7	<b>50.0</b>	<b>5.0</b>	-8.3	-3.7
Others	27.4	1.7	<b>26.5</b>	<b>1.5</b>	-0.9	-0.2
Elimination and Corporate	-15.8	-3.2	<b>-15.0</b>	<b>-3.5</b>	0.8	-0.3
Total	497.4	40.3	<b>519.0</b>	<b>34.0</b>	21.6	-6.3

※ Figures for FY2024 performance reflect the business reorganization undertaken in the FY2025.

\*Exchange rate effect

Lastly, consolidated results forecast for the first half of this fiscal year. Net sales will increase by 21.6 billion yen to 519 billion yen. Operating profit will drop by 6.3 billion yen to 34 billion yen. Net profit is expected to decrease by 16.5 billion yen to 19 billion yen. The large drop is because, this year, we don't have stock sale that we saw in the first half of the previous year. This concludes my briefing on the 2025 business plan. Thank you very much for your kind attention.

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