



# Energy Business Strategies for FY2026

Energy Business Group

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# 1 Business Overview

# 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 (Substation Systems)

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

### Major Products

- Substation equipment



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



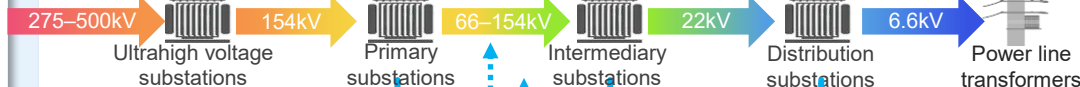
Railway substations



Industrial plants



## Power grids

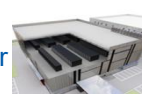


Large-scale solar power and wind power generation systems

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%)

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

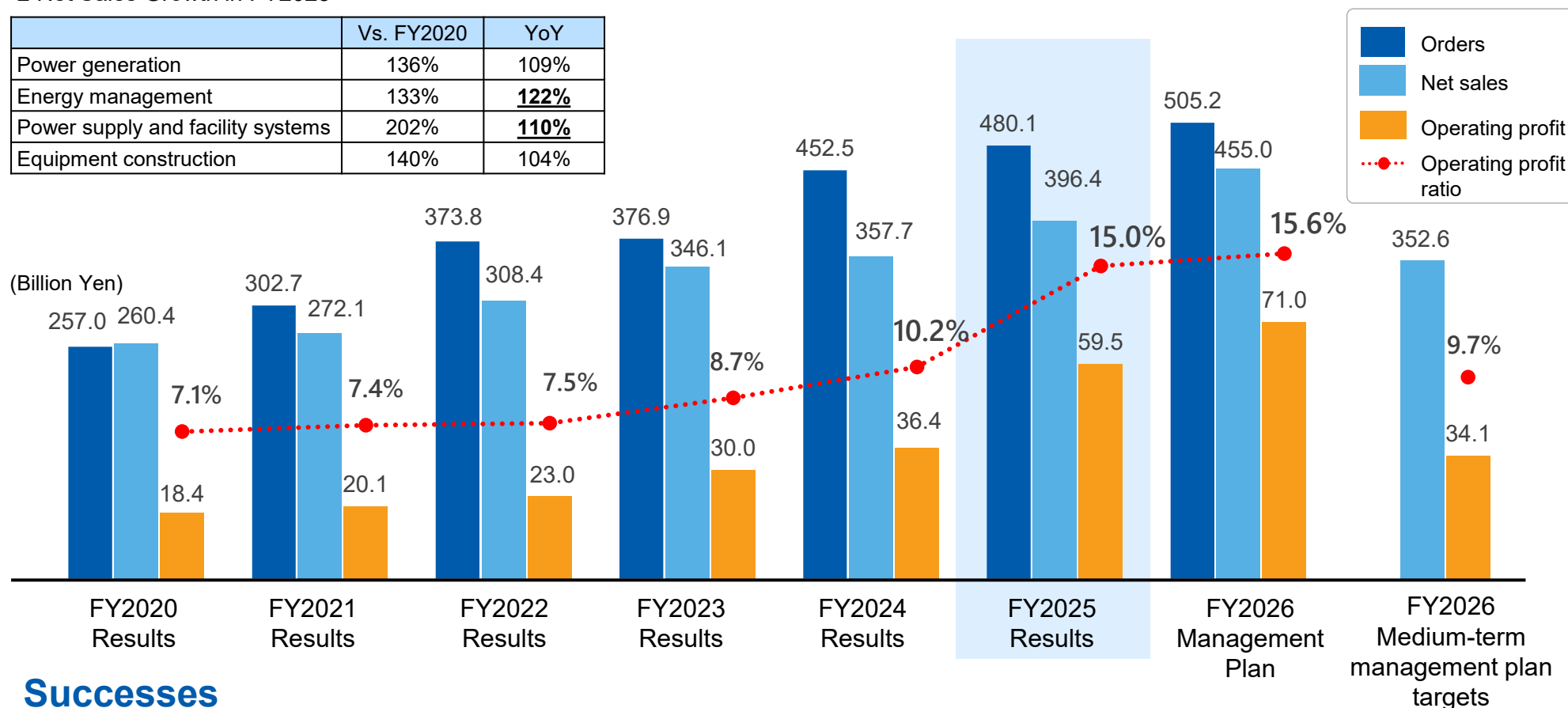
Maintenance services

## 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%	<b>122%</b>
Power supply and facility systems	202%	<b>110%</b>
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

