

Progress of Management Reforms

Since 2010, Fuji Electric has advanced its management reforms based on three pillars: Strengthening of Management Foundations, Promotion of Growth Strategies, and Improvement of Profitability. As a result, we have steadily grown our net sales and operating profit, and have developed into a company capable of achieving an operating profit ratio of over 10%.

Main Initiatives	2010-2012 Improvement of profitable structure through business restructuring	2013-2015 Promotion of growth strategies Proactive management approach	2016-2018 Further renovation of Fuji Electric	2019-2023 Establishment of a foundation for sustainable growth	2024- Improvement of corporate value through management emphasizing profit
Reinforcement of operating foundations	<ul style="list-style-type: none"> Integrated business operations by abolishing the holding company system Faster management decision-making (Executive officers: Reduced from 53 to 18) Revised management policies 		<ul style="list-style-type: none"> Partially eliminated cross-shareholdings 	<ul style="list-style-type: none"> Established the Nomination and Remuneration Committee Strengthened management and business execution functions through the CEO and COO system Further reduced cross-shareholdings Revised the Fuji Electric Code of Conduct Formulated the Environmental Vision 2050 Endorsed the TCFD recommendations 	<ul style="list-style-type: none"> Introduced a performance-related share-based remuneration plan for directors TNFD compliance
Promotion of growth strategies	<ul style="list-style-type: none"> Clarified business domains as energy and environment businesses 	<ul style="list-style-type: none"> Expanded overseas businesses <ul style="list-style-type: none"> Acquired human resources and sales channels by promoting M&A and collaboration (6 companies in Asia etc., 2 in China, 2 in the U.S., 1 in Europe) Strengthened power electronics systems and power semiconductors, and maximized synergies <ul style="list-style-type: none"> Strengthened R&D 	<ul style="list-style-type: none"> Strengthened the power electronics systems business <ul style="list-style-type: none"> Reorganized the social engineering systems, industrial infrastructure, and power electronics businesses 	<ul style="list-style-type: none"> Concentrated resources in the power electronics and power semiconductor businesses 	<ul style="list-style-type: none"> Strengthened the power electronics business <ul style="list-style-type: none"> Reorganized the systems and components businesses Made the equipment construction company a wholly owned subsidiary
Improvement of profitability	<ul style="list-style-type: none"> Implemented business restructuring <ul style="list-style-type: none"> Reorganized production bases (magnetic disks, vending machines) Reduced costs through global procurement and centralized purchasing Reduced inventories through supply chain reforms Augmented our manufacturing capabilities <ul style="list-style-type: none"> Consolidated the production technology divisions and strengthened human resource cultivation 	<ul style="list-style-type: none"> Promoted local production for local consumption <ul style="list-style-type: none"> Established production bases (Thailand, India, the United States.) Improved value-added productivity through in-house manufacturing, automation, and standardization Promoted companywide Pro-7 activities to improve profitability <ul style="list-style-type: none"> Improved operational efficiency by reviewing all costs from a zero base 	<ul style="list-style-type: none"> Strengthened profitable structure <ul style="list-style-type: none"> Strengthened mother factories in Japan (Suzuka and Kobe) Reorganized production models Improved operational efficiency and quality by taking inventory of all operations 	<ul style="list-style-type: none"> Withdrew from the magnetic disk business Strengthened response to procurement risks Improved productivity and reliability by promoting digital reform Improved productivity by expanding RPA implementation Promoted workstyle reforms 	<ul style="list-style-type: none"> Strengthened business operations emphasizing cost of capital (ROIC) Digitally coordinated SCM and PLM Invested in information systems

Business Performance Trends (Billions of yen)

