



Energy Business Strategies for FY2026

Energy Business Group

May 27, 2026

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1 Business Overview

Contributions to stable, optimal,
and reliable supplies of energy

Energy Generation Transmission Storage + **Control**

Power Generation

(Domestic sales: 76%; Overseas sales: 24%)



Major Products

- Power generation equipment
- Nuclear power-related equipment

Thermal power

Geothermal power

Hydropower

Nuclear power

Energy Management (Transmission & Distribution Systems)

(Domestic sales: 74%; Overseas sales: 26%)

Major Products

- Substation equipment



- Rectifiers, furnace transformers
- Static var compensators, static frequency converters



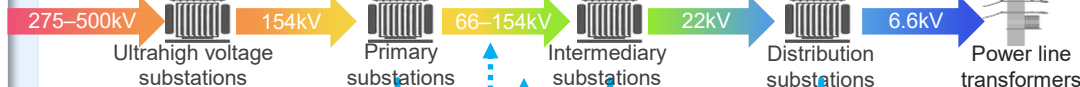
Railway substations



Industrial plants



Power grids

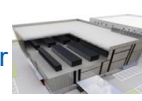


Large-scale solar power and wind power generation systems

Electricity storage systems



Data centers Semiconductor factories



General facilities



Energy Management (Energy Management)

(Domestic sales: 100%)



Major Products

- PCSs
- Supply, demand, and energy management
- Monitoring and control and distribution automation

Power Supply and Facility Systems

(Domestic sales: 61%; Overseas sales: 39%)

Major Products

- Uninterruptible power systems (UPSs)



- Molded transformer



- Electrical Panels



Equipment Construction

(Domestic 97%; Overseas 3%)



- Fuji Electric Engineering & Construction

FY2025 Net Sales **¥1,227.6 billion**

Energy (31%)

Industry (37%)

Semi-conductors (19%)

Food & beverage Distribution (9%)
Others

Equipment Construction 21%

33% Power Supply and Facility Systems

FY2025 Net sales
¥396.4billion
(Domestic sales: 75%; Overseas sales 25%)

Power Generation 21%

25% Energy Management

* Shares represent estimates by Fuji Electric based on FY2025 performance.
Note: Percentages of total net sales figures represent FY2025 results and are calculated before deduction and adjustment for inter-segment sales. FY2025 results reflect the FY2026 business reorganization.

One-stop solutions for clean energy and reliable energy supply

Fuji Electric's System Solutions

Semiconductor and Internet Data Center Systems

Reliable and efficient equipment operation



UPSs



Air-conditioning equipment construction

Substation equipment

Comprehensive Renewable Energy Systems

Semiconductor and Internet Data Center Systems



Renewable energy (wind power, solar power, etc.)



Storage battery systems

Energy management systems

Strengths

Comprehensive system capabilities encompassing energy generation, reliable and efficient operation, etc.

- Supply of complete systems combining energy generation, substation, stabilization, and energy management technologies
- Complete lineup of offerings ranging from system engineering to construction and maintenance services

Major Products

Clean Electricity

- Thermal power **No. 1** global share*
- Hydropower **Top domestic share on Groupwide basis**
- Solar and wind power generation systems
- Fuel cells



Electricity Transmission

- Transformers
- Circuit breakers
- Switchboards
- PCSs
- Molded transformers **Top domestic share on Groupwide basis**



Reliable Equipment Operation

- Uninterruptible power systems (UPSs)
- Monitoring and control systems

Top domestic share on Groupwide basis



Energy Efficiency

- Energy management systems
- Electricity storage systems



Engineering and manufacturing

System design

Equipment construction

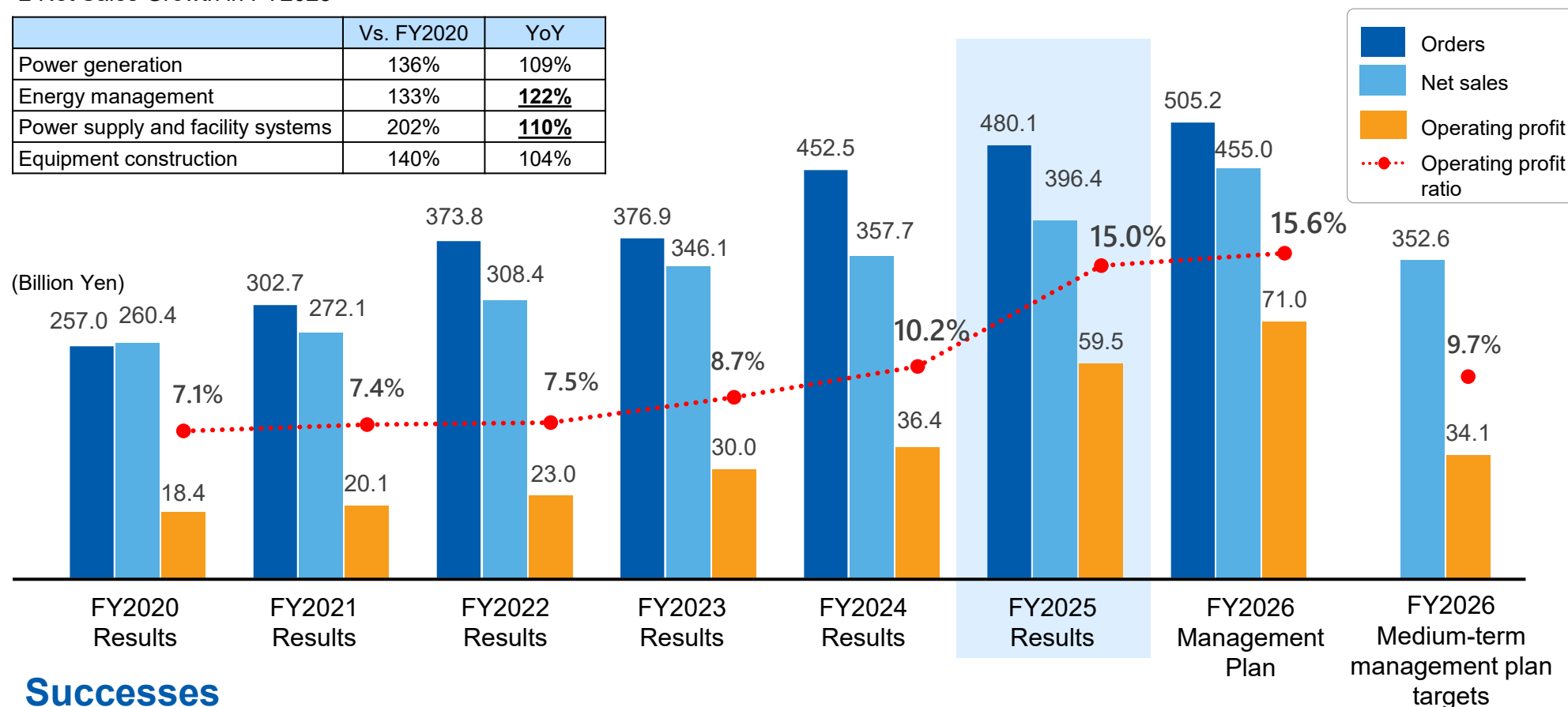
Maintenance services

2 Review of FY2025

Massive growth in profit fueled by increases to net sales amid ongoing rise in orders

■ Net Sales Growth in FY2025

	Vs. FY2020	YoY
Power generation	136%	109%
Energy management	133%	122%
Power supply and facility systems	202%	110%
Equipment construction	140%	104%











Successes

- Improved profitability in core businesses (power generation, energy management (substation systems), and equipment construction)
- Business growth greatly surpassing previous fiscal year in growth fields (storage battery systems, internet data center (IDC) equipment)

Note: Performance figures for FY2024 and before are produced through a simple conversion of past figures to reflect the business reorganization undertaken in FY2026 and thus should be used for reference purposes only.

