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Innovating Energy Technology

Industry Business Strategies for FY2026

Industry Business Group

May 27, 2026

I am Hiroshi Tetsutani from the Industry Business Group.
I will explain our business strategies for fiscal year 2026.

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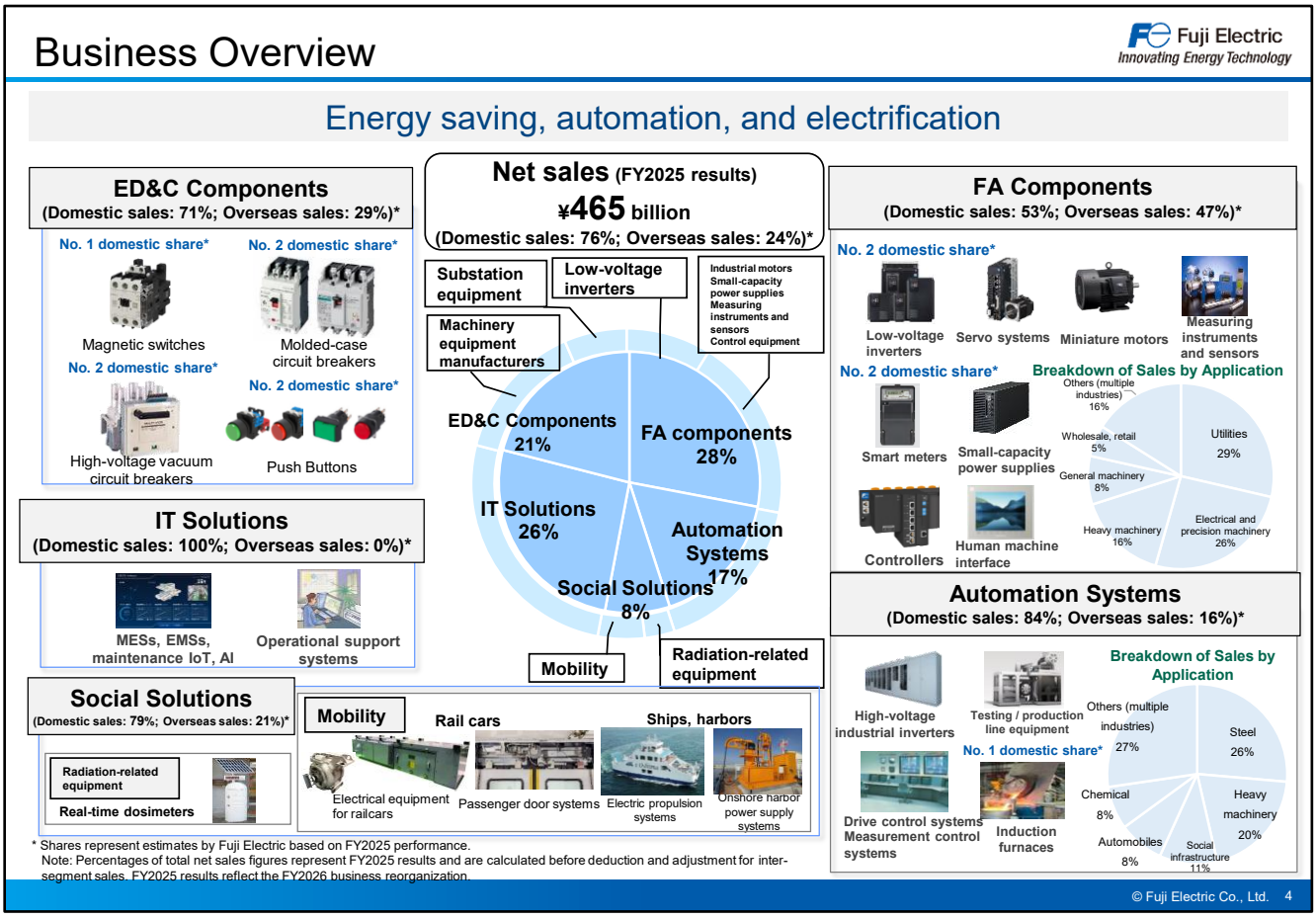
I will follow this agenda today.

