



External Evaluation

Fuji Electric has been selected as a component of the following environmental, social and governance (ESG) indexes, as a company that excels in social responsibility.



2026 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX



2026 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

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FTSE JPX Blossom
Japan Index



FTSE JPX Blossom
Japan Sector
Relative Index



In recognition of the efforts to address climate change and the information disclosure, the Company has been selected for "the CDP A List", the world's most prestigious list in the environmental field.



In recognition of our commitment to climate change measures and environmental initiatives with our suppliers, we have been selected as a "Supplier Engagement Leader" by CDP, a globally respected environmental organization.

We have received the following awards and certification in recognition of our outstanding initiatives to promote diversity.



Recognized as one of the "Diversity Management Selection 100" firms that have achieved results in improving productivity by utilizing a diverse workforce and creating innovation (Ministry of Economy, Trade, and Industry)



Acquired "Semi-Nadeshiko Brands" as a listed company that excels in women's activities (Ministry of Economy, Trade, and Industry)



Acquired highest rank of Eruboshi certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Ministry of Health, Labour and Welfare)



Acquired Kurumin certification as a company that supports child-rearing (Ministry of Health, Labour and Welfare)



Registered as a company promoting a workplace where employees can balance work and caregiving (Ministry of Health, Labour and Welfare)



Based on the universal design (UD) concept, we have adopted fonts that are easy to read (and difficult to misread) by more and more people.

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Fuji Electric

Innovating Energy Technology

Fuji Electric Report

2026

**Contributing to the creation
of a sustainable society**

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Regarding the Fuji Electric Report

Fuji Electric Report is an integrated report that is prepared for the purpose of facilitating understanding of the Company’s whole corporate activities among its stakeholders, mainly shareholders and investors, and published after its content has been reported

Period covered by the report

April 1, 2025 to March 31, 2026

* Including activities from April 2026 onward.

Disclaimer Regarding Forward-Looking Statements

Statements made in this report regarding estimates or projections are forward-looking statements based on the Company’s judgments and assumptions in light of currently available information. Actual results may differ materially from those projected as a result of uncertainties inherent in such judgments and assumptions as well as changes in business operations or other internal or external conditions. Accordingly,

to and deliberated by the Board of Directors. We focus on clearly communicating about our energy and environment businesses, which aim to continuously enrich our corporate value, as well as our sustainability efforts.

the Company gives no guarantee regarding the reliability of any information contained in these forward-looking statements. Investors are encouraged to also reference documents submitted by the Company in accordance with the Financial Instruments and Exchange Act of Japan and other disclosure materials.

Organizations covered by the report

Fuji Electric Co., Ltd. and its consolidated subsidiaries

Information Disclosure Framework

Type of information	Financial information	Non-financial information
Statutory disclosure	Consolidated financial report  Business report (Companies Act of Japan) 	Corporate governance report  Securities report (Financial Instruments and Exchange Act; Japanese only) 
	Voluntary disclosure	IR site (Investor Relations) 

Guidelines Referenced

Global Reporting Initiative (GRI) “Sustainability Reporting Standards”

IFRS Foundation “International Integrated Reporting Framework”

Ministry of Economy, Trade and Industry “Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation”

1 Fuji Electric Report 2026

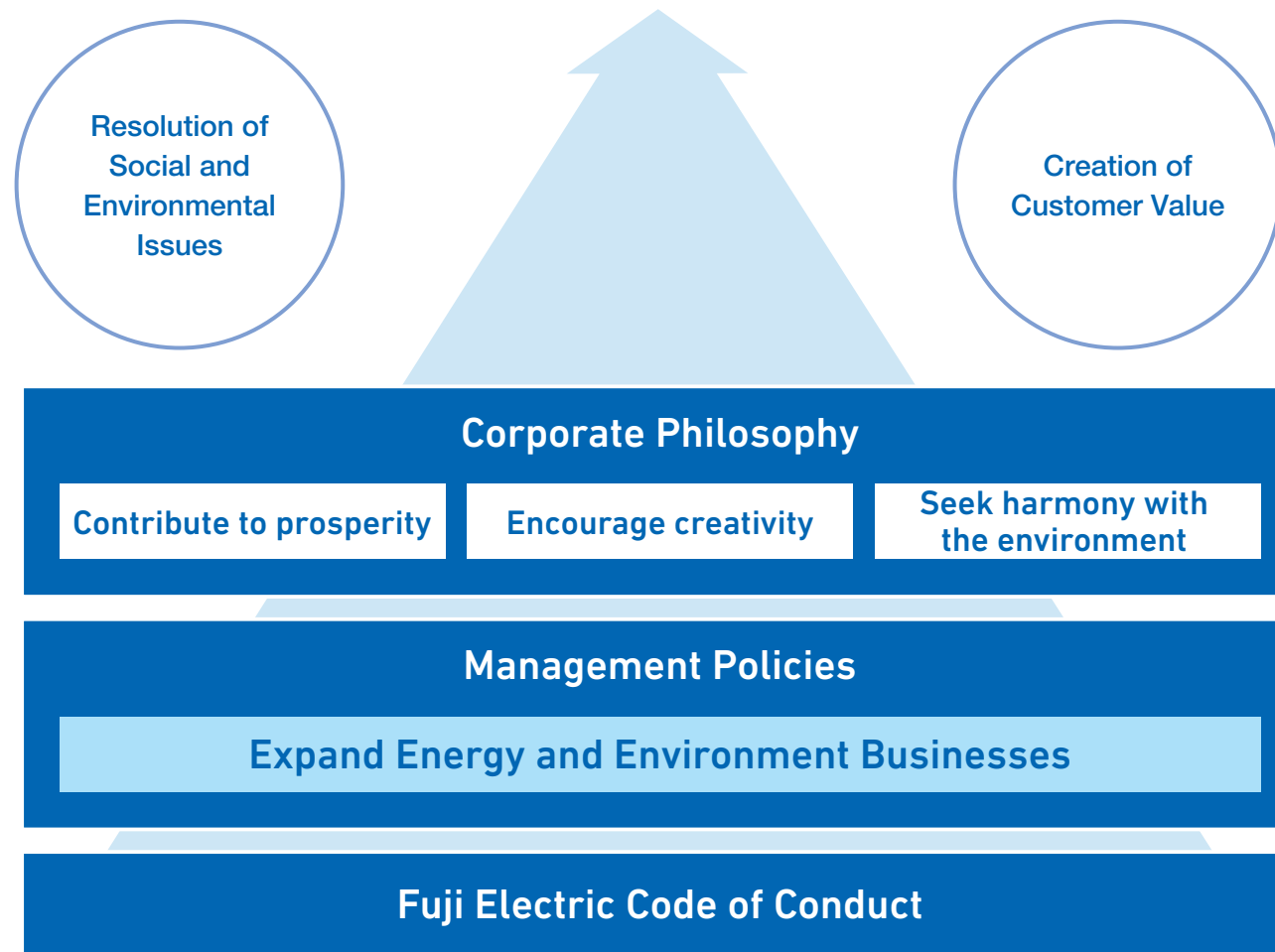
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Fuji Electric's Reason for Existence

Fuji Electric's corporate philosophy hinges on a mission to contribute to prosperity, encourage creativity, and seek harmony with the environment, while the Company's management policies are centered on the notion of contributing to society through its energy and environment businesses. By putting this corporate philosophy and management policies into practice based on its Corporate Code of Conduct, which sets forth guidelines for the conduct of employees, Fuji Electric and its employees, together with customers and business partners, will aim to resolve social and environmental issues, create customer value, and contribute to the creation of a responsible and sustainable society.



Contribute to the Creation of a Responsible and Sustainable Society



Corporate Philosophy

We, Fuji Electric, pledge as responsible corporate citizens in a global society to strengthen our trust with communities, customers and partners.

Contribute to prosperity

Encourage creativity

Seek harmony with the environment

Slogan **To be enthusiastic, ambitious and sensitive.**

Management Policies

1. Through our innovation in energy and environment technology, we contribute to the creation of a responsible and sustainable society.
2. Achieve further growth through our global business expansion.
3. Maximize our strengths as a team, respecting employees' diverse ambition.

Fuji Electric Code of Conduct

In order to practice our corporate philosophy to fulfill social responsibility and act with high ethical standards while understanding and complying with relevant laws, regulations, international rules, and the spirit of such regulations and rules, both domestically and abroad, Fuji Electric and its employees have defined this code as a foundation for decision-making and behavior.

- | | |
|---|--|
| 1. Respect and value all people | 6. Respect and value interaction with society |
| 2. Respect and value our customers | 7. Make global compliance a top priority |
| 3. Respect and value our business partners | 7-1. Thorough compliance |
| 4. Respect and value our shareholders and investors | 7-2. Thorough risk management |
| 5. Respect and value the global environment | 8. Top management will thoroughly practice this standard |



Corporate Code of Conduct
<https://www.fujielectric.com/about/corporate/detail/conduct.html>



Brand Statement

Innovating Energy Technology

Brand Promise

Through our pursuit of innovation in electric and thermal energy technology, we develop products that maximize energy efficiency and lead to a responsible and sustainable society.

Business Areas and Strengths

Our energy and environment businesses are built around four core technologies, with a focus on power semiconductors and power electronics. We have the strength to offer system solutions to customers who support industrial and social infrastructure, from the energy supply side to the demand side. Through these capabilities, we contribute to the creation of clean energy, the stable supply of energy, energy savings, and automation.

Energy and Environment Businesses

Priority SDGs to Be Addressed through Our Businesses



Spread of renewable energy use
Improvement of energy efficiency



Reduction of CO₂ emissions from industrial processes
Reinforcement of social and industrial infrastructure



Building safe and secure urban infrastructure services
Development of sustainable transport systems



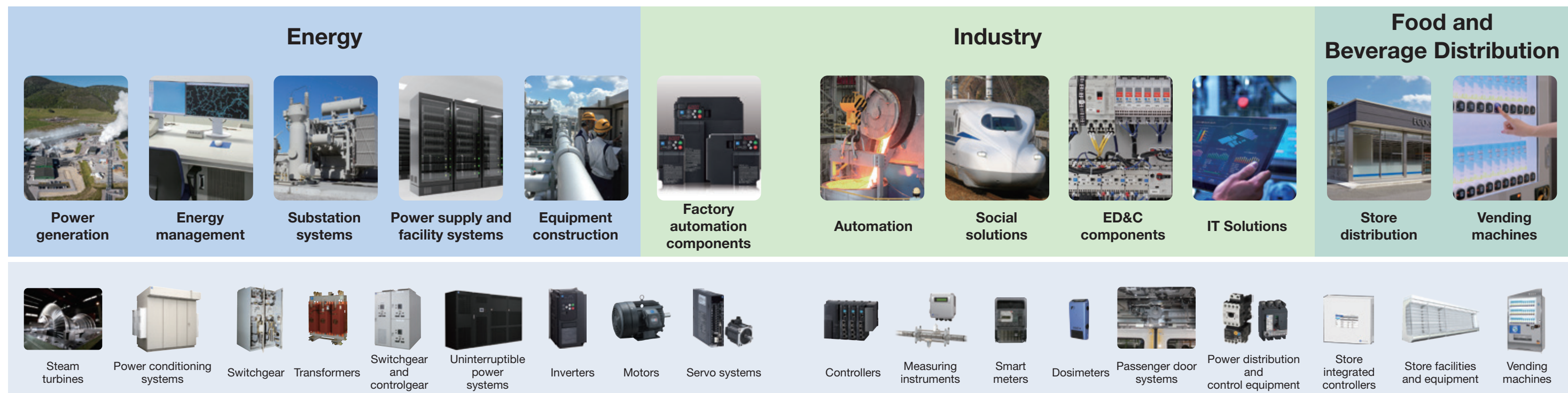
Efficient use of natural resources
Rigorous management and reduction of emissions of chemical substances and waste



Reducing society's CO₂ emissions through products
Reducing GHG emissions through production

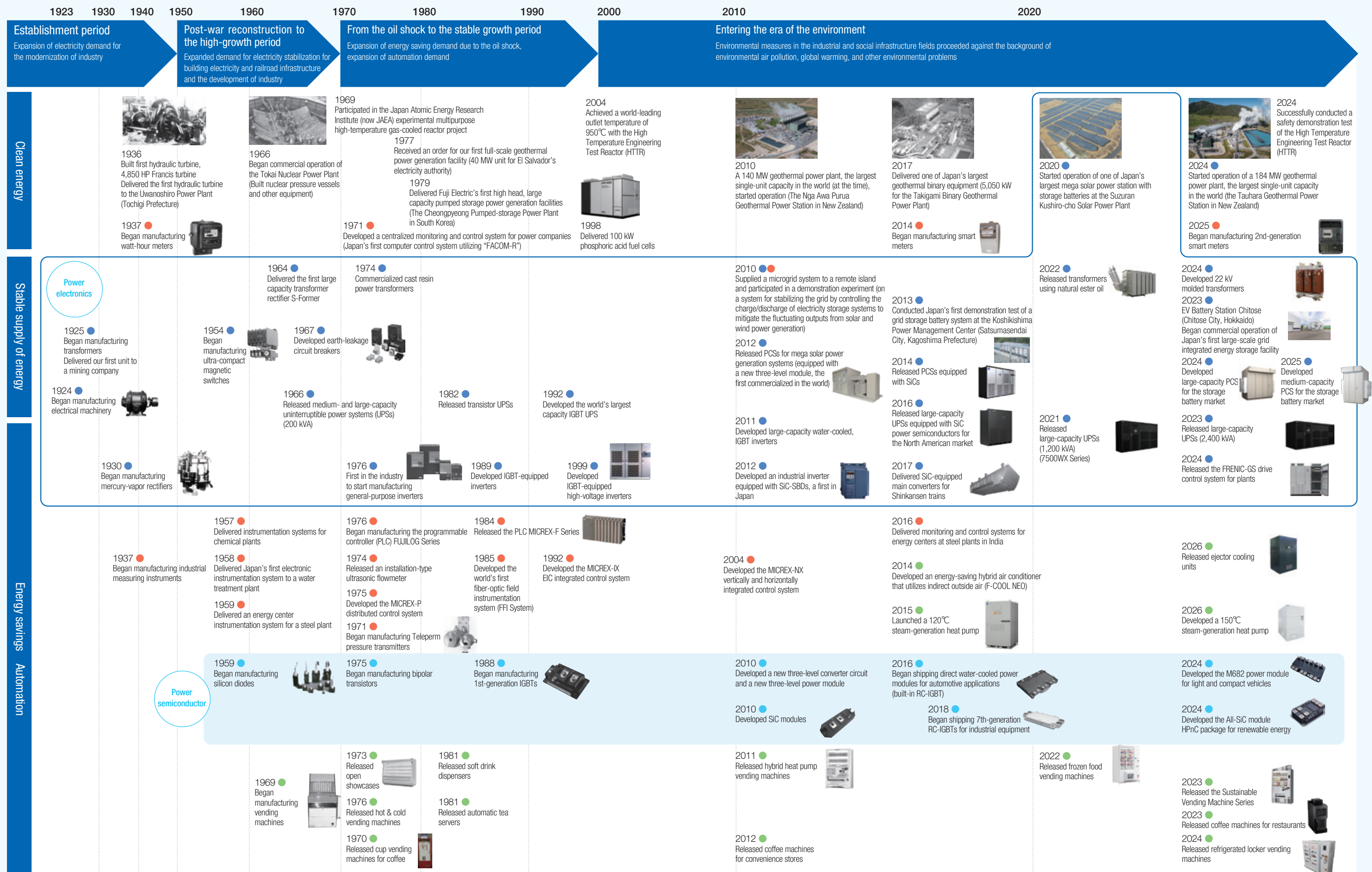
Clean energy Stable supply

Energy savings Automation



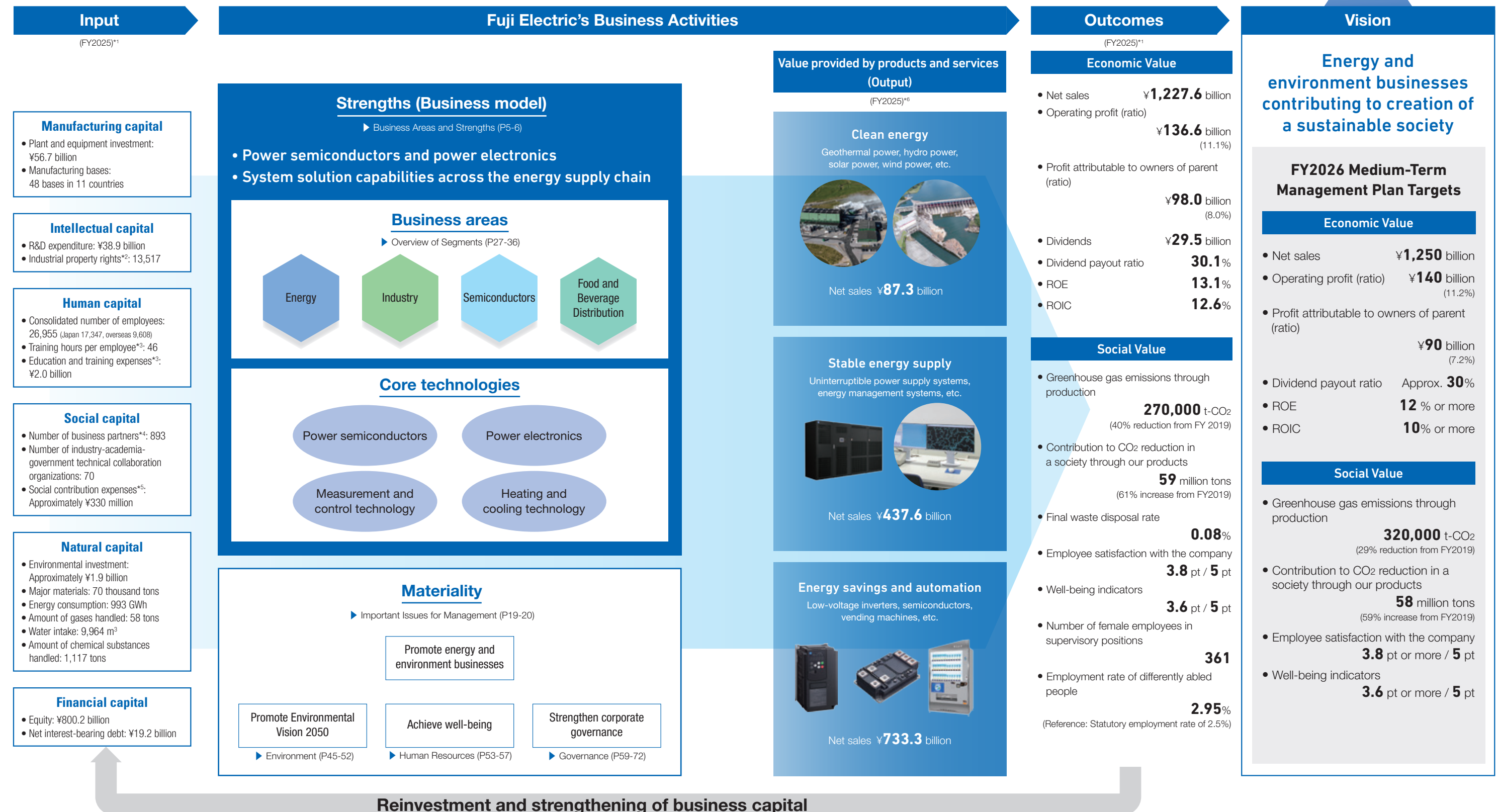
History of the Energy and Environment Businesses

Since its founding in 1923, Fuji Electric has continuously refined its core technologies, focusing on power semiconductors and power electronics. Over the years, we have developed and evolved products that contribute to clean energy, the stable supply of energy, energy savings, and automation.



Value Creation Process

Through our energy and environment businesses, Fuji Electric, as a leading company in power electronics, provides products and services that contribute to clean energy, the stable supply of energy, and energy savings. By creating both economic and social value, we aim to contribute to the creation of a sustainable society, maintain the trust of our stakeholders, and continuously enhance our corporate value.



*1 The figures are on a consolidated basis

*2 Industrial property rights: Patent rights, utility model rights, design rights, and trademark rights

*3 Training hours per employee/education and training expenses: Based on totals for Fuji Electric Co., Ltd. and Fuji Electric FA Components & Systems Co., Ltd.

*4 Number of business partners: Number of business partners accounting for the top 80% of purchases in the three years up to FY2025

*5 Community activities, promotion of science and technology, promotion of school education, international exchanges, education, etc. Political contributions are excluded.

*6 Net sales are calculated based on amounts before elimination and adjustment of inter-segment transactions.

Our corporate slogan is *to be enthusiastic, ambitious, and sensitive*. We put this into practice, aiming to further enhance corporate value with an employee-first management approach.

Michihiro Kitazawa
Chairman of the Board and CEO



Continuing to be a sustained growth company by adhering to our corporate philosophy and management policies

Since our founding in 1923, we have spared no effort in honing and evolving our energy and environmental technologies to perfection. With core technologies in power semiconductors and power electronics as our strengths, we possess technologies and products that contribute to the creation of clean energy, stable energy supply, energy savings, and automation in the industrial and social infrastructure sectors. Moreover, by adding engineering know-how that brings these technologies together, we have been able to provide optimal system solutions that meet the needs of customers.

The cornerstone of this is our corporate philosophy, which hinges on our mission to value and deepen our relationships of trust with communities, customers, and partners in order to contribute to prosperity, encourage creativity, and seek harmony with the environment. Also at the cornerstone is our management policies geared towards contributing to society through our energy and environment businesses that embody our corporate philosophy. We aim to expand business operations and profits in the energy and environmental fields, actively invest the cash

generated in new technologies and human capital based on an employee-first approach, and steadily return value to shareholders. By realizing this virtuous cycle of earnings growth and shareholder returns, we want to remain a company capable of achieving sustained growth that is trusted and needed by society and customers.

The environment currently surrounding the Company is delivering us more business opportunities on the back of trends in green transformation (GX) and increased energy demand associated with the adoption and growth of generative AI and other digital technologies.

In the midst of an increasingly uncertain world, we will ensure that we generate sustained growth by having the entire Group, spearheaded by Fuji Electric, continue to drive business activities as a united team, while globally advancing initiatives that strengthen the foundations of our management, including thoroughgoing compliance practices throughout the supply chain, maintaining information security, and enhancing our capabilities to respond to economic security and various disaster risks.

Record-high earnings for the fourth straight year; financial position is rock-solid

In fiscal 2025, we were confronted by an operating environment that was at the mercy of an increasingly uncertain economic outlook fueled by the impact of U.S. trade policies and other factors, as well as skyrocketing input prices for silver and copper,

making earnings forecasts very difficult. Therefore, we sought to update the status of our business operations at the most appropriate time for stock markets and we placed a great deal of importance on dialogue with shareholders and investors. For

example, in a break from the past, we disclosed upwardly revised forecasts at the first-quarter results announcement for investors.

In fiscal 2025, we reported record-high net sales for the fourth straight year, and record-high operating profit and profit for the fifth year in a row. The operating profit ratio topped the 11% mark for the first time.

The biggest contribution to this earnings growth came from the Energy segment. With investments pouring into GX, semiconductors, and data centers, we were able to expand in the energy management business, including storage battery systems, for the stable supply of renewable energy and electricity; the substation systems businesses; and the plant and systems business centered on power supply and facility systems. Also, in the second half of fiscal 2023, we moved the power generation business—a core business since the Company's founding—into the energy segment in an effort to streamline organizations. With related divisions working together to strengthen plant project management, we have been able to improve profitability.

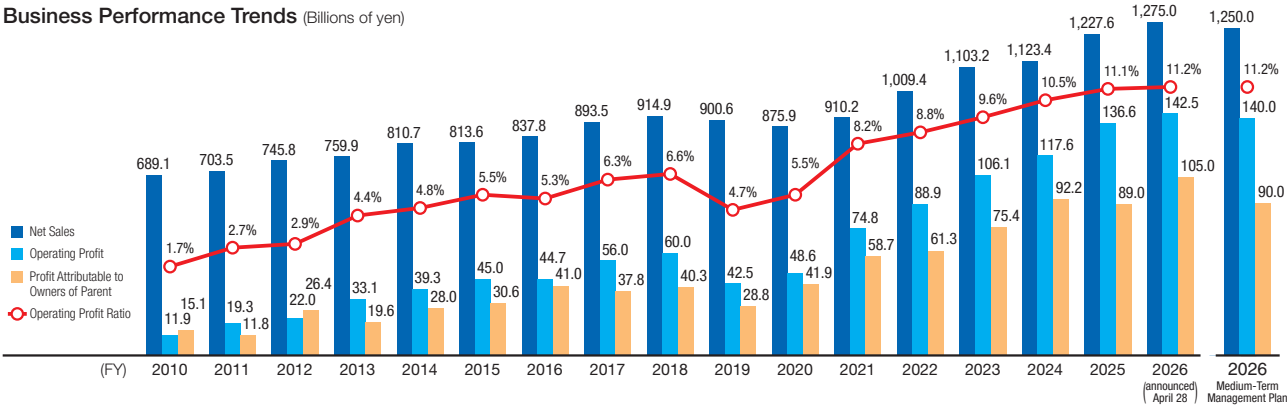
Meanwhile, in component products like semiconductors, FA components, and ED&C components, we struggled to keep up with the rapid changes in market conditions and customer needs.

We will quickly implement near-term and longer-term measures to address this situation, such as optimizing production systems and bases in line with volume, and quickly and appropriately passing on costs.

Over the past 10 years, while our workforce has remained steady at around 27,000 employees, net sales have grown by 50% to ¥1.2276 trillion. This owes to the results of the companywide Pro-7 activities, which we launched in fiscal 2012 to improve profitability. This initiative led to improved work quality and productivity at worksites and is reflected in the entrenchment of strong teamwork in the workplace. It has certainly become one of our strengths.

From a financial point of view, our financial position has steadily grown stronger. Looking back, in fiscal 2009, the year before I took office as president, our net interest-bearing debt was ¥347.7 billion, and the net D/E ratio was 1.9 times. By fiscal 2025, these metrics had dropped to ¥19.2 billion and 0.0 times, respectively, so I believe the stability of management has increased and our finances overall are now much stronger. Currently, both ROE (13.1%) and ROIC (12.6%) are above the targets called for in the Medium-Term Management Plan, which indicates to us that we have a business structure that is steadily turning a profit.

Business Performance Trends (Billions of yen)



Bonus Months	4.10	4.42	4.50	4.80	5.00	5.25	5.30	5.35	5.55	5.60	5.60	5.60	5.90	6.00	6.30	6.30	6.40
Annual Dividends (Yen)	20	20	25	34	45	50	55	70	80	80	85	100	115	135	160	200	—

*Bonus months: Annual average number of months paid to general employees;
Annual dividends: Per share; Calculation takes into account the stock consolidation on October 1, 2018.

Net Sales and Operating Profit by Segment (FY2023–26) (Billions of yen)

	FY2023 Results			FY2024 Results			FY2025 Results			FY2026 Management Plan (announced April 28)		
	Net Sales	Operating Profit	Operating Profit Ratio	Net Sales	Operating Profit	Operating Profit Ratio	Net Sales	Operating Profit	Operating Profit Ratio	Net Sales	Operating Profit	Operating Profit Ratio
Energy	347.1	30.0	8.6%	357.7	36.4	10.2%	396.4	59.5	15.0%	455.0	71.0	15.6%
Industry	401.9	34.4	8.6%	396.6	33.9	8.5%	465.0	44.4	9.5%	454.0	48.0	10.6%
Semiconductors	228.0	36.2	15.9%	236.8	37.1	15.7%	237.4	23.5	9.9%	225.0	13.0	5.8%
Food and Beverage Distribution	107.3	8.8	8.2%	111.5	13.9	12.5%	108.0	13.1	12.2%	115.0	14.0	12.2%
Others	63.2	4.3	6.8%	56.1	3.8	6.7%	58.4	3.9	6.6%	60.0	3.9	6.5%
Elimination and Corporation	-44.3	-7.6	—	-35.4	-7.3	—	-37.5	-7.8	—	-34.0	-7.4	—
Total	1,103.2	106.1	9.6%	1,123.4	117.6	10.5%	1,227.6	136.6	11.1%	1,275.0	142.5	11.2%

*FY2023 and FY2024 results are presented after reflecting the business reorganization in FY2026 (for reference purposes calculated using a simplified business reorganization);
FY2025 results are presented after reflecting figures associated with the business reorganization in FY2026.

Entrenching a virtuous cycle of growth and shareholder returns in the next medium-term management plan through aggressive investments for the future

Fiscal 2026 will be a year for formulating the next medium-term management plan, which will kick off in fiscal 2027. We are in the process of envisioning what kind of company Fuji Electric wants to be by the mid-2030s and considering the targets we will need to set for fiscal 2030. Our basic stance on management will remain unchanged; that is, to achieve business and profit growth in the energy and environment sectors and help bring about a sustainable society. I think we have developed the capability to generate profits. In response to social and industrial changes, we will envisage what an ideal business portfolio over the medium-to-long term should look like and determine which areas of business to focus on. For further growth, I believe the next challenge will be to give shape to growth investments at the earliest opportunity, which may include M&As, and take a hard look at how we can improve capital efficiency.

Furthermore, although we have operated the Company with an emphasis on the operating profit ratio in past medium-term management plans, lifting this margin is no easy task because we need to find the right balance of net sales (the denominator) and

operating profit (the numerator). In the next medium-term management plan, I believe that focusing on absolute figures (net sales and operating profit) rather than ratios will put growth on a firm footing from the next medium-term management plan onward.

With these changes in earnings and our management structure, we have sought to raise dividends every year on the basis of stable and continuous returns to shareholders. Keeping in mind our dividend payout ratio of 30% targeted in the Medium-Term Management Plan, in fiscal 2025, we raised the dividend per share by ¥40 to ¥200, an increase of roughly 25% from the previous fiscal year, resulting in a dividend payout ratio of 30.1%. And in the first quarter of fiscal 2026, in addition to dividends, we carried out share buybacks worth a total of ¥21.0 billion. We will steer management of the Company in such a way to ramp up the acquisition of new technologies and the investment in human capital, as well as digitalization and IT, including generative AI, in order to continue to realize a virtuous cycle of growth and returns, including returns to shareholders.

Helping to solve environmental issues across the entire supply chain with an offensive/defensive GX strategy

In order to steadily make progress toward the *net zero by 2050* goal called for by the United Nations and the international community, in fiscal 2026 we will establish new targets for fiscal 2035 in addition to the existing fiscal 2030 targets already set in our Environmental Vision 2050.

I believe that the demands from society regarding environmental issues present growth opportunities for our energy and environment businesses. We will promote decarbonization and a circular economy in which limited resources can be effectively utilized. To that end, we will engage in environmental management with an offensive/defensive strategy. We will go on the offensive by expanding operations and helping solve decarbonization issues faced by society and customers with environmentally friendly products and businesses. At the same time, we will assume a defensive stance by minimizing the

environmental footprint of our own activities through environmental investments at our production bases and other initiatives aimed at reducing environmental impacts across the entire supply chain, while also complying with international regulations and demands.

With a view to sustained business growth, we will further bolster our manufacturing capabilities by improving productivity with the use of AI and digital technologies. We will also switch the electricity used in production to renewable energy and take steps to electrify our production facilities. Also, we will take cues from the ecodesign regulations gaining traction in Europe and build a green supply chain based on mutual understanding with our customers and business partners in an effort to expand business operations.

Empowering diverse human resources and ensuring employee well-being

For the growth of the Company, it is important that each employee feels happy (a sense of well-being) working at Fuji Electric and that they can work vibrantly in their respective teams. More specifically, they can find meaning in their work, maintain physical and mental health, and achieve a work-life balance. We have a policy of appropriately rewarding performance in the form of bonuses, reflecting the efforts of each employee and the collective strength of the team.

I communicate this way of thinking to our employees as the employee-first approach. I believe that putting employees first represents my unwavering commitment as a senior executive.

The driving force to open up the future is our employees, because I firmly believe that ensuring employee well-being leads to the prosperity and happiness of the Company, its employees, and their families. In our annual employee awareness surveys, we ask employees how satisfied they are with the Company and whether they feel a sense of well-being, among other questions. We consider the scores from those questions to be key management indicators and see them as management and workplace challenges on which we continuously try to make improvements.

We updated our human resource benefit compensation systems for the first time in 22 years. By conducting fair

performance assessments based on roles regardless of age or years of experience, we encourage employees to forge their own careers. In addition, in responding to increasingly diverse values, we have developed a flexible working environment to further empower women in the workplace, and we will continuously work to enhance organizational agility. For senior employees, we will continue to create an environment where they can continue working according to their lifestyle by leveraging their valuable experience and know-how through visualization and linking it to business transformation, thereby utilizing the career of each individual.

Given that the recruitment landscape right now is highly competitive, we will approach our hiring activities with an all-out effort. We will work together with our employees to broadly communicate the appeal of working at Fuji Electric and meet the expectations of students and career-minded young people. In addition, we recognize that key issues for achieving growth in overseas businesses are the development of management personnel and locally hired employees aimed at greater autonomy of local operations, as well as the establishment of corresponding compensation systems. Accordingly, we will start to implement concrete measures to achieve them.

Enhancing the effectiveness of governance

What are important for enhancing corporate value over the long term are to ensure the soundness and transparency of business execution and to further improve the effectiveness of governance. In today’s highly unpredictable world, we will increase opportunities for honest discussions based on the wide-ranging experiences and insights of outside directors and outside Audit & Supervisory Board members, and build an even stronger management foundation.

Currently, we are focusing on risk management across the entire Group, including overseas subsidiaries. In addition to the usual risks like human rights, compliance, and natural disasters, it has become increasingly important to strengthen resilience by constantly making preparations for such serious risks as

information security and economic security that are on the increase in recent years. We will centralize risk management so that we can initially respond with speed, and we will take measures to minimize the impact of risks across the entire supply chain.

I must also note that in July of this year, we were subject to an onsite inspection by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act in transactions involving refrigeration and cold storage equipment. We have been fully cooperative with the investigation. We take this situation very seriously and I offer my deepest apologies for causing great concern and inconvenience to our business partners and all other parties involved.

