



FY2026 Medium-Term Management Plan

Industry Business Group

May 23rd, 2024

Hello, I am Tetsutani from the Industry Business Group. I will explain the FY2026 Medium-Term Management Plan for this business group.

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I . Business Overview

Change in Subsegments (April 1, 2024)

◆ Overview of Change

- Integration of information solutions operations of social solutions business into IT solutions business in order to form digital transformation solutions business subsegment

◆ Reason for Change

- Facilitation of integrate disclosure reflecting increased coordination between information solutions operations of Fuji Electric and Fuji Electric IT Solutions aimed at strengthening digital transformation operations

Prior to Change (–March 2024)

Segment	Subsegment	Operations
Industry	Automation systems	
	Social solutions	Nuclear power- and radiation-related equipment Mobility Information solutions
	Equipment construction	
	IT solutions	IT solutions



After Change (April 2024–)

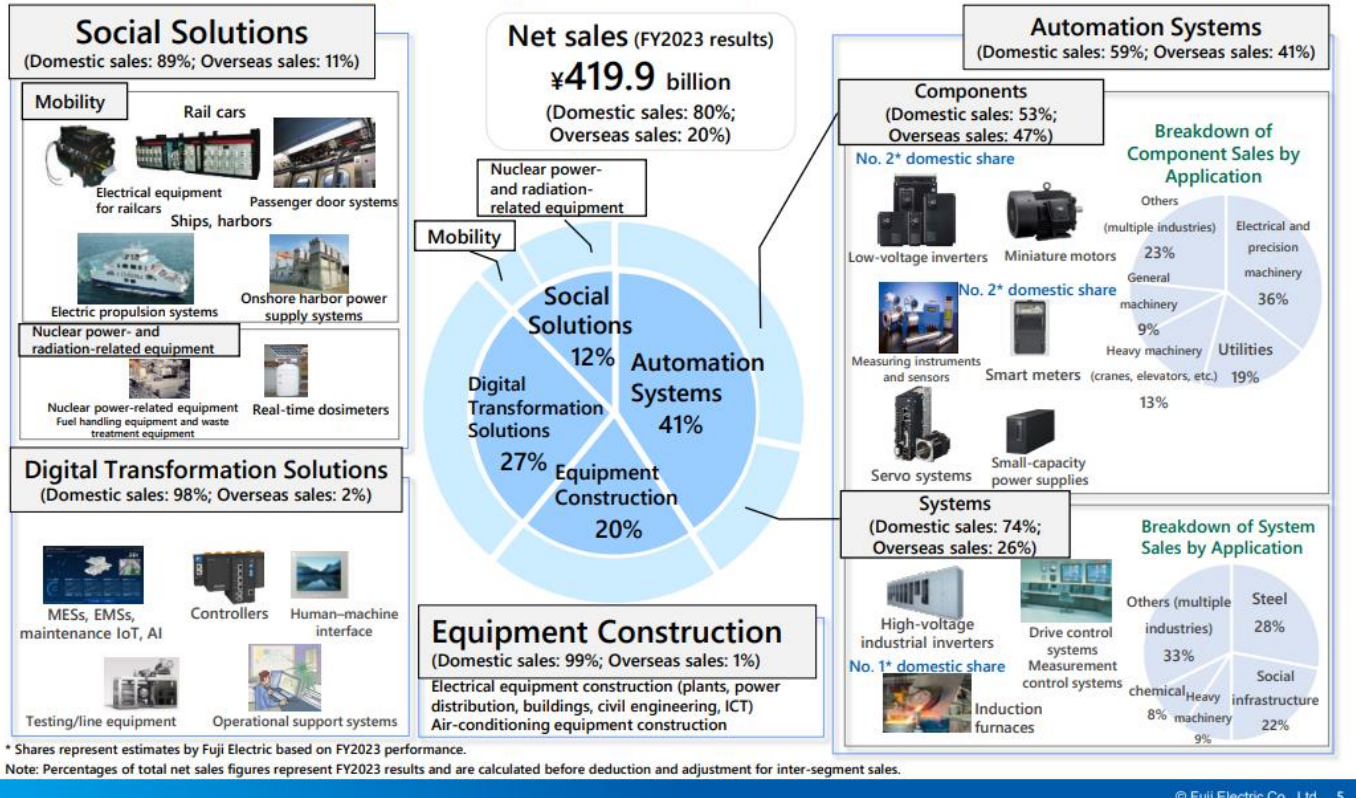
Segment	Subsegment	Operations
Industry	Automation systems	
	Social solutions	Nuclear power- and radiation-related equipment Mobility
	Digital transformation solutions business	Information solutions
	Equipment construction	IT solutions

First, I will explain the changes in subsegments.

From April 1, 2024, we have integrated Information Solutions within the Social Solutions Subsegment and IT Solutions to establish a new subsegment called the Digital Transformation Solutions Business Subsegment.

The Information Solutions Business of Fuji Electric Co., Ltd. and the IT Solutions Business of Fuji Electric IT Solutions Co., Ltd. have traditionally been operated as a single business. We will further strengthen this collaboration to leverage the Group's overall capabilities and enhance the DX business.

Energy saving, automation, and electrification



* 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.

This is an overview of the business.

These are the sales ratios for each subsegment in FY2023, along with our main products and customers.






The Automation Systems Subsegment, which has the largest sales ratio, consists of two businesses: Components and Systems.

Fuji Electric contributes to productivity improvements and energy savings with products utilizing its excellent power electronics technologies, such as low-voltage inverters and other components, drive control systems and measurement control systems for the materials industry, as well as induction furnaces.