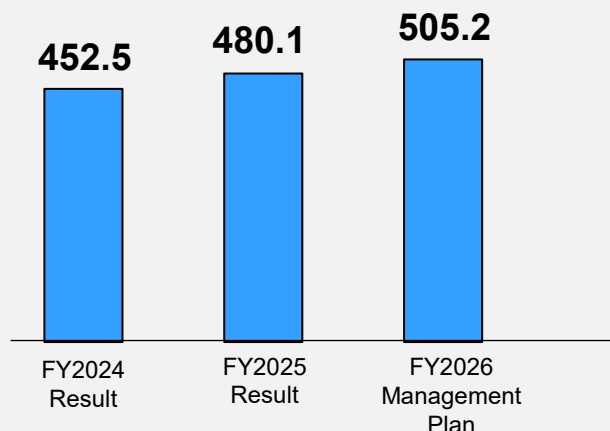
## Ongoing growth in various subsegments projected as a result of accelerated decarbonization initiatives and rising electricity demand stimulated by digital transformation efforts

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

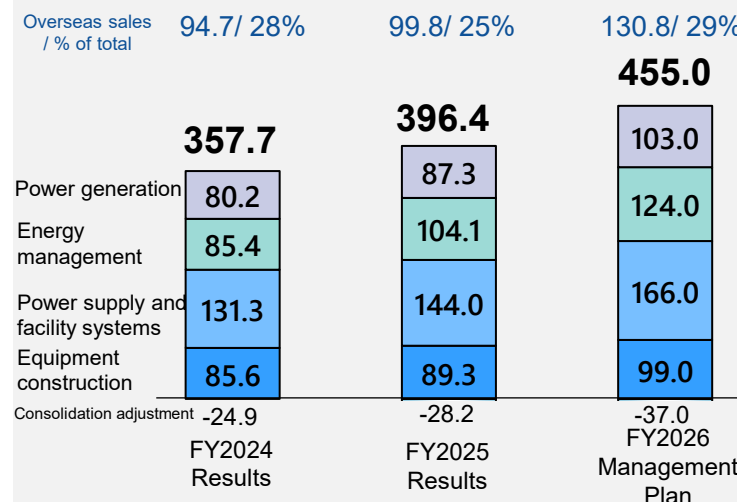
Note: Equipment construction market trends are described in the sections for the respective subsegments.

