



FY2026 Medium-Term Management Plan

Energy Business Group

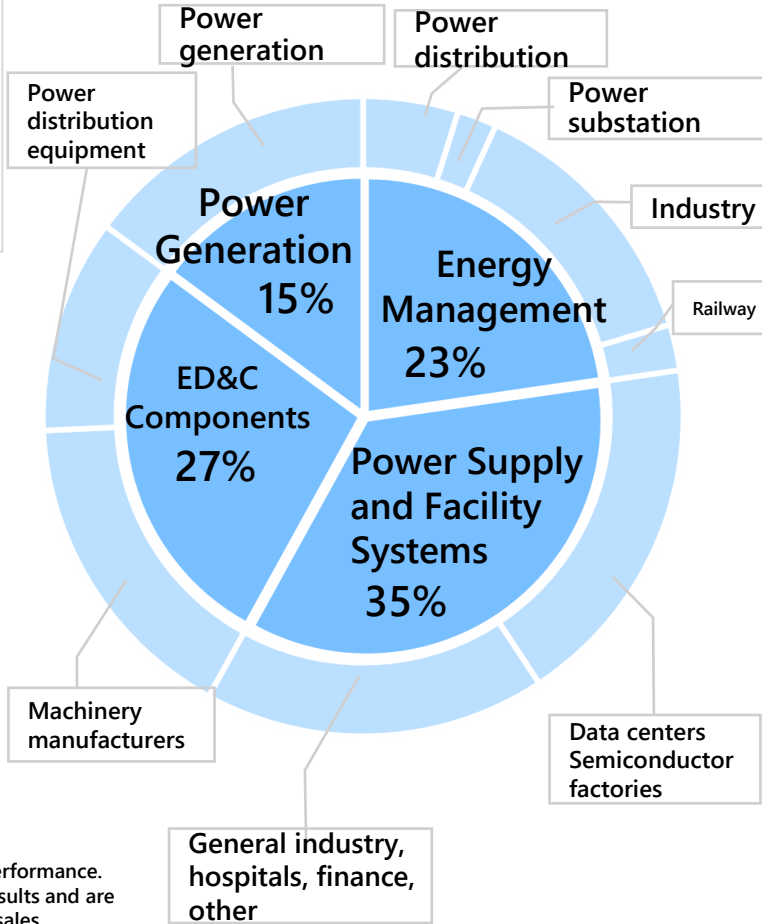
May 23rd, 2024

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I . Business Overview

Contributions to stable, optimal, and reliable supplies of clean energy

Net sales (FY2023 results)
¥342.8 billion
 (Domestic sales: 65%: Overseas sales 35%)*



Power Generation

(Domestic sales: 62%: Overseas sales 38%)*

No. 1 global share*



Geothermal power generation plants

Leading domestic share



Hydropower generation plants

ED&C Components

(Domestic sales: 74%: Overseas sales 26%)*

No. 1 domestic share*



Magnetic switches

No. 2 domestic share*



Molded-case circuit breakers

No. 2 domestic share*



High-voltage vacuum circuit breakers

No. 2 domestic share*



Command switches

Energy Management

(Domestic sales: 75%: Overseas sales 25%)*



Solar power generation systems



Energy management systems



Power conditioning systems (PCSs) for storage batteries



Large-capacity rectifiers (industrial power supplies)



Large-capacity transformers (power transformation)



Substation equipment (industrial power transformation)

Power Supply and Facility Systems

(Domestic sales: 55%: Overseas sales 45%)*

Leading domestic share



Uninterruptible power systems (UPSs)

Leading domestic share



Molded transformer



Switchgears and controlgears

* Shares represent estimates by Fuji Electric based on FY2023 performance. Note: Percentages of total net sales figures represent FY2023 results and are calculated before deduction and adjustment for inter-segment sales.

