

May 23, 2024

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Announcement of FY2026 Medium-Term Management Plan **—To be enthusiastic, ambitious and sensitive 2026**

Fuji Electric Co., Ltd., today announced that it has formulated To be enthusiastic, ambitious and sensitive 2026, its new three-year medium-term management plan slated to conclude with the fiscal year ending March 31, 2027.

Reiwa Prosperity 2023, the previous medium-term management plan, was a five-year plan that concluded with the fiscal year ended March 31, 2024, when Fuji Electric celebrated the 100th anniversary of its founding. This plan prescribed targets of net sales of ¥1 trillion and an operating profit ratio of more than 8.0%. These targets were accomplished a year ahead of schedule. Having embarked on a new journey toward its next centennial anniversary with the start of the fiscal year ending March 31, 2025, Fuji Electric chose to reflect on the departure point for its management, leading to the decision to use our corporate slogan of “To be enthusiastic, ambitious and sensitive.”* in the name of this new medium-term management plan. Guided by this plan, we will continue to hone our core power electronics technologies so that we can contribute to the creation of a responsible and sustainable society through our energy and environment businesses.

1. Priority Strategies

The new medium-term management plan defines the basic policy of “improvement of corporate value through management emphasizing profit” along with the following priority strategies.

■ Improvement of Profitability

Through an exhaustive focus on cost of capital in our business management, we will seek to generate the cash needed to fuel future growth. At the same time, improvements to productivity will be pursued through using digital technologies.

■ Promotion of Growth Strategies

By concentrating investment on the growth fields of the Semiconductor, Energy, and Industry segments, Fuji Electric will aim to expand its businesses through the introduction of new products for growing areas such as power semiconductors, energy management and mobility. In addition, we will work to create new businesses in preparation of the growth of the green transformation market anticipated to be seen beginning in 2027. Overseas, initiatives will be accelerated targeting countries like India, where infrastructure investment has been on the rise in recent years.

■ Strengthening of Management Foundations

We will continue to ramp up initiatives related to the environment, human resources, and corporate governance, core elements supporting the ongoing improvement of corporate value, as we seek to adapt to the changing operating environment.

2. Performance Targets (Consolidated)

	FY2023 Performance	Targets of FY2026 Medium-Term Management Plan	Change
Net sales	¥1,103.2 billion	¥1,250.0 billion	+¥146.8 billion
Operating profit	¥106.1 billion	¥140.0 billion	+¥33.9 billion
Operating profit ratio	9.6%	11.2%	+1.6pt
Profit attributable to owners of parent	¥75.4 billion	¥90.0 billion	+¥14.6 billion
Ratio of profit attributable to owners of parent	6.8%	7.2%	+0.4pt

Note: The above targets assume exchange rates of US\$1 = ¥140, €1 = ¥150, RMB1 = ¥19.5.

Financial Indicators

Return on equity	13.5%	More than 12%
Return on invested capital	11.5%	More than 10%
Equity ratio	47.4%	About 50%
Net debt-to-equity ratio	0.2 times	About 0.2 times
Dividend payout ratio	25.6%	Approximately 30%

* Slogan: To be enthusiastic, ambitious and sensitive.

- Enthusiasm - The eagerness to contribute to society by creating new technologies and product
- Ambition - The determination and spirit to set high goals and continuously pursue them
- Sensitivity - The kindness to appreciate and care for our customers, colleagues and families

Cautionary Statements:

Statements made in this document regarding estimates or projections are forward-looking statements based on management's judgments and assumptions in light of information currently available. Actual results may differ materially from those projections as a result of uncertainties inherent in such judgments and assumptions as well as changes in business operations or other internal or external conditions. Accordingly, management gives no guarantee regarding the reliability of any information contained in these forward-looking statements.