



Energy

By targeting both the expanding energy market and GX/DX demand, we will pursue sustainable growth through our end-to-end system solution capabilities, from “energy generation” to “reliable and efficient operation.”

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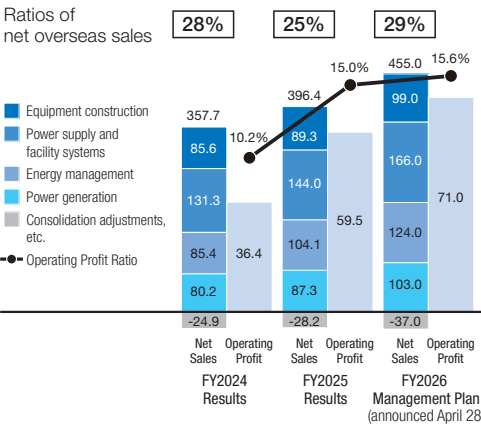
Market Trends and Business Opportunities

Against the backdrop of accelerating decarbonization initiatives and rising power demand driven by digitalization, demand is expected to continue to expand across all business fields.

Subsegment	Market Trends and Business Opportunities
Power generation	Investment in decarbonization-related power generation facilities is expanding. Demand continues in countries that are developing geothermal power, particularly Pacific Rim countries. Scrap and build (S&B) demand continues for aging hydro power generation facilities, including pumped-storage hydropower.
Energy management	Power grid stabilization needs are growing as use of renewable energy expands. Demand for grid storage battery systems is also increasing as the electricity transactions market becomes more active. Demand for replacement of substation equipment installed during Japan's high-growth era continues. Demand is growing for decarbonization of existing production processes through electrification and fuel conversion.
Power supply and facility systems	As digitalization and AI utilization advance, plant and equipment investment demand for IDCs*, particularly from hyperscalers, remains strong. As semiconductor demand grows, investment to increase production capacity at semiconductor factories and to diversify production bases is progressing rapidly both in Japan and overseas.
Equipment construction	As sales in the above subsegments expand, demand for associated electrical and air conditioning construction is also increasing.

Overview of Results

Business Performance Trends (Billions of yen)



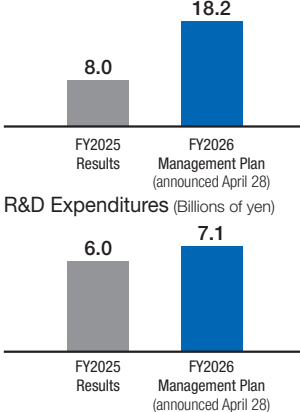
* FY2024 results: Presented reflecting the FY2026 business reorganization (reference values calculated through a simple conversion of past figures to reflect the business reorganization)
* FY2025 results: Presented reflecting the FY2026 business reorganization

In fiscal 2025, net sales increased by ¥38.7 billion year on year to ¥396.4 billion, mainly due to increased demand in the energy management business and the power supply and facility systems business. Operating profit increased by ¥23.1 billion year on year to ¥59.5 billion as a result of higher net sales and the rebound from increased costs for thermal and geothermal projects in the power generation business during the previous fiscal year.

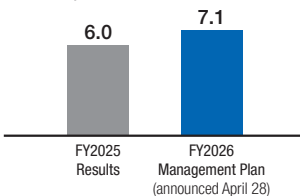
In fiscal 2026, net sales are expected to increase in all subsegments as a result of growing demand for grid storage battery systems and industrial substation and power supply equipment in the energy management business, as well as increased demand from data centers in the power supply and

Plant and Equipment Investment and R&D Expenditures

Plant and Equipment Investment (Billions of yen)



R&D Expenditures (Billions of yen)



Key Plant and Equipment Investment Plans	Energy management - Augmentation of substation equipment production capacity at Chiba Factory, Kawasaki Factory Power supply and facility systems - Construction of new buildings at Kobe Factory and Tsukuba Factory - Construction of new factory in Malaysia
Key R&D Plans	Power Generation - Supercritical geothermal power technologies, and hydrogen fuel cells Energy Management - Decarbonization and eco-friendly products (Electricity storage PCSs*, dry air switchgear, 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

facility systems business. Net sales are expected to increase by ¥58.6 billion year on year to ¥455.0 billion. Profit is expected to increase in all subsegments in line with higher sales. Operating profit is expected to increase by ¥11.5 billion year on year to ¥71.0 billion.

