



Semiconductor Business Strategies for FY2026

Semiconductor Business Group

May 27, 2026

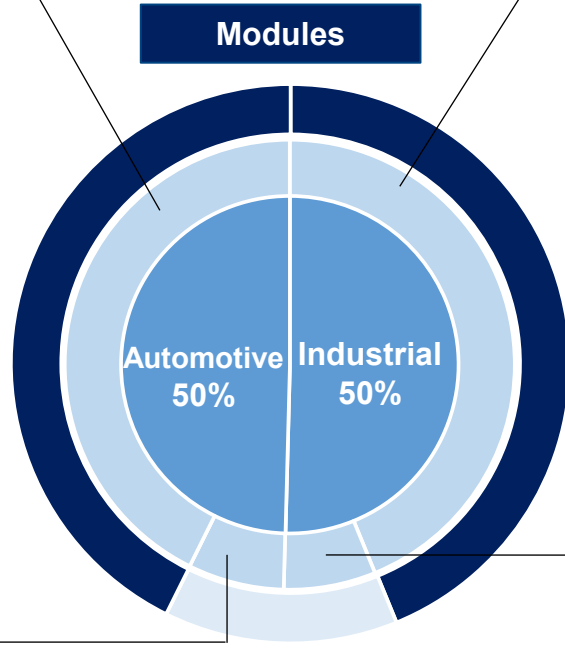
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1 Business Overview

Business Overview

Contributions to vehicle electrification, more compact power electronics, energy savings, and CO₂ emissions reductions

Net sales (FY2025 results)
¥237.4 billion
 (Domestic sales: 45% ; Overseas sales: 55%)*



Automotive
 (Domestic sales: 72%; Overseas sales: 28%)*

Automotive modules

Main application

xEVs

Inverters for drives, DC-DC converters, car air-conditioners, etc.

Automotive discrete

Main application

xEVs
Gasoline
Vehicles

On-board chargers, engine control, brake control, steering control, etc.

Industrial
 (Domestic sales: 18%; Overseas sales: 82%)*

Industrial modules

Main application

Motor drives (Inverters, servos, industrial robots, etc.)

Data centers (UPSs, etc.)

Renewable energy (PCSs, storage batteries)

Industrial discrete, photoconductors

Main application

Flat-screen TVs

Miniature UPSs

Printers

Note: Percentages of total net sales figures represent FY2025 results and are calculated before deduction and adjustment for inter-segment sales.

No. 3 global market share for IGBT modules

- Leading global position in IGBT module market
- Launch of industry's first RC-IGBT, adopted by electrified vehicle manufacturers worldwide
- Extensive track record and highly trusted technologies

Advanced chips and high-density mounting technologies

- Industry's lowest level of loss for 7th- and 8th-generation IGBTs, 3rd-generation SiC-MOSFETs, etc.
- Industry's most compact modules combining low-loss chips and high-density mounting technologies
- Optimally designed equipment made possible by low variability

Global customer support systems

- Multiple production bases and sales and design centers worldwide

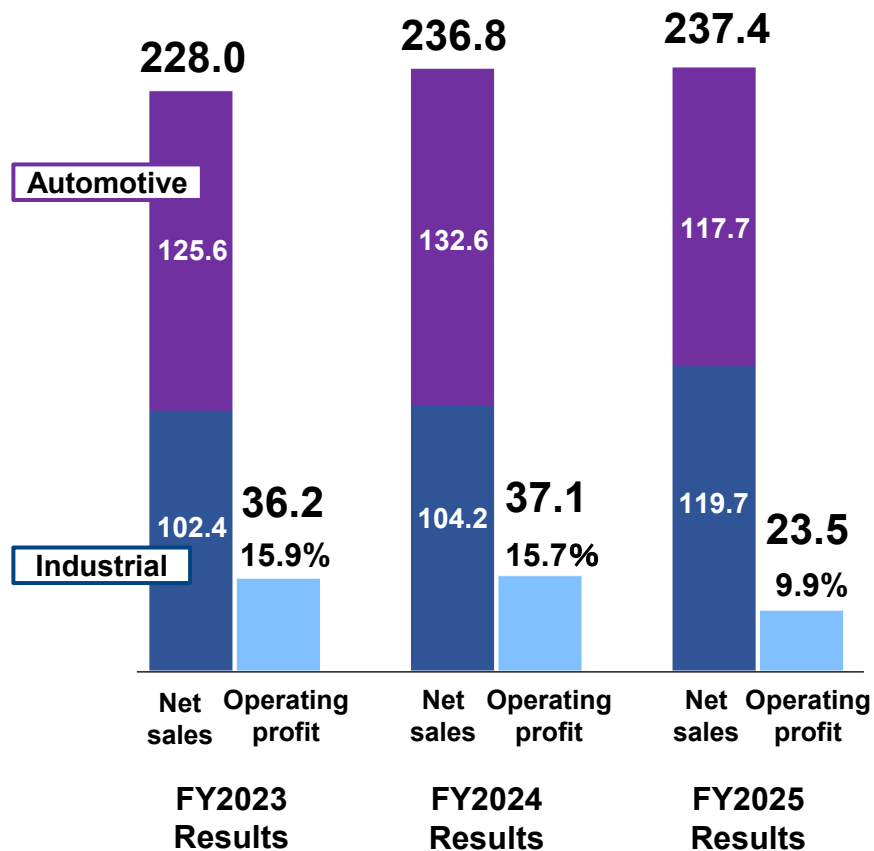
Contributions to customer equipment and products

