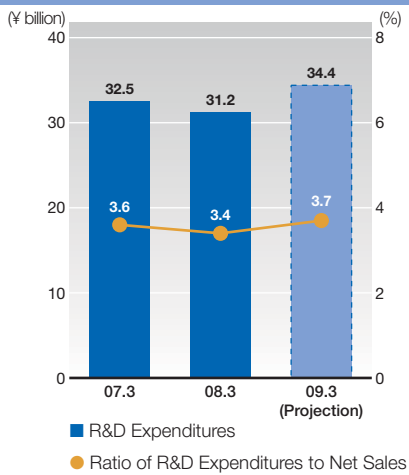


Research & Development and Intellectual Property Strategies



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R&D Expenditures/Ratio of R&D Expenditures to Net Sales



Research & Development Vision and Policy

Based on its medium-term Research & Development policy, the Fuji Electric Group is pursuing further “selective and focused research & development” and promoting “the reinforcement of technological capabilities and the strengthening of medium- to long-term endeavors in basic research” with the aim of “generating high market share, high revenues, and products that produce high earnings.” Specifically, Fuji Electric works to refine distinctive core technologies based on electrical and machinery technologies and to upgrade technology development and basic research to accelerate the launch of distinctive products. At the same time, we invest strategically in key product categories that support the core business of the Group.

In order to become the industry’s foremost specialist in all fields where we are active, we have created a roadmap for business and technological development over the medium term. We also seek to improve the efficiency of investment in Research & Development by selecting research areas that are consistent with our product strategies. Additionally, we are accelerating Research & Development programs by forging strategic alliances with universities and other companies. Fuji Electric Advanced Technology Co., Ltd. is the Group’s dedicated Research & Development company. It focuses

on the development of basic technologies, technologies for new products and businesses, technologies for core product categories, and new production technology. In addition, it is concentrating on creating a technology platform that includes the Group’s common core technologies in electronics and embedded systems technologies. Meanwhile, each operating company is focusing on its own new product development. Fuji Electric Advanced Technology is working closely with each operating company, ultimately helping to maximize the corporate value of the Fuji Electric Group.

Policy and Strategy for Intellectual Property Activities

Fuji Electric Holdings Co., Ltd, the Group’s holding company, core operating companies, and Fuji Electric Advanced Technology Co., Ltd. have adopted a shared strategy of improving patent portfolios. Based on this strategy, each company works to 1) strengthen their patent portfolios by acquiring the rights to their effective patents, 2) reduce risk related to conflicts over patents by researching patents held by other companies and avoiding infringements, 3) promote the utilization of patents surplus to requirements by databasing all effective patents held, and 4) establish a framework for the management of balanced patents for mainstay products.

Research & Development Policy



R&D Expenditures by Segment