1 Business Overview



First, the overview of our business. This page shows main products of each subsegment, sales breakdown, and customers based on FY2025 results.
First, FA Components in the upper right is our components business, including low-voltage inverters, industrial motors, and smart meters. One of our main products, low-voltage inverters were among the first to be equipped with our in-house power semiconductors, and its product platformization is improving development and production efficiency and strengthening our global competitiveness.

ED&C Components shown in the upper left is also our components business, and its main products are magnetic switches and various circuit breakers with a high market share in Japan. These two components businesses account for about half of our business group sales, and we aim to further expand our business scale and strengthen the profit structure by enhancing synergies between them.

Next, Automation systems in the lower right offers drive control systems, measurement control systems, and induction furnaces for process automation in industries such as steel and chemicals. It also provides system solutions for such as testing and production line equipment in electrical and electronics, and automotive industries. Furthermore, through new products that contribute to our global initiatives and green transformation, or GX, we will advance energy saving, automation, and electrification.

Social Solutions in the lower left consists of Mobility and Radiation-related equipment businesses. The Mobility business is responsible for electrical equipment and door systems for railcars, and electric propulsion systems for ships, and the Radiation-related equipment business contributes to public safety and security through monitoring posts and personal dosimeters, as the largest provider in Japan.

Finally, IT Solutions provides value to customers in the form of energy and labor saving measures through digital solutions for the manufacturing industry and operational support systems for offices.

2 Review of FY2025

Review of FY2025

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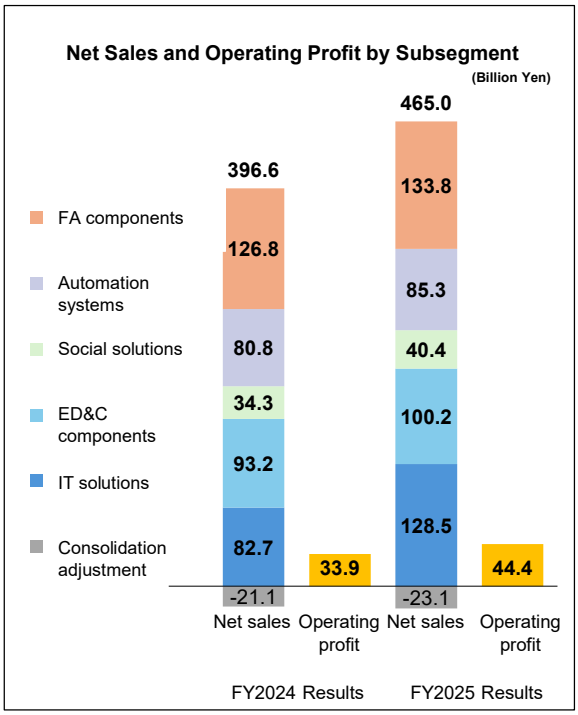

Successes

- **Higher sales and profit in all subsegments**
- **Strengthening of constitution of FA and ED&C components businesses**
- **Establishment of foundations for expanding operations in India (acquisition of billions of yen worth of smart meter orders)**
- **Ensured execution of large-scale academic sector of IT solutions.**

Challenges

- **Allocation of management resources to growth fields**
- **Expansion of green transformation (GX) and overseas business with new products**
- **Further strengthening of the profitability structures.**

Note: FY2025 results reflect the FY2026 business reorganization. FY2024 results are reference figures calculated based on a simplified calculation.

Next is the review of FY 2025.
In FY 2025, we achieved higher net sales and operating profit in all subsegments, we recorded net sales of 465 billion yen and operating profit of 44.4 billion yen.
As achievements, we realized stronger constitution of FA Components and ED&C components businesses. In our overseas operations, we launched the smart meter business in India, which was explained here last fiscal year, and secured orders worth billions of yen.
In IT solutions, we successfully executed a large-scale project for the Second GIGA School program in the academic sector.

On the other hand, three challenges are listed in the lower right.
They are allocation of management resources to growth fields such as data centers and semiconductors, expansion of GX and overseas businesses with new products, and further strengthening of the profitability structures of our entire operation.
We will address these issues thoroughly as priority measures in our FY2026 Management Plan.

3 Management Plan for FY2026

Next, I will explain the Management Plan for FY2026.

