Fuji Electric
Innovating Energy Technology

Energy Business Strategies for FY2026

Energy Business Group

May 27, 2026

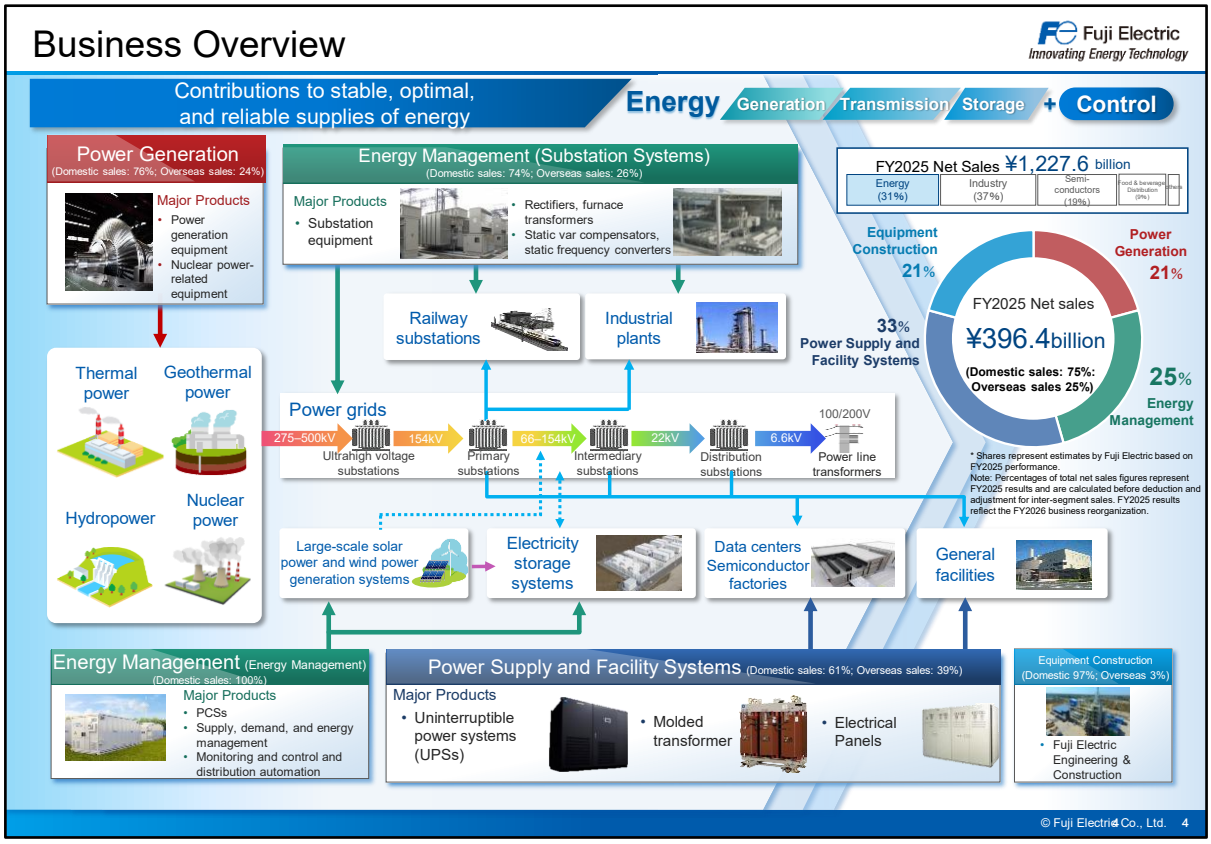
I'm Masashi Kawano from the Energy Business Group.
Today, I will explain our business strategy for FY2026.
Thank you for joining us.

Contents

Fuji Electric
Innovating Energy Technology

Our presentation today will follow the agenda shown here.
First, we will review FY2025.
Then, we will discuss our management plan for FY2026, followed by our priority measures in detail.

1 Business Overview



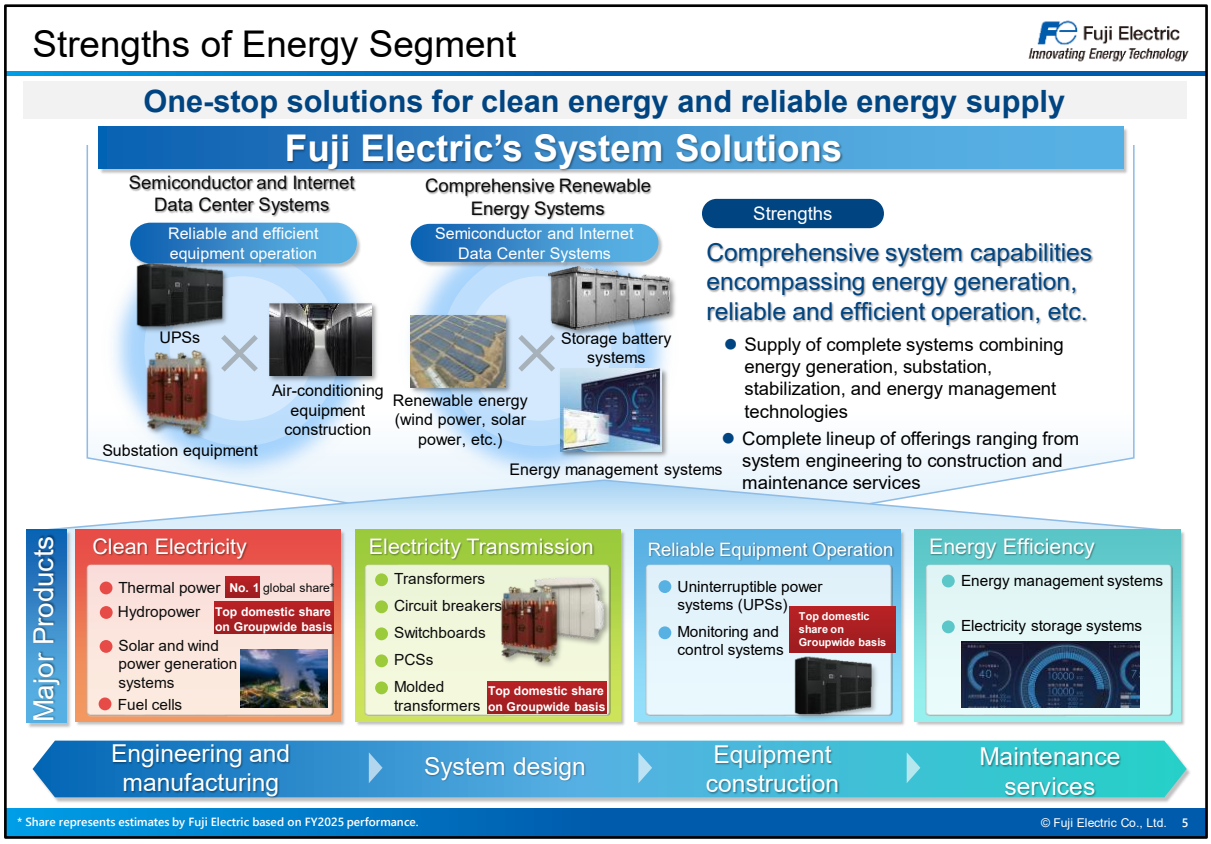
First, I will provide an overview of the Energy Business.
Our business operates across four areas: energy generation, transmission, storage, and control, which optimizes the entire system.

