July 30, 2026
Fuji Electric Co., Ltd.

Condensed Transcript of Q&A Session Regarding Financial Results Presentation for the Three Months Ended June 30, 2026

Date: July 30, 2026 (Thursday) 16:00–17:15

General

Q. Is the upward revision to the performance forecast for the six months ended September 30, 2026 in part a reflection of sales that were initially projected to be incurred in the second half of the fiscal year ending March 31, 2027 or in the fiscal year ending March 31, 2028 being recorded ahead of schedule?

A.

・This factor has not had a significant impact on any businesses. There are some plant projects for which the delivery timing might deviate from the anticipated schedule by a single quarter due to customer circumstances or progress in on-site construction. However, we plan to rigorously manage such projects to ensure that profits are not affected.

Q. Why did the Company choose not to revise forecasts for the second half of the fiscal year ending March 31, 2027? Are there any upside or downside risks with regard to these forecasts?

A.

・We are currently faced with a need to assess future trends in plant and system orders and to evaluate the potential impacts of the rising material prices and procurement difficulties created by the situation in the Middle East. Nevertheless, we believe that the favorable operating environment conditions will continue, and we therefore see upside potential.

Energy

Q. What is the background behind the strong performance in the power generation business? Can this trend be sustained?

A.

・Highly profitable overseas geothermal power projects have been contributing to performance. We plan to continue making proposals of this nature going forward. In Japan, we have been seeing movement in thermal power projects through venues such as auctions for carbon-free power supplies prompted by rising power demand but, demand for hydro power has been particularly firm, and long-term projects, those that will be delivered between 2030 and 2035, have been particularly brisk. Meanwhile, our efforts to make proposals that respond to customers' nuclear power needs have been contributing to orders.

Q. The power supply and facility systems business has been showing year-on-year growth in orders. Could you please provide a breakdown of the portions of these orders that are attributable to Japan and overseas as well as to specific customer groups?

A.

・Of the ¥60.0 billion year-on-year increase in orders, nearly two-thirds are attributable to Japan while the remaining more than one-third can be attributed to overseas. The majority of these orders are from data center operators. Specifically, projects that we have been developing over periods of years in Japan have begun taking shape, and we have also been receiving orders from overseas customers looking to build data centers in this country. In addition, orders from semiconductor factories for high-voltage substation equipment have been received ahead of schedule, contributing to a massive increase in incoming orders.

Q. What factors have enabled Fuji Electric to grow its market share in the fiercely competitive data center industry in North America and Asia?

A.

・Our dedicated approach to meeting customer needs has been well received. We have also maintained sufficient levels of cost competitiveness.

・To ensure we can respond to demand, we have been bolstering production capacity at factories operated by Fuji SMBE Pte Ltd. in Malaysia as well as in Australia, which has contributed to increased orders from Australia. In Southeast Asia, we have been witnessing growth in Thailand. We have responded by upping production of switchboards at Fuji Electric Manufacturing (Thailand) Co., Ltd.

Q. There was a report stating that Fuji Electric is planning to double data center-related sales from the ¥100.0 billion projected in the fiscal year ending March 31, 2027 by the fiscal year ending March 31, 2031. Is this report accurate?

A.

・The report is accurate in that Fuji Electric is projecting data center-related sales of ¥100.0 billion in the fiscal year ending March 31, 2027. We also anticipate that overseas data center-related sales will increase going forward.

・It is possible that both orders and sales might rise even further than anticipated. We will continue to adjust our forecasts while monitoring customer trends as we seek to develop production systems that can accommodate the robust overseas demand.

Q. What sort of progress is seen in data center projects in North America?

A.

・Fuji Electric obtained certification from UL Solutions in July 2026. We have since been able to receive data center-related orders in North America, although the volume

of these orders is still small. We have also gotten requests from North American customers to assist with projects in Asia and India. While overseas demand is expected to grow, we anticipate further expansion in the North American market around 2029-2030.

Q. What trends have been seen in inquiries related to products associated with the transition to 800 V direct current power at data centers?

A.

