

Fuji Electric Report

2025

**Contributing to the creation
of a sustainable society**



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Regarding the Fuji Electric Report

Fuji Electric Report is an integrated report that is prepared for the purpose of facilitating understanding of the Company's whole corporate activities among its stakeholders, mainly shareholders and investors, and published after its content has been reported to and deliberated by the Company's

Executive Committee and Board of Directors. We focus on clearly communicating about our energy and environment businesses, which aim to continuously enrich our corporate value, as well as our sustainability efforts.

Period covered by the report

April 1, 2024 to March 31, 2025

* Including activities from April 2025 onward.

Organizations covered by the report

Fuji Electric Co., Ltd. and its consolidated subsidiaries

Disclaimer Regarding Forward-Looking Statements

Statements made in this report regarding estimates or projections are forward-looking statements based on the Company's judgments and assumptions in light of currently available information. Actual results may differ materially from those projected as a result of uncertainties inherent in such judgments and assumptions as well as changes in business operations or other internal or external conditions.

Accordingly, the Company gives no guarantee regarding the reliability of any information contained in these forward-looking statements. Investors are encouraged to also reference documents submitted by the Company in accordance with the Financial Instruments and Exchange Act of Japan and other disclosure materials.

Information Disclosure Framework

Type of information	Financial information	Non-financial information
Statutory disclosure	- Consolidated financial report - Business report (Companies Act of Japan)	Corporate governance report
	Securities report (Financial Instruments and Exchange Act)	
Voluntary disclosure	Fuji Electric Report (integrated report)	
	- Realization of our corporate philosophy and management policies - Overview of our business and sustainability activities aimed at enhancing corporate value	
	IR site (Investor Relations)	Sustainability site

Guidelines Referenced

Global Reporting Initiative (GRI) "Sustainability Reporting Standards"

IFRS Foundation "International Integrated Reporting Framework"

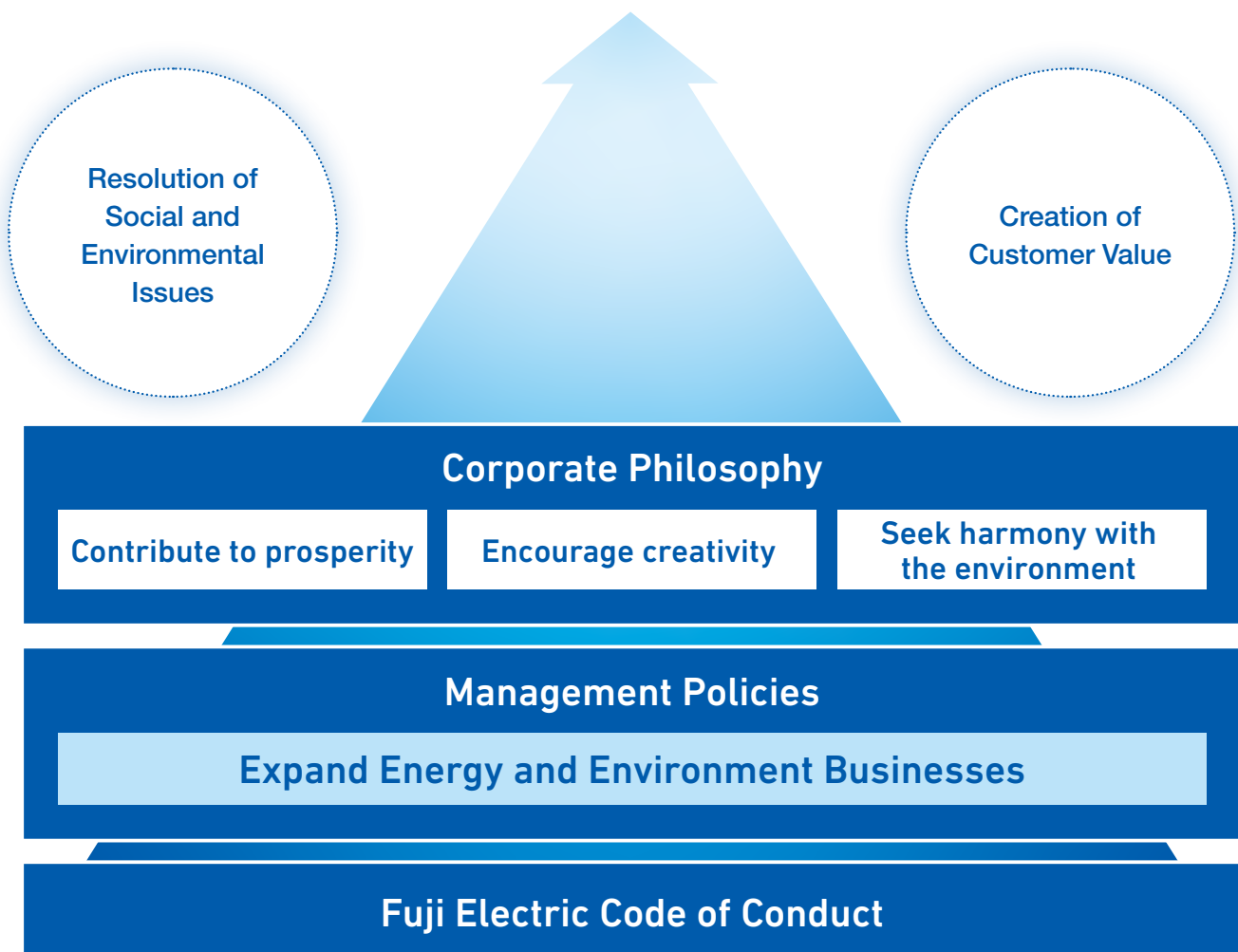
Ministry of Economy, Trade and Industry "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation"

Fuji Electric's Reason for Existence

Fuji Electric's corporate philosophy hinges on a mission to contribute to prosperity, encourage creativity, and seek harmony with the environment, while the Company's management policies are centered on the notion of contributing to society through its energy and environment businesses. By putting this corporate philosophy and management policies into practice based on its Corporate Code of Conduct, which sets forth guidelines for the conduct of employees, Fuji Electric and its employees, together with customers and business partners, will aim to resolve social and environmental issues, create customer value, and contribute to the creation of a responsible and sustainable society.



Contribute to the Creation of a Responsible and Sustainable Society



Corporate Philosophy

We, Fuji Electric, pledge as responsible corporate citizens in a global society to strengthen our trust with communities, customers and partners.

Contribute to
prosperity

Encourage creativity

Seek harmony with
the environment

Slogan To be enthusiastic, ambitious and sensitive.

Management Policies

1. Through our innovation in energy and environment technology, we contribute to the creation of a responsible and sustainable society.
2. Achieve further growth through our global business expansion.
3. Maximize our strengths as a team, respecting employees' diverse ambition.

Fuji Electric Code of Conduct

In order to practice our corporate philosophy to fulfill social responsibility and act with high ethical standards while understanding and complying with relevant laws, regulations, international rules, and the spirit of such regulations and rules, both domestically and abroad, Fuji Electric and its employees have defined this code as a foundation for decision-making and behavior.

- | | |
|--|---|
| 1. Respect and value all people | 6. Respect and value interaction with society |
| 2. Respect and value our customers | 7. Make global compliance a top priority |
| 3. Respect and value our business partners | 7-1. Thorough compliance |
| 4. Respect and value our shareholders
and investors | 7-2. Thorough risk management |
| 5. Respect and value the global environment | 8. Top management will thoroughly practice
this standard |



Corporate Code of Conduct
<https://www.fujielectric.com/about/corporate/detail/conduct.html>



Brand Statement

Innovating Energy Technology

Brand Promise

Through our pursuit of innovation in electric and thermal energy technology, we develop products that maximize energy efficiency and lead to a responsible and sustainable society.

Business Areas and Strengths

Our energy and environment businesses are built around four core technologies, with a focus on power semiconductors and power electronics. We have the strength to offer system solutions to customers who support industrial and social infrastructure, from the energy supply side to the demand side. Through these capabilities, we contribute to the creation of clean energy, the stable supply of energy, energy savings, and automation.

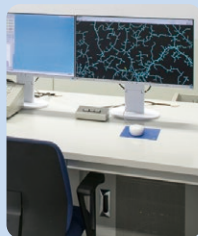
Energy and Environment Businesses

Clean energy Stable supply

Energy



Power generation



Energy management



Substation systems



Power supply and facility systems



Equipment construction



Factory automation components



Steam turbines



Power conditioning systems



Switchgear



Transformers



Switchgear and controlgear



Uninterruptible power systems



Inverters



Motors

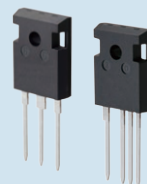


Servo systems

Semicon



Industrial field



Power semiconductors



Power electronics

Core technologies

Priority SDGs to Be Addressed through Our Businesses



Spread of renewable energy use
Improvement of energy efficiency



Reduction of CO₂ emissions from industrial processes
Reinforcement of social and industrial infrastructure



Building safe and secure urban infrastructure services
Development of sustainable transport systems



Efficient use of natural resources
Rigorous management and reduction of emissions of chemical substances and waste



Reducing society's CO₂ emissions through products
Reducing GHG emissions through production

Energy savings Automation

Industry



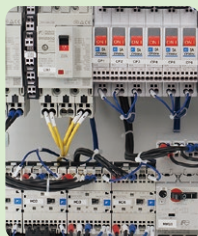
Automation



Social solutions



IT Solutions



ED&C components

Food and Beverage Distribution



Store distribution



Vending machines



Controllers



Measuring instruments



Smart meters



Dosimeters



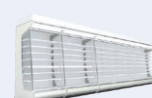
Passenger door systems



Power distribution and control equipment



Store integrated controllers

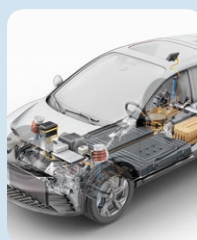


Store facilities and equipment



Vending machines

ductors



Automotive field

Measurement and control technology

Heating and cooling technology

History of the Energy and Environment Businesses

1923 1930 1940 1950 1960 1970 1980 1990 2000

Establishment period

Expansion of electricity demand for the modernization of industry

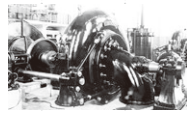
Post-war reconstruction to the high-growth period

Expanded demand for electricity stabilization for building electricity and railroad infrastructure and the development of industry

From the oil shock to the stable growth period

Expansion of energy saving demand due to the oil shock, expansion of automation demand

Clean energy



1936
Built first hydraulic turbine, 4,850 HP Francis turbine
Delivered the first hydraulic turbine to the Uwanoshiro Power Plant (Tochigi Prefecture)



1966
Began commercial operation of the Tokai Nuclear Power Plant (Built nuclear pressure vessels and other equipment)



1998
Delivered 100 kW phosphoric acid fuel cells

1937 ●
Began manufacturing watt-hour meters



1971 ●
Developed a centralized monitoring and control system for power companies (Japan's first computer control system utilizing "FACOM-R")

Stable supply of energy

Power electronics

1925 ●
Began manufacturing transformers
Delivered our first unit to a mining company

1924 ●
Began manufacturing electrical machinery



1930 ●
Began manufacturing mercury-vapor rectifiers



1954 ●
Began manufacturing ultra-compact magnetic switches



1964 ●
Delivered the first large capacity transformer rectifier S-Former

1967 ●
Developed earth-leakage circuit breakers



1966 ●
Released medium- and large-capacity uninterruptible power systems (UPSs) (200 kVA)

1982 ●
Released transistor UPSs



1976 ●
First in the industry to start manufacturing general-purpose inverters

1989 ●
Developed IGBT-equipped inverters

1999 ●
Developed high-voltage IGBT-equipped inverters



Energy savings Automation

1937 ●
Began manufacturing industrial measuring instruments

1957 ●
Delivered instrumentation systems for chemical plants

1958 ●
Delivered Japan's first electronic instrumentation system to a water treatment plant

1959 ●
Delivered an energy center instrumentation system for a steel plant

1959 ●
Began manufacturing silicon diodes



1976 ●
Began manufacturing the programmable controller (PLC) FUJILOG Series

1974 ●
Released an installation-type ultrasonic flowmeter

1975 ●
Developed the MICREX-P distributed control system

1971 ●
Began manufacturing Teleperm pressure transmitters



1984 ●
Released the PLC MICREX-F Series

1985 ●
Developed the world's first fiber-optic field instrumentation system (FFI System)

1992 ●
Developed the MICREX-IX EIC integrated control system



1988 ●
Began manufacturing 1st-generation IGBTs



1973 ●
Released open showcases



1981 ●
Released soft drink dispensers

1981 ●
Released automatic tea servers

1976 ●
Released hot & cold vending machines



1970 ●
Released cup vending machines for coffee



1969 ●
Began manufacturing vending machines

Power semiconductor

Since its founding in 1923, Fuji Electric has continuously refined its core technologies, focusing on power semiconductors and power electronics. Over the years, we have developed and evolved products that contribute to clean energy, the stable supply of energy, energy savings, and automation.

2010

2020

Entering the era of the environment

Environmental measures in the industrial and social infrastructure fields proceeded against the background of environmental air pollution, global warming, and other environmental problems



2010

A 140 MW geothermal power plant, the largest single-unit capacity in the world, started operation (The Nga Awa Purua Geothermal Power Station in New Zealand)



2017

Delivered one of Japan's largest geothermal binary equipment (5,050 kW for the Takigami Binary Geothermal Power Plant)



2020

Started operation of one of Japan's largest mega solar power station with storage batteries at the Suzuran Kushiro-cho Solar Power Plant

2014

Began manufacturing smart meters



2010

Supplied a microgrid system to a remote island and participated in a demonstration experiment (on a system for stabilizing the grid by controlling the charge/discharge of electricity storage systems to mitigate the fluctuating outputs from solar and wind power generation)

2022

Released transformers using natural ester oil



2024

Developed 22 kV molded transformers



2012

Released PCSs for mega solar power generation systems (equipped with a new three-level module, the first commercialized in the world)



2014

Released PCSs equipped with SiCs



2016

Released large-capacity UPSs equipped with SiC power semiconductors for the North American market



2021

Released large-capacity UPSs (1,200 kVA) (7500WX Series)



2024

Developed large-capacity PCS for the storage battery market



2011

Developed large-capacity water-cooled, IGBT inverters



2012

Developed an industrial inverter equipped with SiC-SBDs, a first in Japan

2017

Delivered SiC-equipped main converters for Shinkansen trains



2023

Released large-capacity UPSs (2,400 kVA)



2024

Released the FRENIC-GS drive control system for plants



2016

Monitoring and control systems for energy centers at steel plants in India

2014

Developed an energy-saving hybrid air conditioner that utilizes indirect outside air (F-COOL NEO)

2015

Launched a steam-generation heat pump



2004

Developed the MICREX-NX vertically and horizontally integrated control system

2010

Developed a new three-level converter circuit and a new three-level power module

2010

Developed SiC modules



2016

Began shipping direct water-cooled power modules for automotive applications (built-in RC-IGBT)



2018

Began shipping 7th-generation RC-IGBTs for industrial equipment



2024

Developed the M682 power module for light and compact vehicles



2024

Developed the All-SiC module HPnC package for renewable energy



2011

Released hybrid heat pump vending machines



2012

Released coffee machines for convenience stores

2022

Released frozen food vending machines



2023

Released the Sustainable Vending Machine Series



2023

Released coffee machines for restaurants



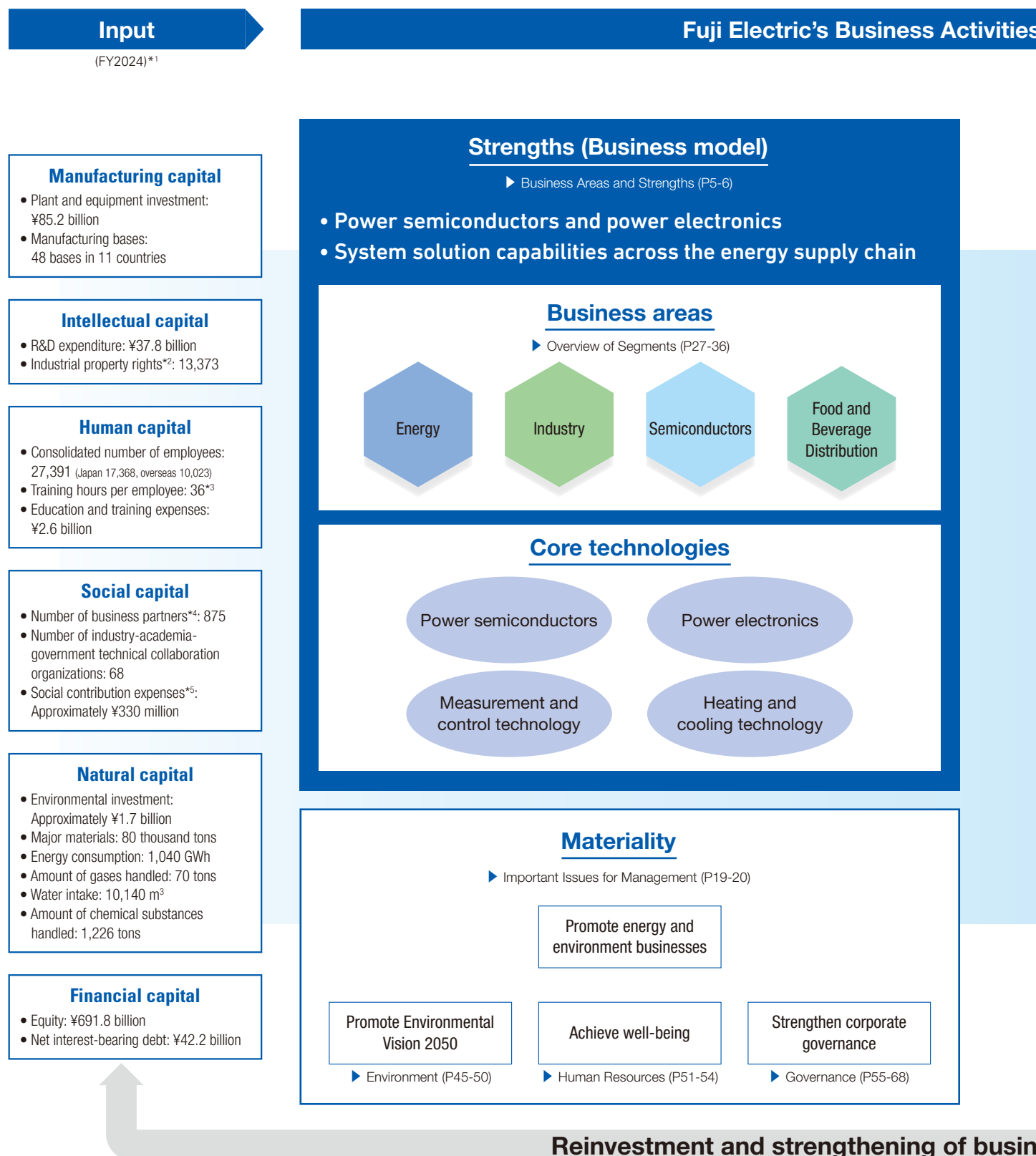
2024

Released refrigerated locker vending machines



Value Creation Process

Through our energy and environment businesses, Fuji Electric, as a leading company in power electronics, provides products and services that contribute to clean energy, the stable supply of energy, and energy savings. By creating both economic and social value, we aim to contribute to the creation of a sustainable society, maintain the trust of our stakeholders, and continuously enhance our corporate value.



*1 The figures are on a consolidated basis

*2 Industrial property rights: Patent rights, utility model rights, design rights, and trademark rights

*3 Training hours per employee: Based on totals for Fuji Electric Co., Ltd. and Fuji Electric FA Components & Systems Co., Ltd.

*4 Number of business partners: Number of business partners accounting for the top 80% of purchases in the three years up to FY2024



Vision

**Energy and
environment businesses
contributing to creation of
a sustainable society**

FY2026 Medium-Term Management Plan Targets

Economic Value

- Net sales **¥1,250 billion**
- Operating profit (ratio) **¥140 billion**
(11.2%)
- Profit attributable to owners of parent (ratio) **¥90 billion**
(7.2%)
- Dividend payout ratio **Approx. 30%**
- ROE **12 % or more**
- ROIC **10% or more**

Social Value

- Greenhouse gas emissions through production **320,000 t-CO₂**
(29% reduction from FY2019)
- Contribution to CO₂ reduction in a society through our products **58 million tons**
(59% increase from FY2019)
- Employee satisfaction with the company **3.8 pt or more / 5 pt**
- Well-being indicators **3.6 pt or more / 5 pt**

Outcomes

(FY2024)*¹

Economic Value

- Net sales **¥1,123.4 billion**
- Operating profit (ratio) **¥117.6 billion**
(10.5%)
- Profit attributable to owners of parent (ratio) **¥92.2 billion**
(8.2%)
- Dividends **¥23.3 billion**
- Dividend payout ratio **24.9%**
- ROE **14.3%**
- ROIC **12.9%**

Social Value

- Greenhouse gas emissions through production **330,000 t-CO₂**
(27% reduction from FY 2019)
- Contribution to CO₂ reduction in a society through our products **58 million tons**
(58% increase from FY2019)
- Final waste disposal rate **0.15%**
(86% increase from FY2019)
- Employee satisfaction with the company **3.8 pt / 5 pt**
- Well-being indicators **3.6 pt / 5 pt**
- Number of female employees in supervisory positions **342**
- Employment rate of differently abled people **3.0%**
(Reference: Statutory employment rate of 2.5%)

Value provided by products and services (Output)

(FY2024)*⁶

Clean energy

Geothermal power, hydro power,
solar power, wind power, etc.



Net sales **¥80.2 billion**

Stable energy supply

Uninterruptible power supply systems,
energy management systems, etc.



Net sales **¥392.2 billion**

Energy savings and automation

Low-voltage inverters, semiconductors,
vending machines, etc.

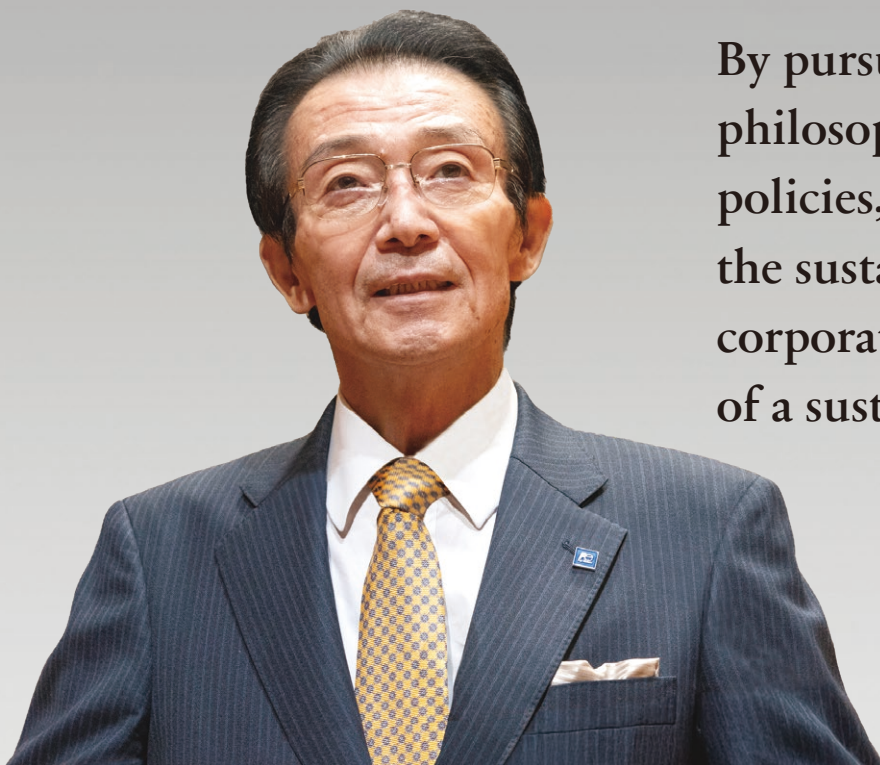


Net sales **¥676.2 billion**

*⁵ Social contribution expenses: Expenses related to community activities, promotion of science and technology, promotion of school education, international exchanges, education, etc.

*⁶ Net sales are calculated based on amounts before elimination and adjustment of inter-segment transactions.

Message from the Chairman of the Board and CEO



By pursuing our corporate philosophy and management policies, we aim to contribute to the sustainable improvement of corporate value and the realization of a sustainable society

Michihiro Kitazawa
Chairman of the Board and CEO

Fuji Electric's reason for existence in society

Since our founding in 1923, we have exhaustively refined and evolved our energy and environmental technologies, leveraging our core strengths in power semiconductors and power electronics. We have continued to provide products that contribute to the creation of clean energy, stable energy supply, energy savings, and automation in the industrial and social infrastructure sectors.

At the core of this is our corporate philosophy. Our mission, as a responsible corporate citizen in a global society, is to value and deepen our relationships of trust with communities, customers, and partners and contribute to prosperity, encourage creativity, and seek harmony with the environment. Guided by a set of management policies that embody this

corporate philosophy, we aim to contribute to society through our energy and environment businesses.

As we work toward achieving decarbonization—a major challenge for modern society—the business opportunities for us are expanding. We will endeavor to enhance our corporate value by contributing to value creation at our customers through the development of products that meet their needs, adding engineering services that combine these products, and providing system solutions. To achieve this, it is imperative that we leverage the collective strength of teams made up of diverse talent. We will pursue corporate growth through global business expansion and continue to contribute to the realization of a sustainable society.

Our aspirations for the Medium-Term Management Plan “To be enthusiastic, ambitious and sensitive 2026”

Our three-year Medium-Term Management Plan, which carries the title “To be enthusiastic, ambitious and sensitive 2026,” will end in fiscal 2026. It reflects our commitment to return to the fundamentals of management after achieving our long-held goals of ¥1 trillion in net sales and an operating profit ratio of over 8% in the previous medium-term management plan. It demonstrates our intention to set lofty targets and challenge ourselves as a team.

In terms of KPIs for the FY2026 Medium-Term Management Plan, in addition to the existing targets of net sales, operating profit (ratio), and ROE, we have added profit attributable to owners of parent (and its ratio to net sales) and ROIC with

the aim of driving profit-generating business growth. Given the mounting uncertainties right now, I do not believe that investments related to the environment will continue unabated. While achieving our numerical targets is obviously important, I believe that the most crucial aspect over the next three years will be to lay the groundwork for new core businesses that can drive growth beyond 2030. Our target for the time being is to maintain a ROIC of over 10%, exceeding our weighted average cost of capital (WACC). In fiscal 2021, we introduced ROIC targets for each business to function as internal management indicators. They have helped us visualize accounts receivable-trade and inventory and embedded business operations

that are mindful of capital costs. As we conduct a style of management that is conscious of the cost of capital and redirect the cash generated toward growth investments, we will generate profit growth and further enhance corporate value with a robust business portfolio. To that end, I believe that the

development and retention of personnel is essential. We will restructure the frameworks and compensation systems that enable a diverse workforce to thrive, facilitating the creation of a more dynamic team where employees can challenge themselves with ambitious goals.