- High energy efficiency and output
- Compact and space-efficient design
- Quality up to customers' standards
- Optimal design margins

2 Review of FY2025

Net Sales and Operating Profit by Subsegment

(Billion Yen)



Major Successes

- **Growth of sales through investments in increasing front-end SiC device processing capacity**
Production capacity: Up. 2.5 times YoY (Fuji Electric Tsugaru Semiconductor)
Net sales: Approx. double FY2024
- **Commencement of mass production of new products**
Large-capacity IGBT modules for renewable energy applications (1.7kV, 2.3kV)
3rd-generation SiC chips and compact RC-IGBT modules for xEVs
- **Start of provision of samples of 8th-generation IGBT modules**

Challenges

- **Growth of sales of automotive semiconductors**
Promotion of Fuji Electric's specifications and efforts to approach new customers
- **Improvement of earnings power**
- **Development of competitive new products**

3 Management Plan for FY2026

- **Industrial: Growing demand for products for use in motor drives**
- **Automotive: Ongoing growth anticipated for overall electrified vehicle market**

Business Fields	Trends in Target Market (FY2026)		FY2025 to FY2026
Industrial	Motor drives*	<p>Increased demand for semiconductor production equipment and industrial robots stimulated by strong demand for semiconductors for AI-related applications</p> <p>Consistent demand for numerically controlled machine tools for automation and efficiency improvement applications</p>	
	New energy	<p>Sluggish demand for solar power-related products, but strong demand anticipated for wind power-related products and energy storage systems</p>	
	Consumers	<p>Modest market growth fueled by demand for replacing home air-conditioning units in response to energy conservation regulations and higher demand for telecommunications equipment stimulated by corporate digital transformation initiatives and spread of 5G networks</p>	
Automotive	xEVs	<p>Double-digit growth anticipated due to ongoing increases in sales of BEVs, HEVs, and PHEVs</p>	
	Gasoline vehicles	<p>Ongoing decline in sales</p>	

* Motor drives: Inverters, servos, numerically controlled machine tools, industrial robots, etc.