Specifically, in the power generation business, we support power infrastructure through the design, manufacture, and sales of power generation equipment.
Energy Management comprises two businesses: Substation Systems and Energy Management.
In the Substation Systems business, electricity generated at power plants is stepped down through equipment such as circuit breakers and transformers, and then supplied to factories and other facilities at the appropriate voltage levels.

Meanwhile, in the Energy Management business, we utilize products such as power conditioners to efficiently manage and utilize energy, including renewable energy sources.
In the Power Supply and Facility Systems field, we supply substation equipment, including uninterruptible power supply systems, for semiconductor factories and data centers.

More recently, we have also expanded into facility engineering.
We are building a structure that enables us to handle everything from plant design through to construction.

As shown in the graph at the upper right, Fuji Electric's total net sales for FY2025 were 1,227.6 billion yen.
Of this, the Energy Business accounted for 31%, or 396.4 billion yen.
Within the Energy Business, overseas sales currently account for 25%.
Recently, domestic sales have been growing more strongly, resulting in a lower overseas sales ratio.
The pie charts show the sales composition of each business subsegment.
Energy Management has been showing particularly strong growth, and its share of overall sales has been increasing.



The greatest strength of our business is our ability to provide one-stop solutions encompassing design, manufacturing, construction, and maintenance services, for comprehensive systems from power generation, through substations, stabilization, and energy management.
Among our major products, our geothermal power generation equipment holds the leading global share.

In addition, our hydroelectric power generation equipment, as well as our molded transformers, and uninterruptible power systems (UPS), which are supplied to semiconductor plants and data centers all have top domestic share on a group basis.
Another strength of our business is the efficient utilization of these strong product offerings through energy management systems.
In other words, we grow our business by integrating these highly competitive component products into system solutions, and thereby generate profit.

2 Review of FY2025

Next, we will review our performance in FY2025.

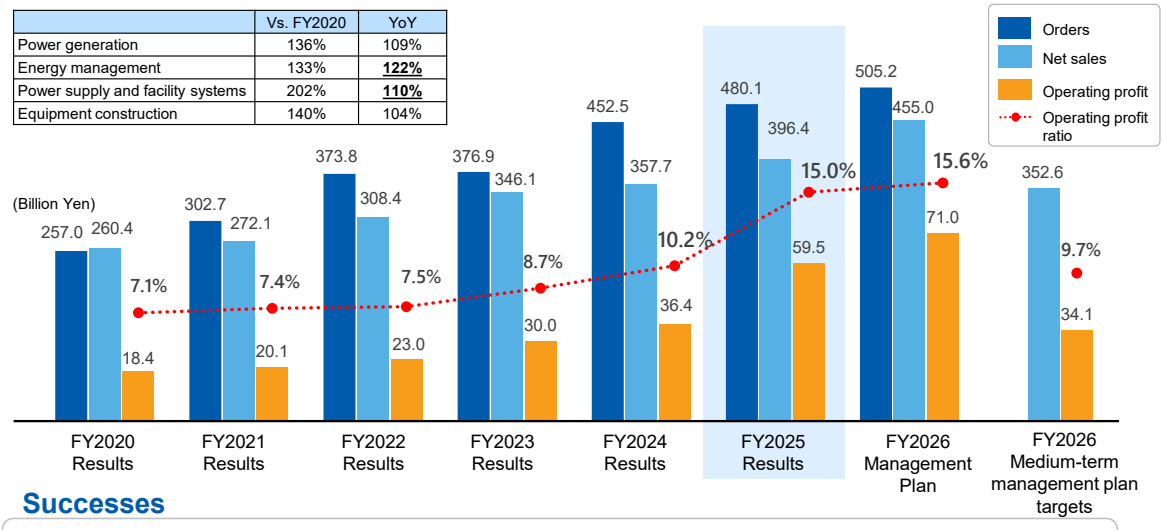
Review of FY2025

Fuji Electric
Innovating Energy Technology

Massive growth in profit fueled by increases to net sales amid ongoing rise in orders

■ Net Sales Growth in FY2025

	Vs. FY2020	YoY
Power generation	136%	109%
Energy management	133%	**122%**
Power supply and facility systems	202%	**110%**
Equipment construction	140%	104%



Successes

- **Improved profitability in core businesses (power generation, energy management (substation systems), and equipment construction)**
- **Business growth greatly surpassing previous fiscal year in growth fields (storage battery systems, internet data center (IDC) equipment)**

Note: Performance figures for FY2024 and before are produced through a simple conversion of past figures to reflect the business reorganization undertaken in FY2026 and thus should be used for reference purposes only.

The graph shows trends since FY2020.
As shown here, since FY2021, orders have consistently exceeded net sales, reflecting an order-led growth trend.
In recent years, the number of projects has increased alongside growing energy demand, and project sizes have also become larger. As a result, orders have continued to expand.
We expect this trend to continue for the foreseeable future, and profitability has also steadily improved in line.
Next, please look at the table in the upper left.
This shows growth versus FY2020 levels.
By subsegment, data center-related business has shown particularly strong growth from FY2020 to FY2025, reaching approximately 200% of FY2020 levels in FY2025.
Other business areas also recorded growth of around 130%.
The comparison between FY2024 and FY2025 is shown on the right-hand side.
From FY2024 to FY2025, the Energy Management business achieved significant year-on-year growth of approximately 20%.
The Power Supply and Facility Systems business also grew by around 10%.
In terms of profitability, in recent years we have strengthened efforts to identify potential risks before receiving orders and to implement robust risk mitigation measures at the order stage.
At the same time, as business volume increased, we steadily and proactively pursued improvements in productivity and quality.
We believe our moves to thoroughly eliminate potential risks from the order stage have built the foundation for the attainment of OP targets in in FY2024 and FY2025, as well as in FY2026.

3 Management Plan for FY2026

Next, I will explain our management plan for FY2026.

