

Corporate Governance

Basic Policies

In strengthening our corporate governance, our basic policies are to protect shareholder rights and ensure their equal treatment, cooperate appropriately with non-shareholder

Corporate Governance Framework

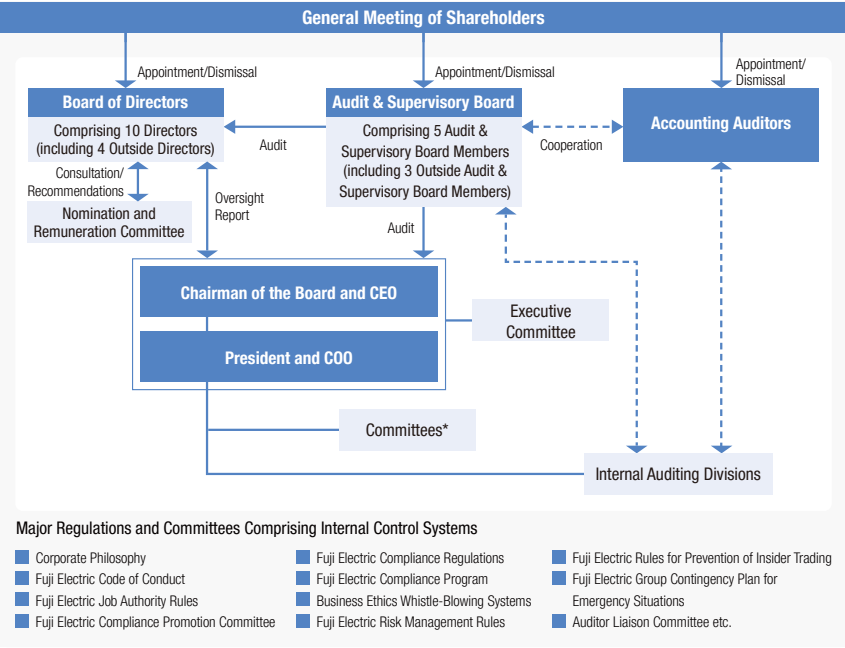
Fuji Electric's corporate governance framework consists of the Board of Directors, which performs the functions of management supervision and making important decisions, and the Audit & Supervisory Board, which performs the function of management audits, ensuring that the framework guarantees objectivity and neutrality.

The Company actively appoints Outside Directors and Audit & Supervisory Board Members that satisfy the requirements for independence, endeavors to strengthen management supervisory and auditing functions, and has established the Nomination and Remuneration Committee comprising a majority of Outside Directors as an advisory body to the Board of Directors, and the majority of its members and its chairman are Outside Directors.

stakeholders, ensure proper information disclosure and transparency, execute the duties of the Board of Directors, and engage in dialogue with shareholders.

In addition, in order to clarify the roles of management and execution, we have introduced an executive officer system to clarify the responsibilities for each business. In order to continue strengthening our operating platform as a company with sustainable growth, in fiscal 2022 we appointed a Chairman of the Board and CEO and President and COO. We are endeavoring to build an effective corporate governance framework by establishing the Executive Committee, which discusses and reports on important matters related to management as an advisory body to the Chairman of the Board and CEO and President and COO, as well as other committees tasked with planning and promoting key business strategy issues and key external issues, such as legal compliance.

Corporate Governance Framework (As of June 25, 2025)



- \* Committees
- [Key issues for Fuji Electric from an sustainability perspective]**
    - Sustainability Committee
  - [Legal compliance and other key external issues]**
    - Fuji Electric Compliance Promotion Committee
    - Health & Safety Promotion Committee
  - [Key business strategy issues]**
    - Skills Development Committee
    - Production Technology Committee
    - Technology Development Committee
    - International Standardization Committee

Progress of Reforms for Improving the Effectiveness of Corporate Governance

	FY2003	FY2011	FY2012	FY2019	FY2021	FY2022
Reform of the corporate governance framework	• Pure holding company system	• Transition to a business company system Speeding up the management decision-making (Number of Executive Officers 53 people → 18 people)		• Establishment of the Nomination and Remuneration Committee		
Reforms to improve the Board of Directors' effectiveness	• Introduction of Outside Directors and Audit & Supervisory Board Members		• Appointment of a female Outside Audit & Supervisory Board Member	• Commencement of a Board of Directors effectiveness evaluation survey • Continued reduction of cross-shareholdings	• Disclosure of the Directors' skill matrix	• Appointment of a female Outside Director • Commencement of Board of Directors effectiveness evaluation interviews

Supervisory and Auditing Bodies \* FY2024 results

	Board of Directors	Nomination and Remuneration Committee	Audit & Supervisory Board
Role	Management supervision and decision-making	Advisory body to the Board of Directors	Management audits
Chairman / Committee Chairman	Chairman of the Board and CEO Michihiro Kitazawa	Outside Director Toshihito Tamba	Standing Audit & Supervisory Board Member Junichi Matsumoto
Main Topics of Discussion, Review, and Deliberation	<ul style="list-style-type: none"><li>■ Management strategy, sustainability, and governance (management plans and business strategies, SDG issues, statuses of compliance and risk management initiatives, etc.)</li><li>■ Financial results and financial affairs (monthly, quarterly, and annual results and forecasts; risks of loss; content of external disclosures, etc.)</li><li>■ Dividends from surplus (dividend policy, dividend payout ratio policy, policy on explanations to stakeholders, etc.)</li><li>■ Cross-shareholdings (policy on holding and selling, rationale for holding, etc.)</li><li>■ Organizational changes and personnel reassignments (purpose and details, division of executive roles, skill matrix, etc.)</li></ul>	<ul style="list-style-type: none"><li>■ Advisory matters<ul style="list-style-type: none"><li>• Policy on the composition of the Board of Directors</li><li>• Policy and criteria for the appointment or dismissal of Directors, the President and Chairman of the Board of Directors, and Audit &amp; Supervisory Board Members</li><li>• Appointment and dismissal of Directors, the President and Chairman of the Board of Directors, and Audit &amp; Supervisory Board Members</li><li>• Matters related to the formulation and implementation of a succession plan for the President and Chairman of the Board of Directors</li><li>• Policies and criteria for the remuneration of Directors and Audit &amp; Supervisory Board Members</li><li>• Details of remuneration for Directors and Audit &amp; Supervisory Board Members</li></ul></li><li>◆ In fiscal 2024, the following matters were deliberated on and reported to the Board of Directors:<ul style="list-style-type: none"><li>• Personnel affairs and remuneration, etc. for Directors and Audit &amp; Supervisory Board Members</li><li>• Introduction of a share-based remuneration plan</li></ul></li></ul>	<ul style="list-style-type: none"><li>■ Offering of opinions at meetings of the Board of Directors, Executive Committee, Fuji Electric Compliance Promotion Committee, and other important committees</li><li>■ Review of important approval documents, etc.</li><li>■ Holding of meetings with the President and COO</li><li>■ Receipt of explanations on the status of operational execution from Directors, internal auditing divisions, etc.</li><li>■ Investigation of the statuses of operations and assets, etc. of the Company and its affiliate companies</li><li>■ Review of the audit methods and results of the Accounting Auditors</li></ul>
Number of meetings per year	13	2	8