Business Policies / Priority Measures

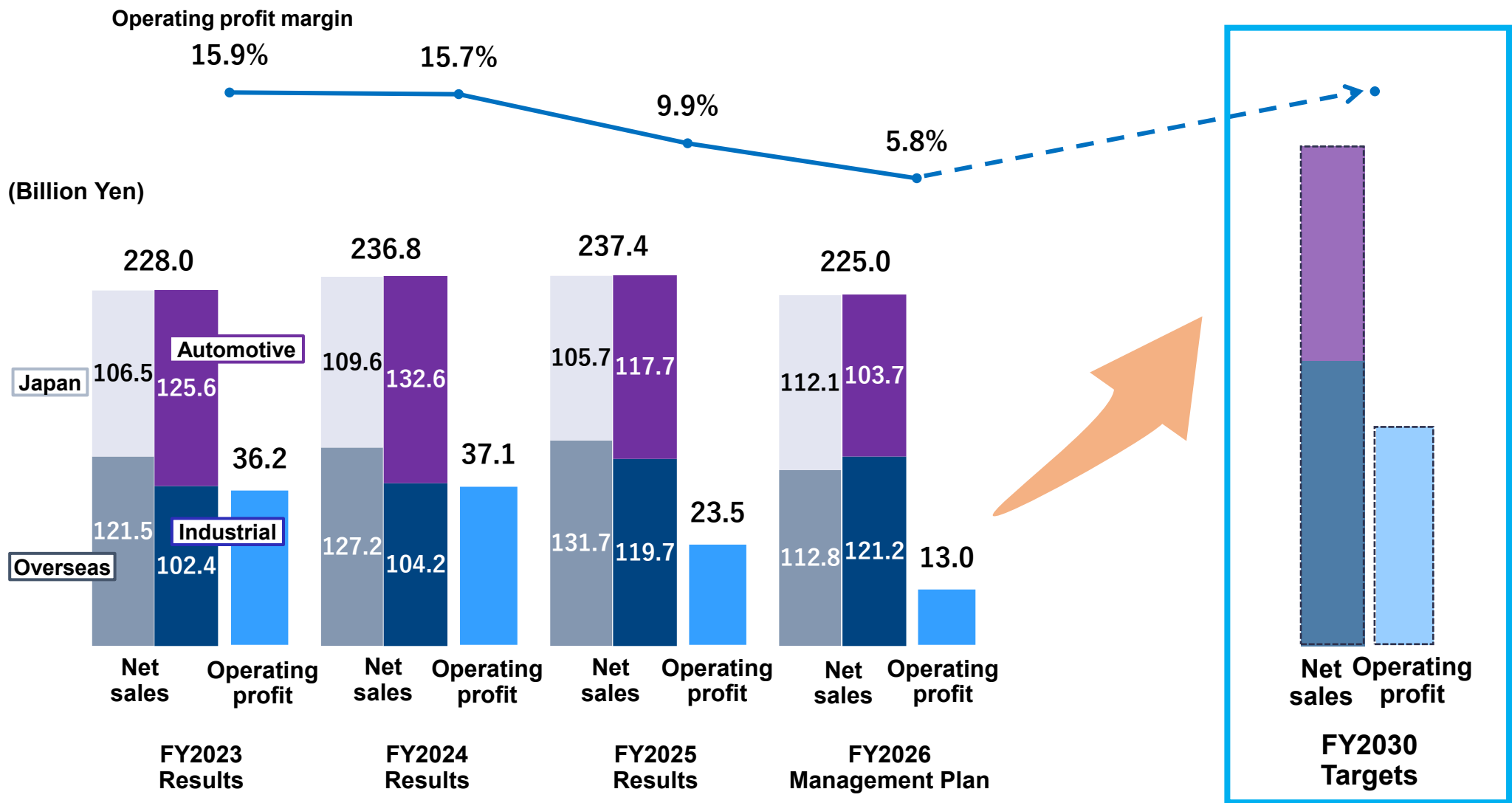
Business Policies

- Promotion of Fuji Electric's specifications and efforts to approach new customers in growth fields**
- Construction of production systems in conjunction with growing SiC device demand**

Priority Measures

- **Growth of sales and acceleration of new initiatives for promoting Fuji Electric's specifications**
 - **Industrial: Promotion of sales centered on motor drive and renewable energy sectors**
 - **Automotive: Efforts to approach new customers and promote Fuji Electric's specifications**
- **Development of competitive new products**
 - **Next-generation SiC modules, 8-inch SiC devices**
 - **8th-generation IGBT modules**
- **Enhancement of manufacturing**
 - **Front-end: Bolstering of SiC device production capacity and mass production of 8th-generation IGBTs based on demand**
Downsizing of production lines for small-diameter devices
 - **Back-end: Start of mass production of new products and augmentation of production capacity based on demand growth**
 - 7th- and 8th-generation industrial IGBT modules, new SiC modules for automotive applications

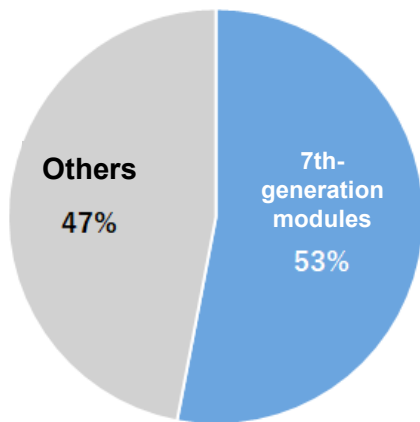
FY2026 positioned as preparation phase for growing performance over medium to long term