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

### Orders (Billion Yen)

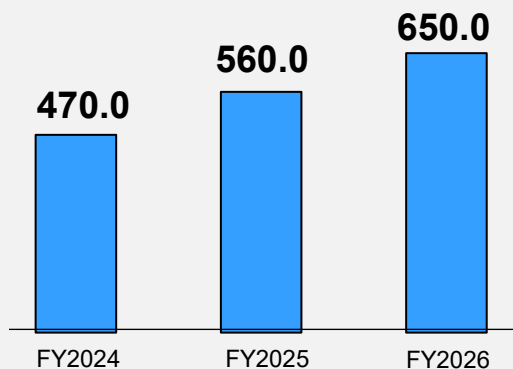


### Net Sales by Subsegment (Billion Yen)

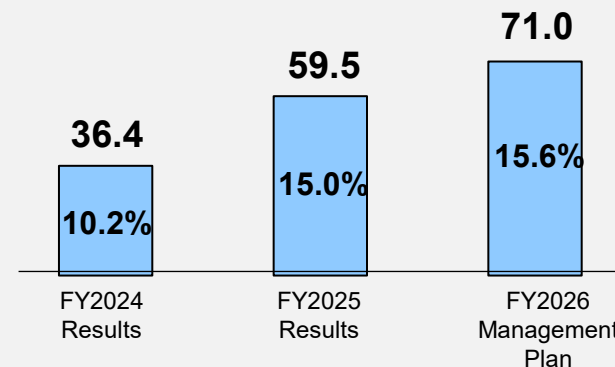


### Order Backlog\*

(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

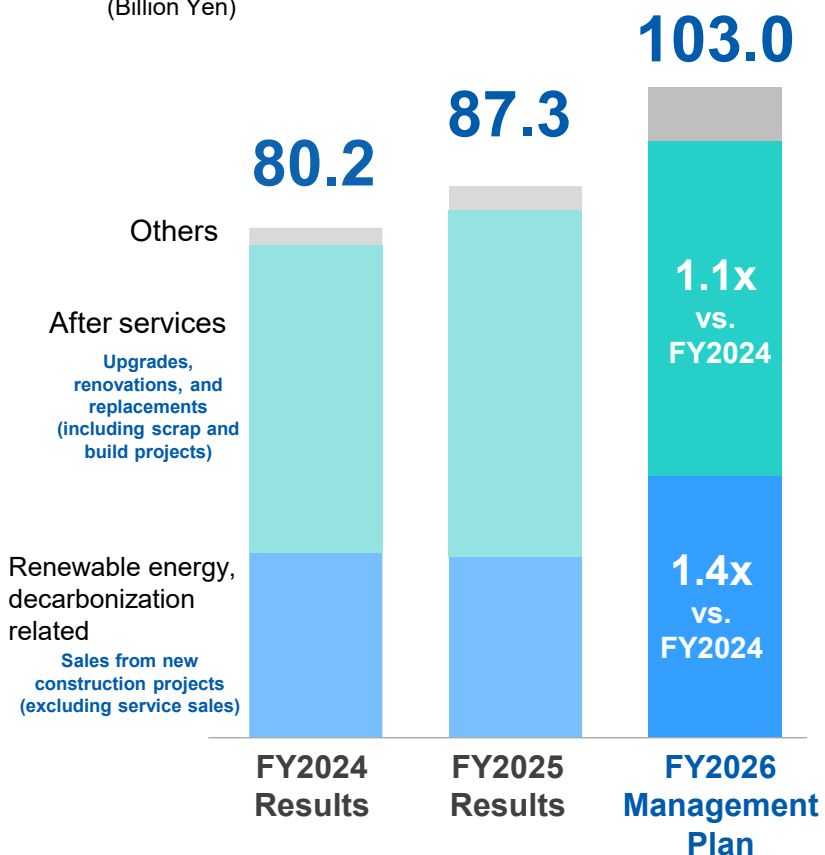
## General Measures

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

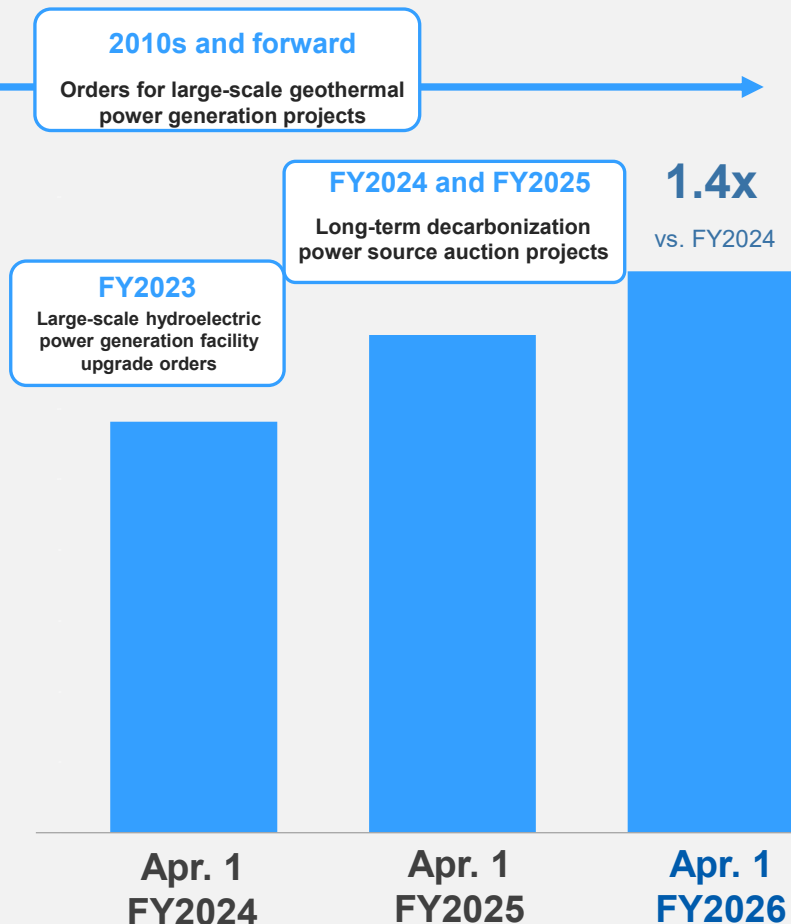
- Acceleration of measures for responding to global growth in geothermal power generation equipment demand
- Verification of next-generation hydrogen fuel cells, development and supply of energy storage equipment, and participation in innovative next-generation reactor projects

### 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**

## Order Backlog for Power Generation



## Background of strong large-scale project orders

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

	<b>Gas-fired thermal power</b>	Rapid growth in power plant construction and replacement as cornerstone of electricity supply-demand balancing
	<b>Biomass</b>	Increase in biomass combustion plant construction and replacement to contribute to decarbonization
	<b>Pumped-storage hydropower</b>	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

