



# Semiconductor Business Strategies for FY2026

Semiconductor Business Group

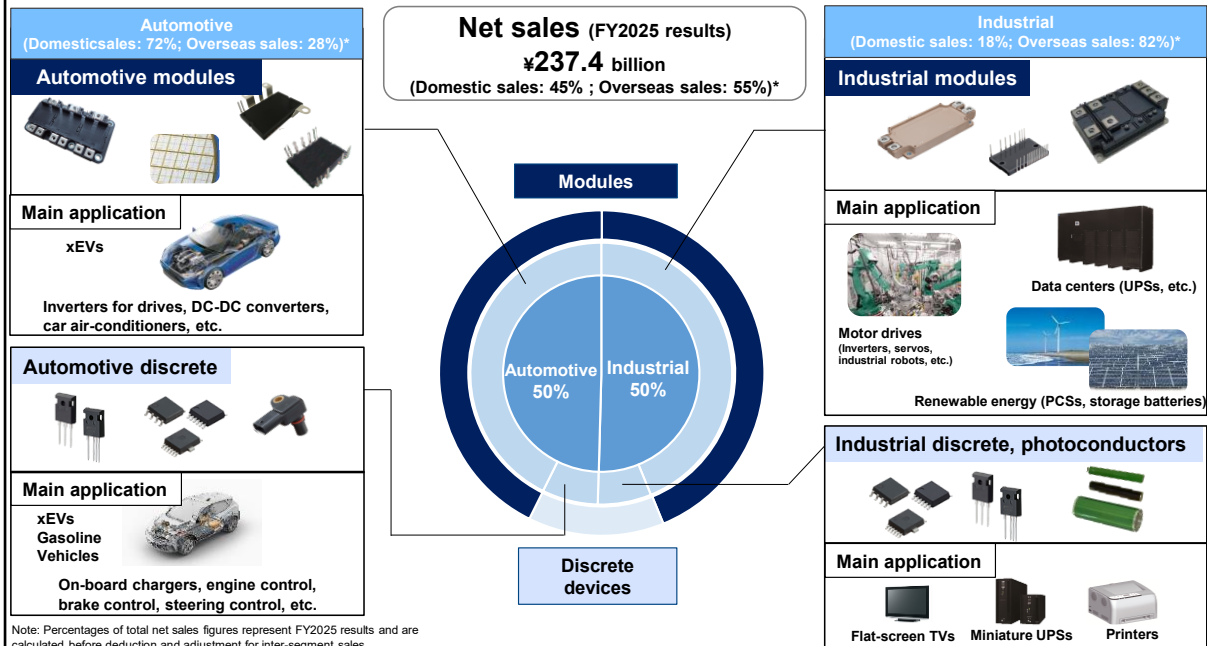
May 27, 2026

I'm Toru Hosen from the Semiconductor Business Group.  
I'd now like to talk about our business strategy for FY2026.

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# 1 Business Overview

## Contributions to vehicle electrification, more compact power electronics, energy savings, and CO<sub>2</sub> emissions reductions



I will first provide an overview of the business. In our semiconductor business, we handle power semiconductors that contribute to vehicle electrification and the miniaturization and energy efficiency of power electronics. The market is broadly divided into two sub-segments: automotive and industrial.

As you can see on the left, the automotive sub-segment consists of automotive modules used in drive inverters for electric vehicles and automotive discrete devices used in engine and brake control systems. And on the right, the industrial sub-segment includes industrial modules used in motor drives and renewable energy applications, as well as industrial discrete devices and photoconductors used in products such as televisions and printers.

In the previous fiscal year, roughly half of our net sales came from automotive and the other half from industrial.

## No. 3 global market share for IGBT modules

- Leading global position in IGBT module market
- Launch of industry's first RC-IGBT, adopted by electrified vehicle manufacturers worldwide
- Extensive track record and highly trusted technologies

## Advanced chips and high-density mounting technologies

- Industry's lowest level of loss for 7th- and 8th-generation IGBTs, 3rd-generation SiC-MOSFETs, etc.
- Industry's most compact modules combining low-loss chips and high-density mounting technologies
- Optimally designed equipment made possible by low variability

## Global customer support systems

- Multiple production bases and sales and design centers worldwide

## Contributions to customer equipment and products

- High energy efficiency and output
- Compact and space-efficient design
- Quality up to customers' standards
- Optimal design margins

In this business we have three key strengths.