Business Execution Bodies \* FY2024 results

	Executive Committee	SDGs Promotion Committee	Fuji Electric Compliance Promotion Committee	Health & Safety Promotion Committee
Role	Advisory body to the Chairman of the Board and CEO and the President and COO, deliberation and reporting on important matters concerning management	Deliberation on issues related to the promotion of the environment, human rights and human resource empowerment, and CSR procurement; evaluation of measures	Ensuring thorough compliance with laws, regulations, and social norms applicable to Fuji Electric	Drafting and deliberation of Fuji Electric's health and safety policy, and promotion of safety management
Members	Chairman of the Board and CEO, President and COO, Executive Officers, Standing Audit & Supervisory Board Members	Senior Managing Executive Officer, Managing Executive Officers, and Executive Officers	President Executive Officer, Senior Managing Executive Officers, Managing Executive Officers, Executive Officers, Standing Audit & Supervisory Board Members, attorneys	General Manager, Human Resources and General Affairs Office; General Managers of major production and sales bases in Japan
Number of meetings per year	24 (twice a month)	2	2	1

	Skills Development Committee	Production Technology Committee	Technology Development Committee	International Standardization Committee
Role	Promoting cross-functional skills development for Fuji Electric as a whole	Deciding on and ensuring thorough communication of policies for improving Fuji Electric's production technology capabilities	Promoting taking on the challenge of new technologies and their commercialization, and the development of products that match market trends; leading company-wide research by formulating policies, selecting themes, and following up according to implementation status	Deciding on and promoting policies for advancing international standardization
Members	General Manager, Human Resources and General Affairs Office; general managers of business divisions; Corporate General Manager, Production & Procurement Group; Corporate General Manager, Corporate R&D Headquarters	Corporate General Manager, Production & Procurement Group; general managers of business divisions; Corporate General Manager, Corporate R&D Headquarters	Corporate General Manager, Corporate R&D Headquarters; Senior Managing Executive Officer; general managers of business divisions; Corporate General Manager, Power Electronics Sales Group	General managers of business divisions; Corporate General Manager, Power Electronics Sales Group
Number of meetings per year	2	2	2	2

List of Officers (As of June 25, 2025)

The Directors and Audit & Supervisory Board Members are selected based on a balance of qualifications, experience, and diversity of the Board of Directors as a whole. The term of office of directors is set to one year in order to clarify



Directors

Persons with the qualifications, experience, and other attributes required to execute the Company's management policies are appointed as Standing Directors. Outside Directors are appointed from among persons equipped with the insight and experience required to make multilateral business decisions who also have an understanding of Fuji Electric's management, including managers at listed corporations and experts in academic fields deeply related to our business. In addition, regarding the insight and experience required

management responsibilities for the fiscal year and to create a management structure that can respond quickly to changes in the business environment.

for the Board of Directors of Fuji Electric, in light of the Management Policies of Fuji Electric, including “contribute to the creation of a sustainable society through our energy and environment businesses,” and our business characteristics, we have defined the seven fields of “business management,” “finance and accounting,” “global business,” “environment and society,” “R&D, technology, manufacturing, and DX,” “corporate governance, legal matters, and risks” and “marketing and industry.”






Directors	Areas Expected to Director by the Company						
	Business Management	Finance and Accounting	Global Business	Environment and Society	R&D, Technology, Manufacturing, and DX	Corporate Governance, Legal Matters, and Risks	Marketing and Industry
 <div><b>Michihiro Kitazawa</b> Representative Director Chairman of the Board and CEO (Chief Executive Officer) Nomination and Remuneration Committee member</div>	●	●	●	●	●	●	●
 <div><b>Shiro Kondo</b> Representative Director President and COO (Chief Operating Officer) President Nomination and Remuneration Committee member</div>	●	●	●	●	●	●	●
 <div><b>Toshihito Tamba</b> Outside Director Nomination and Remuneration Committee chairman</div>	●	●	●			●	
 <div><b>Yukari Tominaga</b> Outside Director Nomination and Remuneration Committee member External Director, MORINAGA MILK INDUSTRY CO., LTD.</div>	●				●	●	
 <div><b>Yukihiro Tachifuji</b> Outside Director Nomination and Remuneration Committee member Outside Director, artience Co., Ltd.</div>	●		●	●	●	●	
 <div><b>Tomonari Yashiro</b> Outside Director Nomination and Remuneration Committee member President, Tokyo City University</div>			●	●		●	
 <div><b>Toru Hosen</b> Director Senior Managing Executive Officer Corporate General Manager, Semiconductors Business Group</div>				●	●		●
 <div><b>Hiroshi Tetsutani</b> Director Managing Executive Officer Corporate General Manager, Industry Business Group</div>				●	●		●

Directors	Areas Expected to Director by the Company						
	Business Management	Finance and Accounting	Global Business	Environment and Society	R&D, Technology, Manufacturing, and DX	Corporate Governance, Legal Matters, and Risks	Marketing and Industry
 <div><b>Masashi Kawano</b> Director Senior Managing Executive Officer Corporate General Manager, Energy Business Group</div>				●	●		●
 <div><b>Yoshitada Miyoshi</b> Director Senior Managing Executive Officer Corporate General Manager, Corporate Management Planning Headquarters General Manager, Export Control Office In charge of compliance management</div>		●		●		●	

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Members are appointed by persons who are familiar with the Company's operations in general and possess expert knowledge and experience. Outside Audit & Supervisory Board Members are appointed by

persons equipped with the expert knowledge and experience required to undertake audits, including corporate managers, persons with experience as an auditor of a listed company, legal experts, and accounting experts.