Market Trends

Fuji Electric
Innovating Energy Technology

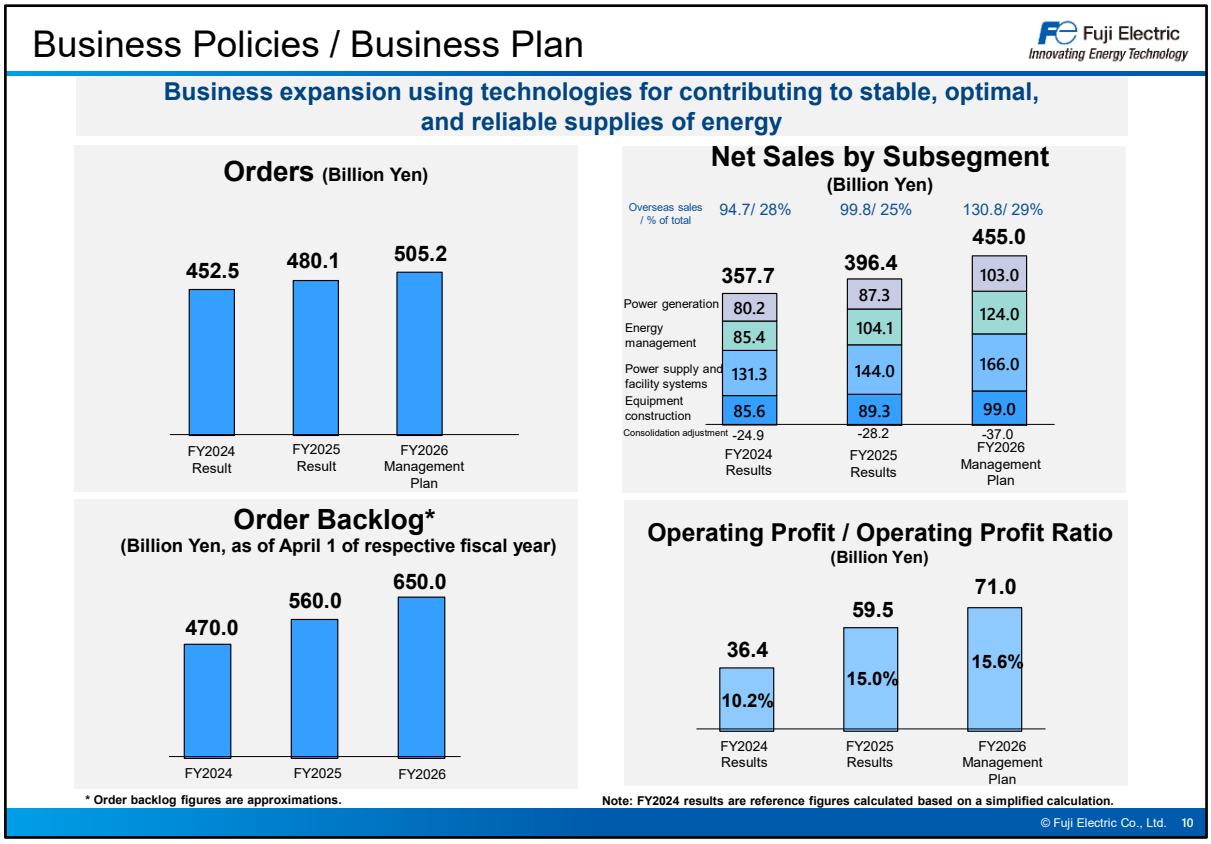
Ongoing growth in various subsegments projected as a result of accelerated decarbonization initiatives and rising electricity demand stimulated by digital transformation efforts

Subsegment		FY2026 Market Trends (YoY Change)	
	Renewable energy, decarbonization	• Consistent demand among Pacific Rim and other countries developing geothermal power sources • Ongoing demand for scrap and build projects targeting pumped-storage hydroelectric power generation and other aged hydroelectric power generation facilities • Growing investment in decarbonization-related power generation equipment	→
	Energy management	• Rising needs for grid stabilization systems due to spread of renewable energy use • Growth in grid storage batteries amid brisk electricity transactions market	→
	Substation Systems	• Continued replacement demand for equipment installed during the high-growth era • Rising demand for decarbonization of existing production processes (electrification, fuel conversion)	→
	Data centers	• Robust IDC equipment demand driven by digital transformation and accelerated AI use • Consistent demand for construction and expansion of facilities by hyperscalers	→
	Semiconductor factories	• Rapid growth in investment for constructing and expanding production facilities around the world to bolster and decentralize production capacity	→

Note: Equipment construction market trends are described in the sections for the respective subsegments.

We will now discuss market trends.
Our market environment is expected to continue expanding across many fields, driven by rising electricity demand associated with advances in GX and DX.
Looking at each segment, in the Power Generation business, we have continued to steadily secure orders and renewal projects, mainly for geothermal and hydroelectric projects both in Japan and overseas.
We expect renewal demand to continue going forward.

Next is Energy Management.
With the expansion of renewable energy and the growing need for grid stabilization, we expect continued growth in the storage battery market, particularly in grid-scale battery storage systems.
Lastly, in the Power Supply and Facility Systems business, we expect ongoing investment in the construction and expansion of hyperscale data centers.
In addition, in semiconductor factories, we are beginning to see various investment projects gradually moving forward, including memory production expansion.



Next, I will explain our business policies and business plan for FY2026.
For this fiscal year, we target orders of 505.2 billion yen, above the prior year.
We also aim for net sales of 455.0 billion yen, again above the prior year.
For operating profit, we plan to maintain the trend of higher sales and higher profits that I mentioned earlier.
Last we look at the order backlog, a point of interest for our investors.
At the beginning of FY2024, our order backlog was around 470.0 billion yen.
This increased by around 90.0 billion yen to around 560.0 billion yen at the start of FY2025.
For FY2026, the order backlog has risen by a further 90.0 billion yen or so, so we started the year above a very high 650.0 billion yen.
Going forward, further business expansion will depend on converting this substantial backlog into sales.
In the Energy Business and other areas, we will ensure we capture robust market demand, as I mentioned earlier, and use it to drive growth from this fiscal year onward while also pursuing further expansion in orders received.

Priority Measures

Fuji Electric
Innovating Energy Technology

Business Policies

- Pursuit of growth by targeting growing energy markets and rising green transformation (GX) and digital transformation (DX) demand
- Timely development of competitive products
- Ongoing enhancement of manufacturing systems and augmentation of production capacity
  (energy management, power supply and facility systems)

Measures by Subsegment

Power generation	Expansion of decarbonization, renewable energy, and after service businesses
Energy management	Expansion of storage battery-related markets and entry into market for GX-related products, an area where Fuji Electric boasts competitiveness
Power supply and facility systems	Expansion of domestic and overseas IDC and semiconductor businesses

General Measures

Product Development	Development focused on GX and DX
Production capacity augmentations	Flexible response to rapidly growing substation equipment demand

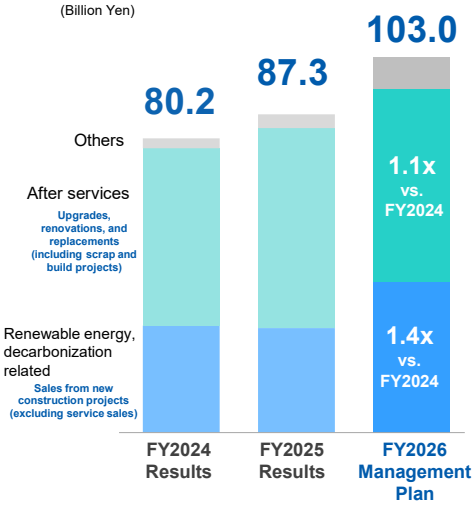
This is an overview of our priority measures for this fiscal year.
Our basic policy is to pursue growth by targeting expanding green transformation (GX) and digital transformation (DX) demand.
Specifically, in each subsegment, we will continue expanding our business in growth areas such as decarbonization and renewable energy, battery storage systems, and the IDC and semiconductor markets.
In addition, as common initiatives supporting these efforts, we will accelerate the development of new products suited to GX and DX needs, while also expanding production capacity to respond flexibly to rapidly growing demand for substation equipment.

