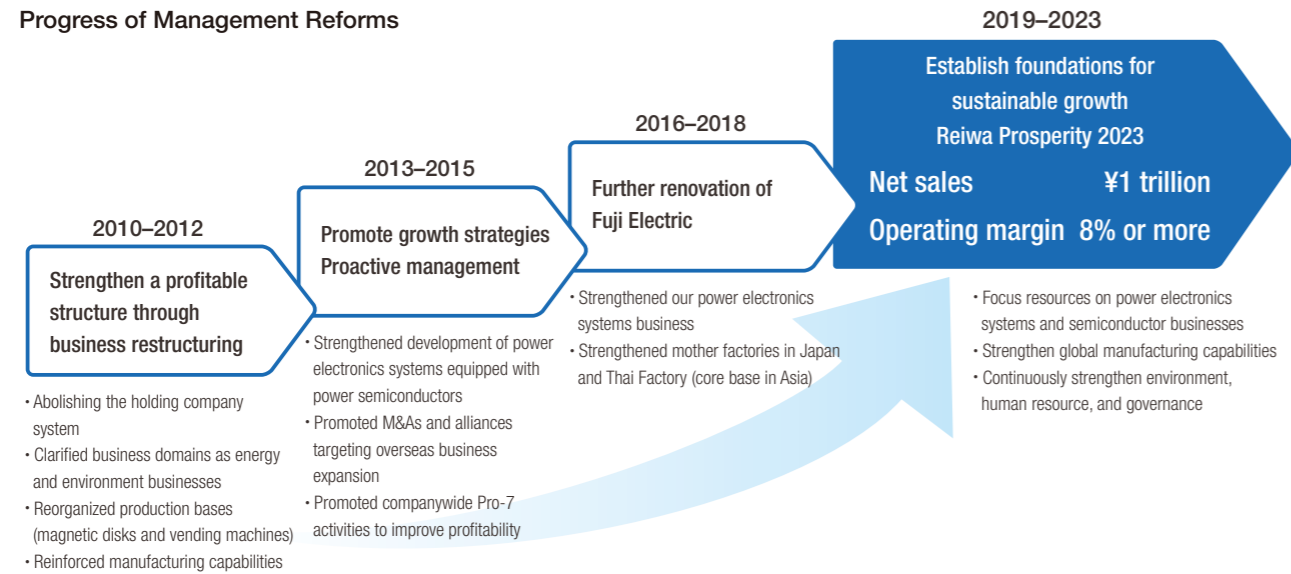


FY2023 Medium-Term Management Plan

Following global financial crisis in 2008, Fuji Electric began reinforcing its profit structure through business restructuring and has since been implementing management reforms to further expand its business and enhance its profitability.

Under our FY2023 Medium-Term Management Plan, we aim to establish a foundation for sustainable growth with net sales of ¥1 trillion and an operating margin of 8% or more, and pursuing three key initiatives: “promote growth strategies,” “further improve profitability,” and “ongoing reinforcement of operating foundation.”

Progress of Management Reforms



Further information about progress of management reforms is available at our website.
https://www.fujielectric.com/ir/box/doc/pdf/rep2021/management_reforms.pdf

Progress of Medium-Term Management Plan

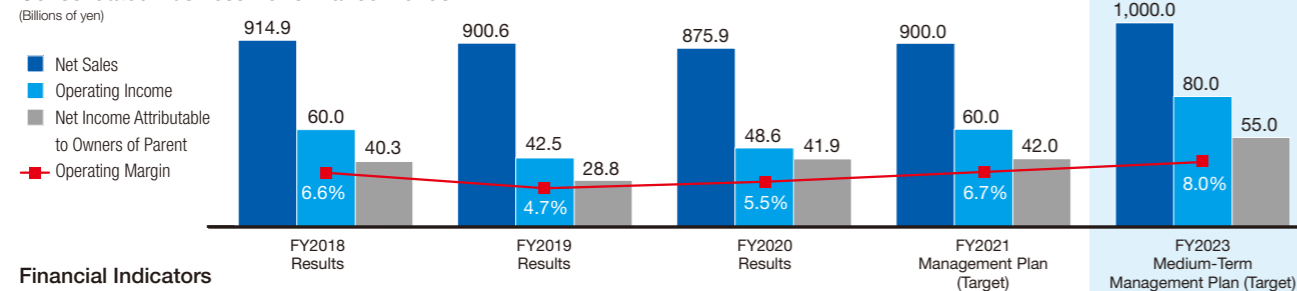
The business environment surrounding our company has remained challenging. In fiscal 2019, for example, we faced market contraction overseas, especially in China, due to the trade friction between the United States and China, and in fiscal 2020 we encountered ongoing investment restraint due to restrictions on economic activities in Japan and overseas caused by the spread of COVID-19.

We expect the global economy to gradually recover, with signs of a turnaround in capital investment in China's manufacturing sector since last year. In addition, the trend toward digitalization and greenification, evidenced by the

electrification of automobiles and spread of renewable energy, is accelerating, providing increased business opportunities for the Company, which is centered on the energy and environment businesses.