Record-high net sales, operating profit, and profit in fiscal 2024; operating profit ratio of more than 10% also achieved

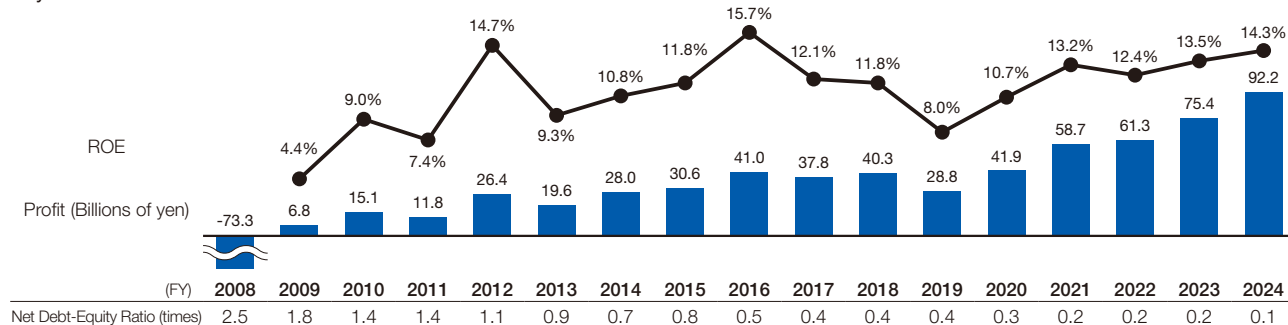
The operating environment surrounding the Company has changed significantly since the first year of the FY2026 Medium-Term Management Plan. The xEV market, which has rapidly expanded until now, has seen a sharp decline in demand from US and European customers, while the supply-demand balance in the FA and machine tool sectors has been disrupted since the end of the COVID-19 pandemic, leading to stagnation due to prolonged inventory adjustments resulting from excess orders. On the other hand, investments in manufacturing and data centers aimed at decarbonization and digitalization have remained firm.

Under these circumstances, in fiscal 2024 we reported record-high net sales, operating profit, and ordinary profit, while the operating profit ratio topped the 10% mark for the first time. This growth in earnings owes to our ability to continuously secure orders from key customers in the Energy segment for power supply and facility systems for use at data centers, thereby improving our productivity. Contributions have also come from our development of new products compatible with larger-capacity equipment and the introduction of power supply testing equipment. In the Industry segment, we have been able to capture equipment upgrade demand by building relationships of trust through after-sales services for existing customers in the automation business. In addition, we are beginning to see results from our local production for local consumption approach in India.

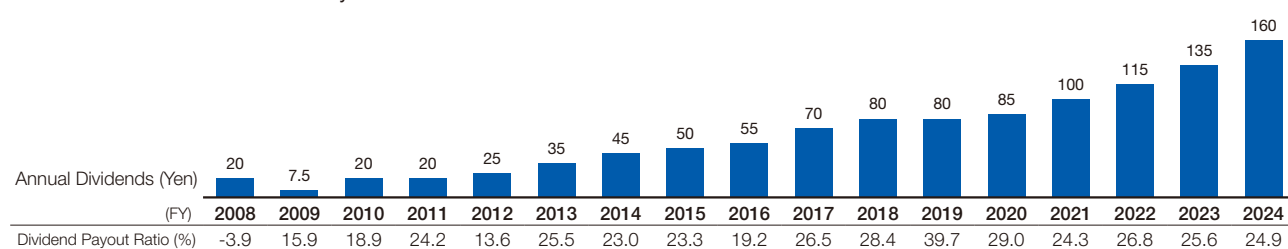
On the other hand, in the FA business, we still need to reflect on our delayed response to the slow recovery in demand for components. In the Semiconductors segment, we focused on leveraging our on-site capabilities to maximize profits, primarily by slashing investment costs through the effective utilization of existing silicon (Si) production equipment in the construction of silicon carbide (SiC) production lines. In the Food and Beverage Distribution segment, we successfully tapped demand by developing high-value-added products, including those that support ultra energy efficiency, and by responding to special demand (owing to redesigned banknotes) for automatic change dispensers through the development of new identification technologies. To reduce our cross-shareholdings, we sold off some shares, the gains on which were recorded as extraordinary income, but even after stripping out this impact, we still posted record-high profit. In fiscal 2024, ROE was 14.3% and ROIC was 12.9%, which indicates that our capital efficiency has improved. This achievement owes to the efforts of every employee who challenged themselves to meet their targets, as well as the collective strengths of the team. We rewarded our employees directly in the form of bonuses.

Based on this stronger profit structure, and in line with our basic policy of paying stable and continuous dividends, we have decided to raise the dividend per share to ¥160, which is an increase of ¥25 per share, or approximately 19%, compared to last fiscal year.

Key Financial Indicators



Annual Dividends and Dividend Payout Ratio



In fiscal 2025, we will press ahead with our growth strategy by strengthening collaboration between businesses and creating synergies; in the Semiconductors segment, we will execute contrarian investments

As demand for energy increases, driven by investments in green transformation (GX) aimed at achieving a decarbonized society and the expanded uptake of generative AI and digital technologies, we will target further improvement in our corporate value by strengthening collaboration between our businesses and advancing growth strategies through the creation of synergies.

In fiscal 2025, we reorganized our business segments.

In the Energy segment, we will pursue synergy effects through integrated operations with Fuji Electric Engineering & Construction Co. Ltd., a plant construction company that we made a wholly owned subsidiary last fiscal year, with a view to bolstering our work site capabilities and strengthening our

plants and systems. In the Industry segment, we will look to accelerate the speed of management through the integration of production and sales in the FA components business, provide products that accurately meet customer needs, and optimize manufacturing and inventory based on demand trends.

Meanwhile, in the Semiconductors segment, even though the EV market has currently plateaued, we believe that demand for vehicle electrification will expand over the longer term. We will collaborate closely with our customers to ensure that we do not misjudge the time to respond to changes in demand. Even in challenging times, we will execute contrarian investments and prepare for the period beyond fiscal 2027.

Making environmental contributions with an aggressive GX strategy

Worldwide, the effective utilization of limited resources in a circular economy is considered a key issue, and initiatives for transitioning to decarbonization and a circular economy across the supply chain are already in motion.

In April 2025, we reorganized the SDGs Promotion Committee and renamed it the Sustainability Committee as a committee at the executive officer level to plan and promote key issues in business strategies. As to the environmental initiatives implemented thus far across the supply chain, in addition to decarbonization efforts such as reducing CO₂ emissions, we have established a new aggressive GX product strategy team that aims to deliver environmental contributions through our products.

What is important for us is to build a green supply chain based on mutual understanding with our customers and business partners regarding the many existing rules around CO₂ reductions and the ecological design regulations gaining

traction in Europe, for example, and to connect it to our business as an aggressive management approach. Alongside the formulation of the GX strategy, we will inject resources into new product development and the creation of new businesses.

Furthermore, from the perspective of biodiversity, we will begin examining the risks and opportunities related to natural capital with reference to the Task Force on Climate-related Financial Disclosures (TNFD), and incorporate the results into our climate change action.

Also, the findings of the Sustainability Committee are reported to the Board of Directors to be discussed from multiple angles. From those discussions, the committee has received feedback emphasizing the importance of understanding customer needs in response to these changes, as well as being mindful of the potential for these needs to connect to our business.

Pursuing employee happiness with employee-first management

Human resources are the source of enhancements in corporate value. I believe that management's unwavering commitment to an employee-first approach is indispensable to the Company's growth.

On the other hand, considering our labor composition and labor shortages, the challenge for our next phase of growth will be the effective utilization of our limited human resources. We will restructure our compensation system to ensure high levels of satisfaction based on roles, regardless of age or years of experience, and we will implement mechanisms and initiatives in an effort to further improve productivity and the quality of operations. In addition, as the business environment changes and societal and personal values become increasingly diversified, it is essential that we promote

diversity, for example, by empowering female and senior employees, and that we also provide stronger support to various working styles tailored to different lifestyles and life stages, as well as career paths and career development, in order to build a flexible and strong organization centered on a diverse workforce. Through these reforms, we aim to sustain a positive cycle of employee happiness (well-being) and the sustainable growth of the Company.

As for efforts to strengthen Human Resources measures for the purpose of expanding our overseas operations, this issue has also been raised by outside directors at Board meetings. As such, we are reinvigorating the development of global talent and are beginning to focus on cultivating management personnel aimed at making local operations

more independent.

We are systematically nurturing personnel that have the potential to become executive officers in the future, and we currently have around 50 individuals in our talent pool. We want our managers—who will take charge of management and business responsibilities in the future—to have a deep understanding of Fuji Electric. We want them to gain experience across multiple roles, business divisions, and overseas bases, and to experience management of affiliated companies and key missions whenever possible. In the annual next-generation management training, opportunities are

provided to participants to reassess what kind of Company Fuji Electric is through various assignments. This includes tasks focused on creating added value connecting different businesses, identifying the seeds of new businesses, understanding what kind of talent will be needed, and considering how Fuji Electric is perceived from the outside, all with a 10-year outlook. We hope that they will acquire skills from a management perspective and a high vantage point, while also building valuable relationships with colleagues with whom they can discuss pretty much anything, ultimately becoming a team that aims for greater heights.

Enhancing the effectiveness of governance for long-term corporate value improvement

For management, it is important that we enhance the transparency and effectiveness of governance in order to achieve long-term corporate value improvement. Last year, when we made Fuji Electric Engineering & Construction a wholly owned subsidiary, the Board of Directors engaged in candid discussions to make decisions on improving corporate governance, chiefly by creating synergies that contribute to further business growth in plant systems, utilizing human resources, and eliminating the risks associated with parent-subsidiary listing issues and conflicts of interest. We believe that insights based on the wide-ranging experiences of outside directors and outside Audit & Supervisory Board members will become increasingly important for corporate growth in today's highly unpredictable world. We will increase opportunities for honest discussions, including those from worksites, without being bound by formalities, and build a stronger management structure.

Moreover, constantly making preparations to counter various risks and enhancing our resilience are important. We are particularly focusing on strengthening management across the entire Group, including our overseas subsidiaries, and

bolstering supply chain measures from a BCP perspective, such as developing business continuity plans in readiness for natural disasters triggered by climate change, and adopting information security measures, including those that can thwart cyberattacks.

In fiscal 2024, we introduced a performance-related share-based remuneration plan for standing directors and executive officers that more clearly links their compensation to the value of the Company's shares. We will look to manage the business in a way that further enhances an awareness of the value of the Company's shares.

Since fiscal 2010, we have continued to raise the amount of dividends paid to shareholders. We will continue with R&D, capital investments, and human resources development from a medium- to long-term perspective, maintain a balance between the Company's growth and financial soundness, and aim to provide stable and continuous returns to shareholders with a dividend payout ratio of approximately 30%. Going forward, we are committed to paying a dividend that exceeds the previous fiscal year.

Fuji Electric's DNA

Our corporate slogan, "To be enthusiastic, ambitious and sensitive," represents the Company's DNA that we want employees to cherish and pass on to future generations of employees. Enthusiasm means the eagerness to contribute to society by creating new technologies and products. Ambition means the determination and spirit to set high goals to share with the team and continuously pursue them. Sensitivity means the kindness to appreciate and care for our customers, colleagues, and families, which is exactly the Fuji Electric DNA that our predecessors have built up and

passed down to us. This is what makes the team stronger. To maintain high aspirations and goals, it is necessary for the leaders themselves to maintain that same attitude and always share the big goals with the team. We will evolve our energy and environment businesses together with our customers and business partners, contribute to solving social and environmental issues and creating value for customers, and continuously improve our corporate value.

We look forward to the continued understanding and support of all shareholders, including shareholders and other investors.

Chairman of the Board and CEO



Interview with the President and COO



Enhancing profitability and driving our growth strategy, we will challenge ourselves to create new products and new businesses for the sustainable improvement of corporate value

Shiro Kondo
President and COO

Q: What is your assessment of earnings in fiscal 2024?

The environment surrounding the Company presents growth opportunities, such as increased capital investment driven by decarbonization and the proliferation of generative AI. However, future uncertainties remain due to heightened geopolitical risks and the emergence of protectionism.

In all of this, we have united as a team to implement the basic policy of the FY2026 Medium-Term Management Plan to enhance corporate value through management emphasizing profit. We have achieved record-high net sales, operating profit, ordinary

profit, and profit attributable to owners of parent, and we have also realized our target of an operating profit ratio exceeding 10%. In the components business, which has hitherto driven net sales and profits, the FA applications and the ED&C components business bore the brunt of market influences, however earnings rose sharply for plant systems in the Energy and Industry segments, as well as in the Food and Beverage Distribution segment. Achieving these results, despite the challenging environment, owes to the dedicated efforts of all employees.

Plant systems in the Energy and Industry segments are driving growth

In the Energy segment, demand for power generation equipment, substation equipment, and power supply equipment expanded due to increased electricity demand. In the energy management business, demand for equipment replacement in industrial and power infrastructure remained brisk, resulting in a 31% year-on-year increase in orders and a 5% increase in net sales. In the power supply and facility systems business, the bundled delivery of uninterruptible power systems (UPS) and substation equipment for data centers (IDCs) in Japan and overseas, along with comprehensive electrical equipment systems including after-sales services, performed well. This led to a 24% year-on-year increase

in orders and a 4% increase in net sales. In response to customer inquiries, we are also strengthening our production systems by introducing large-capacity short-circuit testing equipment at our Chiba Factory, which will help shorten development times.

In the Industry segment, we have tapped into the decarbonization needs of the materials industries, such as steel and chemicals, thereby boosting growth in plant systems centered on drive control systems in Japan and Asia. On the other hand, in the components business, customer inventory adjustments for low-voltage inverters continued, and demand from machine manufacturers in the ED&C components business was sluggish.

In the Semiconductors segment, weak demand for xEVs and FA applications, but investments in future growth continue

In the Semiconductors segment, demand for xEVs, which had been growing, weakened from US and European customers, and the recovery in factory automation products, such as inverters and servo systems, was slow. That said, demand from xEV makers in Japan and renewable energy projects overseas remained strong. With a view to future growth, we are augmenting production

capacity for 8-inch silicon devices (front-end processes) at Fuji Electric (Malaysia) Sdn. Bhd., while silicon carbide production at Fuji Electric Tsugaru Semiconductor Co., Ltd. has been pushed back from initially planned June 2024 to December 2024 to meet customer demand. We have commenced volume production of 6-inch (front-end) devices.

In the Food and Beverage Distribution, we boosted profitability by capitalizing on demand related to Japan's redesigned banknotes and by stepping up the launch of high-value-added products

In the Food and Beverage Distribution segment, due to redesigning banknotes in Japan, the store distribution business established technology to identify holograms and other features incorporated into the new banknotes, which have been redesigned, for anti-counterfeiting purposes. Also, to respond to short-term special demand for hardware replacements and software updates for automatic change dispensers, we flexibly built out a production and service framework by appropriately

allocating parts procurement and production/service personnel. These efforts led to greater-than-expected sales. In the vending machines business, we stepped up the rollout of high-value-added products, including sustainable vending machines capable of achieving energy savings of up to approximately 20% compared to conventional machines. This has meant our share of the vending machines market in Japan has increased from around 70% to above 70%.

Net sales down overall in overseas operations, but up in India

Although overseas net sales overall decreased year on year primarily due to the dropout of year-earlier large-scale projects for semiconductor factories in the power supply and facility systems business in Asia, sales of inverters for elevators and air

conditioning equipment, as well as power supply equipment for IDCs, expanded in India, where economic growth continues in the Industry segment.

Q: How do you view the business environment surrounding the Company?

In fiscal 2025, we expect to see growth in energy demand driven by increased capacity at AI data centers and semiconductor factories, as well as the ongoing need for green transformation (GX), the replacement of aging equipment, equipment maintenance, stable energy supply, energy savings, and electrification. On the other hand, xEV demand is showing signs of variation across different regions. Moreover, there is a growing number of case examples of how generative AI and digital technology are being used to combat labor shortages. Business opportunities are expanding in areas such as deterioration

diagnosis and remote operation of substations, advanced monitoring and control that consolidates factory and plant on-site operations, efficiency improvements in vending machine operations, and store energy management.

As to the impact of US trade policies, our sales weighting to the Americas is low at 3% to 4% of total sales, and at this juncture, the direct impacts are limited. While the situation remains difficult to predict, we will continue to carefully listen to customer feedback, accurately assess market trends, and generate business opportunities by creating new customer value.

Q: Can you tell us about the basic policy and management targets for fiscal 2025?

In fiscal 2025, we will continue to target sales and profit growth in line with the basic policy of the medium-term management plan to enhance corporate value through management emphasizing profit. In particular, with the semiconductor industry entering a challenging phase, we will carefully assess the timing for executing our investment plans aimed at further growth in the future. We will work on strengthening our profitability through productivity improvements utilizing digital technology, while also advancing growth strategies by, for example, expanding business operations through new product launches, growing our overseas operations, and creating new businesses that will contribute to net sales growth from fiscal 2027 onward.

Our management targets are net sales of ¥1.14 trillion, operating profit of ¥118 billion, an operating profit ratio of above

10.4%, profit of ¥81 billion, and ratio of profit attributable to owners of parent to net sales of at least 7.1%. While we anticipate lower sales and profits in the Semiconductors and Food and Beverage Distribution segments due to weaker demand from xEVs, the winding down of special demand in the store distribution business stemming from the redesigned banknotes, and curtailed investments from vending machine customers in Japan, our sights are still set on posting year-on-year sales and profit growth, driven by the Energy and Industry segments. We plan to enhance our profitability across all businesses and achieve the medium-term management plan's target of at least 7% for ratio of profit attributable to owners of parent to net sales one year ahead of schedule, independent of temporary factors such as gains on the sale of cross-shareholdings in the previous fiscal year.

Energy and Industry segments the drivers

In the Energy segment, we will harness synergies with Fuji Electric Engineering & Construction Co. Ltd., which handles equipment construction, to bolster our one-stop solutions that help shorten project lead times for customers and contribute to decarbonization. We will continue to focus on potential growth fields, including comprehensive electrical equipment for IDCs and semiconductor factories, as well as expand orders for renewable energy and storage battery systems, where new growth is expected. In response to robust demand, we will construct a new

production facilities at our Kobe Factory to increase the production capacity of switchgear and controlgear and power supply boards, as well as to make preparations for production equipment for skid systems. Plus, we will work on transferring and optimizing the models produced at the Chiba Factory and the Kawasaki Factory to boost the production capacity of transformers and switchgear. In the power generation business, we will continue to work on improving profitability by expanding the business with stronger proposals for maintenance and service-related products, as well

Interview with the President and COO

as by conducting more rigorous risk assessments during the order phase for overseas projects and enhancing project management oversight functions.

In the Industry segment, even though we look for a gradual recovery in demand for components, such as low-voltage inverters and ED&C components, from the latter half of fiscal 2025, the global supply chain has been disrupted since the outbreak of the COVID-19 pandemic. In particular, the FA components business has succumbed to an imbalance in supply and demand, making usual demand forecasting and production planning based on empirical evidence increasingly ineffective. To resolve this issue, we will implement organizational changes (integrated production and sales) that integrate the functions of sales, development, manufacturing, and business divisions to centralize decision-making within the business divisions. We will work on strengthening our product planning capabilities centered on customer value creation, improving forecasting accuracy, and enhancing global procurement and production management, thereby aiming to achieve stronger profitability and medium- to long-term growth. In the automation systems business, we will strengthen our proposals for solutions that combine automation with energy savings in electrical and thermal energy, electrification,



President and COO Shiro Kondo inspects a production line at Fuji Electric India Private Limited.

and other forms of added value in an effort to address the energy challenges of our customers and expand our business. In the burgeoning Indian market, we will enter the smart meter business, which is being promoted as part of the country's national policy. We will establish production lines in the country, promote the localization of materials procurement while ensuring the Bureau of Indian Standards (BIS) certification and high quality, and aim to further expand our business.

In Semiconductors, we will ramp up new product development, secure new design wins, and develop new customers

We will invest in production capacity upgrades in response to changes in the demand environment

In the Semiconductors segment, while demand from xEVs is currently in decline due to model changes among customers in the United States and Europe, demand for renewable energy applications remains strong. Both applications are expected to expand in the medium-to-long term. On the other hand, responding to the price offensives of local semiconductor makers in China is something we need to address. We will strengthen our efforts to

accelerate the development of competitive new products, secure new design wins, and develop new customers to further drive business growth.

In addition, we will steadily make investments to augment production capacity in preparation for future demand growth, while controlling how fast we respond to changes in the demand environment.

In Food and Beverage Distribution, we will expand sales of high-value-added products and new products, and also strengthen profitability

The Food and Beverage Distribution segment will be impacted by curtailed investments by beverage manufacturers in Japan and the winding down of demand related to Japan's redesigned banknotes, but the need for automation, labor savings, and environmental measures will persist, so we expect to see growth in demand in new areas for the Company. In light of these factors, we will strive to improve energy-saving performance, improve the efficiency of vending machine operations with the use of digital technology, and develop machines that are compatible with dynamic pricing mechanisms that adjust product prices based on

supply and demand conditions, thereby increasing the added value of products. In the store distribution business, we will expand our business fields beyond convenience stores and supermarkets and aim to strengthen our business foundation with a view to further sales growth. We will identify the right time to introduce various new products to customers in such new fields as the restaurant, food products, and distribution industries. Also, in our overseas operations, we will aim to enter the Indian market to complement our presence in China and Southeast Asia, and we will leverage collaborations with partner companies to expand our business.

Q: Can you elaborate on how you will utilize digital technology to improve productivity?

For the Company to achieve sustained growth, it is imperative that we accurately understand the diverse needs of our customers and society, and to engage in problem-solving and the creation of new value. To cope with increased sales volume and administrative work as a result of further business growth, we will look to improve labor productivity and equipment productivity and drive up both sales and profits. To achieve this, we will promote data-driven management that does not rely solely on past experiences. As part

of this initiative, we will invest in information systems related to our business activities to streamline and optimize business processes. We will also aim to accelerate management decision-making and undertake an upgrade of our core systems based on global business data integration and real-time visualization and analysis.

In fiscal 2024, we made progress on the utilization of digital technology guided by our factory worksites, resulting in a 6% year-on-year improvement in productivity across all factory divisions.

In targeting a 20% improvement in productivity (compared to fiscal 2023), as called for in the medium-term management plan, we will establish the utilization of AI and digital technology to improve business quality and efficiency as a common theme for our “Pro-7” initiative, which focus on business improvement. We will aim to horizontally roll out and accelerate these initiatives from fiscal 2025. We will work on improving operational efficiency and product quality through digital verification using 3D data in design development and production technology, optimizing production line design using AI and simulation technologies, and shortening

procurement lead times and stabilizing procurement through digital collaboration with our business partners.

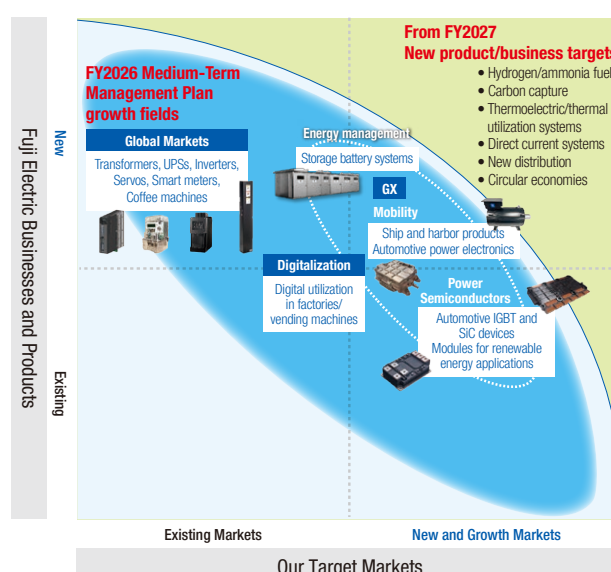
The most important point in utilizing digital technology is to start with the mindset of asking ourselves what it is that we want to achieve, and what would be wonderful if we could do it? Since the advent of smartphones, our lives and values have changed significantly. With this kind of thinking, imagination, and creativity, we will continue to leverage digital technology to reassess our work methods and focus on improving business quality, efficiency, and productivity.

Q: Could you please explain Fuji Electric’s growth strategy and initiatives for creating new products and new businesses?

We expect global trends such as the transition to a decarbonized society, the shift toward a circular economy, and greater investments in digitalization will gain further momentum in the future. We believe that the period of the medium-term management plan through to fiscal 2026 will be an important three years in preparation for our next phase of growth. To achieve sustained growth, we will focus on strengthening and expanding the foundations of our current businesses while bolstering the development of new products in such growth fields as GX, digitalization, and global markets with the aim of realizing further business growth.

Also, as we go about leveraging the strengths and synergies of our existing businesses and technologies, we will pursue collaborations and synergies with partners in Japan and overseas to create new customer value and further contribute to solving social issues such as reducing greenhouse gas emissions and promoting a circular economy. As we look ahead to full-fledged market growth from fiscal 2027 onward, we will actively challenge ourselves to open up new fields, such as hydrogen/ammonia fuels, thermoelectric and thermal utilization systems, and direct current systems. All of these business fields have the potential to grow to a scale that can serve as business pillars in the future.

Growth Fields and New Product/Business Targets



Q: What is your message for shareholders and investors?

Between the end of March 2024 and the end of March 2025, our share price indicators (PER and PBR) declined. This owed to the outlook for the semiconductor market, which we had positioned as a growth field, falling short of initial expectations, as well as weak growth in plant systems in the Energy segment and a slow recovery in demand for components in the FA components business and the ED&C components business. However, even though conditions for components, including semiconductors, will be challenging in the near term, we are confident that we can turn earnings around. We will continue to bring to market new products as planned and drive growth in the businesses we have defined as medium- to long-term growth fields. Moreover, we will provide a clearer and more thorough explanation of our future growth strategy within this business mix through constructive communication with our shareholders and investors. We will also work toward maintaining a ROIC of over 10% by executing financial and capital strategies that are mindful of capital costs.

No matter how much the times or the operating environment

may change, we will continue to be a company that swiftly grasps the essence of change, demonstrates flexibility and creativity, accurately responds to the needs of society and our customers, and transforms challenges into opportunities while taking action to stay one step ahead. Essential to this is our diverse pool of human resources. Under our employee-first approach, we respect individuality and diversity, and we promote a system where each employee feels happy working at Fuji Electric and independently enhances their productivity. We are also working to create an environment where our diverse workforce can demonstrate their collective strength as a team with the aim of enhancing corporate value.