3 Management Plan for FY2026

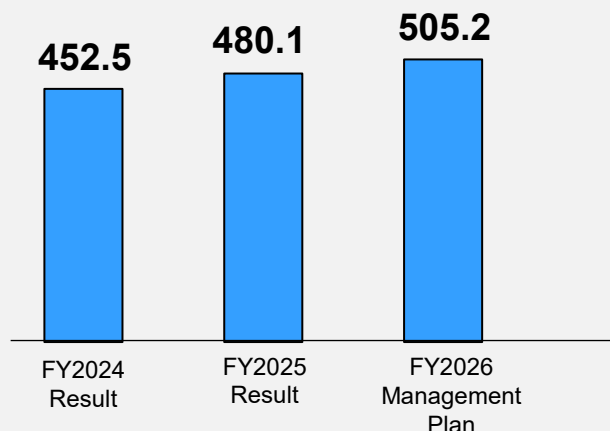
Ongoing growth in various subsegments projected as a result of accelerated decarbonization initiatives and rising electricity demand stimulated by digital transformation efforts

Subsegment	FY2026 Market Trends (YoY Change)	
Power generation 	Renewable energy, decarbonization	<ul style="list-style-type: none"> Consistent demand among Pacific Rim and other countries developing geothermal power sources Ongoing demand for scrap and build projects targeting pumped-storage hydroelectric power generation and other aged hydroelectric power generation facilities Growing investment in decarbonization-related power generation equipment 
	Energy management	<ul style="list-style-type: none"> Rising needs for grid stabilization systems due to spread of renewable energy use Growth in <u>grid storage batteries</u> amid brisk electricity transactions market 
Energy management 	Substation Systems	<ul style="list-style-type: none"> Continued replacement demand for equipment installed during the high-growth era Rising demand for decarbonization of existing production processes (electrification, fuel conversion) 
	Data centers	<ul style="list-style-type: none"> Robust IDC equipment demand driven by digital transformation and accelerated AI use <u>Consistent demand for construction and expansion of facilities by hyperscalers</u> 
Power supply and facility systems 	Semiconductor factories	<ul style="list-style-type: none"> Rapid growth in investment for <u>constructing and expanding production facilities</u> around the world to bolster and decentralize production capacity 

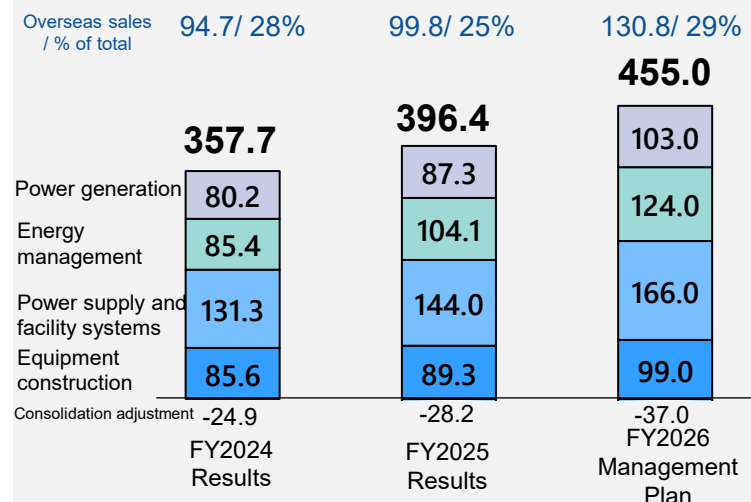
Note: Equipment construction market trends are described in the sections for the respective subsegments.

Business expansion using technologies for contributing to stable, optimal, and reliable supplies of energy

Orders (Billion Yen)

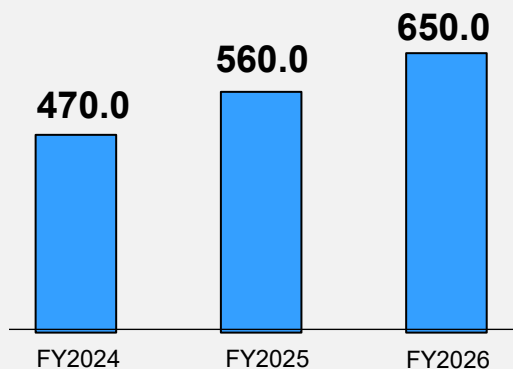


Net Sales by Subsegment (Billion Yen)

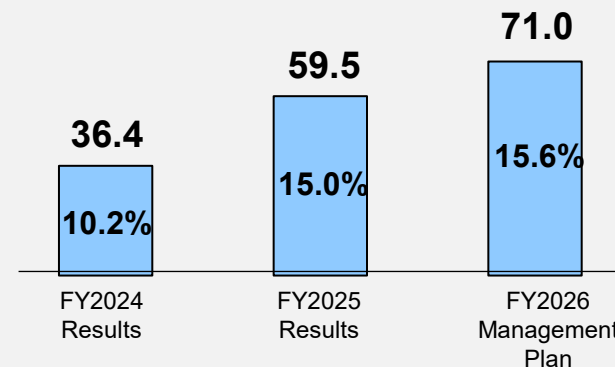


Order Backlog*

(Billion yen, as of April 1 of respective fiscal year)



Operating Profit / Operating Profit Ratio (Billion Yen)



* Order backlog figures are approximations.

Note: FY2024 results are reference figures calculated based on a simplified calculation.

