

1. Financial Performance

(1) Qualitative Information Regarding Consolidated Results of Operations

Results of Operations in the Fiscal Year Ended March 31, 2026

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 fiscal year ended March 31, 2026, the outlook for the global economy remained opaque due to the impacts of the trade policies of the United States. At the same time, the prices of copper, silver, and other raw materials surged due to a tight supply–demand balance and an influx of investment. 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 this environment, Fuji Electric moved forward with initiatives to expand its reliable supply systems for renewable energy and electricity in response to the growing energy demand while also bolstering its plant and system operations to cater to energy saving and electrification needs. In addition, enhancements to earnings power were pursued through digital technology-powered productivity improvements at production sites and efforts were made to build more resilient supply chains. The Company also continued augmenting production capacity of transformers, switchgears, controlgears, and power panels at domestic factories to respond to robust demand and began reinforcing production systems for catering to growing overseas data center demand. Furthermore, a plan was enacted for conducting capital investment in relation to SiC power semiconductors in order to accommodate future market growth.

Due to these factors, increases were driven by the net sales of the energy management business and the power supply and facility systems business in the Energy segment and of the IT solutions business in the Industry segment, resulting in consolidated net sales in the fiscal year ended March 31, 2026 rising ¥104.2 billion, or 9%, year on year, to a new record high of ¥1,227.6 billion.

Profit was impacted by the increases to personnel expenses that accompanied efforts to enhance human capital as well as higher raw material prices, lower demand for automotive semiconductors, and the rebound from the special demand trend seen for automatic change dispensers that stemmed from the issuance of newly designed paper currency in Japan that impacted the Food and Beverage Distribution segment. Conversely, overall profit was buoyed by the benefits of growth in plant and system demand centered on the Energy segment. As a result, operating profit rose ¥19.0 billion year on year, to ¥136.6 billion. In addition, ordinary profit increased ¥20.6 billion, to ¥139.3 billion, due to the higher operating profit. Profit attributable to owners of parent also rose, increasing ¥5.8 billion, to ¥98.0 billion, due to the recording of gain on sale of investment securities under extraordinary income. The figures for all three of these profit items represented new record highs.

Consolidated results of operations for the fiscal year ended March 31, 2026 were as follows.

(¥ billion)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Net sales	1,123.4	1,227.6	104.2
Operating profit	117.6	136.6	19.0
Ordinary profit	118.8	139.3	20.6
Profit attributable to owners of parent	92.2	98.0	5.8

Results of operations by reportable segment in the fiscal year ended March 31, 2026 were as follows.

(¥ billion)

	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Energy	354.3	36.3	394.2	59.5	39.8	23.2
Industry	400.0	34.0	467.2	44.4	67.2	10.4
Semiconductors	236.8	37.1	237.4	23.5	0.6	(13.6)
Food and Beverage Distribution	111.5	13.9	108.0	13.1	(3.5)	(0.8)
Others	56.1	3.8	58.4	3.9	2.2	0.1
Elimination and Corporate	(35.4)	(7.3)	(37.5)	(7.8)	(2.1)	(0.5)
Total	1,123.4	117.6	1,227.6	136.6	104.2	19.0

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 were up year on year as a result of the benefits of an increase in large-scale hydropower generation facility projects. Operating results were also up due to the combined benefits of the higher net sales, the absence of the rise in expenses associated with thermal power and geothermal power projects recorded in the previous fiscal year, and differences in profitability between 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 and operating profit were 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 primarily

due to growth in demand for measuring instruments.

- In the automation systems business, net sales and operating results were up year on year due to increased demand from the steel industry.
- 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. Operating results were also up year on year, despite the impacts of higher material prices, due to the benefits of higher demand and product selling price revisions.
- 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, net sales of industrial semiconductors were up year on year as a result of higher demand in China and beneficial foreign exchange influences. Meanwhile, net sales of automotive semiconductors were down due to reductions in demand for power semiconductors for electrified vehicles and the impacts of the selling price revisions instituted in the previous fiscal year. Despite the growth in net sales of industrial semiconductors, operating results were down year on year due to the impacts of higher raw material prices, price competition for industrial semiconductors seen centered on the Chinese market, and the lower sales of automotive and the selling price revisions instituted in the previous fiscal year for these semiconductors.

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 were up year on year while operating results were relatively unchanged from the previous fiscal year. This outcome was a result of the increase in demand for store fixtures seen accompanying a rise in convenience store renovations offsetting 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 fiscal year.

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.

Forecasts for the Fiscal Year Ending March 31, 2027

Forecasts for consolidated business results in the fiscal year ending March 31, 2027 are as follows. Furthermore, the forecast assumes exchange rates of US\$1 = ¥150, €1 = ¥175, RMB1 = ¥21.9 for the fiscal year ending March 31, 2027

(Consolidated Business Results Forecasts)

(¥ billion)

	Fiscal year ended March 31, 2026 Results	Fiscal year ending March 31, 2027 Forecasts	Change
Net sales	1,227.6	1,275.0	47.4
Operating profit	136.6	142.5	5.9
Ordinary profit	139.3	143.0	3.7
Profit attributable to owners of parent	98.0	105.0	7.0

(Forecasts by Segment)

(¥ billion)

	Fiscal year ended March 31, 2026 Results		Fiscal year ending March 31, 2027 Forecasts		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Energy	396.4	59.5	455.0	71.0	58.6	11.5
Industry	465.0	44.4	454.0	48.0	(11.0)	3.6
Semiconductors	237.4	23.5	225.0	13.0	(12.4)	(10.5)
Food and Beverage Distribution	108.0	13.1	115.0	14.0	7.0	0.9
Others	58.4	3.9	60.0	3.9	1.6	0.0
Elimination and Corporate	(37.5)	(7.8)	(34.0)	(7.4)	3.5	0.4
Total	1,227.6	136.6	1,275.0	142.5	47.4	5.9

Effective April 1, 2026, a portion of the drive control system operations contained in the automation systems business of the Industry segment was transferred to the equipment construction business of the Energy segment. Figures for the fiscal year ended March 31, 2026 have been restated to reflect these changes.

