

## Overview of Segments

# Power Electronics Systems Energy

In addition to promoting systems-related business, mainly in Southeast Asia, we will develop global products and strengthen our engineering systems to expand our comprehensive electrical equipment business.

**Masashi Kawano**

Managing Executive Officer

Corporate General Manager, Power Electronics Systems Energy Business Group



## Awareness of Market Needs and Business Opportunities

In Southeast Asia, India, and the Middle East, where steady economic growth is expected over a medium- to long-term, investments continued to be made in social and industrial infrastructure such as substation and data centers, as well as in semiconductor factories. We also benefitted from robust demand for substation equipment, switchgears and controlgears, and other equipment needed for the stable supply of electricity. The data center market is particularly strong, evidenced by an increase in construction of large-scale data centers as information systems move to the cloud and e-commerce systems progress. Meanwhile, there are calls for uninterruptible power systems (UPSs), which contribute to the stable supply of electric power, to have larger capacity and be made more compact and energy-efficient.

In Japan, we look forward to ongoing steady investments—to replace aging substation equipment, including transformers and switchgears delivered to steel, chemical, and other material plants and railway companies in the 1970s and 1980s—aimed at preventing accidents and improving efficiency of maintenance, including through remote operation.

Meanwhile, the need to save energy and reduce CO<sub>2</sub> emissions has led to increased demand for visualization and optimization of factory-wide energy usage, from the perspective of decarbonization and energy cost containment. In addition to introducing products with high power conversion efficiency, customers will have more opportunities to use energy management systems (EMSs) to achieve optimal energy supply and demand control.

## Fiscal 2020 Results and Fiscal 2021 Business Plan

In fiscal 2020, sales in this segment amounted to ¥209.2 billion, down ¥8.8 billion from the previous year. This was due to the impact of large-scale projects for industrial power supply equipment in the previous year, as well as a decline in demand of smart meters, switchgears and controlgears, ED&C components, and the like. Operating income increased ¥1.7 billion year on year, to ¥14.0 billion, thanks to our emphasis on cost reductions, which compensated for a decrease in sales volume.

In fiscal 2021, we will work to expand our overseas

business, particularly in Southeast Asia, by launching global products and strengthening our engineering support system. At the same time, we will expand our comprehensive electrical equipment business for data centers and semiconductor factories and take advantage of growing demand for ED&C components, the market for which began to recover in the second half of the previous fiscal year. For the year, we forecast sales of ¥217.0 billion, up ¥7.8 billion year on year, and operating income of ¥15.2 billion, up ¥1.2 billion.

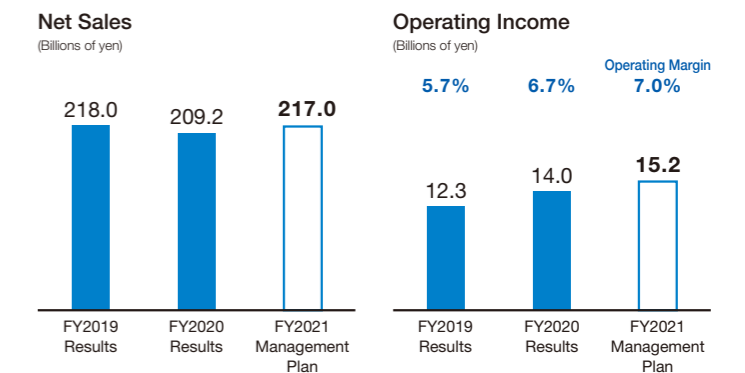
## Priority Measures

**Promoting systems-related business, mainly in Southeast Asia**

Until fiscal 2020, we sought to strengthen our plant business by building a new switchgear and controlgear system factory and engineering center at Fuji Electric

Manufacturing (Thailand) Co., Ltd. (FMT). In fiscal 2021, we will develop new global products for the Southeast Asian and Indian markets and expand our lineup of products offering a wide range of voltages and capacities, including transformers, switchgears, and UPSs. We will

<b>Business Areas</b>	<p><b>[Energy management]</b> Substation equipment, Energy management systems, Smart meters</p> <p><b>[Power supply and facility systems]</b> Uninterruptible power systems (UPS), Switchgears and controlgears</p> <p><b>[ED&amp;C components]</b> Power distribution and control equipment</p>
<b>Supplied to</b>	Power companies, Material plants (steel, chemical, etc.), Data centers, Semiconductor factories, Machine manufacturers
<b>Strengths</b>	<ul style="list-style-type: none"> <li>Package proposals from a wide range of products and systems to maintenance services, contributing to stable power supply and power optimization</li> <li>Extensive delivery record and engineering experience in stable power supply and power optimization</li> <li>Energy-saving expertise developed at Fuji Electric's factories in Japan and overseas</li> </ul>



also strengthen our ability to propose systems for data centers and the power and materials sectors through collaboration between FMT's engineering center and local production bases (in Thailand, Singapore, and India). Meanwhile, the Kobe Plant and FMT will provide technical and production support to Fuji Electric Consul Neowatt Private Limited (FCN) for the launch of production of medium- and large-capacity UPSs in India.

## Expanding our comprehensive electrical equipment business

In fiscal 2020, we focused on developing a large-capacity UPS (1,200 kVA) for large-scale data centers, while making proposals for comprehensive electrical equipment for Japanese and foreign-affiliated data centers and semiconductor factories. In fiscal 2021, we will accelerate development of an ultra-large-capacity UPS (2,400 kVA) in order to win business from data centers, which are becoming even larger in scale. We will also aim to expand orders for overseas projects by promoting vendor registration based on our track record in Japan with foreign-affiliated data centers. To strengthen development

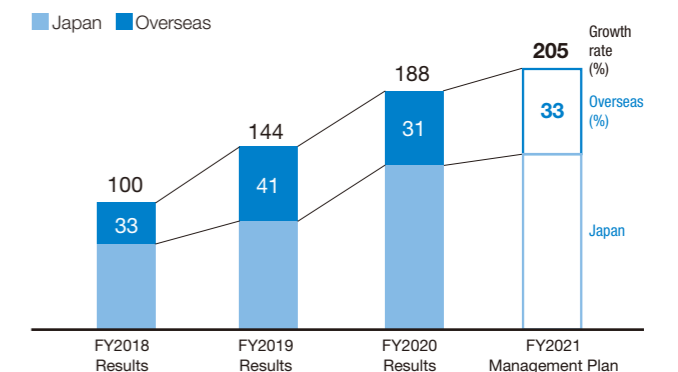
### Large-Capacity UPS for Large Data Centers

7500WX Series (released in April 2021)

- Capacity: 1,200 kVA/1,200 kW
- Industry's highest power conversion efficiency: 96.6%
- World's smallest footprint (3,500 mm wide × 900 mm deep), allowing more servers to be installed



### Sales to Data Centers



\*FY2018 (benchmark year) Results is assigned 100 for comparison purposes