

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 with the factory automation components business.

In the six months ended September 30, 2025, the outlook for the global economy remained 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, a modest recovery was seen with regard to machine tool-related demand while demand associated with electrified vehicles continued to plateau.

In this environment, Fuji Electric moved forward with initiatives to expand its plant and system operations in response to growing energy demand as well as rising needs for energy saving and electrification in steel and other material industries. In addition, enhancements to earnings power were pursued through digital technology-powered productivity improvements at production sites. The Company also continued augmenting production capacity of controlgears, power panels, 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 of the Energy and Industry segments, resulting in consolidated net sales in the six months ended September 30, 2025 rising ¥45.8 billion, or 9%, year on year, to a new record high of ¥543.2 billion.

Profit was impacted by the increases to personal expenses that accompanied efforts to enhance human capital, higher material prices, lower demand for power semiconductors for electrified vehicles in the Semiconductors segment, and the dissipation of the special demand trend seen for automatic change dispensers that stemmed from the issuance of newly designed paper currency in Japan in the Food and Beverage Distribution segment. Conversely, overall profit was buoyed by the benefits of growth in plant and system demand. As a result, operating profit rose ¥2.4 billion year on year, to a new record high of ¥42.8 billion. In addition, ordinary profit increased ¥2.8 billion, reaching a new record high of ¥41.7 billion, due to the higher operating profit coupled with the benefits of favorable foreign exchange influences. Meanwhile, profit attributable to owners of parent decreased ¥8.9 billion, to ¥26.6 billion, because of the absence of the extraordinary profit recorded in the previously equivalent period following the sale of certain investment securities.

Consolidated results of operations for the six months ended September 30, 2025 were as follows.

	Six months ended September 30, 2024	Six months ended September 30, 2025	Change
Net sales	497.4	543.2	45.8
Operating profit	40.3	42.8	2.4
Ordinary profit	38.9	41.7	2.8
Profit attributable to owners of parent	35.5	26.6	(8.9)

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

(¥ billion)

	Six months ended September 30, 2024		Six months ended September 30, 2025		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Energy	144.0	10.0	165.2	19.0	21.2	8.9
Industry	175.4	8.1	206.3	11.0	31.0	2.9
Semiconductors	108.0	15.1	108.7	9.0	0.7	(6.1)
Food and Beverage Distribution	58.3	8.7	52.4	5.8	(5.9)	(2.9)
Others	27.4	1.7	27.8	1.6	0.4	(0.1)
Elimination and Corporate	(15.8)	(3.2)	(17.4)	(3.6)	(1.6)	(0.3)
Total	497.4	40.3	543.2	42.8	45.8	2.4

Energy

In the Energy segment, net sales and operating profit were up year on year primarily 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 up year on year as a result of the benefits of an increase in 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 orders and in large-scale orders for substation equipment for power and industrial applications and power supply equipment for 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 orders, differences in profitability between projects, and the benefits of cost reduction activities.

Industry

In the Industry segment, net sales were up year on year following higher demand in all businesses as well as large-scale orders in the IT solutions business. Operating profit was also up year on year due to an increase in large-scale orders in the IT solutions business.

- In the factory automation components business, net sales and operating results were up year on year, despite flat growth in domestic demand, as a result of rising demand seen centered on Asia and Europe.
- In the automation systems business, net sales were up year on year due to increased demand from 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 were relatively unchanged year on year 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 orders from the academic sector.

Semiconductors

- In the Semiconductors segment, sales of industrial semiconductors were up year on year due to higher demand in China and beneficial foreign exchange influences. Meanwhile, sales of automotive semiconductors were down due to reductions in domestic and overseas demand for power semiconductors for electrified vehicles. Despite the growth in sales of industrial semiconductors, operating results were down year on year due to the lower sales of automotive semiconductors, the rise in expenses for bolstering production capacity, and the increases in material costs.