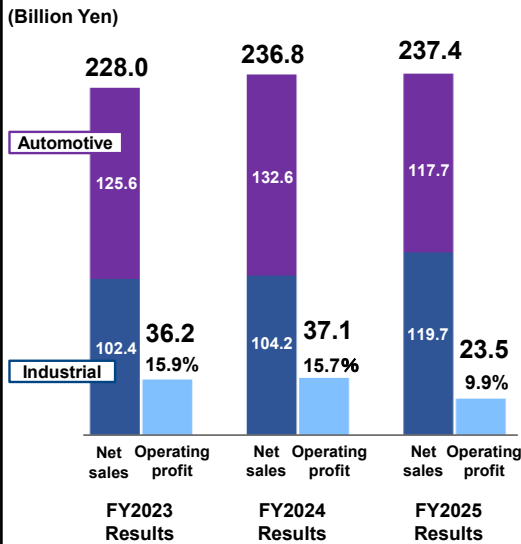
The first is that we command a leading global position; we are ranked third in global market share for IGBT modules. We were also the first in the industry to bring RC-IGBTs to market, which have been widely adopted by EV manufacturers in Japan and overseas. Our technologies in this area are also highly trusted.

The second key strength is our advanced chips and high-density mounting technologies. We currently have plans to launch 8th-generation IGBTs following the 7th generation, as well as 3rd-generation SiC devices. These devices boast industry-leading low-loss performance. By combining these chips with our high-density mounting technologies, we are able to deliver some of the world's most compact modules. Another feature is that our products exhibit extremely low variability, which means customers can realize optimized equipment design.

The third strength is our global customer support structure. We have numerous production bases and design centers in Japan and overseas, through which we help our customers achieve greater energy efficiency, more compact designs, and higher quality in their equipment and products.

## 2 Review of FY2025

**Net Sales and Operating Profit  
by Subsegment**



**Major Successes**

- Growth of sales through investments in increasing front-end SiC device processing capacity  
Production capacity: Up. 2.5 times YoY  
(Fuji Electric Tsugaru Semiconductor)  
Net sales: Approx. double FY2024
- Commencement of mass production of new products  
Large-capacity IGBT modules for renewable energy applications (1.7kV, 2.3kV)  
3rd-generation SiC chips and compact RC-IGBT modules for xEVs
- Start of provision of samples of 8th-generation IGBT modules

**Challenges**

- Growth of sales of automotive semiconductors  
Promotion of Fuji Electric's specifications and efforts to approach new customers
- Improvement of earnings power
- Development of competitive new products

Let's take a look at our FY2025 results.

In the previous fiscal year, we recorded net sales of 237.4 billion yen and operating profit of 23.5 billion yen.






One major achievement was sales growth driven by investment in increased front-end SiC production capacity. Last fiscal year, we boosted production capacity to 2.5 times the year-earlier level, resulting in a two-fold year-on-year increase in SiC net sales.

Another achievement was the commencement of mass production for new products. We began mass production of large-capacity IGBTs for renewable energy applications and 3rd-generation SiC chips and compact RC-IGBT modules for EVs. We also started sample shipments of 8th-generation IGBT modules last year.

As for challenges, sales in the automotive sector have been somewhat sluggish, so we need to expand sales in this area. To address this, we are currently working to secure new design wins and gain new customers. The second challenge is to further strengthen our profitability, and the third is to develop competitive new products.

## 3 Management Plan for FY2026

- **Industrial: Growing demand for products for use in motor drives**
- **Automotive: Ongoing growth anticipated for overall electrified vehicle market**

Business Fields	Trends in Target Market (FY2026)		FY2025 to FY2026
Industrial	Motor drives*	Increased demand for semiconductor production equipment and industrial robots stimulated by strong demand for semiconductors for AI-related applications Consistent demand for numerically controlled machine tools for automation and efficiency improvement applications	
	New energy	Sluggish demand for solar power-related products, but strong demand anticipated for wind power-related products and energy storage systems	
	Consumers	Modest market growth fueled by demand for replacing home air-conditioning units in response to energy conservation regulations and higher demand for telecommunications equipment stimulated by corporate digital transformation initiatives and spread of 5G networks	
Automotive	xEVs	Double-digit growth anticipated due to ongoing increases in sales of BEVs, HEVs, and PHEVs	
	Gasoline vehicles	Ongoing decline in sales	

\* Motor drives: Inverters, servos, numerically controlled machine tools, industrial robots, etc.