President and COO

Shiro Kondo

Important Issues for Management (Materiality)

Approach to Materiality

Fuji Electric is committed to contributing to prosperity, encouraging creativity, and seeking harmony with the environment, as outlined in our corporate philosophy. We proactively promote sustainability-focused management based on our core management policy of contributing to a sustainable society through our energy and environment businesses.

As the world changes—driven by the transition to decarbonization and a circular economy, expanded investment in digitalization, and rising geopolitical risks, and

labor shortages in Japan—we have identified the following as our sustainability-related materialities: expansion of our energy and environment businesses, as stated in our management policies, as well as three initiatives to enhance our management foundation for sustainable corporate value growth: the promotion of the Environmental Vision 2050, achievement of well-being, and further strengthening of governance.

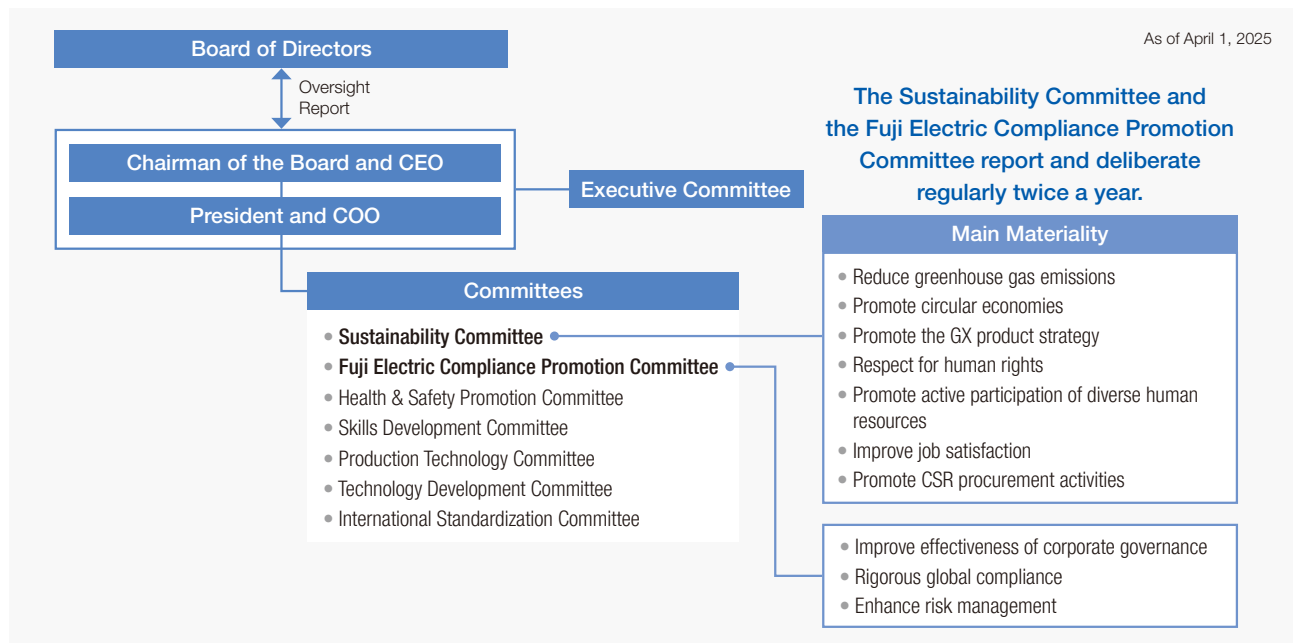
Materiality Identification Process



Materiality Promotion System

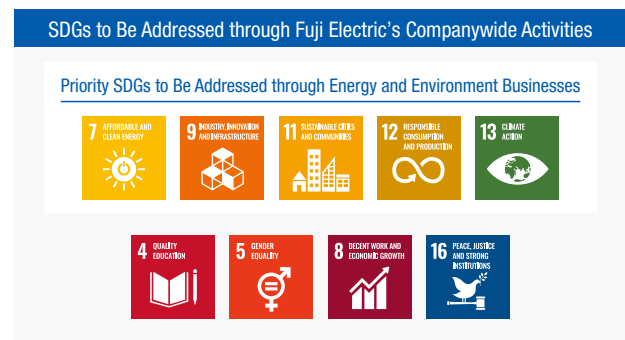
The materiality is deliberated on by committees comprised of executive officers and others from business, sales, and corporate divisions and by the divisions subject to the issues,

and as necessary they are reported and deliberated on in the Executive Committee and Board of Directors.



SDGs to Be Addressed through Companywide Activities

By assessing the link between the value created by our energy and environment businesses (clean energy, stable energy supply, energy savings, and automation) and contributions to the accomplishment of the SDGs, Fuji Electric selected five priority goals. Furthermore, four additional goals were designated as priorities in relation to the reinforcement of our operating foundation to be pursued through overall corporate activities, making for a total of nine goals.



Materiality and Key Issues

Materiality		Key Measures		KPIs	Targets	FY2024 results	Relevant SDGs
Promote energy and environment businesses							
Promote growth strategies	Increase sales by introducing new products → P37-40	Launch new green transformation, digital transformation, and global products	Net sales	Fiscal 2026: ¥1,250.0 billion		¥1,123.4 billion	    
	Expand overseas businesses → P23, P29-36	Expand businesses through introduction of global market products and regional priority measures	Sales outside Japan	Fiscal 2026: ¥375.0 billion		¥325.5 billion	
Further improvement of profitability	Improve productivity through the utilization of digital technology → P41-44	Improve productivity using sophisticated production technologies	Productivity	Fiscal 2026: 20% increase (compared to FY2023)		6% increase (compared to FY2023)	
Promote Environmental Vision 2050							
Reduce greenhouse gas emissions → P45-50		Reduce greenhouse gas emissions in the supply chain	Greenhouse gas emissions in the supply chain	Fiscal 2026: reduce by 45% (compared to FY2019) Fiscal 2030: reduce by more than 46% (compared to FY2019)		Reduce by 55% (compared to FY2019)	   
		Reduce greenhouse gas emissions through production	Greenhouse gas emissions through production	Fiscal 2026: reduce by 29% (compared to FY2019) Fiscal 2030: reduce by more than 46% (compared to FY2019)		Reduce by 27% (compared to FY2019)	
			Share of renewable energy	Fiscal 2026: reduce by 29% (as a percentage of total electricity usage) Fiscal 2030: reduce by 55% (as a percentage of total electricity usage)		9% (as a percentage of total electricity usage)	
			Provide energy-saving products	Contribution to CO ₂ reduction in a society through our products	Fiscal 2026: 58 million tons Fiscal 2030: more than 59 million tons		
Promote circular economies → P45-50		Design products in compliance with eco-design regulations	Continuously work to transition to environmentally friendly products that comply with ecological design regulations				
Achieve well-being							
Achieve well-being → P51-54		Effective development and dissemination of various initiatives, along with continued implementation of employee awareness surveys	Satisfaction with the company	Fiscal 2026: 3.8 pt or more		3.8 pt	  
			Well-being indicators	Fiscal 2026: 3.6 pt or more		3.6 pt	
	Respect for human rights	Implement human rights due diligence	Number of bases where human rights and labor assessments are conducted	Monitoring indicator*		79 bases (21 Company operating bases, 58 consolidated subsidiaries in Japan and overseas)	
	Promote active participation of diverse human resources Improve employee engagement	Promote contributions of female employees	Number of female employees in supervisory positions	Fiscal 2026: 450		342	
		Develop and strengthen management human resources in Japan and overseas	Talent pool of potential future executive officers	Fiscal 2026: 50		45	
		Promote active participation of senior employees	Selection rate for the Selective Retirement Extension System for general employees	Monitoring indicator*		82%	
			Selection rate for the Senior Task System for managers	Monitoring indicator*		92%	
			Career development support	Career autonomy awareness	Fiscal 2026: 3.6 pt or more		
Strengthen corporate governance							
Improve effectiveness of corporate governance → P55-64		Continued third-party evaluation of the effectiveness of the Board of Directors and incorporated this evaluation into operations	Conduct an annual questionnaire on the effectiveness of the Board of Directors, with discussion, reporting, and sharing of issues at Board of Directors meetings				
		Reduce cross-shareholding	Work to reduce holdings while considering the impacts on management and business				
Rigorous global compliance → P65, 66		Expand Fuji Electric Compliance Programs	Compliance education results	Monitoring indicator*		Level-specific: 401 trainees Job-specific: 1,265 trainees	 
		Promote the Business Ethics Whistle-Blowing Systems	Number of reports submitted through the Business Ethics Whistle-Blowing Systems	Monitoring indicator*		25	
Enhance risk management → P67, 68		Enhance risk responsiveness through ongoing improvements to business continuity plans (BCPs)	Continuously work to strengthen business continuity capabilities, including fire prevention, disaster preparedness, and BCP formulation				
		Strengthen project management	Continuously work to reduce risk, including early identification of loss-causing risks and predictive maintenance				
		Strengthen information security	Continuously work to strengthen response capabilities, including monitoring and control of cyberattacks, enhancement of defense and detection systems, and cyber training				

* Monitoring indicator: An indicator for which no target is set, but for which performance is monitored to keep a close watch on the level.



Materiality
<https://www.fujielectric.com/csr/material-issues/material-issues.html>

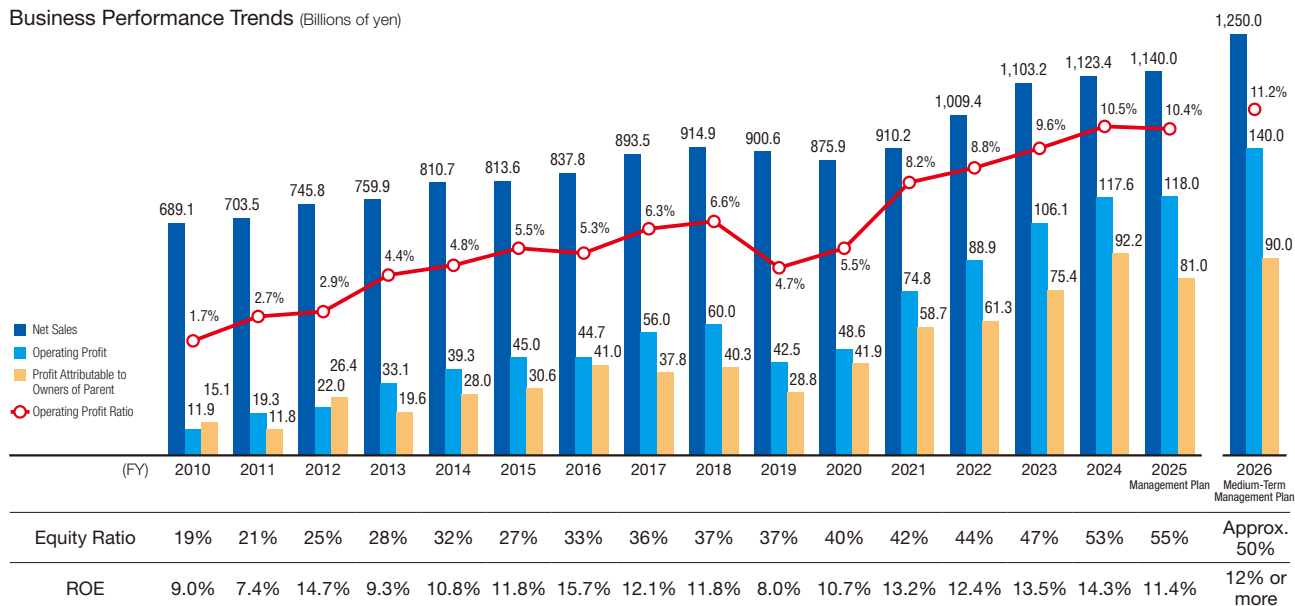


Progress of Management Reforms

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	- Integrated business operations by abolishing the holding company system - Faster management decision-making (Executive officers: Reduced from 53 to 18) - Revised management policies		Partially eliminated cross-shareholdings	- 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	- Introduced a performance-related share-based remuneration plan for directors - TNFD compliance
Promotion of growth strategies	Clarified business domains as energy and environment businesses	- Expanded overseas businesses - 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 - Strengthened R&D	- Strengthened the power electronics systems business - Reorganized the social engineering systems, industrial infrastructure, and power electronics businesses	Concentrated resources in the power electronics and power semiconductor businesses	- Strengthened the power electronics business - Reorganized the systems and components businesses - Made the equipment construction company a wholly owned subsidiary
Improvement of profitability	- Implemented business restructuring - 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 - Consolidated the production technology divisions and strengthened human resource cultivation	- Promoted local production for local consumption - 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 - Improved operational efficiency by reviewing all costs from a zero base	- Strengthened profitable structure - Strengthened mother factories in Japan (Suzuka and Kobe) - Reorganized production models - Improved operational efficiency and quality by taking inventory of all operations	- 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	- Strengthened business operations emphasizing cost of capital (ROIC) - Digitally coordinated SCM and PLM - Invested in information systems

Business Performance Trends (Billions of yen)



FY2026 Medium-Term Management Plan

In May 2024, we announced our three-year Medium-Term Management Plan, “To be enthusiastic, ambitious and sensitive 2026,” which concludes in fiscal 2026. Under the basic policy of “Improvement of corporate value through management emphasizing profit,” we are working toward the must-reach targets of ¥1,250.0 billion in net sales, ¥140.0 billion in operating profit, an operating profit ratio of over 11%, a ratio of profit attributable to owners of parent to net sales of over 7%, an ROE of 12% or more, and an ROIC of 10% or more.

Positioning of the Medium-Term Management Plan

We have positioned this plan as a preparatory period for future growth, aiming to remain a company that contributes to the realization of a sustainable society through our energy and environment businesses. We will do so by adapting to the changing era—including the transition to a decarbonized society and the advancement of digitalization—while leveraging our strengths in power electronics, a field we have refined and evolved throughout our long history.

Priority Measures

Promotion of Growth Strategies

We plan to grow our businesses in the Energy, Industry, and Semiconductors segments. In the growth fields of green transformation (GX), digitalization, and global markets, we aim to expand our businesses by launching new products. (For details, see Research and Development/Intellectual Property, P37-40.)

To expand our overseas businesses, we will advance local design and local production for local consumption while accelerating the launch of global products that meet the growing demand for electricity from renewable energy and other sources as well as meet the need for energy savings, primarily in our focus regions of India and Southeast Asia. (For details, see Overview of Segments, P29-36.)

Furthermore, to drive future growth, we will continue to invest in the growth fields of energy, industry, and semiconductors, executing capital investments at appropriate timings while closely monitoring market trends. To create new businesses that will contribute to sales growth from fiscal 2027 onward, our sales, business, and R&D divisions will collaborate cross-functionally to consider strategies and work toward co-creation with partner companies.

Improvement of Profitability

We will improve productivity and quality while reducing costs at our manufacturing floors by advancing production technologies that utilize digital and AI technologies, in addition to developing automated production facilities, in-house manufacturing, standardization, and platform design. (For details, see Manufacturing and Procurement, P41-44.)

We will allocate the cash generated to capital investment and R&D in growth fields, M&A, and IT investment, and aim to achieve both a stable financial foundation and growth. (For details, see Financial and Capital Strategies, P25, 26.)

Strengthening of Management Foundations

To continuously enhance our corporate value, we will continue to work to strengthen our management foundations, focusing on the environment, human resources, and governance. (For details, see Environment, P45-50; Human Resources, P51-54; and Governance, P55-68.)

Overview of Results (Billions of yen)

	FY2023 Results	FY2026 Medium-Term Management Plan
Net Sales	1,103.2	1,250.0
Operating Profit	106.1	140.0
Operating Profit Ratio	9.6%	11.2%
Profit Attributable to Owners of Parent	75.4	90.0
Ratio of profit attributable to owners of parent to net sales	6.8%	7.2%

Financial Indicators

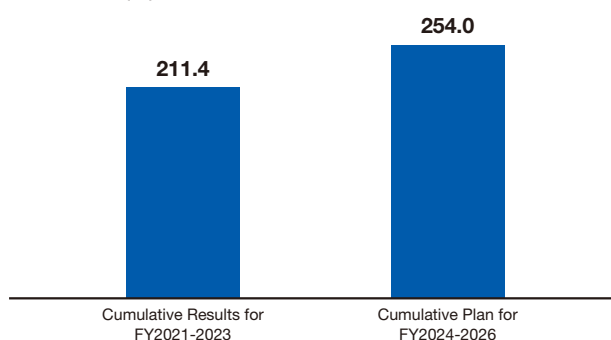
ROE	13.5%	12% or more
ROIC	11.5%	10% or more
Equity Ratio	47.4%	Approx. 50%
Net Debt-Equity Ratio	0.2 times	Approx. 0.2 times
Dividend Payout Ratio	25.6%	Approx. 30%

* Exchange rates

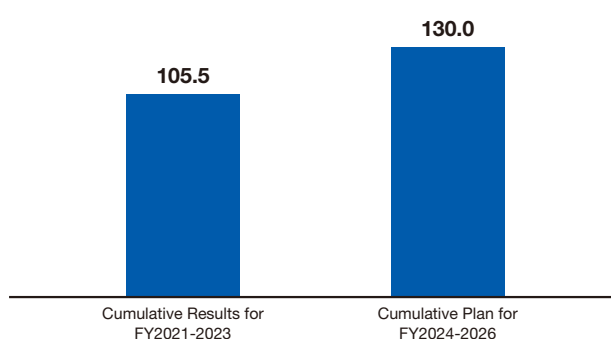
Fiscal 2023 results: US\$ ¥151.41, EURO ¥163.24, RMB ¥20.83

FY2026 Medium-Term Management Plan: US\$ ¥140.00, EURO ¥150.00, RMB ¥19.50

Plant and Equipment Investment (Billions of yen)



R&D Expenditures (Billions of yen)



FY2024 Overview and FY2025 Management Plan

In fiscal 2024, although demand related to machine tools remained sluggish and the market for electrified vehicles (xEVs) showed regional variations in strength, we captured demand associated with decarbonization and digitalization. As a result, net sales, operating profit, and profit attributable to owners of parent all reached record highs, and we achieved an operating profit ratio of over 10%. In fiscal 2025, while performance will vary among businesses, we aim for year-on-year increases in both sales and profit and will continue to intensively invest in growth fields.

Overview of Results for Fiscal 2024

Net sales increased by ¥20.2 billion year on year to ¥1,123.4 billion. This was despite decreases in the Industry segment, including continued inventory adjustments for low-voltage inverters in the automation business, a delayed recovery in demand from machine set manufacturers in the ED&C components business, and the impact of a large-scale project in the previous fiscal year for the equipment construction business as well as in the Semiconductors segment, including sluggish performance in the overseas automotive field. These decreases were offset by increases in the Energy segment from large-scale projects for substation equipment in the energy management business and higher demand from datacenters in the power supply and facility systems business; growth in the Semiconductors segment from demand in the Japanese automotive field and for renewable energy overseas; and special demand for automatic change dispensers in the store distribution business in the Food and Beverage Distribution segment due to the introduction of new banknotes in Japan.

Overseas sales decreased by ¥6.9 billion year on year to ¥325.5 billion. While there was growth from factors such as changes in sales channels for semiconductors in the Americas and increased demand for small-capacity power supplies in India, this was offset by the impact of large-scale projects in the previous fiscal year in areas such as substation equipment and the power supply and facility systems business in Asia and other regions.

Operating profit increased by ¥11.6 billion year on year to ¥117.6 billion. This was achieved despite increased personnel expenses due to improved employee compensation, higher capital costs associated with expanding semiconductor production capacity, increased R&D expenditures, and the impact of soaring raw material prices. Growth was driven by improved profitability from higher sales prices from the launch of high-value-added products, particularly components; promotion of cost reduction; and differences in profitability between projects. All segments posted year-on-year profit increases, and the companywide operating profit ratio exceeded 10%.

Profit attributable to owners of parent increased by ¥16.9 billion year on year to ¥92.2 billion, mainly due to the recording of extraordinary income from the partial sale of investment securities.

Overview of Results (Billions of yen)

	FY2023 Results	FY2024 Results	FY2025 Management Plan
Net Sales	1,103.2	1,123.4	1,140.0
Operating Profit	106.1	117.6	118.0
Operating Profit Ratio	9.6%	10.5%	10.4%
Profit Attributable to Owners of Parent	75.4	92.2	81.0
Ratio of profit attributable to owners of parent to net sales	6.8%	8.2%	7.1%

Financial Indicators

ROE	13.5%	14.3%	11.4%
ROIC	11.5%	12.9%	10.7%
Equity Ratio	47.4%	52.7%	55.1%
Net Debt-Equity Ratio	0.2 times	0.1 times	0.1 times

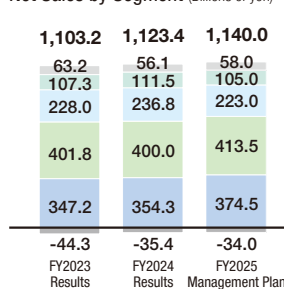
* Exchange rates

Fiscal 2023 results: US\$ ¥151.41, EURO ¥163.24, RMB ¥20.83

Fiscal 2024 results: US\$ ¥149.52, EURO ¥162.08, RMB ¥20.59

FY2025 Management Plan: US\$ ¥140.00, EURO ¥154.00, RMB ¥19.80

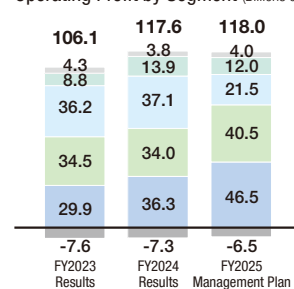
Net Sales by Segment (Billions of yen)



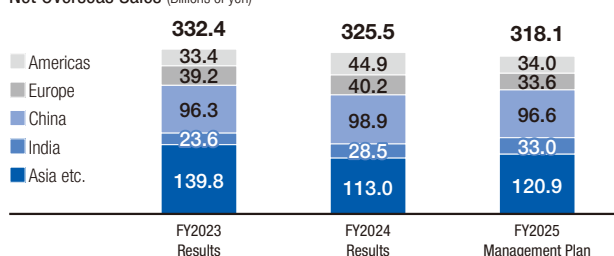
Legend: Energy (Blue), Industry (Green), Semiconductors (Light Blue), Food and Beverage Distribution (Teal), Others (Grey), Elimination and Corporation (Dark Grey)

* The fiscal 2024 results for the Energy and Industry segments are presented after reflecting the business reorganization of fiscal 2025; however, the fiscal 2023 results are produced through a simple conversion of past figures to reflect the business reorganization undertaken in FY2025 and thus should be used for reference purposes only.

Operating Profit by Segment (Billions of yen)



Net Overseas Sales (Billions of yen)



Changes Since the Formulation of the Medium-Term Management Plan and Our Response

While business opportunities are expanding for energy demand, GX investment, and digitalization needs, regional differences have emerged in the growth of the xEV market. In response to these

changes, we will take the following actions in each segment, aiming to achieve the FY2026 Medium-Term Management Plan.

Segment	Changes from the FY2026 Medium-Term Management Plan
Energy / Industry	- Expansion of energy demand due to new construction and expansion of AI datacenters and semiconductor factories - Delayed recovery for components due to supply-demand imbalances since the spread of COVID-19
Semiconductors	- Growth in the xEV market more moderate than anticipated - Continued strong demand for renewable energy
Food and Beverage Distribution	- Curbed investment in vending machines in Japan - Growth due to special demand from the introduction of new banknotes in Japan (FY2024)

Response
- Strengthen the plant systems business - Expand the comprehensive business through integrated operation with equipment construction - Increase production capacity and improve productivity - Strengthen the structure of the components business through integration of manufacturing and sales - Accelerate management - Strengthen marketing - Optimize manufacturing and inventory - Create customer value - Continue to invest in increasing production capacity while controlling speed based on demand - Strengthen design wins for new products and cultivate new customers - Cultivate new customers by providing large-capacity devices - Improve profitability with high-value-added products - Expand the top line by developing new products

FY2025 Management Plan

Strengthen Inter-Business Collaboration and Create Synergies with Segment Changes

From April 2025, we will strengthen the plant systems business by transferring the equipment construction business to the Energy segment. We will also transfer the ED&C components business to the Industry segment in order to strengthen our proposal and sales capabilities through synergies with the FA components business.

FY2025 Management Plan

We are targeting net sales of ¥1,140.0 billion, an increase of ¥16.6 billion year on year. This figure accounts for expected decreases in the Semiconductors segment due to delayed recovery in demand from the automotive field and decreases in the Food and Beverage Distribution segment due to curbed investment from customers in Japan for the vending machine business and a reactionary decline in the store distribution business following the previous year's special demand related to new banknotes, as well as foreign exchange impacts. However, these decreases are expected to be offset by increases in the Energy segment from decarbonization-related projects such as storage battery systems and increased demand for substation equipment in the energy management business, as well as strong demand from datacenters in the power supply and facility systems business. We also anticipate growth from increased demand in the Industry segment's FA components and ED&C components businesses, which are expected to recover in the second half of the year, and from an increase in NEXT GIGA projects in the academic sector for the IT solutions business.

We plan for overseas sales of ¥318.1 billion, a decrease of ¥7.4 billion year on year. While we anticipate an increase in projects for

Before the Change (FY2024)		After the Change (FY2025)	
Segment	Subsegment	Segment	Subsegment
Energy	Power generation	Energy	Power generation
	Energy management		Energy management
	Power supply and facility systems		Power supply and facility systems
	ED&C components		Equipment construction
Industry	Automation systems	Industry	FA components
	Social solutions		Automation systems
	Digital transformation solutions		Social solutions
	Equipment construction		IT solutions
			ED&C components

substation equipment in Asia and other regions, and an impact from the start of mass production of smart meters in India, these will be offset by decreased demand for semiconductors, primarily in China, Europe, and the Americas, as well as foreign exchange impacts.

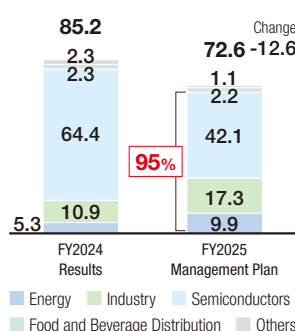
We plan for operating profit of ¥118.0 billion, an increase of ¥0.4 billion year on year. This is despite the expected continuation of increased fixed costs from the previous year, including personnel expenses from improved employee compensation, capital costs associated with capital investment in growth fields, and R&D expenditures, as well as the impact of high raw material prices and foreign exchange fluctuations. This growth is expected to be driven by increased volumes in the energy management business and power supply and facility systems business within the Energy segment, and for the industrial field within the Semiconductors segment, along with differences in profitability between projects and promotion of cost reduction.

We plan for profit attributable to owners of parent of ¥81.0 billion (ratio of profit attributable to owners of parent to net sales of 7.1%), a decrease of ¥11.2 billion year on year, mainly due to the reactionary decline from the recording of extraordinary income from the partial sale of investment securities in the previous fiscal year.