Priority Measures—Power Generation

Fuji Electric
Innovating Energy Technology

- **Growth of sales of renewable energy- and decarbonization-related products in conjunction with rising electricity demand**
- **Promotion of renovation and upgrade proposals to improve reliability and efficiency of existing plants**

Net Sales of Power Generation Business



Priority Measures

Growth of decarbonization and renewable energy businesses including long-term decarbonization power source auction projects

- **Acceleration of measures for responding to global growth in geothermal power generation equipment demand**
- **Verification of next-generation hydrogen fuel cells, development and supply of energy storage equipment, and participation in innovative next-generation reactor projects**

Enhancement of products and proposals to grow service sales

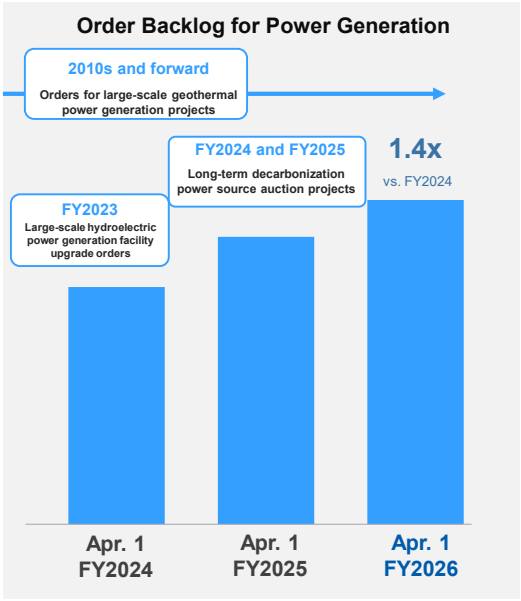
- **Enhancement of proposals involving diagnosis technologies, peripheral equipment, expanded maintenance plans, etc.**
- **Expansion of pumped-storage hydropower generation and other hydropower generation scrap and build projects and maintenance technologies**

These are the priority measures for each business.
Amid rising electricity demand in recent years, we plan to expand net sales to 1.4 times the FY2024 level by capturing demand related to renewable energy and decarbonization.
Going forward, we aim to steadily capture decarbonization auction projects expected to come to market, while also responding to growing demand for geothermal power.
In addition, we will continue focusing on our growing service business. As we expect high profitability in the service business, we aim to establish it as a high-income business by further enhancing our maintenance offerings and strengthening our customer proposal capabilities.

Priority Measures—Power Generation

Fuji Electric
Innovating Energy Technology

Customer trust earned through robust track record and engineering support; massive increase in order backlog centered on large-scale projects



Background of strong large-scale project orders

1. Acceleration of investment in response to decarbonization power source auctions

Gas-fired thermal power	Rapid growth in power plant construction and replacement as cornerstone of electricity supply–demand balancing
Biomass	Increase in biomass combustion plant construction and replacement to contribute to decarbonization
Pumped-storage hydropower	Acceleration of new construction and renovations, driven by the increasing value of energy storage functions linked to renewable energy expansion

2. Massive global push to utilize geothermal power

Japan	Growth in geothermal power generation systems propelled by deregulation, auctions, etc.
Overseas	Rising demand for geothermal power as clean and reliable power source amid growing demand for power for data centers

Regarding progress on our priority measures, we have continued to win large-scale projects, and hydroelectric power orders are also progressing ahead of schedule.

As a result, brought-forward order backlogs show that the Power Generation business alone expanded by 1.4 times from FY2024 to the start of FY2026.
This reflects our ability to accurately ascertain customer trends and needs and convert them into orders.

In this segment, we believe that strong engineering capabilities are the most crucial element to earning customer trust.
We will continue providing high-quality proposals to drive further order growth.

In addition, we are currently expecting another major project order this fiscal year.
We aim to clinch this order also by fully leveraging our engineering expertise and responding to customer requirements.
If we do win this large-scale project, FY2026 orders should exceed even the targets presented earlier.

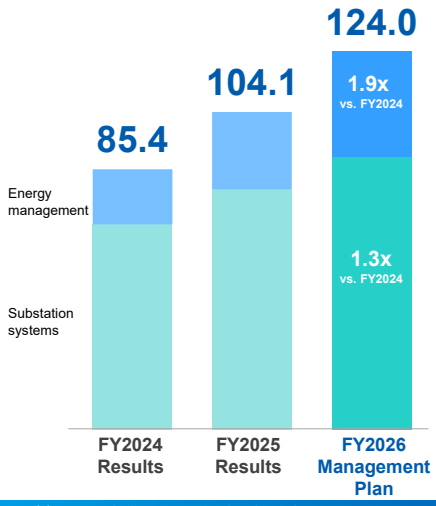
Priority Measures—Energy Management

Fuji Electric
Innovating Energy Technology

- **Ongoing growth in energy management business by capitalizing on growth in storage battery system-related markets**
- **Steady efforts to take advantage of power infrastructure upgrade demand. Increased construction of semiconductor plants stimulating growth in substation system sales**

Net Sales of Energy Management Business

(Billion Yen)



Priority Measures

Expansion of storage battery system orders through enhanced partnership

- Partnership with storage battery manufacturers and major trading companies

Launch of green transformation-related products

- SF6-free C-GIS*, power supplies for new electric arc reactors

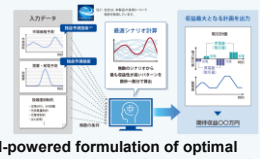
Augmentation of production capacity to accommodate rising substation equipment sales volumes

- Bolstering of production capacity for transformers and switchgears and production at multiple locations

New Products

Introduction of newly developed products for rapidly growing storage battery market