Now I would like to talk about our management plan for FY2026.

First, regarding market trends, in the industrial field, demand is growing for semiconductor manufacturing equipment and industrial robots for use in motor drives.

Demand for numerically controlled machine tools is also steadily increasing.

In the renewable energy sector, even though growth in solar power is slowing due to the end of subsidies in China, demand for wind power and energy storage-related applications is expected to remain firm. In the consumer sector, we expect to see modest growth driven by replacement demand for room air conditioners due to tighter energy efficiency regulations and rising demand for telecommunications equipment associated with the promotion of GX initiatives.

In the automotive field, we think the upward trend in both EVs and hybrids will continue, while demand for gasoline vehicles will keep declining.

## Business Policies

**Promotion of Fuji Electric's specifications and efforts to approach new customers in growth fields**

**Construction of production systems in conjunction with growing SiC device demand**

## Priority Measures

### ■ Growth of sales and acceleration of new initiatives for promoting Fuji Electric's specifications

- Industrial: Promotion of sales centered on motor drive and renewable energy sectors
- Automotive: Efforts to approach new customers and promote Fuji Electric's specifications

### ■ Development of competitive new products

- Next-generation SiC modules, 8-inch SiC devices
- 8th-generation IGBT modules

### ■ Enhancement of manufacturing

- Front-end: Bolstering of SiC device production capacity and mass production of 8th-generation IGBTs based on demand  
Downsizing of production lines for small-diameter devices
- Back-end: Start of mass production of new products and augmentation of production capacity based on demand growth
  - 7th- and 8th-generation industrial IGBT modules, new SiC modules for automotive applications

Under these conditions, our business policy is to secure design wins in growth fields, develop new customers, and build production systems in line with growing SiC device demand.

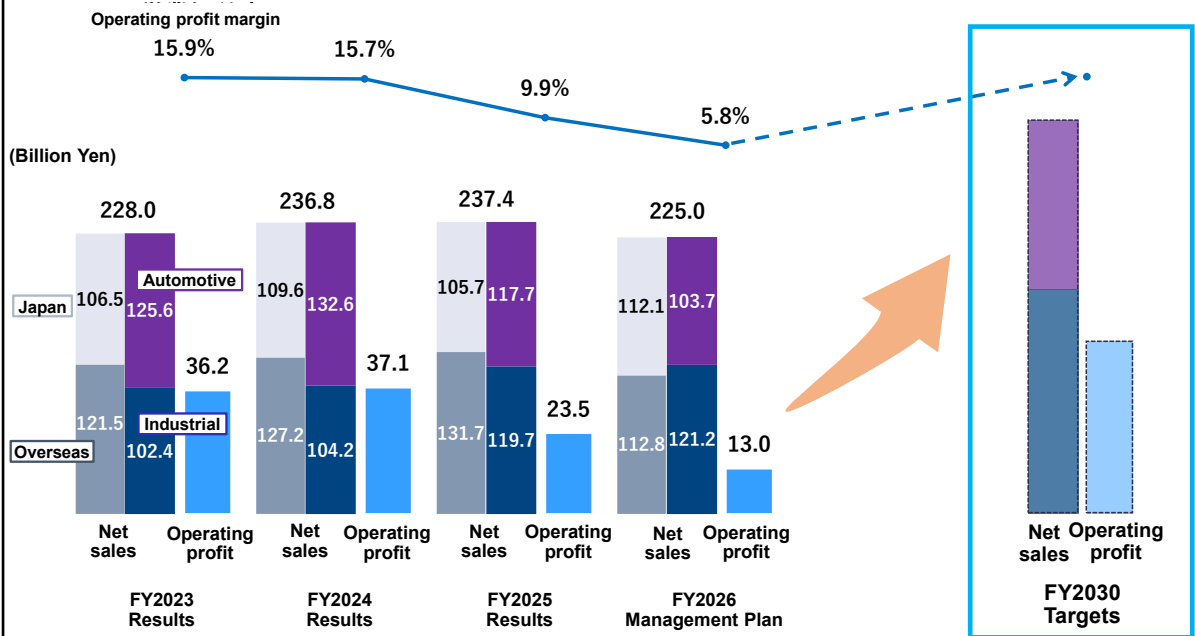
In terms of priority measures, in the industrial space we will focus on expanding sales mainly in motor drive and renewable energy fields, while in the automotive sector we will aim to increase net sales through new customer development and design wins.