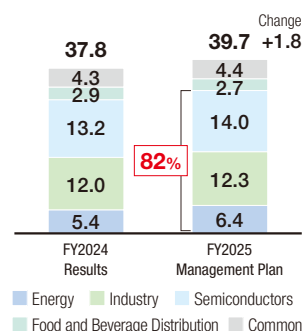
Plant and Equipment Investment and R&D Expenditures

We will continue to intensively invest in the growth fields of energy, industry, and semiconductors. We will control the speed of plant and equipment investment for semiconductors according to demand. We will proceed with R&D for the future without slowing our pace.

Plant and Equipment Investment
(Billions of yen)



R&D Expenditures
(Billions of yen)



* Fiscal 2024 results reflect the figures from the fiscal 2025 business reorganization.

* Figures for R&D expenditures are classified by segment according to theme and therefore differ from the figures stated in the consolidated financial report.

Main Details of Plant and Equipment Investments and R&D Expenditures

Segment	Main Plant and Equipment Investments	Main R&D Expenditures
Energy	- Reorganization and capacity expansion of production systems for transformers and switchgear (Chiba Factory, Kawasaki Factory) - Capacity expansion for switchgear and controlgear (Kobe Factory)	- GX products (storage battery systems, energy management systems, etc.) - Global products (transformers, molded-case transformers, etc.) - Long lifespan uninterruptible power systems (UPS), expansion of the next-generation UPS series
Industry	- Production facilities for products for the mobility field - Production facilities for smart meters - Testing facilities for heat products - Assembly automation for ED&C component products	- GX-related products (ejector cooling systems, steam-generation heat pumps, etc.) - Radiation-related equipment for overseas markets - Mobility products
Semiconductors	- SiC manufacturing processes (front-end) - Expansion of 6-inch production capacity (Tsugaru Factory) - Construction of an 8-inch pilot line (Matsumoto Factory) - Expansion of production capacity for assembly processes (back-end)	3rd-generation SiC-MOSFET 8th-generation IGBT - Strengthening of SiC 8-inch technology development
Food and Beverage Distribution	- Investment to improve productivity (rationalization, automation, in-house manufacturing) - Environmental investment to reduce CO₂ at manufacturing bases	- High-value-added vending machines, eco-friendly showcases - DX application services, products for new fields

Financial and Capital Strategies



We will sustainably enhance our corporate value by expanding profit and promoting business operations with a focus on capital costs.

Yoshitada Miyoshi

Senior Managing Executive Officer

Corporate General Manager, Corporate Management Planning Headquarters

In the FY2026 Medium-Term Management Plan announced in May 2024, we adopted profit-focused management as our basic policy and established an operating profit ratio of 11% or more, a ratio of profit attributable to owners of parent to net sales of 7% or more, an ROE of 12% or more, and an ROIC of 10% or more as our key management indicators for fiscal 2026. We will strengthen ROIC management across all businesses and promote rigorous cash management, maximization of operating cash flow, and improvement of asset health.

With regard to financial discipline, we have set standards of an equity ratio of approximately 50% and a net D/E ratio of approximately 0.2 times in order to maintain a credit rating of

A* or higher, which is necessary for business continuity and our ability to respond to investment opportunities.

We will allocate about 90% of cash generated to investments in the growth fields of energy, industry, and semiconductors. While controlling financial leverage, we will aim to strike a balance between maintaining a stable financial foundation and making investments for growth.

As we engage in timely and appropriate communication with our shareholders and investors, we will sustainably enhance our corporate value by promoting business operations with a focus on capital costs.

* Issuer rating by R&I; we have maintained an A rating since 2022.

Business Operations with a Focus on Capital Efficiency

Thoroughly manage per-business ROIC to strengthen profitability

Although we estimated our WACC to be approximately 8% when formulating the FY2026 Medium-Term Management Plan, we recognize that it has risen by about 1% along with the shift to a world with interest rates, and we are promoting business operations with a focus on capital efficiency in each segment. Using per-business ROIC as a management indicator, we are working to optimize accounts receivable and inventories for each business while strengthening our profitability through investment decisions that consider future profitability and business operations based on profit.

As for our business environment, the market for semiconductors, where growth is expected, remains in an adjustment phase, and we continue to face difficult decisions, such as judging the timing of growth investments. On the other hand, business opportunities related to decarbonization and digitalization are expanding.

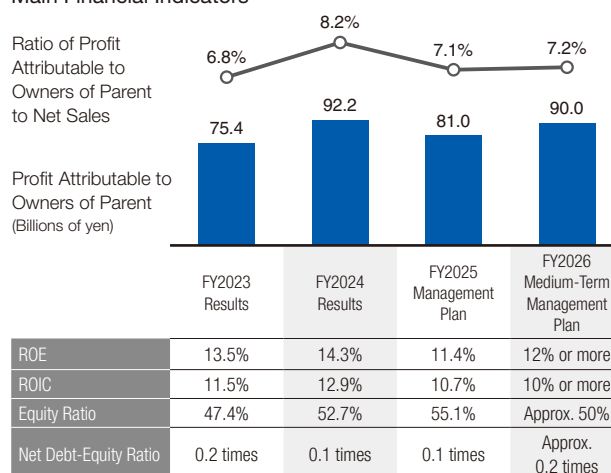
In fiscal 2024, although we faced reduced sales volume and production for components as demand in markets such as FA and machine tools did not recover, as well as increased fixed costs and high raw material prices, all segments achieved profit growth thanks to product sales price increases from providing high-value-added products and improved

productivity, resulting in an operating profit ratio of 10.5%. In addition to the improvement in operating profit, gains from the sale of cross-shareholdings led to a ratio of profit attributable to owners of parent to net sales of 8.2%, an ROE of 14.3%, an ROIC of 12.9%, and an equity ratio exceeding 50%, with financial leverage declining more than initially planned.

Main Financial Indicators

Ratio of Profit Attributable to Owners of Parent to Net Sales

Profit Attributable to Owners of Parent (Billions of yen)



In FY2025, we will actively invest in the Energy and Industry segments For Semiconductors, we will make investments for the future

In fiscal 2025, for the entire company we will aim for an ROIC of 10.7% or more, which exceeds our WACC, by investing

capital in the Energy, Industry, and Semiconductors segments, which are our growth fields, in order to generate profit.

For Semiconductors, although we do not expect volume expansion and profits will decrease, we will make forward-looking investments to achieve a medium-term improvement in ROIC. We will utilize older Si chip production equipment and proceed by replacing them with SiC chip production facilities (see Semiconductors, P34). We will advance development investment for full-scale operation of mass-production facilities and for 8-inch wafers, and we plan to reap the benefits of these investments from fiscal 2027.

In the plant systems business, we will work on early collection of accounts receivable and optimization of long-term dormant assets to improve our cash conversion cycle. In the Energy segment, orders are accumulating due to increased electricity demand as well as new construction and expansion of datacenters, and we have decided to invest in reorganizing and increasing production for our substation systems business and power supply and facility systems business (see Energy,

P30). We will invest to increase capacity amid steady order growth and aim for further expansion of sales and profit from fiscal 2026.

In the Industry segment, we will reorganize the components business, which is susceptible to market fluctuations, into an integrated manufacturing and sales structure. We will consolidate and visualize information related to customers and production and share this information in order to accelerate management speed (see Industry, P32). We aim to further improve ROIC by optimizing production plans and reducing inventories.

Furthermore, in manufacturing, we will promote the use of digital technology across the entire company and work to improve productivity and quality as well as reduce costs, centered on the information linkage between PLM and SCM (see Manufacturing and Procurement, P42).

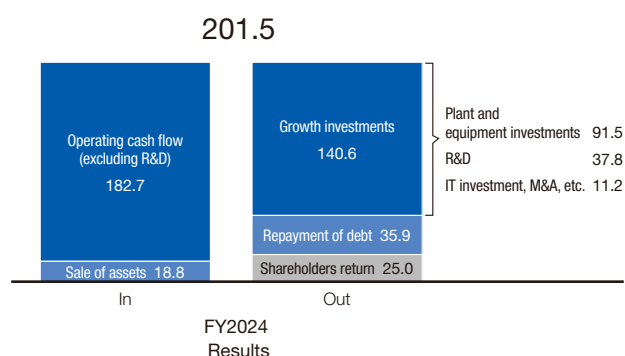
Cash Flow Allocation for Maximizing Corporate Value

In fiscal 2024, we used the cash generated by operating activities to make capital investments of ¥91.5 billion centered on the Energy, Industry, and Semiconductors segments; ¥37.8 billion in R&D; and ¥11.2 billion in IT investments for business transformation and funding for startups to create new products and businesses.

In fiscal 2025, while controlling the accelerator and brake for capital investment according to circumstances, we will promote R&D investment and IT investment to strengthen our competitiveness and advantages based on the Medium-Term Management Plan.

Keeping our future business portfolio in mind, we intend to make timely and concrete growth investments while utilizing financial leverage, such as through capital alliances with companies that maximize business and technological synergies, and M&A to expand our overseas businesses.

Cash Flow Allocation (Billions of yen)



Increasing Dividends Based on a Policy of Stable and Continuous Payments

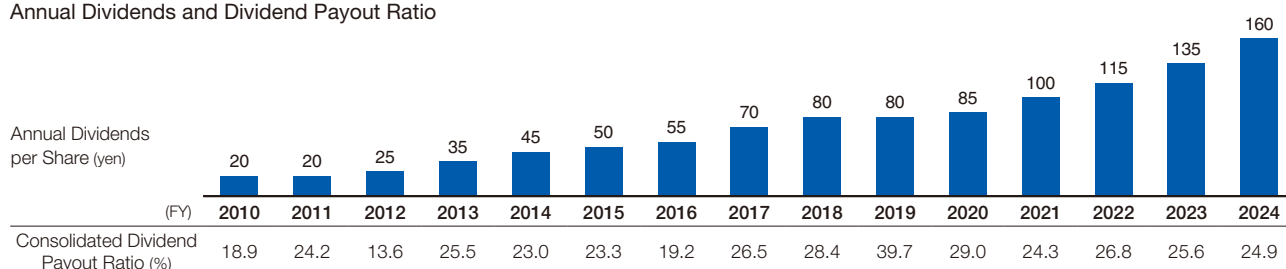
As for returning profits to shareholders, our policy is to make stable and continuous payments, taking into account the medium- to long-term business cycle. The dividend amount is determined by comprehensively considering factors such as consolidated performance for the current fiscal year, capital investment and R&D plans for future growth, and the business environment.

Under the FY2026 Medium-Term Management Plan, we

aimed to achieve sustainable improvement in profitability and profit maximization by promoting our growth strategies, and set a target dividend payout ratio of approximately 30% for shareholder returns.

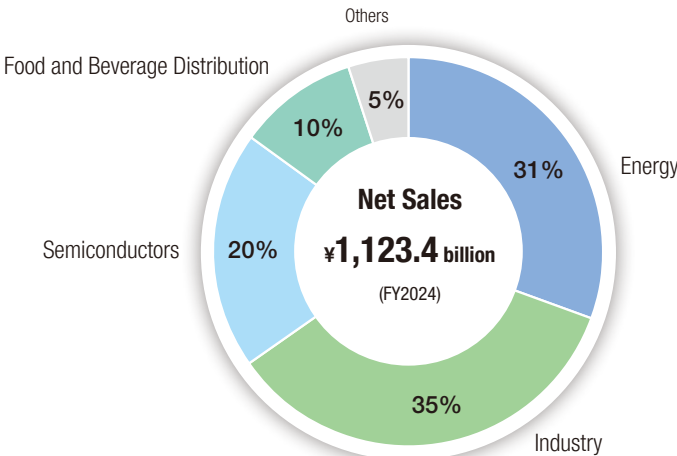
The dividend for fiscal 2024 was ¥160 per share, an increase of ¥25 from the previous fiscal year. We have maintained a trend of increasing dividends without any reductions since fiscal 2010.

Annual Dividends and Dividend Payout Ratio



Overview of Segments Basic Information

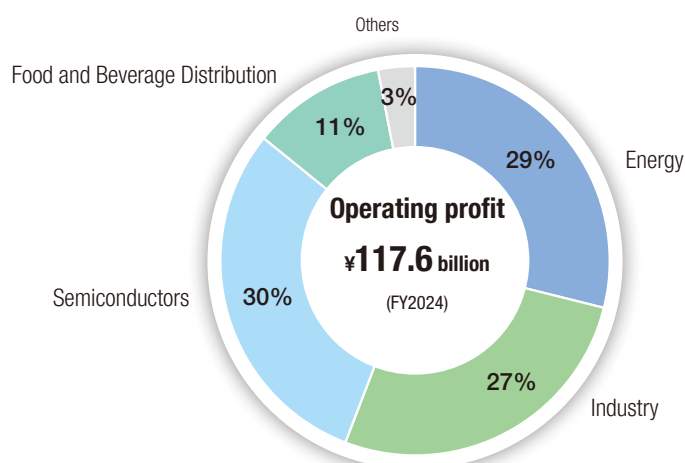
Composition Ratio*



Basic Information

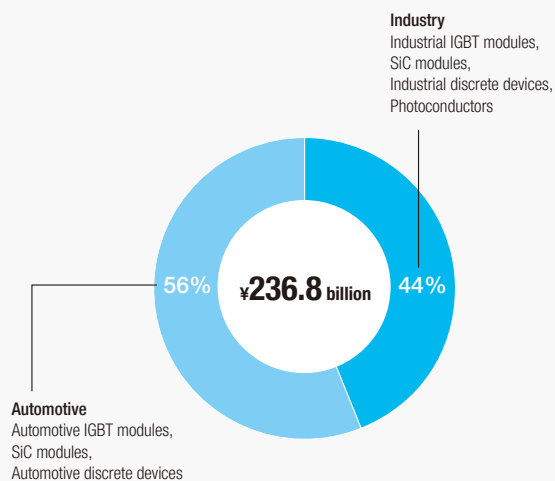
Main business activities and ratio of net sales*	Energy	Industry
	- Contributing to the achievement of a decarbonized society by maximizing renewable energy output, ensuring stable supply of renewable energy, and providing integrated engineering and after-sales services - Contributing to the stable operation and optimal management of facilities through the provision of substation equipment, uninterruptible power systems (UPSs), and energy management systems	- Realization of improved productivity and energy savings through factory automation and visualization by combining measuring instruments and IoT with power electronics application products - Contribution to stable operation of equipment through preventive maintenance and optimal maintenance operations - Contribution to the safety and security of social infrastructure through provision of highly reliable products in the railway, ship, and nuclear power fields
	Equipment construction Electrical equipment construction, Air conditioning equipment construction Power generation Thermal power generation facilities, Geothermal power generation facilities, Hydropower generation facilities, Fuel cells, Nuclear power-related equipment Power supply and facility systems Uninterruptible power systems, Switchgear and controlgear Energy management Substation equipment, Industrial power supply equipment, Storage battery systems, Energy management systems, Solar and wind power generation	IT solutions ICT-related equipment and software ED&C components Power distribution and control equipment Social solutions Drive systems and door systems for railcars, Systems for ships and harbors, Radiation equipment and systems FA components Inverters, Motors, Servo systems, Compact power supplies, Measuring instruments, Sensors, Smart meters, Controllers, Human-machine interface Automation systems Drive control systems, Measuring and control systems, Factory automation systems
	Major customers Power companies, Material plants (steel, chemical, etc.), Data centers, Semiconductor factories, Public agencies and local governments	Major customers Air conditioning and water treatment facilities, Machine manufacturers, Power companies, Material plants (steel, chemical, etc.), Railway companies, Shipbuilding companies, Public agencies and local government
Strengths	- Extensive delivery track record and engineering expertise in delivering clean energy solutions and ensuring both stable supply and optimization of energy - Package proposals from a wide range of products and systems to maintenance services, contributing to stable power supply and power optimization - Energy-saving expertise developed at Fuji Electric's factories	- Early development of power electronics equipped with power semiconductors - Extensive product lineup tailored to customer applications - Engineering capabilities built up over a substantial delivery track record

* Composition ratios are based on fiscal 2024 results. Figures are calculated based on the amounts before elimination and adjustment of inter-segment transactions.



Semiconductors

- Providing products that enable low-loss, high-efficiency power conversion in the industrial and automotive fields, and contributing to the miniaturization and energy savings for devices and equipment

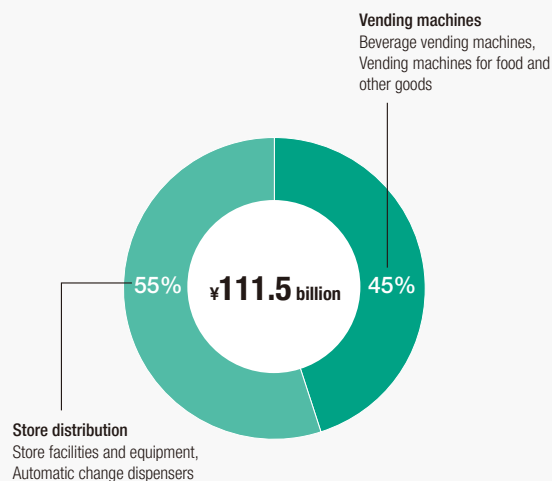


Inverters, Machine tools, Air conditioners, Solar and wind power generation, Electric railways, Automobile manufacturers, Automotive electronics manufacturers

- Industry-leading low-loss chips
- Packaging technologies that achieve high heat dissipation and high reliability
- Power semiconductors that contribute to increasing the efficiency, compactness, and reliability of power electronics

Food and Beverage Distribution

- We provide low labor, energy saving vending machines, and showcases and store systems that contribute to the safe and secure distribution of ingredients



Beverage manufacturers, Convenience stores, Restaurant chains, Supermarkets, POS manufacturers

- Top market share of beverage vending machines in Japan, China, and Southeast Asia (our estimate)
- Extensive lineup of store fixtures and equipment
- Energy-saving technologies centered on airflow control and freezing and heating, structural durability, mechatronics technology



Energy

In response to the expansion of renewable energy, the need for power grid stabilization, and increasing demand from datacenters, we will strengthen our system solutions and increase our production capacity to achieve sustainable growth and to contribute to the realization of a decarbonized society.

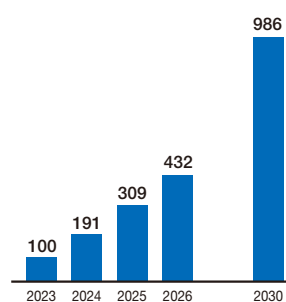
Masashi Kawano

Director, Senior Managing Executive Officer
Corporate General Manager, Energy Business Group

Market Trends and Business Opportunities

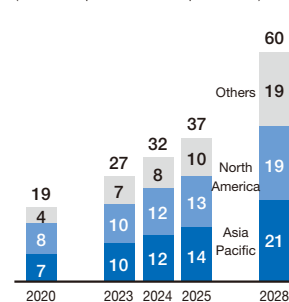
Subsegment	Market Trends and Business Opportunities
Power generation	As market demand grows for decarbonization-related power generation facilities, including renewable energy, countries that are developing geothermal power generation (Pacific Rim countries) are actively considering geothermal power generation facilities. In Japan, replacing and refurbishing hydro power generation facilities as well as pumped-storage hydropower generation are under active consideration.
Energy management	As distribution of renewable energy expands, the need for power grid stabilization continues to grow, and the grid storage battery market is also expected to grow rapidly as various markets are established. For substation systems, in addition to continued and expanding demand for replacing equipment delivered during Japan's high economic growth period, demand is also expected to grow for decarbonization (electrification, fuel conversion) of existing production processes.
Power supply and facility systems	For datacenters (IDCs), equipment demand for new construction and expansion is expected to continue to grow against the backdrop of advancing digitalization and accelerating AI utilization. For semiconductor factories as well, continued investment in constructing and expanding production facilities is anticipated for the purpose of increasing production capacity and diversifying production bases.

Grid Storage Battery System
Market Served by Fuji Electric*
FY2023 indexed to 100



* Handout materials for the 3rd Expert Working Group on GX Implementation Assumed based on the Cabinet Secretariat (November 8, 2023)

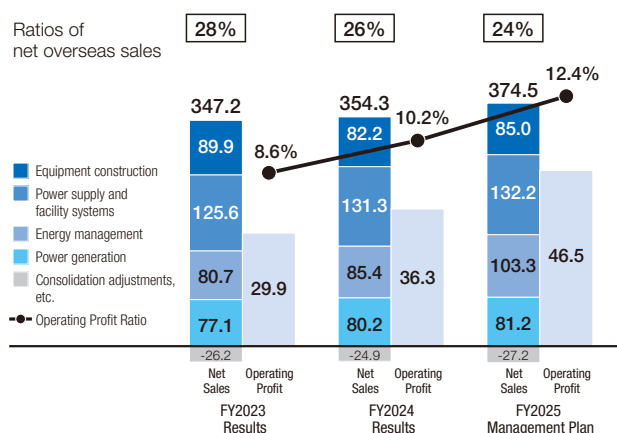
Internet Data Center Market
Scale by Region*
(IT-related power consumption: GW)



* Source: DATA CENTRE COLOCATION & INTERCONNECTION
2024©STRUCTURE RESEARCH

Overview of Results

Business Performance Trends (Billions of yen)



* FY2023 results: Presented reflecting the FY2025 business reorganization (reference values calculated through a simple conversion of past figures to reflect the business reorganization)

* FY2024 results: Presented reflecting the FY2025 business reorganization

FY2024 Achievements	Increased orders for power generation equipment, substation equipment, IDC* equipment, etc.
FY2025 Challenges	- Strengthen one-stop solutions in growth markets - Increase production capacity for substation equipment - Steadily advance large-scale projects

* IDC: Datacenter

In fiscal 2024, although there were increased expenses in the power generation business, net sales increased by ¥7.1 billion year on year to ¥354.3 billion, while operating profit increased by ¥6.3 billion year on year to ¥36.3 billion, driven by increased demand for plants systems in the energy management business and power supply and facility systems business.

In fiscal 2025, we plan for steady performance in the energy management business, power supply and facility systems business, and equipment construction business, with net sales increasing by ¥20.1 billion year on year to ¥374.5 billion, operating profit increasing by ¥10.2 billion year on year to ¥46.5 billion, and an operating profit ratio of 12.4%.

Priority Measures

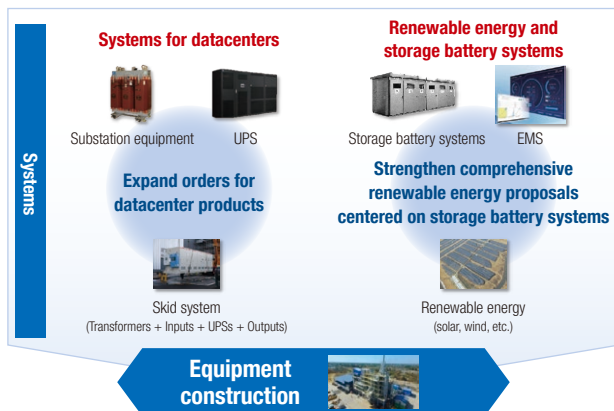
Expanding the Systems Business by Strengthening Integrated Operations with Equipment Construction

In fiscal 2025, we will newly add the equipment construction business to the Energy segment, creating a structure that provides integrated system solutions from development and manufacturing to construction and maintenance.

In the power supply and facility systems business, we will advance the development of products that meet customer needs and the introduction of new technologies to strengthen our proposal capabilities for “systems for datacenters” in the growing IDC market. Specifically, we will advance the development and introduction of unit-type, large-capacity uninterruptible power systems (UPSs) that help to increase power capacity and achieve space savings. We will also focus on developing and introducing container-type skid-systems to meet needs for shorter construction periods and improved operability, among others.

In the energy management business, in the rapidly growing market for renewable energy stabilization which has storage battery systems as its core, we will aim to expand orders by supporting shorter customer construction times and decarbonization by offering “renewable energy and storage battery systems,” which combine electricity storage systems with renewable energy and energy management systems (EMS).

System Solutions



Increasing Production Capacity to Meet Growing Demand for Substation Equipment

To augment our manufacturing capabilities, we are expanding the range of products we manufacture and are promoting in-house manufacturing and automation at our Chiba, Kawasaki, and Kobe Factories.

To meet the further increase in demand for power equipment, we are reorganizing the production systems at the Chiba and Kawasaki Factories, and will increase the production capacity for transformers and switchgear to 150% of current levels by fiscal 2026. Furthermore, to respond to the growing demand for datacenters and semiconductor factories, we are expanding the production facilities at the Kobe Factory and will likewise increase the production capacity for switchgear, controlgear, and power supply boards to 150% by fiscal 2026. Through these measures, we will establish a system that can reliably handle large-scale projects.

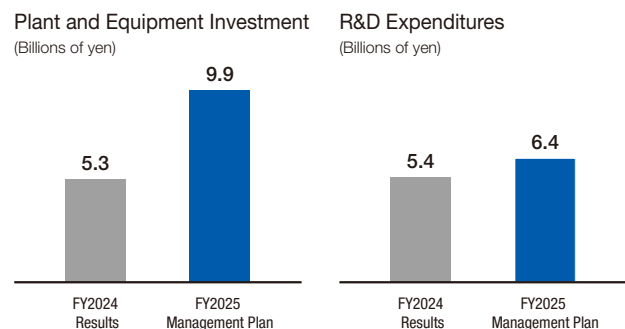
Increasing Production Capacity



Expanding Decarbonization / Renewable Energy Businesses and After-Sales Businesses

In the power generation business, to expand our decarbonization and renewable energy businesses, including decarbonization auction projects, we will steadily advance large-scale projects in addition to expanding our areas of focus, such as broadening expanding capacity in the geothermal field. We will also strengthen product competitiveness in new fields such as fuel conversion and hydrogen fuel cells. Additionally, to grow after-sales service sales, we will further enhance our proposal capabilities for customers by expanding our diagnostic technologies, power generation peripheral equipment, and repair offerings.

Plant and Equipment Investment and R&D Expenditures



* Figures for R&D expenditures are classified by segment according to theme and therefore differ from the figures stated in the consolidated financial report.

Key Plant and Equipment Investment Plans

- Increased production capacity by reorganizing the production systems for transformers and switchgear (Chiba Factory, Kawasaki Factory)
- Increased production capacity by expanding the production facilities for switchgear, controlgear, and power supply boards (Kobe Factory)

Key R&D Plans

- Green transformation (GX) products (storage battery systems, energy management systems, etc.)
- Global products (transformers, molded case transformers, etc.)
- Expansion of the long-lifespan UPS and next-generation UPS product series



Industry

We will work to improve the profitability of the components business.

By creating competitive components and proposing solutions, we will expand our green transformation (GX) and overseas businesses.