FY2025 Achievements	- 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, IDC equipment)
FY2026 Challenges	- Increasing production capacity in line with demand and augmenting manufacturing capabilities - Timely development of competitive products

* IDC: Internet data center; PCS: Power conditioning system; UPS: Uninterruptible power supply system

Priority Measures

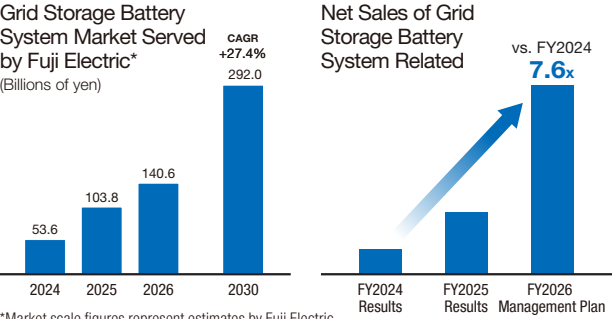
Power generation: Expanding Decarbonization Renewable Energy Businesses and After-Sales Businesses

To address the need to decarbonize electric power, we have leveraged our engineering capabilities, which we honed through our long track record of deliveries, to secure geothermal power projects, hydro power replacement projects, and large-scale projects under the long-term decarbonization power source auctions. The order backlog in the power generation business at the start of fiscal 2026 has grown significantly to 1.4 times the fiscal 2024 level.

Going forward, in addition to steadily executing these projects we have already secured, we will expand our decarbonization and renewable energy businesses by strengthening our response to growing global demand for geothermal power generation facilities and advancing development and supply efforts, including demonstrations of next-generation hydrogen fuel cells.

In the after-sales business, with the aim of increasing orders, we will strengthen proposals for scrap and build (S&B) projects for hydro power generation facilities, including pumped-storage hydropower, as well as expanded diagnostic technologies and repair services.

Energy management: Expansion in Grid Storage Battery-Related Markets, Launch of Competitive GX-Related Products, and Increased Production Capacity for Substation Systems



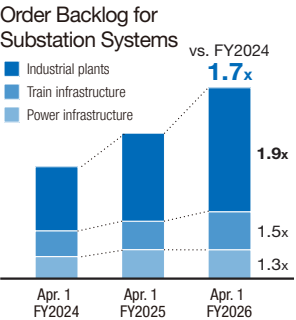
*Market scale figures represent estimates by Fuji Electric

As deployment of renewable energy expands, the market for grid storage battery systems, which enable effective use of generated electricity, continues to grow rapidly.

Building on three strengths—high-speed control technologies for storage batteries and PCSs, collaboration with partner companies, and one-stop solutions covering everything from equipment through construction—we will further enhance competitiveness through new products, including systems that use AI to optimize electricity transactions, and aggressively capture growth opportunities in the market.

The order backlog for substation systems at the start of fiscal 2026 has grown significantly to 1.7 times the fiscal 2024 level.

We are successfully capturing robust investment demand across a wide range of areas, including planned increases in investment by power companies following the introduction of the revenue cap system, electrification of factories in the industrial field, and plant and equipment

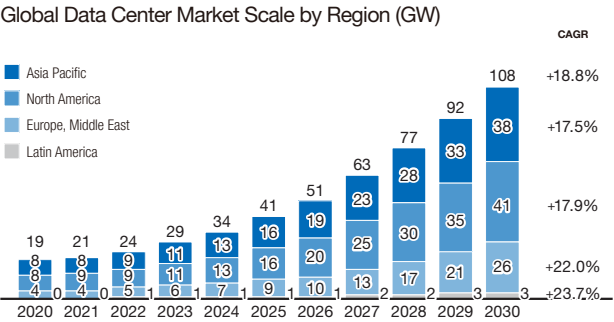


investment associated with the reshoring of the semiconductor industry to Japan.

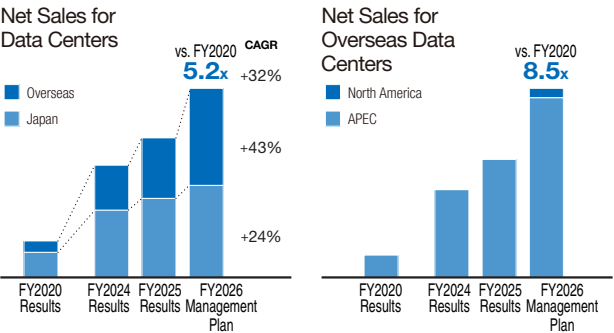
Going forward, we will increase production capacity to meet this strong demand while bringing GX-related products such as dry air switchgear to market in a timely manner, thereby driving business expansion.

Power supply and facility systems: Business Expansion in the IDC and Semiconductor Fields in Japan and Overseas

Plant and equipment investment in IDCs is growing rapidly worldwide, driven by the spread of generative AI and cloud services.



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



Leveraging not only our one-stop capabilities spanning substation equipment through to power supply equipment, but also our ability to make high-value-added proposals such as skid systems that shorten construction periods, the power supply and facility systems business has significantly expanded sales, mainly for IDCs.

Going forward, to further expand business at a pace exceeding market growth, we will strengthen competitiveness through new products, including proposals for cooling solutions (such as ejector cooling units that help improve IDC energy efficiency) and the development of new UPS products (one of our core offerings). At the same time, we will reinforce our manufacturing systems in Japan and overseas to address rapidly growing demand, particularly demand overseas. By expanding production facilities for UPSs and other products in Japan and constructing and launching a new factory for IDC controlgear in Malaysia, we will increase our global product supply capacity.



Projected Production Capacity in FY2027
2.5x vs. FY2024

New Factory in Malaysia