In the Social Solutions Subsegment, we integrated the nuclear power-related equipment business with the radiation-related equipment business in the second half of the previous fiscal year, and commenced activities as a single business unit. Together with the mobility business, the Company contributes to the safety and security of social infrastructure.

Additionally, the Digital Transformation Solutions Subsegment and the Equipment Construction Subsegment provide value to customers through energy savings, automation, and electrification across the entire segment.

Strengths of Industry Segment

Automation Systems	【Components】  <p>Low-voltage inverters No. 2 domestic share</p> <p>Smart meters No. 2 domestic share</p>	Swift development of power electronics equipped with Fuji Electric power semiconductors	
	【Systems】 <p>Steel plants (metal bar compression equipment) No. 1 domestic share</p> <p>Harbor cranes (drive systems) No. 1 domestic share</p> <p>Induction furnaces No. 1 domestic share</p>		Industry-specific engineering capabilities fostered while building robust delivery track record
Social Solutions	<p>Nuclear power- and radiation-related equipment Monitoring posts, personal dosimeters No. 1 domestic share</p> 	<p>Rail cars (electrical doors) Domestic market share 50% (Conventional lines) U.S. market share 25% (Subway)</p> 	Sophisticated sensing and electrical equipment control technologies, high reliability
Digital Transformation Solutions	<p>MESs, EMS, smart maintenance MainGATE</p> 	<p>Controllers, Human-machine interfaces, Factory automation systems (testing/line equipment)</p> 	Integrated product lineup encompassing everything from edge controllers to manufacturing and quality control solutions

Note: Shares represent estimates by Fuji Electric based on FY2023 performance.

Here, we list the strengths of the Industry Segment.

The strengths of the Automation Systems Subsegment include the ability to quickly develop power electronics equipment equipped with our in-house power semiconductors, and engineering capabilities accumulated through an extensive track record in deliveries to various industries. In recent years, we have advanced the standardization of each model through platforming, thereby enhancing development and production efficiency, while upgrading overseas bases and acquiring distribution channels.

For the systems business in particular, we are focused on expanding overseas business by transferring our domestically honed technologies, know-how, and experience to overseas bases, especially in the industries where we excel, such as steel and harbor cranes.

The Social Solutions Subsegment has strengths in advanced sensing and electrical equipment control technologies.

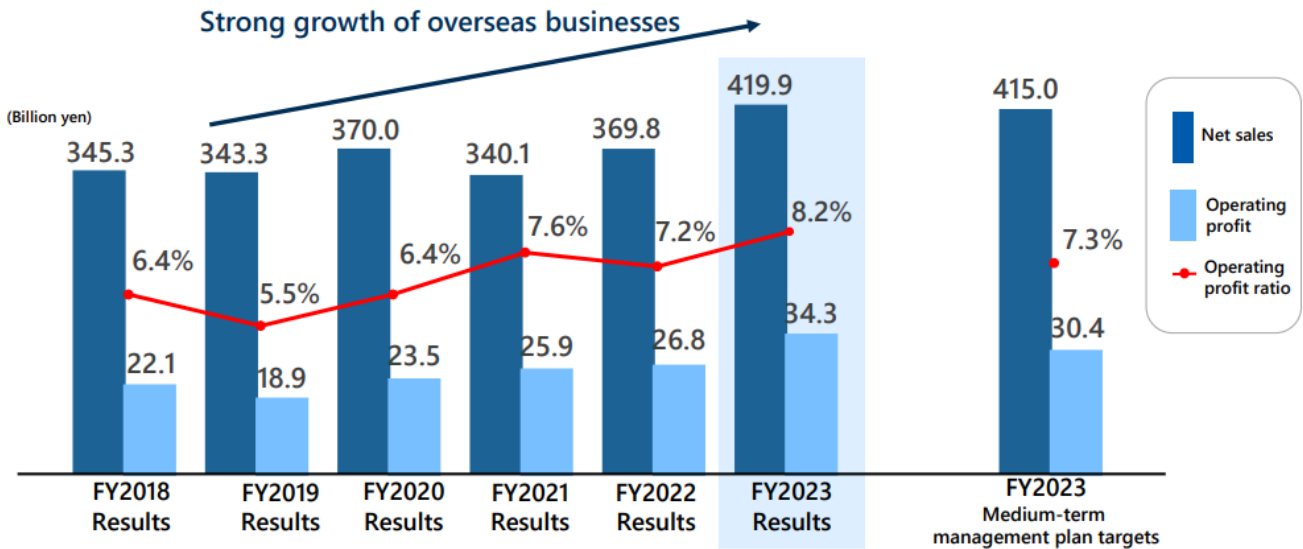
As the leading domestic supplier of radiation-related equipment, including monitoring posts and personal dosimeters, we have built up an extensive track record in deliveries. Moving forward, we will enhance synergies with the nuclear power-related equipment business.

In rail cars, we specialize in electrical doors. In Japan, our electric doors have been widely adopted on many conventional railway lines, such as the JR Yamanote Line, and we are expanding our market share in the United States, primarily with the New York City Subway.

The strength of the Digital Transformation Solutions Subsegment lies in its ability to provide both hardware and software.

We will promote vertically integrated customer proposals, including on-site device equipment from the Automation Systems Subsegment.

II. Review of FY2023 Medium-Term Management Plan



Successes

- Increased local production and consumption
- Acceleration of regional partnership strategies
- Development of global products

Challenges

- Further growth of overseas businesses
- Development of decarbonization and digital transformation solutions
- Strengthening of earning structures of automation systems business

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

This is a review of the FY2023 Medium-Term Management Plan.