Fuji Electric’s DNA

Our corporate slogan, *To be enthusiastic, ambitious and sensitive*, represents the Company’s DNA inherited from our predecessors that we want employees to cherish and pass on to future generations. By “enthusiastic,” we mean the eagerness to contribute to society by creating new technologies and products. By “ambitious,” we mean the determination and spirit to set high goals and share them with the team. By “sensitive,” we mean the kindness to appreciate and care for our customers, colleagues, and families. This is exactly the Fuji Electric DNA that our predecessors have built up and passed down to us. This is what

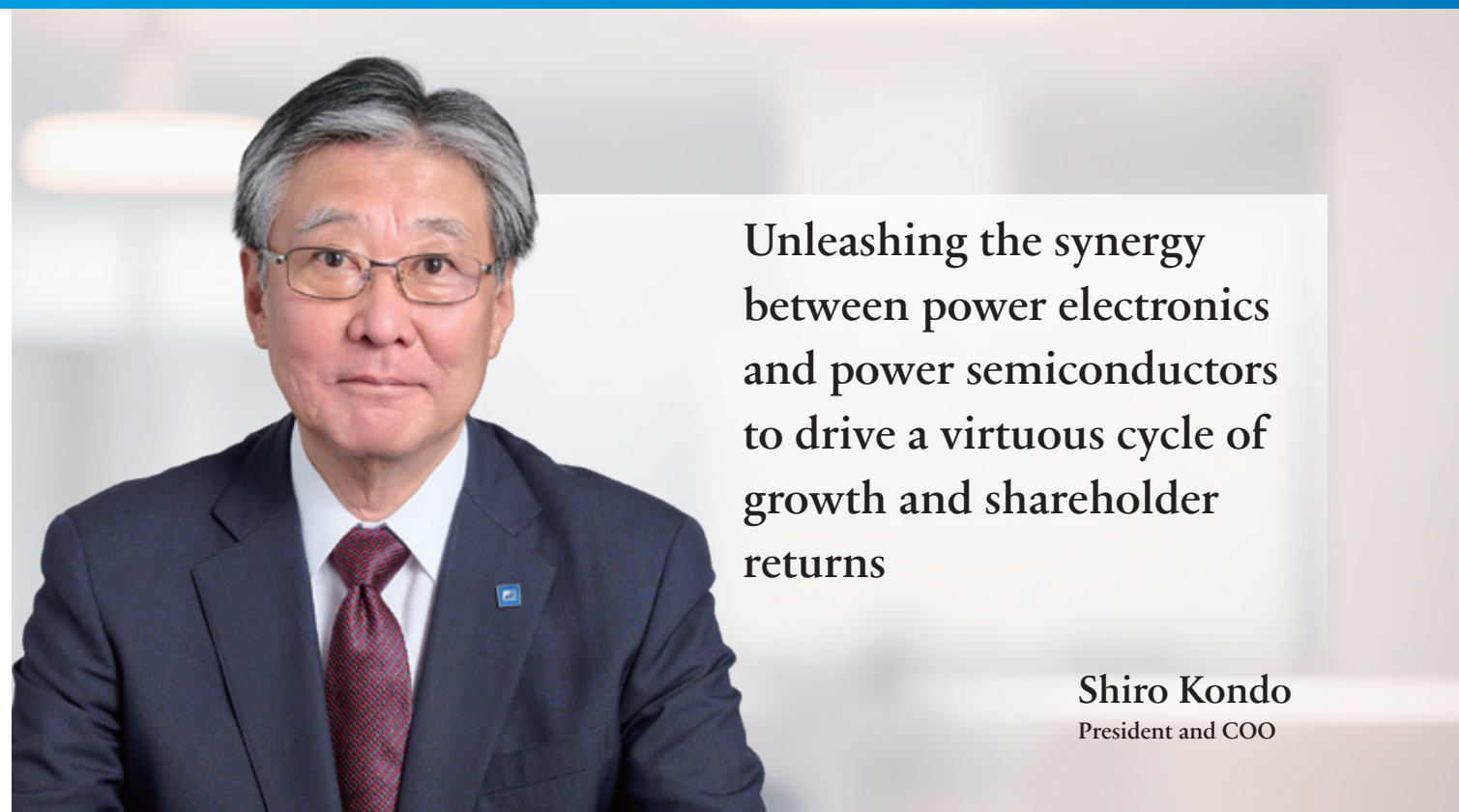
makes the team stronger.

To maintain high aspirations and goals, I believe it is necessary for the leaders themselves to take the initiative to demonstrate this same attitude. Meanwhile, each and every employee must share their passion and pride.

We will evolve our energy and environment businesses, continue to challenge ourselves to solve social and environmental issues and create new value, and earn the affinity and trust of stakeholders. I look forward to your continued support and understanding.

Chairman of the Board and CEO





Unleashing the synergy between power electronics and power semiconductors to drive a virtuous cycle of growth and shareholder returns

Shiro Kondo
President and COO

Q: What is your assessment of earnings in fiscal 2025?

Growth in the plant and systems business was driven by strong GX and DX demand
Net sales, operating profit, and profit hit record highs, and the operating profit ratio went above 11%

The market environment enveloping the Company was overshadowed by lingering uncertainty around the global economic outlook due to the impact of U.S. trade policies and the emergence of geopolitical risks and other factors throughout the year. There was also little room for optimism because the prices of silver, copper, and other inputs went through the roof, mainly as a result of the inflow of investment funds and tightening global supply and demand. On the other hand, against the backdrop of accelerated investments in green transformation (GX) for realizing a decarbonized society and surging energy demand stemming from the growing utilization of generative AI and other digital technologies, capital investments in power infrastructure, manufacturing, and data centers remained extremely brisk.

In this environment, we responded accurately to rising energy demand and focused on expanding the plant and systems business to facilitate the stable and efficient supply of renewable energy and electricity, as well as energy savings, automation, and electrification on the power consumer side.

In addition, to combat the risk of supply chain disruptions due to changes in the external environment, like geopolitical issues for

example, and to further improve profitability, we standardized and multi-sourced components through development procurement and pressed ahead with exhaustive productivity improvements and inventory optimization at production sites utilizing digital technologies. Moreover, we steadily implemented measures to strengthen the management foundations, such as reducing cross-shareholdings to improve capital efficiency.

As a result, despite the impacts of skyrocketing raw material prices, weaker demand for automotive semiconductors, and the dropout of year-earlier currency paper redesign special demand in the Food and Beverage Distribution segment, increased demand in the plant and systems business centered on the Energy and Industry segments boosted profits. In consolidated earnings, we posted record highs for net sales, operating profit, and profit. The operating profit ratio also topped 11%, hitting our fiscal 2026 targets in the FY2026 Medium-Term Management Plan one year ahead of schedule. I recognize this achievement to be the result of every employee steadily adding value in their day-to-day work and demonstrating strong teamwork even in the midst of a rapidly changing environment.

Q: Can you tell us about the basic policy and management targets for fiscal 2026?

Doubling down on profit-focused management and targeting record-high earnings and growth in corporate value through a virtuous cycle of growth and shareholder returns

The continued adoption of digital technologies in society is fueling greater demand for electricity, and although demand for electrified vehicles is changing depending on the region, investments in GX geared towards the global objective of decarbonization continue to expand.

In such a market environment, our basic policy is to adapt to the changing times and aim to achieve sustained growth in corporate value and contribute to society. To that end, we are doubling down on prioritizing profits to improve our earnings potential. We will capitalize on increased energy demand, GX investments, and digitalization needs, further strengthen the collaboration among our four business segments (Energy, Industry, Semiconductors, and Food and Beverage Distribution) with a core focus on power electronics, and differentiate ourselves from the competition with solutions-based proposals that create value for customers. We will create strong components, combine them appropriately, and drive growth in the high value-added plant and systems business with the use of advanced digital technologies. To reliably meet fervent demand primarily in the Energy segment, we will holistically pursue both investments to augment production capacity in Japan and overseas and improvements in productivity leveraging digital technologies. Also, in responding to the impact of sky-high raw material prices, we will make our supply chains more resilient and minimize impacts by standardizing components, procuring them from multiple sources, and making changes to design specs over the medium term.

To ensure that the idea of being mindful of capital costs does not end up being an empty slogan of senior management, I have been visiting our workplaces and engaging in dialogue with employees to raise awareness. Improvements are being made in the workplace when it comes to day-to-day tasks. For example, sales division is making an effort to collect accounts receivable at the earliest opportunity, while manufacturing division is thoroughly optimizing their inventory assets. In addition, we are monitoring conditions and changes in capital efficiency and profitability in each business, and sharing measures with them so as to maximize profit growth.

We will set our sights on posting record-high consolidated net sales, operating profit, and profit again in fiscal 2026. The cash we generate will be continuously allocated to improvements in employee compensation, growth investments, and shareholder returns, thereby ensuring sustained growth through a virtuous cycle of growth and shareholder returns.

While properly controlling how much we allocate to capital investments, we will also actively press ahead with R&D investments and IT investments with an eye to the future in order to create products and systems that support the realization of a decarbonized society and an advanced digital society.

Regarding returns to shareholders, based on our dividend payout ratio target of 30%, we carried out share buybacks worth a total ¥21 billion in the first quarter of fiscal 2026, which, together with dividends, resulted in a total payout ratio of 50%.

Q: What advantages does Fuji Electric have that contribute to the sustained enhancement of corporate value?

Leveraging the synergy between power semiconductors and power electronics, we have the collective strength to deliver value, from energy supply to the demand side

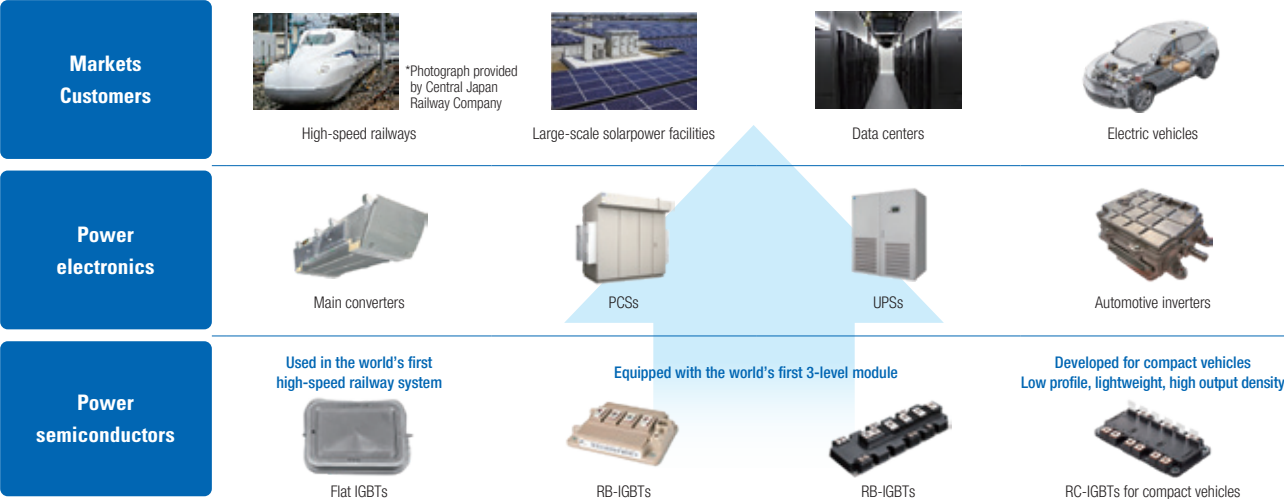
Our strength lies in our ability to develop, design, and manufacture competitively superior components in-house centered on our core competencies of power semiconductors and power electronics, combine the components to solve customer challenges, and provide one-stop solutions in the shape of optimized systems. By drawing on our unique competitive advantages across the entire energy supply chain—from clean energy creation and stable energy supply on the supply side to energy savings, automation, and electrification on the demand side—we consistently meet the cutting-edge needs of customers and society, continue to provide unique value across a wide range of industries, and have supported the development of industries and infrastructure of the times.

A key factor in our competitive advantage is the synergy between power semiconductors and power electronics. Our power conditioning systems (PCS) equipped with power semiconductors are widely used in the renewable energy market, including by mega solar and wind power business operators, while our uninterruptible power systems (UPS) contribute to the stable operation and operational energy efficiency of advanced IT

and telecommunications infrastructure such as data centers and semiconductor plants. Recently, in developing new compact RC-IGBT modules for automotive applications and new automotive inverters, our power semiconductor and power electronics engineers were fully involved from the initial packaging stage to optimize each other's technologies to achieve strong competitive advantages such as miniaturization and high efficiency.

Furthermore, we boast an extensive track record since our founding of delivering to numerous customers in social and industrial fields in Japan and overseas, helping us to accumulate a wealth of experience and know-how. By combining AI and digital technologies with the experience and technologies honed over many years, we are creating further value for our customers in the real world, such as energy management systems that contribute to optimizing the energy supply-demand balance. Through direct feedback from customers, we can quickly grasp the kinds of challenges they face and combine our technologies, experience, and teamwork to generate new value and come up with solutions to issues in society.

Examples of the Synergy between Power Semiconductors and Power Electronics



Q: What are the key themes for further business growth?

We will vigorously drive business growth under three pillars: creation of solutions across all segments, expansion of overseas businesses through the localization of management, and business creation in new fields

We will formulate the next medium-term management plan starting in fiscal 2027 around a growth strategy and take a deeper look at growth investments, human resource strategy, financial strategy, and shareholder return measures with the aim of building an organization capable of targeting ROE of 15%. We see three key themes for the Company's next phase of growth.

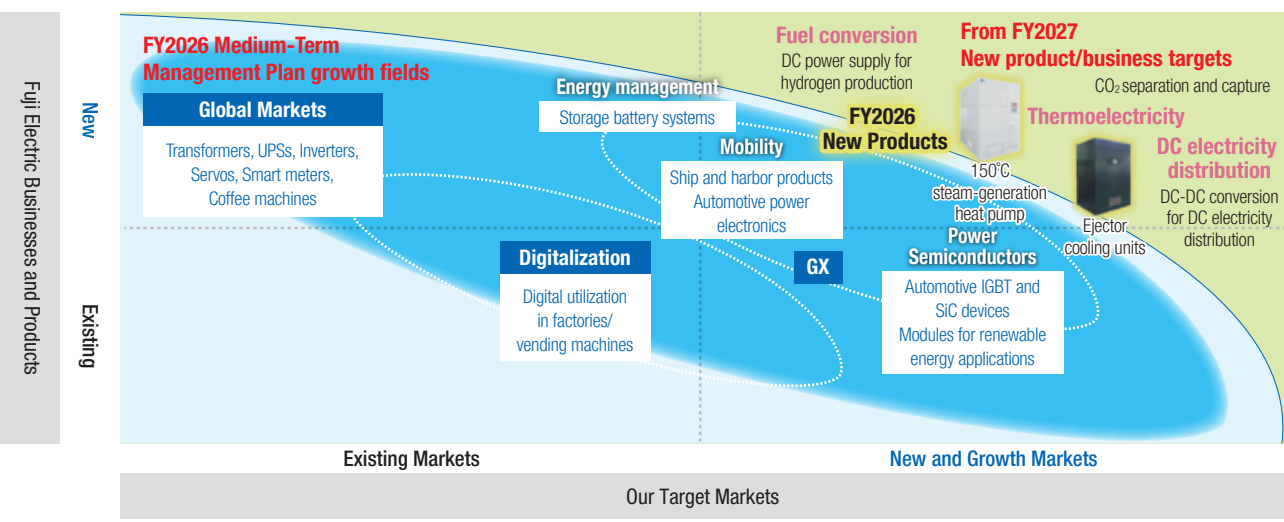
The first is to create new customer value with solutions that optimally combine our businesses and technologies. To solve increasingly complex and sophisticated societal issues from the ground up, it is imperative that we provide total solutions that span businesses and divisions. A perfect example of this is our solutions for AI data centers, which have rapidly attracted enormous investment in recent times. Conventional data centers were positioned as energy customers centered around uninterruptible power systems (UPS). However, due to the increased server heat generation caused by the widespread adoption of generative AI, cooling methods are shifting significantly from air cooling to water and liquid cooling. This shift all of a sudden enhances the competitive edge of our new range of ejector cooling units in the Industry segment, which leverage advanced heating and cooling technologies cultivated in the vending machines business in the Food and Beverage Distribution segment. Also, if DC electricity distribution is adopted in data centers to achieve out-and-out energy savings, the sophisticated breaking technology of the semiconductor and

ED&C components businesses will become extremely important.

The second theme is growth in overseas businesses. We are targeting overseas sales of ¥363.9 billion in fiscal 2026, but we will set a higher target in the next medium-term management plan. Buoyed by growth in energy demand, capital investments related to AI and infrastructure are expected to pick up mainly in the markets of Southeast Asia, India, and North America. We will look to expand our business operations by ramping up production capacity for power supply and substation equipment. We will employ a local design and production for local consumption approach in an effort to localize management, while building and strengthening a system to support overseas sites by utilizing the technology, know-how, and other resources possessed by our bases in Japan.

The third theme is business creation in new fields. With a view to full-scale market expansion from fiscal 2027 onward, we will launch ejector cooling units and steam-generation heat pumps in fiscal 2026. We will also actively take up the challenge of thermoelectricity, and beyond that, converters for DC electricity distribution and fuel conversion involving DC power supply for hydrogen production. I believe it is important to steadily incorporate development themes in new fields into growth fields and commercialize them while keeping a close eye on trends in the market.

Growth Fields and New Product/Business Targets



Q: How is the utilization of digital technologies progressing?

Awareness of digital technology utilization in the workplace has taken root and steady progress is being made on productivity improvements

Since fiscal 2025, the utilization of AI and digital technology to improve business quality and efficiency has been the common theme of our Pro-7 Activities, which are designed to deliver companywide business improvements. I personally visit our factories in Japan every year to see firsthand what initiatives are being implemented on the production floor, and by continuing to talk with employees, I have certainly felt that the awareness of actively utilizing digital technologies to improve productivity has firmly taken root in all areas of the workplace.

The results are reflected in the numbers, because even though the Company's headcount has remained flat, net sales in fiscal 2025 had increased 11% from fiscal 2023, while productivity had steadily improved by 13%. In fiscal 2026, we will look to achieve the 20% productivity improvement target (vs. fiscal 2023) called for in the Medium-Term Management Plan.

In April 2026, we fully launched a companywide generative AI tool, and we are gradually implementing an integrated core business system (ERP) to reduce management risks. With the rollout of the ERP system, we will review conventional work

processes, integrate business data, realize highly timely visualization and analysis, and drive productivity improvements.

Moreover, as digitalization continues to advance, responding to security threats is a critical issue for us, particularly as a company underpinning social and industrial infrastructure. In April 2026, we newly obtained certification for the international standard on secure product development lifecycle requirements, IEC 62443-4-1, at the Tsukuba Factory. Five of our other organizations/sites, including our Tokyo and Suzuka factories, had already acquired this certification. At the Tokyo Factory, continuous operation of the "secure product development process" was recognized and the certification was renewed. From fiscal 2026, we newly established a security committee to promote appropriate responses to a wide range of cyber threats across the organization from three perspectives: information, products, and factory security. We will implement these initiatives to improve the quality and ensure the stable supply of products and services that we deliver to customers.

Q: What is your message to stakeholders?

In July of this year, we were subject to an onsite inspection by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act in transactions involving refrigeration and cold storage equipment. We are fully cooperating with the investigation by the commission, and under the guidance of the Fuji Electric Compliance Promotion Committee, on which I serve as chair, we are re-examining the Company's internal processes and reinforcing compliance exhaustively. I sincerely apologize for causing great concern and inconvenience to our business partners and all other parties involved.

Our management structure has been strengthened. We will set

ourselves high goals, share them with employees, and create an environment where each individual feels motivated and challenged in their work, allowing them to experience a sense of achievement and personal growth under the team's collective strength. Through a virtuous cycle of growth and investment and growth and returns, we will realize sustained growth in corporate value.

President and COO
Shino Kondo

Important Issues for Management (Materiality)

Approach to Materiality

Fuji Electric is committed to contributing to prosperity, encouraging creativity, and seeking harmony with the environment, as outlined in our corporate philosophy. We proactively promote sustainability-focused management based on our core management policy of contributing to a sustainable society through our energy and environment businesses.

As the world changes—driven by the transition to decarbonization and a circular economy, expanded investment in digitalization, and rising geopolitical risks, and labor shortages in

Japan—we have identified the following as our sustainability-related materialities: expansion of our energy and environment businesses, as stated in our management policies, as well as three initiatives to enhance our management foundation for sustainable corporate value growth: the promotion of the Environmental Vision 2050, achievement of well-being, and further strengthening of governance.

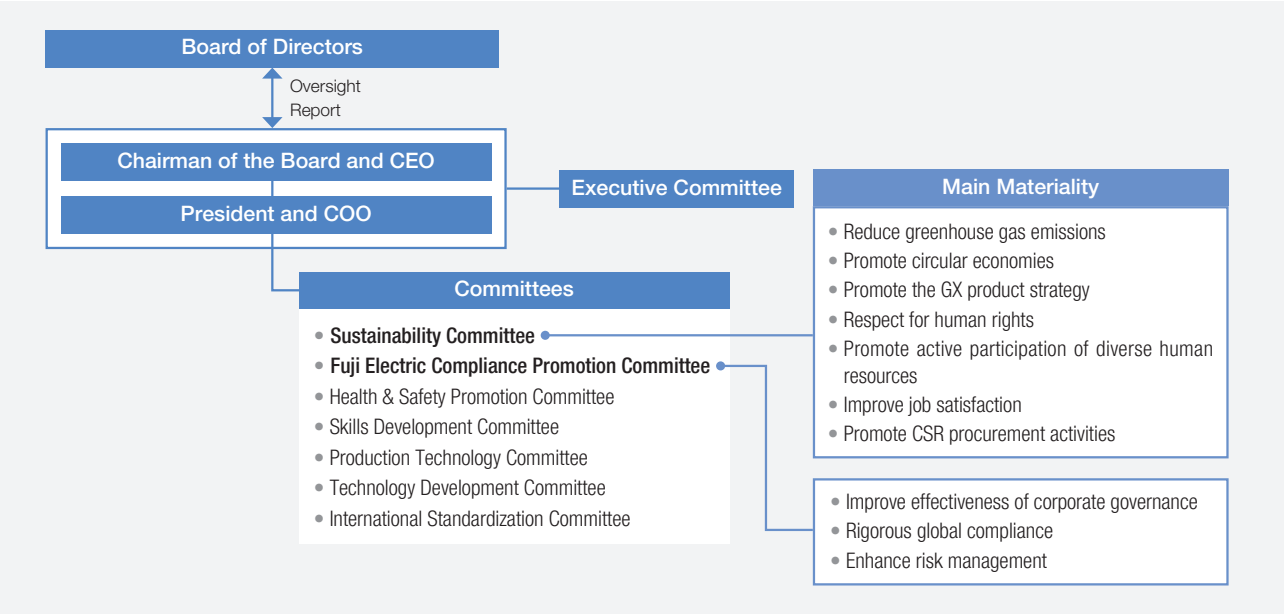
Materiality Identification Process



Materiality Promotion System

Each materiality is planned and promoted by the relevant committees, which comprise executive officers and others, and by the divisions responsible for the respective issues. The Sustainability Committee and the Fuji Electric Compliance

Promotion Committee report on each materiality to, and hold deliberations with, the Executive Committee and Board of Directors twice a year.



SDGs to Be Addressed through Companywide Activities

By assessing the link between the value created by our energy and environment businesses (clean energy, stable energy supply, energy savings, and automation) and contributions to the accomplishment of the SDGs, Fuji Electric selected five priority goals. Furthermore, four additional goals were designated as priorities in relation to the reinforcement of our operating foundation to be pursued through overall corporate activities, making for a total of nine goals.



Materiality and Key Issues

Materiality		Key Measures		KPIs	Targets	FY2025 results	Relevant SDGs
Promote energy and environment businesses							
Promote growth strategies	Increase sales by introducing new products → P37-40	Launch new green transformation, digital transformation, and global products	Net sales	Fiscal 2026: ¥1,250.0 billion		¥1,227.6 billion	    
	Expand overseas businesses → P23, P29-36	Expand businesses through introduction of global market products and regional priority measures	Sales outside Japan	Fiscal 2026: ¥375.0 billion		¥344.8 billion	
Further improvement of profitability	Improve productivity through the utilization of digital technology → P41-44	Improve productivity using sophisticated production technologies	Productivity	Fiscal 2026: 20% increase (compared to FY2023)		13% increase (compared to FY2023)	
Promote Environmental Vision 2050							
Reduce greenhouse gas emissions → P45-50		Reduce greenhouse gas emissions in the supply chain	Greenhouse gas emissions in the supply chain	Fiscal 2026: reduce by 45% (compared to FY2019) Fiscal 2030: reduce by more than 46% (compared to FY2019)		Reduce by 56% (compared to FY2019)	   
		Reduce greenhouse gas emissions through production	Greenhouse gas emissions through production	Fiscal 2026: reduce by 29% (compared to FY2019) Fiscal 2030: reduce by more than 46% (compared to FY2019)		Reduce by 40% (compared to FY2019)	
		Share of renewable energy		Fiscal 2026: reduce by 29% (as a percentage of total electricity purchased) Fiscal 2030: reduce by 55% (as a percentage of total electricity purchased)		27% (as a percentage of total electricity purchased)	
		Provide energy-saving products	Contribution to CO ₂ reduction in a society through our products	Fiscal 2026: 59 million tons Fiscal 2030: more than 59 million tons		59 million tons	
Promote circular economies → P45-50		Design products in compliance with ecological design regulations	Continuously work to transition to environmentally friendly products that comply with ecological design regulations				
Achieve employee happiness (well-being)							
Achieve well-being → P53-58		Effective development and dissemination of various initiatives, along with continued implementation of employee awareness surveys	Satisfaction with the company	Fiscal 2026: 3.8 pt or more		3.8 pt	   
			Well-being indicators	Fiscal 2026: 3.6 pt or more		3.6 pt	
	Respect for human rights	Implement human rights due diligence	Number of bases where human rights and labor assessments are conducted	Monitoring indicator*		79 bases (41 in Japan, 38 overseas) (FY2024 results)	
	Promote active participation of diverse human resources Improve employee engagement	Promote contributions of female employees	Number of female employees in supervisory positions	Fiscal 2026: 450		361 people	
			Ratio of female managers	Fiscal 2026: 4.8%		4.1%	
			Develop and strengthen management human resources in Japan and overseas	Talent pool of potential future executive officers	Fiscal 2026: 50		47 people
			Promote active participation of senior employees	Selection rate for the Selective Retirement Extension System for general employees	Monitoring indicator*		82%
				Selection rate for the Senior Task System for managers	Monitoring indicator*		96%
			Career development support	Career autonomy awareness	Fiscal 2026: 3.6 pt or more		3.5 pt
Strengthen corporate governance							
Improve effectiveness of corporate governance → P59-68		Continued third-party evaluation of the effectiveness of the Board of Directors and incorporated this evaluation into operations	Conduct an annual questionnaire on the effectiveness of the Board of Directors, with discussion, reporting, and sharing of issues at Board of Directors meetings				
		Reduce cross-shareholding	Work to reduce holdings while considering the impacts on management and business				
Rigorous global compliance → P69, 70		Expand Fuji Electric Compliance Programs	Compliance education results	Monitoring indicator*		Level-specific 547 trainees	 
		Promote the Business Ethics Whistle-Blowing Systems	Number of reports submitted through the Business Ethics Whistle-Blowing Systems	Monitoring indicator*		55	
Enhance risk management → P71, 72		Enhance risk responsiveness through ongoing improvements to business continuity plans (BCPs)	Continuously work to strengthen business continuity capabilities, including fire prevention, disaster preparedness, and BCP formulation				
		Strengthen information security	Continuously work to strengthen response capabilities, including monitoring and control of cyberattacks, enhancement of defense and detection systems, and cyber training				
		Strengthen project management	Continuously work to reduce risk, including early identification of loss-causing risks and predictive maintenance				

* Monitoring indicator: An indicator for which no target is set, but for which performance is monitored to keep a close watch on the level.

Materiality

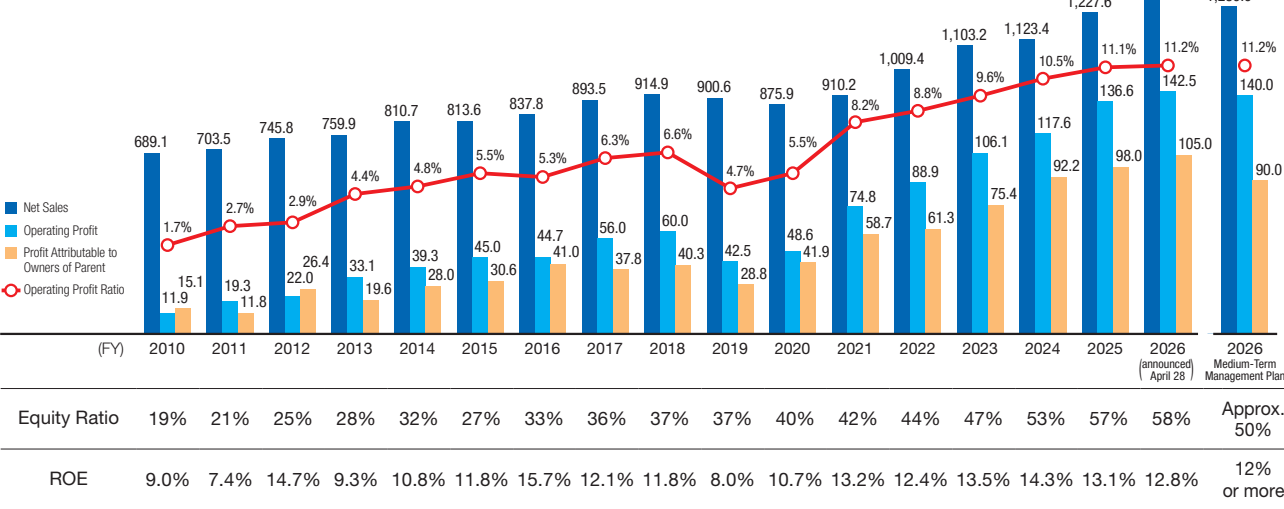
<https://www.fujielectric.com/csr/material-issues/material-issues.html>

Progress of Management Reforms

Since 2010, Fuji Electric has advanced its management reforms by consistently pursuing three pillars: Strengthening of Management Foundations, Promotion of Growth Strategies, and Improvement of Profitability. While adapting to changing times, we have steadily improved our performance and, through the rigorous implementation of management emphasizing profit, have developed into a company capable of achieving an operating profit ratio of over 11%.

Main initiatives	2010-2012 Improvement of profitable structure through business restructuring	2013-2015 Promotion of growth strategies Proactive management approach	2016-2018 Further renovation of Fuji Electric	2019-2023 Establishment of a foundation for sustainable growth	2024- Improvement of corporate value through management emphasizing profit
Reinforcement of operating foundations	- Integrated business operations by abolishing the holding company system - Faster management decision-making (Executive officers: Reduced from 53 to 18) - Revised management policies		Partially eliminated cross-shareholdings	- Established the Nomination and Remuneration Committee - Strengthened management and business execution functions through the CEO and COO system - Further reduced cross-shareholdings - Revised the Fuji Electric Code of Conduct - Formulated the Environmental Vision 2050 - Endorsed the TCFD recommendations	- Introduced a performance-related share-based remuneration plan for directors - Integrated TCFD and TNFD disclosures
Promotion of growth strategies	Clarified business domains as energy and environment businesses	- Expanded overseas businesses - Acquired human resources and sales channels by promoting M&A and collaboration (6 companies in Asia etc., 2 in China, 2 in the United States, 1 in Europe) - Strengthened power electronics systems and power semiconductors, and maximized synergies - Strengthened R&D	- Strengthened the power electronics systems business - Reorganized the social engineering systems, industrial infrastructure, and power electronics businesses	Concentrated resources in the power electronics and power semiconductor businesses	- Strengthened the power electronics business - Reorganized the systems and components businesses - Made the equipment construction company a wholly owned subsidiary - Strengthen the plant and systems business
Improvement of profitability	- Implemented business restructuring - Reorganized production bases (magnetic disks, vending machines) - Reduced costs through global procurement and centralized purchasing - Reduced inventories through supply chain reforms - Augmented our manufacturing capabilities - Consolidated the production technology divisions and strengthened human resource cultivation	- Promoted local production for local consumption - Established production bases (Thailand, India, the United States) - Improved value-added productivity through in-house manufacturing, automation, and standardization - Promoted companywide Pro-7 activities to improve profitability - Improved operational efficiency by reviewing all costs from a zero base	- Strengthened profitable structure - Strengthened mother factories in Japan (Suzuka, Kobe) - Reorganized production models	- Withdrew from the magnetic disk business - Strengthened response to procurement risks - Improved productivity and reliability by promoting digital reform - Improved productivity by expanding RPA implementation - Promoted workstyle reforms	- Strengthened business operations emphasizing cost of capital (ROIC) - Digitally coordinated SCM and PLM - Invested in information systems - Introduced generative AI

Business Performance Trends (Billions of yen)



Progress of the FY2026 Medium-Term Management Plan

In May 2024, we announced our three-year Medium-Term Management Plan, “To be enthusiastic, ambitious and sensitive 2026,” which concludes in fiscal 2026. Under the basic policy of “Improvement of corporate value through management emphasizing profit,” we set targets of net sales of ¥1,250.0 billion, operating profit of ¥140.0 billion, and an operating profit ratio of over 11%. We have pursued Improvement of Profitability, Promotion of Growth Strategies, and Strengthening of Management Foundations, and achieved our operating profit ratio target a year ahead of schedule.

Medium-Term Management Plan (Billions of yen)

Net Sales	1,250.0
Operating Profit	140.0
Operating Profit Ratio	11.2%
Profit Attributable to Owners of Parent	90.0
Ratio of profit attributable to owners of parent to net sales	7.2%

Financial Indicators

ROE	12% or more
ROIC	10% or more
Equity Ratio	Approx. 50%
Net Debt-Equity Ratio	Approx. 0.2 times
Dividend Payout Ratio	Approx. 30%

* Exchange rates: U.S.\$ ¥140.00, EURO ¥150.00, RMB ¥19.50

Priority Strategies

Improvement of Profitability

- Business operations emphasizing cost of capital
- Improve productivity through the utilization of digital technology

▶ P25, 26 Financial and Capital Strategies

▶ P41-44 Manufacturing and Procurement

Promotion of Growth Strategies

Concentrated Investment in Growth Fields

▶ P27-36 Overview of Segments

- Business expansion through new product launches
- Expand overseas businesses
- Create new businesses that will contribute to sales growth from fiscal 2027 onward

Strengthening of Management Foundations

Society

Employee-first Well-being (WB)

▶ P53-57 Human Resources

Environment

Promote Environmental Vision 2050

▶ P45-52 Environment

Governance

Thorough compliance Enhance risk management

▶ P59-72 Governance

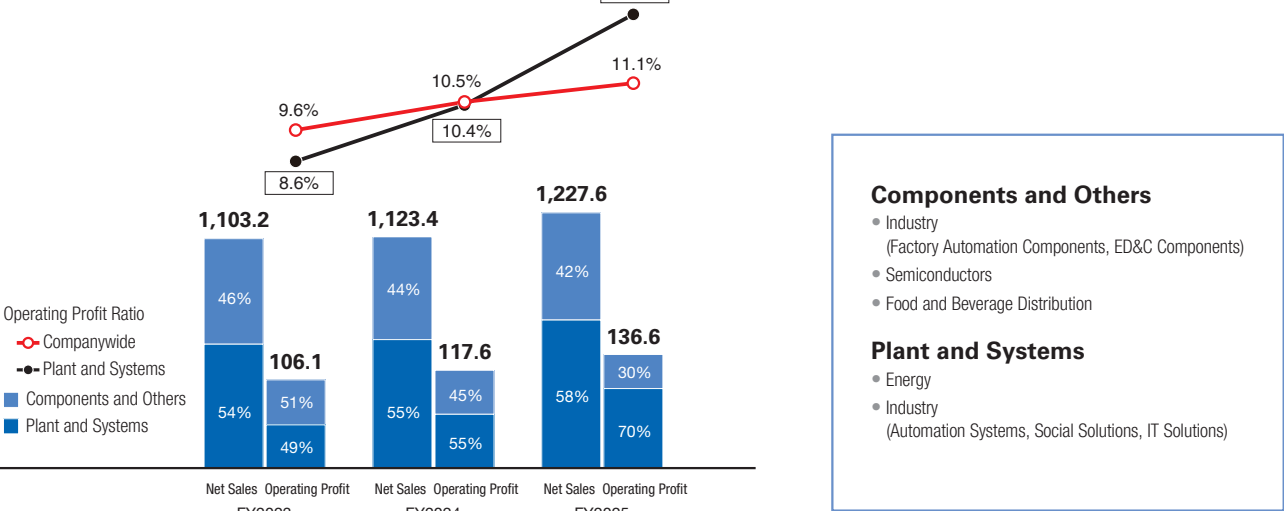
Changes in the Business Environment and Business Structure from FY2024 to FY2025

Our business structure is divided into two categories: Plant and Systems and Components and Others. Plant and Systems includes Energy and Industry (automation systems, social solutions, and IT solutions), while Components and Others includes Industry (Factory Automation Components and ED&C Components), Semiconductors, and Food and Beverage Distribution.