Strengths of Energy Segment

Power Generation

Geothermal power generation plants



No. 1 global share

Hydropower generation plants



Leading domestic share

Extensive delivery track record and sophisticated engineer capabilities

Energy Management

Large-capacity rectifiers



Leading global share

Substation equipment, PCSs with storage batteries



Extensive delivery track record and high-performance grid stabilization technologies

Power Supply and Facility Systems

Uninterruptible power systems (UPSs)



Leading domestic share for products for data centers

Molded transformer



Leading domestic share

Ability to supply substation equipment bundles through comprehensive electrical equipment sales

ED&C Components

Magnetic switches



No. 1 domestic share

Molded-case circuit breakers

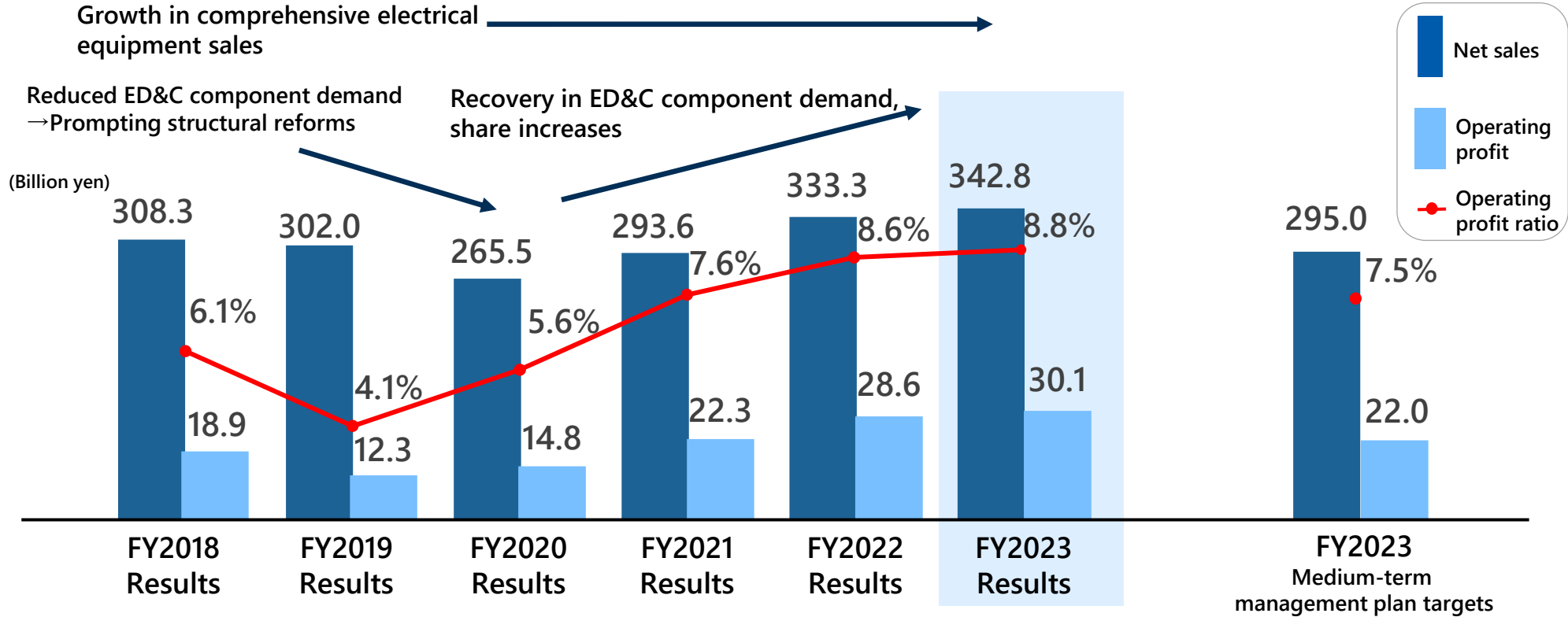


No. 2 domestic share

Robust lineup of high-quality products

II. Review of FY2023 Medium-Term Management Plan

Performance surpassing targets of medium-term management plan thanks to brisk capital investment from internet data centers and other customers around the world



Successes








- Ongoing orders from foreign internet data center operators and semiconductor companies
- Enhancement of manufacturing (standardization, in-house production, production rationalization)
- Improvement of profitability of ED&C components business

Challenges

- Expansion of overseas businesses
- Response to delays in launches of new products
- Expansion into domestic power distribution market and into overseas markets (ED&C components)