In developing competitive new products, we will focus on next-generation SiC modules, 8-inch SiC devices, and 8th-generation IGBT modules.

To enhance our manufacturing, in front-end processes we will expand SiC device production capacity to meet demand and prepare for the mass production of 8th-generation IGBTs. At the same time, we will downsize our existing production lines for small-diameter devices and improve productivity by shifting to larger diameters.

In back-end processes, as we ramp up mass production of new products, we will augment production capacity for 7th- and 8th-generation industrial IGBT modules and new automotive SiC modules.

**FY2026 positioned as preparation phase for growing performance over medium to long term**

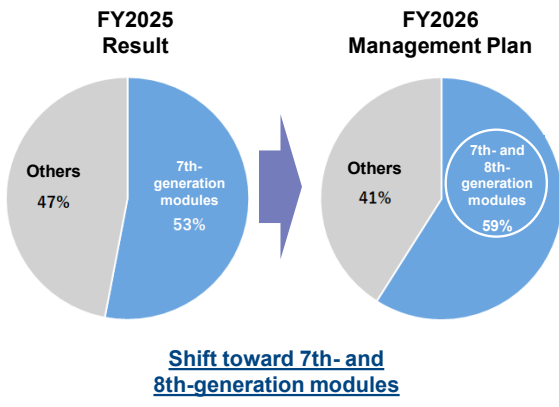


For this fiscal year, FY2026, our management plan projects net sales of 225 billion yen and operating profit of 13 billion yen. This represents a decline in both sales and profit.

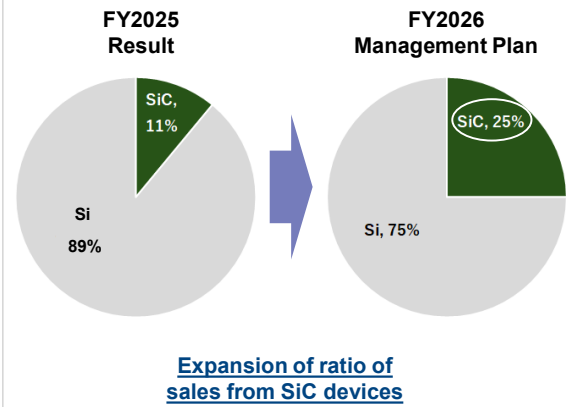
We have positioned this fiscal year as a preparation phase for growth with an eye towards the next medium-term management plan, during which we will firmly strengthen the foundations to drive future growth in sales and profit.

- **Industrial modules: Ratios of sales from 7th- and 8th-generation modules projected to reach approx. 60%**
- **Automotive modules: Ratio of sales from SiC devices to grow to 25%**

## Ratios of Sales from Industrial Modules



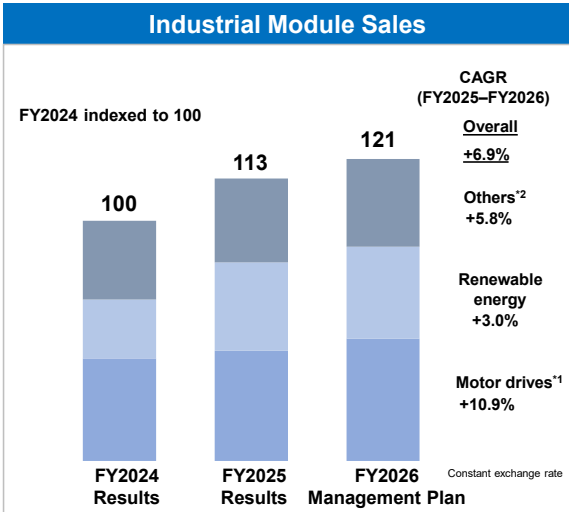
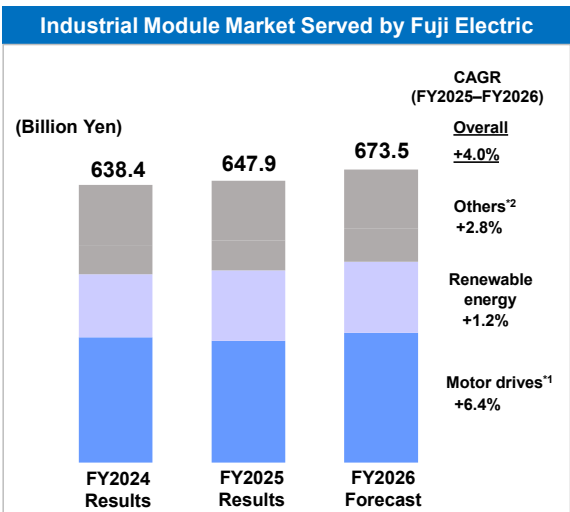
## Ratios of Sales of Automotive Modules