(2) Quantitative Information Regarding Consolidated Financial Position

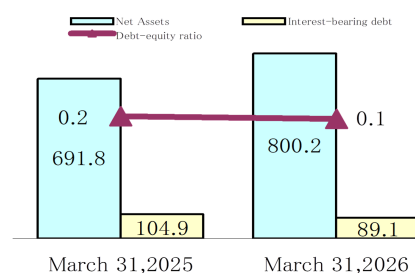
(Unit: Billion Yen, Times)

	As of March 31, 2025	Proportion (%)	As of March 31, 2026	Proportion (%)	Changes
Total assets	1,312.2	100.0	1,406.7	100.0	+94.5
Interest-bearing debt	104.9	8.0	89.1	6.3	(15.8)
Net assets	691.8	52.7	800.2	56.9	+108.4
Debt-equity ratio	0.2		0.1		(0.1)

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

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

(Unit: Billion Yen, Times)



Total assets on March 31, 2026 stood at ¥1,406.7 billion, an increase of ¥94.5 billion from the end of the previous fiscal year. Total current assets were up ¥65.2 billion primarily as a result of increases in accounts receivable-trade and inventories. Total non-current assets were up ¥29.3 billion due to an increase in retirement benefit asset and an increase resulted from valuation difference on available-for-sale securities.

Interest-bearing debt as of March 31, 2026 amounted to ¥89.1 billion, down ¥15.8 billion from the previous fiscal year-end due to repayments of lease obligations. Furthermore, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—decrease ¥23.0 billion from the previous fiscal year-end, amounting to ¥19.2 billion on March 31, 2026.

Net assets on March 31, 2026 were ¥842.9 billion, up ¥112.3 billion from the previous fiscal year-end. This outcome was primarily because of higher retained earnings. In addition, equity—total net assets net of non-controlling interests—was up ¥108.4 billion from the previous fiscal year-end, standing at ¥800.2 billion on March 31, 2026. The debt-to-equity ratio (interest-bearing debt ÷ equity) was 0.1 times, down 0.1 times from the previous fiscal year-end. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ equity) was 0.0 times, down 0.1 times from the previous fiscal year-end.

(¥ billion)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change
Net cash provided by (used in) operating activities	144.9	123.6	(21.4)
Net cash provided by (used in) investing activities	(63.4)	(72.6)	(9.2)
Free cash flow	81.5	51.0	(30.6)
Net cash provided by (used in) financing activities	(86.2)	(48.2)	38.1
Cash and cash equivalents at end of period	62.7	69.9	7.2

In the fiscal year ended March 31, 2026, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a positive ¥51.0 billion, a decrease of ¥30.6 billion compared with positive free cash flow of ¥81.5 billion in the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities was ¥123.6 billion, compared with net cash provided by operating activities of ¥144.9 billion in the previous fiscal year. Major factors increasing cash included the recording of profit before income taxes and increase in contract liabilities. Major factors decreasing cash included increase in accounts receivable-trade, and contract assets and increase in inventories.

This was a decrease in cash provided of ¥21.4 billion year on year.

Cash flows from investing activities

Net cash used in investing activities was ¥72.6 billion, compared with net cash used in investing activities of ¥63.4 billion in the previous fiscal year. This outcome was primarily a result of the purchase of property, plant and equipment, which counteracted proceeds from sale of investment securities.

This was an increase in cash used of ¥9.2 billion year on year.

Cash flows from financing activities

Net cash used in financing activities was ¥48.2 billion, compared with net cash used in financing activities of ¥86.2 billion in the previous fiscal year. This was principally due to outflows for dividends paid and repayments of lease obligations.

As a result, consolidated cash and cash equivalents on March 31, 2026, amounted to ¥69.9 billion, up ¥7.2 billion from the previous fiscal year-end.

(3) Basic Policy Regarding Distribution of Earnings and Dividends for the Fiscal Year Ended March 31, 2026 and the Fiscal Year Ending March 31, 2027

We intend to return profit gained through business activities to shareholders. At the same time—while strengthening our management foundation—we intend to appropriate profit for consolidated shareholders' equity in order to secure internal reserves for research and development, capital investment, development of human resources, and other uses reflecting a medium- to long-term viewpoint.

We will determine the amount of dividends to be paid from retained earnings in light of the above medium-to-long term business cycle; our policy of paying stable and continuous dividends; and a comprehensive evaluation of the business results from the relevant fiscal year, research and development and capital investment plans for future growth, and the operating environment.

We regard the acquisition of treasury stock as a flexible mechanism to supplement dividends from retained earnings when warranted by the cash flow position.

Based on a rigorous evaluation of performance during the fiscal year ended March 31, 2026, forecasted performance for the fiscal year ending March 31, 2027, and our financial position, we plan to pay a year-end dividend of ¥109 per share for the fiscal year ended March 31, 2026, which will make for an annual dividend of ¥200 per share, when including the interim dividend.

The Company intends to issue an interim dividend of ¥107 for the fiscal year ending March 31, 2027. We have not yet decided the year-end dividend to be issued for this fiscal year.

2. Basic Approach to the Selection of Accounting Standards

The consolidated financial statements of Fuji Electric group have been prepared in conformity with accounting principles generally accepted in Japan. In regard to the application of IFRS, we will pay close attention to overseas sales ratio and domestic adoption trends and consider accordingly.