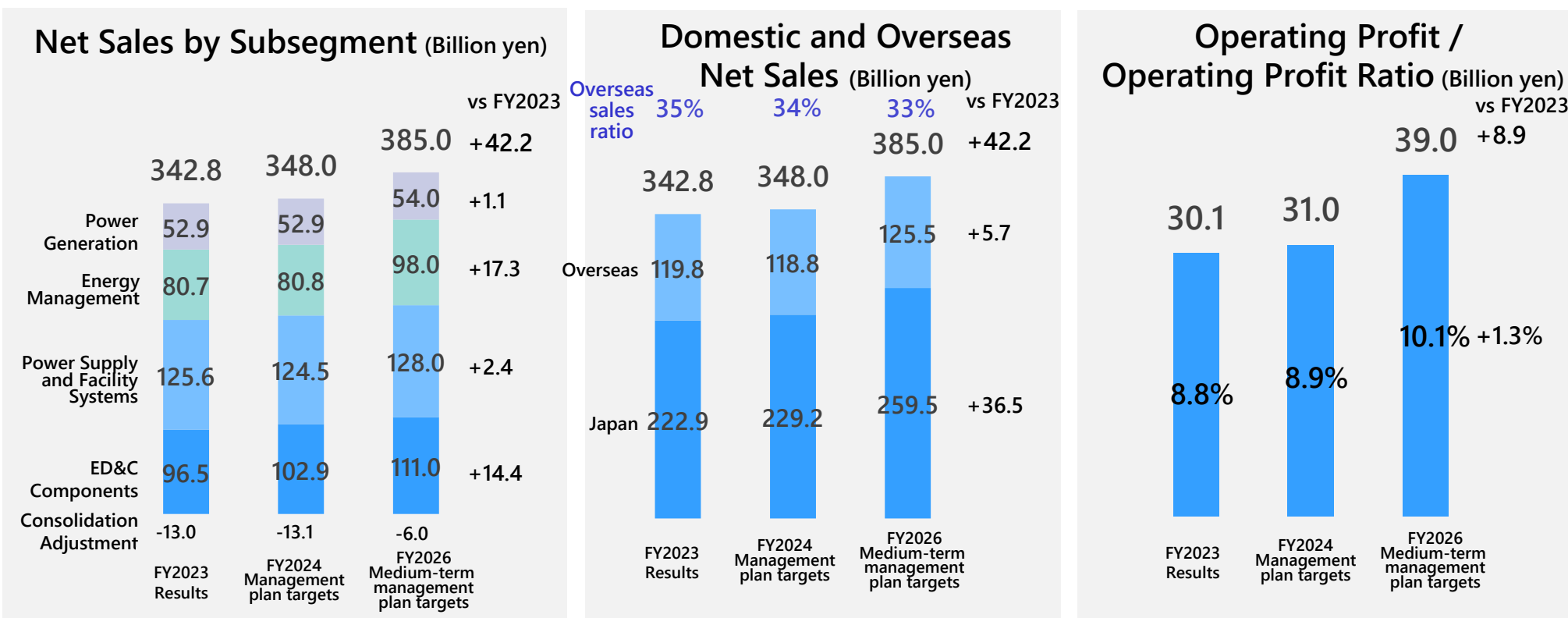
Note: Figures have been restated to reflect a business reorganization conducted in FY2023.

III. Overview of FY2026 Medium-Term Management Plan

Business Field		Market Outlook (FY2024–FY2026)		
Plant systems	Power generation	Geothermal, hydro power	<ul style="list-style-type: none"> • Consistent demand for geothermal power systems in Pacific Rim countries and other countries developing geothermal power sources • Ever-present demand for scrap and build projects targeting aged hydro power generation plants or pumped storage hydro power generation plants 	
	Energy management	Energy management	<ul style="list-style-type: none"> • Rising needs for grid stabilization (storage battery) systems due to spread of renewable energy use • Increase in range of areas examining potential of regional microgrids 	
		Power, general industry	<ul style="list-style-type: none"> • Continuous and growing demand for upgrades to equipment installed during time of Japanese economic miracle • Rising demand for decarbonization of existing production processes (electrification, fuel conversion) 	
		Renewable energy	<ul style="list-style-type: none"> • Decline in large-scale solar power systems • Increase in small to medium-sized solar power systems for users and PPA projects 	
	Power supply and facility systems	Data centers, semiconductor factories	<ul style="list-style-type: none"> • Ongoing increase in market entry by foreign internet data center operators amid popularization of generative AI • Consistent efforts to build and strengthen domestic manufacturing foundations for semiconductors as well as ongoing large-scale investments overseas 	
Components	ED&C components	Machinery manufacturers	<ul style="list-style-type: none"> • Demand for machine tools, robots, and semiconductor production equipment to begin growing in late FY2024 	
		Power distribution	<ul style="list-style-type: none"> • Strong demand for internet data center and factory construction 	