Market Trends

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	Subsegment		Market Trends (FY2026)		
			Market	Outlook	FY2025 to FY2026
Components	FA components		Japan	3% growth YoY. While semiconductor growth is expected to drive a gradual recovery in machine tools and metal processing, other major industries will remain flat.	→
			Overseas	Flat growth overall. China declined 4% YoY due to sluggish domestic demand and lower exports amid deteriorating U.S.-China relations. Conversely, the U.S. remained strong, driven by data centers, while Asia and India are growing at 5% YoY.	→
	ED&C components		Japan	Market growth of 6% YoY in finished machinery market driven by semiconductor production equipment and machine tools. Flat growth in substation equipment market.	→
			Overseas	Slight decrease of Chinese market amid ongoing declines in demand in industries affected by slumping construction (elevators). In overseas markets overall, minor growth anticipated due to recovery of semiconductor-related markets of United States, South Korea, and Southeast Asia.	→
Plants and systems	Automation systems		Japan	While some steel investment is shifting overseas, GX investment centered on energy saving and decarbonization, along with replacement demand for aging facilities, continues to grow in the steel, nonferrous metals, and chemical sectors.	→
			Overseas	Brisk investment in India; meanwhile, Chinese manufacturers are shifting focus to overseas markets due to the domestic slowdown in harbor cranes sector.	→
	Social solutions	Rail cars	Japan	Increasing demand for equipment upgrades, digitalization, and predictive maintenance, despite flat investment in new railcars.	→
			Overseas	Upward trend in investment for upgrades to railcars used in major city subways in United States; continuous development of new railways largely taking advantage of official development assistance programs in India and Southeast Asia	→
		Radiation Related equipment	Japan	Proactive movements to restart, decommission, and build nuclear power facilities stimulated by rising electricity demand and Japan's basic plan to fully utilize nuclear power	→
	IT solutions		Japan	Continuation of solid trends in digital transformation (DX) investment in private and public sectors. While in academic sector, nationwide preparation of 2nd GIGA program completed in second half of FY2025 with demand expected to center on operation management and maintenance for foreseeable future.	→

First, let me explain the market trends.
In Components Businesses, we anticipate growth in both FA Components and ED&C components mainly for semiconductor production equipment and machine tools in the domestic market.
Overseas, while the U.S. data center market, and semiconductor-related markets, including those in Asia, remain robust, we expect the overall market to remain flat due to factors such as sluggish domestic demand in China.

Next is Automation systems, while some steel investment is shifting overseas, we expect continued growth driven by GX investment and replacement demand for aging facilities.

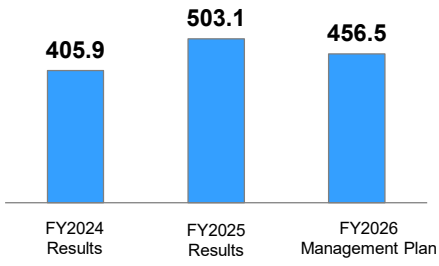
In Social Solutions, demand for railway equipment upgrades and digitalization is increasing, and the Radiation related equipment business is expected to continue growing due to the restart of nuclear power facilities and demand for decommissioning and building new nuclear power facilities.

In IT Solutions, DX investment in the private and public sectors will continue to remain robust. On the other hand, in the academic sector, the deployment of devices for the Second GIGA school program has almost completed, therefore in FY 2026, we will focus on expanding the demand for operation management and maintenance, which is the secondary business in this program.

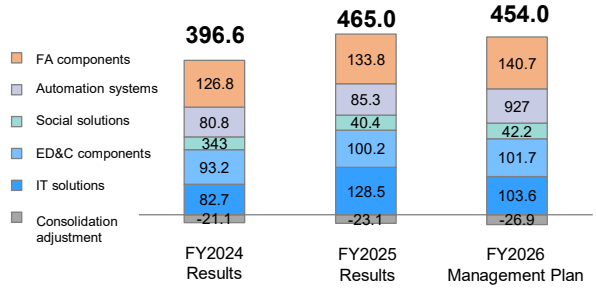
Business Policies / Business Plan

Business Policies: Further enhancement of profitability structures in component businesses
Creation of competitive components to expand business in growth fields
Expansion of GX and overseas business in plant and systems

