

1. Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

Under FY2026 Medium-Term Management Plan “To be enthusiastic, ambitious and sensitive 2026,” the three-year medium-term management plan slated to conclude with the fiscal year ending March 31, 2027, Fuji Electric is enacting the basic policy of further improvement of corporate value through management emphasizing profit. Based on this policy, the Company will work toward the improvement of profitability, the promotion of growth strategies, and the strengthening of management foundations to achieve profitable business growth and reinforce its management constitution. Furthermore, the Company reorganized its reportable segments in conjunction with the launch of the plan in order to better accommodate the plan’s growth strategies. This reorganization entailed transferring the equipment construction business to the Energy segment to strengthen system operations and reassigning the ED&C components business to the Industry segment to facilitate the generation of synergies.

In the three months ended June 30, 2025, the outlook for the global economy grew increasingly opaque due to the impacts of the trade policies of the United States. However, capital investment in the power, manufacturing, and data center sectors remained firm due to green transformation investments aimed at decarbonization and rising energy demand accompanying the spread of generative AI and digital technologies. In addition, recovery was seen with regard to machine tool-related demand, but demand associated with electrified vehicles varied by region.

In this environment, Fuji Electric moved forward with initiatives to expand its plant and system operations in response to growing demand for reliable energy supplies as well as rising needs for energy saving and electrification in steel and other material industries. In addition, enhancements to profitability were pursued through digital technology-powered productivity improvements at production sites. The Company also began augmenting production capacity of switchgears and controlgears, power panel, transformers and switchgears to respond to robust demand. Furthermore, a plan was enacted for conducting capital investment in relation to SiC power semiconductors based on demand fluctuations in order to accommodate future market growth.

Due to these factors, increases were seen in the sales of the plant, system, and other operations, resulting in consolidated net sales in the three months ended June 30, 2025 rising ¥11.5 billion, or 5%, year on year, to a new record high of ¥247.9 billion.

Although profit was impacted by the increases to personal expenses that accompanied efforts to enhance human capital as well as high material prices, overall profit was buoyed by the benefits of growth in plant and system demand, increases to product selling prices, and cost reduction activities. As a result, operating profit rose ¥0.8 billion year on year, to a new record high of ¥18.1 billion. Meanwhile, ordinary profit decreased ¥0.9 billion, to ¥17.3 billion, due to disadvantageous foreign exchange influences, and profit attributable to owners of parent decreased ¥0.6 billion, to ¥10.9 billion.

Consolidated results of operations for the three months ended June 30, 2025 were as follows.

	Three months ended June 30, 2024	Three months ended June 30, 2025	Change
Net sales	236.4	247.9	11.5
Operating profit	17.3	18.1	0.8
Ordinary profit	18.3	17.3	△0.9
Profit attributable to owners of parent	11.5	10.9	△0.6

(¥ billion)

Results of operations by reportable segment in the three months ended June 30, 2025 were as follows.

(¥ billion)

	Three months ended June 30, 2024		Three months ended June 30, 2025		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Energy	65.4	3.4	73.8	8.5	8.4	5.1
Industry	80.4	1.9	87.8	2.9	7.3	1.0
Semiconductors	53.9	7.7	54.8	4.9	1.0	△2.8
Food and Beverage Distribution	30.7	5.2	26.3	3.1	△4.4	△2.0
Others	13.8	0.8	13.8	0.8	△0.1	△0.0
Elimination and Corporate	△7.8	△1.7	△8.5	△2.0	△0.7	△0.3
Total	236.4	17.3	247.9	18.1	11.5	0.8

Energy

In the Energy segment, net sales and operating profit were up year on year due to higher demand in the energy management business and the power supply and facility systems business.

- In the power generation business, net sales and operating results were relatively unchanged year on year as the benefits of increase large-scale nuclear power related projects were counteracted by detracting factors associated with large-scale renewable energy projects.
- In the energy management business, net sales and operating results were up year on year as a result of increases in storage battery system projects and in large-scale projects for substation equipment for power and industrial applications.
- In the power supply and facility systems business, net sales and operating results were up year on year due to growth in demand from data centers.
- In the equipment construction business, net sales and operating results were up year on year due to an increase in large-scale projects, differences in profitability between projects, and the benefits of cost reduction activities.