Audit & Supervisory Board Members	
 <div><b>Junichi Matsumoto</b> Standing Audit &amp; Supervisory Board Member Chairman of the Audit &amp; Supervisory Board</div>	 <div><b>Jun Ohashi</b> Standing Audit &amp; Supervisory Board Member</div>
 <div><b>Hirohiko Takaoka</b> Outside Audit &amp; Supervisory Board Member</div>	 <div><b>Yuko Katsuta</b> Outside Audit &amp; Supervisory Board Member Partner, ITN Partners Outside Director, Ferrotec Corporation (Appointed on June 27)</div>
 <div><b>Noriyuki Uematsu</b> Outside Audit &amp; Supervisory Board Member Managing Director, Uematsu Certified Public Accountants Office Representative Director, SU Consultant Co. Ltd. Outside Audit &amp; Supervisory Board Member, Cybozu, Inc. Outside Audit &amp; Supervisory Board Member, GEOLIVE Group Corporation (Appointed on June 26)</div>	

Executive Officers		
Position	Name	Division
President Executive Officer	Shiro Kondo	Chief Operating Officer
Senior Managing Executive Officer	Masatsugu Tomotaka	In charge of Power Electronics Sales, Energy Business, Industry Business
Senior Managing Executive Officer	Toru Hosen	Corporate General Manager, Semiconductors Business Group
Senior Managing Executive Officer	Masashi Kawano	Corporate General Manager, Energy Business Group
Senior Managing Executive Officer	Yoshitada Miyoshi	Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Export Administration Office; In charge of compliance management
Managing Executive Officer	Takeshi Kadoshima	General Manager, Human Resources and General Affairs Office; In charge of crisis management
Managing Executive Officer	Hiroshi Tetsutani	Corporate General Manager, Industry Business Group
Managing Executive Officer	Takashi Obinata	Corporate General Manager, Production & Procurement Group
Managing Executive Officer	Keiichi Asano	Corporate General Manager, Food & Beverage Distribution Business Group
Executive Officer	Masahiro Morimoto	President and Representative Director, Fuji Electric FA Components & Systems Co., Ltd.
Executive Officer	Hiroshi Ishii	Corporate General Manager, Power Electronics Sales Group; General Manager, Channel Partner Management Office
Executive Officer	Kazuya Nakayama	Corporate General Manager, Corporate R&D Headquarters
Executive Officer	Taizou Kishi	Deputy Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Corporate Planning Office, Corporate Management Planning Headquarters


Independence Criteria for Outside Directors and Audit & Supervisory Board Members

Fuji Electric judges applicable candidates to be fully independent from the Company when they do not meet any of the requirements stipulated under the independence criteria



established by the Company, in addition to the criteria for independence stipulated by domestic financial exchanges, including the Tokyo Stock Exchange.



For our independence criteria, please refer to “Independence Criteria for Outside Directors and Audit & Supervisory Board Members” in the “Corporate Governance Report.”  
[https://www.fujielectric.com/ir/library/detail/governance\\_report.html](https://www.fujielectric.com/ir/library/detail/governance_report.html)



For brief biographies of Directors and Audit & Supervisory Board Members, please refer to the “Management” section on our website.  
[https://www.fujielectric.com/about/officer\\_introduction/management.html](https://www.fujielectric.com/about/officer_introduction/management.html)



Activities of Outside Directors and Audit & Supervisory Board Members

To strengthen our management supervisory and auditing functions, and to ensure the validity and appropriateness of our important decisions, the Directors and Audit & Supervisory Board Members play the proper roles as stated below.

Outside Directors		
Name	Status of Attendance at Board of Directors Meetings Status of Attendance at Nomination and Remuneration Committee (Meetings Attended/Meetings Held)	Main Activities
Toshihito Tamba	13/13 2/2	[Board of Directors] Mr. Tamba offered opinions as necessary on all areas of Fuji Electric's management, including on the following matters, based on his professional standpoint and considerable insight as an experienced manager at listed companies. <ul style="list-style-type: none"><li>• Formulation of a business plan taking into account changes in the market environment</li><li>• Appropriate ways to carry out IR activities</li></ul> [Nomination and Remuneration Committee] As the committee chairman, Mr. Tamba led the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members of the Company and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.
Yukari Tominaga	13/13 2/2	[Board of Directors] Ms. Tominaga offered opinions as necessary on all areas of Fuji Electric's management, including on the following matters, based on her abundant experience and considerable insight pertaining to corporate management. <ul style="list-style-type: none"><li>• How to promote the active participation of diverse human resources</li><li>• How to approach IT investment initiatives</li></ul> [Nomination and Remuneration Committee] Ms. Tominaga carried out the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.
Yukihiro Tachifuji	13/13 2/2	[Board of Directors] Mr. Tachifuji offered opinions as necessary on all areas of Fuji Electric's management, including on the following matters, based on his professional standpoint and considerable insight as an experienced manager at listed companies. <ul style="list-style-type: none"><li>• Inventory optimization initiatives</li><li>• Enhancement of risk management in plant projects</li></ul> [Nomination and Remuneration Committee] Mr. Tachifuji carried out the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.
Tomonari Yashiro	13/13 2/2	[Board of Directors] Mr. Yashiro offered opinions on the following matters and other general management matters of Fuji Electric based on his expertise in and high-level insight into sustainable construction and innovation management. <ul style="list-style-type: none"><li>• Initiatives to achieve a decarbonized society</li><li>• Enhancement of risk management in plant projects</li></ul> [Nomination and Remuneration Committee] Mr. Yashiro carried out the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.

Outside Audit & Supervisory Board Members		
Name	Status of Attendance at Board of Directors Meetings Status of Attendance at Audit & Supervisory Board Meetings (Meetings Attended/Meetings Held)	Main Activities
Hirohiko Takaoka	13/13 8/8	[Board of Directors] Mr. Takaoka confirmed and offered opinions as necessary concerning agenda items and the status of Fuji Electric's business activities based on his extensive experience and considerable insight as an experienced Full-time Audit & Supervisory Board Member and any other type of executive of listed companies. [Audit & Supervisory Board] Mr. Takaoka confirmed and offered opinions on the legal compliance of the overall business activities of Fuji Electric.
Yuko Katsuta	13/13 8/8	[Board of Directors] Ms. Katsuta confirmed and offered opinions as necessary concerning agenda items and the status of Fuji Electric's business activities based on her expert knowledge as an attorney. [Audit & Supervisory Board] Ms. Katsuta confirmed and offered opinions on the legal compliance of the overall business activities of Fuji Electric.
Noriyuki Uematsu	10/10 6/6	[Board of Directors] Mr. Uematsu confirmed the content of proposals and the status of Fuji Electric's business activities as well as offered necessary opinions as appropriate based on his expert knowledge as a certified public accountant. [Audit & Supervisory Board] Mr. Uematsu confirmed matters as appropriate and offered opinions from the perspective of ensuring legal compliance for overall business activities.