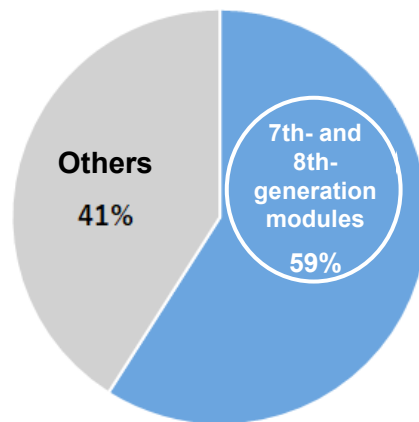
- **Industrial modules: Ratios of sales from 7th- and 8th-generation modules projected to reach approx. 60%**
- **Automotive modules: Ratio of sales from SiC devices to grow to 25%**

Ratios of Sales from Industrial Modules

**FY2025
Results**



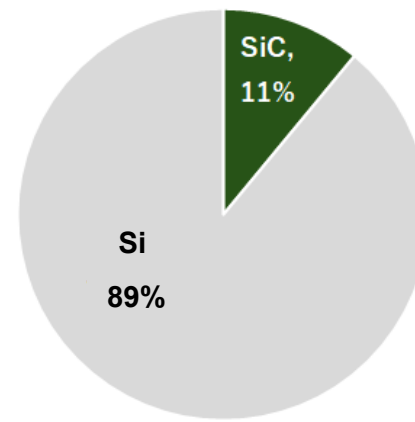
**FY2026
Management Plan**



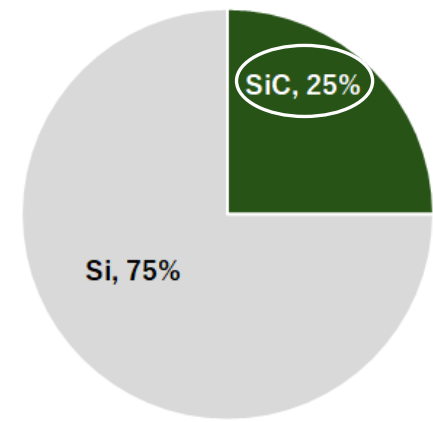
Shift toward 7th- and 8th-generation modules