This slide shows the ratios of sales from industrial and automotive modules. In industrial modules, shown on the left, we plan to raise the combined share of sales from the latest 7th-generation modules and the 8th-generation modules entering volume production this fiscal year to about 60%. Furthermore, we aim to boost that sales weighting to around 80% by 2030.

On the other hand, in automotive modules, shown on the right, we expect the ratio of sales from SiC devices to increase from 11% last fiscal year to 25% this fiscal year. We are also working to lift this sales weighting to around 60% by 2030.

- Overall market growth of 4% propelled by motor drives
- Sales growth rates surpassing market growth rates due to sales promotions for new products



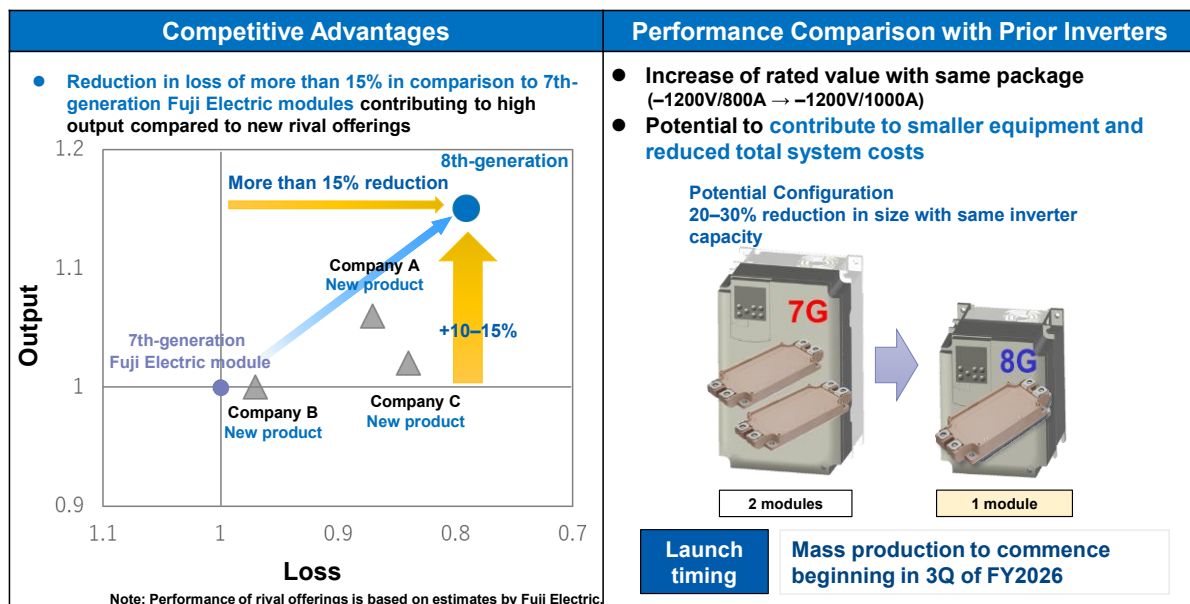
Source: Fuji Electric (estimates based on data from research institutions)

\*1 Motor drives: Inverters, servos, numerically controlled machine tools, industrial robots, etc.