The business environment surrounding the Company has changed significantly since the Medium-Term Management Plan was formulated, and our business structure has also changed. In fiscal 2024, demand related to machine tools remained sluggish, while the xEV market showed regional variations in strength and only moderate growth. In fiscal 2025, prices for raw materials such as silver and copper rose sharply, creating headwinds for components including Industry (Factory Automation Components and ED&C Components) and

Semiconductors. At the same time, the trends toward decarbonization and, in particular, digitalization accelerated beyond our expectations. Against the backdrop of rising energy demand accompanying the rapid proliferation of generative AI and digital technologies, capital investment remained robust in the power, manufacturing, and data center sectors. We responded swiftly to these changes in the environment, expanding plant and systems centered on the Energy segment, including renewable energy and the energy management business (substation systems and storage battery systems), as well as the power supply and facility systems business. As a result, Plant and Systems' share of net sales increased from 54% in fiscal 2023 to 58% in fiscal 2025, while its operating profit ratio improved from 8.6% in fiscal 2023 to 13.3% in fiscal 2025.

Changes in Business Structure



* Fiscal 2023, 2024, and 2025 results reflect the figures from the fiscal 2026 business reorganization.
* Composition ratios are based on amounts before the elimination and adjustment of inter-segment transactions, etc.

Segment-specific changes in the business environment and responses

Segment	Changes from the FY2026 Medium-Term Management Plan	Response
Energy / Industry	• Expansion of energy demand due to new construction and expansion of AI datacenters and semiconductor factories	• Strengthen the plant and systems business - Integrated operation with equipment construction - Increase production capacity and productivity at Japanese and overseas production sites
	• Delayed recovery for components due to supply-demand imbalances since the spread of COVID-19	
Semiconductors	• Growth in the xEV market more moderate than anticipated	• Strengthen the structure of the components business through integration of manufacturing and sales • Accelerate management (Strengthen marketing, optimize manufacturing and inventory, and create customer value) • Continue investment in R&D and expansion of production capacity for the future (demand-responsive speed control) • Strengthen design wins and cultivate new customers
	• Growing demand for renewable energy and data centers	
Food and Beverage Distribution	• Curbed investment in vending machines in Japan • Stronger-than-expected growth due to special demand from the introduction of new banknotes in Japan (FY2024)	• Develop new products and cultivate new customers • Improve profitability with high-value-added products • Expand the top line by developing new products

▶ For details, see Overview of Segments (P27)

Results for FY2025

Net sales increased by ¥104.2 billion year on year to ¥1,227.6 billion. This was despite the decline of demand for power semiconductors for xEVs in the Semiconductor segment and the fading of special demand due to the introduction of new banknotes in Japan in the Food and Beverage Distribution segment. These negative factors were more than offset by an increase in large-scale orders for power supply equipment for power and industrial applications in the substation systems business and increased demand for data center applications in the power supply and facility systems business in the Energy segment, demand for industrial semiconductors for renewable energy applications in China in the Semiconductor segment, and an increase in large-scale projects in the academic sector in the IT solutions business in the Industry segment.

Management Plan for FY2026

We are targeting net sales of ¥1,275.0 billion, an increase of ¥47.4 billion year on year. This figure accounts for the expected negative impact of lower demand for automotive semiconductors from European and U.S. customers and the absence of the previous fiscal year's large-scale projects in the academic sector in the IT solutions business in the Industry segment, among other factors. However, these impacts are expected to be offset by an increase in nuclear, thermal, and geothermal projects in the power generation business, energy storage system projects in the energy management business, increased demand for industrial substation and power supply equipment in the substation systems business and data center applications in the power supply and facility systems business in the Energy segment, increased demand for drive control systems in the automation systems business in the Industry segment, and an

Operating profit increased by ¥19.0 billion year on year to ¥136.6 billion, due mainly to increased demand in power supply and facility systems, industrial semiconductors, and the academic sector in the IT solutions business in the Industry segment, as well as difference in model mix, cost reductions, and exchange rate effects. These positive factors outweighed negative factors, such as higher fixed costs due to increased personnel expenses associated with higher employee wages and bonuses, increased capital costs, and R&D expenses, as well as higher raw material prices, conditions in automotive semiconductors, and the fading of special demand related to new banknotes in the Food and Beverage Distribution segment.

increase in electrical equipment construction in the equipment construction business. We plan for operating profit of ¥142.5 billion, an increase of ¥5.9 billion year on year (operating profit ratio 11.2%). This is despite higher fixed costs, including personnel expenses associated with increases in employee wages and bonuses, capital costs associated with growth investments, and R&D expenses, as well as the impact of higher raw material prices. This growth is expected to be driven by higher sales volume resulting from increased demand in power supply and facility systems in the Energy segment, factory automation components in the Industry segment, and industrial semiconductors in the Semiconductors segment, among other areas; difference in model mix effects; differences in profitability between projects; and cost reductions.

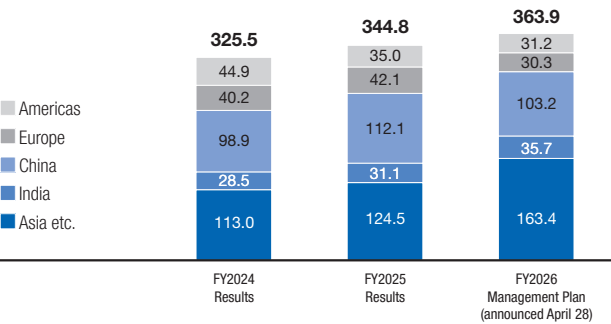
Net Overseas Sales

In fiscal 2025, net overseas sales increased in all regions except the Americas due to foreign exchange effects and factors such as increased demand for industrial semiconductors in China, rising ¥19.3 billion year on year to ¥344.8 billion. In fiscal 2026, despite the impact of lower demand for automotive semiconductors in Europe and the industrial semiconductors in China, we plan for net overseas sales of ¥363.9 billion, up ¥19.1 billion year on year, driven by higher demand for power generation plants in Asia and other regions and an increase in projects in the power supply and facility systems business.

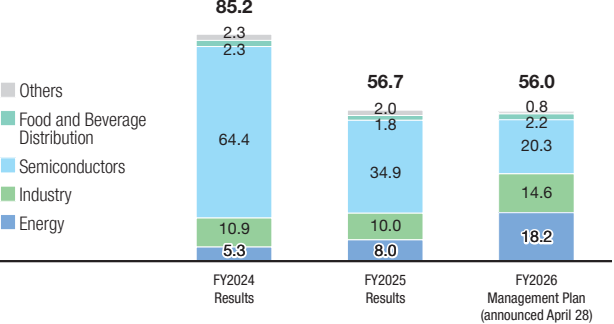
Plant and Equipment Investment and R&D Expenditures

For plant and equipment investment, we will continue investments to expand production capacity in Energy, a growth field, while controlling the speed of investment for

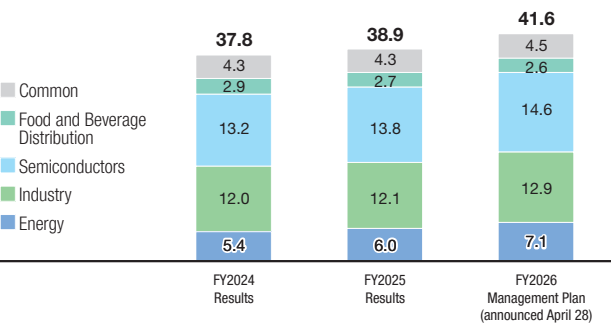
Net Overseas Sales (Billions of yen)



Plant and Equipment Investment (Billions of yen)



R&D Expenditures (Billions of yen)



* Figures for R&D expenditures are classified by segment according to theme and therefore differ from the figures stated in the consolidated financial report.

Main Details of Plant and Equipment Investments and R&D Expenditures (FY2024-2026)

Segment	Main Plant and Equipment Investments	Main R&D Expenditures
Energy	• Reorganization and capacity expansion of production systems for transformers and switchgear (Chiba, Kawasaki) • Increases to substation equipment production capacity in response to demand growth (FSMBE, Kobe, Tsukuba)	• New GX products (storage battery systems, dry-air switchgear, hydrogen fuel cells) • Global products (transformers, molded-case transformers, switchgear and controlgear) • For datacenters (large-capacity UPSs, container power train units)
Industry	• Production facilities for smart meters • Testing equipment for GX products • Production facilities for new products (products for the mobility field, measuring instruments, ED&C components)	• New GX products (ejector cooling units, steam-generation heat pumps) • Global products (medium-voltage inverters, radiation-related equipment) • Mobility products (automotive inverters, electric ship propulsion systems) • Component products (low-voltage inverters, measuring instruments, magnetic switches)
Semiconductors	• SiC manufacturing processes (front-end) - 8-inch SiC production line (R&D) - Expansion of 6-inch SiC device production (Matsumoto, Tsugaru) • Expansion of production capacity for assembly processes (back-end)	• For the automotive field (SiC modules, IGBT modules) • For the industrial field (SiC modules, IGBT modules) • Next-generation SiC-MOSFET • 8th-generation IGBT
Food and Beverage Distribution	• Investment in rationalization and in-house production - Printed circuit board assembly line - Integrated sheet-metal processing line	• Vending machines (high-value-added vending machines, digital transformation application services) • Store distribution products (new refrigerant-using showcases, tea dispensers, automatic change dispensers) • Global products (vending machines and dispensers for India) • Products for new fields (pickup lockers, coffee machines for restaurants)
Others/Common	• Plant and equipment investment related to R&D, etc.	• New GX technologies (hydrogen production, hydrogen/ammonia measurement, CO₂ recovery, DC electricity distribution) • DX-related technologies (security, AI, model-based development) • Next-generation semiconductor technologies (vertical GaN-MOSFETs, packaging)

* FY2024 results are presented after reflecting the business reorganization in FY2026 (for reference purposes calculated using a simplified business reorganization);
FY2025 results are presented after reflecting figures associated with the business reorganization in FY2026.
* Exchange rates: FY2024 results U.S.\$ ¥149.52, EURO ¥162.08, RMB ¥20.59
FY2025 results U.S.\$ ¥159.88, EURO ¥183.41, RMB ¥23.11
FY2026 Management Plan U.S.\$ ¥150.00, EURO ¥175.00, RMB ¥21.90

Financial and Capital Strategies



We will sustainably enhance our corporate value by expanding profit, promoting business operations with a focus on capital costs and strengthening shareholder returns.

Yoshitada Miyoshi
Senior Managing Executive Officer
Corporate General Manager, Corporate Management Planning Headquarters

Under our current Medium-Term Management Plan, which concludes in fiscal 2026, we have adopted profit-focused management as our basic policy and established an operating profit ratio of over 11%, a ratio of profit attributable to owners of parent to net sales of over 7%, an ROE of 12% or more, and an ROIC of 10% or more as key management indicators. In particular, we place emphasis on profitability and capital efficiency and are working to thoroughly manage ROIC in each segment, strengthen cash management, maximize operating cash flow, and improve asset health.

With regard to financial discipline, we have used an equity ratio of approximately 50% and a net D/E ratio of approximately 0.2 times as benchmarks in order to maintain an issuer rating of A or higher, which is necessary to preserve the flexibility needed to respond swiftly. Through the current Medium-Term Management

Plan, we have sufficiently strengthened our financial foundation and built up our investment capacity for the next stage of growth.

With regard to shareholder returns, we will maintain and strengthen our policy of stable and continuous returns through dividends. We will pay dividends based on a dividend payout ratio of approximately 30%, while positioning share repurchases as a “flexible shareholder return measure” that supplements dividends and executing such repurchases as appropriate in light of factors including cash flow conditions.

Going forward, we will continue to allocate capital to growth investments such as M&A and DX under the appropriate financial discipline while keeping capital costs in mind. We will also continue efforts to improve capital efficiency, including optimizing assets and continuously reviewing cross-shareholdings, to achieve sustainable improvements in corporate value.

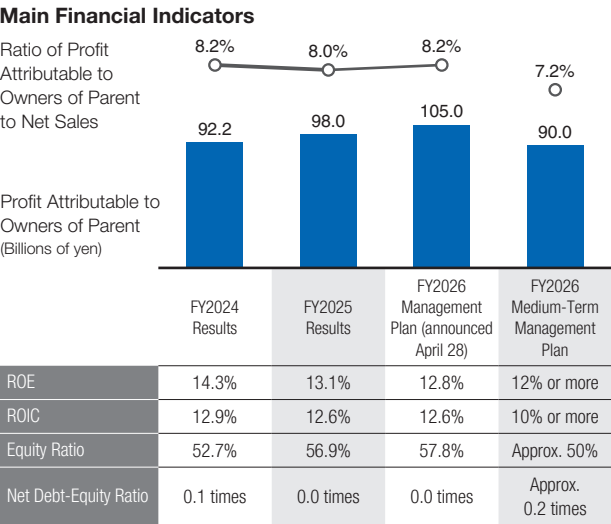
Changes in the Business Environment and Execution of Measures to Expand Profit Attributable to Owners of Parent

Demand for electric power and datacenters continues to expand against the backdrop of decarbonization and digitalization. In Semiconductors, however, the delayed ramp-up of the xEV market has led to a market adjustment compared with when the current Medium-Term Management Plan was formulated, creating a mixed business environment. We are responding swiftly to these changes and steadily implementing measures to expand profit attributable to owners of parent.

In fiscal 2025, we steadily accumulated profits by ensuring appropriate pricing for high-value-added products, improving productivity, and rigorously reducing costs. Combined with a trend toward yen depreciation, profit attributable to owners of parent reached ¥98.0 billion, ROE was 13.1%, ROIC was 12.6%, the equity ratio was 56.9%, and the net D/E ratio was 0.0 times. As capital on hand increased due to accumulated profits, financial leverage declined.

In 2026, we plan for profit attributable to owners of parent to be ¥105.0 billion. While returns on capital will exceed the Medium-Term Management Plan targets, our financial soundness has increased, and we are working to maintain capital efficiency and control the equity ratio through measures including the approximately ¥21.0 billion share buyback described below.

Although we plan to maintain companywide ROIC at a high level, WACC is also rising along with higher interest rates. We will assess capital efficiency and profitability in each segment and



implement the following measures to create value over the medium to long term and expand profit attributable to owners of parent.

In the Energy segment, we have decided on growth investments at factories in Japan and overseas to meet the increasing demand for power equipment. In fiscal 2026, we will steadily launch these production lines and pursue further profit growth through improved productivity and expanded in-house production, and expect a high

ROIC above the companywide level.

In the Industry segment, components currently have lower profitability than the plant and systems business due in part to soaring material prices, and we recognize ROIC as an issue as well. We will consolidate models at optimal production sites and expand platform use to strengthen cost competitiveness and our earnings foundation.

By contrast, in the Semiconductors segment, where we have invested substantial capital to date, profit levels are expected to decline due to factors such as delays in the xEV market. Management views the outlook in which the segment’s ROIC will

fall below both the companywide level and WACC as being a significant issue. In the near term, we will fundamentally improve profitability by controlling plant and equipment investment in line with demand trends while reducing Si production, which has relatively low productivity, and at the same time expand SiC production, which will drive medium- to long-term profit growth.

In the Food and Beverage Distribution segment, we continue to maintain high profitability above the companywide level by providing high-value-added products that meet customer needs, contributing to improvement in companywide ROIC and expansion of profit attributable to owners of parent.

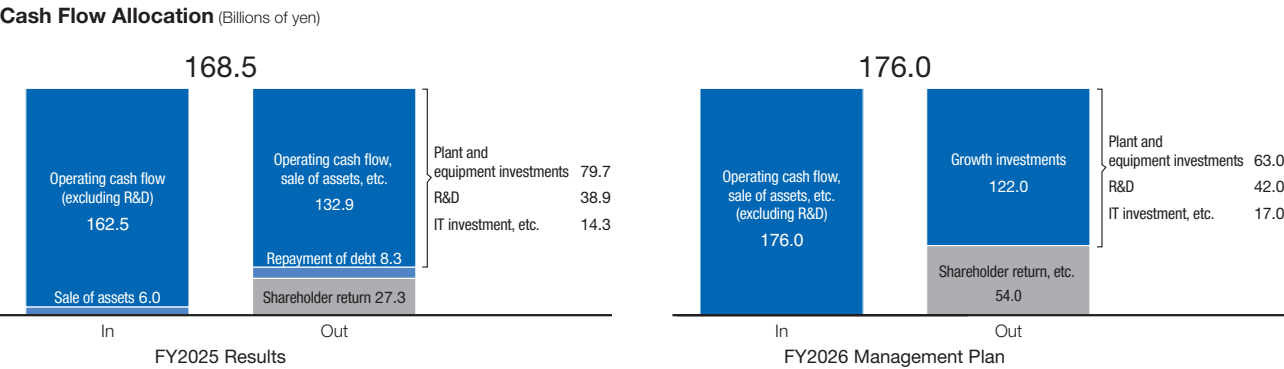
Cash Flow Allocation

In fiscal 2025, we generated total cash inflows of ¥168.5 billion, centered on operating cash flow (excluding R&D).

We prioritized the cash generated for investments in future growth and deployed ¥132.9 billion in cash outflows. Of this amount, ¥79.7 billion was invested in plant and equipment, centered on Energy, Industry, and Semiconductors.

In fiscal 2026, we expect cash inflows of ¥176.0 billion. While continuing to either speed up or slow down capital investment

according to circumstances, we will actively pursue R&D investment, which is a source of competitiveness, and IT investment that contributes to improved productivity and faster management decision-making. Based on a medium- to long-term outlook, we will implement cash flow allocation while considering growth investments that contribute to future growth and shareholder returns, including through share buyback.



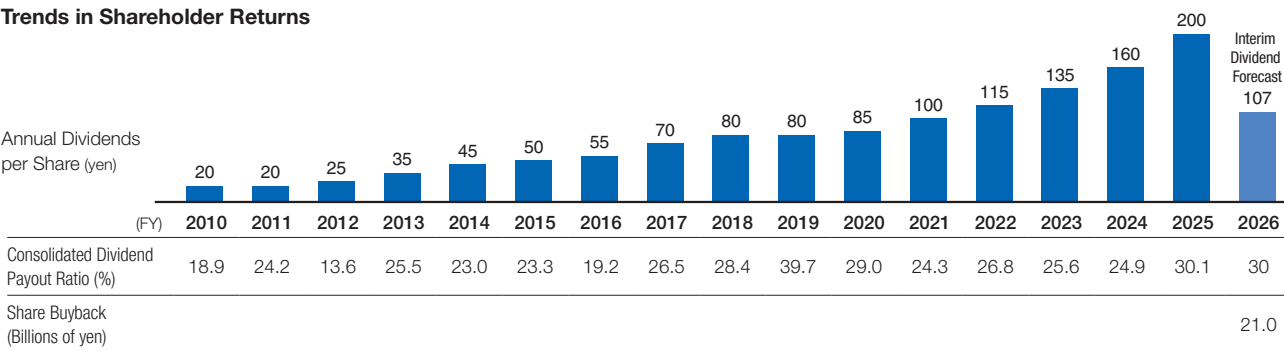
Strengthening Shareholder Returns

Our basic policy is to make stable and continuous dividend payments, taking into account the medium- to long-term business cycle. In fiscal 2025, we paid a dividend of ¥200 per share, up ¥40 year on year, and exceeded the target dividend payout ratio of 30% under the current Medium-Term Management Plan.

For fiscal 2026, based on our initial earnings forecast, we disclosed a new interim dividend forecast of ¥107 per share

based on a dividend payout ratio of 30%, and are carrying out share buyback of approximately ¥21.0 billion, resulting in a total return ratio of 50%.

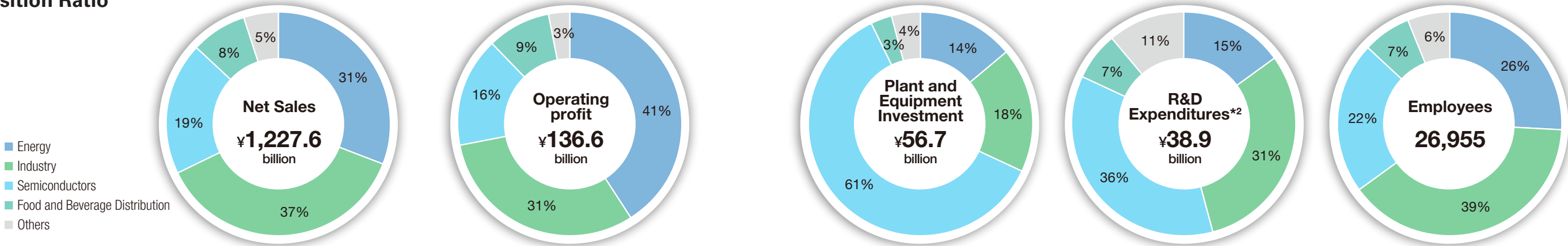
In addition to using the acquired treasury shares for future business expansion and other purposes, we will consider what method of treating them, including cancellation, would be optimal as a flexible capital policy option that contributes to the medium- to long-term enhancement of corporate value.



Overview of Segments

Basic Information

Composition Ratio*1



Information by Segment

	Energy	Industry	Semiconductors	Food and Beverage Distribution
	Creation of clean energy Stable supply of energy We provide power infrastructure tailored to customer needs in a comprehensive package, including “power generation facilities” such as solar and geothermal power generation; “power distribution equipment” for safely delivering electricity; “storage battery systems” for storing electricity; “uninterruptible power systems (UPS)” for preventing power outages; and “energy management systems” that coordinate these facilities to optimize power operation and control. Equipment construction Electrical equipment construction, Air conditioning equipment construction 21% 21% 25% 33% Power supply and facility systems Uninterruptible power systems, Switchgear and controlgear Power generation Thermal power generation facilities, Geothermal power generation facilities, Hydropower generation facilities, Fuel cells, Nuclear power-related equipment ¥396.4 billion Energy management Substation equipment, Industrial power supply equipment, Storage battery systems, Energy management systems, Solar and wind power generation	Energy savings Automation We provide drive equipment such as “motors,” which power everything from factory equipment to trains, and “inverters,” which reduce power consumption through optimal motor control; “measuring instruments” that accurately capture operating conditions; “controllers” that enable safe and efficient automated operation; and systems that combine these products to ensure stable operation of factories and plants. We also provide solutions that utilize information and communications technologies to improve and optimize customers’ operations. IT solutions ICT-related equipment and software 26% 28% 17% 8% 21% ED&C components Power distribution and control equipment Social solutions Drive systems and door systems for railcars, Systems for ships and harbors, Radiation equipment and systems FA components Inverters, Motors, Servo systems, Compact power supplies, Measuring instruments, Sensors, Smart meters, Controllers, Human-machine interface Automation systems Drive control systems, Measuring and control systems, Factory automation systems, Industrial heating ¥465.0 billion	Energy savings Automation We provide “power semiconductors” that are built into equipment and efficiently control electricity to enable smaller size and lower power consumption in both the “industrial field,” which encompasses industrial equipment such as inverters, robots, and machine tools; power generation facilities such as solar and wind power; and consumer products such as air conditioners, and the “automotive field,” where we are targeting electrified vehicles such as battery electric vehicles (BEVs) and hybrid vehicles (HEVs/PHEVs). Industry IGBT modules, SiC modules, Discrete devices, Photoconductors 50% 50% Automotive IGBT modules, SiC modules, Discrete devices ¥237.4 billion	Energy savings Automation We provide “vending machines” that support society through everyday convenience and disaster relief; “DX application services” that help improve vending machine operational efficiency; “freezer and refrigerated showcases” that contribute to the safe and secure distribution of food products in stores; “automatic change dispensers” that help reduce workloads; “counter fixtures” that meet diverse consumer needs; and “store integrated controllers” that optimize power use throughout entire stores. Vending machines Beverage vending machines, Vending machines for food and other goods 59% 41% Store distribution Store facilities and equipment, Automatic change dispensers ¥108.0 billion
Main business activities and ratio of net sales*1				
Major customers	Power companies, Material manufacturers (steel, chemical, etc.), Data center operators, Semiconductor manufacturers, Public agencies and Local governments	Air conditioning and water-treatment equipment manufacturers (or air conditioning and water-treatment service providers), Industrial machinery manufacturers, Power companies, Material manufacturers (steel, chemical, etc.), Railway companies, Shipbuilding companies, Public agencies and Local governments	Industrial equipment manufacturers (e.g., inverters and machine tools), Home appliance and air conditioning equipment manufacturers (e.g., air conditioners), Renewable energy equipment manufacturers, Railcar manufacturers, Automobile manufacturers, Automotive electronics manufacturers	Beverage manufacturers, Convenience stores, Restaurant chains, Supermarkets, POS manufacturers
Strengths	- Extensive delivery track record and engineering expertise in delivering clean energy solutions and ensuring both stable supply and optimization of energy - Package proposals from a wide range of products and systems to maintenance services and equipment construction, contributing to stable power supply and power optimization - Energy-saving expertise developed at Fuji Electric’s factories	- Early development of power electronics that use in-house power semiconductors - Extensive product lineup tailored to customer applications - Engineering capabilities built up over a substantial delivery track record - Expertise in energy-saving, automation, and electrification solutions based on electric and thermal energy technologies	- Industry-leading low-loss chips - Packaging technologies that achieve high heat dissipation and high reliability - Power semiconductors that contribute to increasing the efficiency, compactness, and reliability of power electronics	- Top market share of beverage vending machines in Japan and China (our estimate) - Extensive lineup of store fixtures and equipment - Energy-saving technologies centered on airflow control and freezing and heating, structural durability, mechatronics technology

*1 Based on fiscal 2025 results. Composition ratios are calculated based on the amounts before elimination and adjustment of inter-segment transactions.

*2 Figures for R&D expenditures are classified by segment according to theme and therefore differ from the figures stated in the consolidated financial report.



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.”

Masashi Kawano
Director, Senior Managing Executive Officer
Corporate General Manager, Energy Business Group

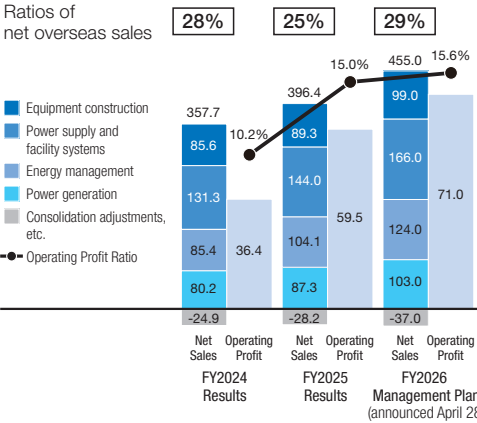
Market Trends and Business Opportunities

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)



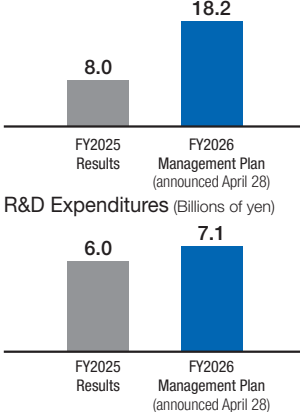
* FY2024 results: Presented reflecting the FY2026 business reorganization (reference values calculated through a simple conversion of past figures to reflect the business reorganization)
* FY2025 results: Presented reflecting the FY2026 business reorganization

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)



* Figures for R&D expenditures are classified by segment according to theme and therefore differ from the figures stated in the consolidated financial report.

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

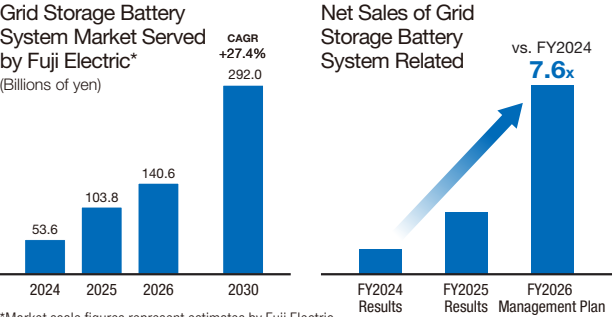
Power generation:
Expanding Decarbonization Renewable Energy Businesses and After-Sales Businesses

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

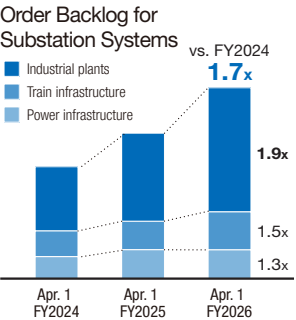


As deployment of renewable energy expands, the market for grid storage battery systems, which enable effective use of generated electricity, continues to grow rapidly.

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

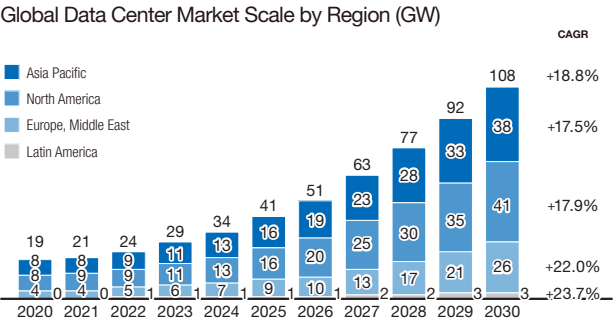


investment associated with the reshoring of the semiconductor industry to Japan.

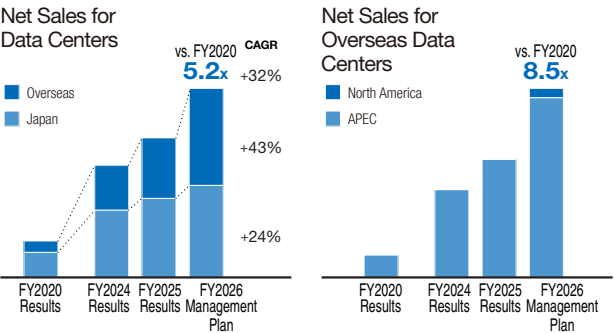
Going forward, we will increase production capacity to meet this strong demand while bringing GX-related products such as dry air switchgear to market in a timely manner, thereby driving business expansion.

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.



New Factory in Malaysia

Projected Production Capacity in FY2027
2.5x vs. FY2024



Industry

We will expand our business in growth fields (IDCs and semiconductors) and the GX field. We will further strengthen profitability and achieve an operating profit ratio of 10% or higher in every subsegment.

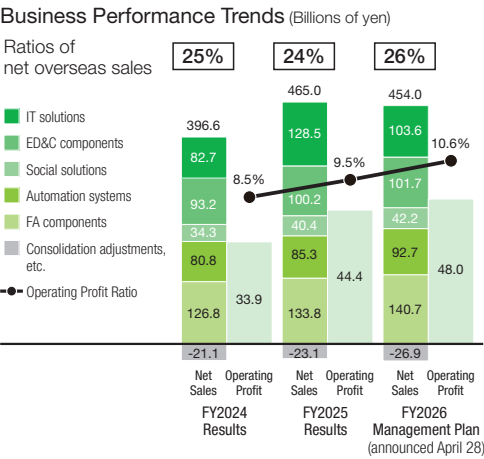
Hiroshi Tetsutani
Director and Managing Executive Officer
Corporate General Manager, Industry Business Group

Market Trends and Business Opportunities

In Japan, demand for the semiconductor production equipment and machine tools is increasing, and GX investment is rising. Overseas, market conditions in China remain sluggish due to weak domestic demand, while data center investment in the United States and semiconductor investment in Asia are active. Capturing this robust growth in Japan and overseas represents a business opportunity for the Company.

	Subsegment	Market Trends and Business Opportunities
Components	FA components	In Japan, semiconductor production equipment is driving growth. Overseas, data-center-related demand in the United States remains strong, and Asia and India are also growing, while China remains weak due to sluggish domestic demand and declining exports; overall, the overseas market is expected to be flat for the year.
	ED&C components	In Japan, semiconductor production equipment and other applications will drive growth. Overseas, the recovery in the semiconductor-related markets in the United States, South Korea, and elsewhere will offset the downturn in China, resulting in slight growth.
Plant and Systems	Automation systems	Japan's steel, nonferrous metals, and chemical markets will grow on GX investment, such as energy-saving measures, as well as equipment replacement. In the overseas harbor crane market, investment is active in India, while weak domestic demand persists in China, and Chinese manufacturers are focusing on winning projects outside China.
	Social solutions	In Japan, railway upgrade and DX as well as nuclear-power-related demand are active. Overseas, metro replacement in the United States and new rail line construction in Asia will continue.
	IT solutions	DX investment in the private and public sectors remains strong. In the academic sector, demand will shift to operation and maintenance following the completion of the NEXT GIGA development.

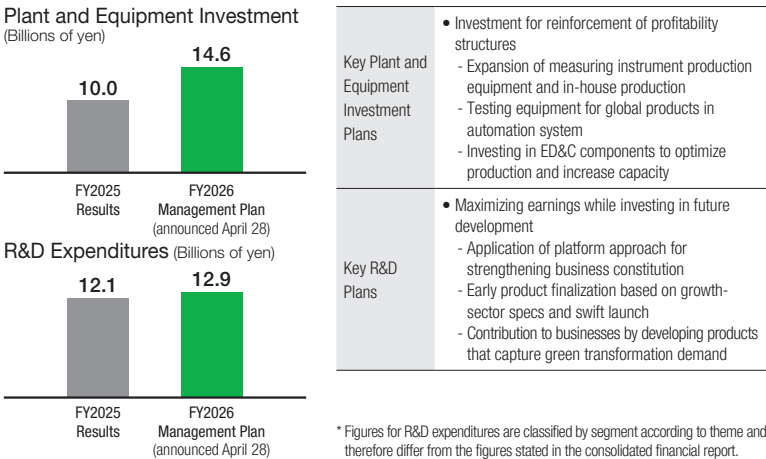
Overview of Results



In fiscal 2025, net sales increased by ¥68.4 billion year on year to ¥465.0 billion, driven by higher sales in all subsegments and steady execution of large-scale NEXT GIGA projects in Japan's academic sector. Operating profit increased by ¥10.5 billion year on year to ¥44.4 billion as profit increased in all subsegments. The components business achieved higher profit by strengthening its earnings structure, including consolidating and discontinuing unprofitable models. In addition, the smart meter business in India secured a large order, establishing a foundation for business expansion in fiscal 2026.