Storage Battery Transaction Optimization System



AI-powered formulation of optimal power generation and transaction plans

Eco-Friendly Storage Battery PCSs

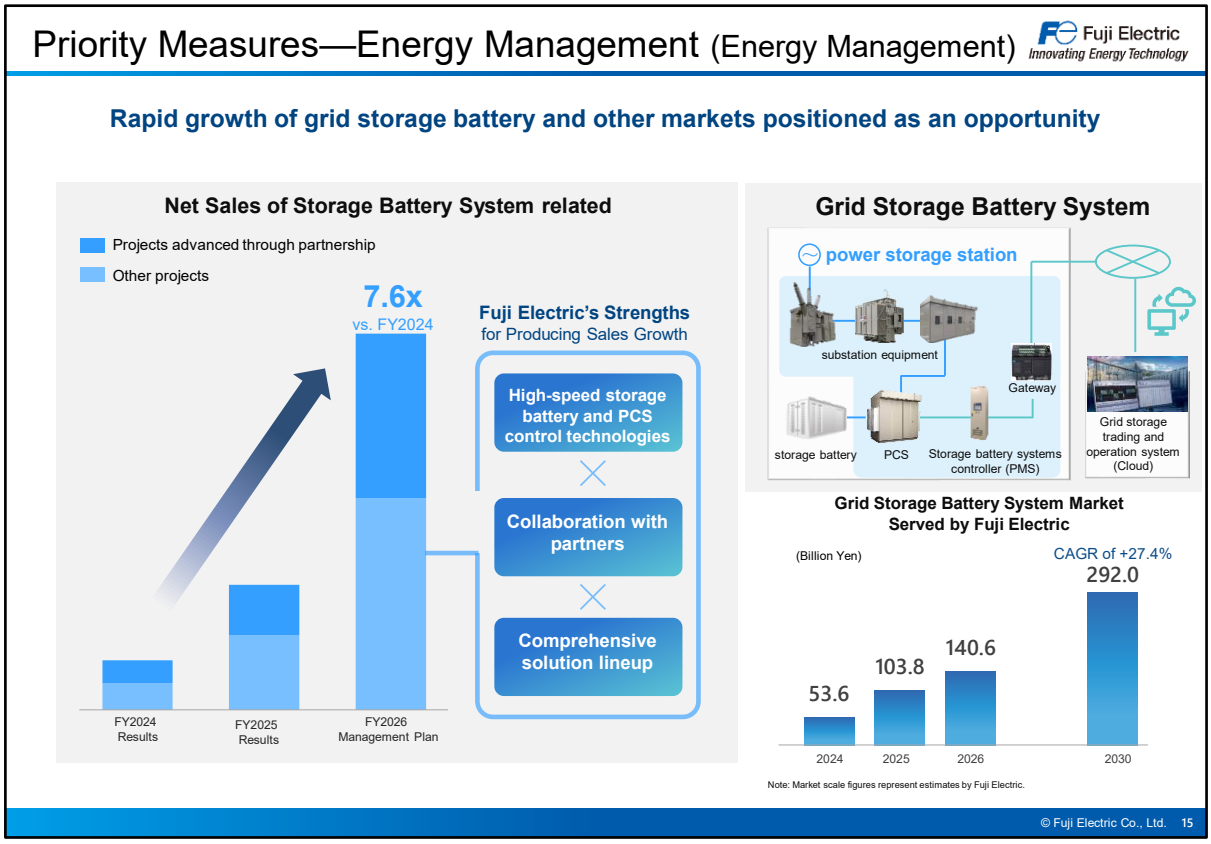
Quiet

Heavy salt resistance

Resistance to low temperatures

※C-GIS：cubicle-type gas-insulated switchgear

Next, we will look at our Energy Management subsegment.
This consists of two businesses: the Energy Management business and the Substations business.
For both businesses we target significant sales growth versus FY2024.
In particular, within the energy management market, we forecast very strong growth in the storage battery system market, including grid storage battery systems.
We intend to achieve our planned sales targets by capturing these robust market growth opportunities.
In addition, as further market expansion is expected going forward, we will continue driving the business through successive new product launches, including new product solutions.
Next, turning to the Substations business shown in the lower section of the slide, this business has also been expanding steadily.
Orders in this business increased significantly in the prior fiscal year.
One major factor behind this growth was rising demand for large-capacity substation equipment associated with the electrification of manufacturing processes by major blast furnace steel manufacturers.
Based on these developments, we believe there is a meaningful acceleration in GX-related initiatives across society as a whole.
To support sustained growth, we will continue bringing new GX products, currently under development, to market in a timely manner.



Next, we highlight our battery storage business, which is showing particularly strong growth within the Energy Management business.
As mentioned previously, this business is expected to expand approximately eightfold compared to FY2024 by FY2026.
The lower-right graph shows the market size we believe we can address based on our own data analysis.
We expect this market to continue expanding beyond FY2026 through 2030.

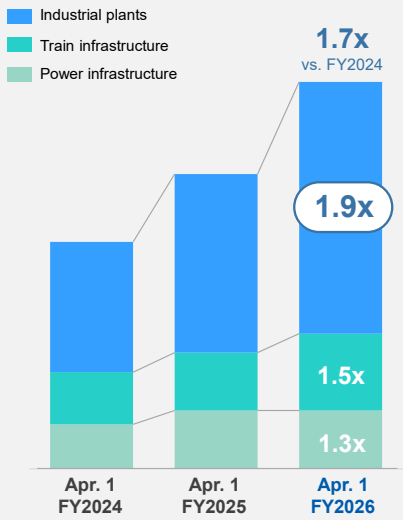
We have three major strengths in this market.
First is our advanced proprietary technology for high-speed control of battery storage PCS systems.
Second is our partnership strategy, under which we work closely with major partner companies to drive market expansion.
Third is our comprehensive solutions, shown on the right side of the slide, which offering an entire system as a complete package.
We provide an integrated solution that covers substation equipment, circuit breakers, PCS systems, batteries, and controllers, together with installation and construction services.
By offering this one-stop package, we can significantly reduce the procurement and management burden on customers.

Priority Measures—Energy Management (substation systems)

Fuji Electric
Innovating Energy Technology

Order backlog for substation systems up 1.7 times from FY2024 due to strong performance in industrial plants

Order Backlog for Substation Systems



Factors Behind Growth of Substation System Order Backlog

1. Increased investment stimulated by revenue cap system

Systematic capital investment by power companies

Opportunity: Demand for upgrades to newer and higher efficiency systems

2. Acceleration of electrification trend amid push for decarbonization (GX)

Large rise in substation capacity in conjunction with electrification of factories

Opportunity: Upgrades to large capacity equipment

3. Growing investment amid efforts to return semiconductor industry to Japan

Rapid drive to construct new semiconductor plants requiring massive amounts of electricity

Opportunity: Large-scale batch orders for ultrahigh voltage substation equipment

Next, I will explain trends in the Substation Systems business.
As mentioned earlier, order backlogs have reached very high levels across all business fields.
In particular, the power infrastructure, railway infrastructure, and industrial plant sectors are strong.
In the power infrastructure field, electric power companies are making planned investments following the introduction of the revenue cap system.
We have been able to increase our order backlog by capturing this demand.

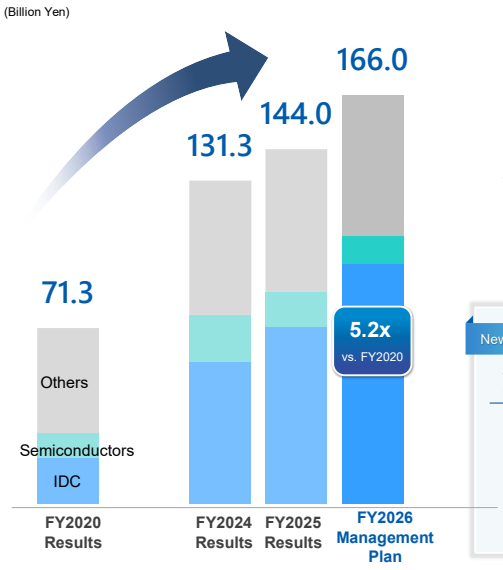
In the industrial plant sector, we have successfully secured factory electrification projects, as mentioned earlier.
In addition, by responding to robust semiconductor-related investment in Japan, we have succeeded in winning integrated orders that include ultrahigh voltage substation equipment.
These cumulative efforts have become a major driver of growth for this business.