\* As Mr. Noriyuki Uematsu was newly appointed as an Audit & Supervisory Board Member at the conclusion of the 148th Ordinary General Meeting of Shareholders held on June 25, 2024, the attendance status for the Board of Directors and Audit & Supervisory Board meetings listed above applies to meetings held after his appointment.

Initiatives to Improve the Board of Directors’ Effectiveness

Training for Directors and Audit & Supervisory Board Members

Before taking office, Standing Directors and Audit & Supervisory Board Members undergo compliance training, which also encompasses legal and taxation matters. They are also provided opportunities after taking office to acquire necessary knowledge on an ongoing basis.

Before taking office, Outside Directors and Audit & Supervisory Board Members are briefed on the state of the Company and the roles they are expected to perform. After taking office, they have the chance to deepen their understanding of the Company through presentations on the strategies for business, R&D, and other operations, inspections of business bases, and other ways.



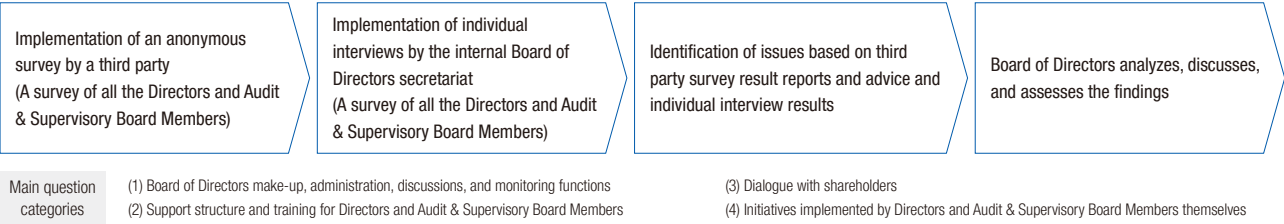
Outside Directors and Audit & Supervisory Board Members touring the Chiba Factory

Evaluation of Effectiveness of the Board of Directors

We conduct the evaluation of the effectiveness of the Board of Directors with the use of a third-party survey once a year in order to verify whether the Board of Directors is properly fulfilling its expected roles and functions and to facilitate further improvements thereof. Furthermore, in order to deeply examine the survey results, individual interviews of the Directors and Audit & Supervisory Board Members are

regularly implemented by the internal Board of Directors secretariat. Through all of these processes, we earned mostly positive assessments, thereby assuring the overall effectiveness of the Board of Directors. The results of the surveys and interviews are discussed and reported in the Board of Directors, and issues that require improvement are shared with everyone.

Method of Evaluation of Effectiveness of the Board of Directors



Results of Initiatives to Address the Major Issues Identified in the Fiscal 2024 Effectiveness Evaluation, the Main Opinions and Requests of Outside Directors and Audit & Supervisory Board Members, and the Policies on Initiatives in Fiscal 2025

Major Issues	Results of Initiatives in FY2024	Major Opinions of the Outside Directors and Audit & Supervisory Board Members on the Initiatives for FY2024	Policies for Major Initiatives in FY2025
Discussion of important medium- to long-term issues that contribute to corporate value enhancement	Discussion of medium- to long-term issues that contribute to corporate value enhancement <ul style="list-style-type: none"><li>• Medium-Term Management Plan</li><li>• Human resource strategy (human resource cultivation, promoting active participation of diverse human resources, etc.)</li><li>• Key SDG issues</li></ul>	The Medium-Term Management Plan has been discussed sufficiently. We would like more opportunities to discuss our medium- to long-term vision and strategic themes (such as human resource measures, R&D measures, and manufacturing measures).	Continue to work to enhance opportunities to report on and discuss medium- to long-term issues that contribute to corporate value enhancement. <ul style="list-style-type: none"><li>• Human resource measures</li><li>• R&amp;D measures</li><li>• Manufacturing measures</li></ul>
Enhancement of the reporting required for monitoring important decisions and business execution	Progress reports on operations from each division <ul style="list-style-type: none"><li>• Continued reporting on Executive Committee agenda items</li><li>• Semiconductor investment (plans, results, and progress)</li><li>• Business transformation projects</li><li>• Making Fuji Electric Engineering &amp; Construction Co., Ltd. into a wholly owned subsidiary</li></ul>	In addition to ad hoc reporting on individual cases, there is an opportunity to receive an explanation once a year on the implementation status of the compliance program, which covers matters related to internal controls such as those compliance, occupational safety, and quality issues. However, to strengthen monitoring, we would like to receive reports twice a year, on a semi-annual basis.	Continue to work to enhance opportunities for each division to report on and discuss the status of business execution. <ul style="list-style-type: none"><li>• Implementation status of the compliance program</li><li>• Semiconductor investment-related matters</li><li>• Business transformation projects</li><li>• Business strategies of major subsidiaries</li></ul>



Remuneration for Directors and Audit & Supervisory Board Members

Process of determining remuneration

The Nomination and Remuneration Committee discusses the validity of the policies, criteria, and levels of remuneration in light of changes in the operating environment, objective external data, and other matters and then reports to the Directors, and then the Board of Directors resolves on the policy for the final decisions respecting the details of the

committee’s report.  
The decision on remuneration amounts for individual Directors is left to the discretion of Michihiro Kitazawa, Representative Director, Chairman of the Board and CEO, but within the limit resolved at the General Meeting of Shareholders and with reference to the details of the committee’s report.


Policy regarding decisions on remuneration

We have established a remuneration system and remuneration levels that are deemed appropriate for their respective duties and in accordance with shareholder mandates, giving due consideration to the aims of securing and maintaining competent personnel and providing incentives


for the improvement of business performance.  
We routinely verify that the system and levels are appropriate or whether they need reviewing in light of changes in the operating environment or objective external data.