・Demand associated with the transition to 800 V direct current power at data centers is almost nonexistent. However, one customer has mentioned the possibility of our supporting this transition in the future. Fuji Electric remains committed to addressing demand related to AI data centers, which is expected to show rapid growth going forward.

Q. Will the underdevelopment compact uninterruptible power systems (UPSs) feature higher profitability than prior models?

A.

・We are developing high-value-added UPSs that are more compact and also feature reduced energy consumption when operating at low loads, among other advantages. We aim to achieve higher levels of profitability by leveraging these advantages.

Q. In what regions is the power supply and facility systems business expected to experience rapid sales growth beginning in the second quarter of the fiscal year ending March 31, 2027? Also, what progress has been seen in production capacity increases in this business?

A.

・Second-quarter sales in the power supply and facility systems business are expected to be nearly double those seen in the first quarter of the fiscal year ending March 31, 2027. Overseas sales are projected to grow due in part to the fact that production capacity increases were conducted in overseas markets like Thailand ahead of Japan. Meanwhile, the Kobe Factory in Japan is anticipated to begin contributing to performance in the fourth quarter.

<u>Industry</u>

Q. What portion of first-quarter sales are associated with semiconductors, and what is the distribution of these sales? Also, are there any differences in trends between regions?

A.

・All semiconductor-related sales accounted for roughly 20% of total component sales in the first quarter of the fiscal year ending March 31, 2027. We made a large number of deliveries of ED&C components, particularly breakers; measuring instruments;

small-capacity power supplies; and other products for production and testing equipment in Japan and overseas. With regard to products for testing equipment, in the fiscal year ending March 31, 2027 we expect to begin seeing sales contributions from customizable products, such as the controllers and small-capacity power supplies for which we have been promoting Fuji Electric's specifications for the past two years.

・By region, stagnation in the factory automation component market in China resulted in poor performance for the textile- and elevator-related products that represented a large portion of overall sales in this country. Conversely, smooth growth was seen in sales of ED&C components for semiconductor and other applications in China.

Q. What are the forecasts for operating results in each subsegment of the Industry segment in the second quarter of the fiscal year ending March 31, 2027?

A.
・In the second quarter of the fiscal year ending March 31, 2027, the Industry segment as a whole is expected to witness growth in profit when compared to the previous equivalent period. However, this year-on-year growth will be weak when compared to the first quarter of the fiscal year ending March 31, 2027. By subsegment, the factory automation components business and the ED&C components business are projected to see year-on-year improvements in second-quarter operating results due to favorable earnings trends. The automation systems business, meanwhile, will post a year-on-year decline in second-quarter operating results, despite the temporary profit improvement in the first quarter because of the absence of large-scale project expenses recorded in the previous equivalent period and the ahead-of-schedule progress in projects accounted for through the percentage-of-completion method. As for the IT solutions business, performance is expected to decline beginning in the second quarter due to the rebound from the benefits of the NEXT GIGA program seen in the previous fiscal year.

<u>Semiconductors</u>
Q. How did Semiconductors segment performance in the first quarter of the fiscal year ending March 31, 2027 compare with internal forecasts? Also, what is the forecast for performance in the second half of the fiscal year?

A.
・In regard to industrial semiconductors, demand was up for servos, numerically controlled machine tools, inverters and other factory automation-use motor drives, and renewable energy storage systems. Demand for automotive semiconductors, meanwhile, was as projected.

・Operating profit increased due to higher sales of industrial semiconductors, along with cost reduction efforts such as yield rate improvements.

・We had initially anticipated that both sales and profit in the second half of the fiscal year ending March 31, 2027 would surpass those in the six months ending September

30, 2026. We expect performance for automotive semiconductors to be in line with this initial forecast, while performance for industrial semiconductors might be slightly higher than projected.

Q. What type of business opportunities are projected for data center-related products going forward?

A.

・Large-capacity products are a mainstay of Fuji Electric's lineup, and we have continued to develop our operations with a focus on UPSs, energy storage systems, and air-conditioning equipment.
Our product lineup will transform together with the shift toward SiC devices going forward. We also anticipate demand for small-capacity products for server rack applications. Based on this outlook, we are preparing a series of products for these applications.

End