Ratios of Sales of Automotive Modules

**FY2025
Results**



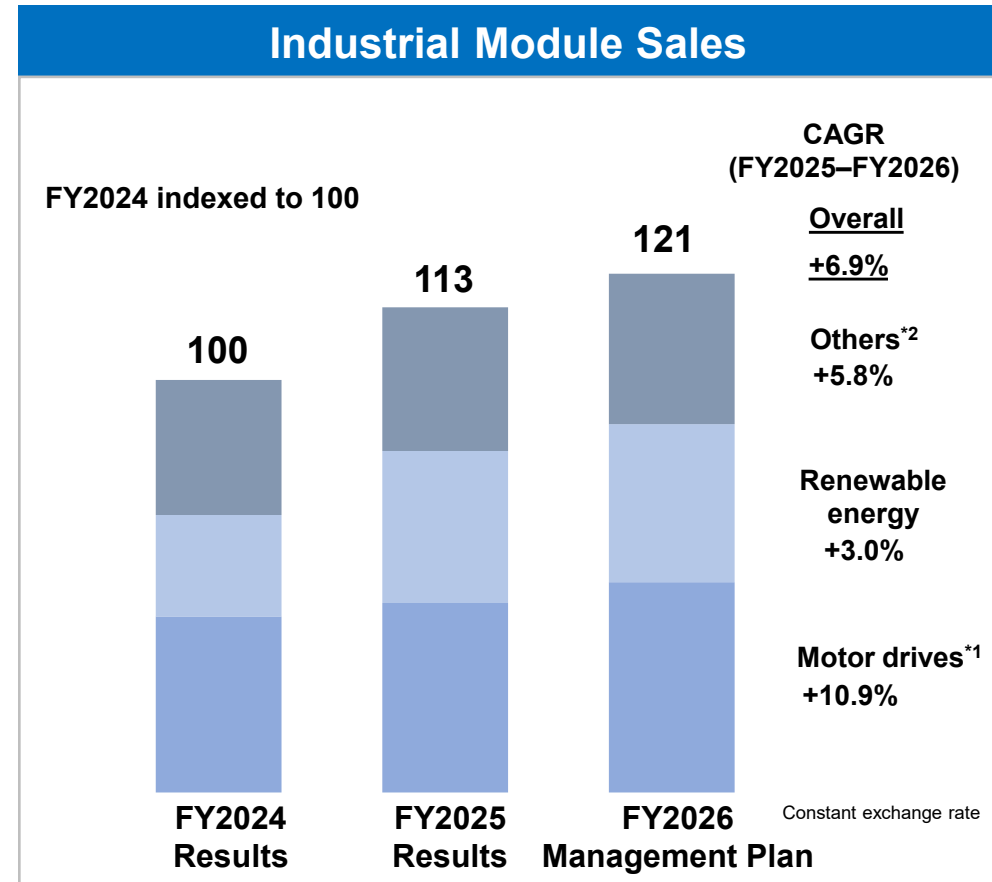
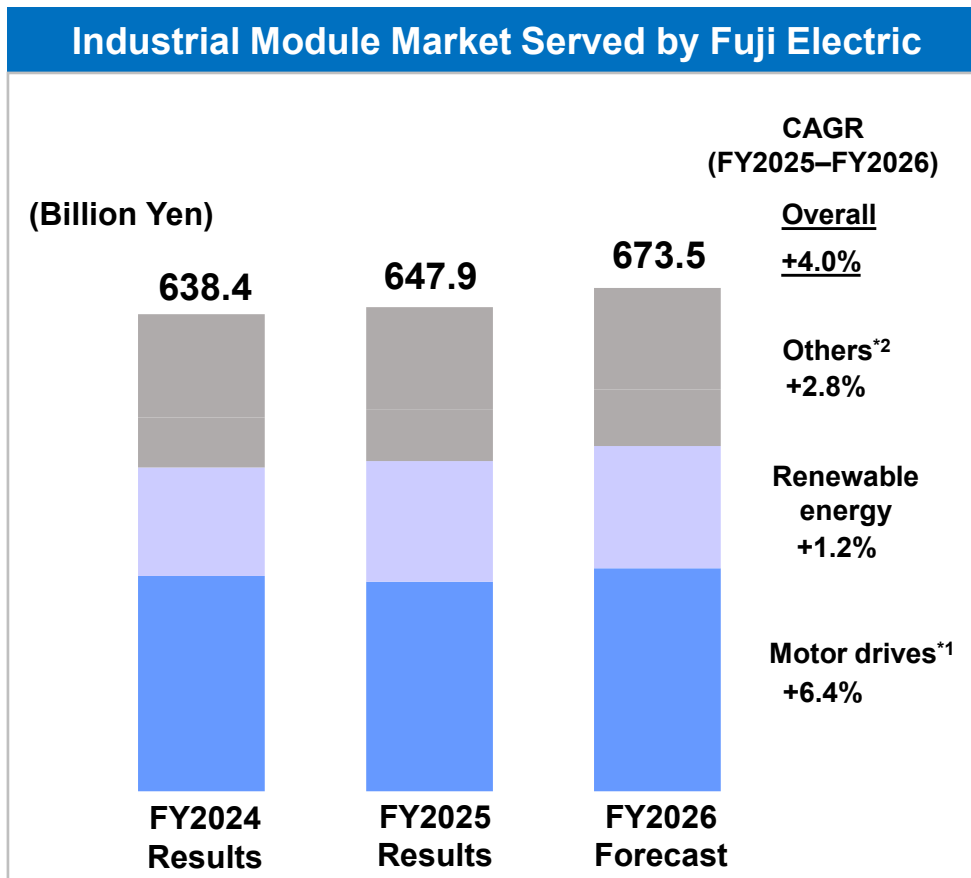
**FY2026
Management Plan**



Expansion of ratio of sales from SiC devices

Industrial Semiconductors: Module Market and Sales

- Overall market growth of 4% propelled by motor drives
- Sales growth rates surpassing market growth rates due to sales promotions for new products



*1 Motor drives: Inverters, servos, numerically controlled machine tools, industrial robots, etc.