Classification-Based Remuneration System

Classification	Remuneration System
Standing Directors	<p>As Standing Directors are responsible for improving consolidated performance each fiscal year and enhancing corporate value over the medium to long term, their remuneration, etc. shall be structured and managed as follows.</p> <p>(1) Base remuneration A predetermined fixed amount corresponding to their position is paid at the set time each month.</p> <p>(2) Performance-linked remuneration</p> <p><b>i. Annual bonus</b> The amount paid is determined based on the consolidated ratio of operating profit to net sales for the previous fiscal year, which is set as an important target in the Medium-Term Management Plan as well as by comprehensively considering consolidated performance (net sales, operating profit, profit, dividend amount, etc.). The bonus is paid at the set time each year only when a dividend from surplus is paid to shareholders. To more clearly link the total amount paid with the consolidated performance each fiscal year, the total amount is set at no more than 1.0% of the consolidated profit for the business year preceding the payment date.</p> <p><b>ii. Share-based remuneration</b> To more clearly link remuneration with the value of the Company’s shares, the amount paid is determined based on the consolidated ratio of profit to net sales for the previous fiscal year as well as by comprehensively considering consolidated performance (net sales, operating profit, profit, dividend amount, etc.). In addition, the Company’s shares corresponding to the above payment amount are granted at the set time each year only when a dividend from surplus is paid to shareholders, and the total number of shares granted per business year is capped at 42,000.</p> <p>For fiscal 2024 performance, the consolidated operating profit ratio was 10.5% and the consolidated profit ratio was 8.2%. The annual bonus comprised approximately 37.6% of remuneration, while share-based compensation comprised approximately 27.0%.</p>
Standing Audit & Supervisory Board Members Outside Directors and Audit & Supervisory Board Members	<p>A predetermined amount is paid monthly at a certain time according to their position as base remuneration.</p>



For details such as the total amount of remuneration, etc. by classification, the total amount by remuneration type, and the number of applicable officers, please refer to “Remuneration, etc. of Officers” in the annual securities report.  
[https://www.fujielectric.co.jp/common-resource/ir/data/securities149\\_y.pdf](https://www.fujielectric.co.jp/common-resource/ir/data/securities149_y.pdf)  
(Japanese only)

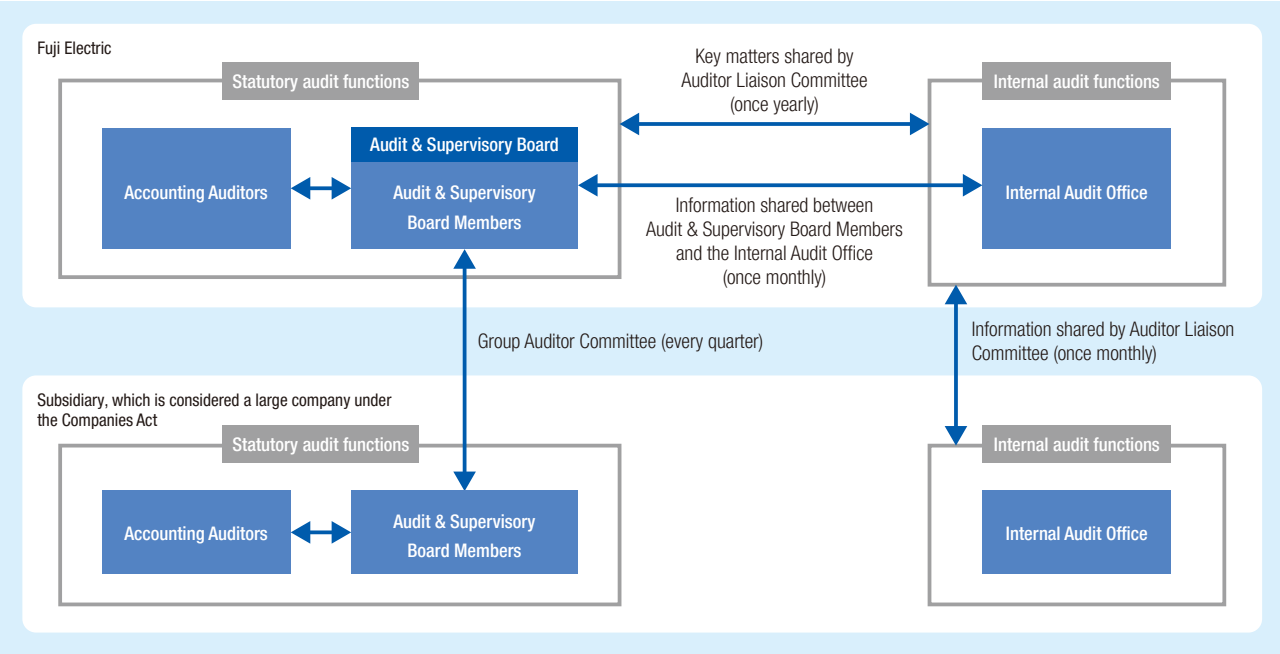


Audit & Supervisory Board Members and Internal Audits

Overall picture of strengthening collaboration between audit functions

We ensure the effectiveness of audits by strengthening cooperation between the statutory auditing function (Audit & Supervisory Board Members and Accounting Auditors) and the internal auditing function (the Internal Audit Office).  
In addition, to strengthen audits across the entire Group, we collaborate with Audit & Supervisory Board Members and the Internal Audit Office of subsidiaries that are considered large companies under the Companies Act of Japan.

Framework for Strengthening Collaboration between Audit Functions



Audits by the Audit & Supervisory Board Members

Audit & Supervisory Board Members conduct audits with a focus on strengthening the compliance of overseas subsidiaries, ensuring strict compliance with quality control and safety control rules, and monitoring the operational status of disclosures.  
The Audit & Supervisory Board reviews audit policies and plans, the appropriateness of Accounting Auditors’ auditing methods and results, and the assessments of Accounting Auditors. In addition, important matters are reported from the Standing Audit & Supervisory Board Member to the Outside Audit & Supervisory Board Members, and active communication takes place.



An Audit & Supervisory Board meeting

(For main audit implementation items, please refer to P56 “Supervisory and Auditing Bodies” – “Audit & Supervisory Board.”)

Internal audits

As a general rule, every second year the internal auditing divisions as bodies directly under the President and COO perform the following audits on Fuji Electric’s business divisions and subsidiaries so as to comprehensively cover the entire organization in accordance with the Internal Auditing Rules.

