



Briefing of Financial Results for FY2025 Management Plan for FY2026

Fuji Electric Co., Ltd.

April 28, 2026

Good afternoon. I am Kondo from Fuji Electric. Thank you very much for joining us for the earnings announcement briefing for the full year FY2025 and management plan for FY2026 in spite of your busy schedule. I would like to get right into the explanation of the full year results for FY2025.

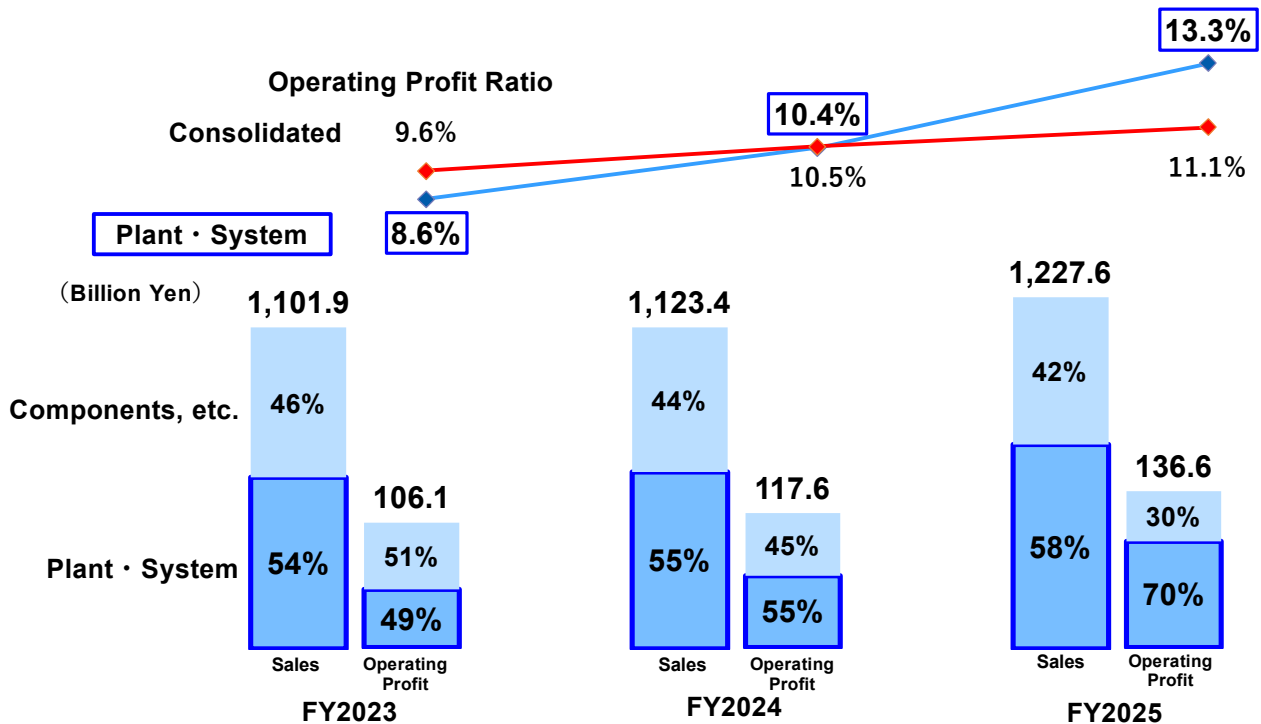
Financial Results for FY2025: Profit-Oriented Management

**New record highs for net sales, operating profit, and profit attributable to owners of parent
Achieved Operating Ratio of above 11%**

(Billion Yen)	FY2024	FY2025	Change
Net Sales	1,123.4	1,227.6	+ 104.2
Operating Profit (Operating Profit Ratio)	117.6 (10.5%)	136.6 (11.1%)	+ 19.0 (+ 0.7%)
Profit Attributable to Owners of Parent (Ratio of Profit Attributable to Owners of Parent to Net Sales)	92.2 (8.2%)	98.0 (8.0%)	+ 5.8 (- 0.2%)
ROE	14.3%	13.1%	
ROIC	12.9%	12.6%	
Equity Ratio	52.7%	56.9%	
Net D/E Ratio	0.1 times	0.0 times	