Although profit ratio worsened due to a decline in component demand stemming from U.S.-China trade friction in FY2019 and the impact from the COVID-19 pandemic, Fuji Electric worked to reinforce the earnings structure and expand business through local production for local consumption, productivity improvements, and the promotion of partnership strategies.

As a result, we exceeded the targets in our medium-term management plan for net sales, operating profit, and operating profit ratio in FY2023.

Future challenges include further expansion of our existing overseas business, strengthening the profit structure, and developing new products related to decarbonization and DX.

III. Overview of FY2026 Medium-Term Management Plan

		Japan (FY2024–2026)		Overseas (FY2024–2026)				
Automation Systems	Components	<ul style="list-style-type: none"> Recovery in semiconductor production equipment anticipated to begin in late FY2024 Strong performance of pumps for domestic construction and overseas mining applications Growth in relation to automotive battery factories and decarbonization of automobile factories 		→	China	<ul style="list-style-type: none"> Gradual recovery anticipated over medium term, despite opaque conditions created by sluggish real estate and export markets 	→	
	Systems (Material industry, electric furnaces)	<ul style="list-style-type: none"> Promotion of equipment electrification and fuel conversion to contribute to decarbonization of existing production processes Growth of customers' decarbonization businesses (hydrogen, new energy) 		→	Southeast Asia	<ul style="list-style-type: none"> Continuation of steady growth in infrastructure investment centered on fan and pump markets 	→	
Social Solutions	Mobility	Nuclear power- and radiation-related equipment	<ul style="list-style-type: none"> Return to normal levels for new capital investment related to nuclear fuel cycle Accelerated trends in restarting and decommissioning nuclear reactors and in developing innovative next-generation reactors stimulated by government energy policy targeting green innovation 		→	India	<ul style="list-style-type: none"> Increased production of air-conditioning equipment, elevators, and machinery Start of transition to smart meters for utilities applications 	→
		Rail cars	<ul style="list-style-type: none"> Railcar production to bottom out in FY2024 and then climb slightly above FY2023's level in FY2025 		→	Europe	<ul style="list-style-type: none"> Growth in elevator replacement demand and air-conditioning equipment market 	→
	Ships, harbors	<ul style="list-style-type: none"> Popularization of low-emissions and emissions-free ships following institution of new greenhouse gas emissions regulations Accelerated efforts to create carbon-neutral ships 		→	Americas	<ul style="list-style-type: none"> Brisk capital investment in oil and gas market Solid demand in market for air-conditioning equipment (freezers, etc.) 	→	
Digital Transformation Solutions	<ul style="list-style-type: none"> Increased automation and process reform needs as a result of workforce contraction and digital transformation trend 		→	Southeast Asia	<ul style="list-style-type: none"> Firm steel and nonferrous metal plant investment; growth in harbor cranes 	→		
					India	<ul style="list-style-type: none"> Growth driven by steel, oil, and ceramics industry; growth in harbor cranes 	→	
					Rail cars	<ul style="list-style-type: none"> Increase in replacement projects in North America Expansion of new road projects for addressing traffic congestion and environmental issues in Southeast Asia 	→	

This is our market outlook.

Here, we outline market trends related to the main products of each business, breaking them down separately for domestic and overseas markets.

In Japan, we anticipate significant growth in DX-related markets.

The automation systems market should recover, especially in semiconductors, and we expect solid momentum in energy-saving and electrification aimed at decarbonization.

For nuclear power-related equipment, if investments proceed as planned in “nuclear fuel cycle” plants that reuse spent nuclear fuel, new capital investments are likely to taper off during the medium-term management plan.

In mobility, while the railway market is expected to remain flat, the market for ships and harbors has been slower to get up than anticipated, but the momentum towards electrification is strengthening.

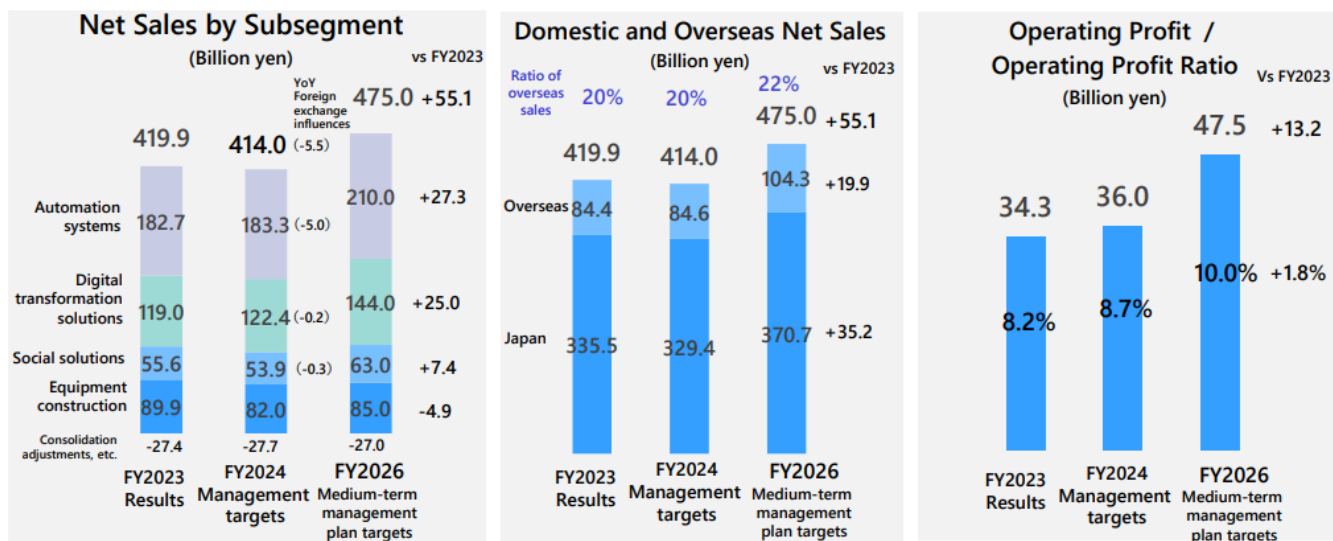
Overseas, both automation system and mobility markets look likely to stay brisk.