Business Policies

- Pursuit of growth by targeting growing energy markets and rising green transformation (GX) and digital transformation (DX) demand
- Timely development of competitive products
- Ongoing enhancement of manufacturing systems and augmentation of production capacity
(energy management, power supply and facility systems)

Measures by Subsegment

Power generation	Expansion of decarbonization, renewable energy, and after service businesses
Energy management	Expansion of storage battery-related markets and entry into market for GX-related products, an area where Fuji Electric boasts competitiveness
Power supply and facility systems	Expansion of domestic and overseas IDC and semiconductor businesses

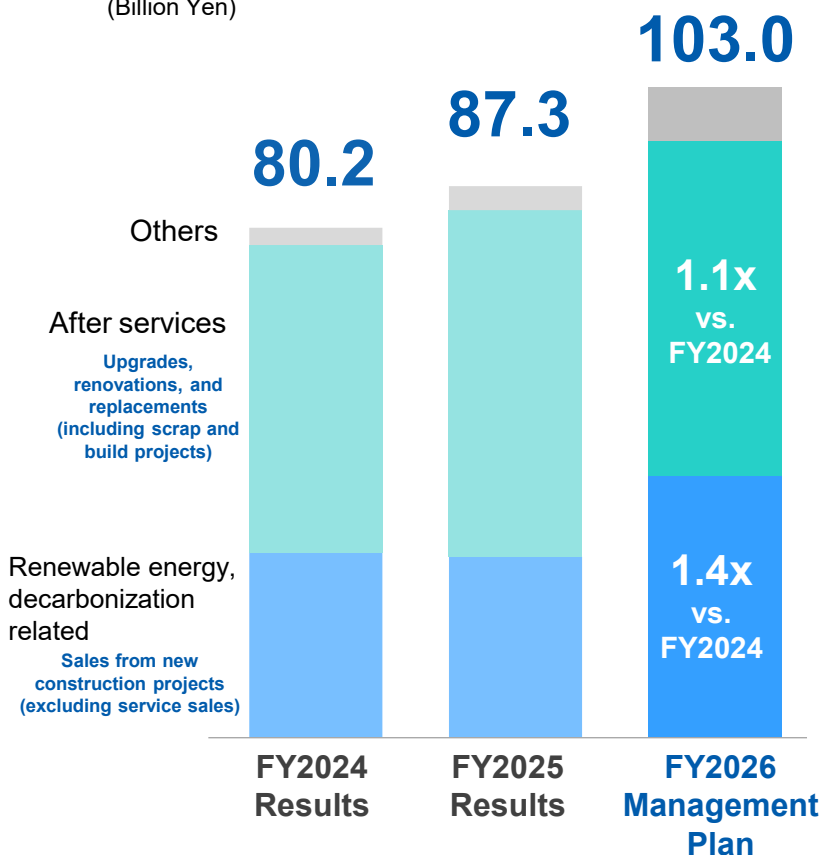
General Measures

Product Development	Development focused on GX and DX
Production capacity augmentations	Flexible response to rapidly growing substation equipment demand

- Growth of sales of renewable energy- and decarbonization-related products in conjunction with rising electricity demand
- Promotion of renovation and upgrade proposals to improve reliability and efficiency of existing plants

Net Sales of Power Generation Business

(Billion Yen)



Priority Measures

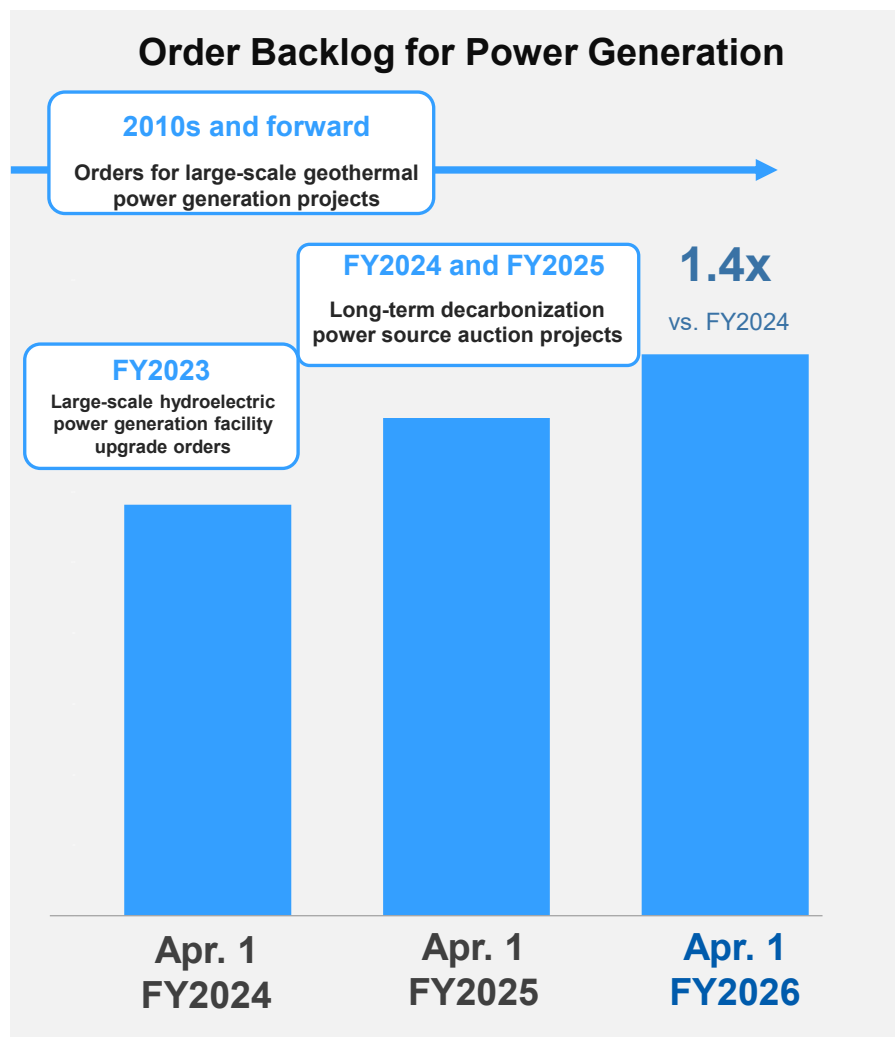
Growth of decarbonization and renewable energy businesses including long-term decarbonization power source auction projects

- Acceleration of measures for responding to global growth in geothermal power generation equipment demand
- Verification of next-generation hydrogen fuel cells, development and supply of energy storage equipment, and participation in innovative next-generation reactor projects

Enhancement of products and proposals to grow service sales

- Enhancement of proposals involving diagnosis technologies, peripheral equipment, expanded maintenance plans, etc.
- Expansion of pumped-storage hydropower generation and other hydropower generation scrap and build projects and maintenance technologies

**Customer trust earned through robust track record and engineering support;
massive increase in order backlog centered on large-scale projects**



Background of strong large-scale project orders

1. Acceleration of investment in response to decarbonization power source auctions

	Gas-fired thermal power	Rapid growth in power plant construction and replacement as cornerstone of electricity supply-demand balancing
	Biomass	Increase in biomass combustion plant construction and replacement to contribute to decarbonization
	Pumped-storage hydropower	Acceleration of new construction and renovations, driven by the increasing value of energy storage functions linked to renewable energy expansion

