October 29, 2026
Fuji Electric Co., Ltd.

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

Date: October 29, 2026 (Thursday) 16:00–17:15

General

Q. For what products and in what regions are strong trends in inquiries being seen with regard to the data center and semiconductor fields?

A.

・ In terms of products, inquiries in the Energy segment were focused on substation equipment, electrical panels , and uninterruptable power supply systems. However, strong trends in inquiries were also seen for the Industry segment's factory automation components, such as inverters, measuring instruments, and small capacity power supplies, and ED&C components for air conditioning and power supply applications as well as for industrial semiconductors.

・ On a regional basis, inquiries are on the rise in both Japan and overseas, with particularly strong demand growth being seen in Asia.

Q. Are there any issues related to procurement of parts and are such issues impacting performance?

A.

・ There are some products for which we are having trouble making deliveries as scheduled, but these issues are not impacting production.
In addition, prices are rising for materials, such as copper, silver, and gold, as well as for resins and oils, a result of the situation in the Middle East, and for semiconductors. However, these price increases are not expected to affect performance.

Q. Is there any possibility that performance might surpass forecasts in the second half of the fiscal year?

A.

・ If the current foreign exchange rates continue, it is entirely possible that performance might surpass forecasts by ¥10 to ¥20 billion for net sales and ¥2 to ¥3 billion for operating profit. There is also room to reduce costs by ¥1 to ¥2 billion.

Q. Has there been any change to the timing or likelihood of the accomplishment of the medium- to long-term target of return on equity (ROE) of 15% as a result of improvements to profitability?

A.
・ We are focused on improving ROE from the perspective of capital efficiency. Internal discussions are underway examining the possibility of achieving the target of ROE of 15% in the fiscal year ending March 31, 2031. The equity ratio is on the rise, and we plan to accelerate growth investments going forward as part of our efforts to achieve the ROE target.

Q. Given Fuji Electric's strong business performance, on what initiatives is President and COO Shiro Kondo focusing currently?

A.
・ As the current medium-term management plan is in its final year, our greatest focus at the moment is the formulation of a new medium-term management plan leading up to 2030. In addition, we are working to transform our business portfolio by shifting from current areas of operation to growth fields. Road maps for accelerating our growth in such growth fields are being prepared and potential measures are being examined on a Companywide basis.

・ At the moment, the Energy segment is the core proponent of our efforts to cater to data center-related demand. However, we are looking at ways of utilizing Fuji Electric's comprehensive strength to address this demand through means such as coordination with the Industry segment and the utilization of the Semiconductor segment's technologies.

Energy

Q. What were the factors behind the improvement of the operating profit ratio for the Energy segment seen in the second quarter of the fiscal year ending March 31, 2027, and what are the reasons for the conservative forecast for the second half of the fiscal year?

A.
・ Operating profit ratio improvements were achieved in all subsegments during the second quarter of the fiscal year ending March 31, 2027. Particularly strong growth was seen in net sales and operating results in the power supply and facility systems business due to data center-related projects. In addition to the benefits of higher sales, other factors behind the operating profit ratio improvement included steadfast efforts

to lower purchasing costs, reduce cost of sales through increases to manufacturing productivity, and propose appropriate prices for specification changes.

・ In the second half of the fiscal year ending March 31, 2027, we anticipate declines in the overall profitability of the power generation business due to differences in profitability between projects. However, high operating profit ratio will be maintained in the other subsegments.

Q. Have any changes been seen in trends for data center-related orders?

A.
・ Favorable trends in data center-related orders are expected to continue going forward. Certain customers are placing ongoing orders. As a result, data center-related orders in the fiscal year ending March 31, 2027 are expected to be roughly double those from the previous fiscal year.

Q. What is the outlook for the Asian data center market?

A.
・ In Asia, trends in inquiries are incredibly strong in India and Australia, and these inquiries are anticipated to drive growth in sales volumes in the fiscal year ending March 31, 2028 and beyond. Certain customers developing data center businesses on a global scale are currently accelerating investments in Australia and India. These customers are placing ongoing orders for electrical panels and other electrical equipment in conjunction with the construction of their data centers.
Conversely, the previously brisk market of Singapore is expected to show flat growth, and project delays are occurring in Thailand as a result of the regulatory impacts.