Although China has yet to show improvement, we anticipate a gradual recovery towards the latter half of the medium-term management plan.

Pursuit of business growth and profitability improvement centered on automation systems and digital transformation solutions businesses

Business Policies

- ◆ Creation of competitive components for use in strengthening systems offerings
- ◆ Utilization of systems to grow green transformation and overseas businesses
- ◆ Reinforcement of earnings structure of automation systems business



This slide covers our business policies and business plan.

Our business policies have been aligned with the challenges we identified in the review of the previous medium-term management plan, but essentially, we will continue and strengthen the policies from the previous plan.

We aim to create powerful components, strengthen our systems, expand the green transformation and overseas businesses, and reinforce the profit structure of the Automation Systems Subsegment.

Fuji Electric's business plan targets significant sales growth, centered on the Automation Systems and Digital Transformation Solutions Subsegments.

Since the domestic sales ratio is high in businesses other than automation systems, Japan will account for a larger amount of growth in sales, but the Company forecasts overseas sales growth of roughly ¥20 billion.

We expect Automation Systems and Digital Transformation Solutions to drive growth in profit, and target an operating profit ratio of 10% for FY2026.

We will continue to work on further improving the profit structure for components and secure solid profits in Digital Transformation Solutions based on core businesses.

Strengthening of Existing Operations

【Automation systems】

- **Expansion of overseas systems operations**
Introduction and enhancement of global products
Ongoing acceleration of partnership strategies
- **Expansion of operations in India**
Entry into smart meter businesses
Solicitation of elevator products
- **Promotion of electrification**
Encouragement of changes to new heat sources
(Increased use of induction furnaces and industry heating equipment)
Electrification of hydraulic equipment
- **Strengthening of profit structure**
Further promotion of local production and consumption (six-region network)
Standardization of engineering to improve efficiency



Expansion of New and Growth Fields

【Digital transformation solutions】

- **Expansion of digital transformation solutions for manufacturing industry**
Promotion of global smart factories
Broadening of lineup of heat products
(heat source electrification, EMS solutions)
- **【Social solutions】**
Mobility
 - **Promotion of electrification in mobility field**
Introduction of new products for ship and harbor equipment
Launch of automotive power electronics business
- **Nuclear power- and radiation-related equipment**
 - **Increases to sales volumes in light of steady advancement of large-scale projects as well as restarts and decommissioning of reactors**
 - **Generation of synergies with internal resources**

This slide explains our priority measures.

To strengthen existing areas, the Automation Systems Subsegment will focus on expanding the overseas systems business, growing the business in India, promoting electrification, and reinforcing the profit structure.

To expand into growth and new areas, we will enhance green transformation businesses related to digital transformation and electrification of heat sources.

We are keen on expanding digital transformation solutions for the manufacturing industry and promoting electrification in the mobility sector to drive business growth.

Expansion of Overseas Businesses (Regional Strategies)

		China	Southeast Asia, etc.	India	Europe and North America
Ratio of overseas sales		41 % → 43 % (FY2023) (FY2026)			
Distribution of overseas sales		26 % → 24 % (FY2023) (FY2026)	20 % → 20 %	29 % → 32 %	25 % → 24 %
Sales Plan		¥19.4 billion → ¥22.0 billion (FY2023) (FY2026)	¥14.6 billion → ¥18.0 billion	¥21.8 billion → ¥29.0 billion	¥18.7 billion → 22.0 billion
Target industries		Steel, Electricity, Equipment manufacturing	HVAC, Elevators, Steel	Ports, Chemical, Equipment manufacturing, Electricity	Oil and gas, Chillers, Elevators
Priority measures	Components	<ul style="list-style-type: none"> Engagement in new systems business negotiations (Lithium-ion batteries, semiconductor production equipment) Increased local production and consumption of measuring instruments 	<ul style="list-style-type: none"> Growth of sales from air-conditioning equipment market Expansion of distributor network (Philippines, Indonesia, Vietnam, etc.) 	<ul style="list-style-type: none"> Increased in-house production of existing component products Entry into smart meter business Promotion of sales of products for elevators 	<ul style="list-style-type: none"> Enhancement of capacity to accommodate low-voltage inverter demand through start of production in North America Solicitation of elevator products Bolstering of coordination with partners
	Systems	<ul style="list-style-type: none"> Promotion of induction furnace sales Sales promotion through partnerships and joint venture in Shanghai (Drive control, industrial heating systems) 	<ul style="list-style-type: none"> Proposal of harbor crane systems (Industrial inverters, automation) Incorporation of demand from Japanese Renewal business (Increased coordination between sales companies and Japanese headquarters) 	<ul style="list-style-type: none"> Solicitation of products for steel plants (Industrial inverters, EMS packages for energy centers) Localization of sales, development, and engineering systems 	<ul style="list-style-type: none"> Promotion of high-voltage inverter sales Pumps for various plant applications (Oil, gas, water treatment, etc.)

