1. Financial Performance

(1)Qualitative Information Regarding Consolidated Results of Operations

Under FY2026 Medium-Term Management Plan “To be enthusiastic, ambitious and sensitive 2026,” the three-year medium-term management plan slated to conclude with the fiscal year ending March 31, 2027, Fuji Electric is promoting the basic policy of further improvement of corporate value through management emphasizing profit. Based on this policy, the Company is targeting net sales of ¥1,250 billion, operating profit of ¥140 billion, and an operating profit ratio of more than 11%. In the fiscal year ending March 31, 2027, the Company will strive to accomplish all of these targets by bolstering earnings power through enhanced inter-segment coordination, the development of highly competitive components, and the expansion of high-value-added plant and system operations.

In the three months ended June 30, 2026, the outlook for the global economy grew increasingly opaque due to rising geopolitical risks. At the same time, the prices of copper, silver, and other raw materials continued to be high due to a tight supply–demand balance and an influx of investment. However, capital investment in the power, manufacturing, and data center sectors remained firm due to green transformation investments aimed at decarbonization and rising energy and semiconductor demand accompanying the spread of generative AI and digital technologies.

In this environment, Fuji Electric moved forward with initiatives to expand its reliable supply systems for renewable energy and electricity in response to the growing energy demand while also bolstering its plant and system operations to cater to energy saving and electrification needs. In addition, enhancements to earnings power were pursued through the introduction of new products meant to expand operations, digital technology-powered productivity improvements at production sites, and supply chain reforms. The Company also continued augmenting production capacity for transformers, switchgears, controlgears, and power panels at domestic factories to respond to robust demand while reinforcing production systems for catering to growing overseas data center demand. Furthermore, a plan was enacted for conducting capital investment in relation to SiC power semiconductors in order to accommodate future market growth.

Consolidated net sales in the three months ended June 30, 2026 rose ¥25.3 billion, or 10%, year on year, to a new record high of ¥273.3 billion, due to higher demand for plant, system, and component products in the Energy and Industry business.

Profit was impacted by higher personnel expenses accompanying expanded human capital investment, higher raw material prices and lower demand for automotive semiconductors and for vending machines in the Food and Beverage Distribution segment. Conversely, overall profit was buoyed by the benefits of demand growth centered on the Energy and Industry segments. As a result, operating profit rose ¥6.9 billion year on year, to ¥25 billion. In addition, ordinary profit increased ¥8.3 billion year on year, to ¥25.6 billion, due to the higher operating profit. Profit attributable to owners of parent also rose, increasing ¥9.8 billion year on year, to ¥20.7 billion, due to the recording of gains on sales of cross-shareholdings under extraordinary income. The figures for all three of these profit items represented new record highs.

Consolidated results of operations for the three months ended June 30, 2026 were as follows.

(¥ billion)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change
Net sales	247.9	273.3	25.3
Operating profit	18.1	25.0	6.9
Ordinary profit	17.3	25.6	8.3
Profit attributable to owners of parent	10.9	20.7	9.8

Results of operations by reportable segment in the three months ended June 30, 2026 were as follows

(¥ billion)

	Three months ended June 30, 2025		Three months ended June 30, 2026		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Energy	74.2	8.4	82.5	12.1	8.3	3.7
Industry	87.3	2.9	103.9	8.5	16.6	5.6
Semiconductors	54.8	4.9	54.4	3.1	(0.4)	(1.8)
Food and Beverage Distribution	26.3	3.1	26.1	2.7	(0.2)	(0.4)
Others	13.8	0.8	15.0	0.9	1.3	0.1
Elimination and Corporate	(8.5)	(2.0)	(8.7)	(2.3)	(0.1)	(0.2)
Total	247.9	18.1	273.3	25.0	25.3	6.9

Energy

In the Energy segment, net sales and operating profit were up year on year primarily due to higher demand in the energy management business as well as increased progress in construction projects and differences in profitability between projects in the power generation business.

・In the power generation business, net sales and operating results were up year on year due to increased progress in construction projects and differences in profitability between projects.
・In the energy management business, net sales and operating results were up year on year as a result of increases in storage battery system orders and in large-scale orders for substation equipment and power supply equipment.
・In the power supply and facility systems business, net sales were down year on year as a result of the absence of large-scale data center-related orders received in Japan in the previous equivalent period. However, operating results were up year on year due to differences in profitability between projects.
・In the equipment construction business, net sales and operating results were up year on year due to higher demand and the benefits of cost reduction activities.