In fiscal 2021, we are targeting net sales of ¥900 billion and operating income of ¥60 billion, and we must reach these targets to achieve the plan's objectives for fiscal 2023 (net sales of ¥1 trillion and an operating margin of 8% or higher). In light of the current changes in the market environment, we will review the strategies and targets of each business segment.

Consolidated Business Performance Trends



Financial Indicators

Indicator	FY2018 Results	FY2019 Results	FY2020 Results	FY2021 Management Plan (Target)	FY2023 Medium-Term Management Plan (Target)
Net Debt-Equity Ratio	0.4 times	0.4 times	0.3 times	0.4 times	0.1 times
Equity Ratio	37%	37%	40%	42%	50%
ROA (Return on Assets)	4%	3%	4%	4%	5%
ROE (Return on Equity)	12%	8%	11%	10%	11%
Dividend Payout Ratio	28%	40%	29%	—	30%

* Net debt-equity ratio = Net interest-bearing debt ÷ Equity
 * Assumed exchange rates for fiscal 2023: ¥105 to the U.S. dollar; ¥123 to the Euro; ¥16 to the RMB

FY2023 Medium-Term Management Plan “Reiwa Prosperity 2023”

Key Issues

Establish Foundations for Sustainable Growth

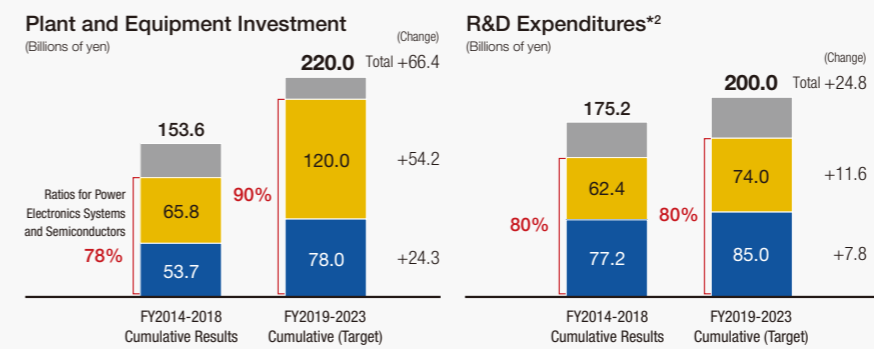
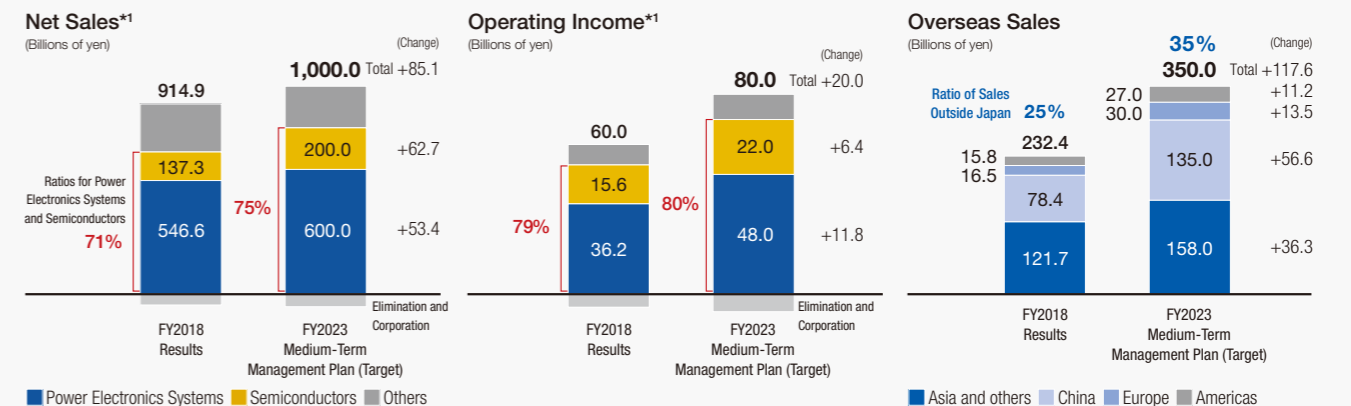
Promote growth strategies	Further improve profitability
<p>Concentrate resources on power electronics systems and power semiconductor businesses</p> <p>Expand overseas business</p> <ul style="list-style-type: none"> • Increase sales centered on Southeast Asia, India, and China • Target ratio of sales outside Japan: 35% 	<p>Augment global manufacturing capabilities</p> <ul style="list-style-type: none"> • Promote local production for local consumption • Step up development of local leaders overseas • Deploy IoT technologies to advance digital reforms of our manufacturing

Ongoing Reinforcement of Operating Foundations

- Ongoing reinforcement of our operating foundations with a focus on the environment, human resources, and governance
- Evolution of companywide Pro-7 activities

Financial Policy

- Emphasize balance between growth potential, profitability, efficiency, and financial soundness
- Further improve capital efficiency
- For shareholder returns, target dividend payout ratio of 30% based on principle of stable and continuous dividends



*1 Ratios for net sales and operating income are calculated based on 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 figures stated in the consolidated financial report.