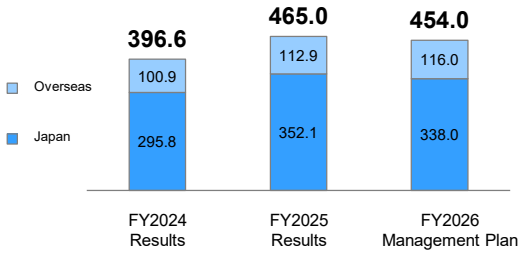
Orders by Segment (Billion Yen)



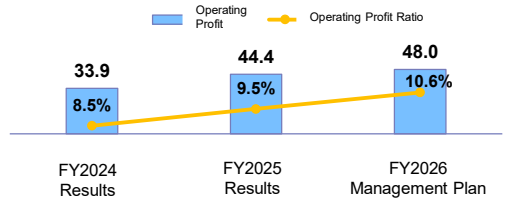
Net Sales by Subsegment (Billion Yen)



Net Sales in Japan / Overseas (Billion Yen)



Operating Profit / Operating Profit Ratio (Billion Yen)



Note: FY2025 results reflect the FY2026 business reorganization. FY2024 results are reference figures calculated based on a simplified calculation.

Next is about our business policies and plans for FY 2026.
As our business policy, first, we enhance profitability structures further in our core business, Components businesses, then create competitive components to expand business in growth fields, and expand GX and overseas businesses in Plant and Systems.

In our business plan, we project sales of 454 billion yen for FY 2026. Although it indicates a decrease compared to the previous fiscal year, this is due to the reduction in large-scale Second GIGA school programs in the academic sector in IT solutions and all other subsegments have plans with sales increase.

We project overseas sales of 116 billion yen, and plan to increase the overseas ratio from 24% in FY 2025 to 26% in FY 2026 with a focus on India and Asia.

Finally, we plan to achieve operating profit of 48 billion yen and operating profit ratio of 10.6%. We will ensure steady implementation of priority measures and firmly establish a highly profitable structure with a profit margin of 10% or more for the Industry Business Group.

Priority Measures

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General	● Operational transformation for a stronger business foundation
FA components	● Focus on growth fields (internet data centers (IDC), semiconductors) ● Expansion of overseas businesses ・Growth of businesses in India (smart meters) ・Introduction and enhancement of global products
ED&C components	●Introduction of new products and advancement of sales measures (IDC, semiconductors)
Automation systems	● Establishment of heat and cooling solutions business (IDC) ● Enhancement of responsiveness toward electrification demand ● Development and lineup expansion of global product ● Strengthening the security of monitoring control system
Social solutions	Mobility: ●Launch of new power electronics products for automotive Radiation-related equipment:●Launch of new products for overseas markets
IT solutions	● Strengthening of DX solutions businesses targeting private and government sectors ● Focus on operation and maintenance businesses associated with 2nd GIGA program in academic sector

Next page is about the priority measures for FY 2026.
First, as a general measure, we will drive operational transformation for a stronger business foundation both in the Components and Plant and Systems. Furthermore, in FA Components, we will focus on growth fields of internet data centers or IDCs and semiconductors, while also aiming to further expansion of overseas businesses through the growth of smart meters in India and the global product lineup.

In Automation systems, we will firmly establish the heat and cooling solutions business, and also expand our product lineup for electrification demand and global products, and strengthen the responsiveness to security needs in the OT field.

In Social Solutions, we will launch new power electronics products for automotive and new radiation-related equipment for overseas markets, and in IT Solutions, we will focus on DX solutions and operation and maintenance businesses of Second GIGA school programs.

We will continue to grow our business across the Industry Business Group in FY 2026.

Operational transformation for a stronger business foundation

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Sales

Development

Acceleration of management speed and creation of customer value

Business Divisions

Priority measures

- Acceleration of sales promotion measures targeting growth fields (IDC, semiconductors)
- Expansion of smart meter business in India
- Implementation of appropriate pricing

Growth of earnings through increased sales volumes and gross profit

Priority measures

- Development of new products for growth fields
- Bolstering of lineups of new global and GX products
- Expansion of range of platform utilizing models

Generating profit growth through increased sales of new products

Manufacturing

Suzuka Factory

Start of production of automotive power electronics products

Priority measures

- Development of mass production systems for new products
- Consolidating models into the most cost-competitive production sites
- Expanding investments in insourcing and operational streamlining

Reduction of costs through manufacturing transformation

Tokyo Factory

Start of production of heat pumps and ejectors

Expansion of measuring instrument production equipment and in-house production

Creating customer value while strengthening our business foundation through profit-driven, agile decision-making.