Industry

In the Industry segment, net sales and operating profit were up year on year due to an increase in large-scale orders in the IT solutions business as well as growth in demand in the factory automation components business, automation systems business, and ED&C components business.

・In the factory automation components business, net sales and operating results were up year on year primarily due to growth in domestic and overseas demand.
・In the automation systems business, net sales were up year on year due to growth in demand from the steel industry. Operating results were also up year on year as a result of the higher net sales combined with the benefits of the absence of the increase in expenses associated with large-scale projects recorded in the previous equivalent period.
・In the social solutions business, net sales were up year on year as a result of higher demand for railway systems, but operating results were down year on year due to differences in profitability between projects.
・In the ED&C components business, net sales were up year on year because of an increase in demand from finished machinery manufacturers. Operating results were also up year on year, despite the impacts of higher material prices, due to the benefits of higher demand and product selling price revisions.
・In the IT solutions business, net sales and operating results were up year on year following growth in large-scale orders from the private and academic sectors.

Semiconductors

- In the Semiconductors segment, net sales of industrial semiconductors were up year on year as a result of higher motor drive demand and beneficial foreign exchange influences. Meanwhile, net sales of automotive semiconductors were down following reductions in demand for power semiconductors for electrified vehicles. Operating results were down year on year due to the impacts of higher raw material prices and the lower sales of automotive semiconductors.

Food and Beverage Distribution

- In the vending machine business, net sales and operating results were down year on year following declines in domestic vending machine demand.
- In the store distribution business, net sales and operating results were up year on year due to growth in demand for convenience store counter fixtures.

Note: Effective from the first quarter of the fiscal year ending March 31, 2027, a reorganization was undertaken in which a portion of the drive control system operations contained in the automation systems business of the Industry segment was transferred to the equipment construction business of the Energy segment. Figures for the previous equivalent period has been restated to reflect the new reportable segment classification.

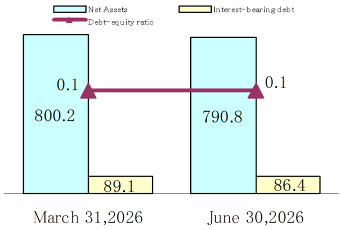
(2)Quantitative Information Regarding Consolidated Financial Position

(Unit: Billion Yen, Times)

	As of March 31,2026	Proportion (%)	As of June 30,2026	Proportion (%)	Changes
Total assets	1,406.7	100.0	1,357.8	100.0	(48.9)
Interest-bearing debt	89.1	6.3	86.4	6.4	(2.6)
Net assets	800.2	56.9	790.8	58.2	(9.3)
Debt-equity ratio	0.1		0.1		0.0

*Net assets＝Total net assets - Non-controlling interests
*Debt-equity ratio＝Interest bearing debt / Net assets

(Unit: Billion Yen, Times)



Total assets on June 30, 2026 stood at ¥1,357.8 billion, a decrease of ¥48.9 billion from the end of the previous fiscal year. Total current assets were down ¥48.2 billion primarily as a result of a decrease in accounts receivable-trade, which offset the increases in inventories and contract assets. Total non-current assets were down ¥0.7 billion due to a decrease in property, plant and equipment.

Interest-bearing debt as of June 30, 2026 amounted to ¥86.4 billion, down ¥2.6 billion from the previous fiscal year-end. Furthermore, net interest-bearing debt—interest-bearing debt net of cash and cash equivalents—decreased ¥6.2 billion from the previous fiscal year-end, amounting to ¥13.0 billion on June 30, 2026.

Net assets on June 30, 2026 were ¥833.4 billion, down ¥9.5 billion from the previous fiscal year-end. This outcome was primarily because of the purchase of treasury shares offset higher retained earnings and an increase from foreign currency translation adjustment. In addition, equity—total net assets net of non-controlling interests— was down ¥9.3 billion from the previous fiscal year-end, standing at ¥790.8 billion on June 30, 2026. The debt-to-equity ratio (interest-bearing debt ÷ equity) was 0.1 times, unchanged from the previous fiscal year-end. Also, the net debt-to-equity ratio (net interest-bearing debt ÷ equity) was 0.0 times, unchanged from the previous fiscal year-end.