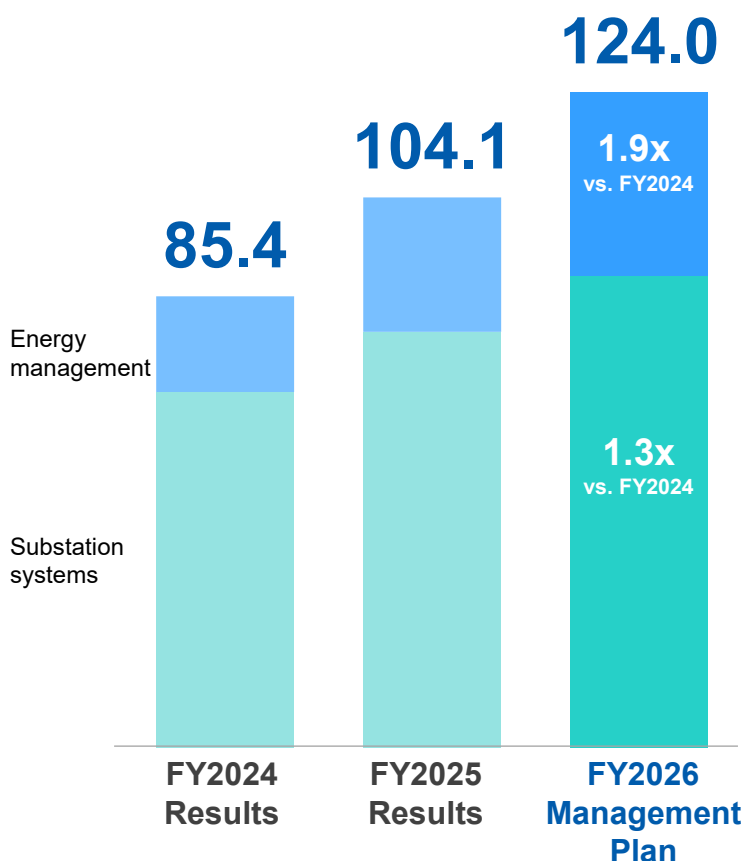
	<b>Japan</b>	Growth in geothermal power generation systems propelled by deregulation, auctions, etc.
	<b>Overseas</b>	Rising demand for geothermal power as clean and reliable power source amid growing demand for power for data centers

# 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

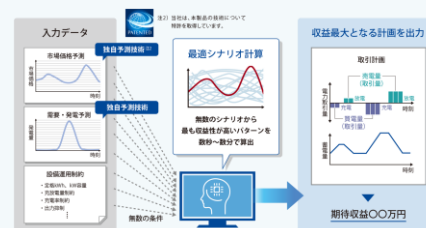
### Augmentation of production capacity to accommodate rising substation equipment sales volumes

- 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

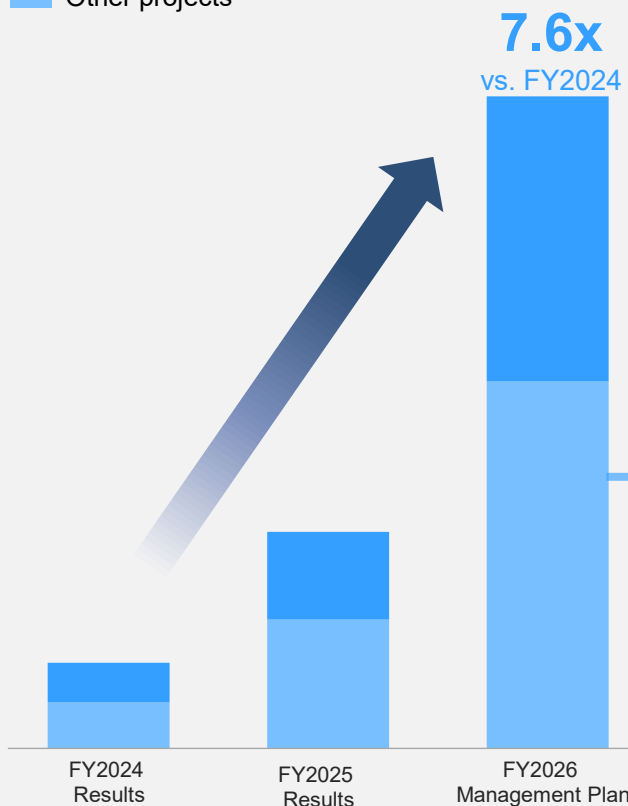
#### Eco-Friendly Storage Battery PCSs



## 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



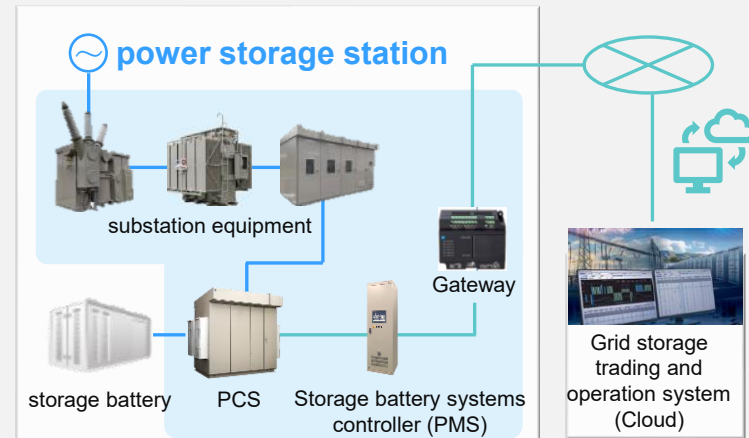
### Fuji Electric's Strengths for Producing Sales Growth