Priority Measures—Power Supply and Facility Systems

Fuji Electric
Innovating Energy Technology

- **Ongoing sales growth centered on IDC and semiconductor factories**
- **Enhancement of competitiveness through development of IDC products, adoption of new technologies, and expansion of production capacity**

Net Sales of Power Supply and Facility Systems



Priority Measures

Reinforcement of competitiveness in IDC field through comprehensive system proposals

- **Value-added skid system and container powertrain unit proposals**
- Air-conditioning construction and other water cooling-related products that contribute to increased power use efficiency
- **Development of next-generation ultracompact UPSs**

Augmentation of production capacity to accommodate rising sales volumes

- **Reinforcement of production systems and heightening of production capacity for large-scale UPSs**
- **Start of operations at the new Malaysia factory for data center electrical panels**

New Products **Acceleration of new product and technology development**

Skid systems and container powertrain units

40% reduction in construction periods

Large-capacity ejector cooling systems

Launch in June 2026

Up to 85% reduction in energy consumption through server cooling using exhaust heat

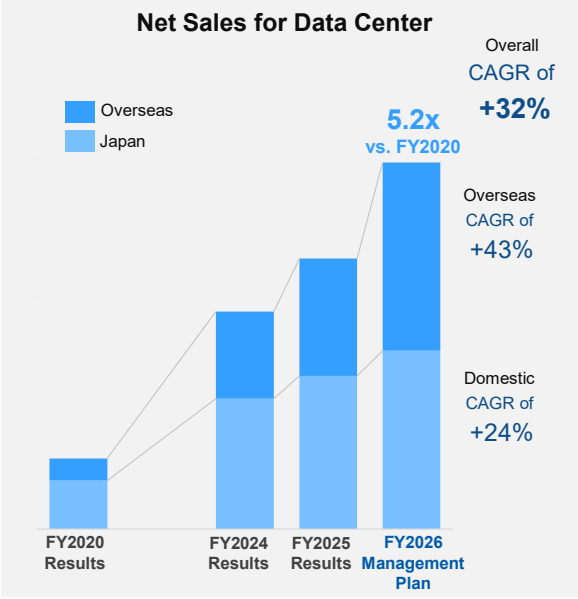
Next, we will look at our initiatives for data centers within Power Supply and Facility Systems.
With the rapid spread of generative AI and cloud computing, capital investment in data centers is booming globally.
Our business in this field has also expanded rapidly, growing to 5.2 times its FY2020 scale.
Our strengths in this highly active market lie not only in our ability to provide one-stop system proposals encompassing substation equipment through power supply systems, but also in our high-value-added solutions.
These include skid systems that help customers shorten construction schedules and accelerate facility start-up, as well as containerized solutions that save space on installation.

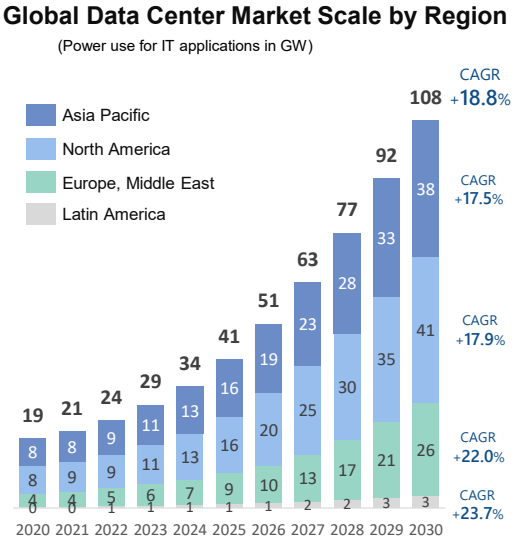
We are promoting three main initiatives to support further growth.
First is the introduction of large-capacity ejector cooling systems.
We will strengthen proposals for these air-conditioning solutions, which contribute significantly to PUE, a key challenge for data centers, through energy efficiency.
Second is the development of next-generation ultra-compact UPS systems.
Third is enhancing the manufacturing structure to meet rapidly increasing demand.
As well as expanding large-capacity UPS production equipment at our domestic plants, we have also established and launched a dedicated factory in Malaysia for data-center electrical panels, significantly increasing our supply capacity.

Priority Measures—Power Supply and Facility Systems

Fuji Electric
Innovating Energy Technology

Sales growth rates surpassing data center market growth rates





Source: *Global Data Centre Colocation & Interconnection Report 2025*, Structure Research Ltd., 2025

Next is sales trends for the data center business. The business has expanded to 5.2 times its FY2020 level, but overseas market growth this fiscal year should outpace the domestic market.
The chart on the right is our global data center market forecast.
As we continue to win projects, our growth rate is outpacing overall market growth.

Priority Measures—Power Supply and Facility Systems

Fuji Electric
Innovating Energy Technology

Bolstering of production bases in Southeast Asia and Oceania in conjunction with growth in overseas sales of IDC products

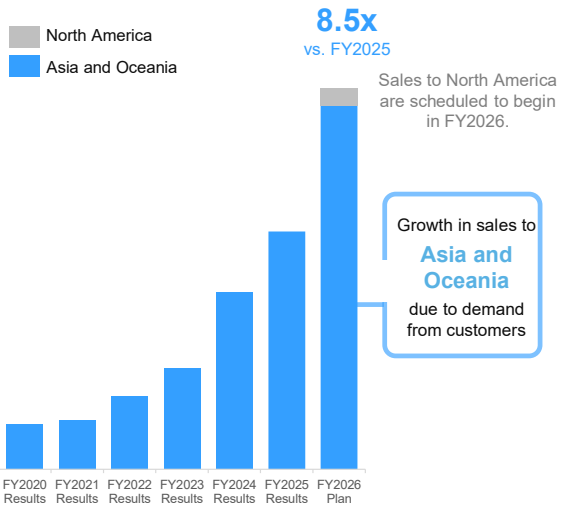
Fuji SMBE

- **Augmentation of IDC electrical panels production capacity**
  - Expansion of sales of data center products
  - Expansion of production bases in Australia
  - Commencement of operations at new factory in Malaysia