Q. What is the forecast for data center-related sales in the fiscal year ending March 31, 2027, initially approximately ¥100 billion, following the revision to full-year performance forecasts? Also, given the strong trends in orders being seen in the fiscal year ending March 31, 2027, what is the outlook for the fiscal year ending March 31, 2028 and what is the likelihood of accomplishment of the target for the fiscal year ending March 31, 2031 of net sales of double the level in the fiscal year ending March 31, 2027?

A.
・ Progress in projects in the second half of the fiscal year ending March 31, 2027 is expected to be fluid, but we anticipate that net sales will be significantly higher than our initial forecast of ¥100 billion.

・ Strong trends are being seen in overseas orders, and we are therefore targeting a substantial year-on-year increase in net sales in the fiscal year ending March 31, 2028. As for the fiscal year ending March 31, 2031, we are accelerating initiatives related to conventional cloud servers as well as AI data centers based on the recognition that we should target net sales of double the level in the fiscal year ending March 31, 2027, or possibly higher.

Industry

Q. What are the reasons behind the low level of orders for factory automation components, such as low-voltage inverters, industrial motors, and measuring instruments, compared to market trends in the second quarter of the fiscal year ending March 31, 2027?

A.

・ The reason for the decline in second-quarter orders in comparison to first-quarter orders is the rebound from batch measuring instrument orders received from certain customers in the first quarter of the fiscal year ending March 31, 2027. Overall factory automation component orders were up approximately 10% year on year in the second quarter, and the strong trends seen in the first quarter are continuing for demand for measuring instruments and control and power supply equipment for semiconductor production facilities.

Q. What is the outlook for component demand in the second half of the fiscal year ending March 31, 2027 and beyond?

A.

・ A demand rush was seen in the first quarter of the fiscal year ending March 31, 2027 for ED&C components and other products ahead of price revisions that were scheduled to be implemented in response to rising material prices. We had anticipated that a rebound from this demand rush would be felt in the second quarter of the fiscal year, but orders for ED&C components are proving to be strong in comparison to the previous equivalent period. As for other components, we are receiving forward-looking orders, largely for semiconductor production equipment and machine tool applications. We have been informed that production levels at customers will remain high in the fiscal year ending March 31, 2028, and we therefore do not see any significant reason for concern at this point in time.

Semiconductors

Q. What is your assessment of Semiconductors segment performance in the second quarter of the fiscal year ending March 31, 2027, and what is the outlook for the second half of the fiscal year and beyond?

A.
・ Performance in the second quarter of the fiscal year ending March 31, 2027 was essentially as projected in the Semiconductors segment.

・ The favorable trends in industrial semiconductor orders for factory automation and electricity storage system applications are projected to continue in the second half of the fiscal year, and we also have high expectations for orders in the fiscal year ending March 31, 2028.

・ As for automotive semiconductors, we anticipate sales growth in the second half of the fiscal year ending March 31, 2027 due to transactions with customers that have already made arrangements for defined quantities of products as well as increased demand for SiC devices. However, we cannot be overly optimistic with regard to the fiscal year ending March 31, 2028 as inventory adjustment among customers is expected to continue.

Q. There are pushes in the United States and European countries to offer preferential treatment to on-shores production. How will this trend impact demand and performance in the Semiconductors segment?

A.
・ Should Japanese automobile manufacturers become subject to such regulations in Europe, performance of automotive semiconductors could be impacted. However, we have yet to receive any concrete reports of such developments from customers. Meanwhile, we have been encouraging European automobile manufacturers to adopt Fuji Electric's specifications. There is thus a chance that such preferential treatment could prove beneficial to the Company.

・ As for industrial semiconductors, even in the event that restrictions are placed on made-in-China power conditioning systems in the Americas, we should be able to compensate for the impacts through the increased opportunities to receive orders from European and U.S. manufacturers given that we sell power semiconductors for renewable energy applications to Chinese, European, and U.S. manufacturers.