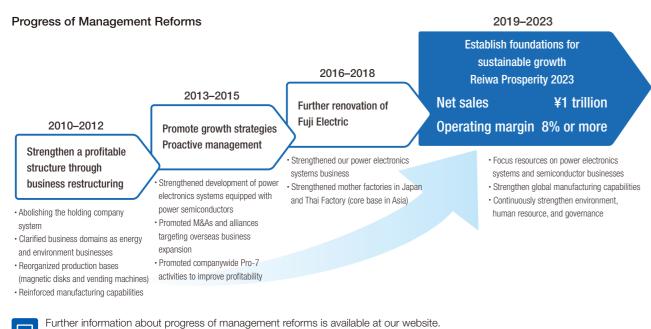
FY2023 Medium-Term Management Plan

Following global financial crisis in 2008, Fuji Electric began reinforcing its profit structure through business restructuring and has since been implementing management reforms to further expand its business and enhance its profitability.

Under our FY2023 Medium-Term Management Plan, we aim to establish a foundation for sustainable growth with net sales of ¥1 trillion and an operating margin of 8% or more, and pursing three key initiatives: "promote growth strategies," "further improve profitability," and "ongoing reinforcement of operating foundation."



Progress of Medium-Term Management Plan

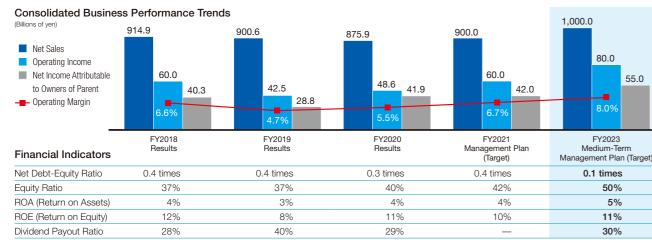
https://www.fujielectric.com/ir/box/doc/pdf/rep2021/management_reforms.pdf

The business environment surrounding our company has remained challenging. In fiscal 2019, for example, we faced market contraction overseas, especially in China, due to the trade friction between the United States and China, and in fiscal 2020 we encountered ongoing investment restraint due to restrictions on economic activities in Japan and overseas caused by the spread of COVID-19.

We expect the global economy to gradually recover, with signs of a turnaround in capital investment in China's manufacturing sector since last year. In addition, the trend toward digitalization and greenification, evidenced by the

electrification of automobiles and spread of renewable energy, is accelerating, providing increased business opportunities for the Company, which is centered on the energy and environment businesses.

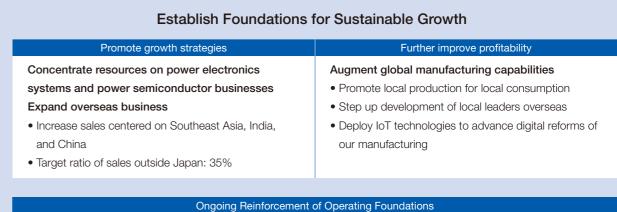
In fiscal 2021, we are targeting net sales of ¥900 billion and operating income of ¥60 billion, and we must reach these targets to achieve the plan's objectives for fiscal 2023 (net sales of ¥1 trillion and an operating margin of 8% or higher). In light of the current changes in the market environment, we will review the strategies and targets of each business segment.



 $^{^{\}star}$ Net debt-equity ratio = Net interest-bearing debt \div Equity

FY2023 Medium-Term Management Plan "Reiwa Prosperity 2023"

Key Issues



Origoning Heinforcement of Operating Foundations

- Ongoing reinforcement of our operating foundations with a focus on the environment, human resources, and governance
- Evolution of companywide Pro-7 activities

Financial Policy

- Emphasize balance between growth potential, profitability, efficiency, and financial soundness
- Further improve capital efficiency
- For shareholder returns, target dividend payout ratio of 30% based on principle of stable and continuous dividends



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^{*} Assumed exchange rates for fiscal 2023: ¥105 to the U.S. dollar; ¥123 to the Euro; ¥16 to the RMB