

**Condensed Transcript of Q&A Session Regarding Financial Results Presentation for
the Six Months Ended September 30, 2025**

Date: October 30, 2025 (Thursday) 16:00–17:20

General

Q. What downside risks might impact forecasts for the second half of the fiscal year ending March 31, 2026?

A.

• Our forecasts for the second half of the fiscal year ending March 31, 2026 incorporate the developments that can be predicted at this point in time and have been positioned as the bare minimum targets that we need to accomplish. As for downside risks, there is a need to carefully monitor trends in the markets for low-voltage inverters and other factory automation components.

Q. What is the forecast for free cash flow in the fiscal year ending March 31, 2026. Also, what were the reasons behind the downward revisions to the initial forecasts for capital investments in the fiscal year ending March 31, 2026?

A:

• We are projecting free cash flow of approximately ¥35.0 billion in the fiscal year ending March 31, 2026. This amount will represent a decrease from the free cash flow of more than ¥40.0 billion posted in the fiscal year ended March 31, 2025, but it is the amount we anticipate will be generated as we enact our business plans.

• We plan to limit capital investments while carefully monitoring trends in relation to factors such as semiconductor and other demand.

Q. What policies will be taken in relation to dividends going forward?

A.

• Our policy for shareholder returns is to issue stable and continuous returns by heightening bottom line earnings to fuel year-on-year increases in dividends. The current medium-term management plan calls for us to allocate around 90% of generated cash flows to growth investments in order to give rise to a growth cycle in which increases in bottom line earnings are reinvested or used to fund to shareholder returns.

We have defined a dividend payout ratio of 30% as representing the minimum level of returns to be issued. We will continue to explore the ideal approach toward management emphasizing cost of capital and shareholder returns going forward.

Q. What possibilities are being examined with regard to future initiatives for growing operations in India?

A.

- Potential initiatives for growing operations in India being examined include the deployment of automation system products for steel- and crane-related applications in the Industry segment and the development of vending machine operations in the Food and Beverage Distribution segment.

Energy

Q. Could you please explain trends in orders and order backlog in each of the subsegments of the Energy segment?

A.

- Orders for power generation, substation system, and other products have been growing amid rising power demand in Japan. This trend is anticipated to continue going forward. However, we also expect that rivals will be bolstering their production capacity for substation equipment and other items. Accordingly, Fuji Electric will be taking steps to ensure that it can be competitive even in this environment.

- The power generation business has been experiencing an increase in order backlog, but this backlog will not make significant contributions to sales in the fiscal year ending March 31, 2027.

- The energy management business' order backlog is increasing supported by strong performance for energy storage systems and substation systems.

- The power supply and facility systems business witnessed a 3% year-on-year increase in orders in the six months ended September 30, 2025, and this business is anticipated to achieve an increase of a few percent on a full-year basis in the fiscal year ending March 31, 2026.

Q. What trends are being seen to data center-related orders?

A.

- In Japan, flat growth in data center-related orders was seen in the six months ended September 30, 2025, and full-year orders for the fiscal year ending March 31, 2026 are expected to be on par with the previous fiscal year. Overseas, meanwhile, a year-on-year increase of 50% was witnessed in orders centered on Asia in the six months ended September 30, 2025, but the rate of growth is expected to be slightly lower on a full-year basis.

Q. What progress has been seen in data center-related operations in the United States? Also, what sort of competition is faced in these operations?

A.

- At the moment, we are taking steps to obtain specification certification, but we have yet to receive any orders for large-scale projects.

- The robust demand seen in the U.S. market is creating a situation in which customers are forced to purchase from multiple vendors if they hope to keep up with the demand. Fuji Electric is thus working to obtain specification certification and get its operations running so that it can furnish swift responses to customer needs.

Q. What were the factors behind the decision to push back the schedule for the accomplishment of the previously announced sales forecasts for data center-related operations in the six months ended September 30, 2025?

A.

- The schedule for the accomplishment of the previously announced sales forecasts for data center-related operations was pushed back based on factory operation trends and circumstances at customers. However, this decision will have no impact on the forecast for full-year sales in the fiscal year ending March 31, 2026.

Q. What risks for downturns in performance are faced in data center-related operations, and what steps are being taken to combat these risks?

A.

- A number of foreign manufacturers have been getting involved in the domestic data center market, and there is thus a risk that profitability will be impacted by price competition. We will look to combat this risk by developing products that respond to customer needs.

- The construction of data centers is influenced by the tenants that will use those data centers. Accordingly, we plan to carefully monitor trends at customers.

Q. What trends have been seen in demand for uninterruptible power supply systems (UPSs)? Is there any risk of customers switching to high-voltage direct current power distribution systems?

A.

- Fuji Electric is supplying UPSs to data centers in bundles together with power distribution panels and low-voltage switchgears and control gears. The need for UPSs is dependent on the approach toward data center construction taken by the customer.

- We have not seen any instances of switches to high-voltage direct current power distribution systems among customers currently using Fuji Electric UPSs. We expect smooth trends in orders from these and other customers going forward.