In fiscal 2026, we plan for net sales of ¥454.0 billion, down ¥11.0 billion year on year. This decrease reflects the scaling down of large NEXT GIGA projects in the academic sector within IT

Plant and Equipment Investment and R&D Expenditures



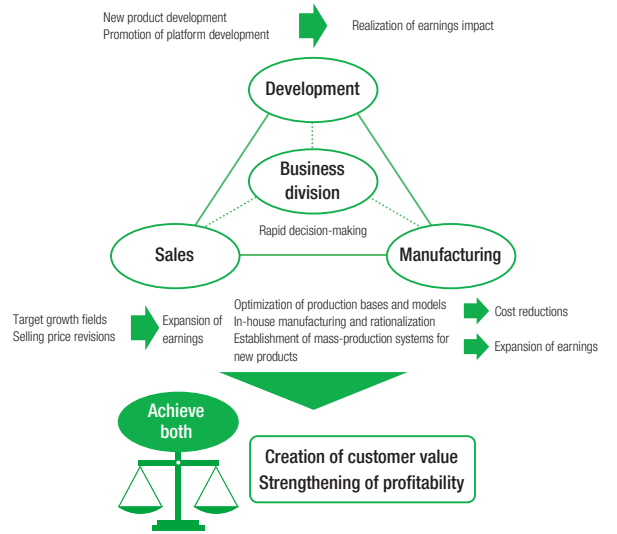
solutions; all other subsegments are planned to increase sales. We plan for operating profit of ¥48.0 billion, up ¥3.6 billion year on year, by steadily executing priority measures, including operational reforms.

FY2025 Achievements	- Achieved higher sales and profit in all subsegments - Strengthening of constitution of FA and ED&C components businesses - Establishment of foundations for expanding operations in India - Ensured execution of large-scale academic sector of IT solutions
FY2026 Challenges	- Allocation of resources to growth fields such as data centers and semiconductors - Expansion of green transformation (GX) and overseas business with new products - Further strengthening of profitability through operational reforms

Priority Measures

General Measures
Operational Reforms to Create Customer Value and Strengthen Profitability

In both components and plant and systems businesses, the sales, development, and manufacturing functions will continue to work as one to make rapid, profit-driven decisions. On the sales side, we will pursue growth fields and implement appropriate selling price revisions. On the manufacturing side, we will consolidate models at the lowest-cost production bases and expand in-house manufacturing to reduce costs, while establishing mass-production systems for new products. On the development side, we will expand the range of models that share common platforms, improving the efficiency of R&D investment and maximizing the earnings impact by launching to market earlier. Through these initiatives, we will both create customer value and further strengthen our earnings structure.



New Product Rollout and Market Development in the Growth Fields of IDCs and Semiconductors

In the data center (IDC) field, we will sequentially launch new products in response to the shift toward liquid cooling for AI servers. We will begin the full-scale roll out of the world's first ejector cooling units, which achieves energy savings of up to 85%, as well as a new ultrasonic flowmeter, while developing harmonic-mitigation inverters. We aim to expand sales to cooling equipment manufacturers through "comprehensive equipment proposals" and integrated electrical, thermal, and DX solutions.

In the semiconductor field, we will expand our lineup of measuring instruments and power supply equipment that is optimized for production equipment and ancillary facilities. We will also roll out new magnetic switches that contribute to energy and space savings, while advancing design wins with major Japanese equipment manufacturers and vendor registration with overseas semiconductor production equipment manufacturers in order to expand sales.

Products for the IDC Field

Automation systems	FA components	
Heat products	Low-voltage Inverters	Measuring instruments
250 kW ejector cooling units (for cooling equipment)  Launched in June 2026	Low-voltage harmonic-mitigation inverters (for cooling equipment)  Scheduled to launch in FY2028 H1	New ultrasonic flowmeter (for cooling equipment)  Launched in June 2026

Products for the Semiconductor Field

FA components		ED&C components
Measuring instruments	Power supply equipment	Power distribution and control equipment
New ultrasonic flowmeter (for semiconductor production equipment)  Scheduled to launch in FY2028 H1	Mini-UPS For semiconductor production equipment 	New magnetic switch 
Ultrasonic flowmeter (for ancillary equipment) 	Watt-hour meter For air conditioning equipment 	Earth leakage circuit breaker 
Ultrasonic flowmeter (for pure water production equipment) 		

Business-Specific Measures
Automation systems: Business expansion through global and GX products

In the automation systems business, we will actively launch global and GX products. Specifically, our next-generation high-voltage inverter features enhanced high-reliability functions, compliance with a wider range of standards, and a more compact enclosure than conventional models, thus contributing to stable operation, energy savings, and space savings for equipment such as compressors and conveyors. For induction heating systems that advance electrification, we will combine our in-house power semiconductors with induction heating and simulation technologies. This will promote heat-source conversion in heat-treatment processes for steel, nonferrous metals, chemicals, and other industries, helping to reduce CO₂ emissions, improve energy efficiency, and enhance maintainability.

Automation systems	
High-voltage inverters	Induction heating systems
Next-generation high-voltage inverters 	Billet heater  ERW pipe welder 

Mobility: Contributing to decarbonization with new automotive power electronics products

As Japan tightens its CAFE (fuel economy) regulations, automakers are moving forward with the development of electrified vehicles. By bringing together our in-house power semiconductor (IGBT) technology, which has a proven track record in automotive applications, and our motor control technology to create synergies, we have developed a compact, low-cost automotive inverter that achieves a "low profile, light weight, and high power density." We plan to install this inverter in compact hybrid and electric vehicles. Through automotive inverters, we will contribute both to reducing society's CO₂ emissions and to decarbonization.



Semiconductors

We will strive for medium- to long-term business expansion by securing design wins and developing new customers while establishing production systems aligned with demand.

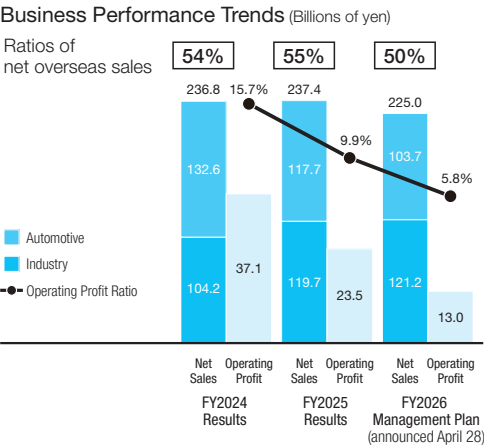
Toru Hosen
Director and Senior Managing Executive Officer
Corporate General Manager, Semiconductors Business Group

Market Trends and Business Opportunities

Power semiconductors, which contribute to energy savings through high conversion efficiency and power control, are experiencing increased global demand against the backdrop of environmental measures for decarbonization and rising investment in automation within the manufacturing industry.

Subsegment	Market Trends and Business Opportunities
Industry	In the motor drive field, which includes inverters and servos, demand for semiconductor production equipment and industrial robots is expected to increase in step with growing demand for AI semiconductors, while demand for automation and efficiency improvements for NC machine tools is expected to continue. In the renewable energy field, demand for wind power generation and storage battery systems is expected to remain strong.
Automotive	Demand for both battery electric vehicles (BEVs) and hybrid vehicles (HEVs/PHEVs) is expected to continue to increase.

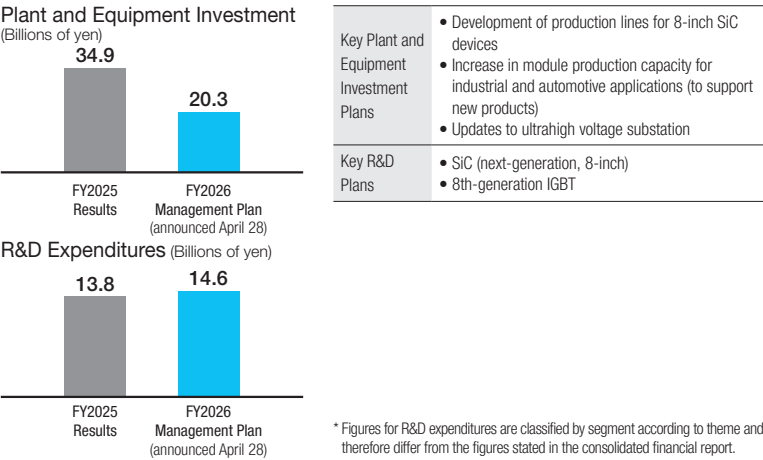
Overview of Results



In fiscal 2025, despite downward pressure on sales from lower demand for Si products for electrified vehicles and the impact of the selling price revisions in the previous fiscal year, net sales increased by ¥0.6 billion year on year to ¥237.4 billion, mainly due to increased demand centered on renewable energy in China, higher demand for SiC products for electrified vehicles, and favorable foreign exchange impacts. Operating profit decreased by ¥13.6 billion year on year to ¥23.5 billion. Although sales in the industrial field increased, earnings were affected by higher raw material prices, price competition centered on the Chinese industrial market, lower sales in the automotive field, and the impact of the selling price revisions in the previous fiscal year.

In fiscal 2026, although demand is expected to increase for data centers and semiconductor production equipment in the industrial field and for SiC products for electrified vehicles, we plan for net sales of ¥225.0 billion, down ¥12.4 billion year on

Plant and Equipment Investment and R&D Expenditures



year, mainly due to lower demand from European and U.S. customers in the automotive field and unfavorable foreign exchange impacts. We plan for operating profit of ¥13.0 billion, down ¥10.5 billion year on year, due to higher raw material prices and lower sales in the automotive field.

FY2025 Achievements	- Expansion of sales through investment to increase SiC front-end production capacity (vs. previous fiscal year: 2.5x SiC production capacity; approximately 2x SiC net sales) - Start of mass production and sample shipments of new products (Mass production: large-capacity IGBT modules for renewable energy, SiC chips for electrified vehicles, compact RC-IGBT modules) (Samples: 8th-generation IGBT modules)
FY2026 Challenges	- Growth of sales and acceleration of new initiatives for promoting Fuji Electric's specifications - Development of competitive new products - Enhancement of manufacturing

Priority Measures

Strengthen Efforts to Secure New Design Wins and Develop New Customers to Expand Sales

The Company has industry-leading low-loss chips that contribute to higher efficiency, smaller size, and higher reliability in power electronics products such as inverters, as well as packaging technologies that achieve high heat dissipation and high reliability. Through customer support utilizing our global production bases and sales and design centers, we hold a leading position in the IGBT module market, having the third highest share globally.

Leveraging these strengths in our power semiconductor business, we will steadily secure new design wins and develop new customers, primarily in the motor drive and renewable energy fields and for electrified vehicles, where medium- to long-term market growth is expected.

In the industrial field, we aim to grow sales faster than the market by expanding sales of new products. In the automotive field, we will drive sales growth from fiscal 2028 onward through new customer development and securing design wins.

New Product Development and Mass Production to Strengthen Competitiveness

We will continue to develop new products to address advanced technical needs such as equipment downsizing, lower system costs, and higher efficiency.

In the industrial field, we will mass-produce 8th-generation IGBT modules that reduce power loss by at least 15% compared to the 7th generation and increase rated current within the same package. We will also develop a new medium-capacity module differentiated by our proprietary packaging technology and that is optimized for the intermediate range between medium- and large-capacity applications, providing products ideally suited to customer equipment for renewable energy, data centers, and other markets that are expected to grow over the medium to long term.

New Products for the Industrial Field

New Medium-Capacity Module	
Strengths, Features	Compact package (footprint 49% smaller than large-capacity modules) Lower inductance accommodates mounting of SiC chips
Applications (Examples)	Renewable energy, data centers, etc.

In the automotive field, we will mass-produce high-power SiC modules that achieve a smaller size and a lower profile through our proprietary three-dimensional wiring technology while significantly reducing inductance* inside the module. We will also begin sample shipments of next-generation low-profile-package SiC modules that enable a broad product lineup of ratings within a single package. These new products will help customers reduce the size and cost of their equipment.

* Inductance: A higher value here increases switching loss and noise

New Products for xEVs (SiC Module)

High-Power Module	
Strengths, Features	Compact, short package (Volume: -49% vs. conventional product) Low inductance (Inductance: -80% vs. conventional product)
Adopting Vehicle Types (Examples)	Large vehicles, sports vehicles

Next-Generation Low-Profile Module	
 (Example of combined application)	
Strengths, Features	A wide range of ratings available in a single package Support for diverse inverter circuit configurations
Adopting Vehicle Types (Examples)	Compact vehicles, mid-size vehicles, large vehicles

Building an Optimal Production System to Meet Demand

In the chip manufacturing process (front-end), we will increase SiC production capacity in line with demand, prepare for mass production of 8th-generation IGBTs, and scale back small-diameter production lines. For SiC, following the Tsugaru Factory, we will begin 6-inch production at the Matsumoto Factory while moving forward with preparations for mass production of 8-inch devices. For Si, we will systematically scale back and close small-diameter lines of 6 inches or less and shift production to 8-inch lines, thereby improving productivity, promoting rationalization, and strengthening profitability.

In the assembly process (back-end), we will launch mass production of new products and expand production capacity to meet rising demand. At our bases in Japan, we will start production of 8th-generation IGBT modules for the industrial field and new SiC modules for the automotive field, and we will increase production capacity for large-capacity industrial modules and compact IGBT modules for electrified vehicles. At overseas bases in China, Malaysia, and elsewhere, we will increase production capacity for 7th-generation IGBT modules, for which global demand remains strong, by 20% to 30% year on year, thereby establishing a structure that can reliably meet increased demand in the industrial field.



Food and Beverage Distribution

We aim to generate stable earnings while expanding operations in new and growth fields.

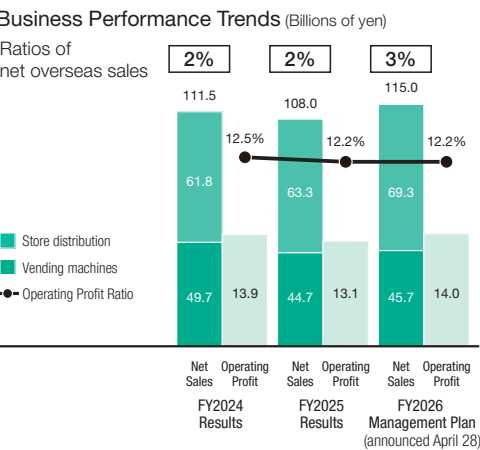
Keiichi Asano
Managing Executive Officer
Corporate General Manager, Food and Beverage Distribution Business Group

Market Trends and Business Opportunities

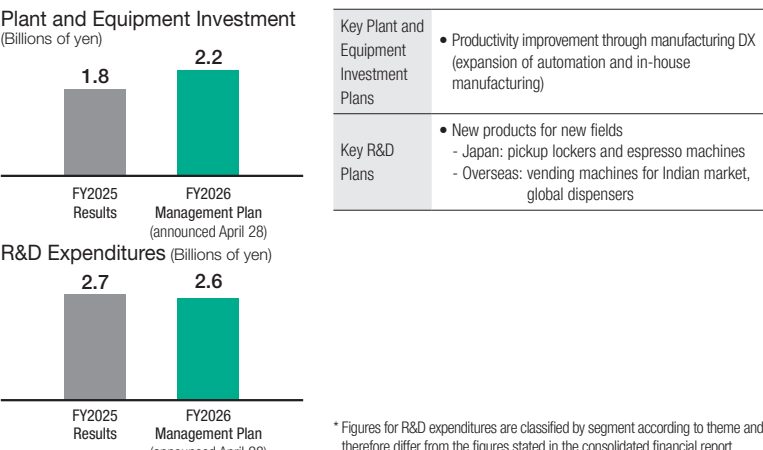
In the food and beverage distribution market, while Japan’s vending machine market is shrinking, demand in the convenience store market is increasing for energy savings and environmental measures. In new fields such as food, pharmaceuticals, and restaurants, new demand is emerging alongside growing needs for automation and labor savings.

Subsegment	Market Trends and Business Opportunities
Vending machines	In Japan, while beverage manufacturers are reducing equipment investment compared to the previous year, needs are growing for more efficient vending machine operations amid labor shortages and for refrigerated storage in new fields such as food and pharmaceuticals. Overseas, coffee demand is expected to increase, mainly in China and Southeast Asia, reflecting changes in consumer preferences.
Store distribution	In the convenience store field, demand is expected to increase year on year as needs diversify for products sold over the counter, in addition to environmental measures for showcases. In new fields such as restaurant chains, demand for self-service coffee machines and other products is expected to increase as labor shortages drive growing needs to reduce headcount and save labor.

Overview of Results



Plant and Equipment Investment and R&D Expenditures



In fiscal 2025, increased demand for store facilities and equipment offset the falling off in replacement demand for automatic change dispensers associated with the previous fiscal year’s issuance of new banknotes in Japan, but lower demand for vending machines in Japan resulted in net sales of ¥108.0 billion, down ¥3.5 billion year on year, and operating profit of ¥13.1 billion, down ¥0.8 billion year on year, for an operating profit ratio of 12.2%.

In fiscal 2026, driven by the effects of our increased share in Japan’s vending machine market, an increase in counter-fixture projects in the store distribution business, and measures to

expand sales of new products for new fields, we plan for net sales of ¥115.0 billion, up ¥7.0 billion year on year; operating profit of ¥14.0 billion, up ¥0.9 billion year on year; and an operating profit ratio of 12.2%.

FY2025 Achievements	- Launching of new products such as tea dispensers for convenience stores and vertical-standing automatic change dispensers - Start of the rollout of beverage vending machines for India
FY2026 Challenges	- Top-line growth across Food and Beverage Distribution through accelerated entry into new fields - Expansion of the overseas business

Priority Measures

Improving Profitability by Expanding Our Lineup of High-Value-Added Products

In the vending machine business in Japan, building on our dominant market share of just under 80%, we will deepen partnerships with beverage manufacturers and expand our lineup of high-value-added products, including plastic bottle-specific vending machines and cup vending machines. We will also equip machines with two-way communication devices to provide dynamic pricing functions that flexibly adjust prices according to demand trends, support for QR-code payments, and services that improve vending machine operational efficiency, including sales and inventory management. Through these measures, we aim to maximize the value we provide to solve beverage manufacturers’ challenges.

In the store distribution business, centered on major convenience store chains in Japan, we will strengthen total solution proposals that address store-wide challenges. We will introduce high-value-added products that improve store operating efficiency, including showcases that are compatible with new fluorocarbon-free refrigerants and showcases with doors to meet environmental and energy-saving needs; counter fixtures (tea dispensers, café latte machines, and ambient display cases) that respond to diversifying consumer preferences; and vertical-standing automatic change dispensers that save both labor and space.

In manufacturing, we will pursue total cost reductions by expanding automation and in-house manufacturing of vending machine component module assembly; by reducing design costs through standardization for next-generation vending machine models and platform development for showcases; and by reviewing the use of steel and copper in response to rising material prices. Through these efforts, we will further strengthen profitability.

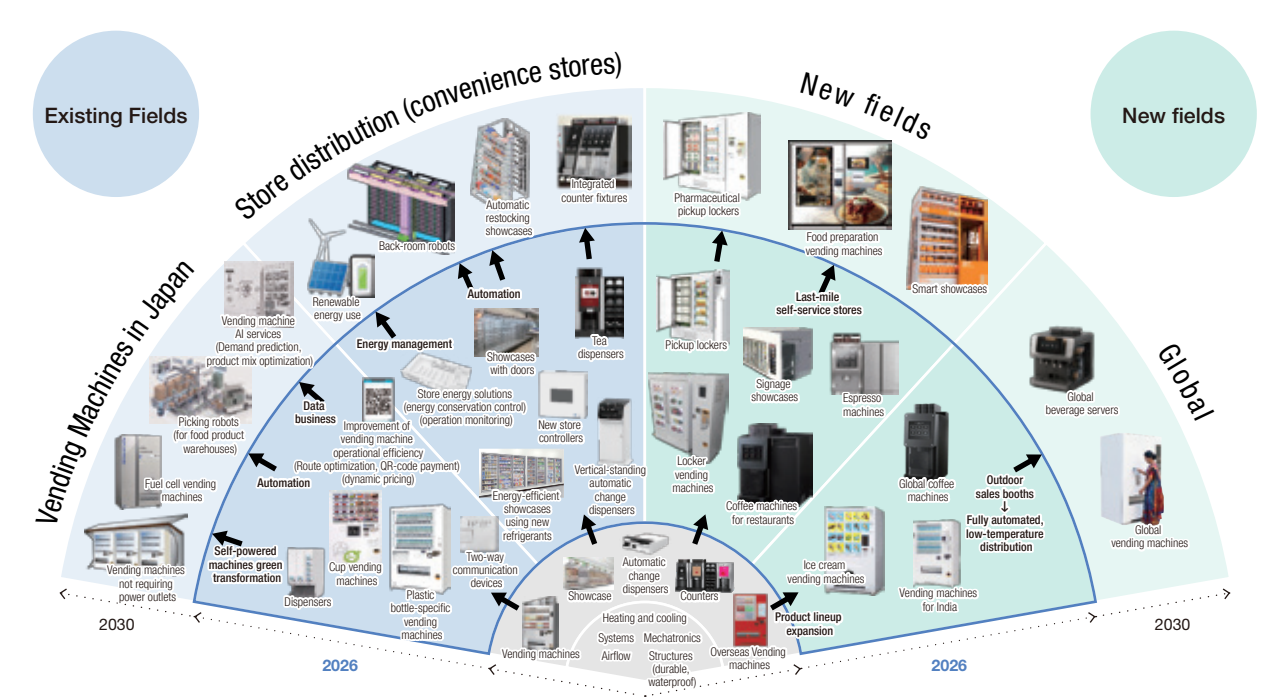
*QR Code is a registered trademark of DENSO WAVE INCORPORATED in Japan and in other countries.

Developing New Fields in Japan and Expanding Sales of New Products by Region Overseas

To strengthen our operating foundation, we will develop new fields in Japan, which are a growth area, and expand our global business. In new fields in Japan, we will horizontally deploy the heating/cooling and durability technologies that we have cultivated in the vending machine business to create markets for refrigerated pickup lockers for pre-ordered products in the food and distribution industries, as well as pharmaceutical pickup lockers in anticipation of revisions to the Pharmaceuticals and Medical Devices Act. For restaurant chains, in addition to conventional drip coffee machines, we will develop and launch Japan’s first domestically produced espresso machine and aim to expand our share in a market dominated by overseas manufacturers. We will also expand our business fields by deploying automation solutions that address customers’ entire supply chains, such as automated picking robots for beverage manufacturers’ warehouses.

In our global business, we will roll out beverage vending machines for major beverage manufacturers in India, a priority market, through collaboration with a general trading company. In existing markets, we will introduce global coffee machines to rapidly growing coffee markets, particularly China and Thailand, as well as ice cream vending machines in China, launching new products in a timely manner for each region to expand sales.

Product Strategies Leading up to 2030



Research and Development / Intellectual Property



We will challenge ourselves to create new products and acquire new technologies that will drive Fuji Electric’s growth strategies.

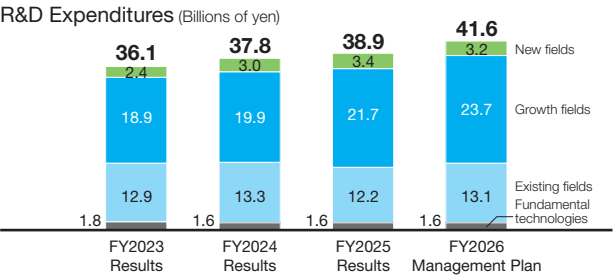
Kazuya Nakayama
Senior Executive Officer
Corporate General Manager, Corporate R&D Headquarters

Even as the business environment becomes more uncertain, we believe that trends such as the transition to a decarbonized society, the shift to a circular economy, and growing energy demand driven by expanded use of digital technologies will continue. To solve the new challenges our customers face as a result of these trends, we are refining our core technologies and strengthening development of global products, and new products that contribute to green transformation (GX) and digital transformation (DX). Furthermore, we are challenging ourselves to

acquire innovative new technologies through collaboration and co-creation with partner companies and academia, aiming to create new products that meet new needs by anticipating how social issues will change. We are also working to build an intellectual property portfolio to ensure competitive advantages for our new products and technologies, and we are engaged in international standardization activities, which are essential to expanding our business globally.

Progress of Medium- to Long-Term R&D

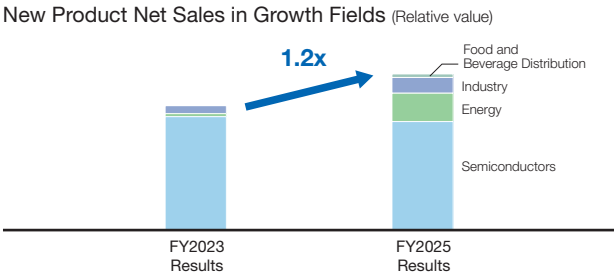
As our R&D strategy in the FY2026 Medium-Term Management Plan, we are promoting the development of new products in our existing fields (1) and growth fields (2), as shown in the R&D portfolio (on the next page), while engaging in R&D in new fields (3) that will contribute to growth from 2030 onward. To realize this R&D strategy, we increased R&D



Main Development Progress in FY2025

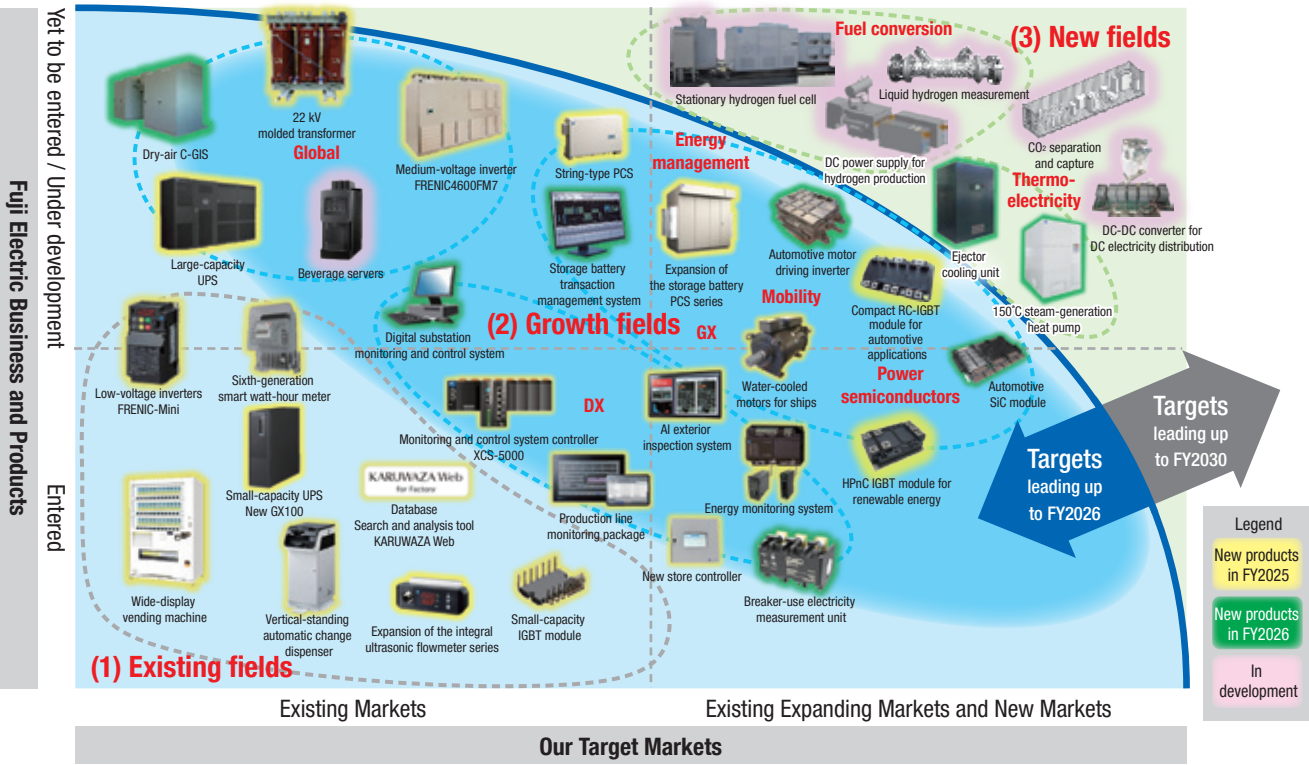
As a result of our development efforts in fiscal 2025, we launched numerous world-first and world-leading new products, while also making significant progress in acquiring new technologies with an eye to the future. In the growth fields (2), we launched products including large-capacity UPSs for data centers that achieve best-in-class power conversion efficiency, and we are also developing a grid storage trading and operation system that is expected to double electricity-market trading revenue. We also began mass production of thin-profile RC-IGBT modules for light and compact vehicles and are developing motor-drive inverters using

expenditures year on year in both fiscal 2025 and fiscal 2026, and we will focus investment on R&D in growth and new fields that support our growth strategies. As a result of our ongoing focused investment to date, new product net sales in growth fields (within five years of launch) in fiscal 2025 grew to 1.2 times the fiscal 2023 level.



these modules. In addition, we are developing large-capacity automotive modules equipped with industry-leading low-loss SiC-MOSFETs. In the new fields (3), we developed a 150°C steam-generation heat pump that makes effective use of waste hot water from factory equipment to significantly reduce energy costs. We will also launch an industry-first ejector cooling unit in fiscal 2026 that can reduce cooling costs for water-cooled servers at data centers by 85%. Using these heat products as a starting point, we will enter markets that are new to Fuji Electric.

- R&D Portfolio and Main Progress Items
- (1) Existing fields "Develop next-generation models, strengthen competitiveness, and expand platform development" to maintain and expand our existing businesses
 - (2) Growth fields "Launch GX, DX, and global new products by 2026" to drive our growth strategies
 - (3) New fields "Challenge ourselves to acquire new GX technologies and create new products" in anticipation of market expansion from 2030 onward



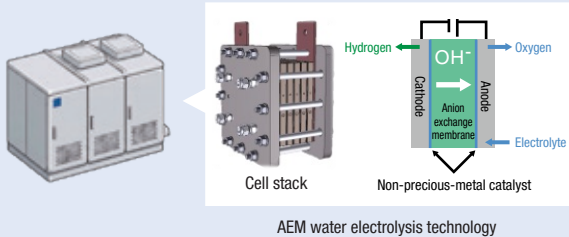
Strengthening Acquisition of New GX Technologies

In fields that are new to Fuji Electric and for which the market is expected to expand from fiscal 2030 onward, such as fuel conversion, DC electricity distribution, CO₂ separation and capture, and next-generation power semiconductor devices, we

are strengthening our acquisition of new GX technologies through joint research with research institutions that possess the world's most advanced technologies.

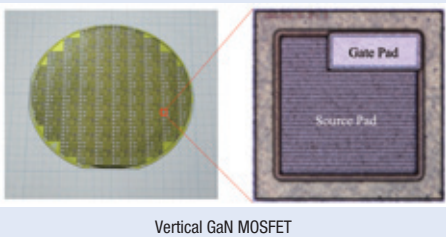
Anion Exchange Membrane (AEM) Water Electrolysis Technology for Hydrogen Production

Aiming to acquire hydrogen production technologies for fuel conversion to hydrogen, we are participating in NEDO's "Project to Develop Common Platforms Supporting the Widespread Use of Hydrogen" and working on the "Development of High-Performance, Highly Durable Anion-Exchange-Membrane Water Electrolysis Cells and Stack Technology." Led by the University of Yamanashi, which possesses the world's most advanced technologies in the field of hydrogen utilization, this research aims to achieve both higher efficiency and lower costs in hydrogen production. In the area for which we are responsible, "Development of Water Electrolysis Cells and Study of Stack Formation," we have achieved industry-leading electrolysis efficiency for an AEM system using a stack comprising 10 layers of small cells.



Vertical Gallium Nitride (GaN) MOSFET

In our research on GaN, which is expected to serve as a next-generation switching device, we are collaborating with Nagoya University, which possesses world-leading technologies in this field and is leading a Ministry of Education, Culture, Sports, Science and Technology project, to research fundamental technologies for vertical GaN power devices. We have devised a proprietary MOS gate structure that incorporates an AlGaN layer and have increased electron mobility approximately threefold, marking a major advance toward the commercialization of vertical GaN MOSFETs. Furthermore, through joint research with the Tsukuba Power Electronics Constellations, we have achieved the world's first large-area vertical GAN device with 1200 V-class breakdown voltage and a current of 10 A, with its structure formed by ion implantation.

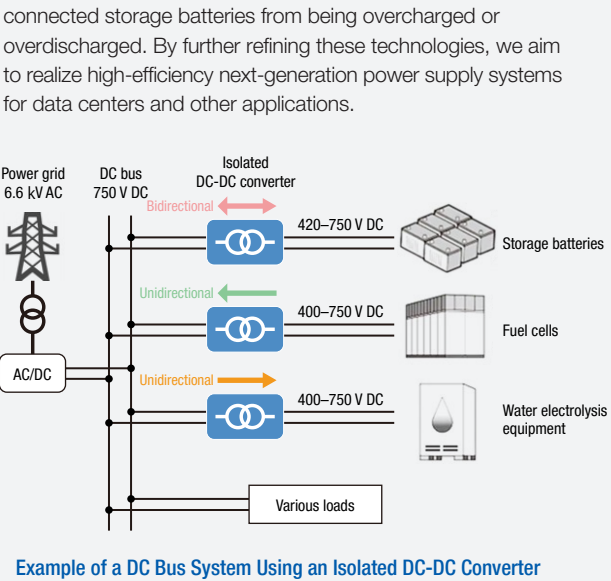


R&D TOPICS

Achieving Industry-Leading Conversion Efficiency with an Isolated DC-DC Converter, a Key Component of Next-Generation Power Supply Systems

Many of the devices that will play key roles in decarbonization operate on DC power, including solar cells, which are becoming increasingly widespread as a source of renewable energy; storage batteries that compensate for fluctuations in solar cell output; water electrolysis equipment that produces hydrogen; and fuel cells that generate electricity using hydrogen and other fuels. As a result, there are high hopes for practical application of DC bus systems that can operate these devices efficiently.

We are developing an isolated DC-DC converter, which is a key component of DC bus systems. We have adopted a dual active bridge circuit that performs the bidirectional power conversion required for connecting to storage batteries, and in a 200-kW prototype that incorporates our own SiC modules and proprietary control technologies, we achieved an industry-leading conversion efficiency of 98.0% or higher under rated conditions. Its wide allowable voltage range of 400 to 800 V DC also enables many power sources and loads to be connected without restriction. We have also developed control technology that maintains a constant DC bus voltage while preventing



Intellectual Property Initiatives

We position intellectual property as a key management resource and, under our intellectual property policy, we secure competitive advantages for our products by strategically acquiring and utilizing intellectual property rights, while promoting compliance with the international standards required in the global market.

Over the medium to long term, in addition to strengthening our intellectual property and international standardization activities for businesses and products in growth fields, we are utilizing

intellectual property analysis to improve our market analysis capabilities in order to create new products.