High-speed storage battery and PCS control technologies

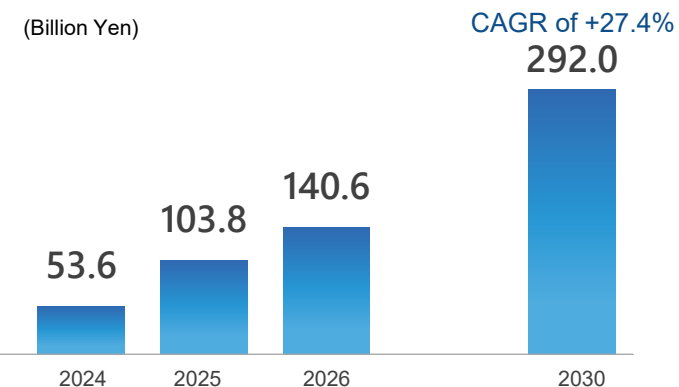
Collaboration with partners

Comprehensive solution lineup

### Grid Storage Battery System



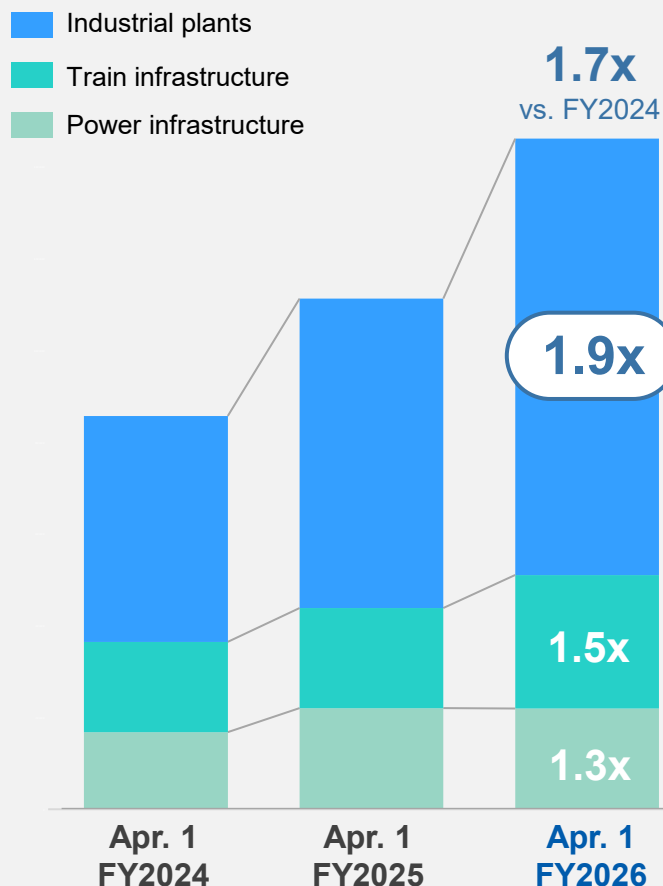
### Grid Storage Battery System Market Served by Fuji Electric