From this page, I will provide a brief supplementary explanation of our measures.
First is about the general measure, “Operational transformation for a stronger business foundation.”

For both Components and Plant and Systems, we will continue to implement profit-driven and agile decision making by integrating sales, manufacturing, and development.
In sales, we aim to increase earnings through increased sales volume and appropriate price revisions that reflect the value we provide.
In manufacturing, we will drive cost reductions by consolidating product models into the most cost-competitive production sites, and by steadily implementing investments in in-house production and operational streamlining. Also, starting in FY 2026, we will establish robust mass production systems for automotive power electronics products at the Suzuka Factory, and for heat and cooling products such as heat pumps and ejector cooling systems at the Tokyo Factory.
Furthermore, in Development, we will make R&D investment more efficient and generate profit growth through increased sales of new products and expansion of range of models which utilize platforms.
Through these operational reforms, we will establish a system that can create customer value and further strengthen our business foundation.

IDC Field

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Contributions to energy efficiency improvement and stable equipment operation through launches of new air-condition (liquid cooling systems) and power supply products

250 kW Ejector Cooling System

Auto-mation

■ Applications
Liquid cooling for AI servers

■ Advantages
Energy conservation (up to 85% reduction)
Reliable equipment operation
Optimization of total operating costs

■ Launch: June 2026

Harmonic-mitigation inverter

FA

■ Applications
Drive and control of cooling equipment

■ Advantages
Improving power usage efficiency
Complying with harmonic standards
Reducing equipment footprint

■ Launch：1H of FY2028 (tentative)

New ultrasonic flowmeter

FA

■ Applications
Flow measurement between CDUs* and server racks

■ Advantages
Measuring specialized refrigerants
High precision

■Launch：June 2026

*CDU: Coolant Distribution Unit

Major Strategies

■ Acceleration of design-in activities for new products targeting cooling equipment manufacturers worldwide (chillers, cooling water pumps, coolant distribution units)

■ Proposing complete system solutions for coolant distribution unit manufacturers
(Inverters, flowmeters, motors, control equipment, ED&C components)

■ Proposal of solutions integrating electrical machinery, heat & cooling, and DX

Next, I will explain our initiatives in the IDC field.
This overlaps a little with the presentation of the Energy Business Group, but in response to the growing adoption of liquid cooling systems with the proliferation of AI servers, we will sequentially launch new products to contribute to improvement of energy efficiency and stable equipment operation.

As announced in today's press release, in June 2026, Automation systems will launch the world's first "ejector cooling system" for liquid cooling for AI servers, as a first item of our heat and cooling products. By utilizing waste heat from servers as a power source and employing a proprietary compression method that does not use a compressor, we achieve energy savings of up to 85%. Additionally, this realizes the use of smaller cooling towers compared to conventional systems, leading to total cost optimization.

In FA Components, we are currently developing an "inverter capable of suppressing harmonics," which is also seeing growing demand in data center. It is planned to be launched in the first half of FY 2028. With increasing AI data centers, harmonics generated by high-capacity power units for GPUs and inverters for cooling equipment have become a challenge. We will provide products that comply with harmonic standards and offer space-saving solutions.
In addition, we will launch a new flow meter in June 2026 that enables the measurement with high accuracy of specialized refrigerants used for GPU cooling.

We will accelerate design-in activities for these new products targeting chillers and coolant distribution unit manufacturers worldwide, and propose complete system solutions for them.
Furthermore, we consider adding components products for air conditioning system into the complete system solution proposals, which is one of our strengths, offered by the Energy Business Group.
We will establish a system where the Industry Business Group handles engineering for standard factories, and the Energy Business Group provides engineering for data centers.
With this system, we intend to increase sales of component products for data centers at an annual growth rate of about 58% from FY 2026 through FY 2030.