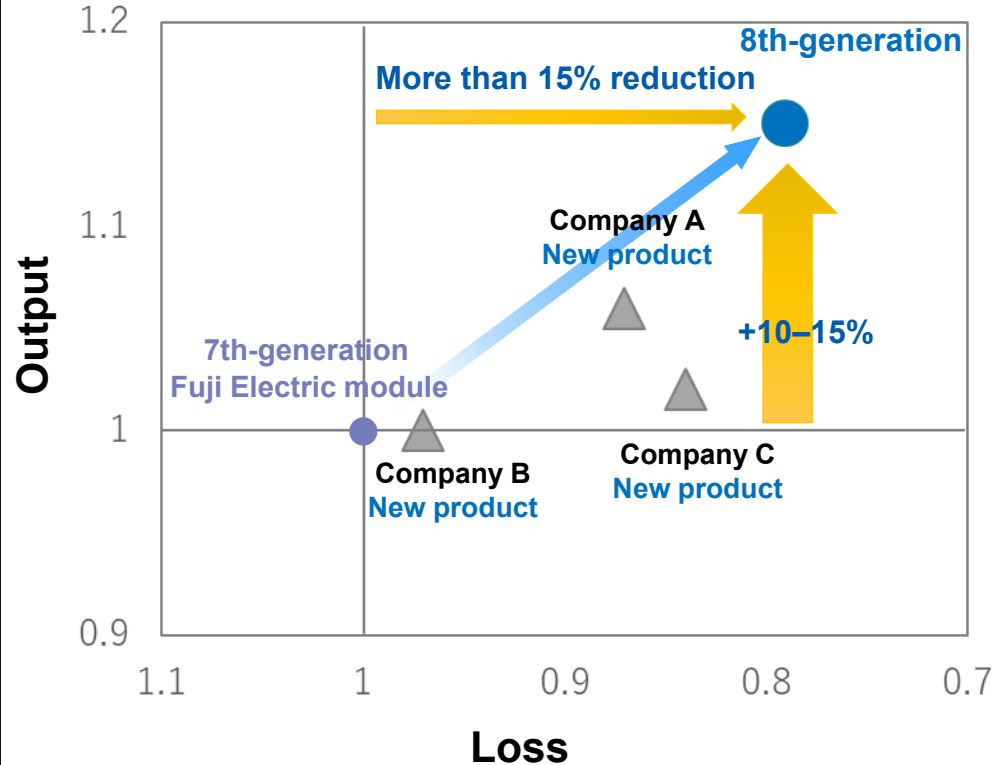
Source: Fuji Electric (estimates based on data from research institutions)

*2 Others: Electric railway, consumer, data center (power supply, air conditioning), and other products

- Increase of rated value with same package through improvement of performance (reduction of losses)
- Contribution to smaller equipment and reduced system costs

Competitive Advantages

- Reduction in loss of more than 15% in comparison to 7th-generation Fuji Electric modules contributing to high output compared to new rival offerings

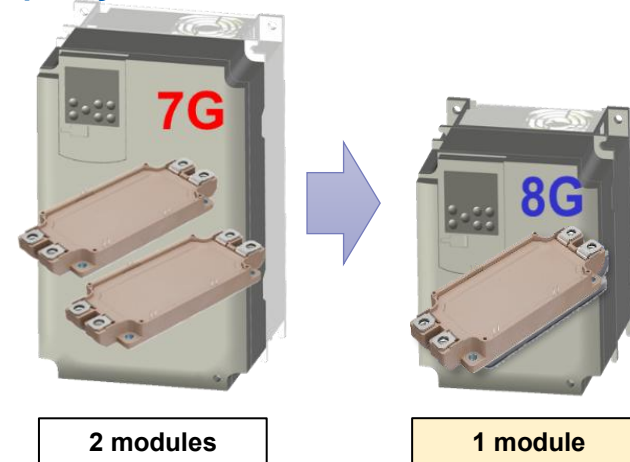


Note: Performance of rival offerings is based on estimates by Fuji Electric.

Performance Comparison with Prior Inverters

- Increase of rated value with same package (-1200V/800A → -1200V/1000A)
- Potential to contribute to smaller equipment and reduced total system costs



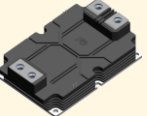
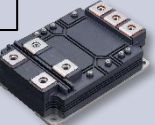
Potential Configuration
20–30% reduction in size with same inverter capacity



Launch timing

Mass production to commence beginning in 3Q of FY2026

Differentiation through optimal modules for renewable energy, data center, and other equipment

1200 V / 1700 V rated value	-600 A	800A	1000A	1200A	1500 A- 1800 A
Existing models 	Blue bar	Blue bar			
Medium-term capacity modules 					
New New medium-capacity modules 		Orange bar	Orange bar	Orange bar	Orange bar
Existing models Large-capacity modules 				Blue bar	Blue bar

Characteristics

- **Medium-capacity design offering ideal intermediary option between medium- and large-capacity operations (differentiation using proprietary package products)**
- **25% reduction in footprint size (compared to large-capacity modules)**
- **Reduction package interior inductance* (≤ 10 nH) to allow for mounting on SiC chips**

* Increases in inductance can lead to higher switching losses and noise

Start of sample provision: August 2026

- Engagement in business negotiations with two new customers
- Ongoing sales promotion activities aimed at achieving sales growth in FY2028 and beyond