Projected Production Capacity in FY2027
2.5x
vs. FY 2024

Malaysian Production Base
Increase of approx. 34k m²
4.7x ⬆

Net Sales of Power Supply and Facility Systems for Overseas Data Centers



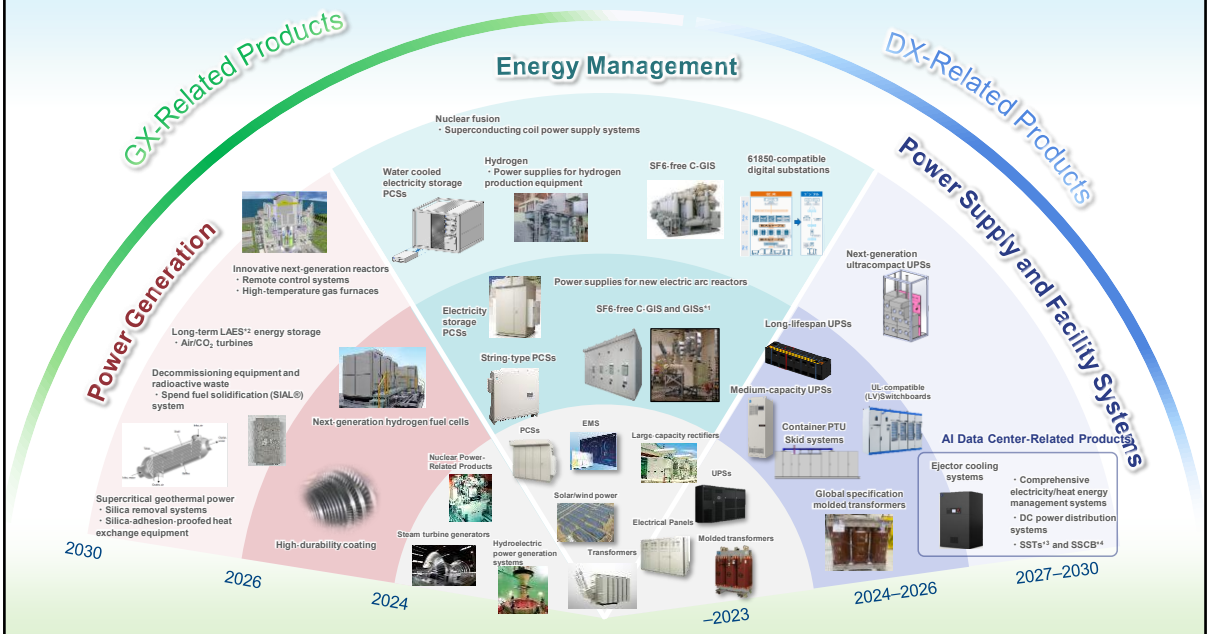
Next, we look at the expansion of our manufacturing structure in Asia and Oceania to support growth in the overseas data center market.
We are investing heavily to sharply increase production capacity for data center electrical panels.
Specifically, in Australia, we have expanded adjacent facilities at our existing factory.
In Malaysia, we have acquired four additional buildings near our current plant and are proceeding with the launch of a dedicated factory for data center electrical panels.
Through these investments, we plan to increase production capacity to approximately 2.5 times the FY2024 level by FY2027.

The graph on the right shows sales trends for this business.
The business has already expanded to 8.5 times its scale in FY2020, and we are planning another significant expansion in FY2026 even versus FY20205 figures.
Regarding expansion into North America, which we have discussed previously, we will continue with small-scale measures targeting shipments within this year.
However, customers have asked that we prioritize Asia and Oceania over North America, so we are currently allocating production capacity primarily to the Asia-Oceania region.

Priority Measures—Product Development Targeting Ongoing Growth

Fuji Electric
Innovating Energy Technology

Ongoing efforts to swiftly develop competitive products and bolster new product lineups

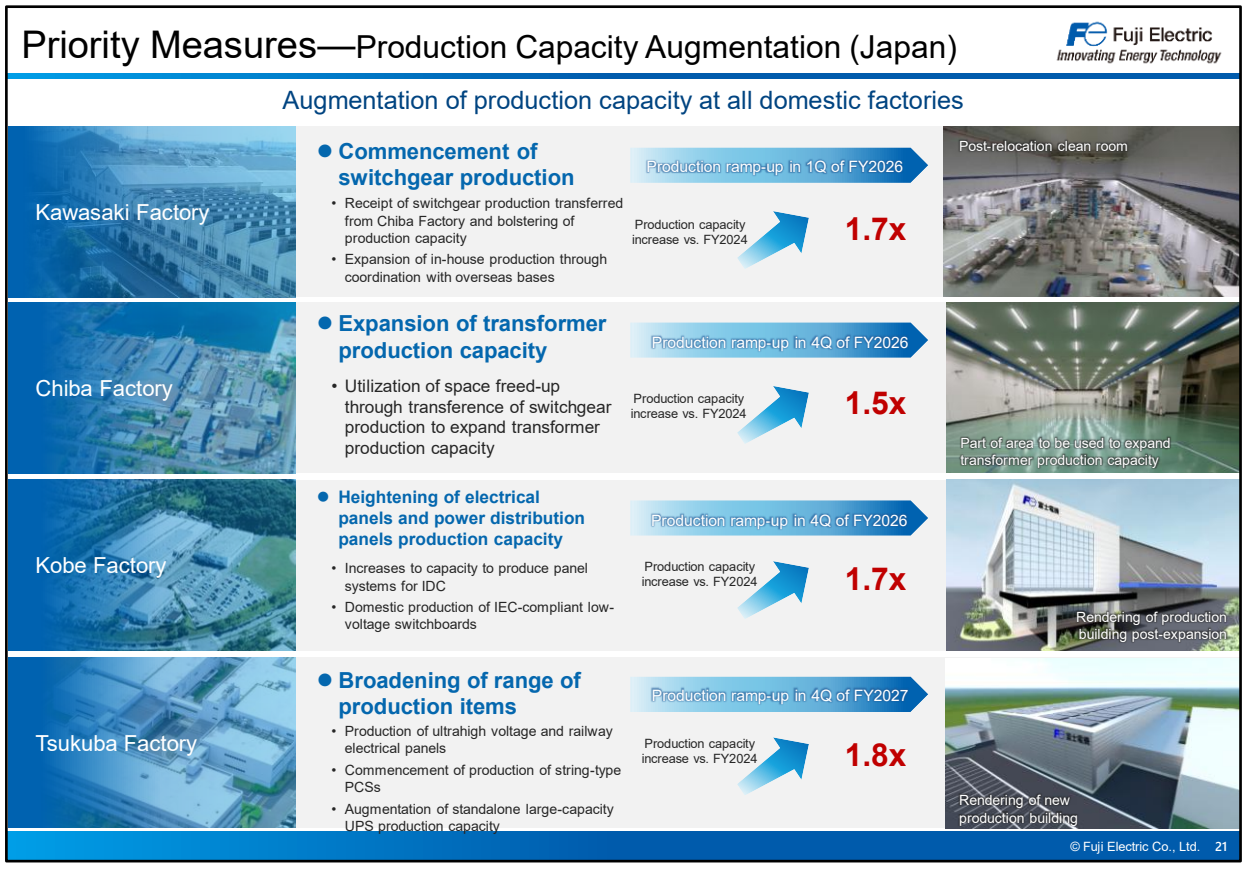


*1 GIS: Gas-insulated switchgears *2 LAES: Liquid air energy storage *3 SST: Solid state transformers *4 SSCB: Solid state circuit breakers

Next, this is our product strategy for achieving sustained growth.
This slide shows our roadmap for FY2023 and FY2024 through FY2026 and beyond FY2027.
We will continue developing GX- and DX-related products and expand our business by bringing competitive products to market in a timely manner.
In the Power Generation business, we will continue strengthening product development and competitiveness in areas such as geothermal power generation, energy storage, and, over the longer term, nuclear-related fields.
In Energy Management, as shown on the center of the slide, we have expanded our lineup to include string PCS systems for solar power, compact PCS systems, and PCS systems for storage battery applications.
We are currently developing and promoting water-cooled models in order to support even larger-capacity systems.