Semiconductor Field

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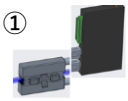
Contribution to energy saving, footprint reduction, and stable operation through new product and bundle proposals for end users and equipment manufacturers

Flowmeters — FA

① 

■ Applications
①Semiconductor production equipment
②Ancillary equipment
③Pure water production equipment

② 

■ Advantages
Energy conservation, reliable equipment operation
(Lineup capable of accommodating diverse installation methods and precision needs)

③ 

■ Flowmeter for semiconductor production equipment
Launch: 1H of FY2028 (tentative)

Power Supply Equipment — FA

① 

■ Applications
Semiconductor production equipment
Air-conditioning equipment

■ Advantages
Control during power outages
Protection of equipment power supplies
Improvement of electricity quality
(detection of sudden voltage stops and harmonics)

② 

Magnetic Switches, Circuit Breakers — ED&C

■ Applications
Semiconductor production equipment
Control panels

■ Advantages
Energy conservation
Space saving

[Application Example: Etching Device]
- Magnetic switch: SC-NEXT
- Circuit Breaker: G-TWIN Λ
- Energy consumption: Down 51.5W
- Panel size: 22% lower

Major Strategies

■ Accelerating new product design-in and proposal activities for major domestic semiconductor production equipment manufacturers

■ Expansion of sales through registration as vendor for overseas semiconductor manufacturers (end users)

Next is the Semiconductor field.
In addition to applications for ancillary equipment in semiconductor manufacturing and pure water production systems, FA Components will develop new flow meters for semiconductor production equipment. We will offer an optimal lineup of flow meters for each type of equipment, contributing to energy savings and stable equipment operation. We have already received many inquiries about power supply equipment that contributes to protecting power supply for controlling during power outages and stability of power quality, thereby supporting the stable operation of equipment.

The ED&C components will offer new magnetic switches and circuit breakers for control gears in semiconductor production equipment, contributing to energy and space savings.

We will further accelerate design-in and proposal activities of these products for major domestic semiconductor production equipment manufacturers. In addition, for semiconductor factories, our end users, we will promote vendor registration, including for low-voltage inverters, and aim to grow sales in the semiconductor field at an annual rate of 12% from FY 2026 through FY 2030. In this field, again, the Energy Business Group has already secured a solid customer base, and our strategy is to incorporate low-voltage inverters into that existing effort to drive sales.

Mobility Field

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Contributions to decarbonization through automotive inverters utilizing Fuji Electric IGBT module technologies and products

Automotive Inverters

Social Solu-tions

■ Market Trends
Accelerating development of electrified vehicles in response to Japan's upcoming 2030 Corporate Average Fuel Economy (CAFE) standards (average fuel target of 25.4km/L, 32.4% improvement from FY2016)
→ Development of low-profile, lightweight, high-power-density inverters compatible with size of compact vehicles sold in large numbers in Japan

Synergies between power semiconductors and power electronics	Developing scalable, compact, and low-cost modules by utilizing Fuji Electric's market-proven automotive IGBT technology
	Development of compact, low-cost inverters based on Fuji Electric's IGBT model technologies and products as well as motor control technologies with strong track record in other mobility field

Applications and Advantages

■ Applications
Compact HV and EV

■ Advantages
Contributions to decarbonized society through IGBT modules and inverters for HV and EV

Next is the Mobility Field.
In the automotive industry, development of electrified vehicles is steadily progressing in preparation for the 2030 Corporate Average Fuel Economy standards for passenger cars. In particular, for compact cars, which account for a large share of domestic sales, there is a demand for inverters that are low-profile, lightweight, and high-power-density to be installed in limited spaces.

We will develop new, scalable, compact, and low-cost modules based on our market-proven IGBT modules for automotive applications. By maximizing the synergy between our power semiconductor technology and motor control technology, we will launch compact, low-cost automotive inverters into the market.
By supplying them with hybrid and electric vehicles, we will contribute to reducing CO2 emissions in society.
We plan to grow this business at an annual growth rate of 102% over the next five years from the first fiscal year of the initiative.