Next is automation systems measures.

We aim to expand business overseas. Although sales are increasing in all regions, the sales ratio will probably see a minor decrease in China, while growth is driven primarily by Asia and India, especially India.

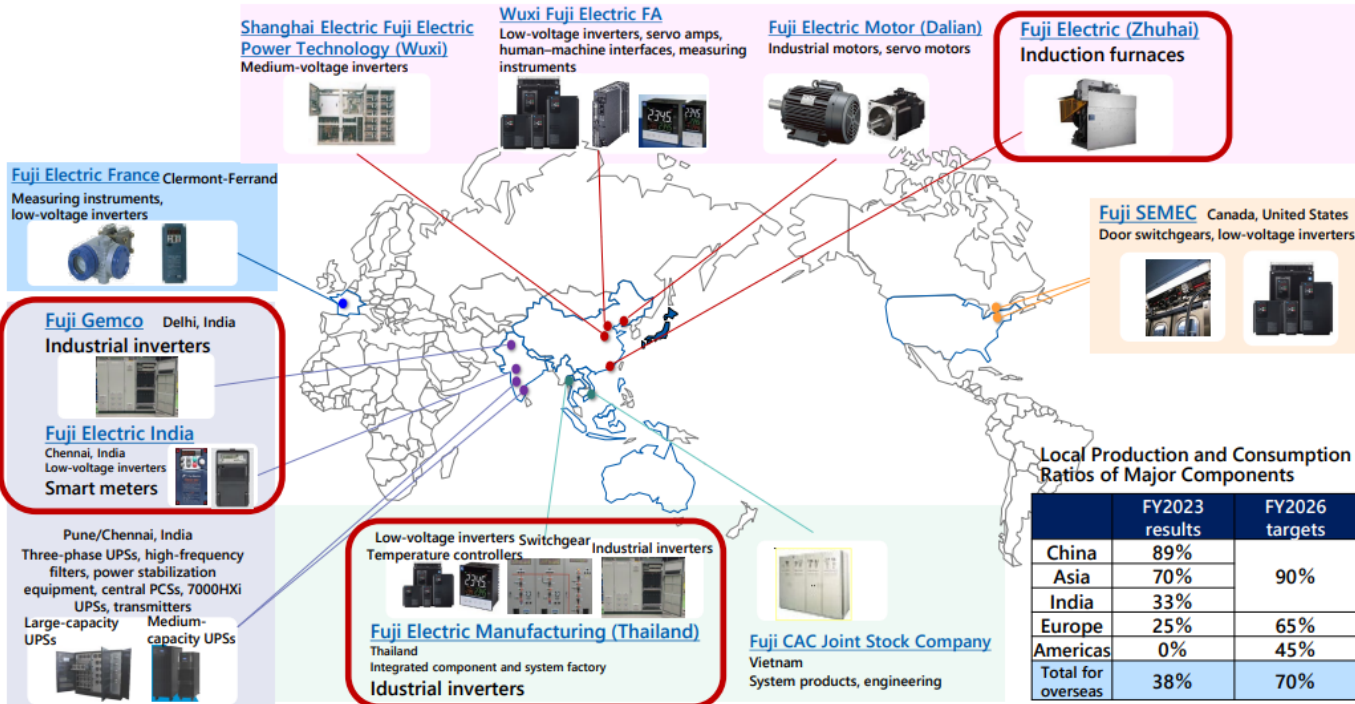
In components, Fuji Electric plans to enter the electric power smart meter business in India, a market likely to grow in the future. In inverters, we are developing new dedicated products for the elevator industry in a bid to maintain our top market share, with plans to launch these products starting this fiscal year.

Fuji Electric's quality in small power supplies is gaining recognition, and this has translated into the winning of bids for mainly public projects. We aim to expand our business for not only low-voltage inverters, but also smart meters and small power supplies.

In system projects, we aim to expand mainly in the steel sector, driven by potential construction investments in buildings and bridges in India.

In the United States, the last base in our six-region production network, we will commence the local production of low-voltage inverters. By locally producing large-capacity models needed in the oil & gas and air conditioning fields, we aim to shorten production lead times and further expand business.

Target of increasing rate of local production and consumption for major components (low-voltage inverters, measuring instruments, etc.) to 70%; enhancement of overseas competitiveness by promoting local production and consumption of systems over three-year period



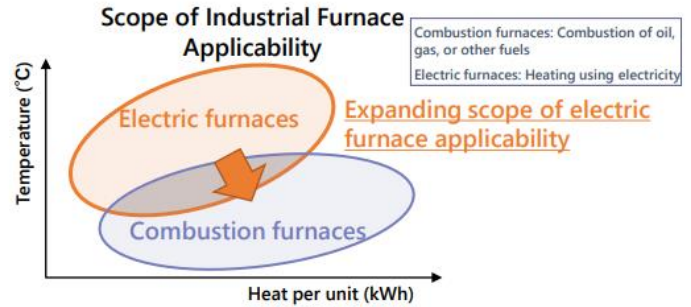
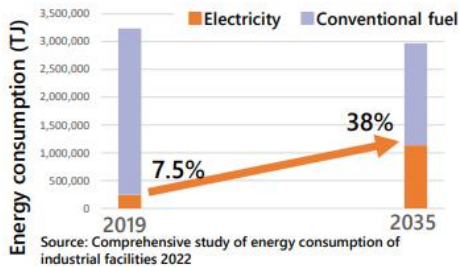
In major components, we have steadily promoted local production for local consumption. The current ratios for this in each region are listed on the bottom right of the slide. We plan to increase the total overseas ratio to 70% by FY2026.