Hiroshi Tetsutani

Director and Managing Executive Officer

Corporate General Manager, Industry Business Group

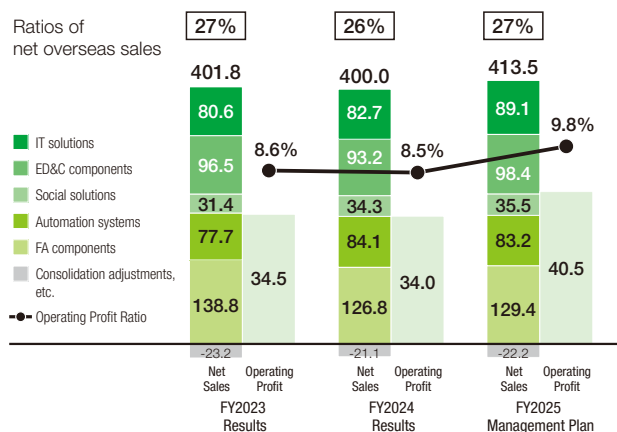
Market Trends and Business Opportunities

The market for components is expected to undergo a moderate recovery, while the market for plant systems is expected to remain flat.

	Subsegment	Market Trends and Business Opportunities
Components	FA components	In Japan, we expect a moderate recovery from the previous fiscal year, centered on semiconductor production equipment. Overseas, although the outlook is uncertain due to factors such as the impact of U.S. tariffs, we expect a recovery centered on Asia and India, with the overall market remaining flat.
	ED&C components	In Japan, we expect a moderate recovery in the market for machine tool manufacturers, while the power distribution market is expected to remain flat. Overseas, we expect a decrease in demand in the elevator industry in China due to the real estate recession, and a moderate recovery in semiconductor-related markets in the United States and Asia.
Plant Systems	Automation systems	In Japan, investment in energy savings, upgrades for aging facilities, and maintenance will continue in the steel, chemical, and port industries, centered on GX, digitalization, and BCPs. Overseas, although India will remain strong, we expect a decrease in demand in Asia, particularly in the steel industry, with the overall market remaining flat.
	Social solutions	In the radiation-related equipment field, restarting and decommissioning are expected to accelerate due to the policy of maximizing use of nuclear power outlined in the Japanese government's Seventh Strategic Energy Plan. In the railcars field, demand for replacement is continuous, and in the ship and harbor field, investment in electrification for GX will proceed, but the overall market will remain flat.
	IT solutions	With increasing digital demand, IT investment will remain strong. In the academic sector, the nationwide NEXT GIGA development for the educational ICT policy will move forward.

Overview of Results

Business Performance Trends (Billions of yen)



* FY2023 results: Presented reflecting the FY2025 business reorganization (reference values calculated through a simple conversion of past figures to reflect the business reorganization)

* FY2024 results: Presented reflecting the FY2025 business reorganization

FY2024 Achievements	- Expanded sales and profit for plant systems - Expanded business in India - Developed and expanded sales of global products
FY2025 Challenges	- Globally operate the supply chain - Further expand the overseas business and the GX business - Further strengthen profitability

In fiscal 2024, although demand for plant system projects for the materials industry remained strong, net sales decreased by ¥1.8 billion year on year to ¥400.0 billion, while operating profit decreased by ¥0.5 billion year on year to ¥34.0 billion, which was due to inventory adjustments and decreased demand centered on low-voltage inverters in the FA components business.

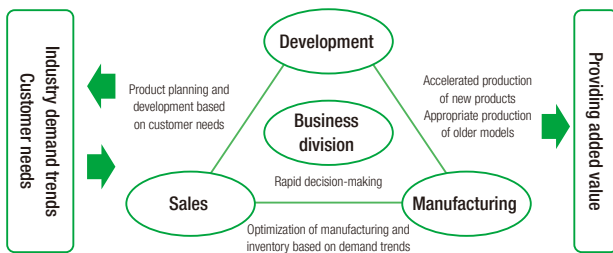
In fiscal 2025, we plan for net sales to increase by ¥13.5 billion year on year to ¥413.5 billion, operating profit to increase by ¥6.5 billion year on year to ¥40.5 billion, and an operating profit ratio of 9.8%. This will mainly be driven by expanded sales and improved profitability from launching new products in the components business as well as increased demand in the ED&C components and IT solutions businesses.

Priority Measures

Strengthening Our Structure by Integrating Component Manufacturing and Sales

From fiscal 2025, we will build an organization that integrates sales, development, manufacturing, and the business division to accelerate management speed. We will improve the accuracy of demand forecasting and make rapid decisions on product planning that meets customer needs, early development of high-value-added products, and optimal manufacturing operations. Through these initiatives, we will not only provide high-value-added products to our customers but strengthen our profitable structure by expanding sales of new products, optimizing inventory, and reducing costs by consolidating and eliminating unprofitable models.

Improving Profitability by Integrating Component Production and Sales



Expansion of Overseas Businesses

In the automation business, we will expand our overseas business by developing and expanding lineup of our global products. The next-generation industrial low-voltage inverters we launched in fiscal 2024 have been praised for their space-saving and high-efficiency features, primarily for steel and harbor crane systems, and their delivery track record is increasing. In fiscal 2025, we will launch next-generation high-voltage inverters for applications such as compressors and conveyors. In addition, as a new field, we will provide large-capacity, high-voltage, water-cooled inverters for applications such as air storage and turbine electrification. We will appeal the value of energy savings and high reliability while working to expand the systems business by sharing the engineering know-how cultivated in Japan with local human resources.

Global Products

Next-generation low-voltage industrial inverters	Next-generation high-voltage inverters	Large-capacity, high-voltage water-cooled inverters

In the FA components business, we will newly enter the smart meter business in India. Although India is promoting installation of smart meters as a national policy, local competitors have had issues with quality and production capacity. By utilizing design know-how cultivated in Japan, we will secure stable production capacity through product structure design that enables automated production. Furthermore, we will newly enter the market by leveraging our strength, high quality—achieved by using components whose quality has been confirmed in Japan and by minimizing human-dependent factors



Smart meters for India

through full automation. Going forward, we will strive to expand sales and profit by further enhancing our cost-competitiveness both by obtaining Bureau of Indian Standards (BIS) certification and by localizing parts for which high quality can be ensured as replacements.

Expanding Sales and Strengthening the Structure of the ED&C Components Business

For the machine tool manufacturer market, we will accelerate the switch to the new SC-NEXT series of magnetic switches and aim to capture demand for semiconductor production equipment. For the power distribution market, we will focus on new order acquisition activities for datacenter (IDC) and factory construction projects. We will also promote orders for power monitoring equipment and other products to meet demand related to carbon footprints.

In parallel, we will work to strengthen the structure of our production sites by utilizing digital technology. We will equip the fully automated assembly line for the SC-NEXT series with MES, which enables automatic acquisition of site data and a production line analysis system, to reduce costs and improve productivity.

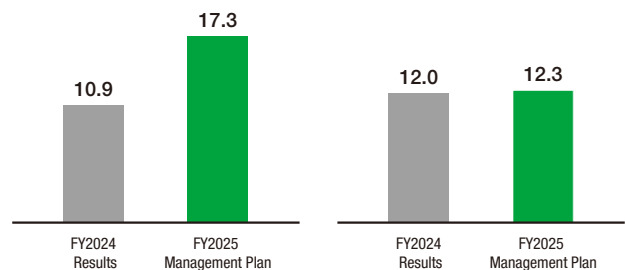
Priority Development to Capture GX Demand

We will focus our development efforts on heat products such as ejector cooling systems used for cooling AI servers in IDCs as well as on steam-generation heat pumps that can efficiently generate steam using waste heat from factories. To strengthen our medium- to long-term competitiveness, we aim for future business expansion by developing new products such as those for mobility and radiation-related equipment for overseas markets.

Heat products		Mobility products
200 kW ejector cooling systems	150°C/100 kW steam-generation heat pump	Automotive power electronics

Plant and Equipment Investment and R&D Expenditures

Plant and Equipment Investment (Billions of yen) R&D Expenditures (Billions of yen)



* Figures for R&D expenditures are classified by segment according to theme and therefore differ from the figures stated in the consolidated financial report.

Key Plant and Equipment Investment Plans

- Production equipment for products for the mobility field, smart meters, and heat products
- Assembly automation for products in the ED&C components business

Key R&D Plans

- Global products (servos, high-voltage inverters, radiation-related equipment, etc.)
- Platform development (low-voltage inverters, etc.)
- GX-related products (next-generation power equipment, heat products, mobility, etc.)



Semiconductors

We will strive for medium- to long-term business expansion by contributing to automobile electrification, equipment downsizing, energy savings, and CO₂ emissions reduction.

Toru Hosen

Director and Senior Managing Executive Officer
Corporate General Manager, Semiconductors Business Group

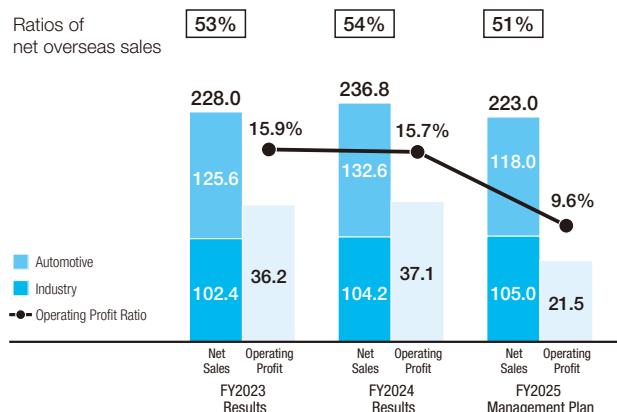
Market Trends and Business Opportunities

Power semiconductors, which contribute to energy savings through high conversion efficiency and power control, are experiencing increased global demand against the backdrop of environmental measures for decarbonization and rising investment in automation within the manufacturing industry.

Subsegment	Market Trends and Business Opportunities
Industry	Although the recovery in demand for FA-related applications, such as inverters and machine tools, will be slow, demand for renewable energy applications, such as solar and wind power, is expected to grow steadily.
Automotive	Although the growth rate of electric vehicles (EVs) will slow down, the number of hybrid vehicles will increase, and the overall growth rate for electrified vehicles (xEVs) is expected to be in the double digits.

Overview of Results

Business Performance Trends (Billions of yen)



FY2024 Achievements	- Developed new products (for xEVs and renewable energy) - Expanded the ratio of 8-inch Si^{*1} device production; began full-scale mass production of 6-inch SiC^{*2} devices - Received approval for the SiC device supply plan, jointly submitted with DENSO CORPORATION, from the Ministry of Economy, Trade and Industry
FY2025 Challenges	- Expand sales in growth fields (for xEVs and renewable energy) - Secure design wins for new products and cultivate new customers - Increase SiC production capacity in line with demand - Develop competitive next-generation products

*1 Si: Silicon

*2 SiC: Silicon carbide

In fiscal 2024, although demand was sluggish for overseas xEVs and for FA-related applications in Japan, net sales increased by ¥8.8 billion year on year to ¥236.8 billion. This was due to increased demand for xEVs in Japan and for renewable energy overseas, as well as sales price revisions. Operating profit increased by ¥0.9 billion year on year to ¥37.1 billion, driven by an increase in net sales and sales price revisions, despite factors such as increased costs related to production capacity expansion and the impact of high raw material prices.

In fiscal 2025, although demand for renewable energy is expected to remain strong and a moderate recovery is anticipated for FA-related applications, we plan for net sales to decrease by ¥13.8 billion year on year to ¥223.0 billion due to a decrease in sales volume for xEVs. We plan for operating profit to decrease by ¥15.6 billion year on year to ¥21.5 billion, with an operating profit ratio of 9.6%, due to the decrease in sales volume, high raw material prices, increased fixed costs, and the impact of the fiscal 2024 sales price revisions.

Priority Measures

Securing New Design Wins for xEVs and Expanding Sales of IGBTs and SiCs

We are working to develop power semiconductor module products that are even more compact, have lower generated losses, and achieve higher reliability to contribute to improving driving ranges, securing interior space, and reducing weight.

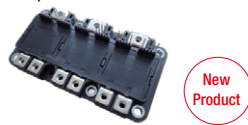
We have developed a compact RC-IGBT module that is 54% smaller than conventional products by utilizing our Si-based RC-IGBTs*1, which we developed ahead of our competitors. For SiC products, we have developed a new SiC module that is 49% smaller than conventional products by using our three-dimensional wiring technology, which also significantly reduces the module's internal inductance*2 and lowers losses. We plan to begin mass production of the compact RC-IGBT module in fiscal 2025 and of the SiC module in fiscal 2026.

Focusing on these competitive new products, we will drive their adoption in customer designs and cultivate new customers, contributing to downsizing and reducing the costs of customers' equipment.

*1 RC-IGBT: A product that achieves significant loss reduction and downsizing by arranging two types of semiconductors with different functions (an IGBT and a free-wheeling diode) alternately in a straight line on a single chip and operating them together.
*2 A higher value here increases switching losses and noise.

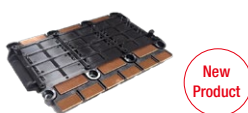
New Products for xEVs

Compact RC-IGBT Module



Strengths Features	Compact, short package (Volume: -57% vs. conventional product)* Supports three different ratings by combining two types of coolers
Adopting Vehicles Types (Examples)	Light vehicles, compact vehicles, and hybrid vehicles (generation)

SiC Module



Strengths Features	Compact, thin package (Volume: -49% vs. conventional product) Low inductance (Inductance: -80% vs. conventional product)
Adopting Vehicles Types (Examples)	Large vehicles, sports vehicles

* Comparison based on equivalent ratings. As the rated current differs from that of conventional products, comparison is based on effective module output conversion values.

Expanding Sales, Primarily in the Renewable Energy Field

In the renewable energy field, there are growing needs for products with higher voltage ratings to increase power generation, higher reliability to ensure stable power supply, and higher efficiency that leads to smaller and lighter equipment.

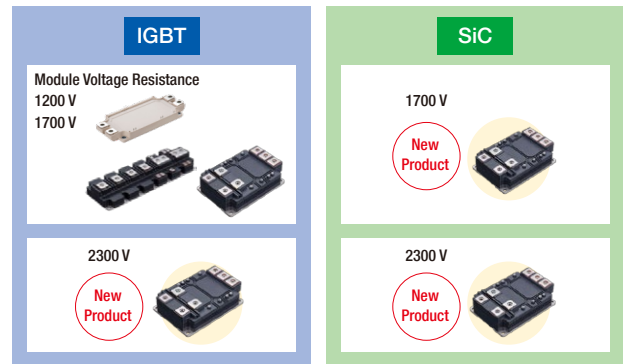
We are expanding our product series of IGBT and SiC modules that meet these needs and are expanding our sales.

We are also developing next-generation products for the industrial field. The 8th-generation IGBT module will reduce chip size by lowering generated losses by 15% or more compared to our current mainstay 7th-generation IGBT modules. Furthermore, we will achieve significant cost reductions through initiatives such as using shared and standardized structural

components as well as local procurement.

Going forward, we plan to continue capturing strong demand and expand our sales, primarily in the renewable energy field.

Product Lineup for the Renewable Energy Field



Strengthening Production Capacity and Starting Mass Production of New Products to Meet Demand

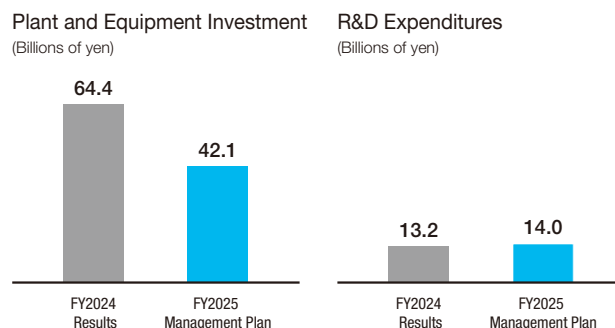
While controlling the pace of production capacity expansion in line with the current demand environment, we will continue to make plant and equipment investments for future demand growth and further business expansion.

For the SiC chip manufacturing process (front-end), we began full-scale mass production of 6-inch devices at Fuji Electric Tsugaru Semiconductor Co., Ltd. in December 2024. In fiscal 2025, we will strengthen production capacity by 2.5 times year on year and proceed with the construction of an 8-inch pilot line at the Matsumoto Factory.

For the Si chip manufacturing process (front-end), we will begin mass production of the 8th-generation IGBT sequentially from the end of fiscal 2025.

For the assembly process (back-end), we will begin mass production of new products, including compact RC-IGBT modules for xEVs and 7th-generation IGBT modules for renewable energy, in fiscal 2025.

Plant and Equipment Investment and R&D Expenditures



* Figures for R&D expenditures are classified by segment according to theme and therefore differ from the figures stated in the consolidated financial report.

Key Plant and Equipment Investment Plans

- Strengthen production capacity for 6-inch SiC devices (front-end processes)
- SiC 8-inch pilot line
- Strengthen module production capacity for xEVs and the industrial field

Key R&D Plans

- Promote development of new products, such as 3rd-generation SiC-MOSFETs and 8th-generation IGBTs
- Strengthen SiC 8-inch technology development



Food and Beverage Distribution

We will work to improve our profitability and build our operating foundation with new products that meet market needs.

Keiichi Asano

Managing Executive Officer

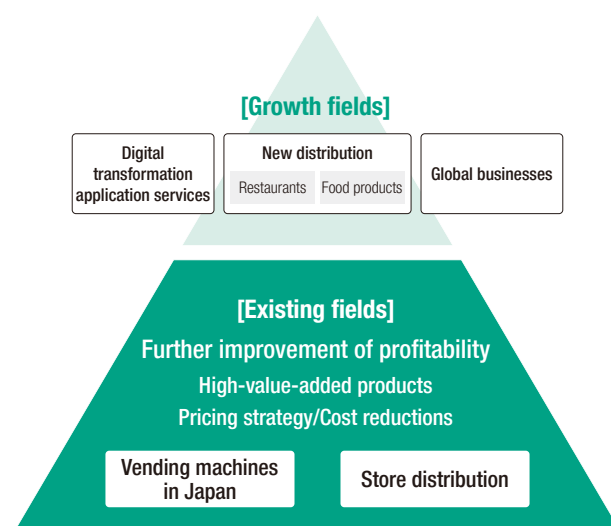
Corporate General Manager, Food and Beverage Distribution Business Group

Market Trends and Business Opportunities

Although the food and beverage distribution market as a whole is expected to be lower than the previous year due to the leveling off of demand related to new banknotes in Japan, needs are growing in new fields for automation, labor savings, and environmental measures, and we will work to expand our business by launching new products.

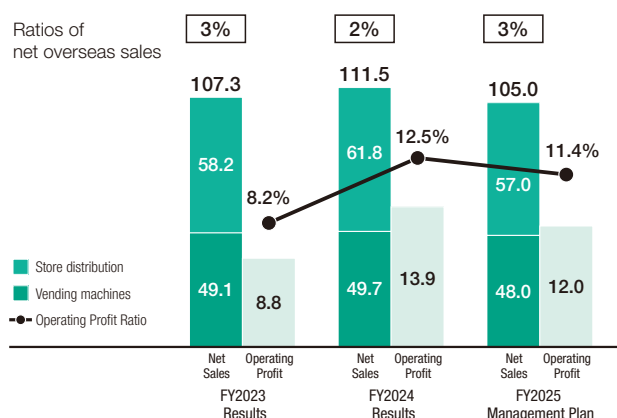
Subsegment	Market Trends and Business Opportunities
Vending machines	In Japan, demand is expected to be lower than the previous year due to curbed investment by beverage manufacturers, but there are growing needs to reduce power consumption, diversify products sold, and improve the efficiency of vending machine operations due to labor shortages. Meanwhile, overseas, we expect demand to remain at the same level as the previous year, as changes in food preferences, such as rising coffee demand, are progressing, mainly in China and other parts of Asia.
Store distribution	In the convenience store field, the market is expected to be on par with the previous year due to investment in store equipment that meets environmental requirements and that responds to diversifying user preferences. In the automatic change dispenser field, a decrease is expected due to the leveling off of special demand related to new banknotes in Japan. Meanwhile, in new fields centered on the restaurant industry, the need for labor savings is increasing due to labor shortages.

Overview of the FY2026 Medium-Term Management Plan



Overview of Results

Business Performance Trends (Billions of yen)



FY2024 Achievements	• Captured demand related to new banknotes in Japan • Increased market share for vending machines and automatic change dispensers in Japan • Launched new products
FY2025 Challenges	• Further improve profitability • Build the operating foundation (improve top line earnings) • Expand sales of new products

In fiscal 2024, net sales increased by ¥4.2 billion year on year to ¥111.5 billion, while operating profit increased by ¥5.1 billion year on year to ¥13.9 billion due to increased sales volume and the promotion of cost reduction activities. This was driven by increased market share for vending machines in Japan and higher demand for automatic change dispensers in the store distribution business due to the issuance of new banknotes in Japan.

In fiscal 2025, although we will promote sales expansion measures such as growing sales of new products and further increasing our market share, we plan for net sales to decrease by ¥6.5 billion year on year to ¥105.0 billion, and operating profit to decrease by ¥1.9 billion year on year to ¥12.0 billion, with an operating profit ratio of 11.4%, due to the fall-off in demand related to new banknotes.

Priority Measures

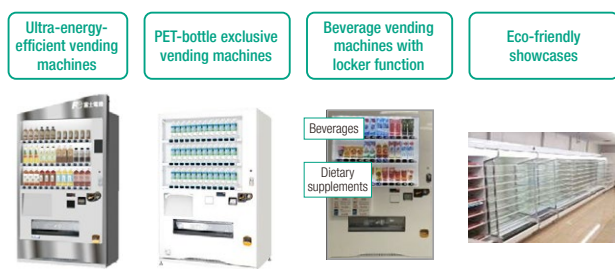
Improving Profitability by Expanding Our Lineup of High-Value-Added Products

In the vending machine business in Japan, we will expand our product lineup in various locations with models that contribute to higher customer sales. These efforts include expanding the range of ultra-energy-efficient vending machines based on our “Sustainable Vending Machine,” which won the Minister of Economy, Trade and Industry Award at the Energy Conservation Grand Prize in 2023; launching PET-bottle exclusive vending machines; and offering beverage vending machine with a locker functions that can sell beverages and supplements together.

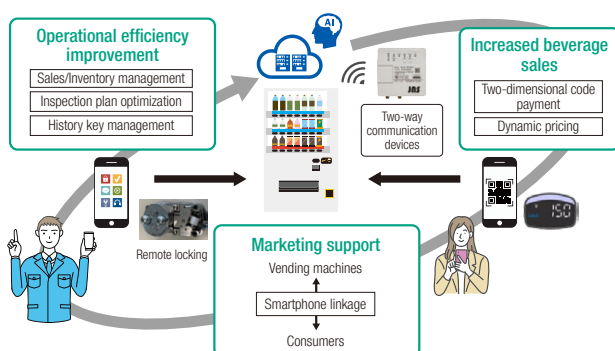
In the store distribution business, we will introduce eco-friendly showcases for convenience stores that are compatible with green refrigerants and have enhanced energy-saving performance; automatic change dispensers that save both space and labor; and new counter fixtures that address diversifying user preferences and help promote customer sales.

In manufacturing, we aim to further improve profitability by expanding use of platform designs and in-house manufacturing to reduce costs, as well as by utilizing digital technology to improve productivity.

Existing Business Areas: High-Value-Added Products



Growth areas: DX Application Services



Building the Operating Foundation (Improving Top Line Earnings)

Based on the Medium-Term Management Plan, we will position “DX application services,” “new fields,” and “global business” as growth fields and strengthen them.

For DX application services in the vending machine business, we will enhance the value provided to customers by equipping machines with two-way communication devices. This will enable features such as dynamic pricing (to flexibly change prices according to demand trends), support for smartphone payments, and services that improve the efficiency of vending machine operations. In the store distribution business, we will promote services that contribute

to optimizing store operations and reducing environmental impacts, such as visualizing energy consumption based on the store controller and coordinating the operation of showcases and air conditioning equipment. In fiscal 2025, we will conduct demonstration experiments with customers and promote activities to secure design wins.

Regarding new fields, we will collaborate with coffee equipment trading companies to accelerate design wins with restaurant and cafe chains for our coffee machines for restaurants, which we launched last fiscal year. To expand orders, we will emphasize the value provided by automation, high-quality taste, and maintenance-free operation. In addition, the locker vending machine we launched in fiscal 2024 allows users to freely select products of various sizes and enables 24-hour sale of refrigerated goods; we will expand its sales, targeting new markets that involve fresh produce, Western-style confectionery, and agricultural products.

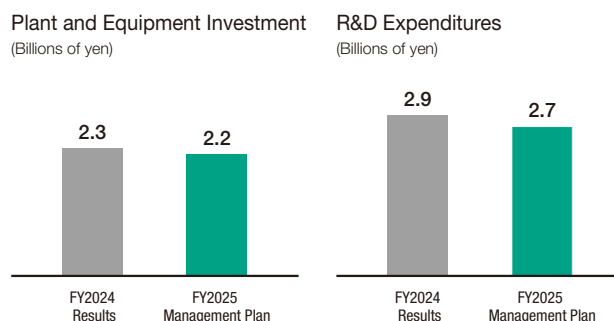
For our global business, we aim to newly enter the vending machine market in India. In China and Southeast Asia, in addition to conventional vending machines, we will offer global coffee machines to respond to the expanding coffee market as well as ice cream vending machines for the ice cream market, which is seeing remarkable growth.

Going forward, we will anticipate social changes and contribute to the sustainable improvement of our top line earnings as well as the enhancement of our corporate value.

Growth areas: New products in the vending machine and store distribution businesses



Plant and Equipment Investment and R&D Expenditures



* Figures for R&D expenditures are classified by segment according to theme and therefore differ from the figures stated in the consolidated financial report.

Key Plant and Equipment Investment Plans

- Investments to improve productivity (rationalization, automation, and in-house manufacturing)
- Environmental investments to reduce CO₂ emissions at manufacturing bases

Key R&D Plans

- High-value-added vending machines, eco-friendly showcases
- DX application services and products for new fields

Research and Development / Intellectual Property



We will challenge ourselves to create new products and acquire new technologies that will drive Fuji Electric's growth strategies.

Kazuya Nakayama

Executive Officer Corporate General Manager, Corporate R&D Headquarters

Even as the business environment becomes more uncertain, we believe that trends such as the transition to a decarbonized society, the shift to a circular economy, and expanded investment in digitalization will continue. To solve the new challenges our customers face as a result of these trends, we are refining our core technologies and strengthening development of global products, and new products that contribute to green transformation (GX) and digital transformation (DX). Furthermore, we are challenging ourselves

to acquire innovative new technologies through collaboration and co-creation with partner companies and academia, aiming to create new products that meet new needs by anticipating how social issues will change.

We are also working to build an intellectual property portfolio to ensure competitive advantages for our new products and technologies, and we are engaged in international standardization activities, which are essential to expanding our business globally.

Progress of Medium- to Long-Term R&D

As our R&D strategy in the FY2026 Medium-Term Management Plan, which began in fiscal 2024, we are promoting the development of new products in our existing fields (1) and growth fields (2), as shown in the R&D portfolio (on the next page), while engaging in R&D in new fields (3) that will contribute to growth from 2030 onward.