Next, we turn to the Substation systems area shown on the right.
In response to the global decarbonization trend, we are developing environmentally friendly SF6-free circuit breakers.
The products shown here are scheduled for launch around FY2026, and we plan to expand the lineup to include even larger-capacity models in order to meet market needs.
To the right of that are our initiatives in the Power Supply and Facility Systems business.
We are strengthening our offerings mainly for data centers, including products such as the containerized PTU and skid systems mentioned earlier.
In addition, major customers in the semiconductor industry have told us that they would like longer service life for UPS systems, as more operating units means heavier maintenance workloads.
In response to these needs, we have developed a long-life UPS system.
We aim to expand our share further through targeted proposals aligned with customers' equipment replacement cycles.

In addition, for the U.S. market, we have nearly completed development of low-voltage switchboards compliant with UL standards and will begin taking orders from June.
We will also actively expand sales of our global-spec molded transformers for data centers both in Japan and overseas.
As mentioned earlier, one of our AI data center products is the ejector cooling system.
We are working closely with customers to determine how best to propose this as a system solution and are moving toward market deployment.
We are also considering deployment of the equipment on the lower right of the slide.
In the data center business, we intend to continue developing products that meet increasingly demanding customer requirements, while maintaining our competitive advantages and further expanding the business.



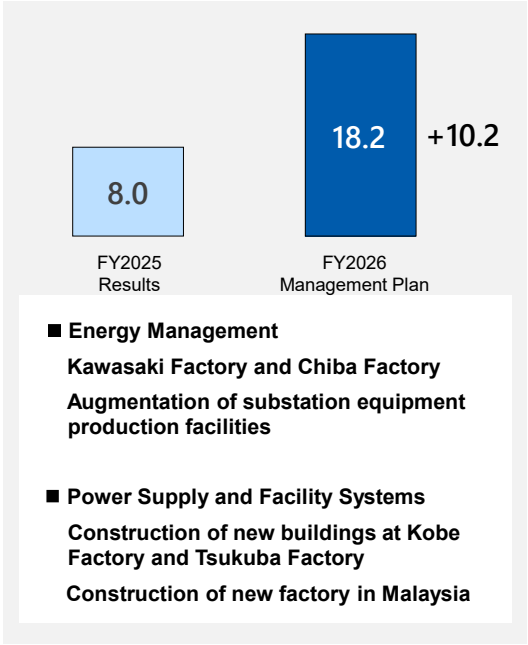
We now examine moves to keep manufacturing capacity in line with demands.
First, at the Kawasaki Factory, we have transferred switchgear production from the Chiba Factory.
This May, a new clean-room production area was completed, and manufacturing and refurbishment operations are already underway.
As a result, we expect capacity to expand to approximately 1.7 times the previous level.
Meanwhile, at the Chiba Factory, the production line transfer opened up additional production space as shown in the photo on the right.
By utilizing this space, we plan to establish a system capable of increasing production of large and medium-sized transformers within this fiscal year.

Next is the Kobe Factory.
A new building is scheduled for completion around this October.
Equipment will then be installed in stages, and we are currently moving forward with development and preparation for production to begin in January 2027.
At the Tsukuba Factory, we will strengthen production capacity through new building construction.
Demand for the large-capacity UPS systems currently manufactured at the Kobe Factory remains extremely strong.
Going forward, we plan to consolidate production of standalone UPS-related products at the Tsukuba Factory to secure reliable overall production capacity.

Capital Investment / Research and Development

Fuji Electric
Innovating Energy Technology

Capital Investment (Billion Yen)



■ **Energy Management**

Kawasaki Factory and Chiba Factory

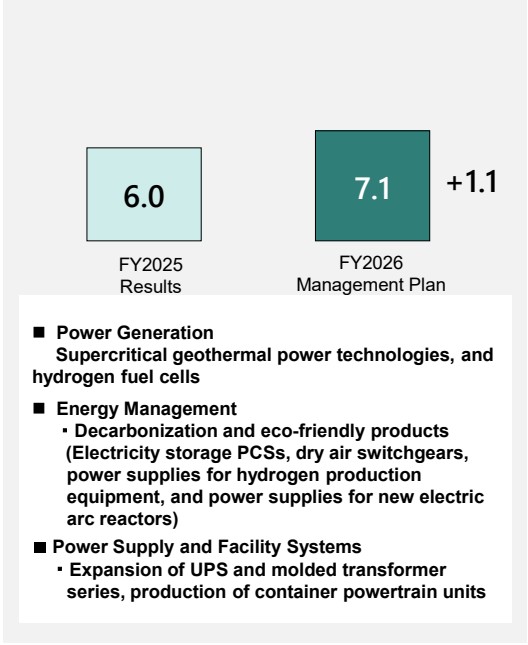
Augmentation of substation equipment production facilities

■ **Power Supply and Facility Systems**

Construction of new buildings at Kobe Factory and Tsukuba Factory

Construction of new factory in Malaysia

Research and Development (Billion Yen)



■ **Power Generation**
Supercritical geothermal power technologies, and hydrogen fuel cells

■ **Energy Management**
- **Decarbonization and eco-friendly products (Electricity storage PCSs, dry air switchgears, power supplies for hydrogen production equipment, and power supplies for new electric arc reactors)**

■ **Power Supply and Facility Systems**
- **Expansion of UPS and molded transformer series, production of container powertrain units**

Note: The R&D expenditure figures above represent expenditures that have been allocated to segments based on theme and may therefore differ from figures contained in consolidated financial reports.

Lastly, we will explain our approach to R&D and capital investment.
As mentioned earlier, we are focusing on expanding production capacity, and this year we are planning capital expenditures of around 18.2 billion yen.
We are also increasing R&D investment by around 1.1 billion yen this year.
Our focus is to continue developing products that contribute to GX and DX and to ensure these products are successfully adopted by customers.
That concludes the presentation.
Thank you very much for your attention.

1. Statements made in this documents or in the presentation to which they pertain regarding estimates or projections are forward-looking statements based on the company's judgments and assumptions in light of information currently available. Actual results may differ materially from those projected as a result of uncertainties inherent in such judgments and assumptions, as well as changes in business operations or other internal or external conditions. Accordingly, the company gives no guarantee regarding the reliability of any information contained in these forward-looking statements.

2. These documents are for information purpose only, and do not constitute an inducement by the company to make investments.

3. Unauthorized reproduction of these documents, in part or in whole, is prohibited.

Fuji Electric
Innovating Energy Technology