2. Massive global push to utilize geothermal power

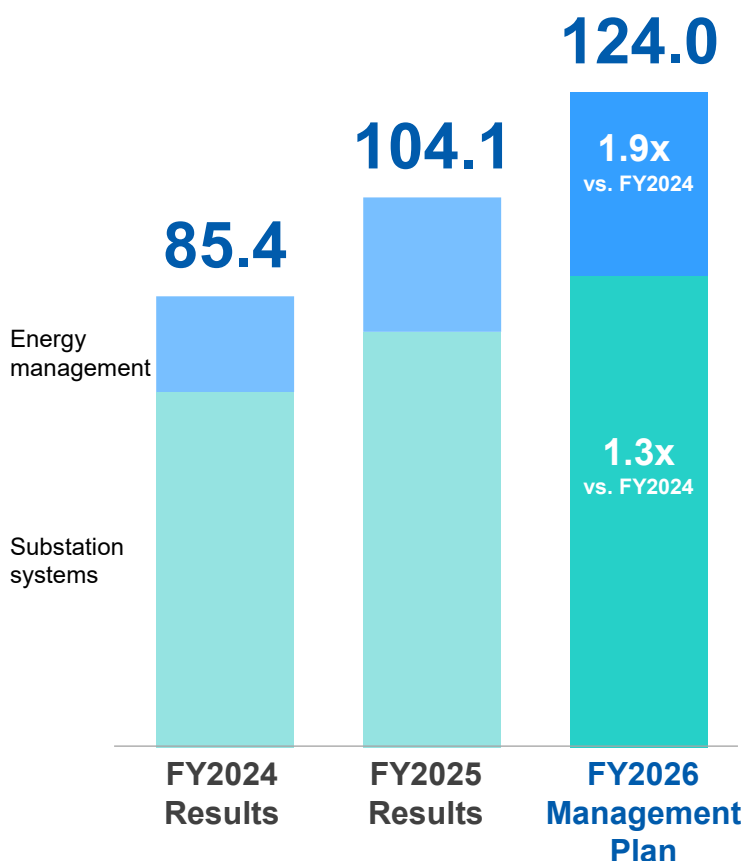
	Japan	Growth in geothermal power generation systems propelled by deregulation, auctions, etc.
	Overseas	Rising demand for geothermal power as clean and reliable power source amid growing demand for power for data centers

Priority Measures—Energy Management

- Ongoing growth in energy management business by capitalizing on growth in storage battery system-related markets
- Steady efforts to take advantage of power infrastructure upgrade demand. Increased construction of semiconductor plants stimulating growth in substation system sales

Net Sales of Energy Management Business

(Billion Yen)



Priority Measures

Expansion of storage battery system orders through enhanced partnership

- Partnership with storage battery manufacturers and major trading companies

Launch of green transformation-related products

- SF6-free C-GIS*, power supplies for new electric arc reactors

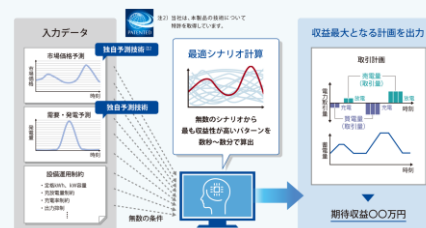
Augmentation of production capacity to accommodate rising substation equipment sales volumes

- Bolstering of production capacity for transformers and switchgears and production at multiple locations

New Products

Introduction of newly developed products for rapidly growing storage battery market

Storage Battery Transaction Optimization System



AI-powered formulation of optimal power generation and transaction plans

Eco-Friendly Storage Battery PCSs



Rapid growth of grid storage battery and other markets positioned as an opportunity

Net Sales of Storage Battery System related

- Projects advanced through partnership
- Other projects

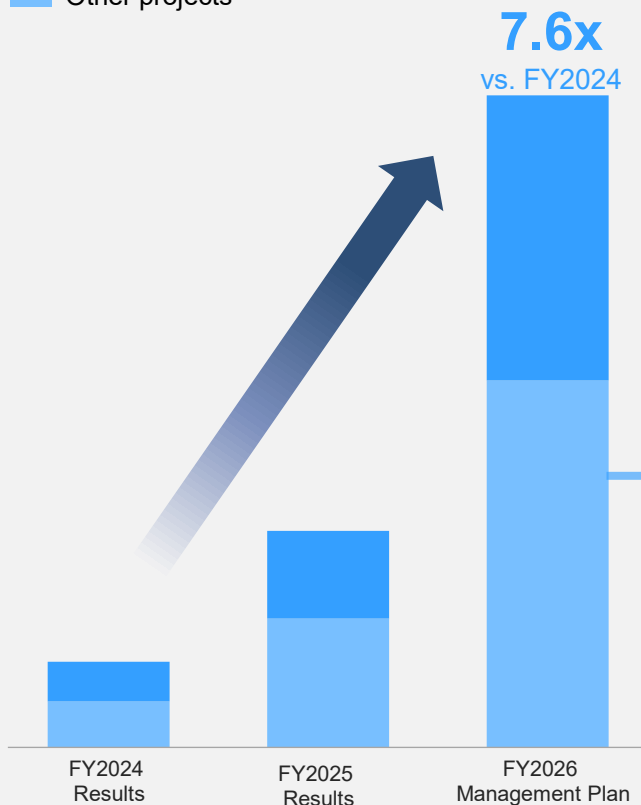
7.6x
vs. FY2024

Fuji Electric's Strengths for Producing Sales Growth

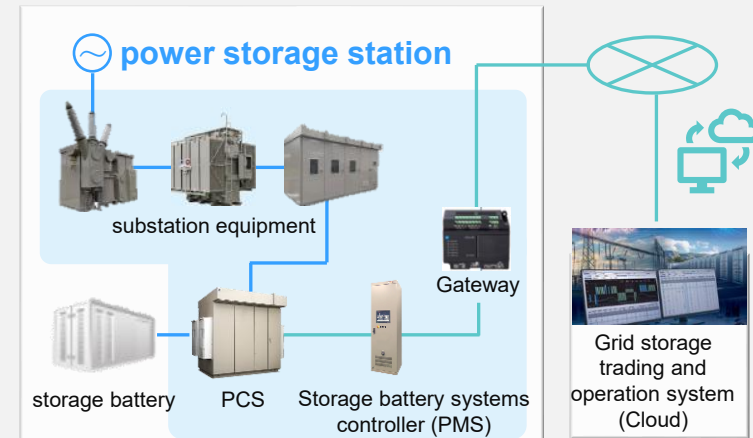
High-speed storage
battery and PCS
control technologies