To realize this R&D strategy, we have set our R&D

expenditures for fiscal 2025 to ¥39.7 billion, an increase of ¥1.8 billion year on year. Building on our efforts in fiscal 2024, we will expand investment in R&D in growth and new fields that support our growth strategies. Furthermore, for new product net sales (within five years of launch), which we position as our most important R&D KPI, we have set a target for fiscal 2026 of at least 1.2 times the level of fiscal 2023.

Main Development Progress in FY2024

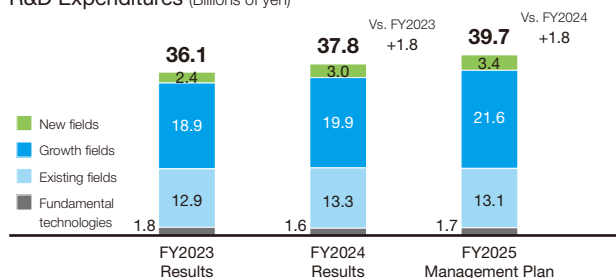
In our existing fields of business (1), we have launched the next-generation model of programmable controllers and inverters for elevators, expanded our series of servo systems and natural ester transformers, and are developing products such as small-capacity UPSs and ultrasonic flowmeters.

In the GX-related growth fields (2), we completed the development of new power semiconductor modules for electrified vehicles and renewable energy. In the mobility field, we launched a shoreside power supply system for harbors, and in the energy management field, we advanced the development of products such as string-type PCS for solar

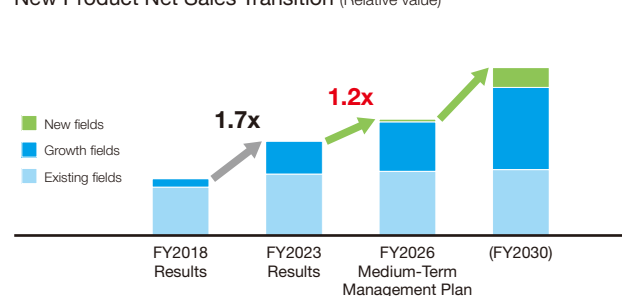
power. In DX-related areas, we completed the enhancement of engineering functions for plant monitoring and control systems and the development of an EMS platform, and we are developing equipment for digital substations. Furthermore, as global products, we have launched drive systems for plants in industries such as steel and cement, and are advancing the development of dry-air C-GIS, VCB panels, and beverage servers.

In the new fields (3), we have worked to create new products that will contribute to growth from fiscal 2030 onward and to acquire the new technologies necessary to do so.

R&D Expenditures (Billions of yen)



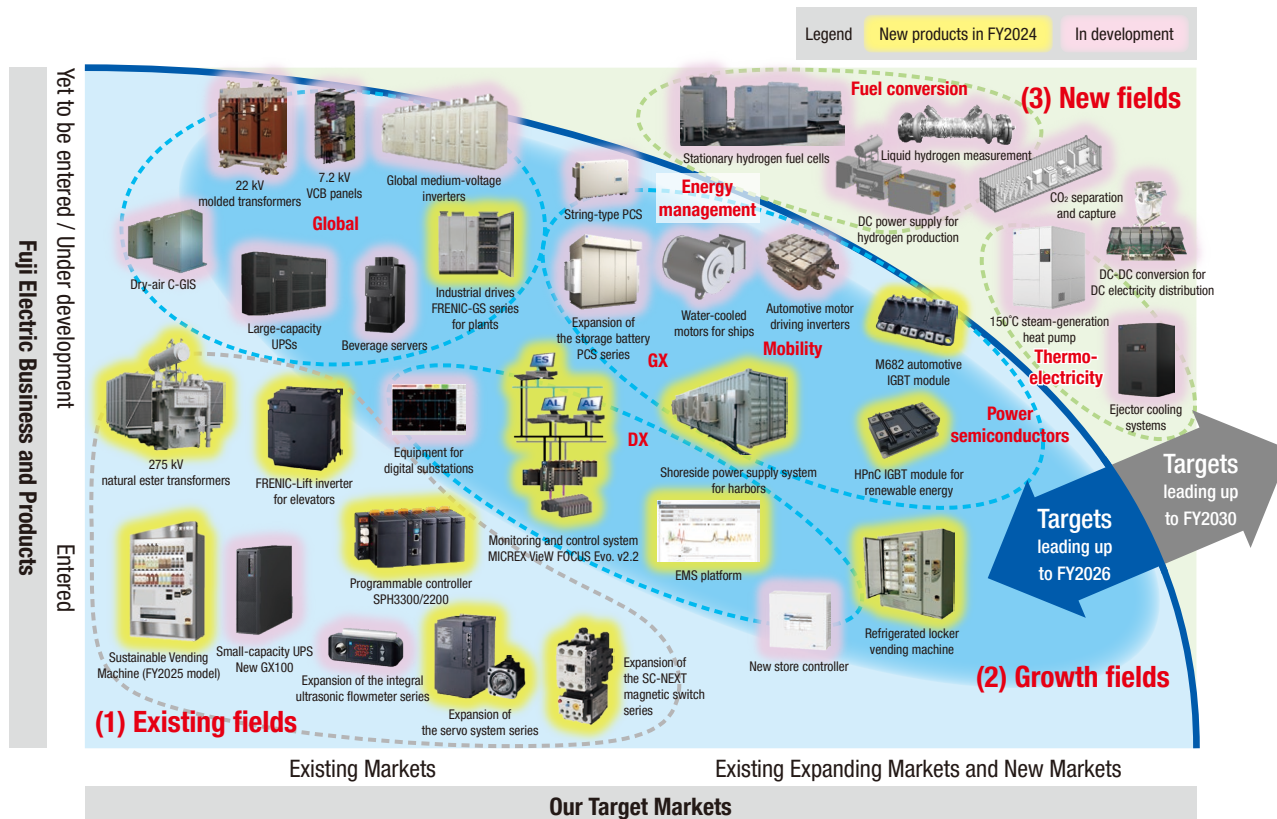
New Product Net Sales Transition (Relative value)



* New products: Within five years after market launch

R&D Portfolio and Main Progress Items

- (1) Existing fields “Develop next-generation models, strengthen competitiveness, and expand platform development” to maintain and expand our existing businesses
- (2) Growth fields “Launch GX, DX, and global new products by fiscal 2026” to drive our growth strategies
- (3) New fields “Challenge ourselves to acquire new GX technologies and create new products” in anticipation of market expansion from fiscal 2030 onward



Strengthening New Product Creation and New Technology Acquisition

As we proceed with creating new products and acquiring new technologies in fields that are new to our company and that are expected to see market expansion from fiscal 2030 onward—such as “fuel conversion,” “thermoelectric systems” (see Industry, P32), and “CO₂ separation and capture”—we are expanding our co-creation with partner companies.

Aiming to realize fuel conversion from fossil fuels to ammonia, we and ITOCHU Corporation are participating in the “Development of Peripheral Equipment in the Construction of a Supply Chain for Ammonia-Fueled Ships,” one of the Green Innovation Fund projects of the New Energy and Industrial Technology Development Organization (NEDO). By combining the measurement technologies we have cultivated to date with new high-sensitivity technologies, we are working to develop leakage sensors for safely handling hazardous ammonia and equipment for recovering residual ammonia.



In addition, in fiscal 2024, we invested in the following two startups and began collaborating with them. Going forward, we will continue to actively promote acquisition of new technologies by investing in promising partner companies.

Hutzper Inc.

— On-Site-Oriented AI Services for the Manufacturing Industry —

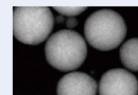
Hutzper’s strength lies in its ability to provide its proprietary AI technology, which realizes visual inspections through image analysis and optimal personnel allocation on production lines, in a high-quality package. By creating solutions that generate synergies when combined with our products, we aim to strengthen our smart factory business.



Illuminus Inc.

— Proprietary Solid-Solution Alloy Nanoparticle Manufacturing Technology —

Illuminus possesses technology for stably producing solid-solution alloy particles with a diameter of 10 nm or less, that are composed of multiple elements. By utilizing this technology to develop high-performance new materials such as catalysts applicable to the power semiconductor and clean energy fields, we aim to create competitive new products that contribute to realizing a decarbonized society.



Intellectual Property Initiatives

We position intellectual property as a key management resource and, under our intellectual property policy, we secure competitive advantages for our products by strategically acquiring and utilizing intellectual property rights, while promoting compliance with the international standards required in the global market.

Over the medium to long term, in addition to strengthening our intellectual property and international standardization activities for businesses and products in growth fields, we are

utilizing intellectual property analysis to improve our market analysis capabilities in order to create new products.

Intellectual Property Policy

- Develop and implement intellectual property strategies by analyzing intellectual property.
- Strengthen each business's intellectual property portfolio and reduce risks.
- Strengthen strategic international standardization activities.

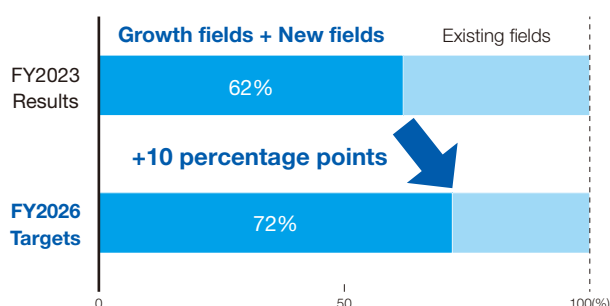
Strengthening Our Intellectual Property Portfolio

The intellectual property rights we hold are managed as per-business intellectual property portfolios (our intellectual property is categorized by major technology), and we continuously perform maintenance, such as deciding whether to keep or abandon rights, by taking into account changes in the business situation.

In fiscal 2024, we also began activities to support the growth strategies for each field set forth in the Medium-Term Management Plan. Specifically, we have set a goal of increasing the total number of invention proposals in growth fields (e.g., GX and DX) and new fields (e.g., fuel conversion and thermoelectricity) defined in the plan by 10 percentage points by fiscal 2026. To do so, we are working closely with the R&D division and jointly proceeding with activities to extract invention proposals.

We will continue these initiatives and support our growth strategies from an intellectual property perspective.

Target for Strengthening Invention Proposals

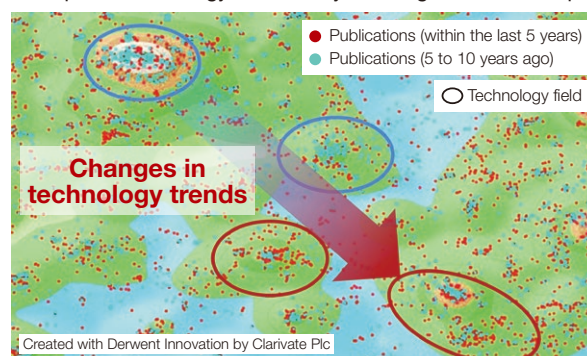


Utilizing Intellectual Property Analysis (IP Landscapes) for New Product Creation

To create highly competitive new products, we actively utilize IP landscapes from the initial stages of product development. IP landscaping is a method that supports strategic decision-making by analyzing technology trends and key industry players based on published patents and academic papers.

In fiscal 2024, we applied the IP landscaping process to over 30 projects. For example, in business fields that we have yet to enter, we are promoting initiatives for strategic new product creation, such as formulating new development themes based on technology trend analysis (see the figure on the right).

Example of Technology Trend Analysis Using an IP Landscape



Strengthening International Standardization and Rulemaking Activities

We systematically promote compliance with international standards and the acquisition of certifications necessary for overseas business expansion. Policies and strategies are decided by the International Standardization Committee, on which the Corporate General Managers of each Business Group serve as members, and based on these policies and strategies, working groups formed for each business field carry out international standardization activities.

Furthermore, in new fields such as GX, we are developing “rulemaking activities” in which we proactively participate in standardization activities in Japan and overseas from the formulation stage based on market trends, aiming to contribute to our business. As part of this, in fiscal 2024 we participated in a demonstration experiment in collaboration with an industry association (see TOPICS on the next page).

R&D TOPICS

Establishment of the “Fuji Electric × Tohoku University Advanced Technology Co-creation Research Center” to Strengthen Basic Research in Power Electronics and Power Semiconductors

Tohoku University and Fuji Electric established the “Fuji Electric × Tohoku University Advanced Technology Co-creation Research Center” in November 2024 to promote research activities in the fields of power electronics and power semiconductors with the aim of realizing a decarbonized society.

At this co-creation research center, we will fuse our technologies in the power electronics and power semiconductor fields with Tohoku University’s advanced research capabilities across a wide range of areas, including materials, processes, devices, circuits, equipment, and systems. By doing so, we will accelerate research into high-efficiency, compact power modules and power supply and drive systems, while working to explore joint research themes for creating new value to contribute to the realization of a decarbonized society.



Tohoku University President Tominaga and President & COO Kondo (right photo)

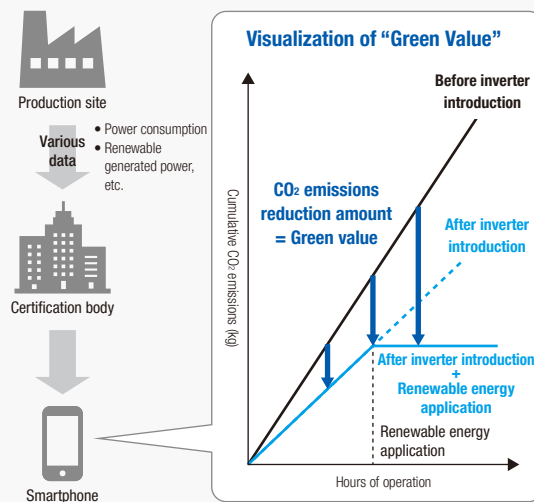
Tohoku University’s “Co-creation Research Center” system promotes a variety of activities, including planning and promotion of joint research, human resource cultivation, and collaboration with university-launched ventures. It does so by establishing bases for collaboration with companies within the university, enabling cross-departmental access to the university’s faculty, knowledge, and facilities.

Intellectual Property TOPICS

Strategic Rulemaking Activities in the GX Field

In fiscal 2024, in collaboration with the Japan Electrical Manufacturers’ Association (JEMA) and three JEMA member companies, we constructed and verified a new system to certify and display CO₂ emissions reduction amounts at production sites. Specifically, we built and verified a system that sends various data to a certification body when introducing inverters for motor drives and when applying renewable energy (solar power), and then visualizes the third-party-certified CO₂ emissions reduction amounts on devices such as smartphones. By presenting the amount of CO₂ emissions reduction as the “green value” of a product in this way, we can enhance the added value of energy-saving products and make an appeal to environmentally conscious customers.

We are participating in rulemaking activities, including the development of guidelines, with the aim of promoting the adoption of this new system. Through these initiatives, we will advance our business strategically, capture new GX demand, and contribute to the medium- to long-term expansion of our business and profits.



Verification of a new system to certify and display CO₂ emissions reduction amounts

Manufacturing and Procurement



Improving productivity and strengthening the supply chain by utilizing digitization and AI technologies

Takashi Obinata

Managing Executive Officer, Corporate General Manager, Production & Procurement Group

We have been promoting high-efficiency, high-quality manufacturing driven by our strong on-site capabilities and advanced production technologies; a stable supply system based on optimal global production centered on local production for local consumption; and the enhancement of the human resources and teamwork that form the foundation for these strengths.

Today, the manufacturing industry faces an increasingly uncertain environment, including labor shortages and the risk of supply chain disruptions. The advancement of digitization and AI technologies; the shift to a decarbonized, circular economy; and the challenge of controlling the associated administrative costs have also become key issues.

To solve these issues, in our FY2026 Medium-Term Management Plan, we are working to improve productivity by utilizing digital technology. We will optimize the entire value chain from development and design, production management, and manufacturing to sales and after-sales services in order to promote business process reform, while aiming to further strengthen profitability by building a production system that can respond to changes in demand and by reducing costs. Furthermore, we are working to strengthen our global business continuity plans (BCPs) to ensure stable material procurement over the medium to long term, and we will also promote the optimization of material inventories and improve operational efficiency through digital collaboration with our business partners.

The Strengths of Fuji Electric's Manufacturing

(1) Strong On-site Capabilities and Advanced Production Technologies

- We achieve high-efficiency, high-quality manufacturing by combining improvement capabilities driven by the high level of technology and skills at our manufacturing sites with our production and automation technologies.
- We advance our production systems and optimize quality, cost, and delivery (QCD) across the supply chain through real-time visualization of factory management indicators and on-site data, and through improvement activities.

(2) Optimal Global Production Collaboration

- We strengthen our community-based production systems by transferring and passing down cutting-edge technologies, equipment, and production management systems from our mother factories in Japan to our overseas production bases.
- We strengthen our global production systems through collaboration between production bases, thus building a resilient, flexible, and stable supply chain.

(3) Human Resource and Team Capabilities by Cultivating Engineers and Skilled Workers

- We are increasing the number of engineers with the ability and teamwork skills for autonomously innovating production technologies by providing practical global training on production technology, skills, and manufacturing expertise, as well as digital human resource cultivation, for young engineers and mid-level leaders at our bases in Japan and overseas.

The Evolution of Manufacturing to Respond to Change

We have begun efforts to improve development efficiency by digitally integrating PLM^{*1} and SCM^{*2}. By utilizing digitization and AI technology, we will dramatically increase the productivity of work processes that were previously difficult to automate, and achieve advanced automation technologies that can foresee and predict equipment abnormalities. We

will deploy these production technologies globally to improve operating rates at our production sites and increase our product supply capacity, while aiming for further improvements in productivity, cost reduction, and quality.

^{*1} PLM: Product lifecycle management

^{*2} SCM: Supply chain management

Concurrent Development Through PLM Reform and SCM Integration

We aim to reform our business processes, shorten delivery times, and improve product quality through concurrent development that links PLM (which covers the product lifecycle from planning, development, and design to maintenance) with SCM (which covers the process from order receipt to manufacturing and shipment). In addition to promoting design standardization and business system construction, we aim to realize highly efficient, compact lines by reducing operational rework (i.e., work to confirm mistakes or ambiguities

in instructions from previous manual processes) through integration with procurement data, and by utilizing AI simulation technology for optimal process design and verification.

Furthermore, by using 3D design data to digitally verify product configurations and assembly feasibility (e.g., interference and clearance) in a virtual space and then making design changes or corrections based on the verification results, we are working to reduce losses during the production stage and to improve product quality.

Improving Productivity by Advancing Production Technologies

In response to the launch of new products in growth markets and to the expansion of overseas businesses, we are working to increase our production capacity by advancing our production technologies, executing timely plant and equipment investments, and further strengthening our global production systems.

We are automating bottleneck processes that were conventionally difficult to automate (e.g., welding, attachment of soft parts, and visual inspection) using control technology for multi-axis 3D robots and digital processing technology

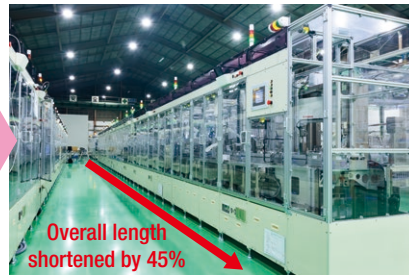
that combines image recognition with CAD. Furthermore, by utilizing multivariate analysis of process data and AI technology to foresee and predict equipment abnormalities, we are working to improve productivity and increase our global product supply capacity.

By advancing these production technologies, we are aiming to achieve a 20% improvement in productivity in fiscal 2026 (compared to FY2023). We achieved a 6% improvement in fiscal 2024 (compared to FY2023).

Shortening Production Lead Time (LT) by Halving the Production Line Length



Before Improvement



After Improvement

Automated assembly line for magnetic switches (Fukui Factory)

By optimizing parts supply, assembly, and conveyance, we shortened the line length by 45% and improved productivity by 40%.



Automated line for sheet metal parts for can vending machines (Mie Factory)

Initiatives to Improve Quality

As for quality, each year we formulate the High Reliability Activities Policy and apply it to each business division and factory to promote improvement activities. To enhance the degree of product refinement at the development and design stages, we are incorporating plans to acquire new technologies into our design reviews, in addition to the technologies our factories already possess. Furthermore, we are working to strengthen our quality management framework by re-examining our operational procedures.

In addition, at our production sites, we are automating visual

inspections using image diagnosis powered by AI technology and are proceeding to digitize quality records. We utilize this data for statistical process control (SPC) and other methods to eliminate human error and the risk of equipment defects.

For process quality, regarding the management status of our manufacturing processes, in addition to the internal audits conducted at each factory, we also carry out mutual diagnoses by experts from other bases. To improve our quality control standards, we reflect the results and findings in our frameworks and rules.

Sustainable Procurement

By identifying, assessing, and addressing supply chain risks, we aim to build stable material procurement and CSR procurement over the medium and long terms.

CSR Procurement Initiatives

Based on our basic policy of co-existence and mutual prosperity with our business partners, we work to deepen their understanding of our CSR approach and the initiatives they should observe and implement according to the “Fuji Electric CSR Procurement Guidelines,” thereby reducing CSR risks and creating business opportunities.

Subjects in the Fuji Electric CSR Procurement Guidelines		
1. Human Rights and Labor	4. Fair Trade and Ethics	7. Business Continuity Plan
2. Health and Safety	5. Quality and Safety	8. Establishment of Management Systems
3. Environment	6. Information Security	9. Social Contribution



Fuji Electric CSR Procurement Guidelines

https://www.fujielectric.com/company/box/doc/guideline_csr_e.pdf



CSR Briefing for Business Partners (Held on August 2, 2024 at the Tokyo Factory)



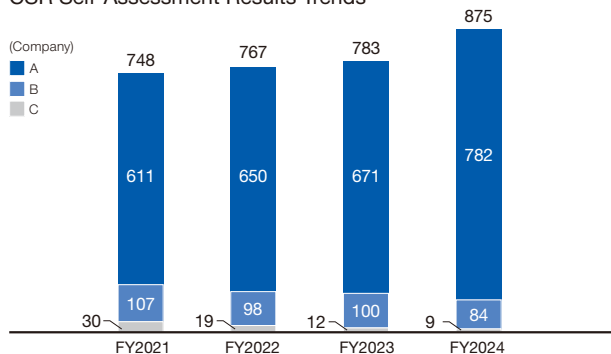
Self-Assessment of CSR Procurement

To understand the status of our business partners' CSR initiatives and improvements, we conduct an annual CSR self-assessment. We also hold CSR briefings and interviews with business partners to share the issues we face and implement PDCA cycles for collaborative improvement activities. In fiscal 2024, we conducted assessments of 875 business partners, which covered 80% of our purchases over the last three years. As a result of these activities, the percentage of Rank A business partners has been increasing by the year, reaching

Rating	Definition
A	Recognizes its social responsibility as an organization and takes concrete measures.
B	Recognizes its social responsibility as an organization and considers measures.
C	Recognizes its social responsibility as an organization.
D	Recognizes its social responsibility as an organization and needs to improve.

89%, a three-percentage-point increase from the previous fiscal year. In fiscal 2025, we plan to assess 880 business partners, and we will promote thorough implementation and reinforcement of CSR in our supply chain by sharing issues and making continuous improvements collaboratively.

CSR Self-Assessment Results Trends



Additional and Improved Assessment Items	- Based on social conditions, (1) added a survey on greenhouse gas emissions reduction activities to the environment section. (2) added the Declaration of Partnership Building to the fair trade and ethics section.
	Improved the wording of questions to avoid misunderstandings, based on the content of interviews with business partners.

CSR Audit Initiatives

To improve the effectiveness of CSR procurement, we conduct on-site CSR audits of our business partners. In fiscal 2024, we conducted on-site audits of 17 companies, focusing on business partners with Rank B and C evaluations. We



On-site audit at a business partner

confirmed their understandings of the importance of CSR activities and the statuses of their actual activities. At

the same time, we communicated with our business partners to ensure alignment with respect to evaluation criteria and improvement methods for each activity, and we shared issues with each other. Furthermore, to expand our on-site audits, we also trained our own auditors; in fiscal 2024, the number of auditors increased by 12 to a total of 19. In fiscal 2025, we plan to conduct more on-site audits and to further increase the number of auditors, and we will strengthen our CSR procurement by communicating directly with business partners that handle single-source items and critical components.

Contributing to Business Continuity through Stable Procurement

Initiatives for Purchasing from Multiple Suppliers to Prepare for Emergencies

We conduct risk assessments for the approximately 200,000 parts and materials that we order on an ongoing basis and are promoting visualization of single-source items and transitioning to multi-sourcing. In fiscal 2024, we established multi-sourcing for approximately 85% of our procured items (a five-percentage-point increase from the previous fiscal year). In fiscal 2025, we will aim for a 90% multi-sourcing rate and promote the development of new suppliers to eliminate single-source items, aiming to build a resilient supply chain.

Procured Material Risk Rating Definitions

Risk	
Low High	A Multi-sourcing complete (ordering complete)
	B Multi-sourcing preparation complete (ordering possible)
	C Material evaluation complete
	D Candidate selection complete / not yet evaluated
	E Specified customer, no alternative, discontinued, alternative unknown

Response to Natural Disaster Risks

In Japan, we utilize a disaster prevention system that can identify business partners located in areas where special warnings on earthquakes or weather have been issued. We have established a system for quickly ascertaining whether our business partners have been affected and the impacts on our company, enabling us to promptly formulate countermeasures. We are expanding the scope of registration of this disaster prevention system

to include secondary business partners, with the number of registered bases reaching approximately 12,000 in fiscal 2024. Meanwhile, in response to disasters occurring overseas, we conducted a trial of this same system in fiscal 2024. In fiscal 2025, we will proceed with a full-scale introduction targeting 200 bases, increase registration of overseas business partners, and further strengthen our global BCP.

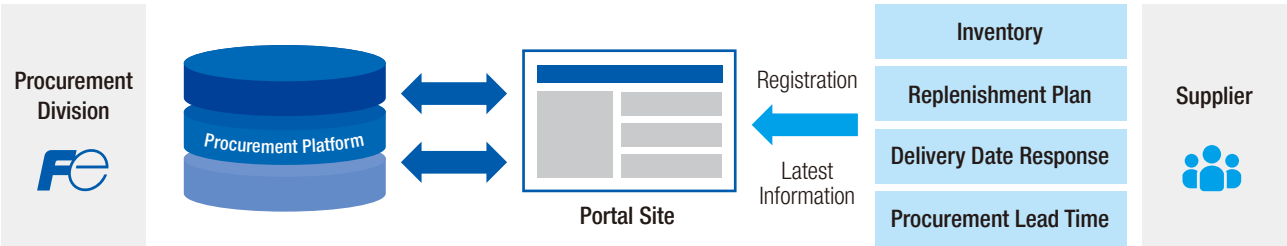


Number of BCP Alerts in FY2024
Japan: 7
Overseas: 1
(6 for earthquakes of intensity 5-upper or higher, 2 for heavy rain emergency warnings)

Improving the Efficiency of Procurement Operations through Digital Collaboration

By digitally linking procurement-related data with our business partners, we aim to reduce material inventory balances by shortening procurement lead times, respond flexibly to fluctuations in production volume, and achieve stable procurement that does not affect production processes. In

addition, by digitally linking the corporate information of our business partners, including CSR and BCP data, we will build a procurement system that facilitates real-time information sharing, thereby transforming operations that were previously handled by email or phone to improve speed and efficiency.