The year FY2025 is the mid-point of the management plan which concludes in FY2026. We have spent a year focusing on the profit-oriented management, which has been our focus in the medium-term management plan. We are going to explain the numbers in detail later on, so I would like to highlight the key points. Net sales, operating profit and profit attributable to owners of parent all renewed record highs. Operating profit ratio reached 11% mark. Originally we have been targeting at 11% level in the final year of the plan, FY2026, however, we were able to achieve it one year ahead of schedule. In terms of ROE and ROIC, we achieved 13.1% and 12.6% respectively. Medium-term plan targets are 12% or more and 10% or more respectively, which means actual levels are now within the range, however, since equity ratio has increased, further improvement of ROE is getting harder, which is a challenge we need to address.

Our business structure has evolved through adaptation to the changing business environment



Note: Results for FY2023, FY2024, and FY2025 reflect the FY2026 business reorganization.
 Note: Composition ratios are calculated based on amounts prior to the elimination and adjustment of inter-segment transactions.

I would like to touch on the changing business structure of Fuji Electric. This chart breaks our business down into Plant/Systems and Components. Plant/Systems include Energy, Automation systems and IT solutions in Industry. Components include FA Components, ED&C, Semiconductors as well as Vending Machines.

In FY2023, the final year of the previous medium-term management plan, out of the total net sales of around 1.1 trillion yen, Plant/Systems represented 54% and Components represented 46%. Components which was 46% of net sales generated 51% of profit. However, the mix has changed in FY2025. Not only the mix of Plant/Systems in net sales increased to 58%, it generated as much as 70% of profit. Even if you look at the operating profit ratio, it increased from 8.6% in FY2023 to 13.3% in FY2025.

Fuji Electric has long mentioned that our value creation spans a wide range of power generation and stable supply to the demand side of automation, energy conservation, and electric and electrification. We view the growth in Plant/Systems, which we tackle social challenges in these fields and deliver values directly to customers as clear evidence that we have been on the right path to our vision.

However, I don't mean that Components are less important. We are a manufacturer, therefore, Components are absolutely necessary as a base for value creation. We make unique components, combine them and further combine with digital technologies to create new values for customers. We think this is the path forward we should be on and will continue to pursue the best business mix in the medium to long term.

Projected to achieve key Mid-term Management Plan targets and reach record-high business results

(Billion Yen)	FY2026 Medium-term management plan	FY2026 Management plan	vs. FY2026 Medium-term management plan
Net Sales	1,250.0	1,275.0	+ 25.0
Operating Profit (Operating Profit Ratio)	140.0 (11.2%)	142.5 (11.2%)	+ 2.5 (0.0%)
Profit Attributable to Owners of Parent (Ratio of Profit Attributable to Owners of Parent to Net Sales)	90.0 (7.2%)	105.0 (8.2%)	+ 15.0 (+ 1.0%)
ROE	More than 12%	12.8%	
ROIC	More than 10%	12.6%	
Equity Ratio	About 50%	57.8%	
Net D/E Ratio	About 0.2 times	0.0 times	

I would like to move on to explain FY2026 Management Plan. I omit reading out numbers, but net sales, operating profit and profit attributable to owners of parent are projected to all achieve the medium-term management plan targets and continue to set new record results.

We plan to achieve the targets we set in the medium-term plan, however, as I mentioned earlier, we project ROE and ROIC to be 12.8% and 12.6% respectively. They are within the range we have set in the medium-term target, but still, sluggish growth in ROE remains a challenge.