We are promoting local production and local consumption in order to shorten lead times through local production, reduce geopolitical risks through geographic diversification, and improve profitability by building local supply chains, which lowers procurement, production, and transportation costs.

In public projects, local production has increasingly become a prerequisite for winning bids, so we will also advance local production and consumption for automation system products.

Acceleration of electrification of industrial furnaces and heating systems to reduce CO₂ emissions (steel, chemicals, etc.); focus on service bundles incorporating energy saving, preventative maintenance, and automation to capture demand related to increasing number of electric furnaces (induction furnaces)

Steel Industry Electrification Projects



Casting EMSs

- Support for energy-efficiency improvements using dedicated casting EMSs
- Shortening of facility downtime using maintenance management systems
- Comprehensive production planning and traceability management



Furnace Operation Support Robots

- Promotion of automation with furnace operation support robots (coordination with partners)
- Contribution to employe safety and workstyle reforms

Energy Management

Reduction of energy consumption through efficiency improvements and loss prevention

Electricity
Heat, air conditioning

Equipment/Maintenance Management O&M

Equipment logs
Inspection/failure logs
Equipment operating log



Robots produced by Kawasaki Heavy Industries

Next is the promotion of electrification.

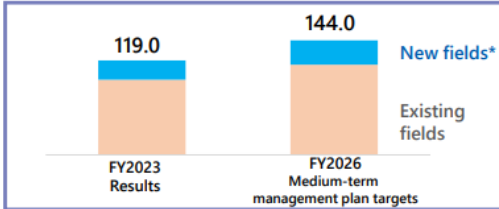
The electrification of industrial furnaces and heating equipment is progressing in energy-intensive sectors like steel and chemicals to reduce CO₂ emissions. Although there is the issue of higher electricity costs compared to combustion furnaces, electrification is a promising option for decarbonization, and is likely to gain traction.

While we have mainly focused on increasing sales in Japan and China, we anticipate stronger demand in the automotive parts and industrial machinery sectors. We plan to expand sales globally, especially in Southeast Asia. To effectively tap into increasing demand, we will focus on the areas of energy conservation, preventative maintenance, and automation.

We are developing EMSs specifically for casting to improve energy efficiency and help reduce downtime through maintenance management systems. In harsh work environments characterized by high temperatures and humidity, we plan to introduce automation through the use of robots to ensure worker safety and contribute to work style reforms.

Acceleration of efforts to address customer management tasks of achieving real-time management and smart manufacturing

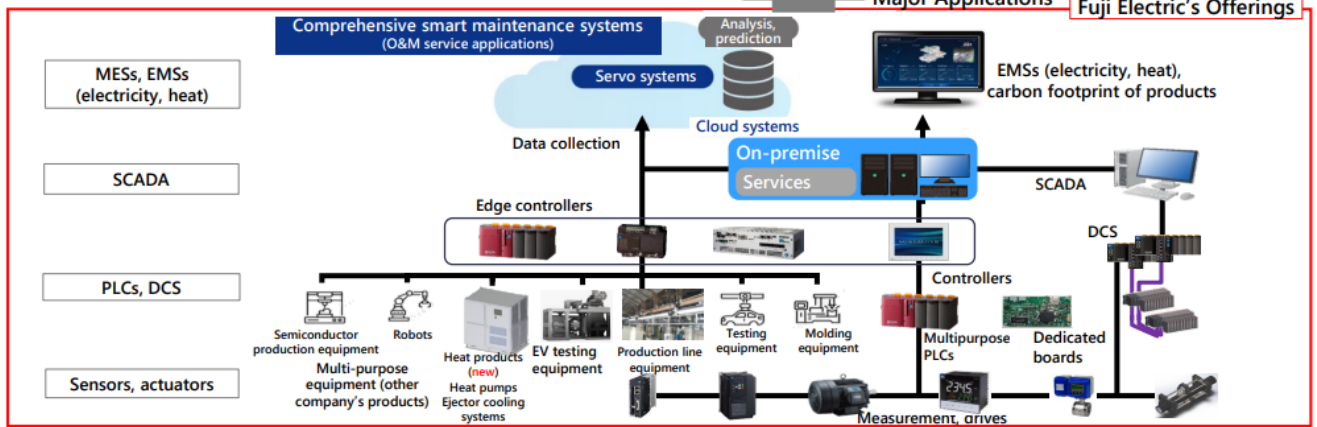
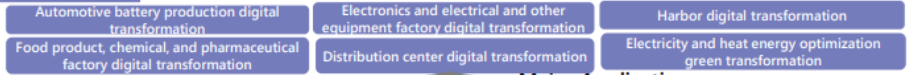
FY2026 Sales Target (Billion yen)



Priority Measures

- Supply of packages bundling products for creating smart factories
 - Integration, analysis, and utilization of production, energy, equipment, maintenance, and other on-site data
 - Consolidation and integrated management of information from multiple production sites
 - Enhancement of proposal capabilities by combining electricity, heat, and information (digital transformation) offerings
- Sales of solutions based on usage cases at Fuji Electric factories and enhancement of digital transformation project lineup

* "New fields" refers to new markets and new products.



Next, we take a look at measures for digital transformation solutions.