Business Policies

◆ Advance priority measures for contributing to stable, optimal, and reliable supplies of energy



Power generation

- Expansion of renewable energy and after service businesses

Energy management

- Development of competitive products and utilization of engineering capabilities to grow system businesses

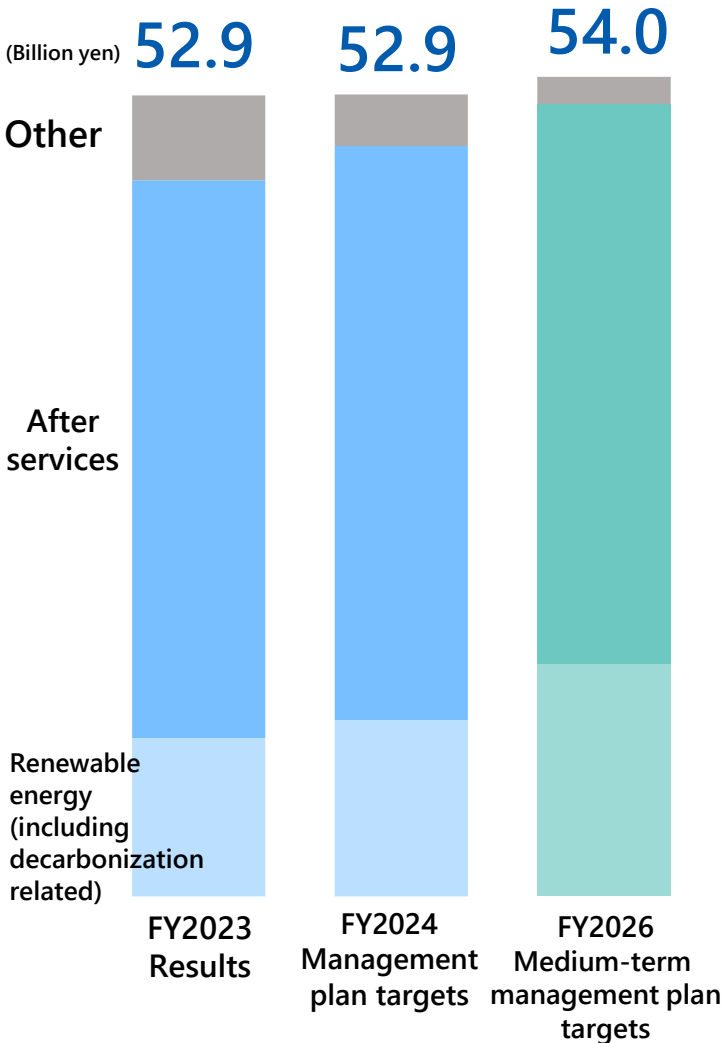
Power supply and facility systems

- Expansion of domestic and overseas internet data center and semiconductor businesses

ED&C components

- Reinvention of core models to heighten presence
- Development of earnings structure that is resilient to changes in sales volumes

Power Generation Business Sales



Current field	Growth of decarbonization and renewable energy businesses including long-term decarbonization power source auction projects
	<ul style="list-style-type: none"> Expansion of scope of operations in geothermal field <ul style="list-style-type: none"> - Promotion of sales through offerings with wider range of capacities - Development of new products and functions Expansion of pumped storage hydro power and other hydro power operations
New field	Enhancement of products and proposals to drive growth in after service sales
	<ul style="list-style-type: none"> Enhancement of proposals involving diagnosis technologies, power generation peripheral equipment, expanded maintenance plans, etc. <ul style="list-style-type: none"> - Response to needs for increased facility reliability amid tight supply-demand balance - Promotion of aging and lifespan diagnosis for improving operating efficiency of equipment
New field	Enhancement of product competitiveness in new area
	<ul style="list-style-type: none"> Fuel conversion (ammonia, hydrogen), hydrogen fuel cells, energy storage systems