Automation System

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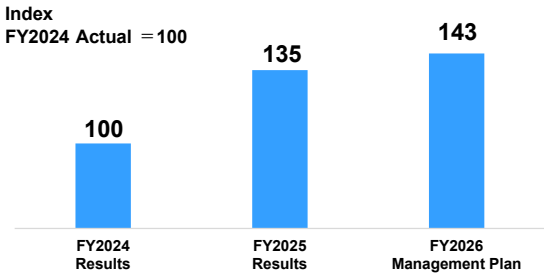
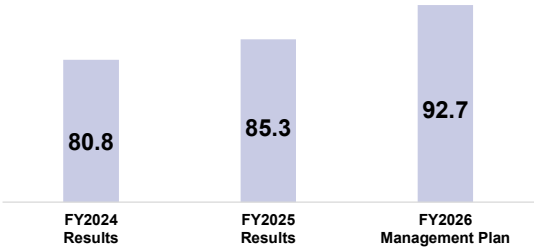
Contributing to stable facility operations and decarbonization/energy savings through the steady execution of a strong order backlog and global/GX products.

Order backlog (as of April 2026)



Net Sales（billion yen）



Next-Gen Medium Voltage Inverter

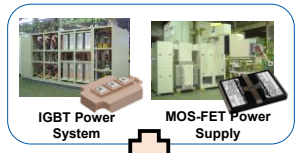
FRENIC4600FM7

■Applications:
Compressors, Conveyors, and more

■Value:
Stable equipment operation, energy savings, space-saving design

■Release：Launched in April 2026
(Further lineup in coming up)

Induction Heating System



■Application:
Heat Treatment Processes for Steel, Non-Ferrous Metals, and Chemicals

■Strengths:
High-frequency power supplies (utilizing in-house power semi)
Induction heating and simulation tech.

■Value Proposition:
CO_2 reduction through electrification (heat source conversion)
Improved energy efficiency
Enhanced maintainability

Next is Automation systems.
Same as the Energy Business Group, the order backlog at the beginning of FY 2026 is shown on this page. It has increased by 1.4 times compared to FY 2024, and we will focus on steadily fulfilling this strong order backlog as we continue to strive to grow our business this fiscal year. We will also introduce global products and GX products.
For example, the next-generation medium-voltage inverter was launched this April, and we will sequentially expand its product lineup going forward. We will provide stable equipment operation, energy savings, and space-saving solutions for equipment such as compressors and conveyors.

Furthermore, in the field of “electrification,” induction heating systems integrate our in-house power semiconductors, induction heating and simulation technologies to promote heat source conversion in heat treatment processes of steel, non-ferrous metals, and chemicals, contributing to CO2 reduction and improved energy efficiency.

Development Schedule (Product Strategies)

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Improvement of development efficiency, swift introduction of new products, and expansion of range of platform-utilizing models

	Major Development Themes	Market	FY2024	FY2025	FY2026	FY2027	FY2028
Factory Automation Components	**Low-voltage inverters** ・Platform development ・All-in-one and new products for elevators ・Harmonic-mitigation inverter **Servos** ・Global servo systems **Next-generation electricity measuring instruments** ・Power quality measurement / dual power measurement Measuring instruments ・Compact ultrasonic flowmeters (S-Flow) ・Ultra-compact ultrasonic flowmeters	Japan Europe North America China Asia China (Asia) Japan South Korea Taiwan North America Japan Asia and Europe	Deployment of products for 7th platform Elevator-use inverters	All-in-one elevator solutions Alpha7E (expansion of series and functions) Platforms CFP-compatible instruments Expanded caliber range	8th platform development New products for elevators Products for IDC and cooling equipment Expansion of series and functions Expansion wireless capabilities and features Products for semiconductor production equipment	Deployment of products for 8th platform
Automation Systems	**Systems** ・Bolstering of industrial inverter functions ・GS unit type ・Large-capacity water-cooled inverters ・Global Medium-voltage inverters ・Medium-sized industrial motor model updates and lineup expansion **Plant control systems** ・Global control systems **Industrial electric heating** ・Induction heating systems **Heat & cooling products**	Japan China Asia	Large-capacity water-cooled inverters Global Medium-voltage inverters Medium-sized industrial motor model updates Next-generation systems, integration of DCS and PLC platforms Control system security capabilities Existing model upgrade, next-generation high-frequency power supply, and induction heating unit development	Expansion of industrial inverter series GS unit type Expansion of series Medium-sized industrial motor lineup expansion Coordination with higher-level systems Heat pumps, ejector cooling systems		
Mobility	**Electrical mobility equipment and systems** ・Electrical equipment for shinkansen trains ・Next-generation door platforms and condition-based management systems (CBM) ・Automotive power electronics ・Electric propulsion, shaft generators	Japan North America Asia India	Smaller, lighter, and all-SiC electrical equipment for shinkansen trains Standardized door development and lineup expansion Automotive power electronics Electric propulsion, shaft generators				
Radiation Related equipment	**Radiation exposure management products and components for overseas markets** ・Next-generation dosimeters ・New survey meters	Japan China and Asia Europe North America	Next-generation dosimeter development Next-generation survey meters				
ED&C components	Enhancement of competitiveness of core products ・SC-NEXT series magnetic switches ・Next-generation breakers and measuring units	Japan China and Asia Europe North America	SC-NEXT Large MAG development Breaker measuring units Next-generation breakers				
IT Solutions	**Digital transformation product lineup expansion** ・Development of platforms for factory digital transformation and expansion of employing systems	Japan China and Asia	Digital solutions				