Regarding issues pointed out, we confirm the state of progress every quarter and implement follow-up audits as required.  
In fiscal 2024, we conducted on-site audits at 45 bases, or about 50% of the audit bases. No risks or inadequacies with the potential to seriously affect management were discovered.

Type of Audit	Main Tasks
Organizational management	Evaluating the appropriateness of management and administration (development of regulations, approval procedures, performance management, etc.)
Risk management	Evaluating the effectiveness of risk management systems and risk response
Compliance	Checking for compliance with laws and regulations based on the Fuji Electric Compliance Program and confirming legal compliance
Business execution	Evaluating the appropriateness, efficiency, and effectiveness of business execution (booking of sales and purchases, investments, cash flow, etc.)
Accounting	Evaluating the appropriateness of cost accounting and the soundness of assets and liabilities

Policy on Cross-Shareholding

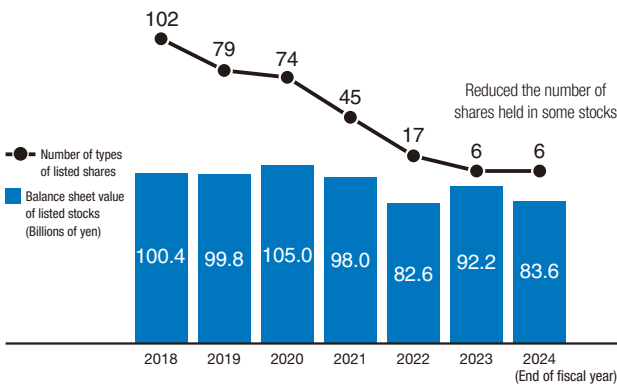
Fuji Electric holds listed shares as a matter of policy in order to maintain and strengthen relations with its investee companies. Our basic policy is to reduce cross-shareholdings. Even in cases where we recognize a certain rationality in holding these cross-shareholdings, we will reduce them while paying attention to the impact on management and business.

Based on the above policy, we have reduced the number of different listed stocks we held from 102 as of the end of fiscal 2018 to 6 as of the end of fiscal 2023. In fiscal 2024, we reduced the number of shares we held in some of these stocks.

The Board of Directors periodically evaluates the rationality of shareholding in light of whether it is necessary to maintain and strengthen relations with the investee companies and of the comparison of capital cost and return. The details of the review are disclosed.

The voting rights that come with cross-shareholding are exercised after considering all relevant factors, including whether the proposed action will help the issuing company to establish an appropriate corporate governance framework and to increase its medium- to long-term corporate value, and what impact the action will have on Fuji Electric. We also have dialogue regarding the details of the proposal, among others, with the issuing company as necessary.

Number of Cross-Shareholdings (Listed Stocks) and Balance Sheet Value



\* In addition to the above, there are shares deemed to be held by the Company (at the end of fiscal 2018: 2.5 billion yen; at the end of fiscal 2019: 2.2 billion yen; at the end of fiscal 2020: 2.2 billion yen; at the end of fiscal 2021: 1.9 billion yen; at the end of fiscal 2022: 2.4 billion yen; at the end of fiscal 2023: 0.7 billion yen; at the end of fiscal 2024: 0.3 billion yen). The value of shares deemed to be held is calculated by multiplying the number of shares held by the market price as of the end of the applicable fiscal year. The total amount of cross-shareholdings (including shares deemed to be held by the Company) at the end of fiscal 2024 was 88.2 billion yen (12.1% of consolidated net assets).

Dialogue with analysts and institutional investors

We actively engage in dialogue with analysts and institutional investors, and we share their main opinions and requests with the Board of Directors and the Executive Committee for discussion as management issues.

Dialogue Results for Fiscal 2024

Small meetings:	1 time (President and COO: Feb.)
Overseas roadshows:	1 time (Director in charge of PR and IR: Jul.)
Dialogue through individual interviews:	816 (70 with analysts, 325 with Japanese institutional investors, 411 with overseas institutional investors, 10 with ESG investors)

Major Comments and Requests from Analysts and Institutional Investors in Fiscal 2024

<p>▼ Opinions and requests on management and business</p> <ul style="list-style-type: none"><li>Record-high profit in FY2025</li><li>Further performance expansion in the businesses for datacenters and semiconductor factories, where market growth is expected</li><li>Improved profitability in the power generation business</li><li>Growth in the datacenter-related and semiconductor businesses</li><li>Improved demand forecasting accuracy and performance for FA components, and improved profitability for ED&amp;C components</li><li>Medium- to long-term business strategy for the power semiconductor business for electrified vehicles (xEVs), taking into account the delays in electrification</li><li>Performance expansion and further improvement of profitability in the food and beverage distribution business</li><li>Growth in the ratio of female Directors</li></ul>	<p>▼ Opinions and requests on topics for information disclosure</p> <ul style="list-style-type: none"><li>Measures based on the progress and challenges of the FY2026 Medium-Term Management Plan as well as its growth fields and new fields</li><li>Specific measures to maintain and expand the competitive advantages of businesses such as low-voltage inverters and semiconductors against the threat of local Chinese manufacturers</li><li>Cash flow allocation, including capital and shareholder return policies</li><li>Business portfolio strategy to improve ROIC</li><li>Measures to achieve the target for the number of female employees in supervisory positions</li></ul>
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Dialogue with Shareholders and Investors

Basic policies

We disclose information in accordance with various laws and regulations. Even if we are not required to do so by law, we also strive to disclose corporate information thought to have a significant impact on investment decisions in a timely, fair,

and equitable manner, so that we might earn the trust of our shareholders and investors and ensure they have a proper understanding of the Company.

Major initiatives in fiscal 2024

We handled more media coverage online, disclosed more detailed information than ever before at the IR briefings, and published more detailed IR information on our website in order

to ensure that our shareholders and investors have a clearer understanding of our business environment, business strategy, and environmental, social and governance (ESG) initiatives.