Collaboration with
partners

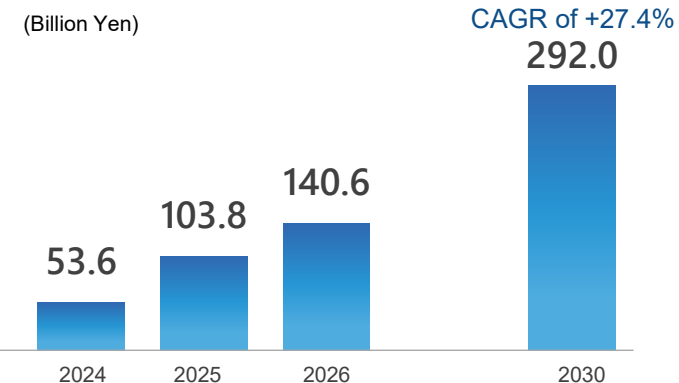
Comprehensive
solution lineup



Grid Storage Battery System



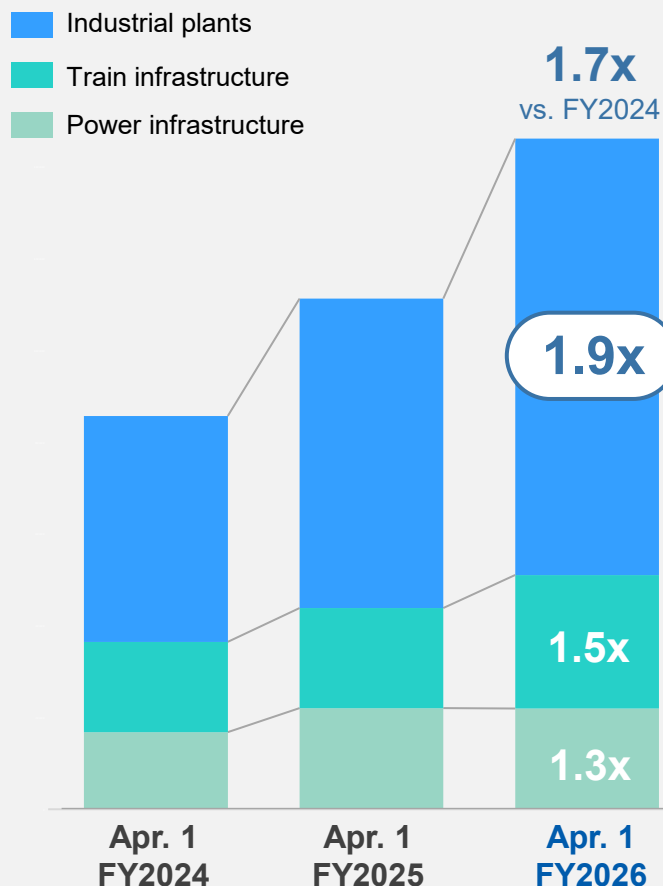
Grid Storage Battery System Market Served by Fuji Electric



Note: Market scale figures represent estimates by Fuji Electric.

Order backlog for substation systems up 1.7 times from FY2024 due to strong performance in industrial plants

Order Backlog for Substation Systems



Factors Behind Growth of Substation System Order Backlog

1. Increased investment stimulated by revenue cap system

Systematic capital investment by power companies

Opportunity

Demand for upgrades to newer and higher efficiency systems

2. Acceleration of electrification trend amid push for decarbonization (GX)

Large rise in substation capacity in conjunction with electrification of factories

Opportunity

Upgrades to large capacity equipment

3. Growing investment amid efforts to return semiconductor industry to Japan

Rapid drive to construct new semiconductor plants requiring massive amounts of electricity

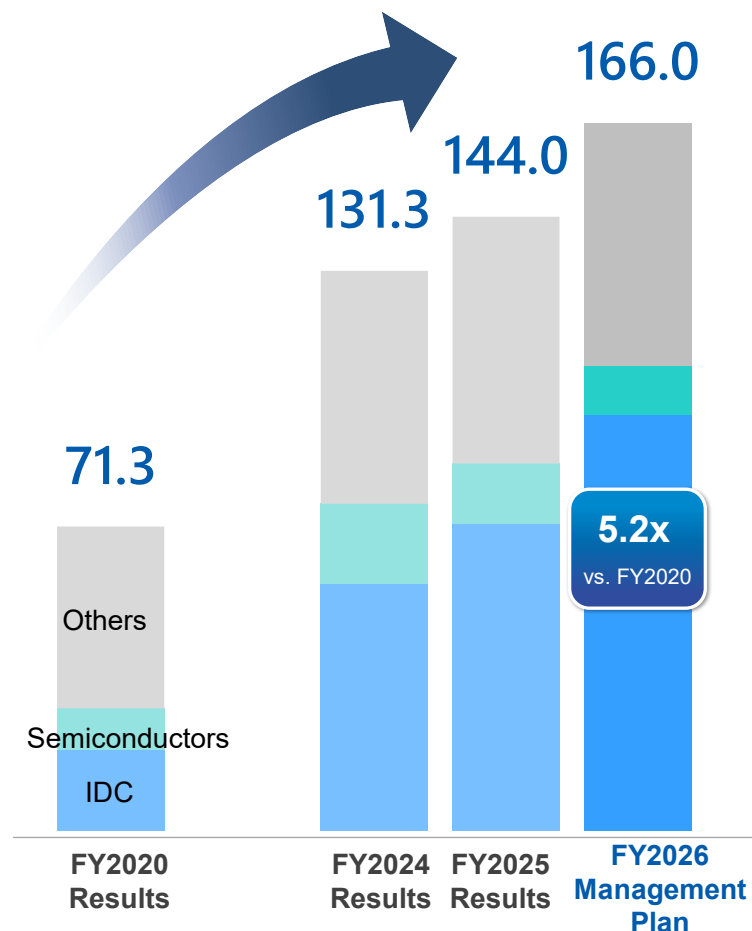
Opportunity

Large-scale batch orders for ultrahigh voltage substation equipment

- Ongoing sales growth centered on IDC and semiconductor factories
- Enhancement of competitiveness through development of IDC products, adoption of new technologies, and expansion of production capacity

Net Sales of Power Supply and Facility Systems

(Billion Yen)



Priority Measures

Reinforcement of competitiveness in IDC field through comprehensive system proposals

- Value-added skid system and container powertrain unit proposals
- Air-conditioning construction and other water cooling-related products that contribute to increased power use efficiency
- Development of next-generation ultracompact UPSs

Augmentation of production capacity to accommodate rising sales volumes

- Reinforcement of production systems and heightening of production capacity for large-scale UPSs
- Start of operations at the new Malaysia factory for data center electrical panels