Through our initiatives toward Environmental Vision 2050, we will promote decarbonization and the transition to a circular economy, and contribute to the creation of a sustainable society.

Takashi Obinata

Managing Executive Officer, Corporate General Manager, Production & Procurement Group

In recent years, climate change has had a variety of impacts at global scale. The frequent occurrence of natural disasters such as torrential rains and heat waves as well as their impacts on ecosystems have become a threat that cannot be overlooked in nature and the social economy surrounding us. Furthermore, as a result of past mass consumption and mass disposal activities, a global environmental crisis is progressing, including the loss of biodiversity, pollution, and resource depletion. To address these problems, it is necessary to accelerate initiatives for decarbonization and for the transition to a circular economy, and the role that we as a company must play is becoming increasingly important.

Under the Fuji Electric Basic Environmental Protection Policy, we have positioned global environmental protection as an important issue for management, and we formulated Environmental Vision 2050 in fiscal 2019. In fiscal 2022, we revised our fiscal 2030 greenhouse gas emissions reduction target to align with the 1.5°C level for temperature rise set by the Paris Agreement, and in fiscal 2024, we established promotion of a circular economy as a Fiscal 2030 Target. The results of our fiscal 2024 periodic review of our Fiscal 2030 Targets (environmental KPIs), which was based on our current medium-term management plan, confirmed that we are expected to be able to achieve each target and that major initiatives are progressing as planned.

Future issues include the promotion of specific initiatives to transition to a circular economy. We will continue to shift to environmentally friendly products that comply with the EU Ecodesign Regulation, and we aim to achieve zero emissions, which will minimize the environmental impact throughout the supply chain.

Furthermore, we will prepare to disclose information appropriately in accordance with nature-related information disclosure schemes (TNFD) and the newly published Japanese sustainability disclosure standards (SSBJ).

We will continue to contribute to the creation of a sustainable society by utilizing the technologies we have developed in the energy and environmental fields.

Fuji Electric Basic Environmental Protection Policy

1. Offering products and technologies that contribute to the global environmental protection
2. Reduction of environmental burden throughout product life cycles
3. Reduction of environmental burden in business activities
4. Compliance with laws, regulations and standards
5. Establishment of environment management systems and continuous improvements of the systems
6. Improvement of employees' environmental awareness and social contribution
7. Promotion of communication

Environmental Vision 2050

We aim to contribute to the achievement of a decarbonized society, a recycling-oriented society, and a society that is in harmony with nature by expanding the use of Fuji Electric's innovative clean energy technologies and energy-saving products.

Achieve a Decarbonized Society	Target carbon neutrality across the supply chain
Achieve a Recycling-Oriented Society	Promote green supply chains to reduce the environmental impact to zero throughout the entire life cycle
Achieve a Society That is in Harmony with Nature	Aim for zero impact on the ecosystem through corporate activities that contribute to biodiversity

Fiscal 2030 Target

We aim to achieve the following goals in order to limit the temperature increase to 1.5°C above pre-industrial levels.

Greenhouse gas emissions throughout the supply chain (Scope 1+2+3):
Reduction of over 46% (compared to FY2019)

Greenhouse gas emissions through production (Scope 1+2):
Reduction of over 46% (compared to FY2019)*

Contribution to CO₂ reduction in a society through our products:
Over 59 million tons/year

* Reduction of over 54% compared to FY2013

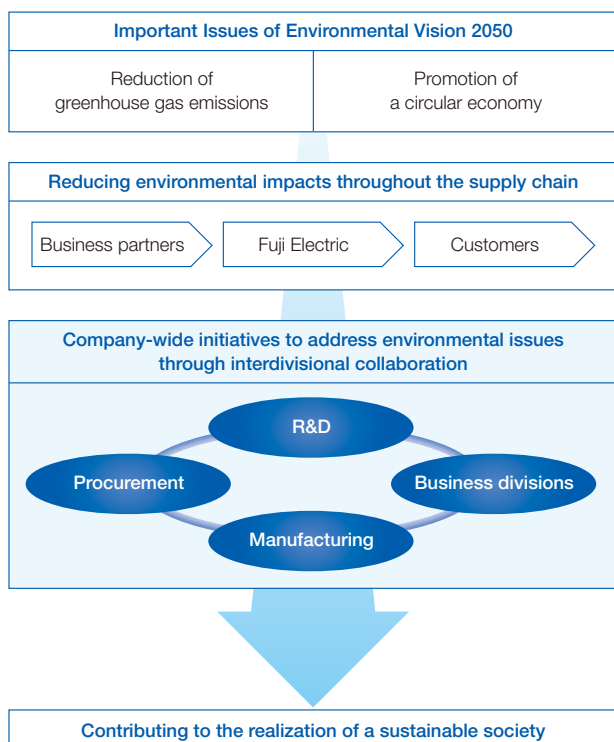
We will promote a circular economy while complying with environmental regulations around the world.

Transitioning to environmentally friendly products that comply with ecological design regulations

Final waste disposal rate (including plastic waste) less than 0.5%

Reducing Environmental Impacts Throughout the Supply Chain

In its Environmental Vision 2050, Fuji Electric has positioned the reduction of greenhouse gas emissions and the promotion of a circular economy as important issues, and the company is working to achieve this environmental vision from a medium- to long-term perspective in order to solve challenges common to all its business activities, including in the R&D division, procurement division, and various factories.



R&D Initiatives

We are carrying out research and development aimed at creating new products that meet new needs related to green transformation (GX), and we are taking on the challenge of acquiring new technologies to reduce CO₂ in a society through our products in areas such as fuel conversion to hydrogen and ammonia, CO₂ recovery, and the electrification of heat processes.

Regarding the circular economy, we are carrying out development of technologies to reduce our environmental impact, such as evaluation and application technologies for recycled materials, in response to international regulatory trends, as well as creating new products to realize new business models. In addition, by participating in rulemaking activities for standards and regulations, we aim to harmonize efforts to reduce environmental impacts with economic activities.

Furthermore, we are formulating a GX strategy and roadmap to serve as guidelines for these activities.

Procurement Initiatives

In collaboration with our business partners, we are promoting the construction of a green supply chain.

Among our activities to reduce greenhouse gas emissions throughout the supply chain, we are currently calculating each business partner's greenhouse gas emissions for procured goods. For business partners with high emissions, we will

identify collaborative items for reduction through interviews and formulate action plans. Meanwhile, to calculate the carbon footprint (CFP)*¹ on a per-material basis, we have formulated the Fuji Electric CFP Procurement Guidelines, are deepening business partners' understandings by holding study sessions for them, and are collecting calculation data.

In addition, regarding the chemical substances used in our products, we are promoting environmental impact reduction by requesting that our business partners comply with the Fuji Electric Green Procurement Guidelines.

*¹ CFP: A system to indicate the amount of greenhouse gas emissions in a product's lifecycle.

Manufacturing Initiatives

To achieve the Fiscal 2030 Target (a reduction of over 46% from fiscal 2019) for greenhouse gas emissions through production (Scopes 1+2), we are reducing environmental impacts by switching from greenhouse gases to electrification (renewable energy) through innovation in production technologies, reforming manufacturing processes, improving production efficiency, optimizing facility energy control, and upgrading to energy-efficient equipment. In reforming manufacturing processes, we will promote the development of underlying technologies such as those for lower-temperature operation and electrification of fuel-consuming equipment used in painting processes, including drying and baking. To improve production efficiency, we will promote DFM*², which achieves manufacturing efficiency from the design stage, and aim to expand the production volume per hour. We will also achieve energy savings by monitoring and optimizing equipment operation. At our factories, we are systematically promoting the installation of solar power generation equipment and are expanding renewable electricity procurement to advance planned initiatives to achieve our goals.

Regarding the promotion of a circular economy, we will reduce our environmental impacts by improving material yields, promoting reuse, aiming for zero emissions to minimize waste and its amount sent to landfills, and managing and reducing use of chemical substances.

*² DFM (Design for manufacturing): Designing for ease of manufacturing.

Business and Product Initiatives

We contribute to society's CO₂ emissions reduction through our environmentally friendly products. For inverters, a representative contributing product, we participated in a verification test by the Japan Electrical Manufacturers' Association to visualize the actual amount of CO₂ emission reduction. By controlling motor torque and rotation speed, we reduced energy use and visualized the resulting reduction effect on CO₂ emissions (Scope 3). Through this initiative, we expect to contribute to more effective CO₂ emissions reduction measures for companies and to the decarbonization of the entire industrial sector.

Regarding the promotion of a circular economy, our R&D, manufacturing, and business divisions will collaborate to advance the transition to environmentally friendly products that comply with ecological design regulations and CFP.

Initiatives to Achieve a Decarbonized Society

Fiscal 2024 Results and Progress

Environmental Vision Fiscal 2030 Indicators	FY2023	Target	Result	FY2024	FY2030 Target
	Result			Measures	
Greenhouse gas emissions throughout the supply chain (Scope 1+2+3) (million tons)	58	62	56	•Increase percentage of 7th-generation IGBTs	67 or less
Reduction rate (compared to 2019)	-53%	-50%	-55%		Over -46%
Greenhouse gas emissions through production (Scope 1+2) (thousand tons)	338	361	331	•Expand installation of solar power generation equipment at the Company's production bases •Upgrade to energy-efficient equipment •Expand purchasing of renewable electricity •Reduce non-CO ₂ greenhouse gas emissions	250 or less
Reduction rate (compared to 2019)	-25%	-20%	-27%		Over -46%
Contribution to CO ₂ reduction in a society through our products (thousand tons)	56,220	50,000	57,690	•Increase net sales of contributing products	Over 59,000

Major Initiatives in FY2024

As part of our initiatives to reduce greenhouse gas emissions through production, we promoted installation of solar power generation equipment at our production bases as part of an effort underway since fiscal 2022. In fiscal 2024, we installed and began operating a total of approximately 5,300 kW at five bases in Japan and two bases overseas. We also engaged in cross-functional energy-saving initiatives at all factories and promoted systematic activities such as selecting the most energy-efficient equipment when replacing infrastructure and production facilities. At our semiconductor production

bases, which consume large amounts of electricity, we have signed three 20-year off-site PPA*1 contracts to expand our purchasing of renewable electricity.

Regarding emissions during product use (Scope 3, Category 11), which account for approximately 95% of greenhouse gas emissions throughout the supply chain, we curbed emissions by increasing the ratio of high-efficiency products, such as 7th-generation IGBT power semiconductors.

*1 Off-site PPA: A system for purchasing electricity via the power grid facilities from renewable energy generation facilities installed off-site.

Initiatives toward 2030

We have verified the feasibility of our greenhouse gas reduction plan based on the projected production increases through fiscal 2030, in line with the FY2026 Medium-Term Management Plan.

We have confirmed that we are making progress toward achieving our targets for each indicator, including reducing greenhouse gas emissions throughout the supply chain—which covers our own factory production activities (Scopes

1+2) as well as material procurement, product shipment, and post-delivery emissions (Scope 3)—and contribution to CO₂ reduction in a society through our products.

Our Fiscal 2030 Target is a higher reduction goal than the decarbonization target set by the Japanese government (NDC*2), and we will continue to advance our initiatives toward realizing a decarbonized society.

*2 NDC (Nationally Determined Contributions): The contributions set by a country.

Reduction of Greenhouse Gas Emissions throughout the Supply Chain (Scopes 1+2+3)

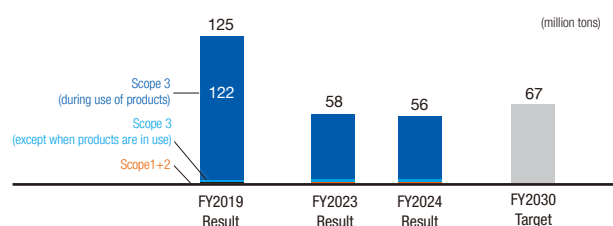
We calculate the greenhouse gas emissions generated in our supply chain based on the GHG Protocol, an international standard. For power semiconductors, Category 11 (emissions during product use), which accounts for the majority of Scope 3 greenhouse gas emissions, is expected to decrease due to expanded sales of 7th-generation IGBT modules with low power loss and the shift to silicon carbide (SiC) products. In Category 1 as well, which covers upstream emissions in the supply chain, we are carrying out activities to collaborate with and support our business partners. We aim to reduce greenhouse gas emissions throughout the supply chain to achieve the Fiscal 2030 Target (a reduction of over 46% from fiscal 2019, to 67 million tons or less).

Greenhouse Gas Emissions and Reductions throughout the Supply Chain

[Scope 3 Category 11] Emissions* and main products (fiscal 2024)

Energy	0.8 million tons (thermal power, industrial substations, etc.)
Industry	10.0 million tons (low-voltage inverters, drive control, etc.)
Semiconductors	42.1 million tons
Food and Beverage Distribution	0.7 million tons (store distribution, etc.)

* Emission volume = annual number of shipments × lifetime emissions



Reduction of Greenhouse Gas Emissions through Production (Scope 1+2)

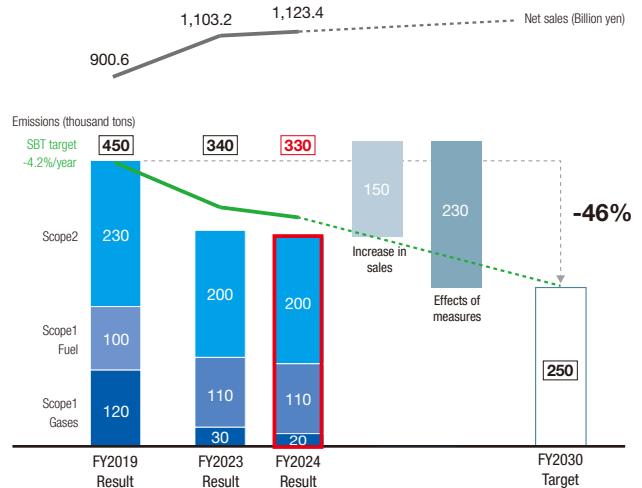
Based on the projected production increases centered on semiconductors, we are advancing the necessary measures to achieve a reduction of over 46% in greenhouse gas emissions through production (compared to fiscal 2019).

To expand our purchasing of renewable electricity, we are securing a stable supply through long-term contracts, and we aim to increase renewable electricity's share of total company-wide electricity consumption*3 from 9% in fiscal 2024 to 55% by fiscal 2030.

*3 Electricity consumption: Amount of purchased electricity + Amount of solar power generated internally

Main Measures	Overview
Expand installation of solar power generation equipment at the Company's production bases	Operations began at seven bases in Japan and overseas in FY2024; operations are scheduled to begin at three bases in Japan in FY2025
Updating to energy-efficient equipment	Replace production facilities, air conditioning, and lighting equipment with the latest energy-saving models
Expand purchasing of renewable electricity	Long-term contracts for renewable electricity

Trends in Greenhouse Gas Emissions through Production



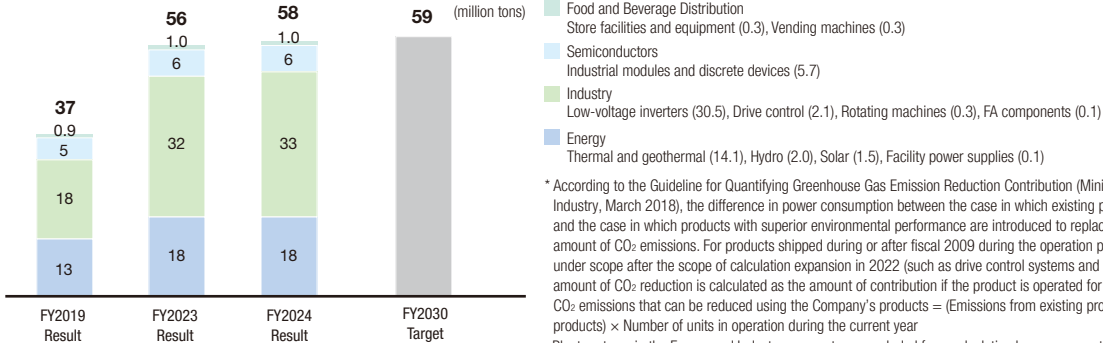
Contribution to CO₂ Reduction in a Society through Our Products

Having defined our business domain as the energy and environmental fields, we began calculating the contribution to CO₂ reduction in a society through our products in fiscal 2009, using this as an indicator of our contribution to achieving

carbon neutrality. Each year, we have expanded the range of contributing products, and their sales composition ratio reached 30% in fiscal 2024; the increase is primarily centered on inverters in the industry business and the clean energy field.

Contributions to CO₂ Reduction in a Society through Our Products and Main Contributing Products

(Calculated on a stock basis, targeting all products now in operation in society)



Sales Composition Ratio of Contributing Products (Fiscal 2024 Result)

	Energy	Industry	Semiconductors	Food and Beverage Distribution	Total
Net sales of contributing products	38.3	44.4	186.8	63.9	333.4
Total net sales	354.3	400.0	236.8	111.5	1,123.4
Composition ratio	11%	11%	79%	57%	30%

TOPICS

Expansion of GX Products in New Fields That Contribute to the Environment

While working to maintain and expand our existing businesses, we are also focusing on GX, digitalization, and our global business, and we will contribute to decarbonization by launching new products. Over the medium to long term, we will accelerate the development of environmentally friendly products with an eye to GX markets for new fields such as the hydrogen society, fuel conversion, and thermoelectricity. Through these initiatives, we will strive for further business expansion and environmental contribution.

Main Products in Development (subject to change as they are currently under development)

Thermoelectricity

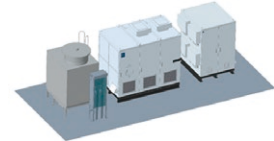
Waste heat recovery ejector cooling systems



- CO₂ emissions: Reduction of up to **85%** (when applied to electronic computing equipment with a waste heat temperature of 45°C and a cooling temperature of 35°C)
- Application examples: Semiconductors, food, data centers, etc.

Hydrogen society

Stationary fuel cell systems (solid polymer)



- CO₂ emissions: Reduction of up to **100%** (for the pure hydrogen-type system)
- Application examples: Factories, ports, plants, etc.

Initiatives to Achieve a Recycling-Oriented Society and a Society That is in Harmony with Nature

Fiscal 2024 Results and Progress

Fiscal 2030 indicators	FY2023	FY2024			FY2030 Target
	Result	Target	Result	Key measures and activities	
Final waste disposal rate* (%)	0.2	Less than 0.5	0.15	Reinforcement of waste sorting, mainly at overseas production bases, and development of waste disposal contractors	Less than 0.5
(Reference) Of which, plastics in Japan	0.2	—	0.12	Improved by reinforcing waste sorting	
Water consumption per unit of sales (1,000 m ³ /100 million yen)	0.9	1.2 or less	0.9	Recycling at semiconductor factories	1.2 or less
Volatile organic compounds (tons)	475	800 or less	510	Recovery rate improvement	800 or less
Transition to environmentally friendly products	—	—	—	Creation of internal guidelines, preparations to support DPP/CFP	—

* Final waste disposal rate: Final waste disposal ÷ Total waste

Major Initiatives in FY2024

Regulations for the transition to a circular economy are advancing, particularly in Europe, and companies are required to implement initiatives to reduce their environmental impacts throughout their supply chains and to comply with information disclosure requirements. In fiscal 2024, as part of these efforts, we worked to create a framework and rules for transitioning to

environmentally friendly products.

In addition, we worked to reduce the amount of waste sent to landfills, particularly by strengthening sorting and waste disposal contractors at our overseas production bases, and have maintained a high standard with a ratio of 0.15%.

Initiatives toward FY2030

We are preparing to transition to environmentally friendly products that meet the requirements of environmental regulations in Japan and overseas. In response to demands for per-product traceability disclosure, including resources and

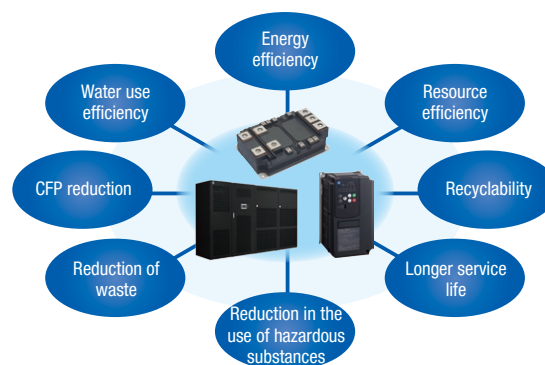
environmental impacts, we are working to create a framework to support the calculation of carbon footprints (CFP) and the EU Digital Product Passport (DPP)*.

* Digital Product Passport (DPP): A mechanism to provide information on topics such as product sustainability in the form of an electronic record

Transitioning to Environmentally Friendly Products

To realize “manufacturing with no environmental impacts throughout the entire lifecycle,” we are reviewing the requirements for environmentally friendly products. In product development and design, in addition to conventional requirements such as energy savings and resource savings, we will add requirements such as recyclability, CFP disclosure, waste reduction, and support for biodiversity.

Diagram of Environmentally Friendly Products



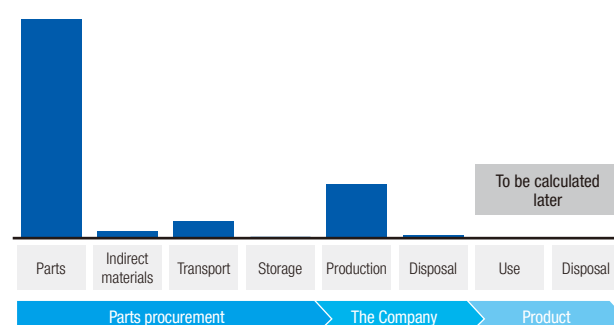
Addressing Carbon Footprint (CFP)

We are implementing initiatives to quantify greenhouse gas emissions over product life cycles as the amount of CO₂ emissions.

In fiscal 2024, we conducted trial calculations from procurement to production for two representative models (magnetic switches and vending machines) and identified challenges for future calculations.

In fiscal 2025, we will expand the range of models subject to calculation to include low-voltage inverters and semiconductors, and we will work to collect primary data in collaboration with our business partners.

Diagram of CFP Calculation for a Magnetic Switch (CO₂ emissions)



Information Disclosure Based on the TCFD and TNFD Recommendations

Since expressing our support for the Task Force on Climate-related Financial Disclosures (TCFD) in June 2020, we have reflected the results of our analysis of risks and opportunities arising from climate change in our business strategies and have updated our information disclosures based on the TCFD recommendations.

In fiscal 2024, based on the framework of the Taskforce on Nature-related Financial Disclosures (TNFD), we newly evaluated the degree to which our manufacturing bases depend on natural capital, the impact such bases have on natural capital, and risks and opportunities for our business, following the LEAP approach recommended by the TNFD.

Information Disclosure Based on the TCFD and TNFD Recommendations (Excerpts)										
Governance	Important environmental issues, including climate change and natural capital, are discussed by Executive Officers at the Sustainability Committee and reported to the Executive Committee and the Board of Directors.									
Strategy	The following are excerpts of the main evaluation results regarding our dependence on natural capital and impacts on climate change, as well as related risks and opportunities.									
	<table> <tr> <th>Process</th><th>Evaluation Results</th></tr> <tr> <td>Locate interface with nature</td><td> <44 Manufacturing Bases in Japan and Overseas> • Frequent and severe extreme weather events: Surveyed with Aqeduct*¹, identified 3 bases in Japan and 3 bases overseas with high flood risks. • Proximity to protected areas: Surveyed with IBAT*², found 4 bases in Japan and 1 base overseas adjacent to protected areas. However, it was confirmed that all are implementing sufficient environmental management. • Supply and purification of water resources: Surveyed with Aqeduct, confirmed bases overseas with high water stress risk (in India, China, Thailand, etc.). 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In FY2024, volatile organic compound (VOC) emissions were halved compared to FY2019. </td></tr> <tr> <td>Assess risks and opportunities</td><td> [Risk: Climate Change] • Frequent and severe extreme weather events: Decreased earnings due to production impacts caused by disasters and increased response costs. • Greenhouse gas emissions: Increased costs associated with the decarbonization of production facilities (fuel-using equipment, etc.). [Risk: Natural Capital] • Resource circulation: Increased response costs associated with stricter regulations on environmentally friendly product design (ecological design regulations, etc.). • Supply and purification of water resources: Delays in production processes that use large amounts of water and increased response costs due to a decrease in the amount of available water resources. • Water resource use/pollution: Diminished reputation due to adverse impacts on ecosystems from environmental impacts such as water use and pollution. [Opportunity: Climate Change & Natural Capital] • Capturing new demand by developing energy-saving and energy-generating products and after-sales services. </td></tr> <tr> <td>Prepare to respond and report</td><td> • Frequent and severe extreme weather events: Countermeasures have been implemented at manufacturing bases with high flood risks. • Greenhouse gas emissions: Total environmental investments and expenses have been revised to ¥24.0 billion (cumulative for FY2023–2030). </td></tr> </table>	Process	Evaluation Results	Locate interface with nature	<44 Manufacturing Bases in Japan and Overseas> • Frequent and severe extreme weather events: Surveyed with Aqeduct*¹, identified 3 bases in Japan and 3 bases overseas with high flood risks. • Proximity to protected areas: Surveyed with IBAT*², found 4 bases in Japan and 1 base overseas adjacent to protected areas. 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Prepare to respond and report	• Frequent and severe extreme weather events: Countermeasures have been implemented at manufacturing bases with high flood risks. • Greenhouse gas emissions: Total environmental investments and expenses have been revised to ¥24.0 billion (cumulative for FY2023–2030).									
Risk Management	Risks such as climate change and environmental pollution are systematically managed and handled in accordance with the Fuji Electric Risk Management Rules.									
Metrics and Targets	[Fiscal 2030 Target: Climate Change] Greenhouse gas emissions through production (Scopes 1+2) : Reduction of over 46% (compared to FY2019) [Fiscal 2030 Target: Natural Capital] Water consumption per unit of sales : 1,200 m³/100 million yen / Volatile organic compound (VOC) emissions : 800 tons or less									

*1 Aqeduct: An evaluation tool developed by the World Resources Institute (WRI) that identifies global water risks based on operating bases' location information (latitude and longitude).

*2 IBAT: An evaluation tool for identifying biodiversity risks published jointly by the TNFD and the Integrated Biodiversity Assessment Tool (IBAT) Alliance.



Disclosing Climate-related Information based on TCFD Recommendations

https://www.fujielectric.com/csr/global_environment/environment01/management_02_03.html



Disclosing Nature-related Information based on TNFD Recommendations

https://www.fujielectric.com/csr/global_environment/environment01/tnfd.html





We will achieve employee well-being and sustainable growth of the Company based on an employee-first approach.