\*2 Others: Electric railway, consumer, data center (power supply, air conditioning), and other products

On the left side of this slide, you can see our market forecast for industrial modules. We forecast the market size this fiscal year to be 673.5 billion yen, which represents year-on-year growth of around 4%. In this market, we expect the motor drives category, which had been sluggish for some time, to recover this fiscal year with growth of 6.4%. On the right of the slide, our sales target is for overall year-on-year growth of 6.9%. We aim to generate sales growth that outpaces the market. Here as well, we plan to drive sales growth in this field with a 10.9% increase in the motor drives category.

- Increase of rated value with same package through improvement of performance (reduction of losses)
- Contribution to smaller equipment and reduced system costs







In developing competitive new products for industrial applications, we are pressing ahead with the development of 8th-generation IGBT modules.

These products reduce loss by more than 15% compared to our 7th-generation modules and increase output current by about 10–15%. This means we can increase the current rating but keep the same package size.

This enables more compact equipment design and lowers overall system costs because equipment that previously required two modules can now operate with one. We plan to gradually commence mass production starting in the third quarter of this fiscal year.

**Differentiation through optimal modules for renewable energy,  
data center, and other equipment**

1200 V / 1700 V rated value	-600 A	800A	1000A	1200A	1500 A- 1800 A
Existing models 					
Medium-term capacity modules 					
<b>New</b> 					
New medium- capacity modules					
Existing models 					
Large- capacity modules					

**Characteristics**

- Medium-capacity design offering ideal intermediary option between medium- and large-capacity operations (differentiation using proprietary package products)
- 25% reduction in footprint size (compared to large-capacity modules)
- Reduction package interior inductance\* ( $\leq 10$  nH) to allow for mounting on SiC chips

\* Increases in inductance can lead to higher switching losses and noise

Start of sample provision: August 2026

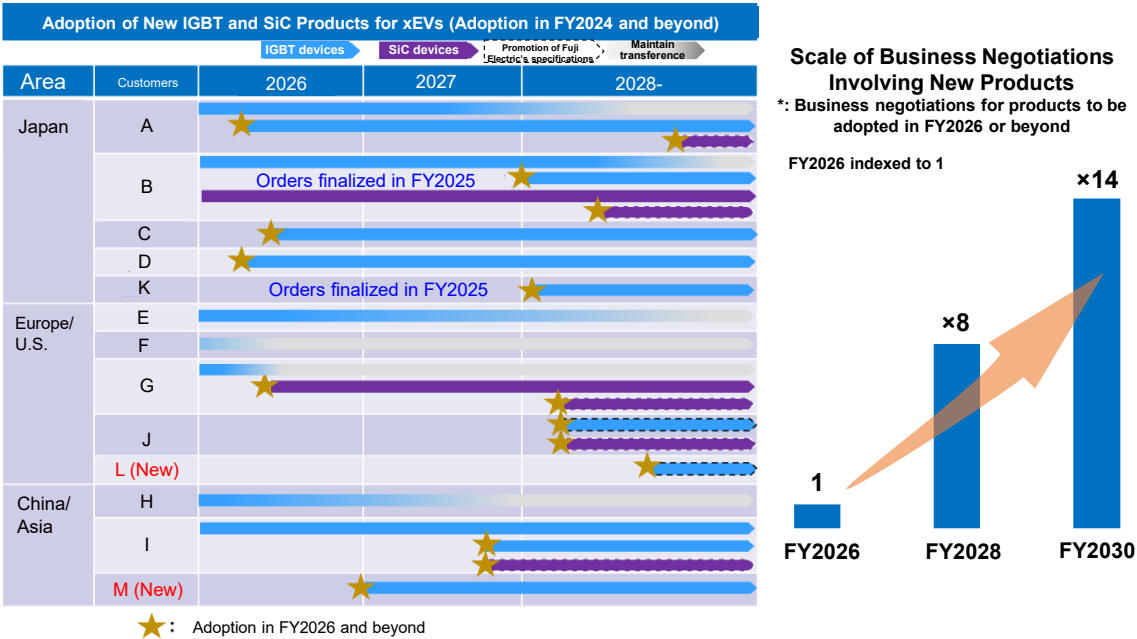
Other new products we are developing are new medium-capacity modules. For renewable energy and data center applications, we usually have a lineup of small-capacity and large-capacity modules, but there has been a shortage of products in the medium-capacity range.

We will introduce our proprietary packages in this range to expand our lineup and differentiate ourselves from the competition.