Industry

In the Industry segment, net sales and operating profit were up year on year as a result of higher demand in the automation systems business and the ED&C components business coupled with an increase in large-scale orders in the IT solutions business.

- In the factory automation components business, net sales were down year on year, despite low-voltage inverter sales that were on par with the previous equivalent period, as a result of detrimental foreign exchange influences. However, operating results were up year on year.
- In the automation systems business, net sales were up year on year due to increased demand for drive control systems and measurement control systems for the steel industry. Operating results, meanwhile, were down year on year because of a rise in expenses associated with large-scale projects.
- In the social solutions business, net sales and operating results were up year on year due to increases in demand for transportation systems.
- In the ED&C components business, net sales were up year on year because of a modest recovery in demand from finished machinery manufacturers while operating results deteriorated due to the impacts of higher material prices.
- In the IT solutions business, net sales and operating results were up year on year following growth in large-scale projects from the academic sector.

Semiconductors

- In the semiconductor business, net sales for automotive semiconductors were down year on year due to the impacts of the weak overseas demand and detrimental foreign exchange influences, which outweighed the benefits of growth in domestic demand for power semiconductors for electrified vehicles. Meanwhile, a year-on-year increase was seen in net sales of industrial semiconductors as the impacts of detrimental foreign exchange influences were counteracted by the increases in demand for semiconductors for renewable energy and other applications overseas. Despite this increase in sales of industrial semiconductors, operating results were down year on year due to the rise in expenses for bolstering production capacity, the increases in material costs, and the impacts of detrimental foreign exchange influences.

Food and Beverage Distribution

- In the vending machine business, net sales and operating results were down year on year following declines in domestic vending machine demand.
- In the store distribution business, net sales and operating results were down year on year, despite increased demand for store fixtures accompanying a rise in convenience store renovations, due to the rebound from the special demand trend seen for automatic change dispensers that stemmed from the issuance of newly designed paper currency in Japan and contributed to performance in the previous equivalent period.

Note: Effective April 1, 2025, a reorganization was undertaken resulting in changes to the businesses included within the Energy and Industry reportable segments. Year-on-year comparisons use figures that have been restated to reflect these changes.

(2)Quantitative Information Regarding Consolidated Financial Position

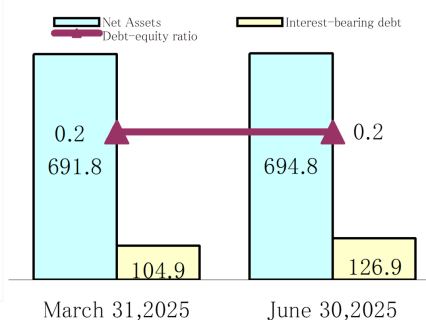
(Unit: Billion Yen, Times)

	As of March 31, 2025	Proportion (%)	As of June 30, 2025	Proportion (%)	Changes
Total assets	1,312.2	100.0	1,272.0	100.0	△40.2
Interest-bearing debt	104.9	8.0	126.9	10.0	+22.0
Net assets	691.8	52.7	694.8	54.6	+3.0
Debt-equity ratio	0.2		0.2		0.0

*Net assets = Total net assets - Non-controlling interests

*Debt-equity ratio = Interest bearing debt / Net assets

(Unit: Billion Yen, Times)



Total assets on June 30, 2025, stood at ¥1,272.0 billion, a decrease of ¥40.2 billion from the end of the previous fiscal year. Total current assets were down ¥44.5 billion primarily as a result of a decrease in accounts receivable-trade, which counteracted the increase in inventories. Total non-current assets were up ¥4.3 billion due to an increase resulted from valuation difference on available-for-sale securities.

Interest-bearing debt as of June 30, 2025, amounted to ¥126.9 billion, up ¥22.0 billion from the previous fiscal year-end. Furthermore, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—increased ¥25.7 billion from the previous fiscal year-end, amounting to ¥67.9 billion on June 30, 2025.