	Financial Results Announcements & Events	Publications
April to June	<ul style="list-style-type: none"><li>Full-year financial results briefings</li><li>Management plan presentations</li><li>FY2026 Medium-Term Management Plan briefing</li><li>Ordinary General Meeting of Shareholders</li></ul>	<ul style="list-style-type: none"><li>Notice of the Ordinary General Meeting of Shareholders</li><li>Annual Securities Report</li></ul>
July to September	<ul style="list-style-type: none"><li>R&amp;D briefing</li><li>First quarter financial results presentation</li></ul>	<ul style="list-style-type: none"><li>Reports for the shareholders</li><li>Fuji Electric Report</li></ul>
October to December	<ul style="list-style-type: none"><li>Second quarter financial results presentation</li><li>Factory tour programs for shareholders (Chiba Factory, Mie Factory)</li></ul>	<ul style="list-style-type: none"><li>Semi-Annual Report</li><li>Reports for the shareholders</li></ul>
January to March	<ul style="list-style-type: none"><li>Third quarter financial results presentation</li><li>ESG Meeting</li></ul>	<ul style="list-style-type: none"><li>Reports for the shareholders</li></ul>

Awards for Our IR Site

In recognition of the ease of use and abundance of the information on the Fuji Electric IR site, among other factors, the site has won the gold prize in the Gomez IR Site Overall Rankings 2024 (for the fifth consecutive year) and the Internet IR Commendation Award 2024 (for the sixth consecutive year).

Compliance

Basic Policies

The Fuji Electric Code of Conduct states that Fuji Electric must “make global compliance a top priority.” In addition, we have defined the Fuji Electric Compliance Regulations, a guideline for compliance, under the supervision of the Board

Promotion System

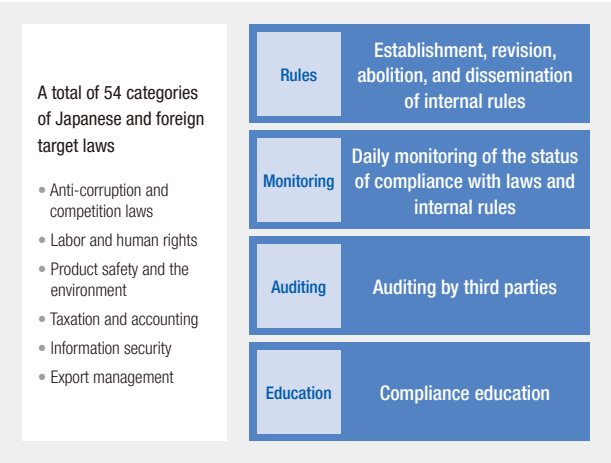
The Fuji Electric Compliance Promotion Committee is headed by our President and COO as its Chairman, and it consists of control chiefs (managers of businesses and corporate department heads) responsible for regulating laws and acts, with Standing Audit & Supervisory Board Members and outside experts (attorneys) as observers. The Committee meets twice per year to deliberate on the implementation status of the Fuji Electric Compliance Program and the Fuji Electric Business Ethics Whistle-Blowing Systems as well as the plan for implementing the Fuji Electric Compliance Program and then reports to the Board of Directors once per year (twice per year from fiscal 2025). In the event of a compliance infraction, there is a system in place to take any necessary measures such as fact-finding investigations, corrective actions, recurrence prevention measures, internal punishments, and internal and external disclosure.

Status of Promotion

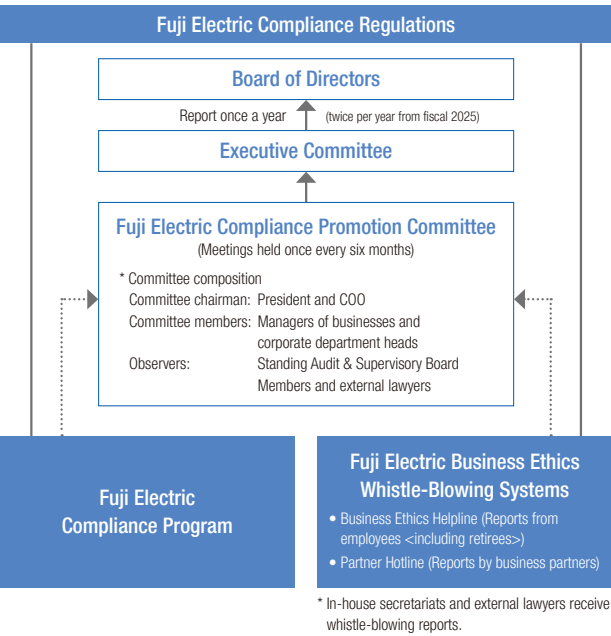
Fuji Electric Compliance Program

Fuji Electric has established the Fuji Electric Compliance Program to cover four aspects (rules, monitoring, auditing, and education) related to compliance with Japanese and overseas laws by both the Company and its Group companies in Japan and overseas. Through reviews and revisions made by the Fuji Electric Compliance Promotion Committee, we conduct activities while also actively acquiring external certifications and disclosing information externally in order to verify the effectiveness of our activities from an external perspective.

Fuji Electric Compliance Program



of Directors. We also globally promote compliance through the Fuji Electric Compliance Program and the Fuji Electric Business Ethics Whistle-Blowing Systems.





Risk Management

Basic Policies

Based on the Fuji Electric Risk Management Rules, the Company manages risks in a coordinated, systematic manner. We practice appropriate management and counter various risks that could affect Fuji Electric’s management in order

Risk Management System


The Company’s business divisions and affiliated companies are responsible for managing risks related to their business activities as a part of their business duty, developing appropriate risk management systems, and implementing risk countermeasures.

Significant risks, such as those related to business plans and large-scale investments, are reported at the Executive Committee as appropriate to facilitate the sharing of information. We also have manuals in place to ensure that risks are steadily managed. We provide training in handling each type of risk and inform the whole Company about our efforts to manage risks through company magazines and other

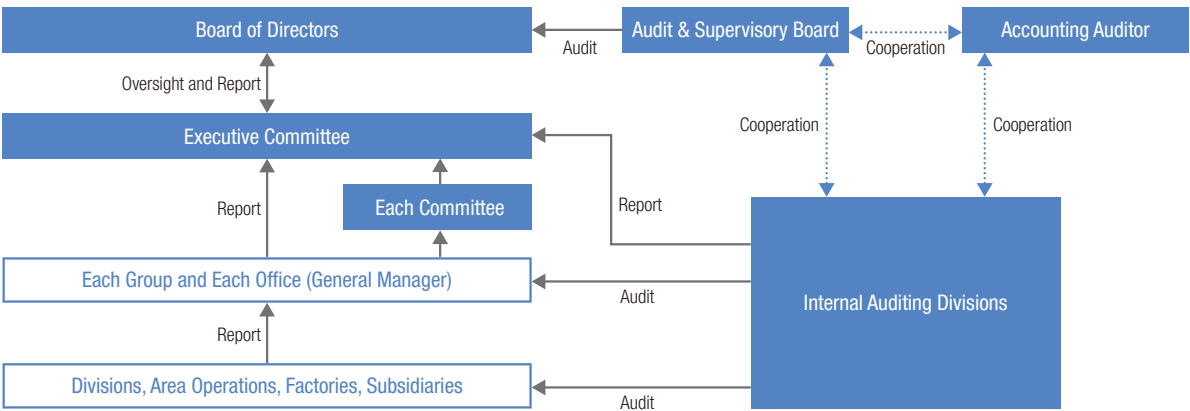
to prevent risks from materializing (crisis situations), thereby minimizing the impact on management in the event that risks do materialize.

appropriate means.