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

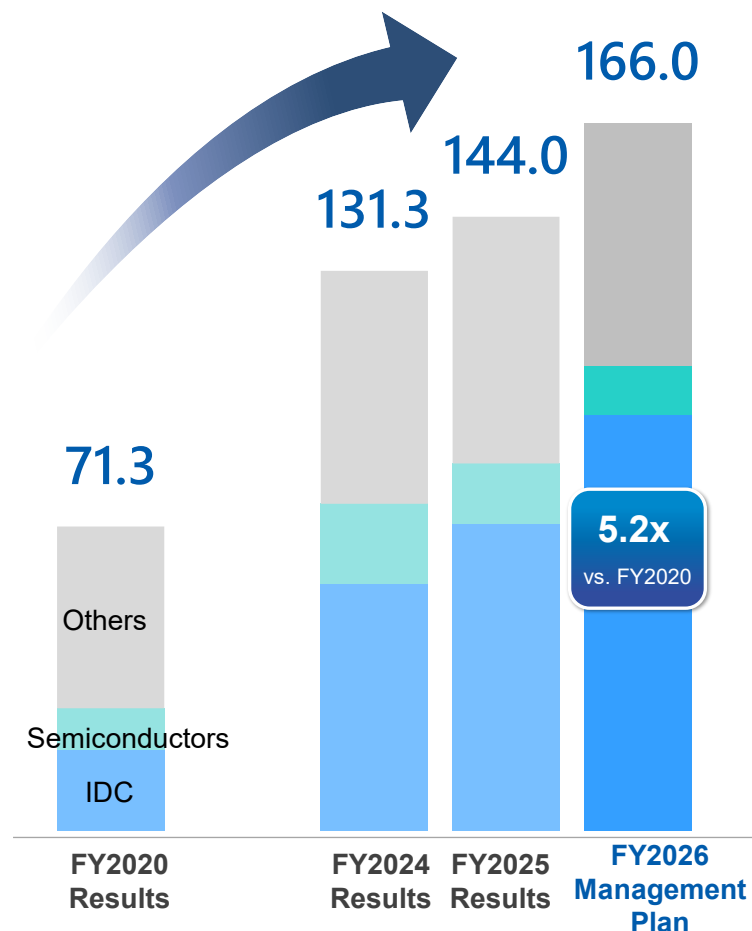
Opportunity

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

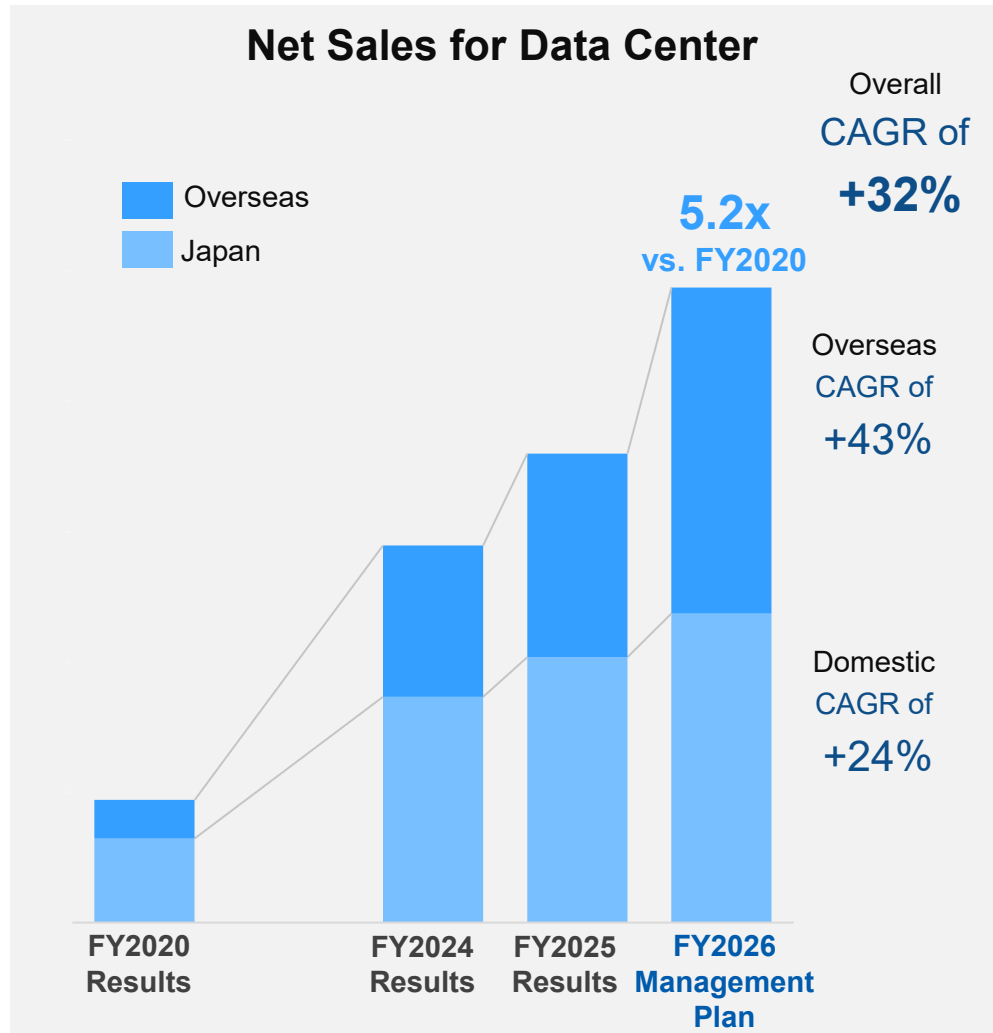
##### Large-capacity ejector cooling systems