Next is about the development schedule.
In FA components, in addition to products for growth fields, we will begin developing a platform that uses our eighth-generation IGBT. We will enhance the competitiveness over the medium to long term by launching new global products for elevators, and expanding the product lineup and functions of next-generation power measurement devices already on the market.
In Automation Systems, in addition to heat and cooling products, medium-voltage inverters, and induction heating systems, we will strengthen our response to security needs for control systems in the OT field, aiming to support our customers' business continuity.

In the Mobility business of Social Solutions, we will develop automotive power electronics products for the domestic market, and in the radiation related equipment business, we plan to launch dosimeters and survey meters for overseas markets this fiscal year.

Capital Investment / Research and Development

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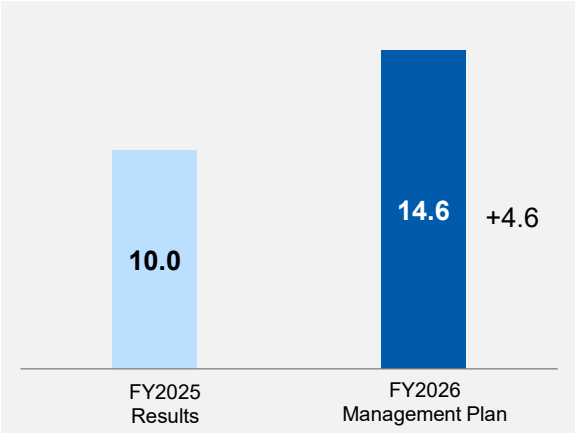
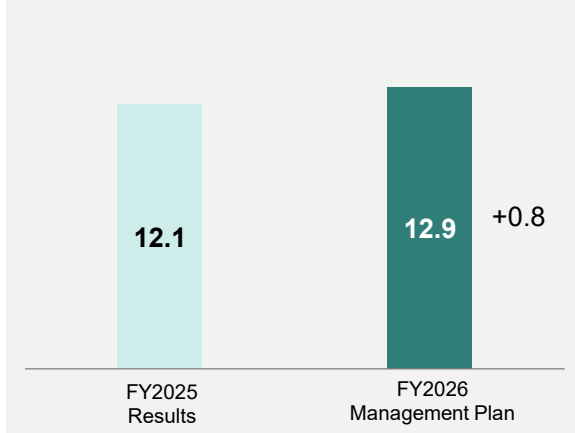
Capital Investment (Billion Yen)



- **Investment for reinforcement of profitability structures**
  - ■ Expansion of measuring instrument production equipment and in-house production
  - ■ Testing equipment for global products in automation system
  - ■ Investing in ED&C components to optimize production and increase capacity

Research and Development (Billion Yen)



- **Maximizing earnings while investing in future development**
  - ■ Application of platform approach for strengthening business constitution
  - ■ Early product finalization based on growth-sector specs and swift launch
  - ■ Contribution to businesses by developing products that capture green transformation demand

Finally, I will explain capital investment and research and development plans.
Capital investment will be executed to reinforce our profitability structures, and we will invest in enhancing production equipment for measuring instruments and in-house production, and also invest in ED&C components to optimize production and increase capacity.
R&D investment will be executed for application of platform approach to strengthen the business foundation, and for product development to capture demand in growth fields and GX, and the investment for contributing to businesses for the future will be made actively and continuously.

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This concludes the presentation of the business strategy for the Industry Business Group. Thank you.