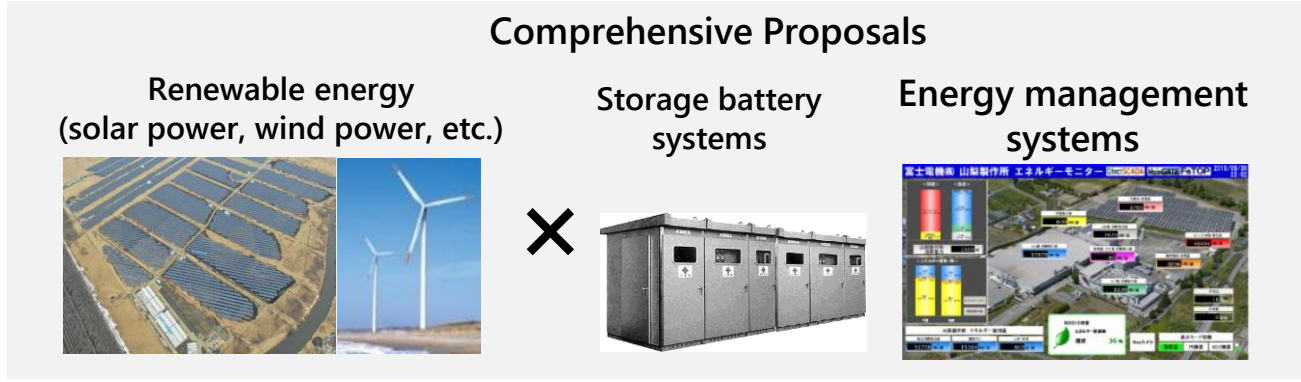
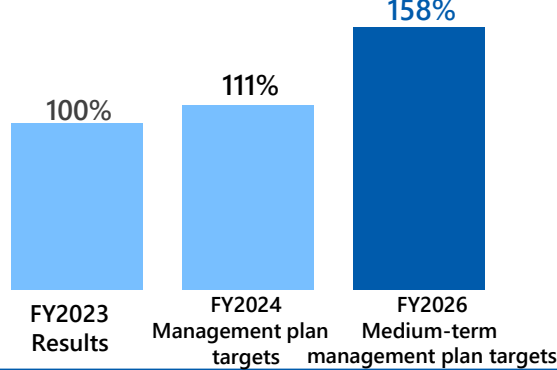
Growth field

Energy management: Enhancement of comprehensive renewable energy proposals

Products: Augmentation of field-specific EMS functions and development of standardized platforms for storage battery control systems

Alliances: Strengthening of partnerships with storage battery manufacturing and PPA operators

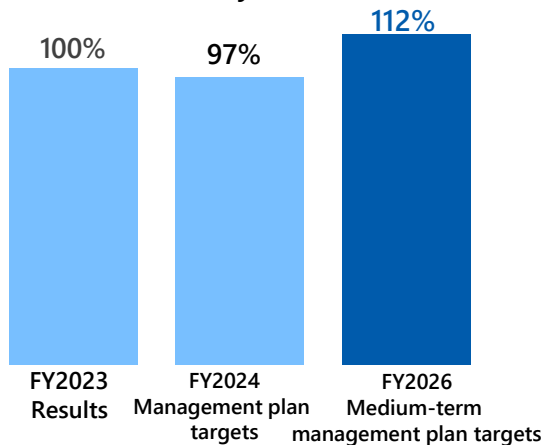
Energy Management Business Sales*



Growth field

Substation systems: Swift introduction of new products to grow businesses (green transformation-related products, eco-friendly products, global products)