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



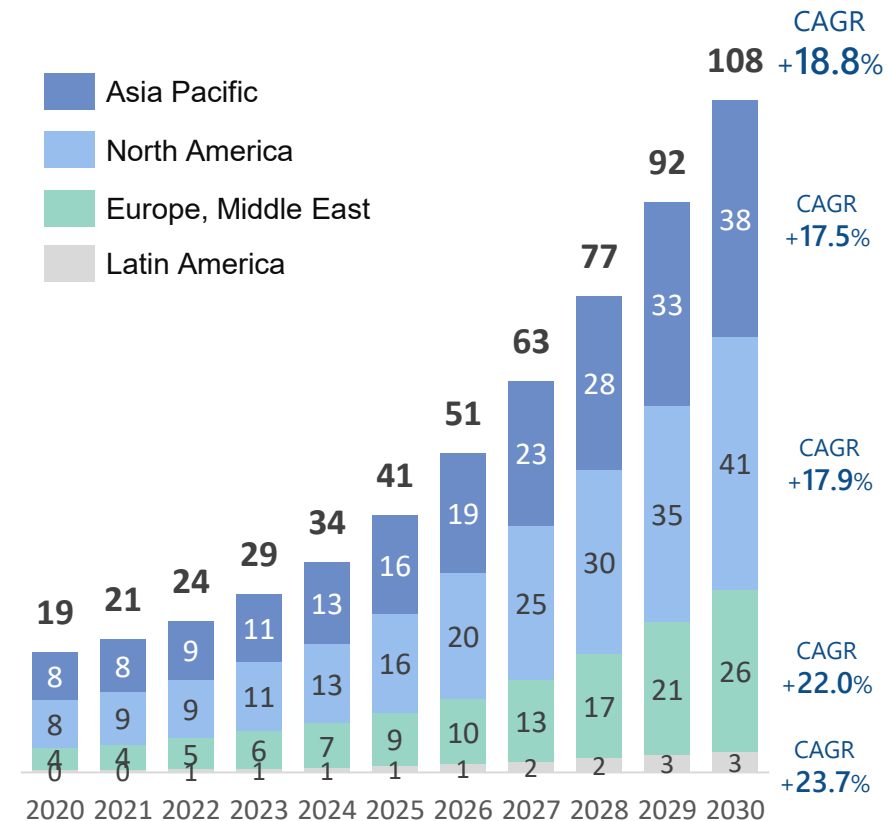
Launch in June 2026

## Sales growth rates surpassing data center market growth rates



### 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

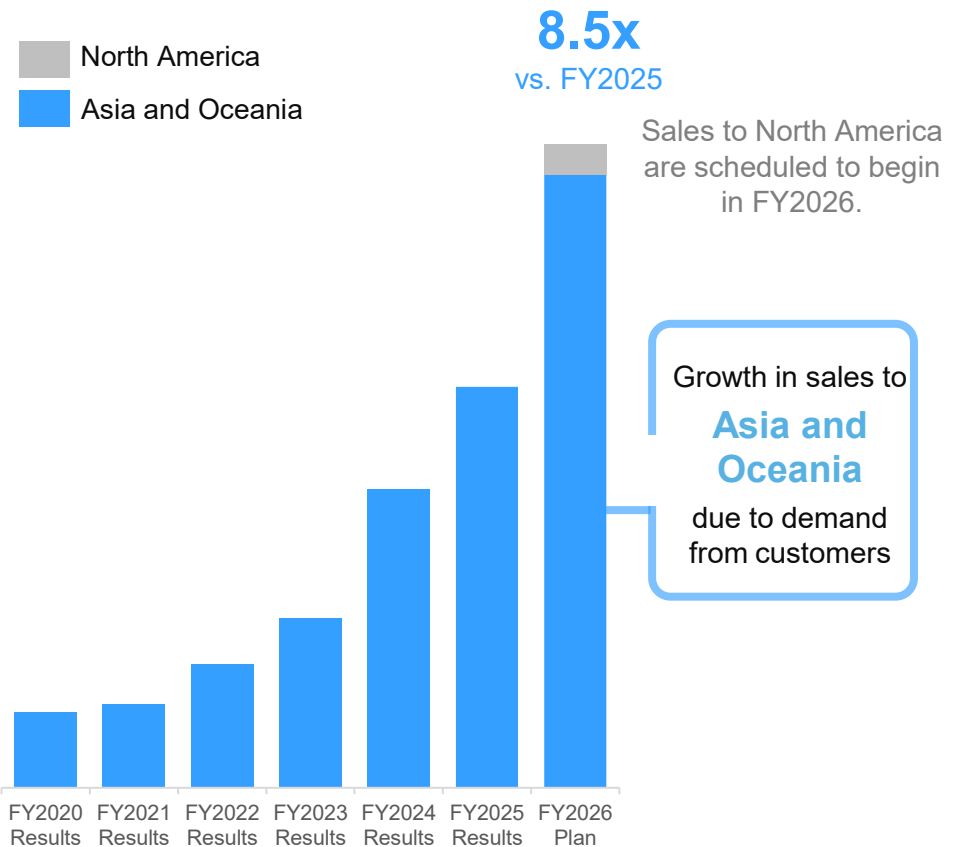


Malaysian Production Base

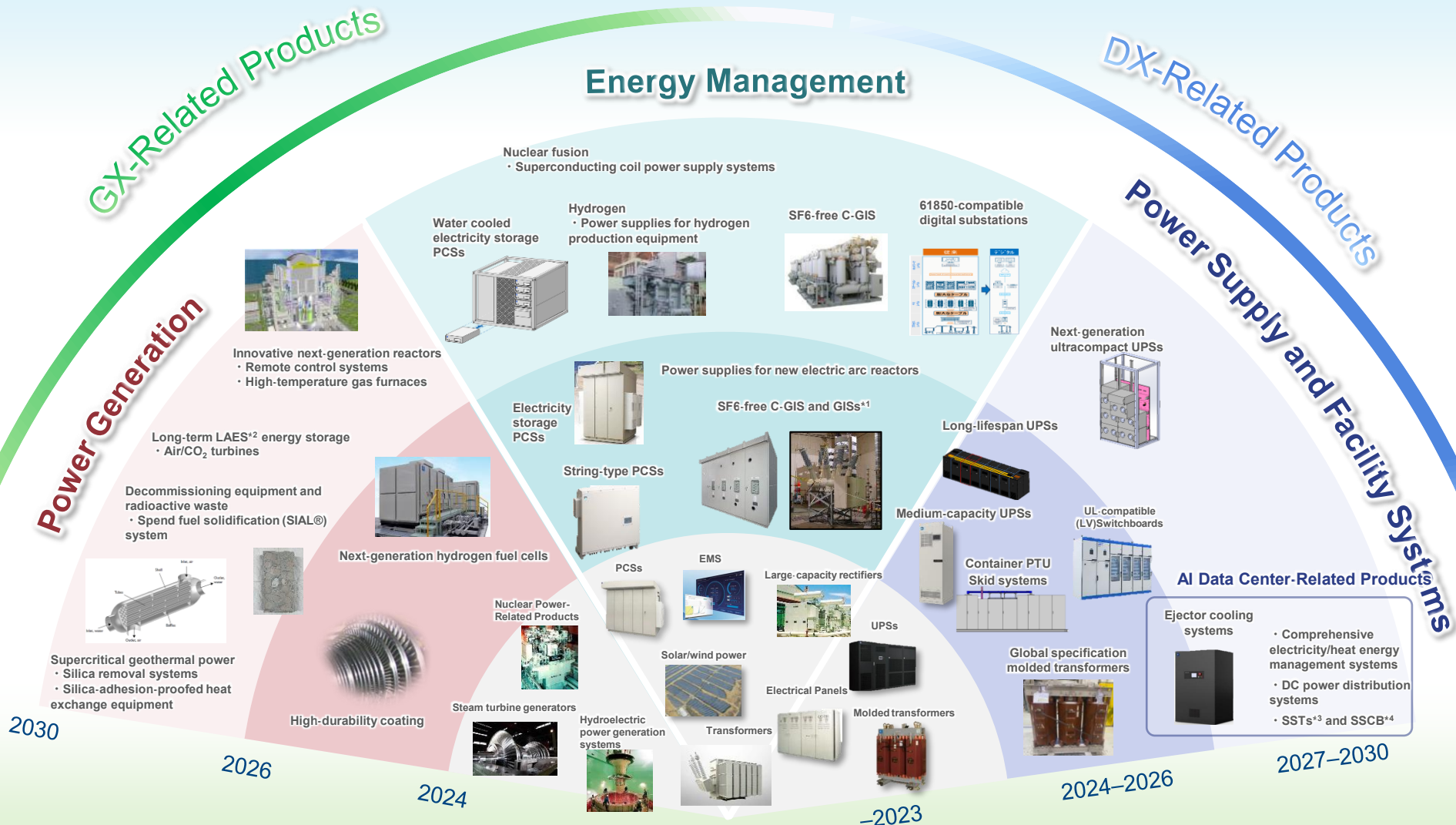
Increase of approx. 34k m<sup>2</sup>

**4.7x** ↑

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



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

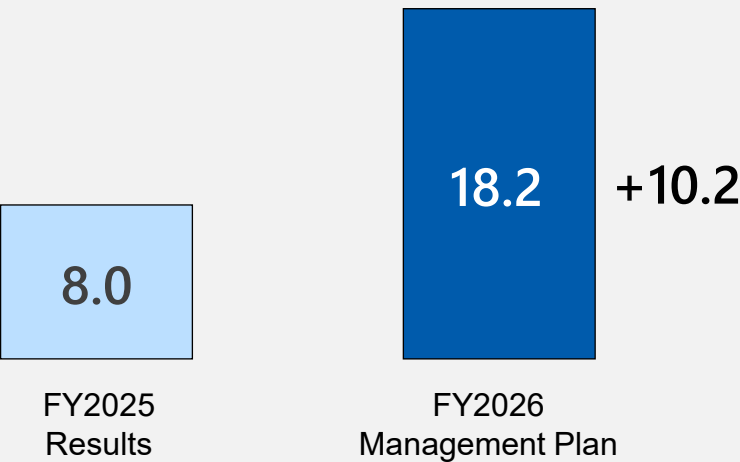
Production capacity increase vs. FY2024

**1.8x**

Rendering of new production building



## Capital Investment (Billion Yen)



### ■ Energy Management

**Kawasaki Factory and Chiba Factory**

**Augmentation of substation equipment production facilities**

### ■ Power Supply and Facility Systems

**Construction of new buildings at Kobe Factory and Tsukuba Factory**

**Construction of new factory in Malaysia**

## Research and Development (Billion Yen)



### ■ Power Generation

**Supercritical geothermal power technologies, and hydrogen fuel cells**

### ■ Energy Management

- Decarbonization and eco-friendly products (Electricity storage PCSs, dry air switchgears, power supplies for hydrogen production equipment, and power supplies for new electric arc reactors)

### ■ Power Supply and Facility Systems

- Expansion of UPS and molded transformer series, production of container powertrain units

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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