New Products

Acceleration of new product and technology development

Skid systems and container powertrain units



40% reduction in construction periods

Large-capacity ejector cooling systems

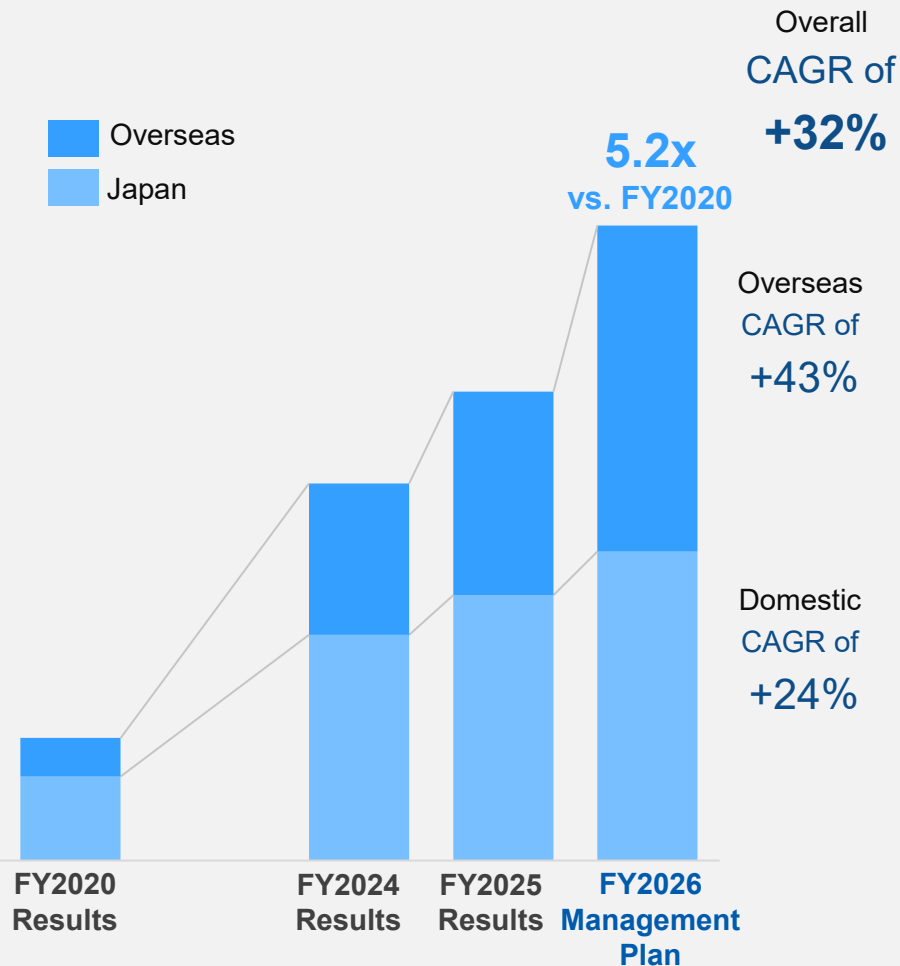
Up to 85% reduction in energy consumption through server cooling using exhaust heat



Launch in June 2026

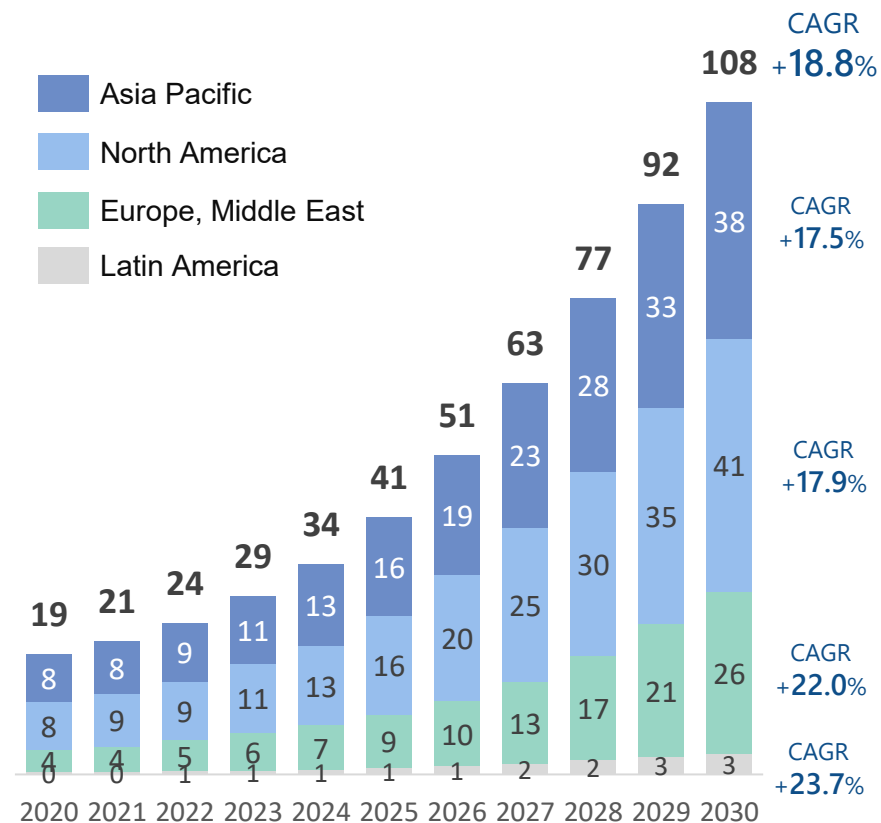
Sales growth rates surpassing data center market growth rates

Net Sales for Data Center



Global Data Center Market Scale by Region

(Power use for IT applications in GW)



Source: *Global Data Centre Colocation & Interconnection Report 2025*, Structure Research Ltd., 2025

Bolstering of production bases in Southeast Asia and Oceania in conjunction with growth in overseas sales of IDC products

Fuji SMBE

- **Augmentation of IDC electrical panels production capacity**

- Expansion of sales of data center products
- Expansion of production bases in Australia
- Commencement of operations at **new factory in Malaysia**

