

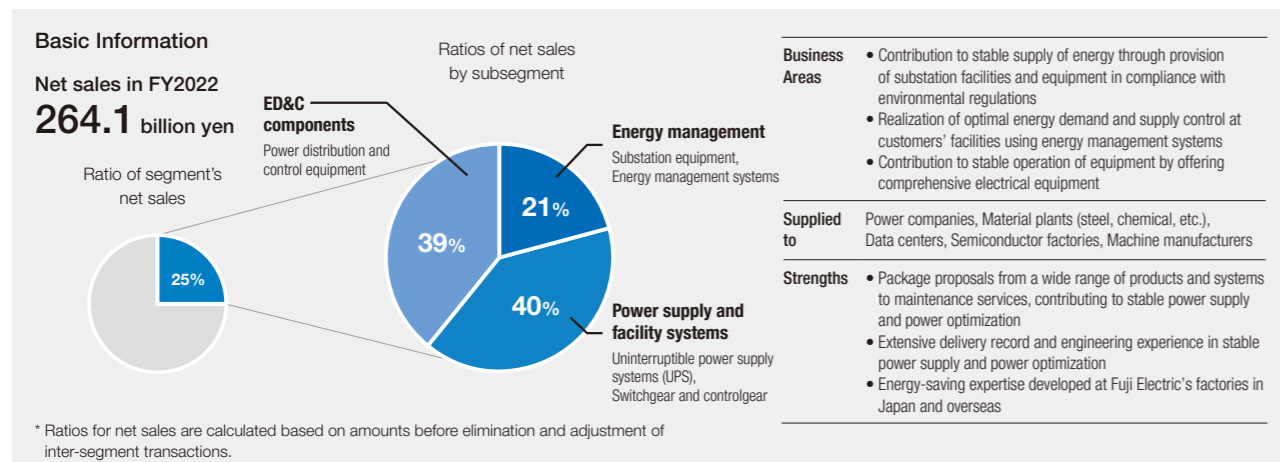
Overview of Segments

Power Electronics Energy



We will work to expand our business by promoting the development of competitive products, enhancing engineering services, and strengthening carbon neutrality-related proposals.

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



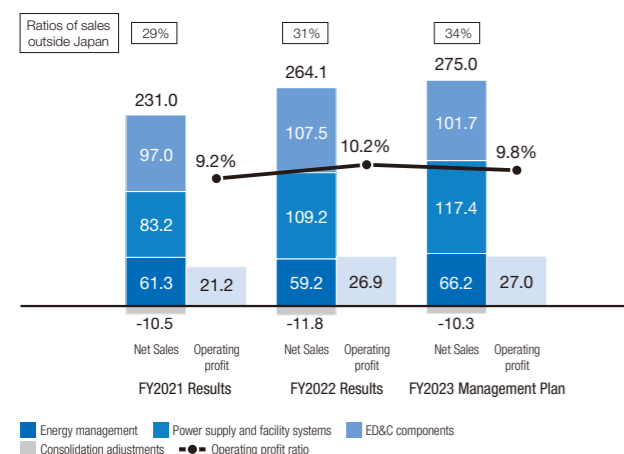
Market Trends and Business Opportunities

In an aim to achieve a decarbonized society, demands related to stable supply and optimization of energy are expanding rapidly on a global scale.

Subsegments	Market Trends and Business Opportunities
Energy management	Due to continuing increase in demand to replace aging equipment in the substation business, and also backed by the government's next-generation energy policy subsidy programs, there is an expanding demand for carbon neutrality-related equipment, including power conditioning systems for solar and wind power generation and storage systems.
Power supply and facility systems	We see continued expansion in capital investments by data center (IDC) operators driven by digitalization and the use of 5G. In addition, with expanding investments in new installations and expansions of factories in the cutting-edge semiconductor field, demand for comprehensive electrical equipment business is increasing on an ongoing basis.
ED&C components	While we anticipate decrease in production and demand of machine manufacturers and sluggish demand due to slowdown of the Chinese market, we expect the market to continue making a mild recovery driven by recovering investment in electrified vehicles (EVs) and demand for 5G.

Fiscal 2022 Results and Fiscal 2023 Plan

Business Performance Trends (Billions of yen)



In fiscal 2022, operating profit ratio rose to 10.2% thanks to expanded demand for power supply and facility systems from projects for data centers and semiconductor manufacturers in both Japan and overseas, increased demand for ED&C components from machine manufacturers mainly in Japan, and benefits of business restructuring including fixed cost reductions to date.

In fiscal 2023, despite the anticipated decrease in demand for ED&C components, we forecast net sales of ¥275.0 billion, up ¥10.9 billion year on year, and operating profit of ¥27.0 billion remaining at the same level as the previous fiscal year, with an operating profit ratio of 9.8%, driven by continued expansion of the comprehensive electrical equipment business.