Q. What is the forecast for sales in the Energy segment in the fiscal year ending March 31, 2027?

A.

- Orders in the Energy segment tend to be received five years in advance of their fulfillment. For this reason, orders received in the fiscal years ended March 31, 2024 and 2025 will contribute net sales in the fiscal year ending March 31, 2026 and 2027. As order backlog has been growing, we anticipate that performance in the fiscal year ending March 31, 2027 will surpass that to be seen in the fiscal year ending March 31, 2026.

Industry

Q. What factory automation components saw strong performance in the Indian market during the six months ended September 30, 2025? Also, what is the outlook with this regard for the second half of the fiscal year ending March 31, 2026?

A.

- In the six months ended September 30, 2025, strong performance in the Indian market was seen centered on compact power supplies primarily for data center applications.

- We expect that sales growth in the second half of the fiscal year ending March 31, 2026, will be spurred by the introduction of smart meter products into the Indian market.

Q. Why was the forecast for net sales in the Industry segment in the second half of the fiscal year ending March 31, 2026 raised by ¥21.7 billion?

A.

- The most significant reason behind the decision to raise the second-half sales forecast for the Industry segment was the boost to performance in the IT solutions businesses driven by the NEXT GIGA program. This business is thus expected to see an increase in sales in the range of tens of billions of yen.

- Meanwhile, sales increases in the area of billions of yen are anticipated in the automation systems business and the social solutions business while decreases of a similar scale are projected for the factory automation components business and the ED&C components business.

Semiconductors

Q. How did second-quarter orders in the Semiconductor segment compare with internal forecasts?

A.

- When excluding foreign exchange influences, orders for both industrial

semiconductors and automotive semiconductors were 3% higher than projected by internal forecasts.

Q. How will orders in the second half of the fiscal year ending March 31, 2026 compare with those received in the six months ended September 30, 2025?

A.

- When excluding foreign exchange influences, orders for industrial semiconductors in the second half of the fiscal year ending March 31, 2026 are expected to be on par with those received in the six months ended September 30, 2025.
- Meanwhile, second-half orders for automotive semiconductors are projected to be 10% higher than those received in the six months ended September 30, 2025, when excluding foreign exchange influences. This outcome will be the result of increases in orders for SiC devices and of certain orders scheduled for the six months ended September 30, 2025 being delayed until the second half of the fiscal year.

Q. Why did domestic demand for automotive semiconductors decline in the six months ended September 30, 2025?

A.

- One factor behind the decline in domestic automotive semiconductor demand seen in the six months ended September 30, 2025 was lower demand from China for the products of customers in Japan. In addition, production was halted in the fourth quarter of the fiscal year ended March 31, 2024, due to an inability to procure materials for front-end processes, resulting in a need to make up for these delays in the six months ended September 30, 2024. The rebound from the additional sales incurred in this period due to this situation caused a year-on-year decline in sales in the six months ended September 30, 2025.

Q. The operating margin for the Semiconductor is projected to increase from 8.3% in the six months ended September 30, 2025 to 12.4% in the second half of the fiscal year ending March 31, 2026. How likely is this target to be achieved?

A.

- We expect that this target will be achieved thanks to the benefits of sales growth in comparison to the six months ended September 30, 2025 and of cost reduction activities.

Q. Why is the operating margin projected to improve despite the year-on-year decline in sales forecast for the second half of the fiscal year ending March 31, 2026?

A.

- We expect that the operating margin will improve in the second half of the fiscal year ending March 31, 2026 as the impacts of the year-on-year decline in sales will be

outweighed by the benefits of increases in conforming product ratios in front-end processes and of reductions in costs of sales and other expenses.

Q. What is the outlook for the Semiconductor segment in the fiscal year ending March 31, 2027?

A.

- We are currently in the process of formulating our outlook for the Semiconductor segment in the fiscal year ending March 31, 2027. However, I can say that we expect the growth trends in renewable energy-related industrial semiconductors seen in the fiscal year ending March 31, 2026 to continue. A key consideration for our outlook will be products for factory automation applications. The market for these products is currently recovering rapidly, and we thus must work to accurately gauge the degree of recovery to be seen in the fiscal year ending March 31, 2027.

- Performance for automotive semiconductors in the fiscal year ending March 31, 2027, meanwhile, will be largely dependent on the extent of the recovery in the currently low demand seen among customers in Europe and the United States. We do anticipate growth in sales of new products as a result of model updates to automobiles using Fuji Electric products. However, our outlook is not optimistic.

Q. We have been seeing capital alliances between Japanese semiconductor manufacturers and automotive manufacturers. How will this trend impact Fuji Electric?

A.

- Fuji Electric is not currently feeling any impacts from this trend.

Q. How will the halt on semiconductor shipments by Nexperia B.V. impact performance of Fuji Electric's automotive semiconductors?

A.

- We are currently in the process of assessing the potential impacts of this trend, and we intend to operate our business while carefully monitoring the situation going forward.