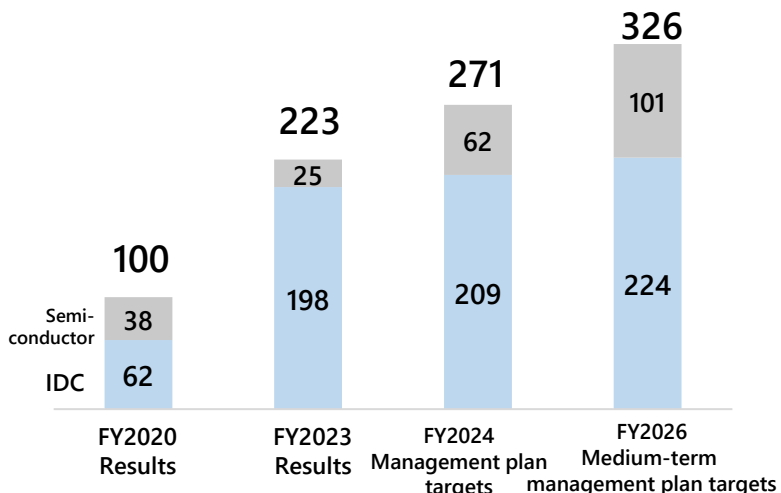
Substation System Sales*



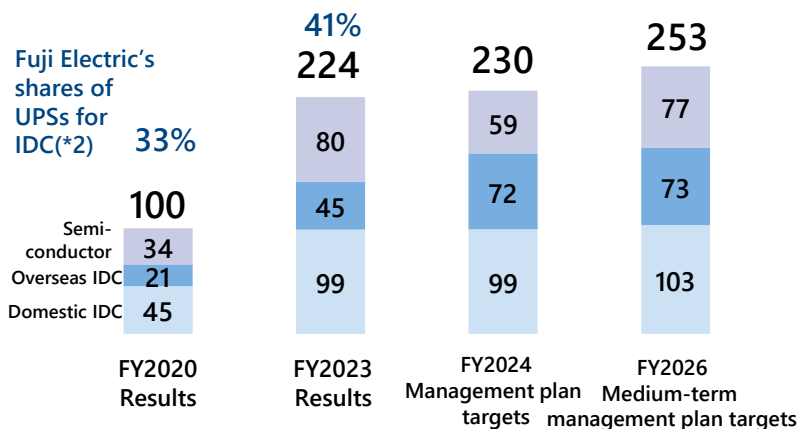
Development Schedule	Models	2023	2024	2025	2026
	Global transformers		Development	High heat resistance technology development	
Global GISs		Development		Development (ultrahigh)	
Dry air switchgears (free of SF ₆ gas)		Development (C-GIS)			
		Standalone VCB development			
New JIS/IEC-compliant switchboards		Development (High)			
					Development (ultrahigh)
Power supplies for hydrogen production equipment		Development (Parallel)			
				Development (Series)	

* FY2023 sales indexed to 100

Internet Data Center- and Semiconductor-Related Orders ^{(*)1}



Internet Data Center- and Semiconductor-Related Sales ^{(*)1}



*1 Note: FY2020 orders and sales indexed to 100

*2 Source: FY2020 and FY2023 shares, Data Center Business Market Survey (FY2021 and FY2024), Fuji Chimera Research Institute

Growth field

Growth of internet data center- and semiconductor-related orders

Development of new products in response to market needs

		Models	2023	2024	2025	2026
Development schedule	Long-life UPSs	 New medium-capacity UPSs (6600FX)	Development			
	Next-generation UPSs		Development			
	Molded-case transformers for overseas	 Ultralarge-capacity UPSs (7500WX)	Development			
	3rd-generation top runner transformers		 Molded transformer	Development		

Current field

Reinforcement of frameworks for growing after service sales

Creation of lineup of annual maintenance plans and operational efficiency improvement solutions

- Expansion of maintenance plan lineup and scope of applicability (ultrahigh-voltage transformers, etc.)
- Improvement of maintenance service efficiency through use of digital transformation and IoT technologies

Reinvention of core models to heighten presence; development of earnings structure that is resilient to changes in sales volumes

Current field

Reinvention of core models and reaping of benefits

- Promotion of sales of new magnetic switches and reaping of cost reduction benefits of transition toward said switches
 - Bolstering of competitiveness of small- to medium-capacity magnetic switches by shifting to new models**
 - Contributions to more compact control panels and switchboards (up to 30% reduction in horizontal size*)
 - Greater equipment energy efficiency (up to 73% reduction in coil electricity consumption*)
- * In comparison to current Fuji Electric offerings
- Development and launch of molded-case circuit breakers
 - Promotion of sales in internet data center, power distribution, and semiconductor production equipment markets of Japan and Asia