For our sales plan in FY2026, in existing fields, we anticipate stronger demand for ICT infrastructure in private sectors, such as finance and distribution, as well as upgrades to the ICT environment in schools, in line with our targeting of the Next GIGA School initiative in the next medium-term management plan.

In new fields, we expect the creation of new business models through digital transformation in local governments and growth in target industries in the private sector. Our main focus will be on expanding Digital Transformation Solutions for the manufacturing industry by increasing sales of various products aimed at customers' smart factories.

We will support customized, optimal digital transformation for customers by preparing packaged products tailored to the challenges of each customer industry, utilizing our own products, such as inverters, sensors, and edge devices prototypes used at production sites; production line devices and controllers that monitor the operational status of these devices; smartphone services that analyze collected data; and EMSs.

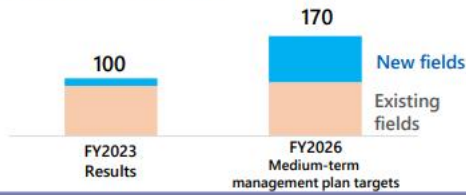
In our own factories, we are advancing analysis and improvements through visualization using a manufacturing dashboard that connects management information with on-site information. We plan to further expand our digital transformation products by leveraging specific case studies from our own factories for external sales.

Growth of Operations in Mobility Field

Expansion of operations in new fields (ships, harbors, electrified vehicles) and improvement of earnings in existing fields (railcars)

FY2026 Sales Target

Note: FY2023 is indexed to 100.



Priority Measures

Rail cars

- Capitalization on replacement demand associated with previously delivered railcars in the United States
- Focus on global customers to grow orders (global products)
- Improvement of quality

Ships, harbors

- Introduction of new global products to acquire new orders
- Acceleration of partnership strategies

Electrified Vehicles

- Development of production systems for automotive power electronics and launch of new products

Medium- to Long-Term Outlook for Target Markets

	2024	2025	2026	- 2030
Railcar systems 【Existing field】	Door replacement demand in U.S.		Application of next-generation doors	Application of all-SiC devices
Ships (electrification) 【New fields】	Introduction of hybrid ships		Full-electric ships	
Harbors (shoreside power) 【New fields】	Introduction		Popularization	
Electrified vehicles 【New fields】	Expansion of application			

Rail cars

Electrical equipment for railcars

All-SiC main converters Full-active damper drives

High-value-added products

Global door platforms
(Condition-based management functions)

Ships, harbors

Electric propulsion

Cool water permanent magnet electric motors Cool water conversion systems

Shoreside power supply systems

Container packages Cable management systems

This slide covers the mobility business.

Toward FY2026, in existing fields, we will primarily focus on the railway market, which has been the core business. We expect the domestic market to remain flat, so we aim to maintain sales by tapping into replacement demand for railway car doors in the United States.

We plan to significantly expand in new fields. We anticipate growth in the ship and harbors field, as well as in automotive power electronics products. Electrification in the ship and harbors field is progressing slower than we initially expected due to rising electricity costs and the concurrent consideration of new energy sources, such as hydrogen and ammonia.

Demand is steadily increasing overseas for shoreside power supply systems so that ship engines can be turned off when idling in port, as well as because ships are being electrified to achieve decarbonization. We expect this demand to expand in Japan as well over the medium to long term.

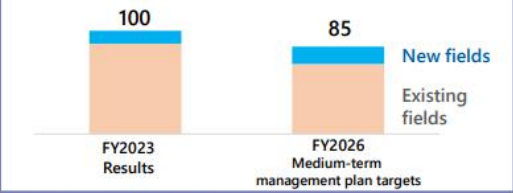
While there have been some reports in the news about a slowdown in electrified vehicles demand lately, we still believe there has been no major change in the medium- to long-term shift towards electrified vehicles in the automotive power electronics business.

While we refrain from identifying specific customers and products, we are developing automotive components that leverage our strengths in semiconductors. We are updating the production system and plan to bring these new products to the market by FY2026.

Response to growth of decarbonization-related market through synergies between core technologies and products and reinforcement of manufacturing foundations

FY2026 Sales Target

Note: FY2023 is indexed to 100.










Priority Measures

- Completion of large-scale projects (nuclear fuel cycle) and expansion of after service businesses
- Development of new products through coordination with customers
- Generation of synergies with nuclear power- and radiation-related equipment businesses (comprehensive project orders)
- Bolstering of project staff in preparation for growth in project numbers

Medium- to Long-Term Outlook for Target Markets

	2024	2025	2026	-2030
Nuclear fuel cycle [Existing field]	Completion of new factories and start of operation			
Resumption of nuclear power plant operation [New fields]	Increased projects in reflection of government energy policy			
Decommissioning [New fields]	Rise in sales volumes due to aging and decommissioning of facilities			
Innovative next-generation reactors [New fields]	Increased investment in high-temperature gas reactors, etc.			

	Core Technologies	Plant and Other Major Products
Nuclear power-related equipment Primarily MOX fuel production and non-reactor peripheral equipment	Remote control → Fuel production equipment → Remote transportation of radiative materials Nuclear engineering → Innovative next-generation reactors Nuclear waste treatment → Advanced solidification technologies → Cutting/decontamination devices	  Glovebox equipment Fuel handling equipment  Structure inside of high-temperature gas reactor  Advanced solidification/mixing devices
Radiation-related equipment	Sensing technologies, high-quality monitoring → Dosimeters → Monitors	   Waste measurement monitors Environmental radiation monitors Entry management systems

Comprehensive decommissioning orders

Slide 18 is about nuclear power and radiation-related equipment.