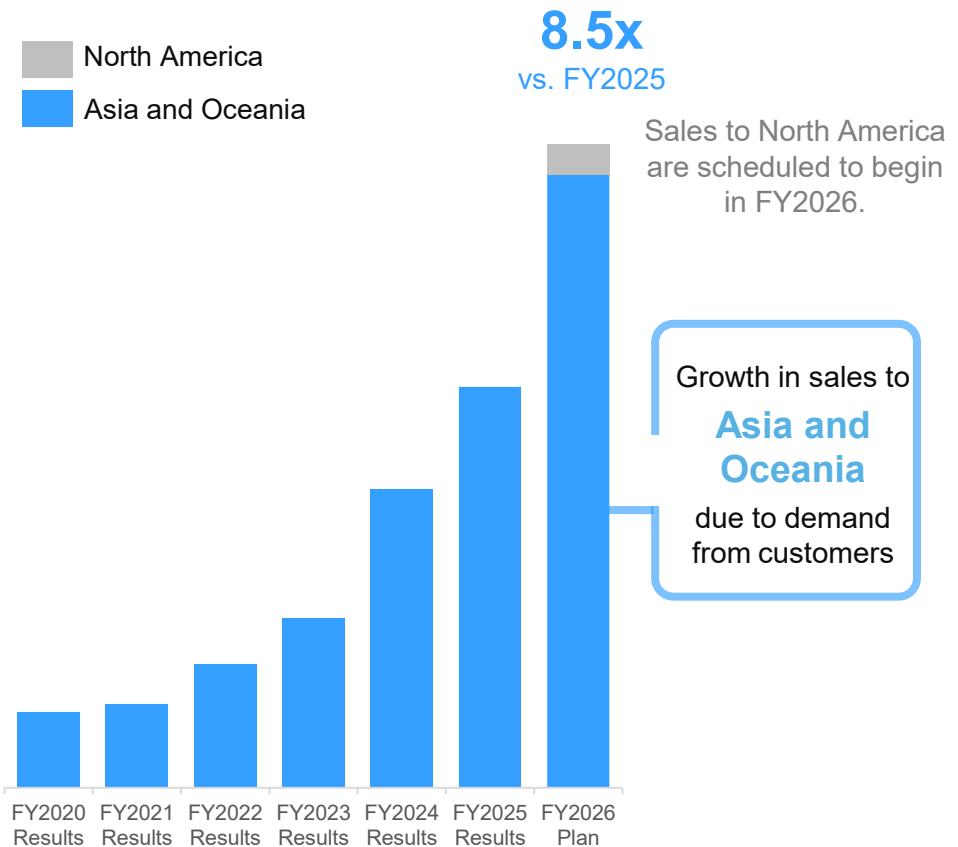
Projected Production Capacity in FY2027

2.5x
vs. FY 2024



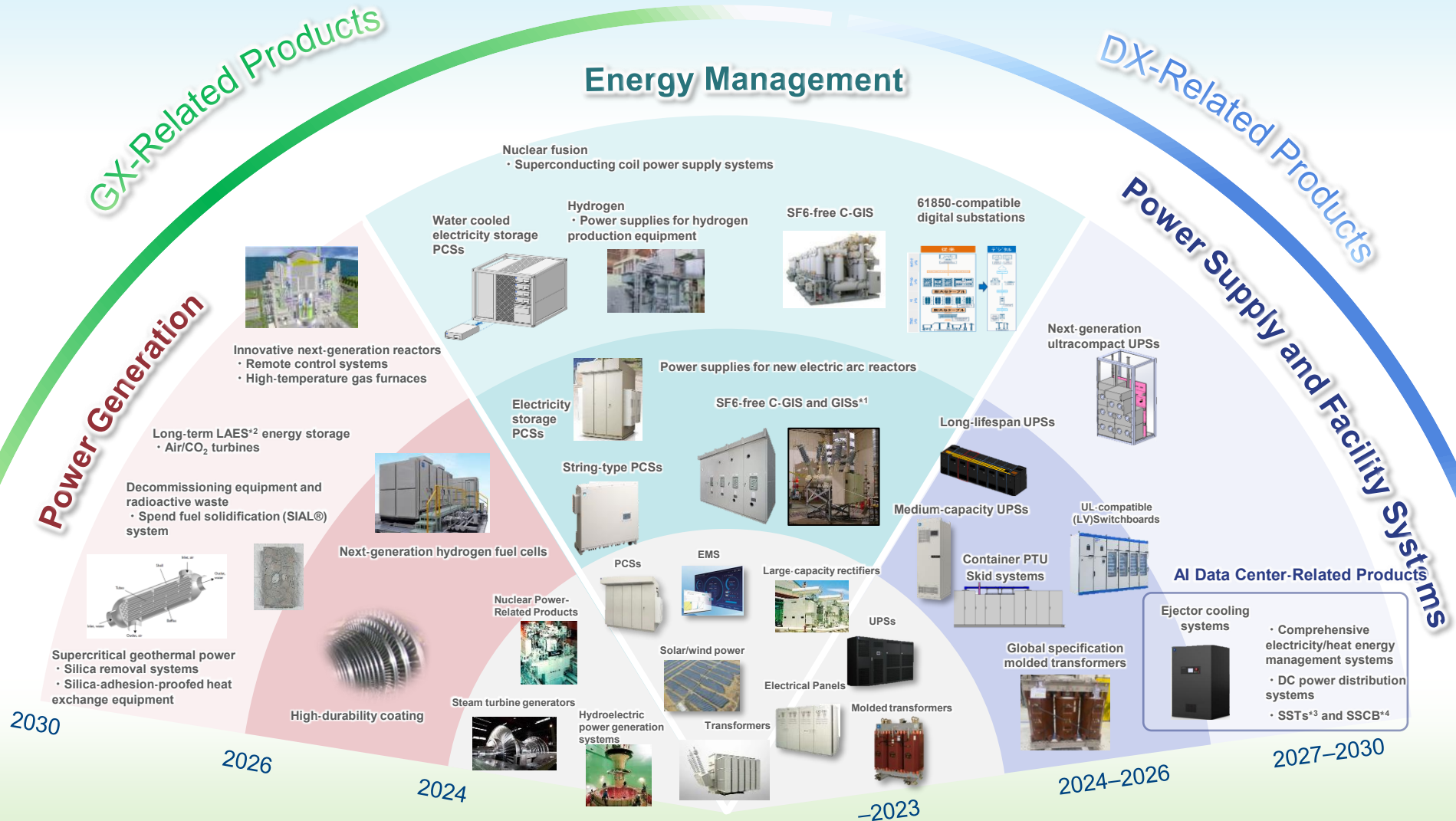
Malaysian Production Base
Increase of approx. 34k m²
4.7x ↑

Net Sales of Power Supply and Facility Systems for Overseas Data Centers



Priority Measures—Product Development Targeting Ongoing Growth

Ongoing efforts to swiftly develop competitive products and bolster new product lineups



*1 GIS: Gas-insulated switchgears *2 LAES: Liquid air energy storage *3 SST: Solid state transformers *4 SSCB: Solid state circuit breakers

Priority Measures—Production Capacity Augmentation (Japan)

Augmentation of production capacity at all domestic factories

Kawasaki Factory

● Commencement of switchgear production

- Receipt of switchgear production transferred from Chiba Factory and bolstering of production capacity
- Expansion of in-house production through coordination with overseas bases

Production ramp-up in 1Q of FY2026

Production capacity increase vs. FY2024

1.7x

Post-relocation clean room



Chiba Factory

● Expansion of transformer production capacity

- Utilization of space freed-up through transference of switchgear production to expand transformer production capacity

Production ramp-up in 4Q of FY2026

Production capacity increase vs. FY2024

1.5x

Part of area to be used to expand transformer production capacity



Kobe Factory

● Heightening of electrical panels and power distribution panels production capacity

- Increases to capacity to produce panel systems for IDC
- Domestic production of IEC-compliant low-voltage switchboards

Production ramp-up in 4Q of FY2026

Production capacity increase vs. FY2024

1.7x

Rendering of production building post-expansion



Tsukuba Factory

● Broadening of range of production items

- Production of ultrahigh voltage and railway electrical panels
- Commencement of production of string-type PCSs
- Augmentation of standalone large-capacity UPS production capacity