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, as this rise in demand unable to compensate for the impacts of 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

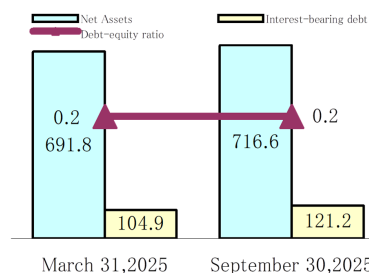
(Unit: Billion Yen, Times)

	As of March 31, 2025	Proportion (%)	As of September 30, 2025	Proportion (%)	Changes
Total assets	1,312.2	100.0	1,304.9	100.0	(7.3)
Interest-bearing debt	104.9	8.0	121.2	9.3	+16.3
Net assets	691.8	52.7	716.6	54.9	+24.8
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 September 30, 2025 stood at ¥1,304.9 billion, a decrease of ¥7.3 billion from the end of the previous fiscal year. Total current assets were down ¥21.0 billion primarily as a result of decreases in accounts receivable-trade and electronically recorded monetary claims-trade, which counteracted the increases in contract assets and inventories. Total non-current assets were up ¥13.8 billion due to an increase resulted from valuation difference on available-for-sale securities.

Interest-bearing debt as of September 30, 2025 amounted to ¥121.2 billion, up ¥16.3 billion from the previous fiscal year-end. Furthermore, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—increased ¥23.9 billion from the previous fiscal year-end, amounting to ¥66.1 billion on September 30, 2025.

Net assets on September 30, 2025 were ¥755.6 billion, up ¥24.9 billion from the previous fiscal year-end. This outcome was primarily because of higher retained earnings and an increase resulted from valuation difference on available-for-sale securities. In addition, equity—total net assets net of non-controlling interests—was up ¥24.8 billion from the previous fiscal year-end, standing at ¥716.6 billion on September 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 six months ended September 30, 2025, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a negative ¥8.7 billion, a decrease of ¥70.5 billion compared with positive free cash flow of ¥61.8 billion in the previous equivalent period.

Cash flows from operating activities

Net cash provided by operating activities was ¥35.9 billion, compared with net cash provided by operating activities of ¥87.5 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 ¥51.6 billion year on year.

Cash flows from investing activities

Net cash used in investing activities was ¥44.6 billion, compared with net cash used in investing activities of ¥25.8 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 ¥18.8 billion year on year.

Cash flows from financing activities

Net cash provided by financing activities was ¥1.3 billion, compared with net cash used in financing activities of ¥64.1 billion in the previous equivalent period. This was principally due to increase in commercial papers, which counterbalanced outflows for dividends paid.

As a result, consolidated cash and cash equivalents on September 30, 2025, amounted to ¥55.1 billion, down ¥7.6 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 six months ended September 30, 2025, Fuji Electric has chosen to revise the consolidated forecast for business results for the fiscal year ending March 31, 2026 that was announced together with financial results for the three-month period ended June 30, 2025 on July 31, 2025.

The forecast assumes exchange rates of US\$1 = ¥140, €1 = ¥164, and RMB1 = ¥19.8 for the period from October 1, 2025 onward.

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

(¥ billion)

	Previous announcement	Today's announcement	Change
Net sales	1,155.0	1,185.0	30.0
Operating profit	124.5	128.5	4.0
Ordinary profit	122.5	128.0	5.5
Profit attributable to owners of parent	85.5	89.0	3.5

(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	377.5	49.0	388.0	52.5	10.5	3.5
Industry	422.0	42.5	450.0	43.5	28.0	1.0
Semiconductors	225.0	23.0	222.0	23.0	(3.0)	0.0
Food and Beverage Distribution	107.0	12.5	108.0	13.0	1.0	0.5
Others	58.0	4.0	59.0	4.0	1.0	0.0
Elimination and Corporate	(34.5)	(6.5)	(42.0)	(7.5)	(7.5)	(1.0)
Total	1,155.0	124.5	1,185.0	128.5	30.0	4.0