Compared to large-capacity modules, these products have a 25% smaller footprint and significantly reduce internal inductance to allow for mounting on SiC chips.

We will start providing samples in August this year.

- Engagement in business negotiations with two new customers
- Ongoing sales promotion activities aimed at achieving sales growth in FY2028 and beyond



As for progress on design wins in the automotive field, we have locked in business negotiations with two new customers. With a view to 2028 and beyond, we will steadily turn these design win projects, including those with the two new companies, into orders.

The graph on the right has been indexed to show the scale of business negotiations involving the adoption of new products from FY2026 onward. With 2026 indexed to 1, the scale of business negotiations is expected to reach about 14 times that level by 2030. Our aim is to steadily secure this high level of projects.

- ## SiC Modules (High Output)
- Three-dimensional wiring contributing to **thinner, more compact** modules
  - Massive reduction in inductance\*** to capitalize on high-speed switching capabilities of SiC
- ### Comparison to Prior Models
- Size/width: Down 49% (volume basis)  
Inductance: Down 80% (Ls24 → 5nH)
- 
- Dimensions: W167 x D111 x **H16 mm**
- |                           |                 |
|---------------------------|-----------------|
| Inverter output           | 330kW           |
| Module rate value (1200V) | 660A            |
| Adopting vehicles types   | Large vehicles  |
|                           | Sports vehicles |
- Launch timing**
- Mass production to be commenced in 3Q of FY2026
- ## SiC Modules (Next-Generation Thin Packages)
- Broader variety** of rated value with same package
  - Accommodation of diverse inverter circuit layouts** through combinations of modules
  - Package exchanges with Bosch\* making it possible to cater to customers' multi-sourcing needs
- 
- 
- Potential configuration: 2 in 1×3
- \* German Tier1 manufacturer Dimensions: W63 x D45 x **H6 mm**
- | Inverter output               |       | 100kW            | 200kW                 | 300 kW or above |
|-------------------------------|-------|------------------|-----------------------|-----------------|
| Module rated value (2 in 1×3) | 1200V | 200A             | 520A                  | ~900 A          |
|                               | 750V  | 490A             | 900A                  | ---             |
| Adopting vehicles types       |       | Compact vehicles | Medium-sized vehicles | Large vehicles  |
|                               |       |                  |                       |                 |
- Samples to begin being supplied in 3Q of FY2026
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The high-output module shown here on the left will enter mass production in the third quarter of this year. By applying a new technology known as three-dimensional wiring, the measurements of this product are about half that of prior models, making it smaller and thinner. To maximize the high-speed switching capabilities of SiC, we have also significantly reduced internal inductance.

On the right is an even thinner package, and we plan to offer a lineup that covers a wide range of rated currents from 200 amps to 900 amps in a single package. Through combinations of modules, we can support a variety of inverter circuit configurations, and by using a compatible common package with Germany's Bosch, we can also meet our customers' needs for multi-sourcing. We will begin sample shipments of this product in the third quarter of this year.

## Front-End Process-Related Measures

- **Bolstering of production capacity and commencement of mass production of SiC devices and start of production of 8-generation IGBTs in response to demand**
- **Downsizing of production lines for small-diameter Si devices 6 inches and smaller to shift toward 8-inch devices (closure of small-diameter device production line in Malaysia in FY2025 and concentration of production capacity on 8-inch devices in FY2026)**



Japan  
(Matsumoto)

### Mother factory for front-end processes

- Start of production of 6-inch SiC devices (beginning in 3Q of FY2026) and augmentation of production capacity
- Preparation for mass production of 8-inch SiC devices
- Downsizing of production lines for small-diameter Si devices



Japan (Yamanashi)

### 8-inch Si devices

- Automotive IGBTs
- Start of production of 8th-generation IGBTs (beginning in 2Q of FY2026)



Japan (Tsugaru)

### Production of 6-inch SiC devices



Malaysia

### Production of 8-inch Si devices

- 7th-generation industrial IGBTs

Here are our production structure measures for front-end processes. Until last year, we had been producing SiC devices at our Tsugaru factory, but starting this fiscal year, we will begin 6-inch production at the Matsumoto factory as well. At the same time, we will also press ahead with preparations at the Matsumoto factory for 8-inch SiC production. As the Matsumoto plant has an existing line for small-diameter Si devices, we will be downsizing that production line. For 8th-generation IGBTs, we plan to begin mass production of chips at our Yamanashi factory starting in the second quarter.