- Intellectual Property Policy**
- Develop and implement intellectual property strategies by analyzing intellectual property
 - Strengthen each business's intellectual property portfolio and reduce risks
 - Strengthen strategic international standardization activities

Strengthening Intellectual Property in Coordination with the R&D Strategy

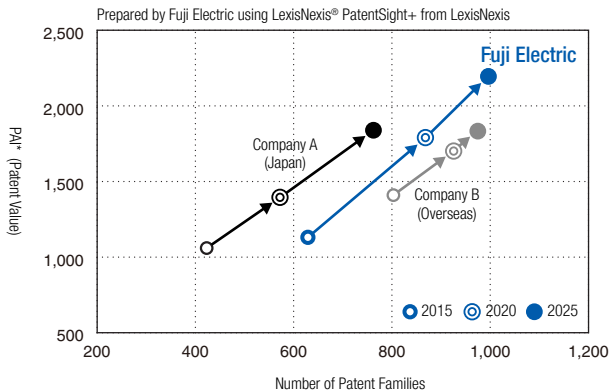
We build and manage the intellectual property rights we hold as business-by-business intellectual property portfolios, with intellectual property organized by factors such as technology and the number of years such rights have been held, and we continuously maintain our portfolios by strengthening, retaining, and abandoning rights in accordance with the business environment. To strengthen our intellectual property, we conduct activities in coordination with our R&D strategy, strategically reinforcing intellectual property while rapidly building patent portfolios in our growth and new fields.

Strategic Strengthening in Growth Fields

Our growth fields include products related to GX (energy management, mobility, and power semiconductors), DX, and global products, and we are strengthening intellectual property in each of these areas. In power semiconductors, for example, we have strengthened our intellectual property over many years in light of the competitive environment. As a result, as shown in Figure 1, by 2025 we had established a leading position among the global competition in both patent value (PAI*), which represents patent “quality,” and the number of patent families, which represents patent “quantity.”

* PAI (Patent Asset Index): Patent value calculated using LexisNexis® PatentSight+

[Figure 1] Strengthening Intellectual Property for Power Semiconductors in Growth Fields



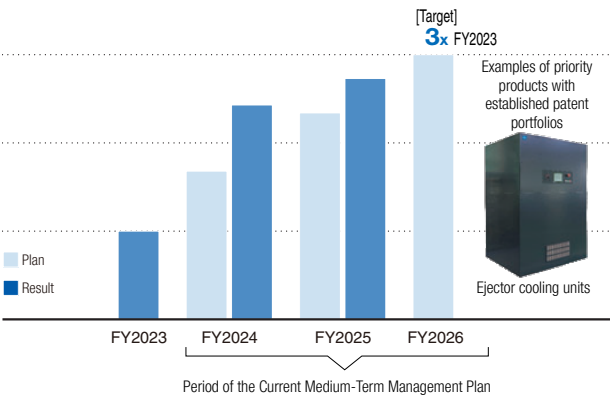
Rapid Development of Patent Portfolios in New Fields

New fields include new products related to fuel conversion and thermoelectricity, which are areas where market expansion is expected from fiscal 2030 onward. It is important to reliably secure intellectual property rights to such new technologies.

To this end, we formulated a plan to triple the overall target number of invention proposals in new fields by fiscal 2026 compared to fiscal 2023. By the end of fiscal 2025, actual performance had already reached 2.7 times the fiscal 2023 level, indicating progress has been faster than planned (Figure 2).

We are also working to rapidly build patent portfolios for priority products. For example, for our ejector cooling units, we carried out activities closely aligned with our business strategy by completing the process from filing to grant within a short period for the many invention proposals identified through fiscal 2024, in preparation for the start of sales in June 2026. In these activities, we strategically utilize the “Collective Examination for IP Portfolio Supporting Business Strategy” system, which supports comprehensive acquisition of intellectual property rights.

[Figure 2] Number of Invention Proposals in New Fields



Strategic International Standardization Activities (Example: Obtaining Security Certifications)

We have established the International Standardization Committee as a governance structure to oversee and lead international standardization activities across the company. By anticipating trends in standards and regulations, we promote rulemaking and certification acquisition to enhance our business competitiveness.

Security Certification Initiatives

Certification at Individual Bases

In recent years, amid a sharp increase in cyberattacks on control systems, increasingly stringent laws and regulations in global markets, and mandating of supply chain security requirements by customers, obtaining security certifications has become an essential business requirement. Under the International Standardization Committee, we began strategic initiatives to obtain certification on a per-factory basis in 2022, and as of fiscal 2026, many bases, including those of our affiliate companies, have completed certification under the international standard IEC 62443-4-1 (Table 1).

[Table 1] IEC 62443-4-1 Certifications at Individual Bases

Base	Fiscal Year Certified
Tokyo Factory	FY2023, renewed in FY2026
Suzuka Factory	FY2023
Kobe Factory	FY2024
Fuji Electric FA Components & Systems Co., Ltd. (Fukiage Factory, Otawara Factory, and others)	FY2024
Hakko Electronics Co., Ltd.,	FY2024
Tsukuba Factory	FY2026

Use of a Japanese Certification Body and the CB Scheme

For the certification renewal at the Tokyo Factory and the new certification at the Tsukuba Factory in April 2026, we newly utilized a Japanese certification body, the Japan Quality Assurance Organization (JQA), and obtained certification under the CB Scheme,* an international mutual recognition system.

Using JQA enabled faster certification, lower costs, and the retention of sensitive information within Japan. Furthermore, obtaining certification under the CB Scheme means that local testing of actual equipment when expanding overseas can be waived or significantly simplified, giving us a major advantage in accelerating our global expansion.

* A system under the IEC's international framework whereby product test results are mutually recognized among member bodies in more than 50 countries worldwide.



CB Certificate Presentation Ceremony
JQA President & CEO Ishii and President & COO Kondo
(on the right in the photo)



Improving productivity and strengthening the supply chain by utilizing digitization and AI technologies

Takashi Obinata
Managing Executive Officer
Corporate General Manager, Production & Procurement Group

We have been expanding profits through productivity improvements achieved by drawing on our manufacturing strengths: “Strong On-site Capabilities and Advanced Production Technologies,” “Optimal Global Production Collaboration,” and “Human Resource and Team Capabilities by Cultivating Engineers and Skilled Workers.” We view recent changes in the external environment, including geopolitical risks, rising costs, labor shortages, and climate change, as opportunities for transformation through “manufacturing DX” utilizing digitization and AI technologies. For materials and components, we are accelerating efforts to strengthen resilience by multi-sourcing our procurement supply chain and reshoring production to Japan, as well as efforts to develop alternative materials and shift to resource-circulation-oriented design, with the aim of building a

stable procurement system and reducing costs. In addition, practicing “Sustainable Procurement” based on co-existence and mutual prosperity with our business partners is one of our most important management priorities. We will ensure consideration for human rights and the environment throughout the supply chain in accordance with the Fuji Electric CSR Procurement Guidelines, and we will build strong relationships of trust that enable us to grow together while fulfilling our social responsibilities. Going forward, with further productivity improvements through digitization and AI technologies and a resilient procurement base as the two pillars of our efforts, we will continue to improve quality and profitability while reducing environmental impacts, thereby aiming to sustainably enhance corporate value.

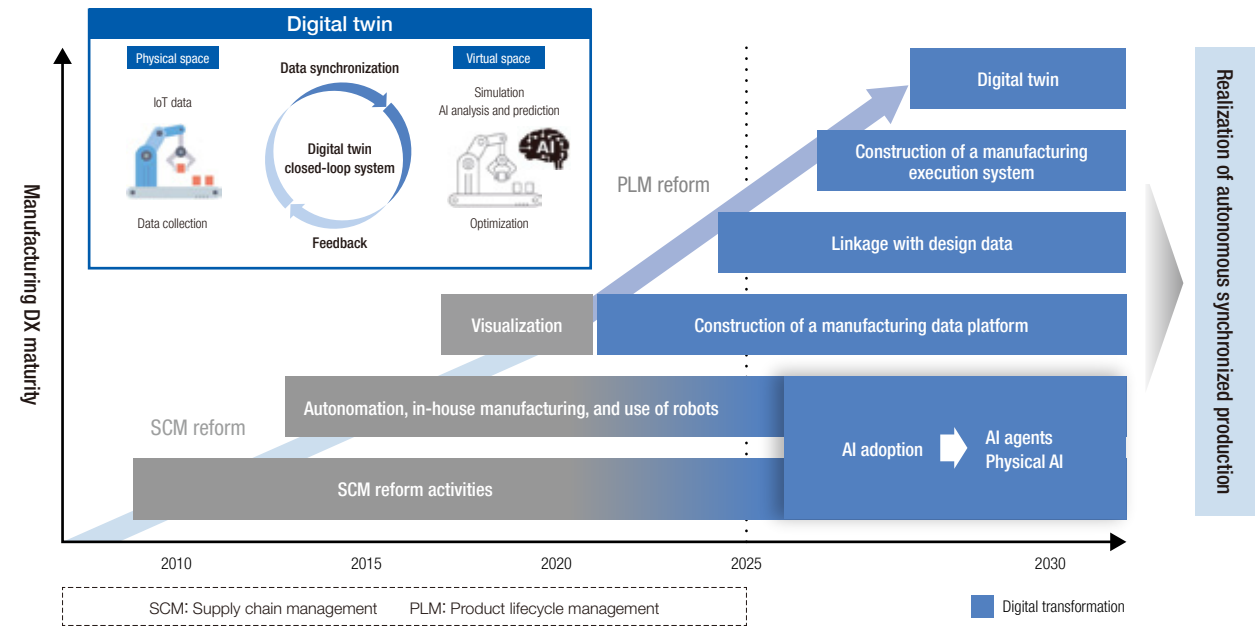
The Strengths of Fuji Electric’s Manufacturing

Strong On-Site Capabilities and Advanced Production Technologies

Optimal Global Production Collaboration

Human Resource and Team Capabilities by Cultivating Engineers and Skilled Workers

Evolution of Manufacturing Innovations



The Evolution of Manufacturing to Respond to Changes in the Environment

By digitally integrating PLM*1, which manages product lifecycles, with SCM*2, which manages supply chains, we will build an “IoT-Linked Smart Factory” that optimizes processes from development through production. We will also introduce automation technologies based on co-creation between people

and AI into parts processing and assembly processes to increase our product supply capacity, while aiming to improve productivity, reduce costs, and enhance quality.

* 1 PLM: Product lifecycle management
* 2 SCM: Supply chain management

Concurrent Development Through PLM Reform and SCM Integration

Concurrent development through PLM reform and SCM integration incorporates on-site manufacturing expertise from the early stages of design, with 3D models shared in the PLM system and analyzed by AI. In a virtual environment, the manufacturing division can verify “ease of manufacture,” while the procurement division can verify “parts availability.” This shortens development lead times through work process optimization and a significant reduction in rework hours arising from downstream processes. In

addition, by linking design and manufacturing data and building a mechanism whereby design changes are immediately reflected in procurement and production plans, we will improve data consistency, eliminate waste in administrative work, and raise productivity in indirect functions. These initiatives will not only improve operational efficiency but also serve as a mechanism that automatically drives overall optimization of product quality, cost, and delivery.

Improving Productivity by Advancing Production Technologies (Use of AI)

We are working to increase production capacity by advancing our production technologies, executing timely plant and equipment investments, and strengthening our global production systems. In fiscal 2025, we are using AI for applications such as predictive maintenance that detects equipment failures in advance and the automation of visual inspections, thereby increasing equipment operating rates and production volumes.

In using generative AI, we digitize the tacit knowledge of skilled workers and achieve automation through automatic corrections using the “AI Assistant” function. In the future, we will incorporate intelligent robots that make use of physical AI into our equipment

to automate the picking of irregularly shaped items and complex assembly work.

Through these initiatives, by fiscal 2026, we will achieve a 20% improvement in productivity compared to the fiscal 2023 level, increasing production volumes and addressing labor shortages. Looking further ahead, we will use “digital twins” to reproduce information and data from physical space in virtual space and feed the results of AI-based simulations and verification back into physical space, taking on the challenge of achieving autonomously synchronized production sites that never stop.

Automating Skill-Intensive and Difficult Tasks Using CAD Data and AI

Before Improvement
(Visual inspection by inspectors)

After Automation
(AI-based image diagnosis)

Conventional
(Work by skilled workers)

After Automation
(Equipped with an AI assistant)

Suzuka Factory: Images are used to determine whether inverter components have been correctly installed, whether any parts are missing, and whether connectors have been properly inserted into printed circuit boards. Inspection images are also retained as records and used for traceability management.

Kobe Factory: Welding of stud bolts to panel equipment enclosures is automated using robots. AI learns the tacit knowledge of skilled workers and reproduces craftsmanship that was previously difficult to program.

Initiatives to Improve Quality

As for quality, each year we formulate the High Reliability Activities Policy and apply it to each business division and factory to promote improvement activities. To enhance the degree of product refinement at the development and design stages, we incorporate plans to acquire new technologies into our design reviews, in addition to the technologies already possessed by our factories and development divisions. We also focus on changes and modifications that arise during design and, in addition to reviews

by experts, utilize generative AI technology to identify omissions in analysis and verification, thereby reducing quality risks. For process quality, we conduct internal quality audits at each factory to assess the management status of our manufacturing processes. In addition, we carry out mutual diagnoses by experts from other factories, and we reflect the results and findings in our frameworks and rules to improve our quality control standards.

Sustainable Procurement

By identifying, assessing, and addressing supply chain risks, we aim to build stable material procurement and CSR procurement over the medium and long terms.

CSR Procurement Initiatives

Based on our basic policy of co-existence and mutual prosperity with our business partners, we work to promote their understanding of our CSR approach and the initiatives they should observe and implement according to the “Fuji Electric CSR Procurement Guidelines.” Through these efforts, we aim to reduce CSR risks throughout the supply chain and create business opportunities.

Items in the Fuji Electric CSR Procurement Guidelines		
1. Human Rights and Labor	4. Fair Trade and Ethics	7. Business Continuity Plan
2. Health and Safety	5. Quality and Safety	8. Establishment of Management Systems
3. Environment	6. Information Security	9. Social Contribution

Self-Assessment of CSR Procurement

To understand the status of our business partners’ CSR initiatives and improvements, we conduct an annual CSR self-assessment. We also hold briefings and interviews with business partners to share issues and promote collaborative improvement activities.

In fiscal 2025, we conducted assessments of 893 business partners, which accounted for the top 80% of our purchases over the last three years. The number of Rank A business partners increased by 25 year on year to 807, reflecting improved results.

Rating	Definition
A	Recognizes its social responsibility as an organization and takes concrete measures
B	Recognizes its social responsibility as an organization and considers measures
C	Recognizes its social responsibility as an organization
D	Recognizes its social responsibility as an organization and needs to improve

On-Site CSR Audit Initiatives

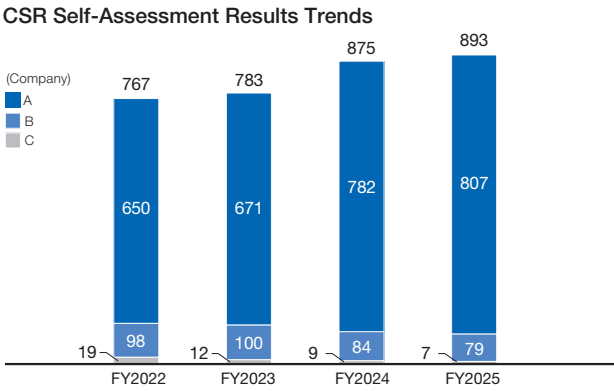
To improve the effectiveness of CSR procurement, we conduct on-site CSR audits of our business partners. In fiscal 2025, we selected 24 Rank A business partners with issues in the environmental category and conducted on-site audits. During these audits, we confirmed their understandings of the importance of CSR activities and the status of their actual activities, ensured alignment with the evaluation criteria and improvement methods, and shared issues. We are also training our own auditors to expand on-site audits; in fiscal 2025, we added 13 auditors, bringing the total to 32. In fiscal 2026, we plan to expand the number of business partners subject to on-site audits and to further increase the number of our own auditors, while strengthening direct communication with our business partners.



CSR Briefing for Business Partners (Held at the Tokyo Factory in FY2025)

Fuji Electric CSR Procurement Guidelines
https://www.fujielectric.com/company/box/doc/guideline_csr_e.pdf

In fiscal 2026, we plan to assess 900 business partners, and we will continue to promote thorough implementation and reinforcement of CSR in our supply chain by sharing issues and making continuous improvements collaboratively.



On-site audit at a business partner

Contributing to Business Continuity through Stable Procurement

Initiatives for Purchasing from Multiple Suppliers to Prepare for Emergencies

We conduct risk assessments for the 200,000 parts and materials that we order on an ongoing basis and, after visualizing single-source items, are promoting multi-sourcing. In fiscal 2025, we achieved multi-sourcing for approximately 90% of our procured items (a five-percentage-point increase from the previous fiscal year). In fiscal 2026, we will target a multi-sourcing rate of 95% and aim to complete a system for purchasing from multiple suppliers.

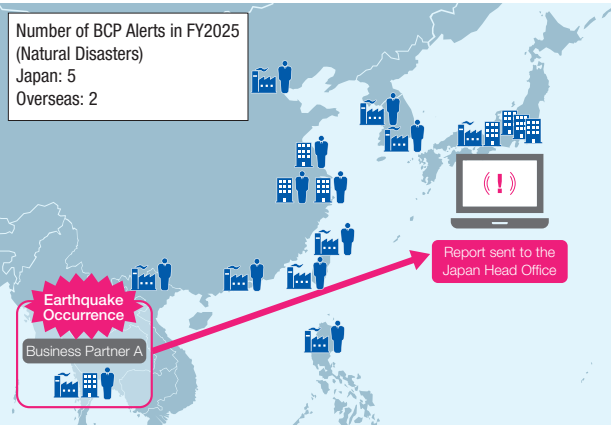
Procured Material Risk Rating Definitions

Risk	Definition
Low	A Multi-sourcing complete (ordering complete)
	B Multi-sourcing preparation complete (ordering possible)
	C Material evaluation complete
	D Candidate selection complete / not yet evaluated
High	E Specified customer, no alternative, discontinued, alternative unknown

Response to Natural Disaster and Geopolitical Risks

In Japan, we utilize a disaster prevention system that can identify business partners located in areas subject to special warnings for earthquakes or weather. We have established a system for quickly ascertaining whether our business partners have been affected and the impacts on our company, enabling us to promptly implement countermeasures. We have expanded the scope of registration of this Japan disaster prevention system to include secondary business partners, with approximately 13,000 sites registered in fiscal 2025.

To respond to disasters occurring overseas, we introduced a new disaster prevention system in fiscal 2025 and registered approximately 200 sites. In fiscal 2026, we will expand the scope of registration to include secondary business partners, aiming to further strengthen our global BCP, accelerate emergency response, and reinforce preventive risk measures.



Compliance with the SME Transactions Act and the Act on Promotion of Entrusted SMEs (Promotion Standards)

Each month, we rigorously monitor compliance with the SME Transactions Act* (effective January 1, 2026 following the amendment of the Subcontract Act), an important law governing procurement activities. Based on transaction data from our operations and those of our consolidated subsidiaries in Japan, we verify compliance in our transactions. We also provide e-learning to all employees across the consolidated Group to ensure thorough understanding of the purpose of the law and

compliance with its provisions.

Aiming to build new partnerships with our business partners, we updated our Declaration of Partnership Building in January 2026. Under this declaration, we will ensure thorough compliance with the Act on the Promotion of Entrusted SMEs as well as promote fair and highly transparent transactions.

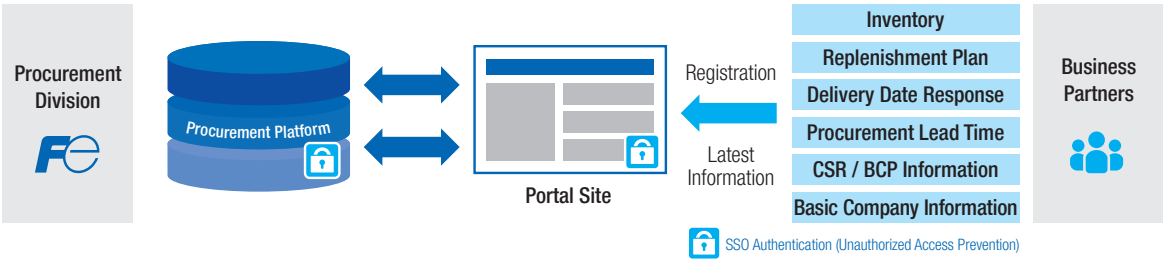
* SME Transactions Act: Act on the Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment.

Digital Collaboration on Procurement Information

By digitally linking procurement information with that of our business partners, we aim to reduce inventory balances by shortening procurement lead times, respond flexibly to fluctuations in production volume, and achieve stable procurement that does not affect production processes while improving operational efficiency.

In fiscal 2025, we began operation with 10 major business

partners. Business partners have told us that “early identification of priority items has improved operational efficiency.” Going forward, we will expand the number of business partners with which we digitally link information and promote greater operational efficiency and stable procurement for both parties.





Through our initiatives toward Environmental Vision 2050, we will promote decarbonization and the transition to a circular economy, and contribute to the creation of a sustainable society.

Takashi Obinata
Managing Executive Officer
Corporate General Manager, Production & Procurement Group

In recent years, climate change has had a significant impact on a global scale. The frequent occurrence of natural disasters around the world and the serious impacts on ecosystems have become threats that cannot be overlooked for the sustainability of society and the economy. It is becoming increasingly important for our company to accelerate the transition to a circular economy in addition to decarbonization.

Under the Fuji Electric Basic Environmental Protection Policy, we have positioned global environmental protection as an important issue for management and formulated the Environmental Vision 2050. As our Fiscal 2030 Targets, we have set the reduction of greenhouse gas emissions in line with the 1.5°C level for temperature rise set by the Paris Agreement and the promotion of a circular economy, and are working to reduce environmental impacts throughout the supply chain. The results of our periodic review of the Fiscal 2030 Targets conducted in fiscal 2025 confirmed that the targets are expected to be achievable through the major initiatives being implemented as planned.

We view society’s demands regarding environmental issues as growth opportunities for the energy and environment businesses that form a pillar of our management policies. We have placed an “offense and defense” environmental strategy at the core of our business and are advancing both sides of environmental management: “offense,” which responds to decarbonization demand by expanding GX (green transformation) products, and “defense,” which responds to international regulations and requirements, such as the achievement of our own environmental targets.

We will also work to make appropriate disclosures in line with new standards, including the Japanese Sustainability Standards Board of Japan (SSBJ) standards, in addition to responding to the Task Force on Climate-Related Financial Disclosures (TCFD) and Taskforce on Nature-Related Financial Disclosures (TNFD), in order to improve the transparency of corporate environmental activities, risks, and opportunities as demanded by investors, customers, and the international community.

Going forward, our challenges are to formulate Fiscal 2035 Targets, strengthen our response to the circular economy, and create GX products that will strongly drive society’s decarbonization, together with the technological and production innovations that support them. We will continue to make full use of the technologies we have developed in the energy and environmental fields and contribute to the creation of a sustainable society.

Fuji Electric Basic Environmental Protection Policy

1. Offering products and technologies that contribute to the global environmental protection
2. Reduction of environmental burden throughout product life cycles
3. Reduction of environmental burden in business activities
4. Compliance with laws, regulations and standards
5. Establishment of environment management systems and continuous improvements of the systems
6. Improvement of employees’ environmental awareness and social contribution
7. Promotion of communication

Environmental Vision 2050	
We aim to contribute to the achievement of a decarbonized society, a recycling-oriented society, and a society that is in harmony with nature by expanding the use of Fuji Electric’s innovative clean energy technologies and energy-saving products.	
Achieve a Decarbonized Society	Target carbon neutrality across the supply chain
Achieve a Recycling-Oriented Society	Promote green supply chains to reduce the environmental impact to zero throughout the entire life cycle
Achieve a Society That is in Harmony with Nature	Aim for zero impact on the ecosystem through corporate activities that contribute to biodiversity

Fiscal 2030 Targets	
We aim to achieve the following goals in order to limit the temperature increase to 1.5°C above pre-industrial levels.	
Greenhouse gas emissions throughout the supply chain (Scope 1+2+3): Reduction of over 46% (compared to FY2019)	
Greenhouse gas emissions through production (Scope 1+2): Reduction of over 46% (compared to FY2019)*	
Contribution to CO ₂ reduction in a society through our products: Over 59 million tons/year	
* Reduction of over 54% compared to FY2013	
We will promote a circular economy while complying with environmental regulations around the world.	
Transitioning to environmentally friendly products that comply with ecological design regulations	
Final waste disposal rate (including plastic waste) less than 0.5%	

Offense and Defense in the GX Strategy to Drive Sustainable Growth

Fuji Electric views contributing to a decarbonized society as its greatest growth opportunity and is vigorously promoting the GX Strategy as a pillar of its management policies. The strategy consists of two pillars: offense, which expands business by

helping to decarbonize society through superior products, and defense, which minimizes environmental impacts from our own activities and responds to international regulations and requirements.

GX Strategy Framework: Offense and Defense



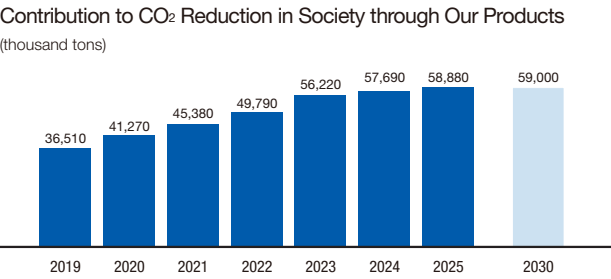
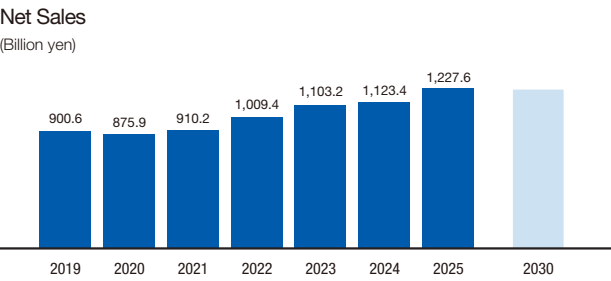
Offense Initiatives: Capture Decarbonization Demand and Expand Business

We are strengthening our provision of environmental products that support the efficient and clean use of energy. By leveraging our technological strengths in the energy and environment fields to address the decarbonization challenges facing society and our customers, we will achieve sustainable growth.

Defense Initiatives: Respond to Regulations and Requirements and Reduce Our Own Greenhouse Gas Emissions

We are working to thoroughly reduce greenhouse gas emissions throughout the supply chain. This initiative forms the foundation for fulfilling our corporate social responsibility.

Growth from Offense and Results from Defense



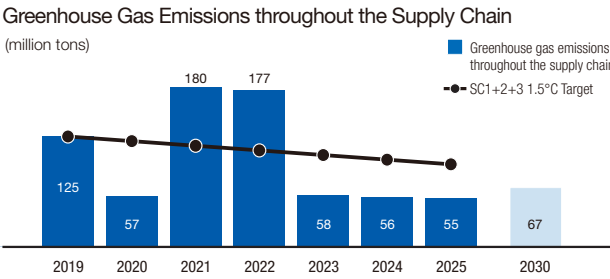
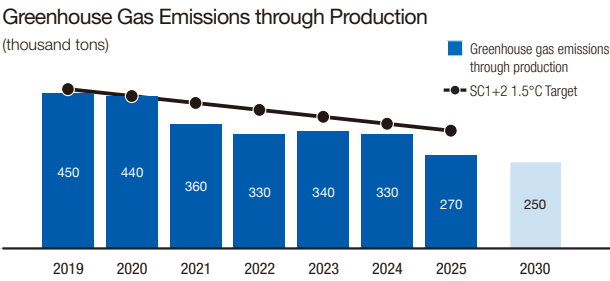
Our contribution to CO₂ reduction through our products has increased substantially as GX products have gained widespread adoption in society in step with the growth of our energy and environment businesses, making a major contribution to decarbonization.

Outlook toward the Fiscal 2030 Targets

In addition to the ambitious targets of reducing emissions throughout the supply chain by 46% or more from fiscal 2019 levels and contributing to more than 59 million tons of CO₂ reduction in society by fiscal 2030, we have set a goal of transitioning to environmentally friendly products to promote a circular economy.

We will continue to install solar power generation equipment at our production bases, expand purchases of renewable electricity,

(Years shown are fiscal years)

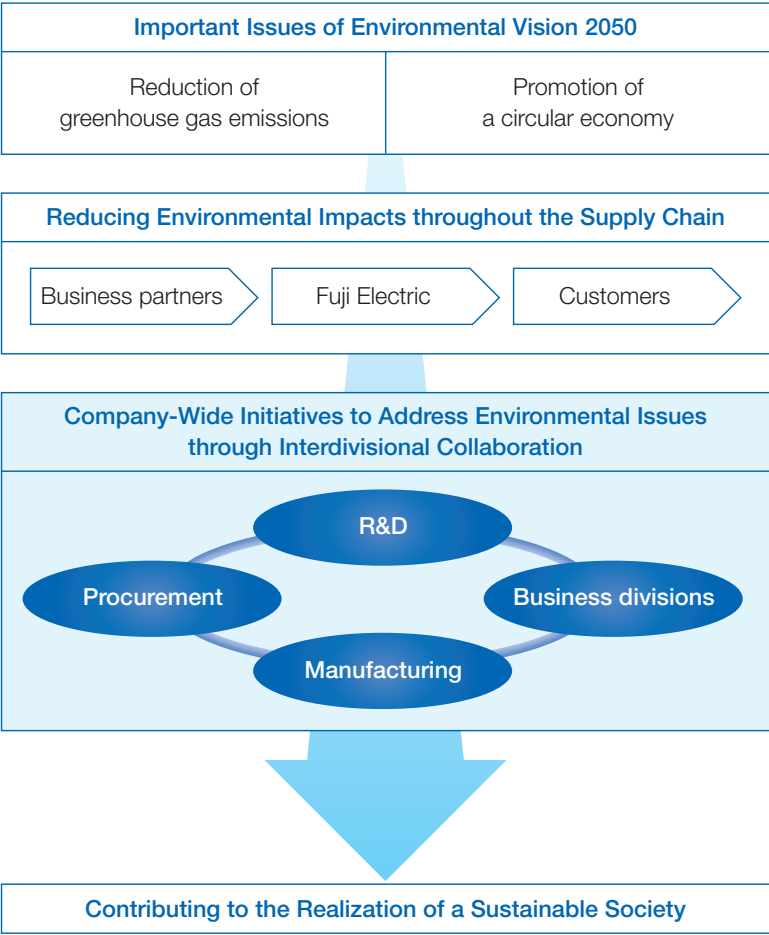


Greenhouse gas emissions from our own production activities decreased 40%, from 450,000 tons in fiscal 2019 to 270,000 tons in fiscal 2025. Together with reductions in emissions throughout the supply chain, we are making steady progress toward our Fiscal 2030 Targets. While net sales have grown to more than ¥1 trillion, we have achieved “decoupling,” reducing greenhouse gas emissions even as the business grows.

and electrify fuel-consuming equipment. At the same time, we will promote the adoption of next-generation power semiconductors and high-efficiency energy management systems and launch new products in new areas of decarbonization demand. Through the further development of our GX Strategy, Fuji Electric will continue to take on the challenge of the creation of a sustainable society and further business growth.

Reducing Environmental Impacts throughout the Supply Chain

In its Environmental Vision 2050, Fuji Electric has positioned the reduction of greenhouse gas emissions and the promotion of a circular economy as important issues. Through interdivisional collaboration among business, R&D, procurement, and manufacturing, and across the entire supply chain, including business partners and customers, we are advancing the environmental vision from a medium- to long-term perspective to address these challenges and contribute to the creation of a sustainable society.



Procurement

In collaboration with our business partners, we are promoting the construction of a green supply chain. Among our activities to reduce greenhouse gas emissions throughout the supply chain, since fiscal 2025 we have been asking each business partner to calculate its greenhouse gas emissions for procured goods. With our business partners, we will identify collaborative areas for reduction through interviews and formulate action plans. Meanwhile, to calculate carbon footprint (CFP)^{*1} on a per-material basis, we have formulated the Fuji Electric CFP Procurement Guidelines and begun collecting data. In addition, regarding the chemical substances used in our products, we are promoting environmental impact reduction by requesting that our business partners comply with the Fuji Electric Green Procurement Guidelines.

*1 CFP: A system to indicate the amount of greenhouse gas emissions in a product's lifecycle.

Research and Development

We are carrying out research and development aimed at creating new products that meet new needs related to GX, and we are taking on the challenge of acquiring new technologies to reduce CO₂ in a society through our products in areas such as fuel conversion to hydrogen and ammonia, CO₂ recovery, and the electrification of heat processes. Regarding the circular economy, we are carrying out development of technologies that contribute to reducing environmental impacts, such as evaluation and application technologies for recycled materials, in response to international regulatory trends, as well as creating new products to realize new business models. In addition, by participating in rulemaking activities for standards and regulations, we aim to harmonize efforts to reduce environmental impacts with economic activities. Furthermore, we are formulating a GX strategy and roadmap to serve as guidelines for these activities.

Manufacturing

To achieve a reduction of over 46% in greenhouse gas emissions (Scopes 1+2) by fiscal 2030 (compared to fiscal 2019), we are systematically advancing innovation and enhancement of production technologies and energy-saving measures. Specifically, in addition to process transformations such as electrifying fossil-fuel-consuming equipment and lowering temperatures in drying and baking processes, we are using design for manufacturing (DFM)^{*2} from the design stage to reduce energy use per product. We are also using digital design information to promote automated CFP calculation and visualization. In addition, we are systematically optimizing equipment control, upgrading to the latest energy-efficient equipment, installing solar power generation equipment, and expanding purchases of renewable electricity. In our efforts to realize a circular economy, we are thoroughly improving material yields and expanding reuse and the use of recycled materials. By promoting zero emissions to minimize waste and managing and reducing the use of chemical substances, we are pursuing both comprehensive reduction of environmental impacts and sustainable manufacturing.

*2 DFM: Designing for ease of manufacturing.

Businesses and Products

As a company operating in the energy and environment fields, we contribute to achieving carbon neutrality in society through our products. Leveraging the synergy between our strengths in power semiconductors and power electronics, we will promote the adoption of high-efficiency equipment, including SiC (silicon carbide) power semiconductors that significantly reduce the energy consumption and weight of various power conversion equipment, and uninterruptible power systems for data centers that achieve 97% system efficiency. We will also provide solutions globally to minimize power losses, ranging from renewable energy plants such as geothermal and hydropower to energy management systems (EMS) that optimize the use of heat and electricity at factories. For the circular economy, all divisions are collaborating to advance the transition to environmentally friendly products. Through compliance with Ecodesign for Sustainable Products Regulation (ESPR) and CFP requirements, we will pursue reduced environmental impacts throughout the product lifecycle.



