

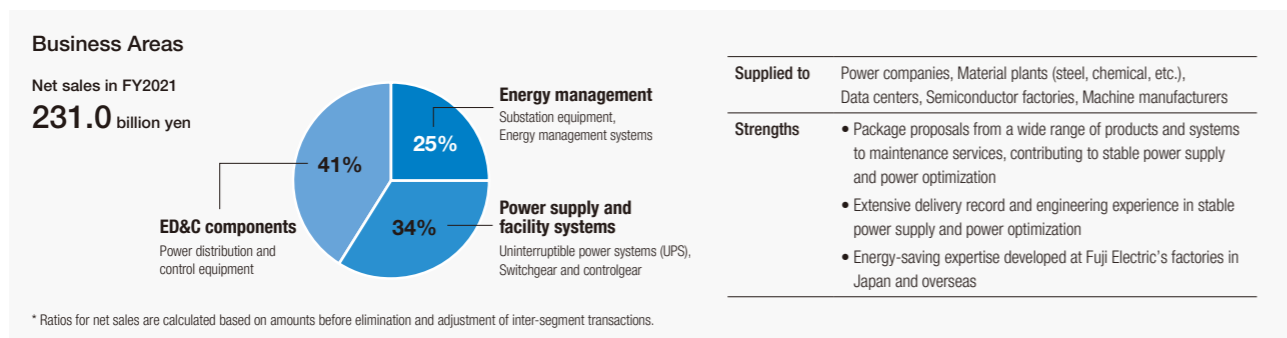
Overview of Segments

Power Electronics Energy



We will work to expand sales in our comprehensive electrical equipment business, particularly in Southeast Asia.
We will strengthen businesses that contribute to carbon neutrality.

Masashi Kawano
 Managing Executive Officer
 Corporate General Manager, Power Electronics Energy Business Group



Market Trends and Business Opportunities

In the energy management business, we can expect an increase in equipment renewal demand due to replacement of aging substation equipment and an increase in capital investment related to renewable energy aimed at carbon neutrality.

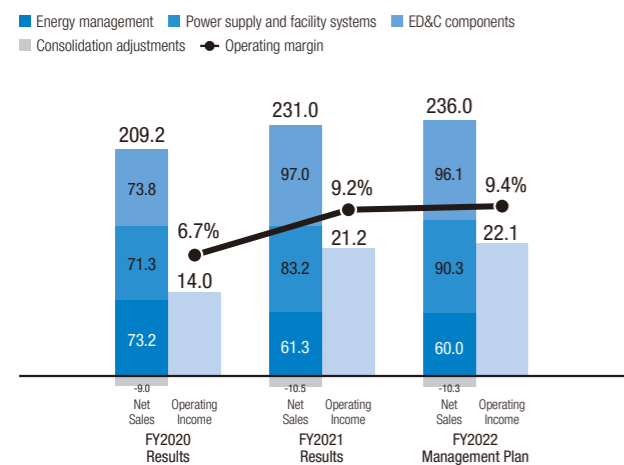
In the power supply and facility systems business, investments by IDC operators, driven by digitalization and the use of 5G, as well as semiconductor-related investments, are expanding, and demand continues to increase at data centers

and semiconductor factories for our comprehensive electrical equipment business.

In the ED&C components business, demand from machine manufacturers is expected to continue to increase, driven by investment in electric vehicles and rising demand for 5G. In addition, we will continue to monitor and adjust to changes in demand and the situation related to procurement of parts and materials due to the impact of the lockdowns in China.

Fiscal 2021 Results and Fiscal 2022 Plan

Business Performance Trends (Billions of yen)



In fiscal 2021, the operating margin rose to 9.2% thanks to increased demand for ED&C components from machine manufacturers in both in Japan and overseas, as well as the benefits of business structural reforms including fixed cost reductions to date.

In fiscal 2022, despite the anticipated impact of lockdowns in China and a decrease in large-scale energy management projects, we forecast net sales of ¥236.0 billion, up ¥5.0 billion year on year, and operating income of ¥22.1 billion, up ¥0.9 billion, with an operating margin of 9.4%, mainly driven by increased sales of power supply and facility systems due to the continued expansion of the comprehensive electrical equipment business.

* Results for FY2021 reflect the business restructuring in FY2022.

Priority Measures

Expanding orders in the substation business and developing the carbon neutrality market

In the substation business, we plan to expand our business through early development and market launch of differentiated products. To expand orders, we are developing new products such as natural ester filled global transformers for substations, where safety and environmental regulations are important, and gas insulated switchgear (GIS) that minimizes the generation of greenhouse gases, and combining these new products with other power electronics equipment.

In addition, we have established a specialized organization to promote the development of the carbon neutrality market, which is expected to expand over the medium to long term. Based on the know-how gained through our own carbon neutrality initiatives, such as the introduction of renewable energy power generation equipment and cogeneration (combined heat and power generation) in our own factories, we will develop new markets with solutions such as energy management systems and power stabilization systems that help customers adopt and procure renewable energy.

Electric Manufacturing (Thailand) Co., Ltd.'s engineering center and production and sales bases, as well as by strengthening cooperation with sales divisions in Japan.

In the data center market, as construction of large-scale data centers increases globally driven by the transition of information systems to the cloud and the progress of e-commerce systems, there are calls for uninterruptible power systems (UPSs) to have higher capacity and be made more compact and energy-efficient to expand server installation space and reduce power consumption. The 7500WX Series large-capacity UPS we launched last year combines one of the industry's smallest footprints and highest power efficiency rating, making it the optimal product for the needs of our customers. We aim to expand sales through our comprehensive electrical equipment business, which combines highly competitive large-capacity UPSs as the core with substation equipment, installation work, and maintenance services.

Promoting strength of our ED&C components business

In the ED&C components business, we aim to maintain and improve our highly profitable structure by strengthening our response to parts procurement difficulties and material price hikes, and by continuing to engage in cost reduction activities. In terms of our sales structure, by integrating our sales bases with our subsidiary Fuji Electric FA Components & Systems Co., Ltd., we will work to develop new customers and expand sales volume by utilizing mutual sales channels. Furthermore, we will work to strengthen the competitiveness of our products by investing in the development of key models to focus on, such as switch controls and power distribution equipment.

Expanding sales in Southeast Asia by strengthening our comprehensive electrical equipment business

Our comprehensive electrical equipment business, for which demand is growing at data centers and semiconductor factories, has received high praise in terms of shortening the customer's construction period and reducing equipment management personnel, and based on our track record in Japan, inquiries are increasing overseas, mainly in Southeast Asia. To meet this demand, we will expand our business in Southeast Asia by increasing the number of personnel at Fuji

Comprehensive Electrical Equipment Business

Supplied to

- Data centers
- Semiconductor factories

Large-Capacity UPS for Large Data Centers
 7500WX Series

Product features

1. Industry's smallest footprint
2. Industry's highest power efficiency rating
3. Compliant with global standard power supply specifications

Product lineup

Capacity specifications:

- 1200 kVA (released April 2021)
- 2400 kVA (scheduled to be released in 2022)

Larger-capacity models will be introduced to the market

Package proposals from system design to installation and maintenance services

Main products and services

- Substation equipment
- Transformers
- Large-Capacity UPS
- Air conditioning equipment
- In-house power generation equipment
- Gas insulated switchgear (GIS)
- Monitoring systems
- Equipment construction and services