Production ramp-up in 4Q of FY2027

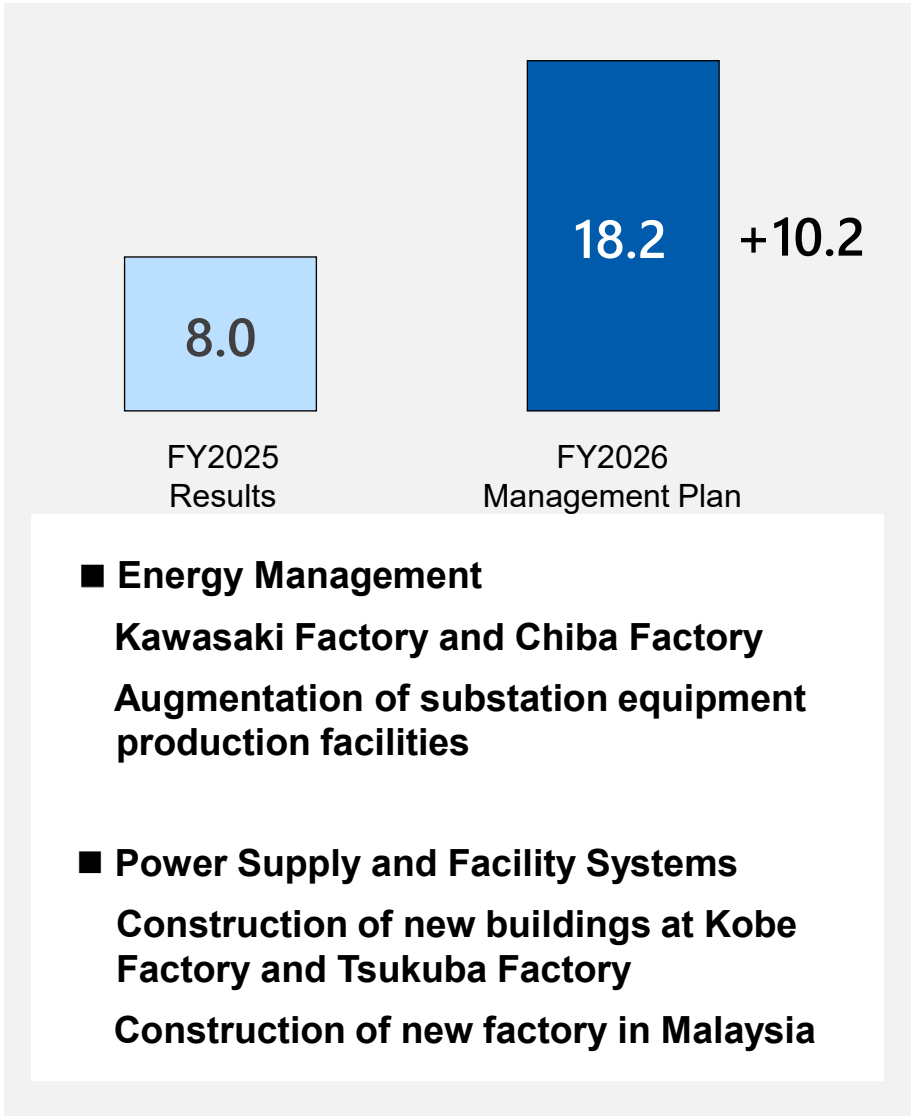
Production capacity increase vs. FY2024

1.8x

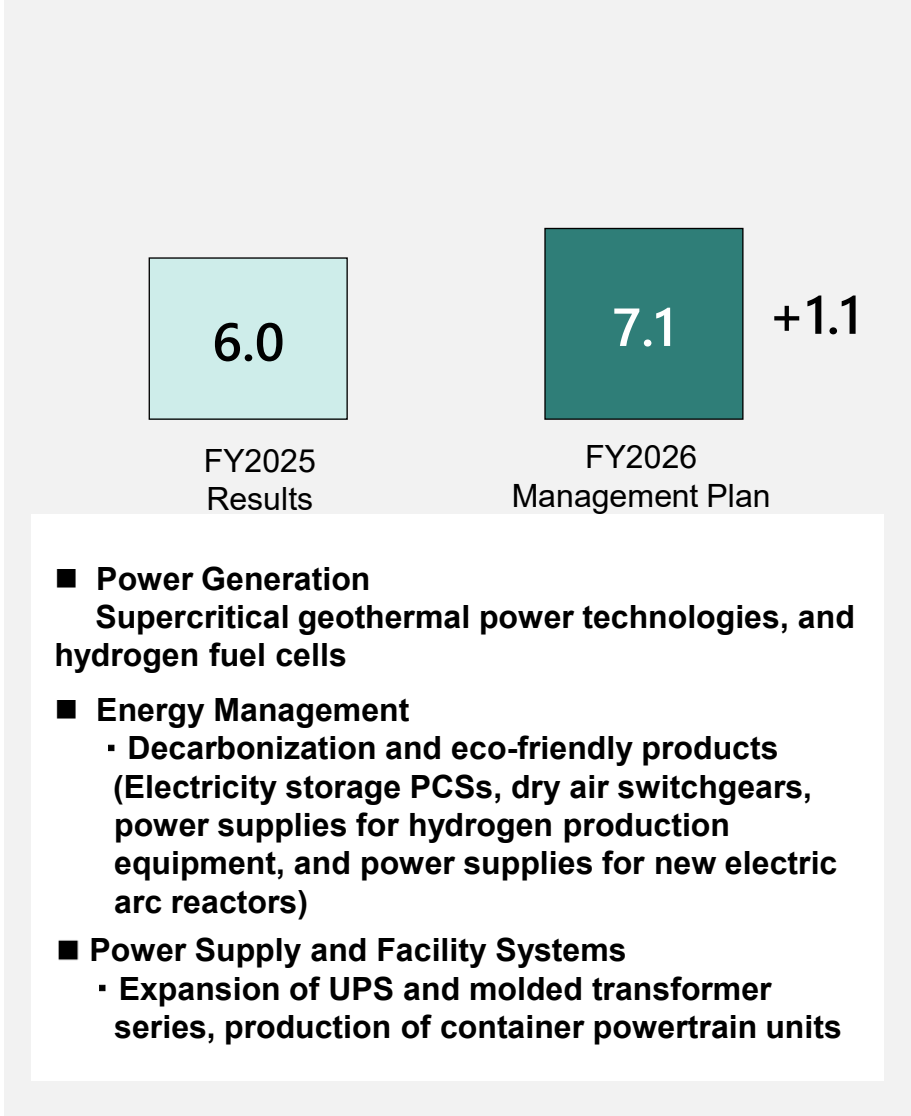
Rendering of new production building



Capital Investment (Billion Yen)



Research and Development (Billion Yen)



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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