Priority Measures

Expanding and enhancing carbon neutrality-related businesses

In the carbon neutrality business, for which we expect to see market growth over the medium to long term, we are seeing increase in inquiries for the introduction of grid storage batteries to maintain energy supply and demand balance, and introduction of renewable energy by consumers for self-consumption. We will strengthen our activities to win orders in the new markets by combining the know-hows gained through our own carbon neutrality initiatives with our core products such as energy management systems and power stabilization systems.

Launch of new global products in the substation business

In the substation business, we plan to increase sales mainly in overseas markets through new development and market launch of differentiated products.

For data centers and chemical plants where disaster prevention and environmental regulations are required, we will launch new products such as natural ester filled global transformers, and gas insulated switchgear (GIS) that is downsized substation equipment designed to minimize the generation of greenhouse gases.

Expanding comprehensive electrical equipment business for data centers

Our comprehensive electrical equipment business is receiving high praise for contribution in shortening the customer's construction period and reducing equipment management personnel. Based on our track record in Japan, we are developing one-stop consultation venues and cultivating local

service personnel overseas, and strengthening our service system to respond to the increased sales volume for data centers and semiconductor factories, thereby expanding our business mainly in South Korea and Southeast Asia.

The data center market is in need for greater capacity. Our 7500WX Series large-capacity UPS combines one of the industry's smallest footprints and highest power conversion efficiency rating, allowing highly efficient energy saving within the limited server installation space. In fiscal 2023, we will release a new, increased capacity line of 2400 kVA to meet the needs for larger capacity.

Launching of new ED&C components products

As for our magnetic switches, our core product, we will offer new products that will address such market needs as increased compactness, reliability, and increased ease of wiring, as well as contribute to carbon neutrality through efforts including energy saving and the use of renewable materials.

Furthermore, we will strengthen our activities focused on encouraging customers to use Fuji Electric's specifications for semiconductor manufacturing equipment, machine tools, and data centers.

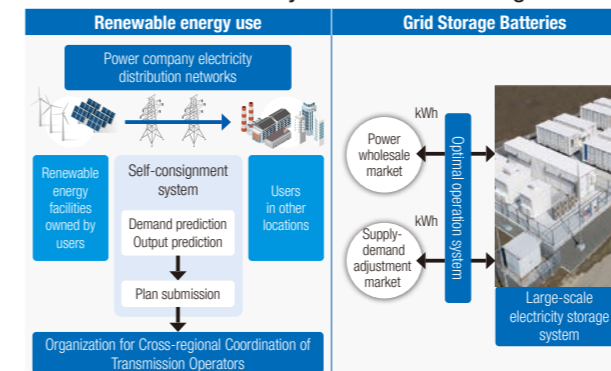
Comprehensive Electrical Equipment Business

[Business Overview]
Stable supply of energy
 Package proposals from system design to installation and maintenance services

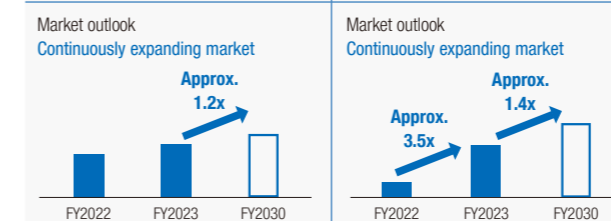


Supplied to: Data centers, Semiconductor factories

Outline of Carbon Neutrality-Related Business Negotiations

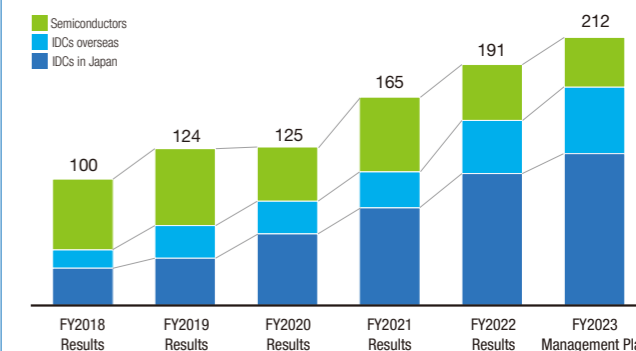


- Rising adoption of self-use solar power systems by users with aim of achieving carbon neutrality
- Widespread introduction of renewable energy generation systems driving introduction of grid storage batteries for maintaining supply-demand balance
- Rapid growth stimulated by subsidy programs



* Market outlook based on our forecast

Trends in Sales for IDC & Semiconductor factories



* Growth rates are calculated based on figures in FY2018 as 100