Collection of CFP Primary Data

In fiscal 2025, for five representative product models—can vending machines, low-voltage inverters, power semiconductor modules, transformers, and magnetic switches—we began a survey of primary data (Scope 3, Category 1) for approximately 3,300 items from around 250 business partners in Japan.

Breakdown of the Company's Upstream Scope 3 Greenhouse Gas Emissions

Category	Percentage
Category 1 ^{*3}	91%
Category 2-8 ^{*4}	9%

*3 Category 1: Purchased goods and services
*4 Category 2-8: Capital goods, transportation, waste, etc.

Examples of New GX Products

DC power supply for hydrogen production (Currently under development)

Electricity storage PCS

Ejector cooling unit for data centers

Reducing Environmental Impacts throughout the Supply Chain for Low-Voltage Inverters

We obtained certification for using 100% renewable electricity at our Suzuka Factory low-voltage inverter production line. The factory has promoted the installation of solar power generation equipment and energy-saving measures, and in July 2025, the production line achieved operation using 100% renewable electricity. We are also participating in the Development and Verification of a New System to Certify and Display Actual CO₂ Emission Reductions from Motors/Inverters, announced by the Japan Electrical Manufacturers' Association (JEMA). We are advancing visualization of CO₂ emission reductions during the product operation stage of low-voltage inverters and working to reduce environmental impacts throughout the supply chain for low-voltage inverters.

Solar power generation equipment at Suzuka Factory

Low-voltage inverters

Initiatives to Achieve a Decarbonized Society

Fiscal 2025 Results and Progress

Environmental Vision Fiscal 2030 Indicators	FY2024	FY2025			FY2030
	Result	Target	Result	Measures	Target
Greenhouse gas emissions throughout the supply chain (Scope 1+2+3) (million tons)	56	—	55	•Increase percentage of 7th-generation IGBTs	67 or less
Reduction rate (compared to 2019)	-55%	—	-56%		Over -46%
Greenhouse gas emissions through production (Scope 1+2) (thousand tons)	330	340	270	•Expand installation of solar power generation equipment at the Company's production bases •Upgrade to energy-efficient equipment •Electrification of fuel-consuming equipment •Expand purchasing of renewable electricity	250 or less
Reduction rate (compared to 2019)	-27%	-24%	-40%		Over -46%
Contribution to CO ₂ reduction in a society through our products (thousand tons)	57,690	—	58,880	•Preparations for the transition to environmentally friendly products	Over 59,000

Major Initiatives in FY2025

As part of our initiatives to reduce greenhouse gas emissions from production, we have promoted installation of solar power generation equipment at our production bases since fiscal 2022. In fiscal 2025, we newly installed and began operating the equipment at three bases in Japan. We also engaged in energy-saving initiatives across all production bases, selecting high-efficiency equipment that delivers significant energy savings when replacing infrastructure and production facilities, as well as advancing initiatives such as the electrification of fuel-consuming equipment. At our semiconductor production bases, which

consume large amounts of electricity, we expanded the number of 20-year off-site PPA*1 contracts to increase purchases of renewable electricity and secure a stable supply. Regarding emissions during product use (Scope 3, Category 11), which account for approximately 94% of greenhouse gas emissions throughout the supply chain, we curbed emissions by increasing the ratio of high-efficiency products, such as 7th-generation IGBT power semiconductors.

*1 Off-site PPA: A system for purchasing electricity via the power grid facilities from renewable energy generation facilities installed off-site.

Initiatives toward FY2030

Based on projected production plans through fiscal 2030, we verified the feasibility of our greenhouse gas reduction plan and the achievement of our targets. We confirmed that we are expected to achieve our Fiscal 2030 Targets for each indicator, including reducing greenhouse gas emissions throughout the supply chain—which covers our own production activities (Scopes 1+2) as well as material procurement, product shipment, and post-delivery emissions

Reduction of Greenhouse Gas Emissions throughout the Supply Chain (Scopes 1+2+3)

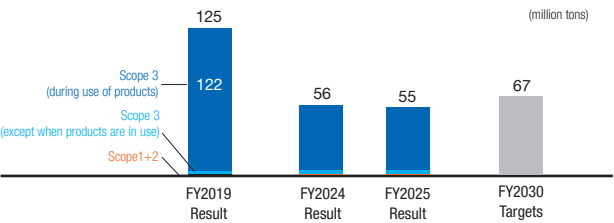
We calculate greenhouse gas emissions throughout the supply chain based on the GHG Protocol, an international standard. For power semiconductors, Category 11 (emissions during product use), which accounts for the majority of Scope 3 greenhouse gas emissions, is expected to decrease due to expanded sales of 7th-generation IGBT modules with low power loss and the shift to SiC products. We are also promoting collaborative activities with our business partners in upstream Category 1 of the supply chain. We aim to reduce greenhouse gas emissions throughout the supply chain toward achieving the Fiscal 2030 Targets.

Greenhouse Gas Emissions and Reductions throughout the Supply Chain

[Scope 3 Category 11] Emissions* and main products (fiscal 2025)

Energy	0.3 million tons (industrial substations, etc.)
Industry	6.5 million tons (low-voltage inverters, drive control, etc.)
Semiconductors	44.0 million tons
Food and Beverage Distribution	0.7 million tons (store distribution, etc.)

* Emissions = Number of units shipped in the fiscal year × Lifetime emissions per product unit



Reduction of Greenhouse Gas Emissions through Production (Scope 1+2)

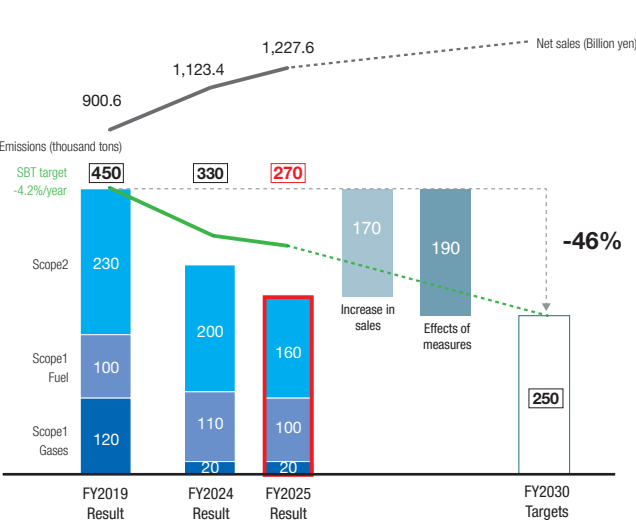
Based on projected production increases under the Medium-Term Management Plan, we are advancing measures to achieve a reduction of over 46% in greenhouse gas emissions from production (compared to fiscal 2019).

To expand our purchasing of renewable electricity, we are securing a stable supply through long-term contracts, and we aim to increase the share of renewable electricity in our total company-wide purchased electricity*4 from 27% in fiscal 2025 to 55% by fiscal 2030.

*4 Amount of purchased electricity: Amount of purchased electricity + Amount of solar power generated internally

Main Measures	Overview
Expand installation of solar power generation equipment at the Company's production bases	Operations began at three bases in Japan in fiscal 2025. New installations or expansions are planned at six bases in Japan by fiscal 2027 (bringing the total number of bases with installations in Japan and overseas to 22).
Updating to energy-efficient equipment	Replace production facilities, air conditioning, and lighting equipment with the latest energy-saving models
Electrification of fuel-consuming equipment	Replace fuel-consuming equipment, such as boilers and heating furnaces, with electric equipment
Expand purchasing of renewable electricity	Long-term contracts for renewable electricity

Trends in Greenhouse Gas Emissions through Production



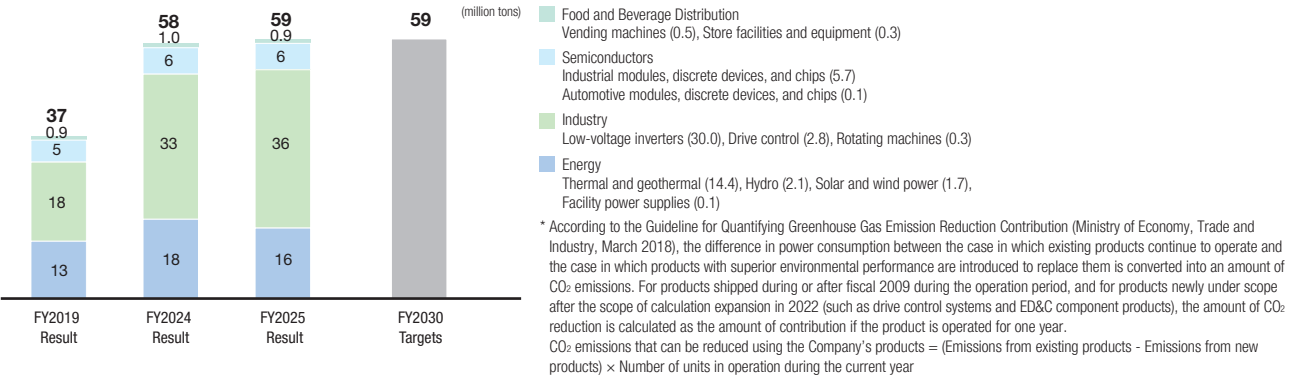
Contribution to CO₂ Reduction in a Society through Our Products

We have calculated the contribution to CO₂ reduction in society through our products since fiscal 2009. In fiscal 2025, contributions increased, primarily from inverters and power semiconductor products, reaching 59 million tons, up year on year. Following the publication of IEC 63372, an international

standard for calculating reduction contributions, in January 2026, we are in the process of revising our conventional calculation method to align it with the method specified by the standard. We will strive for more objective disclosure and further expand our contribution to CO₂ reduction.

Contributions to CO₂ Reduction in a Society through Our Products and Main Contributing Products

(Calculated on a stock basis, targeting all products now in operation in society)



Sales Composition Ratio of Contributing Products Included in the Calculation (Fiscal 2025 Result)

	Energy	Industry	Semiconductors	Food and Beverage Distribution	Total
Net sales of contributing products included in the calculation	29.0	46.5	194.3	58.7	328.4
Total net sales	394.2	467.2	237.4	108.0	1,227.6
Composition ratio	7%	10%	82%	54%	27%

* The main contributing products included in the calculation are those listed in the legend of the graph above. Other products are excluded because it is difficult to objectively calculate their contribution to CO₂ reduction, as operating conditions (load factor, operating hours, etc.) vary by project.

Initiatives to Achieve a Recycling-Oriented Society and a Society That is in Harmony with Nature

Fiscal 2025 Results and Progress

Fiscal 2030 indicators	FY2024	FY2025			FY2030 Targets
	Result	Target	Result	Key measures and activities	
Final waste disposal rate*1 (%)	0.15	Less than 0.5	0.08	Reinforcement of waste sorting, mainly at overseas production bases, and development of waste disposal contractors	Less than 0.5
(Reference) Of which, plastics in Japan	0.12	—	0.004	Improved through development of waste disposal contractors	
Water consumption per unit of sales (1,000 m³/100 million yen)	0.9	—	0.81	Recycling at semiconductor factories	1.2 or less
Volatile organic compounds (tons)	509	800 or less	471	Recovery rate improvement	800 or less
Transition to environmentally friendly products	—	—	—	Launch of Environmentally Friendly Product Planning WG; preparations for compliance with ESPR*2	—

*1 Final waste disposal / Total waste generated
*2 ESPR: Ecodesign for Sustainable Products Regulation

Major Initiatives in FY2025

Regulations for the transition to a circular economy are advancing, particularly in Europe, and companies are required to implement initiatives to reduce environmental impacts throughout the supply chain and comply with information disclosure requirements. In fiscal 2025, to transition to environmentally friendly products, we newly launched the Environmentally Friendly Product Planning WG, advanced initiatives to reduce environmental impacts from the product design stage, and began developing proprietary evaluation items based on ESPR

Initiatives toward FY2030

We are preparing to transition to environmentally friendly products that meet the requirements of environmental regulations in Japan and overseas. In response to demands for per-product traceability disclosure, including resources and

and preparing revisions to the Environmentally Friendly Design Standards.
We also worked to reduce final waste disposal, strengthening sorting and developing waste disposal contractors at overseas production bases, and maintained the high level of performance, with a final waste disposal rate of 0.08%. At production bases in Japan, we promoted plastics recycling and reduced the final waste disposal rate to 0.004%.

environmental impacts, we are working to create a framework to support CFP calculation and the Digital Product Passport (DPP)*3.
*3 Digital Product Passport (DPP): A mechanism to provide information on topics such as product sustainability in the form of an electronic record

Transitioning to Environmentally Friendly Products

We have made the transition to environmentally friendly products, which reduce environmental impacts throughout the entire product lifecycle, a pillar of our efforts to promote a circular economy. We focused on compliance with international regulations, including ESPR, and on establishing internal systems.

Development of Proprietary Evaluation Items and Analysis of Current Status

We investigated and analyzed ESPR requirements and developed 20 proprietary evaluation items, including durability, recyclability, and CFP. Based on these items, we completed assessments of the applicability of these evaluation items to representative models such as low-voltage inverters and vending machines and clarified the issues.

Fundamental Revision of Company-Wide Design Standards

We are preparing to revise our internal Environmentally Friendly Design Standards to integrate the requirements of the international standard IEC 62430 and ESPR. In addition to conventional energy and resource savings, we are establishing systematic guidelines covering resource efficiency and information disclosure.

Future Plans

In fiscal 2026, we will focus on expanding the use of recycled materials, primarily plastics, and promote the establishment of procurement schemes in collaboration with our business partners and the development of design technologies for easy disassembly. With a view to addressing the DPP, we will also begin trials of life cycle assessment (LCA) to understand environmental impacts other than CFP. Through these efforts, we will contribute to a sustainable society while strengthening product competitiveness in the market through environmentally friendly products.

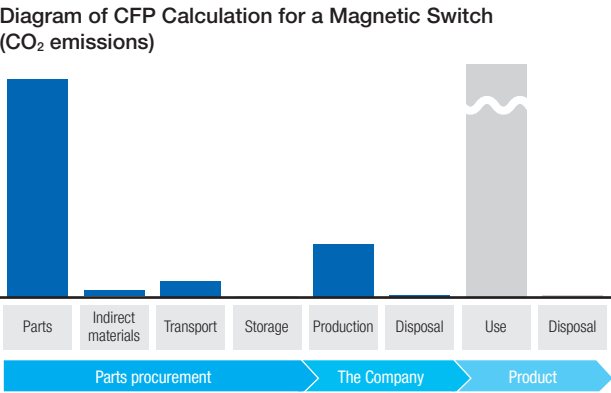
Diagram of Environmentally Friendly Products



Addressing Product Carbon Footprint (CFP)

We are promoting the calculation and reduction activities of product carbon footprint to visualize greenhouse gas emissions throughout the entire product lifecycle and contribute to our customers' decarbonization.
In fiscal 2025, we formulated the Fuji Electric CFP Calculation Rules Ver. 1.0, which comply with international standards, including ISO 14067, and Japanese guidelines. The scope is Cradle-to-Grave (from resource extraction to disposal and recycling), enabling us to quantify emissions throughout the entire product lifecycle. We also developed the CFP Management Solution to improve calculation efficiency and reliability. Following trials in each Business Group, full-scale operation of this CFP calculation system will begin in fiscal 2026.

Collecting primary data for raw materials and components is essential to improving CFP accuracy. In July 2025, we published the CFP Procurement Guidelines, held briefing sessions for business partners and formulated action plans, and are promoting collaborative activities to collect primary data for key materials.



Information Disclosure Based on the TCFD and TNFD Recommendations

Since expressing our support for the TCFD*4 in June 2020, we have continued to reflect the impacts of climate change on our business in our strategies and disclose information. In fiscal 2024, we introduced the TNFD*5 framework and began assessing our production bases' dependencies and impacts on natural capital; in fiscal 2025, we are deepening these assessments further.
*4 TCFD : Task Force on Climate-related Financial Disclosures
*5 TNFD : Taskforce on Nature-related Financial Disclosures

Integrated TCFD/TNFD Report Issued in July 2026

Climate change and natural capital are deeply interdependent and interact in complex ways. We regard them as an integrated set of risks and opportunities, and in July 2026 we issued an integrated report to provide stakeholders with a more unified and comprehensive understanding of our overall environmental management.

Overview of Integrated Assessment and Disclosure

Governance	The Sustainability Committee deliberates important climate- and nature-related issues across the Company, and we are strengthening the framework for oversight by the Board of Directors.
Strategy	In addition to our conventional 1.5°C/4°C scenario analyses, we expanded application of the LEAP approach recommended by the TNFD from our own bases to upstream areas of the value chain (e.g., mineral extraction), identifying priority issues directly linked to management.
Risk Management and Metrics	We integrate the identified risks into our company-wide management system and rigorously monitor progress toward our targets through KPIs such as greenhouse gas reduction and the water recycling rate.

For details, please refer to the Integrated TCFD/TNFD Report.

Integrated TCFD/TNFD Report
https://www.fujielectric.com/csr/global_environment/environment01/tcfd-tnfd.html





We will achieve employee well-being and sustainable growth of the Company based on an employee-first approach.

Takeshi Kadoshima
Managing Executive Officer
General Manager, Human Resources and General Affairs Office

One of Fuji Electric’s management policies is to “maximize our strengths as a team, respecting employees’ diverse ambition,” and the Fuji Electric Code of Conduct states that we will respect and value all people. We consider respect for human rights, health and safety, and the protection of our employees’ health to be the foundation of our business activities and actively invest in people to encourage activities, training, and suitable assignment of human resources, which become the core of our efforts to achieve the sustainable growth of the Company.

In an environment in which the future is not easy to predict and a shift to new values is underway, the most important thing for the Company to continue to grow sustainably is our human resources. In the rapidly changing business environment, we are developing various measures to nurture human resources who can continue to create new added value while working under our management strategies to adapt to changes in the environment.

Based on the human resource strategy in the FY2026

Medium-Term Management Plan, we are working toward the vision of realizing a virtuous cycle of employee well-being and sustainable growth for the Company while continuing our employee-first approach. Through human resources management that respects individuality and diversity, we are globally promoting the development of a system that enables each employee to feel happy working for Fuji Electric while autonomously increasing productivity, and an environment in which diverse human resources can transcend the boundaries of their divisions and regions as well as demonstrate their collective strengths as a team.

Furthermore, reflecting on our achievements and challenges to date, we are considering the next Medium-Term Management Plan with the aim of further enhancing corporate value. To maintain unwavering competitiveness even in an era of rapid change, we will accelerate the strengthening of our growth foundation through human resources.

Human Resource Strategy Linked with the Management Strategy

The foundation of Fuji Electric’s human resource strategy is to enhance corporate value by bringing out the full potential of every employee through a virtuous cycle of employee well-being and the Company’s sustainable growth, and by cultivating human resources who can adapt to changes in the surrounding environment.



Our Vision and Important Issues

Aiming for a virtuous cycle of employee well-being and the Company’s sustainable growth, we are working on human resource measures, positioning “Promoting the active participation of diverse human resources” and “Improving job satisfaction” as important issues.

Our Vision	KPIs	FY2025 Results	FY2026 Targets
A virtuous cycle of employee well-being and the Company’s sustainable growth	Satisfaction with the company*1	3.8 pt	3.8 pt or higher
	Well-being indicators*2	3.6 pt	3.6 pt or higher
	Operating profit ratio	11.1%	11.2%

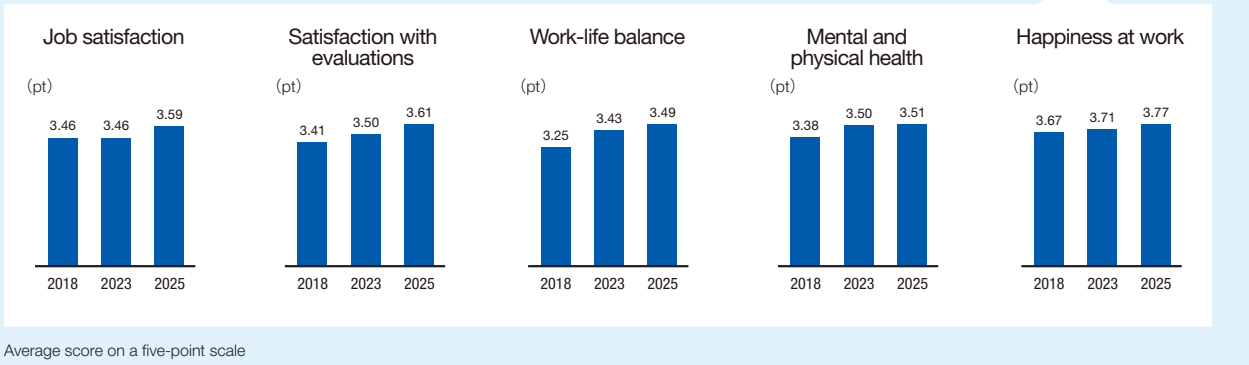
Important Issues	Main Measures and Systems	KPIs	FY2025 Results	FY2026 Targets
Promoting the active participation of diverse human resources				
Promoting the active participation of female employees	Career development support Creating a comfortable working environment	Number of female employees in supervisory positions	361	450
		Ratio of female managers	4.1%	4.8%
Promoting the active participation of senior employees	General employees: Age 65 Retirement System Managers: Reemployment system after age 60 Employment Guidelines for Employees over 65	Satisfaction with the Company among employees age 60 and older	3.9 pt	3.9 pt or higher
Promoting the active participation of differently abled people	Stable employment and expanded scope of duties	Employment rate of differently abled people*4	2.95%	Statutory rate or higher
Improving Job Satisfaction				
Workstyle reforms	Reduction of overtime work and increase in the number of vacation days taken Smart Work Incentives Work-life balance support (childcare and nursing care) Hot desking system in offices	Average overtime hours per month	18.9 hours	Maintain less than 20 hours
		Average number of paid vacation days acquired annually	18.7 days	Maintain 17 days or more
Next-generation management human resources	Registration of next-generation management human resources Selective training Line successor cultivation system	Number of registered next generation management human resources (Executive Officer candidates)	47	50
Career development support	Internal open application system Career education by generation Strengthened cultivation of global human resources Strengthened cultivation of digital human resources	Career autonomy awareness*3	3.5 pt	3.6 pt or higher

*1 Average response value to the representative question gauging overall satisfaction with the Company: “I am satisfied working at Fuji Electric”
*2 Average response value to questions regarding job satisfaction, satisfaction with evaluations, work-life balance, mental and physical health, and happiness at work.
*3 Average response value to the question: “Do you have a clear career goal for yourself (what you want to be in the future)?”
(*1–3 are average responses on a 5-point scale from 1 to 5, with higher scores being more positive. The scope of the survey covers the Company and its consolidated subsidiaries in Japan and overseas, excluding Fuji Electric Engineering & Construction Co., Ltd.)
*4 Employment rate of differently abled people as of June 2026

Annual Employee Awareness Surveys

We conduct an annual employee awareness survey of employees in Japan and overseas to understand the current level of awareness of our management policies and satisfaction with the Company, workplace, and jobs, as well as to analyze changes over time.

The survey results are used not only to review each division’s performance and improve organizational management, but are also reflected in a timely manner in measures such as revisions to the compensation system, support for employee career development, and the expansion of various training programs. Through these efforts, we are creating a more comfortable and motivating working environment while addressing issues across the organization.



Promoting Active Participation of Diverse Human Resources

Promoting the Active Participation of Female Employees

To realize the Company’s sustainable growth through adaptation to change and the creation of new value by diverse human resources, we are enhancing our workplaces so that diverse human resources can play an active role. In particular, we are strengthening measures to promote women’s active participation.

We are promoting initiatives from three perspectives: recruitment, career development support, and the creation of a comfortable working environment. The ratio of females hired has remained above 20% since fiscal 2018. We place particular emphasis on career development support by employee level and continue to implement measures that contribute to career development for female employees.

In fiscal 2025, we newly introduced the Mentorship Program for Female Managers to help them develop the mindset needed to become management leaders.

Main Initiatives	
Recruitment project for women in science and engineering	An initiative to recruit female employees in science and engineering through seminars and other events that convey the first-hand accounts of women with science and engineering backgrounds who are active in the workplace
Sister System	A cross-divisional mentorship program with senior female employees as advisors
Cultivation of priority career development targets	Education and training for the career advancement of female employees. Support for taking on the challenge of higher-level positions through classroom lectures to improve basic skills and practical exercises in problem-solving.
Registration as next-generation management human resources	In fiscal 2025, 15 female employees were registered.
Training for female managers	Training for female managers to acquire the skills necessary to participate in management
Mentorship Program for Female Managers	The Mentorship Program for Female Managers with experts serving as mentors. The program helps participants develop the mindset needed to become management leaders.



Kick-off of the 15th Sister System program

Ratio of Female Employees, Ratio of Females Hired, Ratio of Female Managers, and Number of Female Employees in Supervisory Positions (Japan)

	2023 (end of fiscal year)	2024 (end of fiscal year)	2025 (end of fiscal year)	2026 (end of fiscal year) (Target)
Ratio of female employees	13.8%	13.9%	14.1%	—
Ratio of females hired*1	21%	20%	22%	20% or higher
Ratio of female managers*2	3.6%	3.8%	4.1%	4.8%
No. of female employees in supervisory positions*3	336	342	361	450

Data collected from the Company and its six subsidiaries in Japan that adopt the same personnel system
*1 Graduates from universities or technical colleges *2 Managerial positions or above
*3 Team leaders or above

Ratio of Female Employees, Ratio of Female Managers (Overseas, as of end of fiscal 2025)

	Overseas consolidated	(Reference) Consolidated Japanese and overseas
Ratio of female hired	39.3%	24.4%
Ratio of female managers	24.5%	9.2%

Overview of the Mentorship Program

As part of its support for the career advancement of female employees, which contributes to the active participation of diverse human resources, Fuji Electric introduced the Mentorship Program for Female Managers. Through the mentoring process, participants are supported in envisioning the kind of leader they aspire to become and in formulating and implementing action plans to achieve that vision.

Comment from a Participant

Dialogue with an external mentor gave me a valuable opportunity to recognize strengths I was not even aware I had. The process of envisioning the person I want to become based on my own strengths was refreshing, and it enabled me to clearly envision my future vision and next steps. Interacting with the other participants also strengthened horizontal ties among female managers within the Company. At the final presentation, my supervisor gave me warm words of encouragement, and I intend to make full use of what I learned through this program in my future career development. (Energy & Control Engineering Department, Energy Business Group)



Promoting the Active Participation of Senior Employees

From the perspectives of the aging of our labor force and of securing our workforce, we are focusing on promoting the active participation of our senior employees. We consider our senior employees aged 60 or older, who have abundant experience and associated skills and knowledge regarding our products that have long service lives, to be a valuable asset, and we are striving to strike a balance between the fulfillment of our employees’ lifelong careers and business continuity.

	FY2023	FY2024	FY2025
General employees: Number of employees aged 60 and older* (Employment rate)	301 (85.5%)	266 (81.6%)	270 (81.6%)
Managers: Number of employees aged 60 and older* (Employment rate)	127 (94.8%)	129 (92.1%)	155 (96.3%)
Employees subject to the Employment Guidelines for Employees over 65	413	444	437

* Through fiscal 2024: Number and rate of employees selecting retirement extension; From fiscal 2025: Number and rate of employees employed after age 60

For general employees, from fiscal 2025, we have made the retirement age a uniform 65 and have raised the remuneration level. For managers, we have introduced the Senior Task System, which allows them to maintain their pre-60 compensation level depending on their performance. In addition, we have established

company-wide Employment Guidelines for Employees over 65, which enables such employees to remain active up to age 75. As of March 2026, approximately 450 employees are actively working under this system, primarily in plant and system engineering and successor mentoring.

Promoting the Active Participation of Differently Abled People

Fuji Electric established Fuji Electric Frontier Co., Ltd. in 1994 as a special-purpose subsidiary under the Act to Facilitate the Employment of Persons with Disabilities. Fuji Electric Frontier has been gradually expanding its scope of activities by hiring differently abled people and expanding their scope of duties. To further promote the active participation of differently abled people, in addition to its major duties of PC-based office support and cleaning, it is actively working to expand the scope of duties

to include assembly work on manufacturing lines and manufacturing support.
As of June 2026, we employed 458, and the employment ratio of differently abled people was 2.95%, well above the statutory employment rate (2.5%).
We will continue striving to hire about 15 differently abled people per year as we secure and expand duties available to them and work on achieving stable employment.

Initiatives to Cultivate Human Resources

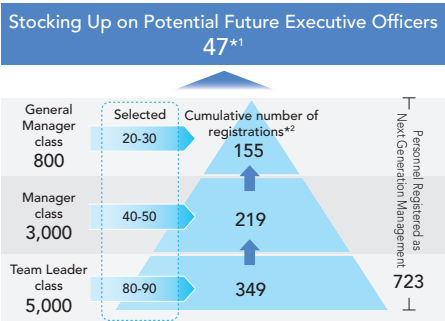
In the Fuji Electric Code of Conduct, we have expressed our commitment to reinforce human resource cultivation to achieve the development of each individual employee as well as the collective strength of the team. We are working to enhance the cultivation of human resources who can demonstrate strong leadership and a high level of expertise by bolstering employee skill development and increasing our investment in education.

Cultivating Next-Generation Management

To achieve sustainable growth, we actively engage in cultivating future management personnel.

There are three main points to such cultivation: first, careful selection of those to be trained while they are young; second, systematic on-the-job training that requires business and job rotation as well as experience in overseas operations; and third, participation in selective training programs. Once a year, we share and discuss progress with respect to each of these points with our Executive Officers in order to enhance the program content.

From among this initiative’s participants, six Executive Officers have been appointed since fiscal 2024.



*1 Number of registered next-generation management human resources
*2 Cumulative number of registrations is cumulative from fiscal 2017 to fiscal 2025

Fostering Global Human Resources

To expand our overseas business, since fiscal 2017, we have been promoting a company-wide global human resource development system. This includes the development of Japanese employees by dispatching them to our overseas bases (56 employees in total since fiscal 2017), providing training in Japan to employees from overseas bases (158 employees in total), and operating and improving language classes in Japan

(2,327 employees in total). Furthermore, since fiscal 2023, we have been advancing initiatives to promote the cultivation of human resources for future management executive candidates to foster autonomous local operations at our overseas bases. In fiscal 2025, 24 of these candidates participated in a special program.

Career Development Support

We are working to support career development in order to improve expertise through employees’ autonomous career development and thereby enhance the Company’s collective strengths.
In fiscal 2025, we introduced career training by age group, attended by 449 eligible employees and 335 supervisors. Under

the internal open application system, 20 employees transferred to divisions of their choice. In addition, to shift toward autonomous skill development, we are expanding elective training content in level-specific training programs and open courses.

Reskilling and DX Human Resource Development

To enable diverse human resources to realize “autonomous and productive work styles,” we are working on reskilling to meet business needs and upskilling to improve productivity.
In particular, we are actively cultivating digital human resources to solve issues using advanced DX technologies such as AI and the IoT, create new value, and improve the productivity of internal

operations. We provide education to improve DX literacy not only for engineers responsible for development, but also for employees in production and sales/service divisions. Over the five years from fiscal 2021 through fiscal 2025, more than 10,000 unique participants and more than 39,000 participants in total attended DX-related courses.

Creating a Motivating Workplace

Revision of Personnel and Compensation Systems

To achieve further growth at Fuji Electric, we have fundamentally revised our personnel and compensation systems for the first time in 22 years. Based on the management policy to “maximize our strengths as a team, respecting employees’ diverse ambition,” the revisions are aimed at realizing our human resource strategy vision of “a virtuous cycle of employee well-being and the Company’s sustainable growth” by promoting employee growth and stronger management while creating an innovative organization that can quickly detect signs of change through diverse values and respond in a timely and flexible manner.

For general employees, we are changing the basis of compensation from a function to a role, which reflects the present value of an employee’s work. This change aims to help

employees to develop their careers autonomously by recognizing their own roles and improving their expertise, while also motivating them to take on larger roles. In addition, by establishing the position of Assistant Manager on top of planning as a new management level, we will cultivate strong next-generation leaders, strengthen line management, and raise the level of our organization to be competitive and flexible so we can facilitate active participation of diverse human resources.

For managers, we have introduced a Professional Position System as one career path for employees, with the aim of making even greater use in management of employees with advanced expertise. Five employees were certified under the system in fiscal 2026.

[Comment from the Senior Manager of the Human Resources Department] Toward “Employee Growth” and “Organizational Transformation”

As the business environment changes due to factors such as a shrinking working-age population and increasingly advanced technologies, sustainable growth with limited human resources requires us to strengthen line management while ensuring that each employee continues to improve expertise and productivity and maximize team results. To promote the active participation of diverse human resources, it is also important to strengthen management at the individual level in line with each person’s views on work and stage of life. Through these revisions, we aim to achieve “employee growth” and “organizational transformation” for the next stage.



Human Resources Department members involved in revising the personnel and compensation systems

Workstyle Reforms

We are promoting workstyle reforms from the twin perspectives of promoting the active participation of diverse human resources, including enhancing work-life balance and providing work-life balance support, and increasing productivity by improving work quality and efficiency.

In fiscal 2025, average overtime hours were 18.9 hours per month (up 0.3 hours year on year), while the average number of vacation days taken was 18.7 days per year (up 0.4 days year on year), remaining largely unchanged from the previous fiscal year but showing significant improvement compared with fiscal 2019. There were no legal violations with regard to either working hours or vacation use.

We also strengthened work-life balance support by expanding work arrangements for family nursing care.

In terms of the workplace environment, with the aim of

	FY2019	FY2025
Average overtime hours per month	23.8 hours	18.9 hours
Average number of paid vacation days acquired annually	16.5 days	18.7 days
Total number of days worked at Home / satellite offices	3,207	102,090
Childcare leave system	302	309
Number of male employees who took childcare leave (acquisition rate, average number of days taken)	197 (84.5%, 63 days)	213 (93.8%, 93 days)

* Childcare leave includes special paid leave when an employee’s spouse gives birth.

improving productivity by creating a more comfortable working environment, in fiscal 2025 we introduced hot desking in all workplaces at the Osaki operating site. We also established a new Sozo Area at the Osaki operating site to encourage more active communication among employees.

Sozo Area

As part of our efforts to create a motivating workplace, we opened the Sozo Area on the 13th floor of the head office. Its name derives from the two sozos—imagination and creativity, which are drivers of innovation—referred to in the President’s message. We respect each individual’s power of sozos and promote diverse ways of working.

The meeting area (Sozo Base) and refreshment space (Sozo Lounge) have been designed with different atmospheres. Alcohol may also be consumed in the Sozo Lounge after regular working hours, helping to encourage interaction across organizational and hierarchical boundaries.



General Affairs Department project members

Respect for Human Rights

Fuji Electric supports and respects international norms including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (UNGPs), and Section 54 of the UK Modern Slavery Act. The Fuji Electric Code of Conduct begins with the commitment to “respect and value all people,” and we have established the Policy for Human Rights of the Employees. In our supply chain as well, we have established the Fuji Electric CSR Procurement Guidelines and are working with business partners to build a sustainable social foundation that respects human rights.