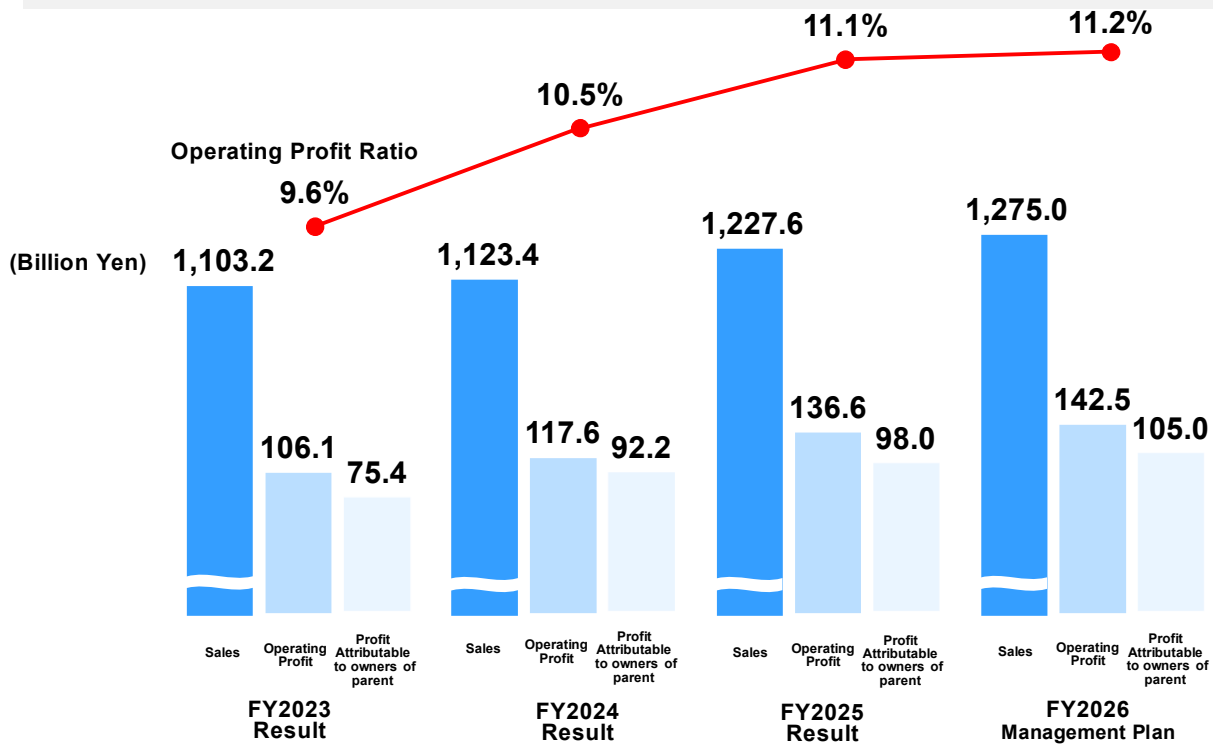
FY2025 Dividend Payout Ratio: 30% / FY2026 Total Payout Ratio: 50%
FY2026 Interim Dividend Forecast : ¥107 per share
Treasury Stock Acquisition: Upper limit of ¥21.0 billion in total

(Billion Yen)	FY2024 Actual	FY2025 Actual	FY2026 Management Plan
Profit Attributable to Owners of Parent	92.2	98.0	105.0
Annual Dividend Per Share (Yen)	160	200	
Interim (Yen)	75	91	107
Year-end (Yen)	85	109	
Dividend Payout Ratio	24.9%	30.1%	30%
Amount of Treasury Stock Acquisition	—	—	21.0
Total Payout Ratio	24.9%	30.1%	50%

With that, let me explain our shareholder's return. For FY2025, we set the year-end dividend at 109 yen, making the annual dividend 200 yen and dividend payout ratio of 30.1%. On the other hand, for FY2026, we plan the total payout to be 50%. We continue dividend payout of 30% and the interim dividend is projected to be 107 yen. In addition, to achieve total payout ratio of 50%, we will implement the share buy back up to 21 billion yen in total.

This fiscal year is the final year of our current medium-term management plan, and a new plan will begin in FY 2027. Recognizing the critical importance of financial strategy, we have decided on this shareholder return initiative as a measure that can be implemented promptly and will serve as a stepping stone toward the next medium-term management plan.

Aiming to be a "Sustainable Growth Company" by realizing a virtuous cycle of growth



Let me go over the last theme. This graph plots the trend of results from FY2023. After hitting the bottom in the pandemic year of FY2020, in fact, net sales, operating profit and profit attributable to owners of parent have been breaking the record highs every year to present. Towards sustainable growth, FY2026 is going to be the important year to finish up the current medium-term plan surely and finalize the next medium-term plan.

Incorporating growth investment, human capital investment and shareholder's returns well in the plan, we would like to generate virtuous cycle of growth and investment and growth and shareholder's return. I would like to finish up FY2026 well positioned by driving both business strategies and financial strategies forward, ensuring a solid foundation for a fresh start beginning in FY 2027. I appreciate your continued support.

This completes my presentation.

Thank you very much.

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