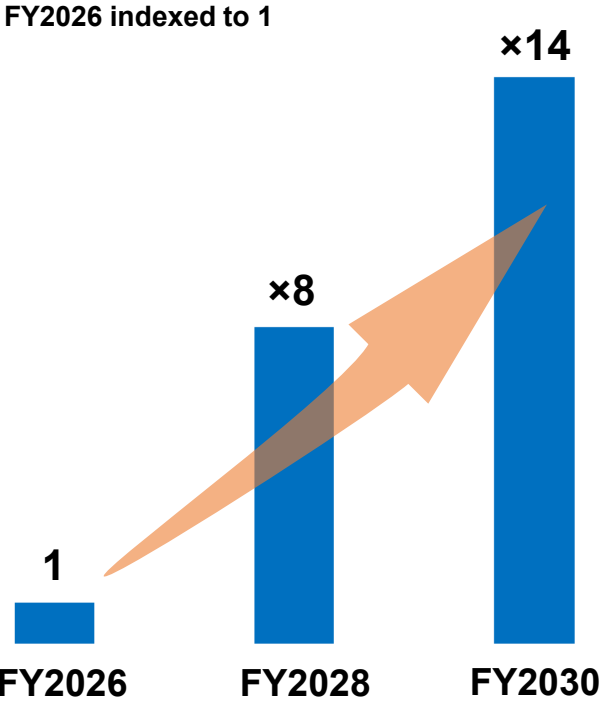
Adoption of New IGBT and SiC Products for xEVs (Adoption in FY2024 and beyond)

Area	Customers	Adoption of New IGBT and SiC Products for xEVs (Adoption in FY2024 and beyond)		
		2026	2027	2028-
Japan	A	★		★
	B	Orders finalized in FY2025	★	★
	C	★		
	D	★		
	K	Orders finalized in FY2025	★	
Europe/ U.S.	E			
	F			
	G	★		
	J			★
	L (New)			★
China/ Asia	H			
	I		★	
	M (New)	★		

★ : Adoption in FY2026 and beyond

Scale of Business Negotiations Involving New Products

*: Business negotiations for products to be adopted in FY2026 or beyond

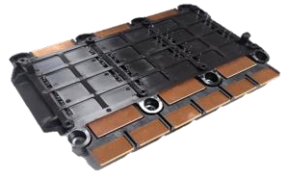


- Development of new products with thinner packages for use in approaching new customers
- Contribution to reductions in size and costs of customers' equipment

SiC Modules (High Output)

- Three-dimensional wiring contributing to **thinner, more compact modules**
- **Massive reduction in inductance*** to capitalize on high-speed switching capabilities of SiC

Comparison to Prior Models
 Size/width: Down 49% (volume basis)
 Inductance: Down 80% (Ls24 → 5nH)



Dimensions: W167 x D111 x H16 mm

SiC Modules (Next-Generation Thin Packages)

- **Broader variety of rated value with same package**
- **Accommodation of diverse inverter circuit layouts through combinations of modules**
- **Package exchanges with Bosch*** making it possible to cater to customers' multi-sourcing needs



Potential configuration: 2 in 1×3

* German Tier1 manufacturer **Dimensions: W63 x D45 x H6 mm**

Inverter output	330kW
Module rate value (1200V)	660A
Adopting vehicles types	Large vehicles
	Sports vehicles

Inverter output		100kW	200kW	300 kW or above
Module rated value (2 in 1×3)	1200V	200A	520A	-900 A
	750V	490A	900A	---
Adopting vehicles types		Compact vehicles	Medium-sized vehicles	Large vehicles

Launch timing

Mass production to be commenced in 3Q of FY2026

Samples to begin being supplied in 3Q of FY2026

Front-End Process-Related Measures

- **Bolstering of production capacity and commencement of mass production of SiC devices and start of production of 8-generation IGBTs in response to demand**
- **Downsizing of production lines for small-diameter Si devices 6 inches and smaller to shift toward 8-inch devices (closure of small-diameter device production line in Malaysia in FY2025 and concentration of production capacity on 8-inch devices in FY2026)**



**Japan
(Matsumoto)**

Mother factory for front-end processes

- **Start of production of 6-inch SiC devices (beginning in 3Q of FY2026) and augmentation of production capacity**
- **Preparation for mass production of 8-inch SiC devices**
- **Downsizing of production lines for small-diameter Si devices**