Governance Framework

We have established an effective framework that combines oversight by top management with implementation at the workplace level. The Sustainability Committee, comprising Executive Officers including the officer in charge of human resources, deliberates on policies and measures, monitors progress, and regularly reports to the Board of Directors. The Human Rights Promotion and Human Resources Empowerment Subcommittee shares company-wide issues and formulates policies, while Human Rights Awareness Promotion Committees at each operating site and consolidated subsidiary in Japan and overseas ensure thorough compliance with human rights at the workplace level.

Human Rights Governance Framework

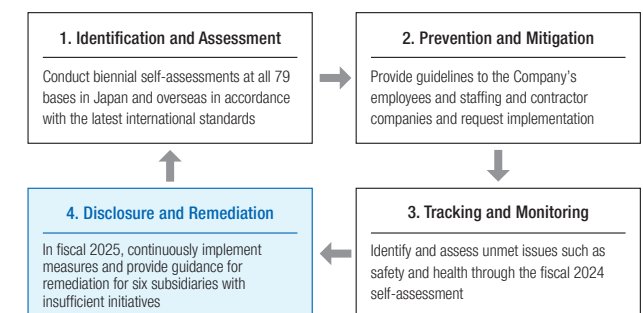


Promotion of Human Rights Due Diligence

Based on the “Protect, Respect and Remedy” framework required by the UNGPs, we continuously run the process of identifying, mitigating, and addressing adverse impacts on human rights through the PDCA cycle in order to reduce human rights risks.

As a result of the fiscal 2024 human rights and labor assessment, in fiscal 2025 we continued from the previous fiscal year to provide improvement guidance to six subsidiaries whose initiatives were insufficient in areas such as overtime work exceeding regulations and labor-management agreements, health measures for employees working long hours, and the existence of a health and safety policy.

Human Rights Due Diligence PDCA Cycle



Supply Chain Initiatives

To prevent human rights risks, we conduct an annual self-assessment of CSR procurement for major business partners accounting for the top 80% of transaction value. By confirming compliance with the Fuji Electric CSR Procurement Guidelines and engaging in dialogue, we are steadily improving human rights, labor, and health and safety practices.

P43, 44 Sustainable Procurement

Remedy Mechanisms

We have established and operate multiple contact points to enable early detection and reliable remediation of human rights violations.

Contact Point / System Name	Eligible Parties	Features	Reports in Fiscal 2024	Reports in Fiscal 2025
Business Ethics Whistle-Blowing Systems	All employees, business partners, etc.	Anonymous reports accepted. Reports can be made directly to the compliance division or external lawyers.	25	55
JaCER Engagement and Remedy Platform	All stakeholders	External third-party platform compliant with the UNGPs. Ensures objectivity, fairness, and transparency in grievance handling through a third-party contact point.	—	0

* Of reports submitted through the Business Ethics Whistle-Blowing Systems, all cases in which violations were found have been addressed through corrective measures and measures to prevent recurrence (3 cases in fiscal 2024, 5 cases in fiscal 2025).

* JaCER: Japan Center for Engagement and Remedy on Business and Human Rights. Fuji Electric has participated in the Engagement and Remedy Platform since fiscal 2025.

* In addition to the above, employee human rights consultation desks are available at all bases in Japan.

Human Rights Education

We continuously provide education to foster an organizational culture that respects human rights. In fiscal 2025, 10,756 employees, from new hires through management-level employees, completed e-learning. We also provided company-wide mental health education (approximately 27,000 participants in total), among other initiatives, to instill awareness of respect for diversity.

For details on our initiatives to respect human rights, please refer to “Respect for Human Rights” on the Fuji Electric website.
<https://www.fujielectric.com/csr/social/social01/humanrights.html>



Corporate Governance

Basic Policies

In strengthening our corporate governance, our basic policies are to protect shareholder rights and ensure their equal treatment, cooperate appropriately with non-shareholder stakeholders,

ensure proper information disclosure and transparency, execute the duties of the Board of Directors, and engage in dialogue with shareholders.

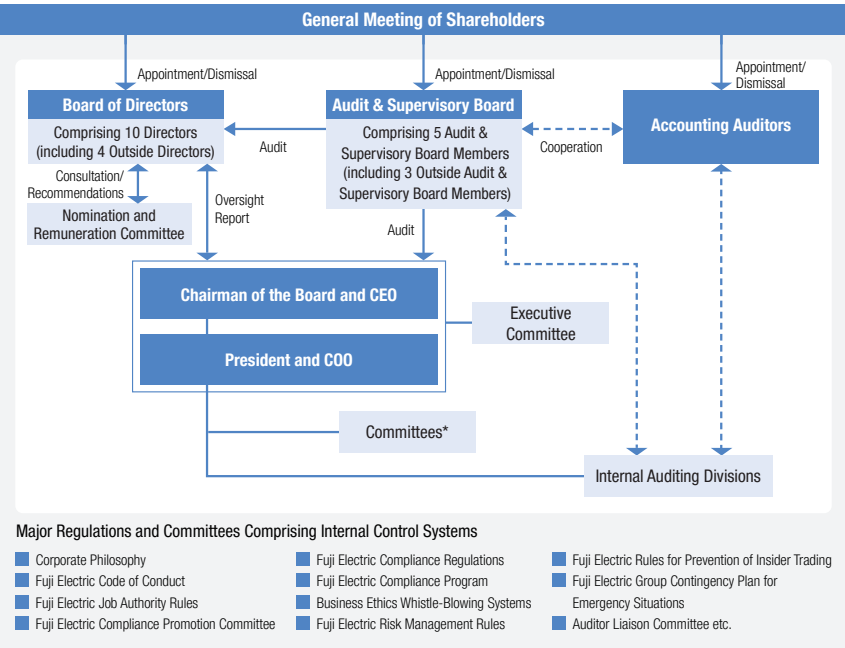
Corporate Governance Framework

Fuji Electric's corporate governance framework consists of the Board of Directors, which performs the functions of management supervision and making important decisions, and Audit & Supervisory Board Members and the Audit & Supervisory Board, which perform the function of management audits, ensuring that the framework guarantees objectivity and neutrality.

The Company actively appoints Outside Directors and Audit & Supervisory Board Members that satisfy the requirements for independence, endeavors to strengthen management supervisory and auditing functions, and has established the Nomination and Remuneration Committee comprising a majority of Outside Directors as an advisory body to the Board of Directors, and the majority of its members and its chairman are Outside Directors.

In addition, in order to clarify the roles of management and execution, we have introduced an executive officer system to clarify the responsibilities for each business. In order to continue strengthening our operating platform as a company with sustainable growth, in fiscal 2022 we appointed a Chairman of the Board and CEO and President and COO. We are endeavoring to build an effective corporate governance framework by establishing the Executive Committee, which discusses and reports on important matters related to management as an advisory body to the Chairman of the Board and CEO and President and COO, as well as other committees tasked with planning and promoting key business strategy issues and key external issues, such as legal compliance.

Corporate Governance Framework (As of June 24, 2026)



- * Committees
- [Key issues for Fuji Electric from a sustainability perspective]**
 - Sustainability Committee
 - [Legal compliance and other key external issues]**
 - Fuji Electric Compliance Promotion Committee
 - Health & Safety Promotion Committee
 - [Key business strategy issues]**
 - Skills Development Committee
 - Production Technology Committee
 - Technology Development Committee
 - International Standardization Committee

Progress of Reforms for Improving the Effectiveness of Corporate Governance

	FY2003	FY2011	FY2012	FY2019	FY2021	FY2022
Reform of the corporate governance framework	• Pure holding company system		• Transition to a business company system Speeding up the management decision-making (Number of Executive Officers 53 people → 18 people)		• Establishment of the Nomination and Remuneration Committee	
Reforms to improve the Board of Directors' effectiveness	• Introduction of Outside Directors and Audit & Supervisory Board Members		• Appointment of a female Outside Audit & Supervisory Board Member	• Commencement of a Board of Directors effectiveness evaluation survey • Continued reduction of cross-shareholdings	• Disclosure of the Directors' skill matrix	• Appointment of a female Outside Director • Commencement of Board of Directors effectiveness evaluation interviews

Supervisory and Auditing Bodies *FY2025 results

	Board of Directors	Nomination and Remuneration Committee	Audit & Supervisory Board
Role	Management supervision and decision-making	Advisory body to the Board of Directors	Management audits
Chairman / Committee Chairman	Chairman of the Board and CEO Michihiro Kitazawa	Outside Director Toshihito Tamba	Standing Audit & Supervisory Board Member Junichi Matsumoto
Main Topics of Discussion, Review, and Deliberation	- Management strategy, sustainability, and governance (management plans and business strategies, SDG issues, statuses of compliance and risk management initiatives, etc.) - Financial results and financial affairs (monthly, quarterly, and annual results and forecasts; risks of loss; content of external disclosures, etc.) - Dividends from surplus (dividend policy, dividend payout ratio policy, policy on explanations to stakeholders, etc.) - Cross-shareholdings (policy on holding and selling, rationale for holding, etc.) - Organizational changes and personnel reassignments (purpose and details, division of executive roles, skill matrix, etc.)	- Advisory matters - Policy on the composition of the Board of Directors - Policy and criteria for the appointment or dismissal of Directors, the President and Chairman of the Board of Directors, and Audit & Supervisory Board Members - Appointment and dismissal of Directors, the President and Chairman of the Board of Directors, and Audit & Supervisory Board Members - Matters related to the formulation and implementation of a succession plan for the President and Chairman of the Board of Directors - Policies and criteria for the remuneration of Directors and Audit & Supervisory Board Members - Details of remuneration for Directors and Audit & Supervisory Board Members - In fiscal 2025, the following matters were deliberated on and reported to the Board of Directors: - Officer remuneration - Performance-related share-based remuneration plan - Officer personnel matters - Annual activity plan for the Nomination and Remuneration Committee, etc.	- Offering of opinions at meetings of the Board of Directors, Executive Committee, Fuji Electric Compliance Promotion Committee, and other important committees - Review of important approval documents, etc. - Meetings with the President and COO - Receipt of explanations on the status of operational execution from Directors, internal auditing divisions, etc. - Investigation of the statuses of operations and assets, etc. of the Company and its affiliate companies - Review of the audit methods and results of the Accounting Auditors
Number of meetings per year	13	4	9

Business Execution Bodies *FY2025 results

	Executive Committee	Sustainability Committee	Fuji Electric Compliance Promotion Committee	Health & Safety Promotion Committee
Role	Advisory body to the Chairman of the Board and CEO and the President and COO, deliberation and reporting on important matters concerning management	Deliberation on issues related to the promotion of sustainability, evaluation of measures	Ensuring thorough compliance with laws, regulations, and social norms applicable to Fuji Electric	Drafting and deliberation of Fuji Electric's health and safety policy, and promotion of safety management
Key Members	Chairman of the Board and CEO, President and COO, Executive Officers, Standing Audit & Supervisory Board Main Members	Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Human Resources and General Affairs Office; Corporate General Manager, Production & Procurement Group; Corporate General Manager, Power Electronics Sales Group; Corporate General Managers of Business Groups; Corporate General Managers of Business Groups; Corporate General Manager, Corporate R&D Headquarters	President and COO; Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Human Resources and General Affairs Office; Corporate General Manager, Power Electronics Sales Group; Corporate General Managers of Business Groups; Corporate General Manager, Production & Procurement Group; Corporate General Manager, Corporate R&D Headquarters, Standing Audit & Supervisory Board Members, attorneys	General Manager, Human Resources and General Affairs Office; General Managers of major production and sales bases in Japan
Number of meetings per year	24 (twice a month)	2	2	1
	Skills Development Committee	Production Technology Committee	Technology Development Committee	International Standardization Committee
Role	Promoting cross-functional skills development for Fuji Electric as a whole	Deciding on and ensuring thorough communication of policies for improving Fuji Electric's production technology capabilities	Promoting taking on the challenge of new technologies and their commercialization, and the development of products that match market trends; leading company-wide research by formulating policies and selecting themes	Deciding on and promoting policies for advancing international standardization
Key Members	General Manager, Human Resources and General Affairs Office; Corporate General Manager, Power Electronics Sales Group; Corporate General Managers of Business Groups; Corporate General Manager, Production & Procurement Group; Corporate General Manager, Corporate R&D Headquarters	Corporate General Manager, Production & Procurement Group; Corporate General Managers of Business Groups; Corporate General Manager, Corporate R&D Headquarters	Corporate General Manager, Corporate R&D Headquarters; Corporate General Manager, Corporate Management Planning Headquarters; Corporate General Manager, Power Electronics Sales Group; Corporate General Managers of Business Groups; Corporate General Manager, Production & Procurement Group	Corporate General Managers of Business Groups; Corporate General Manager, Corporate R&D Headquarters; Corporate General Manager, Power Electronics Sales Group; Corporate General Manager, Production & Procurement Group
Number of meetings per year	2	2	3	1

List of Officers (As of June 24, 2026)

The Directors and Audit & Supervisory Board Members are selected based on a balance of qualifications, experience, and diversity of the Board of Directors as a whole. The term of office of directors is set to one year in order to clarify management

Directors

Persons with the qualifications, experience, and other attributes required to execute the Company’s management policies are appointed as Standing Directors. Outside Directors are appointed from among persons equipped with the insight and experience required to make multilateral business decisions who also have an understanding of Fuji Electric’s management, including managers at listed corporations and experts in academic fields deeply related to our business.

In addition, regarding the insight and experience required for

responsibilities for the fiscal year and to create a management structure that can respond quickly to changes in the business environment.

the Board of Directors of Fuji Electric, in light of the Management Policies of Fuji Electric, including “contribute to the creation of a sustainable society through our energy and environment businesses,” and our business characteristics, we have defined the seven fields of “business management,” “finance and accounting,” “global business,” “environment and society,” “R&D, technology, manufacturing, and DX,” “corporate governance, legal matters, and risks” and “marketing and industry.”

Directors	Areas Expected to Director by the Company						
	Business Management	Finance and Accounting	Global Business	Environment and Society	R&D, Technology, Manufacturing, and DX	Corporate Governance, Legal Matters, and Risks	Marketing and Industry
 Michihiro Kitazawa Representative Director Chairman of the Board and CEO (Chief Executive Officer) Nomination and Remuneration Committee member	●	●	●	●	●	●	●
 Shiro Kondo Representative Director President and COO (Chief Operating Officer) President Nomination and Remuneration Committee member	●	●	●	●	●	●	●
 Toshihito Tamba Outside Director Nomination and Remuneration Committee chairman	●	●	●			●	
 Yukari Tominaga Outside Director Nomination and Remuneration Committee member External Director, MORINAGA MILK INDUSTRY CO., LTD.	●				●	●	
 Yukihiro Tachifuji Outside Director Nomination and Remuneration Committee member Outside Director, artience Co., Ltd.	●		●	●	●	●	
 Tomonari Yashiro Outside Director Nomination and Remuneration Committee member President, Tokyo City University			●	●		●	
 Toru Hosen Director Senior Managing Executive Officer Corporate General Manager, Semiconductors Business Group				●	●		●
 Hiroshi Tetsutani Director Managing Executive Officer Corporate General Manager, Industry Business Group				●	●		●

Directors	Areas Expected to Director by the Company						
	Business Management	Finance and Accounting	Global Business	Environment and Society	R&D, Technology, Manufacturing, and DX	Corporate Governance, Legal Matters, and Risks	Marketing and Industry
 Masashi Kawano Director Senior Managing Executive Officer Corporate General Manager, Energy Business Group				●	●		●
 Yoshitada Miyoshi Director Senior Managing Executive Officer Corporate General Manager, Corporate Management Planning Headquarters General Manager, Export Control Office In charge of compliance management		●		●		●	

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Members are appointed by persons who are familiar with the Company’s operations in general and possess expert knowledge and experience. Outside Audit & Supervisory Board Members are appointed by persons equipped with the expert knowledge and experience required to undertake audits, including corporate managers, persons with experience as an auditor of a listed company, legal experts, and accounting experts.

 Junichi Matsumoto Standing Audit & Supervisory Board Member Chairman of the Audit & Supervisory Board	 Jun Ohashi Standing Audit & Supervisory Board Member	 Hirohiko Takaoka Outside Audit & Supervisory Board Member
 Yuko Katsuta Outside Audit & Supervisory Board Member Partner, N&O Partners Outside Director, Ferrotec Corporation	 Noriyuki Uematsu Outside Audit & Supervisory Board Member Managing Director, Uematsu Certified Public Accountants Office Representative Director, SJ Consultant Co. Ltd. Outside Audit & Supervisory Board Member, Cybozu, Inc. Outside Audit & Supervisory Board Member, GEOLIVE Group Corporation	

Executive Officers		
Position	Name	Division
President Executive Officer	Shiro Kondo	Chief Operating Officer
Senior Managing Executive Officer	Masatsugu Tomotaka	In charge of Power Electronics Sales, Energy Business, Industry Business
Senior Managing Executive Officer	Toru Hosen	Corporate General Manager, Semiconductors Business Group
Senior Managing Executive Officer	Masashi Kawano	Corporate General Manager, Energy Business Group
Senior Managing Executive Officer	Yoshitada Miyoshi	Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Export Administration Office; In charge of compliance management
Managing Executive Officer	Takeshi Kadoshima	General Manager, Human Resources and General Affairs Office; In charge of crisis management
Managing Executive Officer	Hiroshi Tetsutani	Corporate General Manager, Industry Business Group
Managing Executive Officer	Takashi Obinata	Corporate General Manager, Production & Procurement Group
Managing Executive Officer	Keiichi Asano	Corporate General Manager, Food & Beverage Distribution Business Group
Senior Executive Officer	Masahiro Morimoto	President and Representative Director, Fuji Electric FA Components & Systems Co., Ltd.
Senior Executive Officer	Hiroshi Ishii	Corporate General Manager, Power Electronics Sales Group; General Manager, Channel Partner Management Office
Senior Executive Officer	Kazuya Nakayama	Corporate General Manager, Corporate R&D Headquarters
Senior Executive Officer	Taizou Kishi	Deputy Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Corporate Planning Office, Corporate Management Planning Headquarters
Executive Officer	Masahito Wakabayashi	Deputy General Manager, Human Resources and General Affairs Office
Executive Officer	Masaki Suemitsu	Deputy Corporate General Manager, Power Electronics Sales Group
Executive Officer	Kentaro Toyama	Deputy Corporate General Manager, Energy Business Group General Manager, Development Division, Energy Business Group
Executive Officer	Osamu Ikawa	Deputy Corporate General Manager, Semiconductors Business Group General Manager, Business Management Division, Semiconductors Business Group

Independence Criteria for Outside Directors and Audit & Supervisory Board Members

Fuji Electric judges applicable candidates to be fully independent from the Company when they do not meet any of the requirements stipulated under the independence criteria established by the Company, in addition to the criteria for independence stipulated by domestic financial exchanges, including the Tokyo Stock Exchange.

For our independence criteria, please refer to “Independence Criteria for Outside Directors and Audit & Supervisory Board Members” in the “Corporate Governance Report.”
https://www.fujielectric.com/ir/library/detail/governance_report.html



For brief biographies of Directors and Audit & Supervisory Board Members, please refer to the “Management” section on our website.
https://www.fujielectric.com/about/officer_introduction/management.html



Activities of Outside Directors and Audit & Supervisory Board Members

To strengthen our management supervisory and auditing functions, and to ensure the validity and appropriateness of our important decisions, the Directors and Audit & Supervisory Board Members play the proper roles as stated below.

Outside Directors	
Name	Main Activities
Toshihito Tamba	[Board of Directors] Attendance: 13/13 Mr. Tamba offered opinions as necessary on all areas of Fuji Electric's management, including on the following matters, based on his professional standpoint and considerable insight as an experienced manager at listed companies. • Formulation of a business plan taking into account changes in the market environment • Appropriate ways to carry out IR activities [Nomination and Remuneration Committee] Attendance: 4/4 As the committee chairman, Mr. Tamba led the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members of the Company and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.
Yukari Tominaga	[Board of Directors] Attendance: 13/13 Ms. Tominaga offered opinions as necessary on all areas of Fuji Electric's management, including on the following matters, based on her abundant experience and considerable insight pertaining to corporate management. • How to promote the active participation of diverse human resources • How to approach IT investment initiatives [Nomination and Remuneration Committee] Attendance: 4/4 Ms. Tominaga carried out the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.
Yukihiro Tachifuji	[Board of Directors] Attendance: 13/13 Mr. Tachifuji offered opinions as necessary on all areas of Fuji Electric's management, including on the following matters, based on his professional standpoint and considerable insight as an experienced manager at listed companies. • Inventory optimization initiatives • Enhancement of risk management in plant projects [Nomination and Remuneration Committee] Attendance: 4/4 Mr. Tachifuji carried out the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.
Tomonari Yashiro	[Board of Directors] Attendance: 13/13 Mr. Yashiro offered opinions on the following matters and other general management matters of Fuji Electric based on his expertise in and high-level insight into sustainable construction and innovation management. • Initiatives to achieve a decarbonized society • Enhancement of risk management in plant projects [Nomination and Remuneration Committee] Attendance: 4/4 Mr. Yashiro carried out the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.

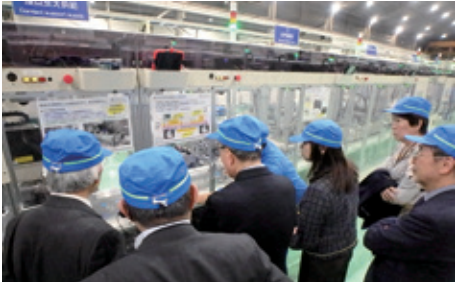
Outside Audit & Supervisory Board Members	
Name	Main Activities
Hirohiko Takaoka	[Board of Directors] Attendance: 13/13 Mr. Takaoka confirmed and offered opinions as necessary concerning agenda items and the status of Fuji Electric's business activities based on his extensive experience and considerable insight as an experienced Full-time Audit & Supervisory Board Member and any other type of executive of listed companies. [Audit & Supervisory Board] Attendance: 9/9 Mr. Takaoka confirmed and offered opinions on the legal compliance of the overall business activities of Fuji Electric.
Yuko Katsuta	[Board of Directors] Attendance: 13/13 Ms. Katsuta confirmed and offered opinions as necessary concerning agenda items and the status of Fuji Electric's business activities based on her expert knowledge as an attorney. [Audit & Supervisory Board] Attendance: 9/9 Ms. Katsuta confirmed and offered opinions on the legal compliance of the overall business activities of Fuji Electric.
Noriyuki Uematsu	[Board of Directors] Attendance: 13/13 Mr. Uematsu confirmed the content of proposals and the status of Fuji Electric's business activities as well as offered necessary opinions as appropriate based on his expert knowledge as a certified public accountant. [Audit & Supervisory Board] Attendance: 9/9 Mr. Uematsu confirmed matters as appropriate and offered opinions from the perspective of ensuring legal compliance for overall business activities.

Initiatives to Improve the Board of Directors' Effectiveness

Training for Directors and Audit & Supervisory Board Members

Before taking office, Standing Directors and Audit & Supervisory Board Members undergo compliance training, which also encompasses legal and taxation matters. They are also provided opportunities after taking office to acquire necessary knowledge on an ongoing basis.

Before taking office, Outside Directors and Audit & Supervisory Board Members are briefed on the state of the Company and the roles they are expected to perform. After taking office, they have the chance to deepen their understanding of the Company through presentations on the strategies for business, R&D, and other operations, inspections of business bases, and other ways.



Outside Directors and Audit & Supervisory Board Members touring the ED&C components business (Fukiage Factory)

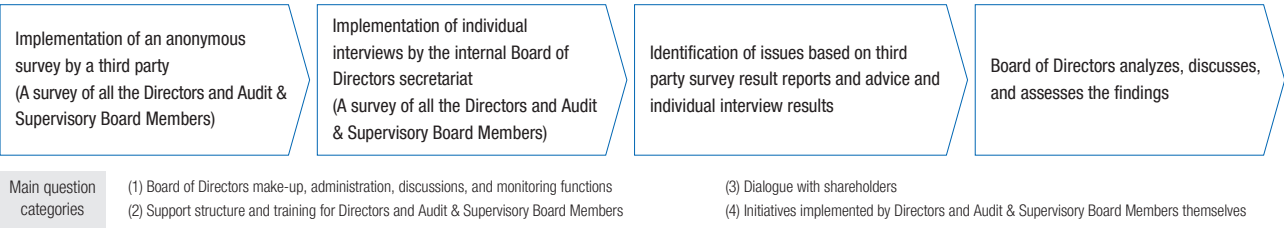
Evaluation of Effectiveness of the Board of Directors

We conduct the evaluation of the effectiveness of the Board of Directors with the use of a third-party survey once a year in order to verify whether the Board of Directors is properly fulfilling its expected roles and functions and to facilitate further improvements thereof. Furthermore, in order to deeply examine the survey results, individual interviews of the Directors and Audit & Supervisory Board Members are regularly implemented by the

internal Board of Directors secretariat. Through all of these processes, we earned mostly positive assessments, thereby assuring the overall effectiveness of the Board of Directors.

The results of the surveys and interviews are discussed and reported in the Board of Directors, and issues that require improvement are shared with everyone.

Method of Evaluation of Effectiveness of the Board of Directors



Main Opinions of Directors and Audit & Supervisory Board Members from the Survey and Interviews

Composition of the Board of Directors	Operation of the Board of Directors	Content of Board of Directors Discussions (Matters for Deliberation and Reporting)
In addition to diversity in nationality, it is important to cultivate human resources with an international outlook within the Company and give them management experience at overseas subsidiaries and elsewhere. The ratio of women should be increased gradually. Initiatives are also needed to cultivate and appoint female officers from within the Company. We should appoint younger people who will lead the Company in the future and reflect their perspectives in discussions, thereby bridging generational differences in perceptions and overcoming organizational vulnerabilities.	There were no cases in which insufficient deliberation time prevented adequate discussion. Open and vigorous discussions are being held. In addition to tracking the performance of each business, we need to further expand opportunities to discuss topics such as the potential for new businesses from a medium- to long-term perspective. We also need to deepen discussions on management and legal concerns with Outside Directors and Audit & Supervisory Board Members who have specialized expertise.	We need to expand discussions on measures for addressing geopolitical risks and changes in national policies and international rules, as well as on resilience and BCP. We would like to see not only the conclusions of agenda items, but more of the process and background leading to decisions. Greater transparency around the process, including the criteria used to reach those decisions, would be beneficial.

Results of Initiatives to Address the Major Issues Identified in the Fiscal 2025 Effectiveness Evaluation and the Policies on Initiatives in Fiscal 2026

Major Issues	Results of Initiatives in FY2025	Policies for Major Initiatives in FY2026
Discussion of important medium- to long-term issues that contribute to corporate value enhancement	Discussion of medium- to long-term issues that contribute to corporate value enhancement • Human resource measures (human resource cultivation, promoting active participation of diverse human resources, etc.) • Sustainability Committee activity report	Continue to work to enhance opportunities to report on and discuss medium- to long-term issues that contribute to corporate value enhancement. • Human resource strategy (medium- to long-term strategy and progress follow-up on measures, etc.) • Initiatives to address sustainability issues
Enhancement of the reporting required for supervising important decisions and business execution	Reports on the status of business execution from each division • Implementation status of the compliance program • Business transformation ERP project	Continue to work to enhance opportunities for each division to report on and discuss the status of business execution. • Business transformation ERP project • Business strategies of major subsidiaries

Remuneration for Directors and Audit & Supervisory Board Members

Process of determining remuneration

The Nomination and Remuneration Committee discusses the validity of the policies, criteria, and levels of remuneration in light of changes in the operating environment, objective external data, and other matters and then reports to the Directors, and then the Board of Directors resolves on the policy for the final decisions respecting the details of the committee's report.

The decision on specific remuneration amounts for individual Directors is left to the discretion of Michihiro Kitazawa, Representative Director, Chairman of the Board and CEO, but within the limit resolved at the General Meeting of Shareholders and with reference to the details of the committee's report.

Policy regarding decisions on remuneration

We have established a remuneration system and remuneration levels that are deemed appropriate for their respective duties and in accordance with shareholder mandates, giving due consideration to the aims of securing and maintaining competent personnel and

providing incentives for the improvement of business performance. We routinely verify that the system and levels are appropriate or whether they need reviewing in light of changes in the operating environment or objective external data.

Officer Remuneration System

A. Base remuneration	A predetermined fixed amount corresponding to each officer is paid at the set time each month. Standing Directors: No more than ¥450 million per year Outside Directors: No more than ¥100 million per year Standing and Outside Audit & Supervisory Board Members: No more than ¥120 million per year
B. Performance-linked remuneration	(Only Standing Directors are eligible for performance-linked remuneration.)
a. Annual bonus	The amount paid is determined based on the consolidated ratio of operating profit to net sales for the previous fiscal year, which is set as an important target in the Medium-Term Management Plan as well as by comprehensively considering consolidated performance (net sales, operating profit, profit, dividend amount, etc.). The bonus is paid at the set time each year only when a dividend from surplus is paid to shareholders, and to more clearly link the total amount paid with the consolidated performance each fiscal year, the total amount is set at no more than 1.0% of the consolidated profit for the business year preceding the payment date.
b. Share-based remuneration	To more clearly link remuneration with the value of the Company's shares, the amount paid is determined based on the consolidated ratio of profit to net sales for the previous fiscal year as well as by comprehensively considering consolidated performance (net sales, operating profit, profit, dividend amount, etc.). In addition, the Company's shares corresponding to the above payment amount are granted at the set time each year only when a dividend from surplus is paid to shareholders, and the total number of shares granted per business year is capped at 42,000.

Remuneration by Officer Classification

Classification	Total remuneration, etc. (Millions of yen)	Performance-linked remuneration				Number of applicable officers (persons)
		Base remuneration	Annual bonus	Share-based remuneration		
Total	1,180	475	706	433	273	16
Of which, Standing Directors	1,038	332	706	433	273	7
Of which, Standing Audit & Supervisory Board Members	63	63	—	—	—	2
Of which, Outside Directors and Outside Audit & Supervisory Board Members	79	79	—	—	—	7



For details such as the total amount of remuneration, etc. by classification, the total amount by remuneration type, and the number of applicable officers, please refer to "Remuneration, etc. of Officers" in the annual securities report.
https://www.fujielectric.co.jp/common-resource/ir/data/securities150_y.pdf
(Japanese only)



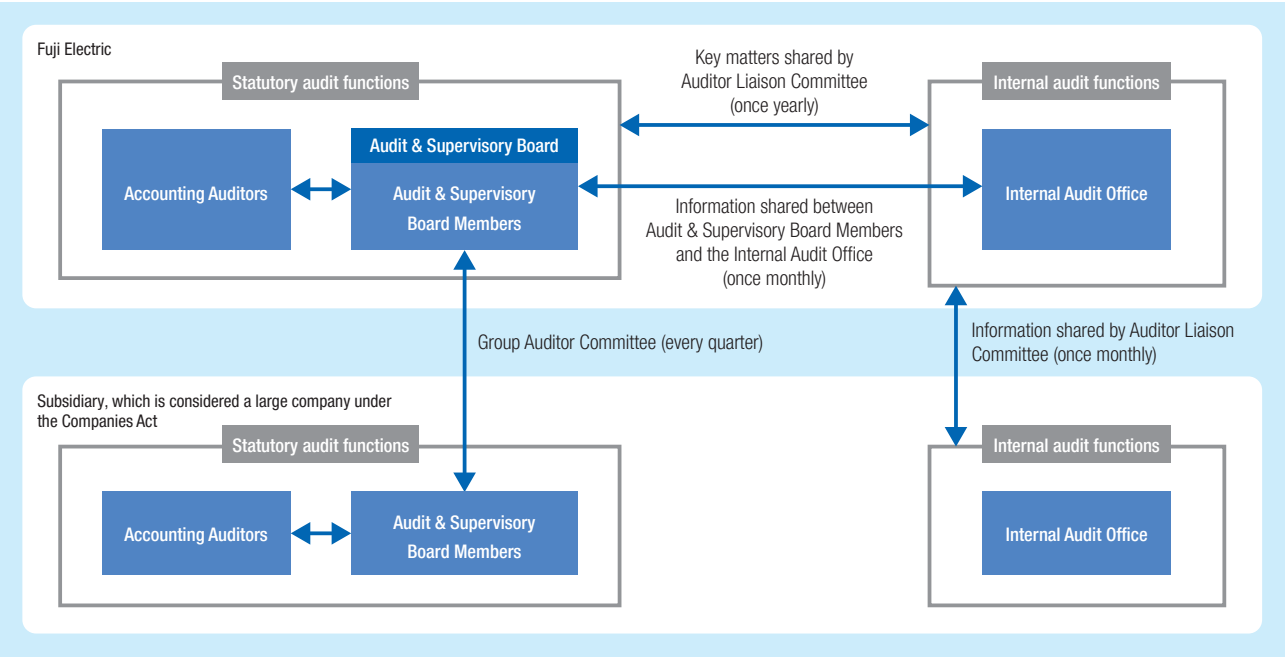
Audit & Supervisory Board Members and Internal Audits

Overall picture of strengthening collaboration between audit functions

We ensure the effectiveness of audits by strengthening cooperation between the statutory auditing function (Audit & Supervisory Board Members and Accounting Auditors) and the internal auditing function (the Internal Audit Office).

In addition, to strengthen audits across the entire Group, we collaborate with Audit & Supervisory Board Members and the Internal Audit Office of subsidiaries that are considered large companies under the Companies Act of Japan.

Framework for Strengthening Collaboration between Audit Functions



Audits by the Audit & Supervisory Board Members

Audit & Supervisory Board Members conduct audits with a focus on strengthening the compliance of overseas subsidiaries and ensuring strict compliance with quality control and safety control rules.

The Audit & Supervisory Board reviews audit policies and plans, the appropriateness of Accounting Auditors' auditing methods and results, and the assessments of Accounting Auditors. In addition, important matters are reported from the Standing Audit & Supervisory Board Member to the Outside Audit & Supervisory Board Members, and active communication takes place.

(For main audit implementation items, please refer to P60 "Supervisory and Auditing Bodies" – "Audit & Supervisory Board.")



Meeting with the President and COO

Internal audits

As a general rule, every second year the internal auditing divisions as bodies directly under the President and COO perform the following audits on Fuji Electric's business divisions and subsidiaries so as to comprehensively cover the entire organization in accordance with the Internal Auditing Rules.

Regarding issues pointed out, we confirm the state of progress every quarter and implement follow-up audits as required.

In fiscal 2025, we conducted on-site audits at 46 bases, or about 50% of the audit bases.

Type of Audit	Main Tasks
Organizational management	Evaluating the appropriateness of management and administration (development of regulations, approval procedures, performance management, etc.)
Risk management	Evaluating the effectiveness of risk management systems and risk response
Compliance	Checking for compliance with laws and regulations based on the Fuji Electric Compliance Program and confirming legal compliance
Business execution	Evaluating the appropriateness, efficiency, and effectiveness of business execution (booking of sales and purchases, investments, cash flow, etc.)
Accounting	Evaluating the appropriateness of cost accounting and the soundness of assets and liabilities

Policy on Cross-Shareholding

Fuji Electric holds listed shares as a matter of policy in order to maintain and strengthen relations with its investee companies. Our basic policy is to reduce cross-shareholdings. Even in cases where we recognize a certain rationality in holding these cross-shareholdings, we will reduce them while paying attention to the impact on management and business.