In the three months ended June 30, 2026, consolidated free cash flow (net cash from operating activities + net cash from investing activities) was a positive ¥44.4 billion, an increase of ¥54.9 billion compared with a negative free cash flow of ¥10.6 billion in the previous fiscal year.

Cash flows from operating activities

Net cash provided by operating activities was ¥51.5 billion, compared with net cash provided by operating activities of ¥11.1 billion in the previous fiscal year. Major factors increasing cash included the recording of profit before income taxes and decrease in accounts receivable - trade, and contract assets. Major factors decreasing cash included decrease in trade payables and increase in inventories.

This was an increase in cash provided of ¥ 40.4 billion year on year.

Cash flows from investing activities

Net cash used in investing activities was ¥7.2 billion, compared with net cash used in investing activities of ¥21.7 billion in the previous fiscal year. This outcome was primarily a result of the purchase of property, plant and equipment, which counteracted proceeds from sale of investment securities.

This was a decrease in cash used of ¥14.6 billion year on year.

Cash flows from financing activities

Net cash used in financing activities was ¥42.1 billion, compared with net cash provided by financing activities of ¥8.2 billion in the previous fiscal year. This was principally due to outflows for purchase of treasury shares and dividends paid.

As a result, consolidated cash and cash equivalents on June 30, 2026 amounted to ¥73.4 billion, up ¥3.6 billion from the previous fiscal year-end.

(3)Qualitative Information Regarding Consolidated Forecasts and Forecast Information

In light of the business result trends seen in the three months ended June 30, 2026, Fuji Electric has chosen to revise the consolidated forecast for business results for the six-month period ending September 30, 2026 and the fiscal year ending March 31, 2027 that was announced together with financial results for the fiscal year ended March 31, 2026 on April 28, 2026.

The forecast assumes exchange rates of US$1 = 150, €1 = ¥175, and RMB1 = ¥21.9 for the period from July 1, 2026 onward.

(Consolidated Forecasts for the Six-Month Period Ending September 30, 2026) (¥ billion)

	Previous announcement	Today's announcement	Change
Net sales	569.0	594.0	25.0
Operating profit	44.0	58.0	14.0
Ordinary profit	43.0	57.0	14.0
Profit attributable to owners of parent	33.5	40.0	6.5

(Reference: Consolidated Forecasts for the Six-Month Period Ending September 30, 2026 by Segment) (¥ billion)

	Previous announcement		Today's announcement		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Energy	191.0	27.0	201.5	30.0	10.5	3.0
Industry	209.0	12.0	223.5	19.5	14.5	7.5
Semiconductors	103.0	2.5	105.5	6.0	2.5	3.5
Food and Beverage Distribution	52.5	5.0	52.5	5.0	0.0	0.0
Others	29.0	1.5	29.0	1.5	0.0	0.0
Elimination and Corporate	(15.5)	(4.0)	(18.0)	(4.0)	(2.5)	0.0
Total	569.0	44.0	594.0	58.0	25.0	14.0

(Consolidated Forecasts for the Fiscal Year Ending March 31, 2027) (¥ billion)

	Previous announcement	Today's announcement	Change
Net sales	1,275.0	1,300.0	25.0
Operating profit	142.5	156.5	14.0
Ordinary profit	143.0	157.0	14.0
Profit attributable to owners of parent	105.0	111.5	6.5

(Reference: Consolidated Forecasts for the Fiscal Year Ending March 31, 2027 by Segment) (¥ billion)

	Previous announcement		Today's announcement		Change	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Energy	455.0	71.0	465.5	74.0	10.5	3.0
Industry	454.0	48.0	468.5	55.5	14.5	7.5
Semiconductors	225.0	13.0	227.5	16.5	2.5	3.5
Food and Beverage Distribution	115.0	14.0	115.0	14.0	0.0	0.0
Others	60.0	3.9	60.0	3.9	0.0	0.0
Elimination and Corporate	(34.0)	(7.4)	(36.5)	(7.4)	(2.5)	0.0
Total	1,275.0	142.5	1,300.0	156.5	25.0	14.0