Japan (Yamanashi)

8-inch Si devices

- **Automotive IGBTs**
- **Start of production of 8th-generation IGBTs (beginning in 2Q of FY2026)**



Japan (Tsugaru)

Production of 6-inch SiC devices



Malaysia

Production of 8-inch Si devices

- **7th-generation industrial IGBTs**

Start of mass production of new products and augmentation of production capacity based on demand growth



Japan (3 bases)

Mother base for assembly products, manufacturing of products for domestic customers

- Augmentation of production capacity for compact xEV's IGBT modules and start of production of SiC modules (beginning in 3Q of FY2026)
- Augmentation of production capacity for large-capacity industrial modules (triple capacity of FY2025)
- Start of production of 8th-generation IGBT modules (beginning in 3Q of FY2026)



Philippines

Principal base for production of discrete and air-conditioner modules



China (Shenzhen)

Production base for industrial IGBT modules for Chinese market

- Augmentation of production capacity for 7th-generation IGBT modules in response to demand (approx. 30% increase YoY)

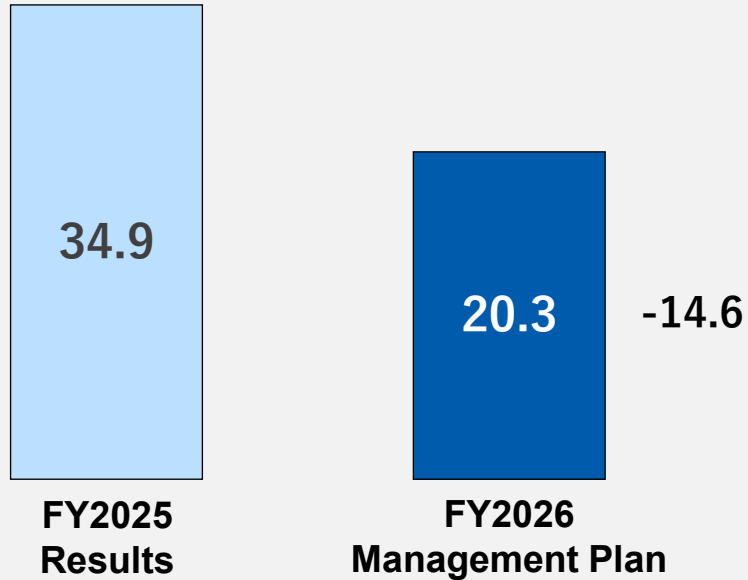


Malaysia

Production base for industrial IGBT modules for U.S. and European market

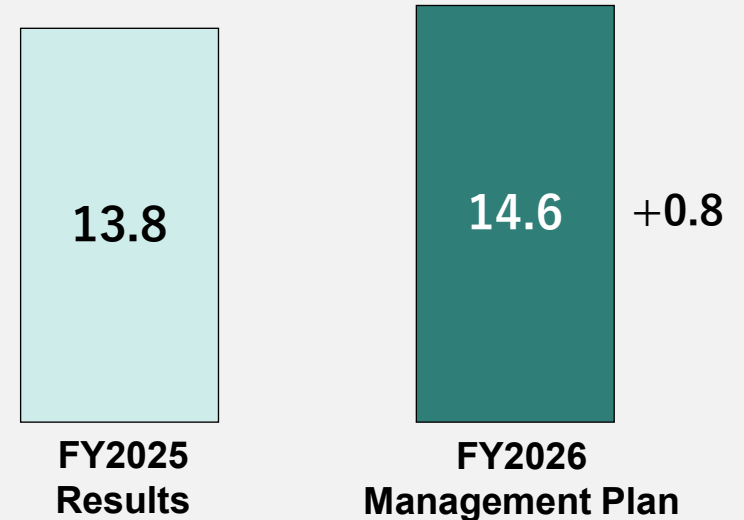
- Augmentation of production capacity for 7th-generation IGBT modules in response to demand (approx. 20% increase YoY)

Capital Investment (Billion Yen)



- **Front-end processes**
 - Updates to ultrahigh voltage substation equipment, etc.
 - Augmentation of SiC device production capacity
- **Back-end processes**
 - Augmentation of production capacity for industrial and automotive modules (accommodation of new products)
- **Development**
 - Production lines for 8-inch SiC devices

Research and Development (Billion Yen)



- **Development for new products**
 - Development of 8-inch SiC devices
 - Development of 3rd- and 4th-generation SiC devices
 - Development of 8th-generation IGBTs

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.

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