The internal auditing divisions conduct regular audits to check whether each business division and affiliated company identifies and evaluates risks based on the Fuji Electric Risk Management Rules, defines countermeasure policies, and properly builds and operates management systems. In fiscal 2024, we conducted internal audits at 45 bases. No risks or inadequacies with the potential to seriously affect management were discovered.



For the list of major risks, please refer to our website.  
[https://www.fujielectric.com/csr/governance/risk\\_management/risk/governance\\_risk\\_factors.html](https://www.fujielectric.com/csr/governance/risk_management/risk/governance_risk_factors.html)



Emergency response

If an emergency arises due to a large-scale disaster or any other serious cause, we need to act to prevent the situation from becoming any worse and resolve the situation as soon as

possible. Hence, we have guidelines in place on preparations for possible emergencies, an emergency contact network, and setting up an emergency task force.

Risk Management Process

When annual budgets are formulated, the Company’s business divisions and affiliated companies gain an understanding of and evaluate risks related to their business activities.

They consider policies and countermeasures in response to each risk (aversion, mitigation, relocation, retention, etc.) based on the impact on management and frequency of occurrence, and they implement such policies and countermeasures by appointing a person to be in charge of execution in each division or other unit.

We conduct an interim follow-up after the end of the second quarter (interim period), which leads to an annual evaluation of risk countermeasures and improvements for the next fiscal year.

The statuses of these management systems and operations are regularly audited by the internal auditing divisions.



Responding to Natural Disasters and Accidents (BCP Efforts)

In order to resume and continue the important businesses within the required time even when unforeseen situations such as large-scale natural disasters and accidents occur, we have formulated business continuity plans (BCPs), and are making efforts companywide for continuous improvement, based on the Fuji Electric Business Continuity Management (BCM) Rules.

In addition to formulating BCPs at the head office, factories, and area operations, which serve as contact points with customers, we have formulated BCPs for functions that are essential for business continuity, such as measures for early recovery and minimizing damage to IT systems, response to natural disaster risks in the procurement field, and multi-sourcing. Furthermore, we implement education and training based on the formulated BCPs and we are working to strengthen our business continuity capabilities by regularly evaluating the effectiveness of the BCPs and their management system once every half-year at the “Company-wide BCM Promotion Meeting” in order to make improvements.

Furthermore, to ensure reliable execution of emergency response and business continuity measures, we hold “Business Continuity Seminars” for business manager-level employees and “Disaster Response Headquarters Drills” at each base on an ongoing basis. Four times a year, we also conduct drills that simulate a situation in which the head office’s disaster response headquarters is non-functional due to a large-scale earthquake.

In recognition of these proactive business continuity initiatives, we have obtained and renewed the “Resilience Certification” as an organization that contributes to national resilience.



We have been recognized for our proactive approach to business continuity, and we have obtained the Resilience Certification mark as an organization that contributes to national resilience.

**レジリエンス認証**  
事業継続および社会貢献  
認証・登録番号 E0000012

Initiatives to Strengthen Project Management

Fuji Electric is committed to reducing the risks of incurring losses by strengthening project management in order to further enhance our corporate value through profit-oriented management.

To facilitate early identification of loss risks and predictive maintenance, we analyze the causes of major losses that have occurred and share them with relevant divisions within the company. We also implement measures to prevent recurrence and monitor such implementation.

In fiscal 2024, we managed the implementation status in collaboration with the relevant business divisions and

corporate divisions to establish pre-order review rules for projects with high credit risk and to ensure thorough project progress management, including costs of ordered projects. We also regularly reported on and discussed these matters with management at Executive Officer meetings. In addition, we conducted training for our Japanese expatriates and locally hired staff regarding the practical guidelines and operational rules formulated to strengthen the level of management and to prevent losses at our overseas bases.

We will work to enhance training at our overseas bases, leading to further strengthening of project management and an even greater reduction in the risk of losses.

Efforts to Maintain and Strengthen Information Security

To properly manage as confidential information all asset value such as management, commercial and technical information and personal information held by Fuji Electric, the Company has redeveloped and rolled out policies and regulations related to information security based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

Furthermore, we have also established management systems at Fuji Electric as well as Group companies in Japan and overseas, and we provide regular training to all of our employees, manage access to operating sites and offices, implement Internet device and computer security measures, and conduct annual inspections regarding the status of efforts taken by each workplace.

In addition, to respond to increasingly diversified and sophisticated cyber-security threats, we have incorporated the expertise of third-party specialists, and we endeavor to strengthen our computer security incident response team and security operation center (CSIRT/SOC), our monitoring of signs and information related to new cyberattacks, and our information-system defense and attack monitoring functions.

At our bases as well, we strive to improve our information security countermeasures based on the requirements of our business partners, related industry organization guidelines, market trends, and other factors, and in businesses for which public certification of information security management is required, two departments and two subsidiaries of Fuji Electric Co., Ltd. have acquired information security management system (ISMS) certification. Furthermore, concerning personal information protection, Fuji Electric Co., Ltd. and two of its subsidiaries have acquired the Privacy Mark certification.

In fiscal 2024, in addition to the Tokyo Factory and the Suzuka Factory, which obtained their certifications in fiscal 2023, the Kobe Factory, Hakko Electronics Co., Ltd., and Fuji Electric FA Components & Systems Co., Ltd. acquired certification for the international standard for control system security, IEC\* 62443-4-1. The Fuji Electric Group will continue to promote certification acquisition.

\* International Electrotechnical Commission