### Start of mass production of new products and augmentation of production capacity based on demand growth



**Japan (3 bases)**

**Mother base for assembly products, manufacturing of products for domestic customers**

- Augmentation of production capacity for compact xEV's IGBT modules and start of production of SiC modules (beginning in 3Q of FY2026)
- Augmentation of production capacity for large-capacity industrial modules (triple capacity of FY2025)
- Start of production of 8th-generation IGBT modules (beginning in 3Q of FY2026)



**Philippines**

**Principal base for production of discrete and air-conditioner modules**



**China (Shenzhen)**

**Production base for industrial IGBT modules for Chinese market**

- Augmentation of production capacity for 7th-generation IGBT modules in response to demand (approx. 30% increase YoY)

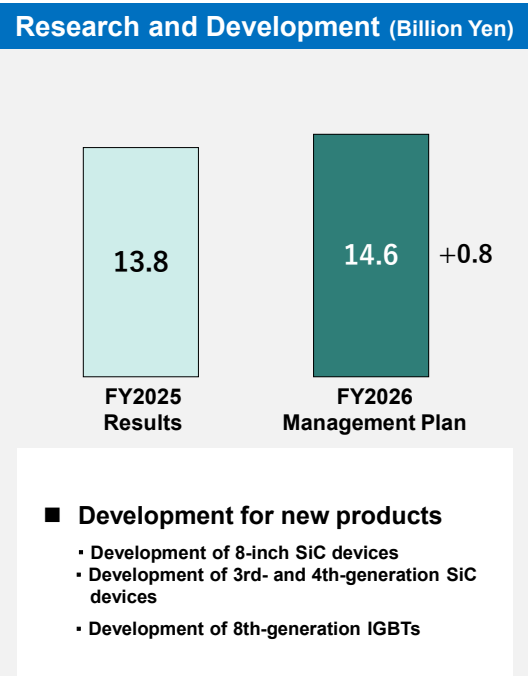
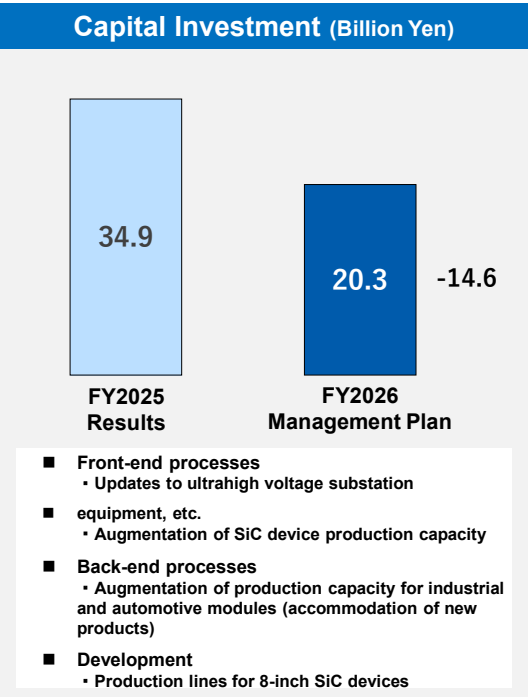


**Malaysia**

**Production base for industrial IGBT modules for U.S. and European market**

- Augmentation of production capacity for 7th-generation IGBT modules in response to demand (approx. 20% increase YoY)

For back-end processes, we will begin production of new SiC modules for EVs and 8th-generation IGBT modules at our bases in Japan. At the same time, we will expand production capacity for 7th-generation IGBT modules at our overseas sites in China and Malaysia.



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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Finally, capital investment and research and development this fiscal year.

For this fiscal year, we have earmarked 20.3 billion yen for capital investment, a decrease of 14.6 billion yen from the previous fiscal year. The main investments this fiscal year include upgrades to an ultra-high-voltage substation, increasing SiC device production capacity, enhancing back-end module capacity, and, in development, improving the 8-inch production line.

For research and development, we plan to allocate 14.6 billion yen.

These funds will be directed toward the development of 8-inch SiC devices, the development of 3rd- and 4th-generation SiC devices, and the development of 8th-generation IGBTs.

That concludes my presentation for the semiconductor business.

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