Sales are primarily based on progress metrics for existing projects, with minor growth in new fields, such as nuclear reactor restarts and decommissioning. We expect overall sales to be lower than in FY2023.

However, we anticipate stronger demand in new fields from FY2027 onwards. During this three-year medium-term management plan, we aim to successfully complete existing projects while strengthening our foundation for manufacturing, such as developing new products and enhancing human resources, in preparation for growth after FY2027.

Improvement of development efficiency, swift introduction of new products, and expansion of range of platform utilizing models

	Major Development Themes	Target Regions	FY2022	FY2023	FY2024	FY2025	FY2026	
Automation Systems	Low-voltage inverters	Japan China Asia Europe North America		Deployment of models for 7th platform	Elevator-use inverters	Development of 8th platform		
	Systems •Bolstering of industrial inverter functions •Large-capacity water-cooled inverters •Global Medium-voltage inverters •Medium-sized industrial motor model updates and lineup expansion	Japan China Asia	Industrial inverters	Large-capacity water-cooled inverters	Series expansion	Global high-voltage inverters		
	Plant control systems •Global control systems	Japan Asia	Medium-sized industrial motor model updates	Next-generation DCSs/PLCs	Security measures	Cloud platforms		
Digital Transformation Solutions	Digital transformation product lineup expansion •Development of platforms for factory digital transformation and expansion of employing systems •Promotion of standardization and cloud compatibility in relation to office digital transformation Heat products	Japan China Asia	Digital transformation solutions	Heat products				
Mobility	Electrical mobility equipment and systems •Electrical equipment for shinkansen trains •Next-generation door platforms and condition-based management systems •Automotive power electronics •Electric propulsion, shaft generators •Shoreside power supply systems •CO ₂ /ammonia capture systems for ships	Japan North America Asia India	Smaller, lighter, and all-SiC electrical equipment for shinkansen trains				Standardized door development and lineup expansion	
			Automotive power electronics				Electric propulsion, shaft generators	
			CO ₂ /ammonia capture systems					
Nuclear Power- and Radiation-Related Equipment	Waste treatment equipment •Spend fuel solidification (SIAL®) system Personal exposure management, components for overseas markets •Next-generation dosimeters •New survey meters	Japan China Asia Europe and North America	Development projects for utilizing advanced solidification technologies at domestic power companies				Next-generation dosimeter development	
							New survey meters	

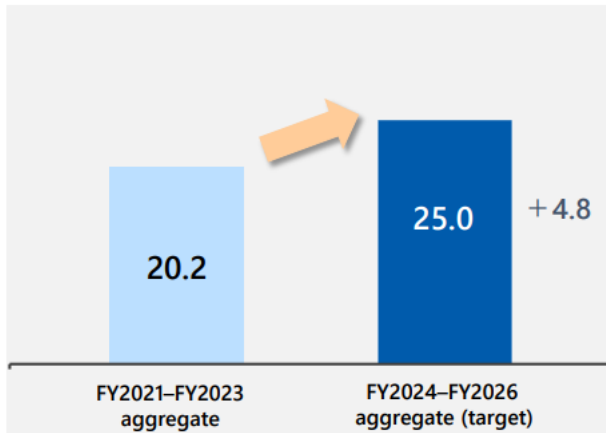
Our development plan is as follows.

We will develop and launch new products related to energy conservation, automation, and electrification.

To create powerful components, we will advance a variety of developments.

We aim to improve development efficiency by utilizing platforms to reduce design man-hours and using analytical tools to shorten prototype lead times. We have already seen some results from these efforts and will continue to work on improvements.

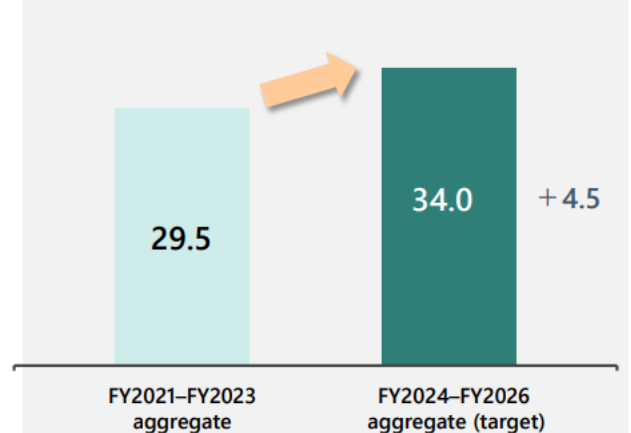
Capital Investment (Billion yen)



Investment for expanding businesses using new products

- New investment in smart meters and automotive power electronics
- Investments for increasing production at overseas production bases
- Rationalization, upgrades, and renovation

Research and Development (Billion yen)



Creation of competitive components for growing green transformation and digital transformation markets

- Development of decarbonization products and environmental impact reducing technologies (Electrified mobility, heat products, CO₂/ ammonia capture equipment)
- Digital transformation-related equipment (smart factories)
- Enhancement of global product lineup
- Development of platforms utilizing next-generation IGBTs and SiC devices

Note: The R&D expenditure figures above represent expenditures that have been allocated to segments based on theme and may therefore differ from figures contained in consolidated financial reports.

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We expect to increase capital investment by ¥4.8 billion over the three years of the plan. This includes investments in smart meter production in India, updating the production structure for automotive power electronics products, and increasing production at overseas bases.

For research and development, we plan to spend an additional ¥4.5 billion to create powerful components for the green transformation and digital transformation markets.

This concludes my presentation. Thank you for your attention.

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