Based on the above policy, we have reduced the number of different listed stocks we held from 102 as of the end of fiscal 2018 to 6 as of the end of fiscal 2024. As of the end of fiscal 2025, the number increased by 2 from the previous fiscal year to 8. This was due to the reclassification of shares as listed stocks following the new listing of unlisted stocks we held and the sale of some shares in affiliate companies that we held. In fiscal 2025, we also reduced the number of shares we held in some of these stocks.

The Board of Directors periodically evaluates the rationality of shareholding in light of whether it is necessary to maintain and strengthen relations with the investee companies and of the comparison of capital cost and return. The details of the review are disclosed.

The voting rights that come with cross-shareholding are exercised after considering all relevant factors, including whether

the proposed action will help the issuing company to establish an appropriate corporate governance framework and to increase its medium- to long-term corporate value, and what impact the action will have on Fuji Electric. We also have dialogue regarding the details of the proposal, among others, with the issuing company as necessary.

The total amount of cross-shareholdings (including shares deemed to be held by the Company) at the end of fiscal 2025 was 99.6 billion yen (11.8% of consolidated net assets).



Dialogue with Shareholders and Investors

Basic policies

We disclose information in accordance with various laws and regulations. Even if we are not required to do so by law, we also strive to disclose corporate information thought to have a significant impact on investment decisions in a timely, fair, and

equitable manner, so that we might earn the trust of our shareholders and investors and ensure they have a proper understanding of the Company.

Major initiatives in fiscal 2025

We handled more media coverage online, disclosed more detailed information than ever before at the IR briefings, and published more detailed IR information on our website in order to

ensure that our shareholders and investors have a clearer understanding of our business environment, business strategy, and environmental, social and governance (ESG) initiatives.

	Financial Results Announcements & Events	Publications
April to June	- Full-year financial results briefings - Management plan presentations - Business Strategy Meeting - Ordinary General Meeting of Shareholders	- Reports for the shareholders - Annual Securities Report
July to September	First quarter financial results presentation	- Reports for the shareholders - Fuji Electric Report
October to December	- Second quarter financial results presentation - Factory tour programs for shareholders (Tokyo Factory, Suzuka Factory)	- Semi-Annual Report - Reports for the shareholders
January to March	Third quarter financial results presentation	Reports for the shareholders

Dialogue with analysts and institutional investors

We actively engage in dialogue with analysts and institutional investors, and we share their main opinions and requests with the Company’s officers each month and with the Board of Directors and the Executive Committee semiannually for discussion as management issues. The Board of Directors, including Outside

Directors and Audit & Supervisory Board Members, has been generally positive in its assessment that the status of dialogue and activities with shareholders and investors is reported regularly and that information is shared in a timely manner.

Dialogue Results for Fiscal 2025

Small meetings:	1 time (President and COO: February)
Overseas roadshows:	1 time (Director in charge of PR and IR: October)
Dialogue through individual interviews:	1,015 (80 with analysts, 414 with Japanese institutional investors, 513 with overseas institutional investors, 8 with ESG investors)

Major Comments and Requests from Analysts and Institutional Investors and Examples of Our Responses in Fiscal 2025

	Major Comments and Requests from Analysts and Investors	Examples of Our Responses
Management and Business	- Improvement of capital efficiency as net cash accumulates and disclosure of cash flow allocation - Proactive shareholder returns, such as share buybacks and dividend increases - Long-term growth investments leading to profit growth and business expansion - Continuation of management that leverages strengths such as synergies between businesses and collective strengths that contribute to a conglomerate premium - Disclosure of the scope and scale of businesses targeting data centers, a growth market - Disclosure of the medium- to long-term positioning of and approach to Fuji Electric’s semiconductor business in light of semiconductor industry restructuring	- Communication of policies and approaches on initiatives to realize management that is conscious of the cost of capital and share price and to improve ROE - Disclosure of the basic approach to and track record of cash flow allocation, including growth investments and shareholder returns - Disclosure of examples of leveraging collective strengths across business divisions (data center solutions, synergies between power electronics and power semiconductors)
Environment, Human Resources, and Governance	- Status of the transition to environmentally friendly products that comply with ecological design regulations - Results of the annual employee awareness survey, related issues, and improvement measures - Continued reduction of cross-shareholdings	- Enhanced environmental information disclosure (disclosure of efforts to reduce environmental impacts throughout the supply chain and the status of the transition to environmentally friendly products, publication of an integrated TCFD/TNFD report) - Enhanced human capital information disclosure (disclosure of annual employee awareness survey results and revisions to personnel and human resource benefit systems and their objectives) - Continued disclosure of progress in reducing cross-shareholdings

Awards for Our IR Site

In recognition of the ease of use and abundance of the information on the Fuji Electric IR site, among other factors, the site has won the gold prize in the Gomez IR Site Overall Rankings 2025 (for the sixth consecutive year) and the Internet IR Commendation Award 2025 (for the seventh consecutive year).



Compliance

Basic Policies

The Fuji Electric Code of Conduct states that Fuji Electric must “make global compliance a top priority.” In addition, we have defined the Fuji Electric Compliance Regulations, a guideline for compliance, under the supervision of the Board of Directors. We

Promotion System

The Fuji Electric Compliance Promotion Committee is headed by our President and COO as its Chairman, and it consists of control chiefs (managers of businesses and corporate department heads) responsible for applicable laws and acts, with Standing Audit & Supervisory Board Members and outside experts (attorneys) as observers. The Committee meets twice per year to deliberate on the implementation status of the Fuji Electric Compliance Program and the Fuji Electric Business Ethics Whistle-Blowing Systems as well as the plan for implementing the Fuji Electric Compliance Program and then reports to the Board of Directors. In the event of a compliance infraction, there is a system in place to take any necessary measures such as fact-finding investigations, corrective actions, recurrence prevention measures, internal punishments, and internal and external disclosure.

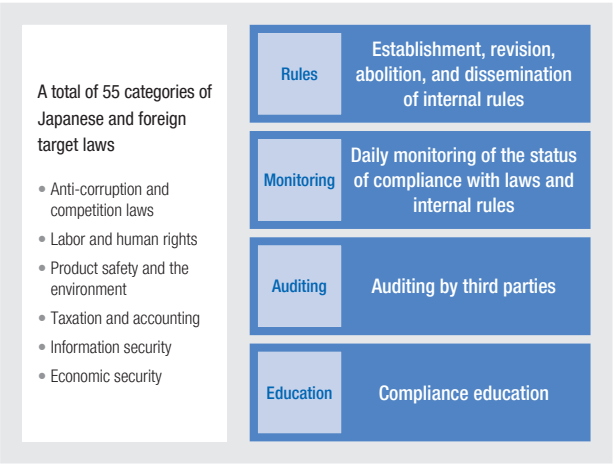
Status of Promotion

Fuji Electric Compliance Program

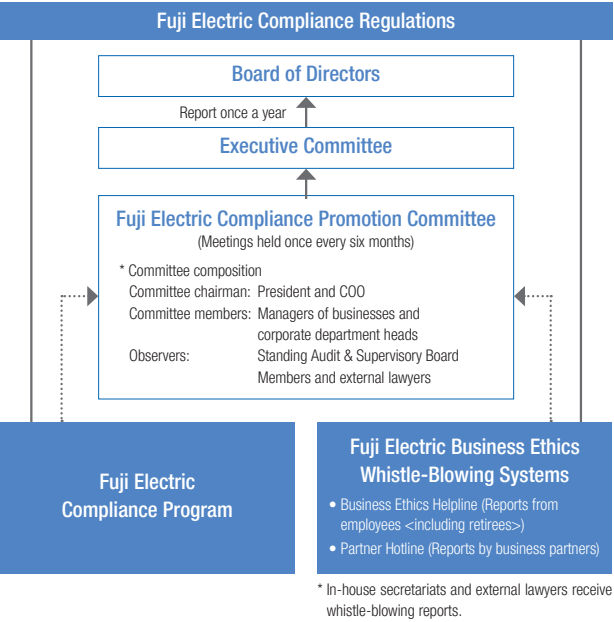
Fuji Electric has established the Fuji Electric Compliance Program for the Company and its Group companies in Japan and overseas, covering four aspects (rules, monitoring, auditing, and education) to be implemented for each of the 55 categories of the Japanese and overseas laws that are applicable to their business activities.

We review the Program in light of the latest developments in the enactment and revision of laws and regulations, thereby strengthening the organizational foundation for compliance activities across the Group.

Fuji Electric Compliance Program



also globally promote compliance through the Fuji Electric Compliance Program and the Fuji Electric Business Ethics Whistle-Blowing Systems.



Compliance education

We provide general training on topics such as the importance of compliance, starting when employees join the Company, and repeat this training when they are appointed as managers or executives. We also systematically provide training to applicable executives and employees for each of the 55 categories of Japanese and overseas laws specified in the Fuji Electric Compliance Program.

In fiscal 2025, we focused on credit management training for overseas subsidiaries and compliance training in connection with the enforcement of the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment We also continue to provide annual training in each category of laws and regulations, including product safety, environmental protection, human rights protection, intellectual property rights, export management, information security, and personal information protection.

Fiscal 2025 Compliance Education Results

Training category	Participants		Details
General training	Newly appointed Directors and Audit & Supervisory Board Members of affiliated companies in Japan and overseas	34	Obligation to build Fuji Electric Compliance Program
	New employees and Newly appointed managers	513	Importance of compliance Fuji Electric's compliance system
Law-specific training [examples]	Compliance training on the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment	18,937	Key amendments and practical considerations
	Finance training	7,232	Credit management for overseas subsidiaries, etc.

Fuji Electric Group Compliance Awareness Survey

To implement more effective compliance measures, in fiscal 2025, we conducted our first compliance awareness survey of more than 20,000 employees at 73 Group companies in Japan and overseas, commissioning an external specialist research firm

Fuji Electric Business Ethics Whistle-Blowing Systems

For the purpose of preventing and detecting violations at an early stage, Fuji Electric has introduced and is operating the Fuji Electric Business Ethics Whistle-Blowing Systems, whereby relevant persons inside and outside the Company can report violations of laws and regulations or internal rules in the course of business operations, or facts of that may lead to such violations, to the President and COO of Fuji Electric via whistle-blowing contact points (in-house contact points and external lawyers). (Anonymous reporting is also possible.)

In fiscal 2025, we expanded the system, including establishing a whistle-blowing contact point in China, and distributed cards listing contact information for such contact points to more than 20,000 employees at major companies in Japan to raise awareness. As a result, the number of reports reached a record high of 55. Of these, five involved violations (three cases of harassment, one labor issue, and one accounting issue). In all cases, necessary measures, such as corrective actions and recurrence prevention, were taken.

Regarding our response to the reports, we work meticulously to protect whistle-blowers by keeping their personal information confidential and prohibiting disadvantageous treatment and

to run the survey. Based on the survey results and analysis compiled by the research firm, we will implement measures tailored to each company and work to further strengthen compliance across the Group going forward.

retaliatory or discriminatory acts on the grounds of whistle-blowing. In addition, we take all necessary steps to resolve issues raised by whistle-blowers, including fact-finding investigations, corrective actions, recurrence prevention measures, and disciplinary actions. We also provide the details of our response to the whistleblowers themselves as feedback. (We also strive to indirectly provide feedback through the above measures in the case of anonymous whistle-blowing.)

Business Ethics Helpline

The Business Ethics Helpline handles reports from our executives and employees in Japan and overseas (including retirees and dispatch employees).

Partner Hotline

The Partner Hotline handles reports from external stakeholders. (Whistle-blowing contact points and related information are posted on the following page of our website.)



Partner Hotline
<https://www.fujielectric.com/about/procurement/partnerhotline.html>



Results of Promotion

Under the Fuji Electric Compliance Program and the Business Ethics Whistle-Blowing Systems, in fiscal 2025, no compliance

Bribery prevention

With the article “Make global compliance a top priority” stated in the Code of Conduct, we have declared our commitment to bribery and corruption prevention, and we have disclosed the Fuji Electric Anti-Bribery Policy as part of the Fuji Electric Code of Conduct. This policy declares that we endeavor to prevent bribery throughout the supply chain, such as by ensuring that no Fuji Electric employee (including dispatch employees) ever engages in bribery or any act that could arouse the suspicion of bribery.

We have also established the Fuji Electric Anti-Bribery Guidelines as a set of rules for Fuji Electric employees (including dispatch employees) to help them prevent bribery during their daily business, and we endeavor to prevent bribery through the execution of the Fuji Electric Compliance Program. Fuji Electric will subject all employees involved in bribery to strict disciplinary actions based on our work rules.

In fiscal 2025, there were no violations of laws and regulations related to bribery and no incidents of executives or employees being subject to disciplinary actions due to such violations, and no fines, surcharges, or settlements arising from such violations were incurred.



Fuji Electric Anti-Bribery Policy
<https://www.fujielectric.com/company/box/doc/Anti-Bribery%20Policy.pdf>



infractions with the potential to seriously impact the management of Fuji Electric were identified.

Prevention of competition law infractions

In an effort to prevent the violation of competition laws, we have established and appropriately revise daily business rules, including our Antimonopoly Act Compliance Manual and Foreign Competition Law Compliance Manual. We also perform daily monitoring by confirming quotations and estimates via a comprehensive bidding information management system and extensive record-keeping. In addition, our internal auditing divisions perform audits in accordance with auditing guidelines, and we conduct extensive level-specific and job-specific training. Any employee who is involved in the violation of competition laws will be subject to strict disciplinary actions based on our work rules.

In July 2026, we underwent an on-site inspection by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act. We will fully cooperate with the Japan Fair Trade Commission’s investigation and work to ascertain the facts through an internal investigation.

Risk Management

Basic Policies

Based on the Fuji Electric Risk Management Rules, the Company manages risks in a coordinated, systematic manner. We practice appropriate management and counter various risks that could

Risk Management System

The Company’s business divisions and affiliated companies are responsible for managing risks related to their business activities as a part of their business duties, developing appropriate risk management systems, and implementing risk countermeasures. However, amid an increasingly complex operating environment shaped by climate change, large-scale disasters affecting broad areas, geopolitical risks, and responses to economic security concerns, we will strengthen risk management for common risks across the Company.

Significant risks, such as those related to business plans and large-scale investments, are reported at the Executive Committee as appropriate to facilitate the sharing of information. We also have manuals in place to ensure that risks are steadily managed. We provide training in handling each type of risk and inform the whole Company about our efforts to manage risks through company magazines and other appropriate means.

The internal auditing divisions conduct regular audits to check whether each business division and affiliated company identifies and evaluates risks based on the Fuji Electric Risk Management Rules, defines countermeasure policies, and properly builds and operates management systems. In fiscal 2025, we conducted internal audits at 46 bases.

In fiscal 2026, we will establish a new Risk Management Office within the Corporate Management Planning Headquarters, which oversees risk management across the Company. As part of the internal control system, the Office will systematically identify and evaluate risks that could have a significant impact on management, including company-wide BCP*, security, and economic security, and will work to collect information in cooperation with relevant parties, establish systems, and deploy countermeasures.

*Business Continuity Plan

Emergency Response

If an emergency arises due to a large-scale disaster, accident or any other serious cause, we need to act to prevent the situation from becoming any worse and resolve the situation as soon as

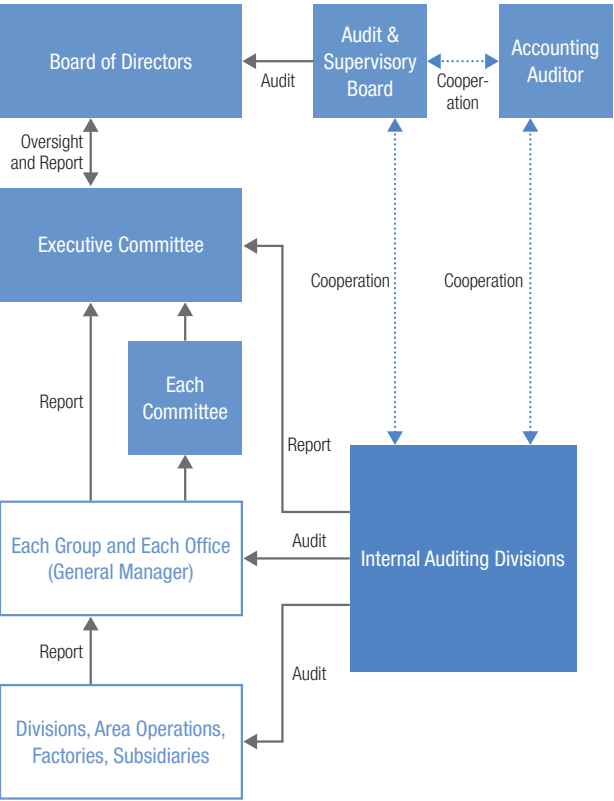
Risk Management Process

When annual budgets are formulated, the Company’s business divisions and affiliated companies gain an understanding of and evaluate risks related to their business activities.

They consider policies and countermeasures in response to each risk (aversion, mitigation, relocation, retention, etc.) based on the impact on management and the frequency of occurrence, and implement these policies and countermeasures by appointing a person in charge of execution in each division or other unit.

We conduct an interim follow-up after the end of the second quarter, followed by an annual evaluation of risk countermeasures and the formulation of countermeasures for the next fiscal year.

affect Fuji Electric’s management in order to prevent risks from materializing (crisis situations), thereby minimizing the impact on management in the event that risks do materialize.

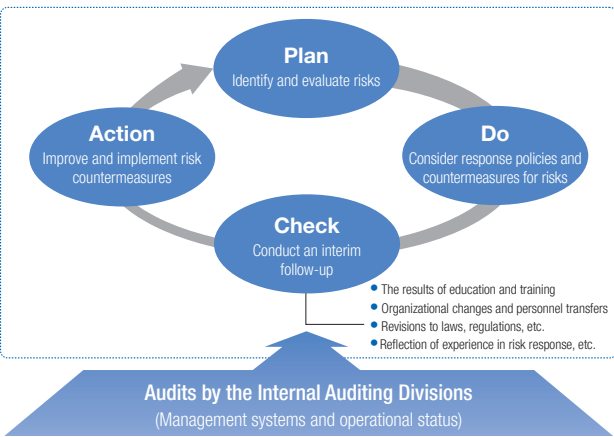


For the list of major risks, please refer to our website.
https://www.fujielectric.com/csr/governance/risk_management/risk/governance_risk_factors.html



possible. Hence, we have guidelines in place on preparations for possible emergencies, an emergency contact network, and setting up an emergency task force.

Annual Risk Management Process



Responding to Natural Disasters and Accidents (BCP Efforts)

In order to resume and continue the important businesses within the required time, even when unforeseen situations such as large-scale disasters and accidents occur, we have formulated business continuity plans (BCPs) and are making efforts company-wide for continuous improvement, based on the Fuji Electric Business Continuity Management (BCM) Rules.

In addition to formulating BCPs at the head office, factories, and area operations, which serve as contact points with customers, we have comprehensively formulated BCPs for functions that are essential for business continuity, such as measures for early recovery and minimizing damage to IT systems, response to natural disaster risks in the procurement field, and multi-sourcing. Furthermore, we implement education and training based on the formulated BCPs and regularly evaluate the effectiveness of the BCPs and their management system once every six months at the “Company-wide BCM Promotion Meeting.” For BCPs formulated at factories and area operations, the Crisis Management Secretariat checks, assesses, and verifies whether the assumed scale of disasters and damage reflects the latest risks, as well as the appropriateness of target recovery times and strategies for business continuity. Through these efforts, we work to improve BCPs and strengthen our business continuity capabilities.

Furthermore, to ensure reliable execution of emergency response and business continuity measures, we hold “Business Continuity Seminars” for business manager-level employees and “Disaster Response Headquarters Drills” at each base on an ongoing basis. Four times a year, we also conduct drills that simulate a situation in which the head office’s disaster response headquarters is non-functional due to a large-scale earthquake.

In recognition of these proactive business continuity initiatives, we have obtained and renewed the “Resilience Certification” as an organization that contributes to national resilience.

Strengthening Security Measures

To address the threat of cyberattacks, we are continuously strengthening cybersecurity and governance, including information management and operational structures.

Efforts to Maintain and Strengthen Information Security

To properly manage as confidential information all asset value such as management, commercial and technical information and personal information held by Fuji Electric, the Company has redeveloped and rolled out policies and regulations related to information security based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

Furthermore, we have also established management systems at Fuji Electric as well as Group companies in Japan and overseas, and we provide regular training to all of our employees, manage access to operating sites and offices, implement Internet device and computer security measures, and conduct annual inspections regarding the status of efforts taken by each workplace.

In addition, to respond to increasingly diversified and sophisticated cyber-security threats, we endeavor to strengthen our computer security incident response team and security operation center (CSIRT/SOC), our monitoring of signs and

information related to new cyberattacks, and our information-system defense and attack monitoring functions.

At our bases as well, we strive to improve our information security countermeasures based on the requirements of our business partners, related industry organization guidelines, market trends, and other factors, and in businesses for which public certification of information security management is required, two departments and two subsidiaries of Fuji Electric Co., Ltd. have acquired information security management system (ISMS) certification. Furthermore, concerning personal information protection, Fuji Electric Co., Ltd. and two of its subsidiaries have acquired the Privacy Mark certification.

Strengthening Product and Factory Security

Product security must be strengthened to comply with laws and regulations such as the EU Cyber Resilience Act (CRA). With digitalization, products and systems such as drive control systems, control equipment, and monitoring and control systems are increasingly connected to networks. Technologies (embedded security) and support that maintain a secure state throughout the entire product life cycle (design, development, shipment, operation, etc.) are becoming increasingly important.

To improve the quality and ensure a stable supply of our products and services, we have been promoting certification under the international standard for control system security, IEC*1 62443-4-1, since fiscal 2023. In April 2026, in addition to the five bases that had already obtained certification (the Tokyo Factory, Suzuka Factory, Kobe Factory, Hakko Electronics Co., Ltd., and Fuji Electric FA Components & Systems Co., Ltd.), the Tsukuba Factory also obtained certification. The Tokyo Factory also had its certification renewed in recognition of its continued operation of the “secure product development process.”

In fiscal 2026, we will establish a new Security Committee and launch organizations with functions for new product security incident response (PSIRT*2) and factory security incident response (FSIRT*3), in addition to the existing function for information security incident response (CSIRT*4). These organizations will coordinate their activities across organizational boundaries to appropriately address diverse cyber threats and minimize risks. Through these initiatives, we are working to improve the quality and ensure the stable supply of products and services delivered to customers.

*1 IEC: International Electrotechnical Commission
*2 PSIRT: Product Security Incident Response Team
*3 FSIRT: Factory Security Incident Response Team
*4 CSIRT: Computer Security Incident Response Team

Initiatives to Strengthen Project Management

We are committed to reducing the risks of incurring losses by strengthening project management in order to further enhance our corporate value through profit-oriented management.

To facilitate early identification of loss risks and predictive maintenance, we analyze the causes of major losses that have occurred and share them with relevant divisions within the company. We also implement measures to prevent recurrence and monitor such implementation.

In particular, we will continue efforts to enhance training at our overseas bases, leading to further strengthening of project management and an even greater reduction in the risk of losses.

Consolidated Financial and Non-Financial Highlights

Financial Highlights										Thousands of U.S. dollars*1
										Millions of yen
Fiscal year	2017	2018	2019	2020	2021*9	2022	2023	2024*10	2025	2025
Operating Results										
Net sales	893,451	914,915	900,604	875,927	910,226	1,009,447	1,103,214	1,123,407	1,227,595	7,720,726
Japan	674,744	682,503	679,719	654,020	655,821	717,390	770,790	797,923	882,823	5,552,352
Overseas	218,707	232,412	220,885	221,907	254,405	292,057	332,424	325,484	344,772	2,168,374
Operating profit	55,962	59,972	42,515	48,595	74,835	88,882	106,066	117,646	136,620	859,247
Profit Attributable to Owners of Parent	37,763	40,267	28,793	41,926	58,660	61,348	75,353	92,239	98,030	616,543
R&D and Capital Investment										
R&D expenditures	35,620	33,669	34,457	33,562	33,756	36,216	36,059	37,822	38,907	244,698
Plant and equipment investment*2	26,465	43,338	48,208	35,890	59,320	84,147	68,311	85,185	56,711	356,678
Depreciation and amortization*3	30,151	30,906	32,319	36,194	39,969	45,938	51,875	57,341	61,778	388,541
Cash Flows										
Cash flows from operating activities	53,146	54,949	46,087	26,931	76,809	116,163	84,858	144,920	123,562	777,120
Cash flows from investing activities	(14,550)	(21,448)	(27,621)	23,477	(22,350)	(49,498)	(62,418)	(63,384)	(72,608)	(456,654)
Free cash flow	38,596	33,501	18,466	50,408	54,458	66,665	22,439	81,536	50,954	320,466
Cash flows from financing activities	(46,887)	(38,172)	16,918	(39,518)	(42,894)	(77,192)	(45,868)	(86,246)	(48,173)	(302,982)
Financial Position										
Total assets*4	914,744	952,659	996,827	1,051,952	1,117,112	1,181,552	1,271,174	1,312,175	1,406,669	8,846,977
Total net assets	366,546	392,061	406,002	461,254	523,729	572,068	661,472	730,658	842,936	5,301,490
Equity	330,636	352,922	365,620	416,997	472,900	517,092	602,516	691,767	800,161	5,032,462
Net interest-bearing debt	130,177	124,850	153,617	140,872	117,041	99,107	97,362	42,201	19,210	120,818
Interest-bearing debt	163,507	153,985	217,364	216,205	208,391	183,273	162,906	104,876	89,083	560,274
Financial Indicators										
Ratio of operating profit to net sales (%)	6.3	6.6	4.7	5.5	8.2	8.8	9.6	10.5	11.1	—
Ratio of overseas sales to net sales (%)	24.5	25.4	24.5	25.3	27.9	28.9	30.1	29.0	28.1	—
ROIC (Return on Invested Capital) (%)	—	—	—	—	—	10.2	11.5	12.9	12.6	—
ROE (Return on equity) (%)	12.1	11.8	8.0	10.7	13.2	12.4	13.5	14.3	13.1	—
ROA (Return on assets) (%)*4	4.2	4.3	3.0	4.1	5.4	5.3	6.1	7.1	7.2	—
Equity ratio (%)*4	36.1	37.0	36.7	39.6	42.3	43.8	47.4	52.7	56.9	—
Net debt-equity ratio (times)*5	0.4	0.4	0.4	0.3	0.2	0.2	0.2	0.1	0.0	—
Debt-equity ratio (times)*6	0.5	0.4	0.6	0.5	0.4	0.4	0.3	0.2	0.1	—
Per Share Data*7										Yen
Profit	264.34	281.89	201.57	293.52	410.68	429.50	527.57	642.69	665.18	4,183
Net assets	2,314.50	2,470.65	2,559.60	2,919.34	3,310.80	3,620.23	4,218.41	4,695.56	5,428.63	34,142
Cash dividends	70.00	80.00	80.00	85.00	100.00	115.00	135.00	160.00	200.00	1,257
Dividend payout ratio (%)	26.5	28.4	39.7	29.0	24.3	26.8	25.6	24.9	30.1	—

Non-Financial Highlights

Fiscal year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025
Employees	27,009	27,416	27,960	27,593	26,757	27,123	27,325	27,391	26,955	—
Japan	17,704	17,647	17,681	17,647	17,493	17,392	17,340	17,368	17,347	—
Overseas	9,305	9,769	10,279	9,946	9,264	9,731	9,985	10,023	9,608	—
Greenhouse gas emissions throughout the supply chain (10,000 t-CO ₂)	—	—	12,473	5,688	17,994	17,690	5,841	5,612	5,472	—
Greenhouse gas emissions through production (10,000 t-CO ₂)	48.4	52.1	45.1	43.7	36.4	33.4	33.8	33.1	27.1	—
Contribution to CO ₂ reduction in a society through our products (10,000 t-CO ₂)*8	2,579	3,162	3,651	4,127	4,544	4,979	5,622	5,769	5,888	—

*1 The U.S. dollar amounts represent the arithmetic results of translating yen into dollars at ¥159 = U.S. \$1, the approximate exchange rate at March 31, 2026.

*2 Plant and equipment investment is the total of investment in tangible fixed assets, including acquisition amounts for lease contracts.

*3 Depreciation and amortization expense is the total of the depreciation of tangible fixed assets and amortization of intangible assets.

*4 Effective April 1, 2018, the Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, revised on February 16, 2018). As such, financial indicators in consolidated accounting period as of March 31, 2018 have been adjusted to retroactively apply said accounting standards.

*5 Net debt-equity ratio is the ratio of net interest-bearing debt (interest-bearing debt + lease obligations – cash and cash equivalents) to equity.

*6 Debt-equity ratio is the ratio of interest-bearing debt to equity.

*7 Effective October 1, 2018, the Company conducted a 1-for-5 common stock consolidation. Amounts for profit per share and net assets per share have been calculated assuming that the stock consolidation took place on April 1, 2013. The amount of dividend ¥48 per share for the year ended March 31, 2019 is total of the interim dividend of ¥8 per share and the year-end dividend of ¥40 per share. Since the Company conducted a 1-for-5 common stock consolidation effective October 1, 2018, the interim dividend of ¥8 does not reflect stock consolidation effect and the annual dividend of ¥40 reflects stock consolidation effect. If the stock consolidation effect is also considered to the interim dividend per share, the interim dividend of ¥8 per share without the effect is equivalent to ¥40 per share with the stock consolidation effect. Accordingly, the annual dividend for fiscal 2018 amounted to ¥80 per share, including adjusted interim dividend of ¥40 per share and year-end dividend ¥40 per share.

*8 Reductions in CO₂ emissions through products refer to CO₂ emission reductions from products shipped in and after fiscal 2009 that were in operation for a year. Calculated based on the Ministry of Economy, Trade and Industry's Guideline for Quantifying Greenhouse Gas Emission Reduction Contribution.

*9 From the beginning of the fiscal year ended March 31, 2022, the company applied the "Accounting Standard for Revenue Recognition" (Accounting Standard Board of Japan ("ASBJ") statement No. 29 issued on March 31, 2020), etc. The figures for the fiscal year ended March 31, 2022 and onwards in the "Consolidated Financial Highlights" reflect the application of the accounting standards.

*10 The Company applies "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc. from the beginning of the fiscal year ended March 31, 2025. As such, financial indicators in consolidated accounting period as of March 31, 2024 have been adjusted to retroactively apply said accounting standards. In addition, "Revised Accounting Standard of 2022" is applied the transitional treatment prescribed in the proviso of paragraph 20-3 of Accounting Standard for Current Income Taxes and the proviso of paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No.28, October 28, 2022).As a result, the figures for the fiscal year ended March 31, 2025 and onwards in the "Consolidated Financial Highlights" reflect the application of the accounting standards.



Detailed financial information is available on our website.
https://www.fujielectric.com/ir/library/financial_results/index.html



Corporate Data

Company Information (As of March 31, 2026)

Company Name	FUJI ELECTRIC CO., LTD.
Established	August 29, 1923
Consolidated Subsidiary	68 (Japan 19, Overseas 49)
Equity Method Affiliate	4
Head Office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi, Kanagawa 210-9530, Japan
Head Office Business Address	Gate City Ohsaki, East Tower, 11-2, Osaki 1-chome, Shinagawa-ku, Tokyo 141-0032, Japan
Capital Stock	¥47.6 billion
Employees (Consolidated)	26,955 (Japan 17,347, Overseas 9,608)
Net Sales (Consolidated)	¥1,227.6 billion (Year ended March 31, 2026)
Stock Code	6504

Stock Information (As of March 31, 2026)

Issued and Outstanding Shares	149,296,991
Number of Shareholders	43,989

Major Shareholders

Shareholders' name	Number of shares (1,000s)	Voting rights (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,044	19.00
Custody Bank of Japan, Ltd. (Trust Account)	16,426	11.13
National Mutual Insurance Federation of Agricultural Cooperatives	5,099	3.45
Asahi Mutual Life Insurance Company	3,983	2.70
FANUC CORPORATION	2,684	1.82
STATE STREET BANK AND TRUST COMPANY 505001	2,348	1.59
CACEIS BANK, LUXEMBOURG BRANCH / UCITS CLIENTS ASSETS	2,097	1.42
JP MORGAN CHASE BANK 385781	2,018	1.37
STATE STREET BANK AND TRUST COMPANY 505025	2,013	1.36
STATE STREET BANK AND TRUST COMPANY 505019	1,935	1.31

Note: The voting rights are calculated by deducting the number of treasury stock from the total number of shares outstanding based on the provisions of the Ordinance for Enforcement of the Companies Act.

Share Distribution by Shareholder Type

Type	Number of shareholders	Number of shares	Holding (%)
Financial institutions / Securities firms	134	64,485,197	43.19
Other corporations in Japan	560	5,704,772	3.82
Foreign corporations	1,021	63,545,461	42.56
Individuals and others	42,274	15,561,561	10.43
Total	43,989	149,296,991	100.00

Note: "Individuals and others" includes treasury stock.

Social Contribution Activities

To further deepen our relationship of trust with society, we engage in social contribution activities at operating sites around the world, leveraging the people and technology that we have cultivated through our business activities, with the promotion of youth development and natural environment conservation as priority themes.

Promotion of Youth Development

In Japan, leveraging the knowledge and technologies we have cultivated over many years as an electrical equipment manufacturer, we hold science classes at elementary schools near our factories, with employees serving as instructors, to provide children with opportunities to experience the excitement of science and technology and the appeal of manufacturing. We also provide work experience and factory tours for elementary and junior high school students and corporate training for teachers.

Overseas, in regions such as Southeast Asia and India where we conduct business activities, we provide technical support to science and engineering universities, such as by establishing courses on manufacturing and product technology and by donating experimental equipment (our products).



Introducing semiconductor technology to children (Fuji Electric (Malaysia) Sdn. Bhd.)

Natural Environment Conservation

We carry out a wide range of activities around the world, particularly in communities where we have operating sites, to contribute to natural environment conservation from the perspectives of preventing global warming and conserving biodiversity.

We conduct forest conservation activities that restore and preserve the functions of forests, including preventing sediment disasters, mitigating floods, and absorbing carbon dioxide, through tree planting, forest thinning, and selective clearing. We also undertake biodiversity conservation activities to protect the global ecosystem, such as reclaiming abandoned farmland to reduce damage caused by wildlife and planting mangroves to preserve their function as habitats for marine life.



Forest cultivation activities (Fuji Electric Meter Co., Ltd.)

TOPICS

Teaching How Electricity Generation Works in Science Classes

Since fiscal 2017, the Kawasaki Factory has held science classes at elementary schools every year. The lessons, designed for sixth-grade students, focus on how electricity is generated and use original teaching materials featuring turbines and generators manufactured at the Kawasaki Factory. The theme in fiscal 2025 was hydropower generation. Using plastic bottles, water guns, handmade blades, motors, and other materials, students conducted experiments to explore how to generate more electricity.

“In our own work, we also consider various conditions—such as the strength of the water and the length, number, and shape of the blades—to make products suited to the locations where power generation equipment will be installed.” At the end of the lesson, employees explain how

the experiments relate to the Company’s work. The classes are designed to make science enjoyable while sparking students’ interest in the world of work.



Science class at a nearby elementary school (Kawasaki Factory)