Going beyond perfection
Before, NEXT, Future.
SC-NEXT

New field

Development of new products for new field

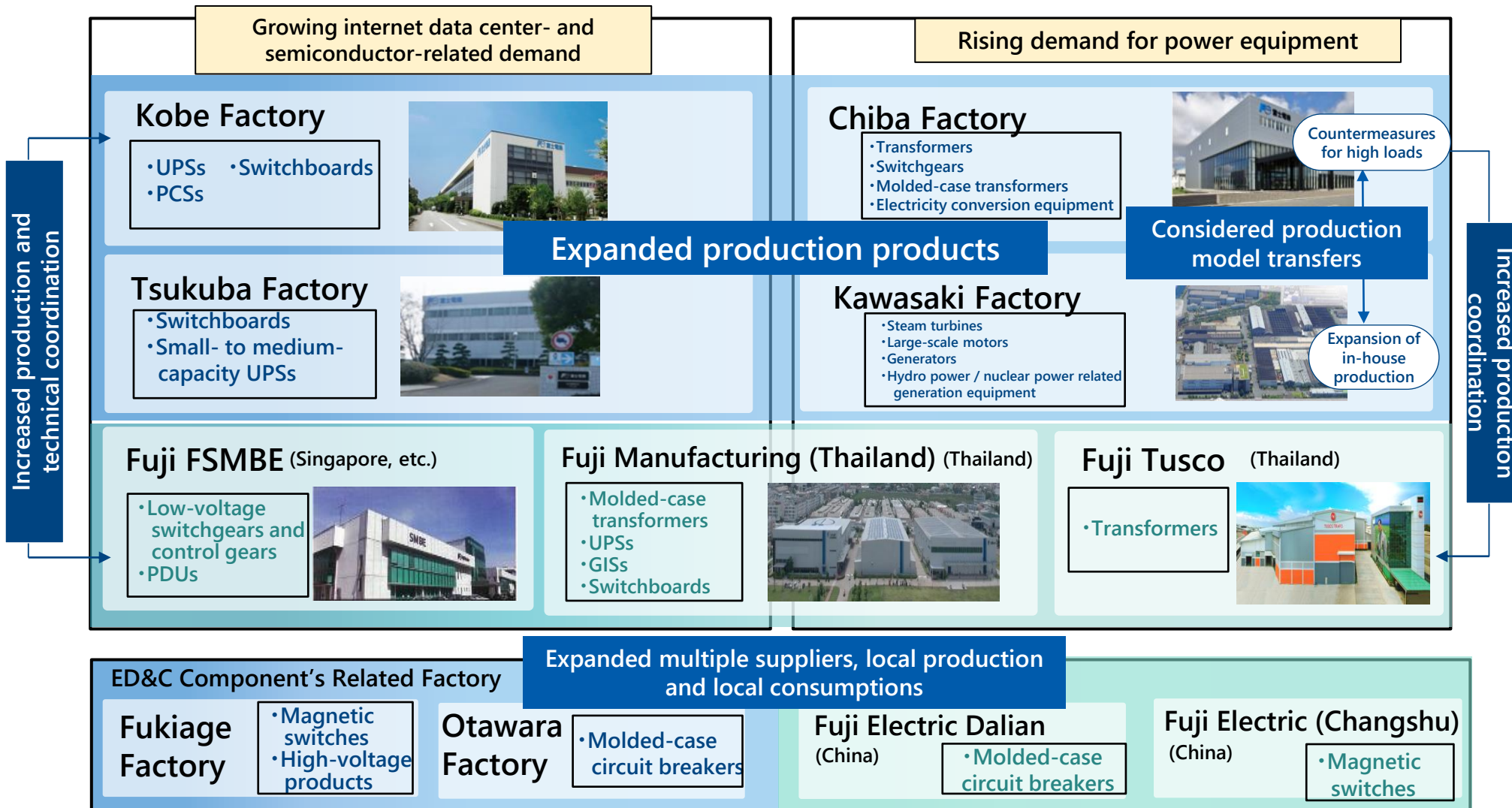
- Development of new products for DC electricity distribution market

Creation of flexible and resilient manufacturing systems and supply chains

- Consolidation and efficiency improvement of production networks on by-model basis
- Construction of supply chains that are resilient to sales volume fluctuations through use of multiple suppliers
- Development of local design functions (accommodation of customer needs)