Net assets on June 30, 2025, were ¥732.5 billion, up ¥1.8 billion from the previous fiscal year-end. This outcome was primarily because of an increase resulted from valuation difference on available-for-sale securities. In addition, equity—total net assets net of non-controlling interests—was up ¥3.0 billion from the previous fiscal year-end, standing at ¥694.8 billion on June 30, 2025. The debt-to-equity ratio (interest-bearing debt ÷ equity) was 0.2 times, unchanged from the previous fiscal year-end. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ equity) was 0.1 times, unchanged from the previous fiscal year-end.

In the three months ended June 30, 2025, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a negative ¥10.6 billion, a decrease of ¥49.8 billion compared with positive free cash flow of ¥39.2 billion in the previous equivalent period.

Cash flows from operating activities

Net cash provided by operating activities was ¥11.1 billion, compared with net cash provided by operating activities of ¥66.2 billion in the previous equivalent period. Major factors increasing cash included the recording of profit before income taxes and decrease in accounts receivable - trade, and contract assets. Major factors decreasing cash included decrease in trade payables and increase in inventories.

This was decrease in cash provided of ¥55.1 billion year on year.

Cash flows from investing activities

Net cash used in investing activities was ¥21.7 billion, compared with net cash used in investing activities of ¥27.0 billion in the previous equivalent period. This outcome was primarily a result of the purchase of property, plant and equipment.

This was decrease in cash used of ¥5.3 billion year on year.

Cash flows from financing activities

Net cash provided by financing activities was ¥8.2 billion, compared with net cash used in financing activities of ¥43.2 billion in the previous equivalent period. This was principally due to increase in commercial papers.

As a result, consolidated cash and cash equivalents on June 30, 2025, amounted to ¥58.9 billion, down ¥3.8 billion from the previous fiscal year-end.

(3)Qualitative Information Regarding Consolidated Forecasts and Forecast Information

In light of the business result trends seen in the three months ended June 30, 2025, Fuji Electric has chosen to revise the consolidated forecast for business results for the six-month period ending September 30, 2025 and the fiscal year ending March 31, 2026 that was announced together with financial results for the fiscal year ended March 31, 2025 on April 25, 2025.

The forecast assumes exchange rates of US\$1 = ¥140, €1 = ¥154, and RMB1 = ¥19.8 for the period from July 1, 2025 onward.

(Consolidated Forecasts for the Six-Month Period Ending September 30, 2025)

(¥ billion)

	Previous announcement	Today's announcement	Change
Net sales	519.0	534.0	15.0
Operating profit	34.0	40.5	6.5
Ordinary profit	31.0	37.0	6.0
Profit attributable to owners of parent	19.0	23.5	4.5

(Reference: Consolidated Forecasts for the Six-Month Period Ending September 30, 2025 by Segment)

(¥ billion)

	Previous announcement		Today's announcement		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Energy	163.0	15.0	166.0	17.5	3.0	2.5
Industry	191.5	8.5	200.0	10.5	8.5	2.0
Semiconductors	103.0	7.5	105.0	9.0	2.0	1.5
Food and Beverage Distribution	50.0	5.0	52.0	5.5	2.0	0.5
Others	26.5	1.5	26.5	1.5	0.0	0.0
Elimination and Corporate	△15.0	△3.5	△15.5	△3.5	△0.5	0.0
Total	519.0	34.0	534.0	40.5	15.0	6.5

(Consolidated Forecasts for the Fiscal Year Ending March 31, 2026)

(¥ billion)

	Previous announcement	Today's announcement	Change
Net sales	1,140.0	1,155.0	15.0
Operating profit	118.0	124.5	6.5
Ordinary profit	116.5	122.5	6.0
Profit attributable to owners of parent	81.0	85.5	4.5

(Reference: Consolidated Forecasts for the Fiscal Year Ending March 31, 2026 by Segment)

(¥ billion)

	Previous announcement		Today's announcement		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Energy	374.5	46.5	377.5	49.0	3.0	2.5
Industry	413.5	40.5	422.0	42.5	8.5	2.0
Semiconductors	223.0	21.5	225.0	23.0	2.0	1.5
Food and Beverage Distribution	105.0	12.0	107.0	12.5	2.0	0.5
Others	58.0	4.0	58.0	4.0	0.0	0.0
Elimination and Corporate	△34.0	△6.5	△34.5	△6.5	△0.5	0.0
Total	1,140.0	118.0	1,155.0	124.5	15.0	6.5