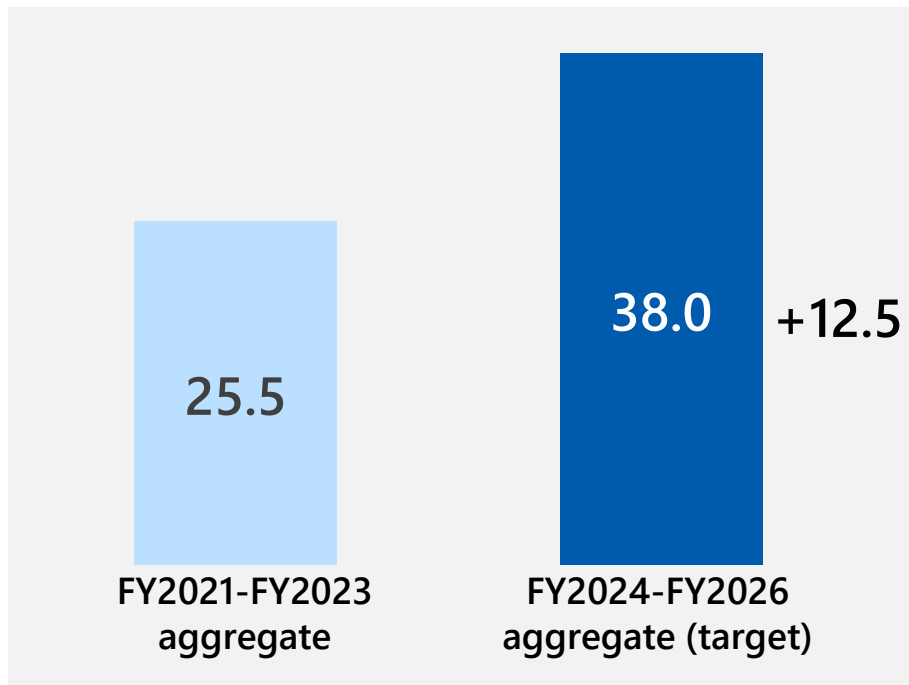
Priority Measures—Manufacturing Bases

Development of globally optimized production system while maintaining high operating rates in order to bolster global competitiveness; Strengthen product lineup as production base for eco-friendly products



*PDU: Power Distribution Units GISs : Gas Insulated Switchgears

Capital Investment (Billion yen)



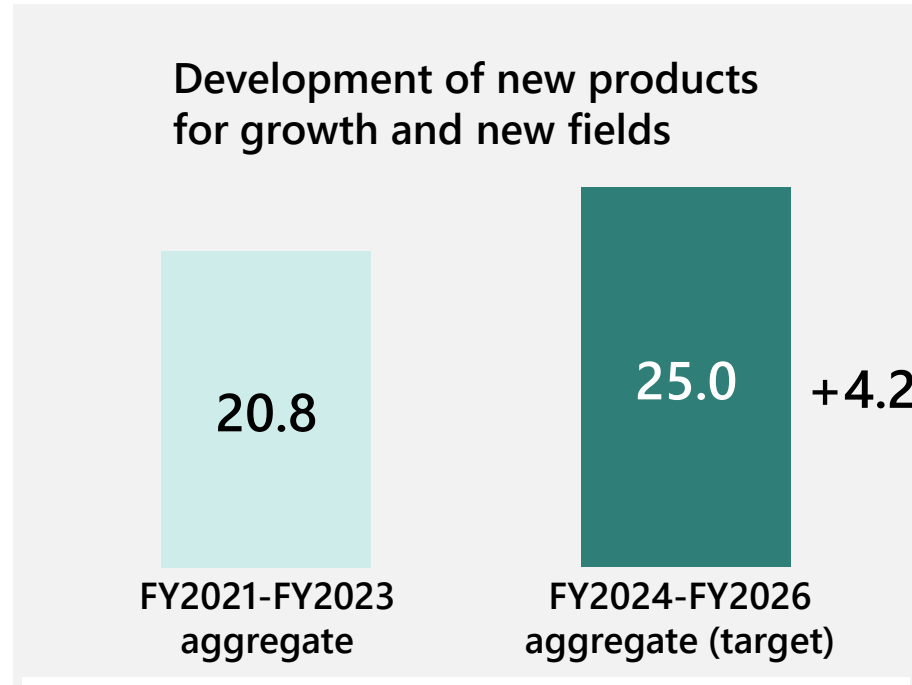
■ Energy Management

- Introduction of development and testing apparatuses

■ ED&C Components

- Installation of production equipment for new ED&C component products

Research and Development (Billion yen)



■ Power Generation / Energy Management

- Carbon neutrality and eco-friendly products (Storage battery systems, energy management systems, dry air switchgears, hydrogen fuel cells, power supplies for hydrogen production equipment)
- Global products (Transformers, molded-case transformers, GISs, S-PCSs, switchgears and control gears)

■ Power Supply and Facility Systems

- Expansion of long-life UPS and next generation UPS series

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