Takeshi Kadoshima

Managing Executive Officer, General Manager, Human Resources and General Affairs Office

One of Fuji Electric's management policies is to "maximize our strengths as a team, respecting employees' diverse ambition," and the Fuji Electric Code of Conduct states that we will respect and value all people. We consider respect for human rights, health and safety, and the protection of our employees' health to be the foundation of our business activities and actively invest in people to encourage activities, training, and suitable assignment of human resources, which become the core of our efforts to achieve the sustainable growth of the Company.

In an environment in which the future is not easy to predict and a shift to new values is underway, the most important thing for the Company to continue to grow sustainably is our human resources. In the rapidly changing business environment, we are developing various measures to nurture

human resources who can continue to create new added value while working under our management strategies to adapt to changes in the environment.

The human resource strategy in the FY2026 Medium-Term Management Plan sets forth a vision of realizing a virtuous cycle of employee well-being and sustainable growth for the Company while continuing our employee-first approach. Through human resources management that respects individuality and diversity, we will aim to enhance corporate value through human resources by globally promoting the development of a system that enables each employee to feel happy working for Fuji Electric while autonomously increasing productivity, and an environment in which diverse human resources can transcend the boundaries of their divisions and regions as well as demonstrate their collective strengths as a team.

Human Resource Strategy Linked with the Management Strategy

The foundation of Fuji Electric's human resource strategy is to enhance corporate value by bringing out the full potential of every employee through a virtuous cycle of employee well-being and the Company's sustainable growth, and by cultivating human resources who can adapt to changes in the surrounding environment.



Our Vision and Important Issues

Aiming for a virtuous cycle of employee well-being and the Company's sustainable growth, we are working on human resource measures, positioning "Promoting the active participation of diverse human resources" and "Improving job satisfaction" as important issues.

Our Vision

	KPIs	FY2024 Results	FY2026 Targets
A virtuous cycle of employee well-being and the Company's sustainable growth	Satisfaction with the company* ¹	3.8 pt	3.8 pt or higher
	Well-being indicators* ²	3.6 pt	3.6 pt or higher
	Operating profit ratio	10.5%	11.2%

Important Issues

	Main Measures and Systems	KPIs	FY2024 Results	FY2026 Targets
Promoting the active participation of diverse human resources				
Promoting the active participation of female employees	Career development support (mentorship program) Creating a comfortable working environment	Number of female employees in supervisory positions	342	450
		Ratio of female managers	3.8%	4.8%
Promoting the active participation of senior employees	Age 65 Retirement System and improved compensation Employment Guidelines for Employees over 65	Satisfaction with the Company among employees age 60 and older	3.9 pt	3.9 pt or higher
Promoting the active participation of differently abled people	Stable employment and expanded scope of duties	Employment rate of differently abled people	2.99%	Statutory rate or higher
Improving Job Satisfaction				
Workstyle reforms	Reduction of overtime work and increase in the number of vacation days taken Smart Work Incentives Work-life balance support (childcare and nursing care) Hot desking system in offices	Average overtime hours per month	18.6 hours	Maintain less than 20 hours
		Average number of paid vacation days acquired annually	18.3 days	Maintain 17 days or more
Next-generation management human resources	Registration of next-generation management human resources Selective training Line successor cultivation system	Number of registered next-generation management human resources	45	50
Career development support	Internal open application system Career education by generation Strengthened cultivation of global human resources Strengthened cultivation of digital human resources Manufacturing meister education	Career autonomy awareness	3.5 pt	3.6 pt or higher

*1 Average response value to questions regarding job satisfaction, work-life balance, mental and physical health, and satisfaction with evaluations.

*2 Average response value to the representative question gauging overall satisfaction with the Company: "I am satisfied working at Fuji Electric" (5-point scale from 1 to 5, with higher scores being more positive. The scope of the survey covers the Company and its consolidated subsidiaries in Japan and overseas.)

Respect for Human Rights

Based on international human rights norms such as the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, we are working to establish a sustainable corporate structure that is never involved in or complicit in human rights violations. Based on our Policy for Human Rights of the Employees, we implement a human rights and labor assessment as a part of our human rights due diligence* for our operating sites in Japan and our consolidated subsidiaries in Japan and overseas.

Fiscal 2024 was an implementation year for our biennial human rights and labor assessment, and we conducted an analysis of human rights risks using self-assessment questionnaires (SAQs) at each base. No significant human rights risks were identified, but for seven subsidiaries where initiatives were insufficient in areas such as "overtime work exceeding regulations and labor-management agreements" and "existence of a health and safety policy," we took countermeasures and improved the situation.

In fiscal 2025, we will re-confirm the improvement status of

the human rights and labor assessment, and we will continue to do so as an ongoing initiative. In addition, we will continue to conduct annual human rights education for all employees.

* Human rights due diligence: Efforts to recognize, prevent, and deal with the risk of human rights violation risks in advance.

Status of the Human Rights and Labor Assessment

Implementation Year	2024 (biennial)
Scope	A total of 79 bases, comprising the Company's operating sites and its consolidated subsidiaries in Japan and overseas - Operating sites: 21 in Japan - Subsidiaries: 20 in Japan, 38 overseas
Results	Provided improvement guidance to 7 overseas bases regarding unmet requirements. [Main areas of improvement guidance] - Overtime exceeding regulations and labor-management agreements - Health measures for employees working long hours - Existence of a "Health and Safety" policy, etc.



FUJI ELECTRIC Policy for Human Rights of the Employees

https://www.fujielectric.com/company/csr/with_employee/box/doc/humanrights_2020.pdf



Promoting Active Participation of Diverse Human Resources

Promoting the Active Participation of Female Employees

To realize the Company's sustainable growth through adaptation to change and the creation of new value by diverse human resources, we are enhancing our workplaces so that diverse human resources can play an active role. In particular, we are strengthening measures to promote women's active participation.

We are promoting initiatives from three perspectives: recruitment, career development support, and the creation of a comfortable working environment. The ratio of females hired has remained above 20% since fiscal 2018. We are continuing to implement measures that lead to career development for female employees, including a mentorship program (Sister System) for young female employees.

Under our medium-term human resource strategy through fiscal 2026, we plan to introduce a mentorship program for female employees who are aiming for management positions, with the goal of producing female officers.



Kick-off of the 14th Sister System program

Ratio of Female Employees, Ratio of Females Hired, Ratio of Female Managers, and Number of Female Employees in Supervisory Positions (Japan)

	2022 (end of fiscal year)	2023 (end of fiscal year)	2024 (end of fiscal year)	2026 (end of fiscal year) (target)
Ratio of female employees	13.6%	13.8%	13.9%	—
Ratio of females hired*1	21%	21%	20%	20% or higher
Ratio of female managers*2	3.2%	3.6%	3.8%	4.8%
No. of female employees in supervisory positions*3	316	336	342	450

Data collected from the Company and its six subsidiaries in Japan that adopt the same personnel system

*1 Graduates from universities or technical colleges *2 Managerial positions or above *3 Team leaders or above

Ratio of Female Employees, Ratio of Female Managers (Overseas, as of end of fiscal 2024)

	Overseas consolidated	(Reference) Consolidated Japanese and overseas
Ratio of female hired	38.7%	24.1%
Ratio of female managers	23.6%	8.4%

Main Initiatives

Training for female managers	Training for female managers to acquire the skills necessary to participate in management
Registration as next-generation management human resources	In fiscal 2024, 12 female employees were registered.
Cultivation of priority career development targets	Education and training for the career advancement of female employees. Support for taking on the challenge of higher-level positions through classroom lectures to improve basic skills and practical exercises in problem-solving.
Sister System	A cross-divisional mentorship program with senior female employees as advisors
Recruitment project for women in science and engineering	An initiative to recruit female employees in science and engineering through seminars and other events that convey the first-hand accounts of women with science and engineering backgrounds who are active in the workplace

Promoting the Active Participation of Senior Employees

From the perspectives of the aging of our labor force and of securing our workforce, we are focusing on promoting the active participation of our senior employees. We consider our senior employees aged 60 or older, who have abundant experience and associated skills and knowledge regarding our products that have long service lives, to be a valuable asset, and we are striving to strike a balance between the fulfillment of our employees' lifelong careers and business continuity.

For general employees, we previously operated the Selective Retirement Extension System, which allowed them to choose a retirement age between 60 and 65. However, to further promote the active participation of senior employees, from fiscal 2025, we have made the retirement age a uniform 65 and have raised the remuneration level.



For managers, we have introduced the Senior Task System, which allows them to maintain their pre-60 compensation level depending on their performance. In addition, we have established company-wide Employment Guidelines for Employees over 65, which enables such employees to remain active up to age 75. As of March 2025, 444 employees are actively working under this system, primarily in plant engineering and successor mentoring.

	FY2022	FY2023	FY2024
General employees: Selective Retirement Extension System	270	301	266
Number of employees (Selection rate)	(82.1%)	(85.5%)	(81.6%)
Managers: Senior Task System	142	127	129
Number of employees (Selection rate)	(91.6%)	(94.8%)	(92.1%)
Employees subject to the Employment Guidelines for Employees over 65	410	413	444

* For general employees, an age 65 retirement age system will be introduced in fiscal 2025; the figures for fiscal 2024 represent the number and rate of employees who had selected the retirement extension as of fiscal 2024.

Promoting the Active Participation of Differently Aabled People

Fuji Electric established Fuji Electric Frontier Co., Ltd. in 1994 as a special-purpose subsidiary under the Act to Facilitate the Employment of Persons with Disabilities. Fuji Electric Frontier has been gradually expanding its scope of activities by hiring differently abled people and expanding their scope of duties. To further promote the active participation of differently abled people, in addition to its major duties of internal document delivery and cleaning, it is actively working to expand the

scope of duties to include manufacturing support and light-duty work.

As of June 2025, we employed 462, and the employment ratio of differently abled people was 2.99%, well above the statutory employment rate (2.5%). We will continue striving to hire about 15 differently abled people per year as we secure and expand duties available to them and work on achieving stable employment.

Initiatives to Cultivate Human Resources

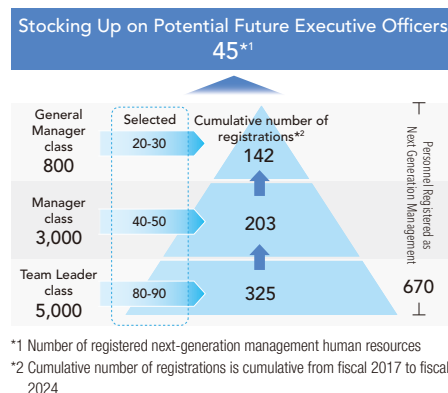
In the Fuji Electric Code of Conduct, we have expressed our commitment to reinforce human resource cultivation to achieve the development of each individual employee as well as the collective strength of the team. We are working to enhance the cultivation of human resources who can demonstrate strong leadership and a high level of expertise by bolstering employee skill development and increasing our investment in education.

Cultivating Next-Generation Management

To achieve sustainable growth, we actively engage in cultivating future management personnel.

There are three main points to such cultivation: first, careful selection of those to be trained while they are young; second, systematic on-the-job training that requires business and job rotation as well as experience in overseas operations; and third, participation in selective training programs. Once a year, we share and discuss progress with respect to each of these points with our Executive Officers in order to enhance the program content.

From among this initiative's participants, one Executive Officer was appointed in fiscal 2024 and another in fiscal 2025.



Fostering Global Human Resources

To expand our overseas business, since fiscal 2017, we have been promoting a company-wide global human resource development system. This includes the development of Japanese employees by dispatching them to our overseas bases (55 employees in total since fiscal 2017), providing training in Japan to employees from overseas bases (117 employees in total), and operating and improving language

classes in Japan (1,998 employees in total). Furthermore, since fiscal 2023, we have been advancing initiatives to promote the cultivation of human resources for future management executive candidates to foster autonomous local operations at our overseas bases. In fiscal 2024, seven of these candidates participated in a special program that included group training in Japan.

Career Development Support

To enable diverse human resources to realize “autonomous and productive work styles,” we are working on human resource development through reskilling to meet business needs, upskilling to improve productivity, and support for autonomous career development.

In fiscal 2024, we worked to revitalize our open application

system, and 28 employees were transferred to their desired divisions. In addition, as part of our career development support for individuals, we conducted a trial of career training by generation in which a total of 380 employees participated. We plan to fully implement such training from fiscal 2025.

Creating a Motivating Workplace

Workstyle Reforms

We are promoting workstyle reforms from the twin perspectives of promoting the active participation of diverse human resources, including enhancing work-life balance and providing work-life balance support, and increasing productivity by improving work quality and efficiency.

In fiscal 2024, both average overtime hours and average vacation days improved, to 18.6 hours/month (a decrease of 1.3 hours from the previous fiscal year) and 18.3 days/year (an increase of 0.2 days from the previous fiscal year), respectively. Overtime restrictions for the construction industry came into effect in fiscal 2024, but no legal violations occurred.

In addition, we strengthened our work-life balance support

	FY2019	FY2024
Average overtime hours per month	23.8 hours	18.6 hours
Average number of paid vacation days acquired annually	16.5 days	18.3 days
Total number of home / satellite office users	3,207	104,148
Childcare leave system	105	148
Number of male employees who took childcare leave (acquisition rate, average number of days taken)	6 (2.6%, 63 days)	59 (29.2%, 109 days)

system by eliminating the upper limit on the number of days for remote/satellite office work for nursing and family care reasons.

In terms of the workplace environment, we are promoting a hot desking system in Osaki district with the aim of improving productivity by creating an environment that is easier to work in.

Communication with Employees

To understand employee awareness in a timely manner, we conduct an annual employee awareness survey consisting of a total of 95 questions to make fixed-point observations on overall employee awareness, including satisfaction toward the Company, the workplace, and their jobs (see P52 for excerpts

of the FY2024 survey results).

The survey results are directly linked to human resource measures such as strengthening the management of middle managers, supporting employee career development, and expanding various educational and training programs.

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

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

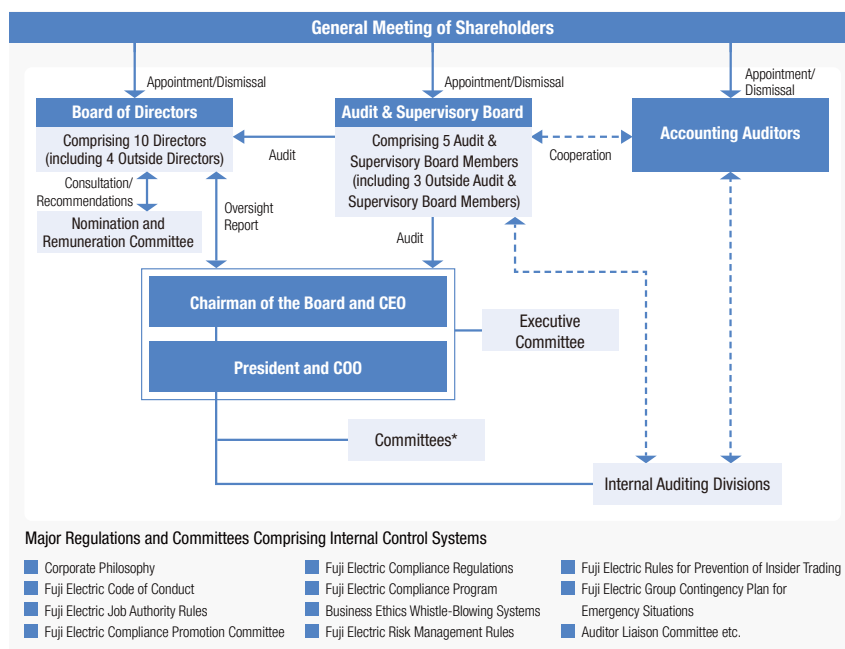
Corporate Governance Framework

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.

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

Outside Directors Ratio

Outside Directors 4 people / All Directors 10 people



Outside Directors and Audit & Supervisory Board Members Ratio

Outside Directors and Audit & Supervisory Board Members 7 people / All Directors and Audit & Supervisory Board Members 15 people



Female Directors Ratio

Female Director 1 person / All Directors 10 people



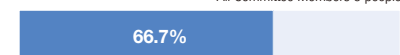
Female Directors and Audit & Supervisory Board Members Ratio

Female Directors and Audit & Supervisory Board Members 2 people / All Directors and Audit & Supervisory Board Members 15 people



Nomination and Remuneration Committee Outside Directors and Audit & Supervisory Board Members (Outside Directors) Ratio

Outside Directors and Audit & Supervisory Board Members 4 people / All Committee Members 6 people



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	■ Management strategy, sustainability, and governance (management plans and business strategies, SDG issues, statuses of compliance and risk management initiatives, etc.) ■ Financial results and financial affairs (monthly, quarterly, and annual results and forecasts; risks of loss; content of external disclosures, etc.) ■ Dividends from surplus (dividend policy, dividend payout ratio policy, policy on explanations to stakeholders, etc.) ■ Cross-shareholdings (policy on holding and selling, rationale for holding, etc.) ■ Organizational changes and personnel reassignments (purpose and details, division of executive roles, skill matrix, etc.)	■ Advisory matters • Policy on the composition of the Board of Directors • Policy and criteria for the appointment or dismissal of Directors, the President and Chairman of the Board of Directors, and Audit & Supervisory Board Members • Appointment and dismissal of Directors, the President and Chairman of the Board of Directors, and Audit & Supervisory Board Members • Matters related to the formulation and implementation of a succession plan for the President and Chairman of the Board of Directors • Policies and criteria for the remuneration of Directors and Audit & Supervisory Board Members • Details of remuneration for Directors and Audit & Supervisory Board Members ◆ In fiscal 2024, the following matters were deliberated on and reported to the Board of Directors: • Personnel affairs and remuneration, etc. for Directors and Audit & Supervisory Board Members • Introduction of a share-based remuneration plan	■ Offering of opinions at meetings of the Board of Directors, Executive Committee, Fuji Electric Compliance Promotion Committee, and other important committees ■ Review of important approval documents, etc. ■ Holding of meetings with the President and COO ■ Receipt of explanations on the status of operational execution from Directors, internal auditing divisions, etc. ■ Investigation of the statuses of operations and assets, etc. of the Company and its affiliate companies ■ Review of the audit methods and results of the Accounting Auditors
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
 Michihiro Kitazawa Representative Director Chairman of the Board and CEO (Chief Executive Officer) Nomination and Remuneration Committee member	●	●	●	●	●	●	●
 Shiro Kondo Representative Director President and COO (Chief Operating Officer) President Nomination and Remuneration Committee member	●	●	●	●	●	●	●
 Toshihito Tamba Outside Director Nomination and Remuneration Committee chairman	●	●	●			●	
 Yukari Tominaga Outside Director Nomination and Remuneration Committee member External Director, MORINAGA MILK INDUSTRY CO., LTD.	●				●	●	
 Yukihiro Tachifuji Outside Director Nomination and Remuneration Committee member Outside Director, artience Co., Ltd.	●		●	●	●	●	
 Tomonari Yashiro Outside Director Nomination and Remuneration Committee member President, Tokyo City University			●	●		●	
 Toru Hoson Director Senior Managing Executive Officer Corporate General Manager, Semiconductors Business Group				●	●		●
 Hiroshi Tetsutani Director Managing Executive Officer Corporate General Manager, Industry Business Group				●	●		●

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
 Masashi Kawano Director Senior Managing Executive Officer Corporate General Manager, Energy Business Group				●	●		●
 Yoshitada Miyoshi Director Senior Managing Executive Officer Corporate General Manager, Corporate Management Planning Headquarters General Manager, Export Control Office In charge of compliance management		●		●		●	

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

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



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



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. • Formulation of a business plan taking into account changes in the market environment • Appropriate ways to carry out IR activities [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. • How to promote the active participation of diverse human resources • How to approach IT investment initiatives [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. • Inventory optimization initiatives • Enhancement of risk management in plant projects [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. • Initiatives to achieve a decarbonized society • Enhancement of risk management in plant projects [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

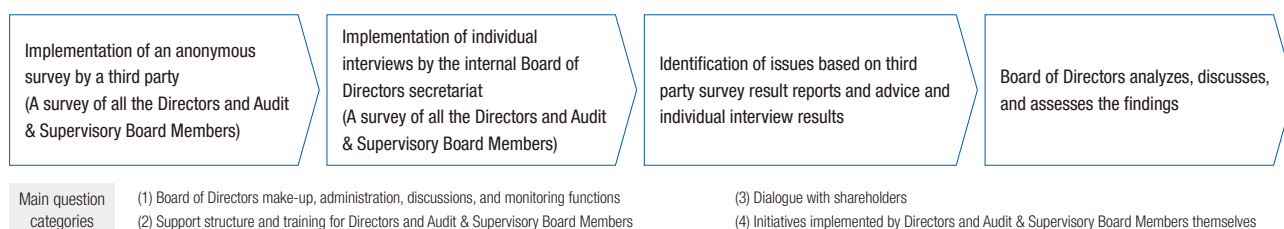
Evaluation of Effectiveness of the Board of Directors

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 • Medium-Term Management Plan • Human resource strategy (human resource cultivation, promoting active participation of diverse human resources, etc.) • Key SDG issues	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. • Human resource measures • R&D measures • Manufacturing measures
Enhancement of the reporting required for monitoring important decisions and business execution	Progress reports on operations from each division • Continued reporting on Executive Committee agenda items • Semiconductor investment (plans, results, and progress) • Business transformation projects • Making Fuji Electric Engineering & Construction Co., Ltd. into a wholly owned subsidiary	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. • Implementation status of the compliance program • Semiconductor investment-related matters • Business transformation projects • Business strategies of major subsidiaries

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	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. (1) Base remuneration A predetermined fixed amount corresponding to their position is paid at the set time each month. (2) Performance-linked remuneration i. Annual bonus 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. ii. Share-based remuneration 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. 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%.
Standing Audit & Supervisory Board Members Outside Directors and Audit & Supervisory Board Members	A predetermined amount is paid monthly at a certain time according to their position as base remuneration.



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
 (Japanese only)



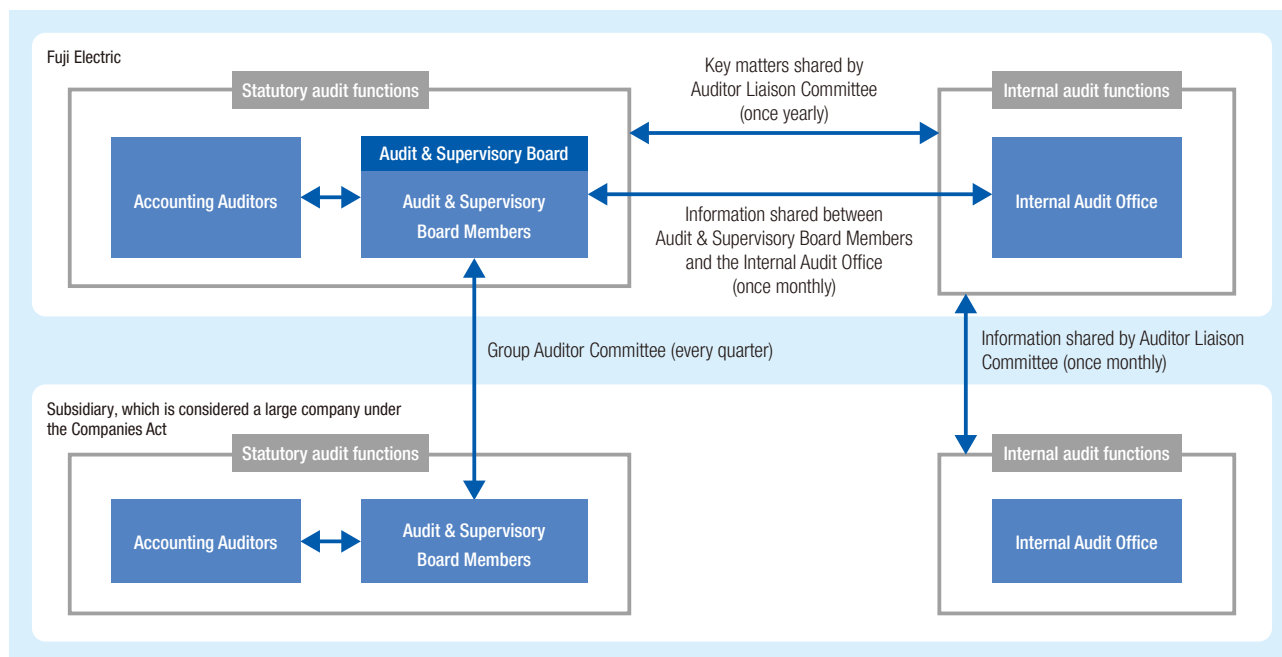
Audit & Supervisory Board Members and Internal Audits

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

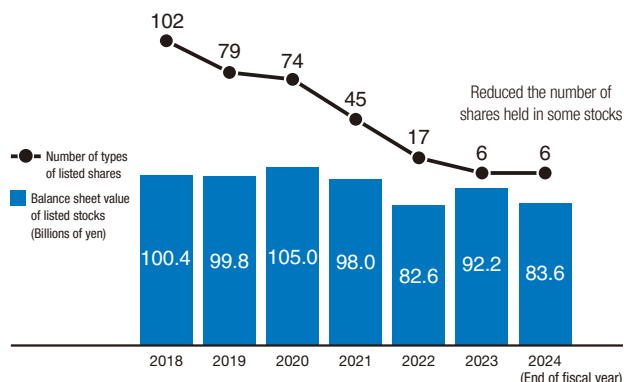
Fuji Electric holds listed shares as a matter of policy in order to maintain and strengthen relations with its investee companies. Our basic policy is to reduce cross-shareholdings. Even in cases where we recognize a certain rationality in holding these cross-shareholdings, we will reduce them while 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 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	- Full-year financial results briefings - Management plan presentations - FY2026 Medium-Term Management Plan briefing - Ordinary General Meeting of Shareholders	- Notice of the Ordinary General Meeting of Shareholders - Annual Securities Report
July to September	- R&D briefing - First quarter financial results presentation	- Reports for the shareholders - Fuji Electric Report
October to December	- Second quarter financial results presentation - Factory tour programs for shareholders (Chiba Factory, Mie Factory)	- Semi-Annual Report - Reports for the shareholders
January to March	- Third quarter financial results presentation - ESG Meeting	Reports for the shareholders

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

▼ Opinions and requests on management and business

- Record-high profit in FY2025
- Further performance expansion in the businesses for datacenters and semiconductor factories, where market growth is expected
- Improved profitability in the power generation business
- Growth in the datacenter-related and semiconductor businesses
- Improved demand forecasting accuracy and performance for FA components, and improved profitability for ED&C components
- Medium- to long-term business strategy for the power semiconductor business for electrified vehicles (xEVs), taking into account the delays in electrification
- Performance expansion and further improvement of profitability in the food and beverage distribution business
- Growth in the ratio of female Directors

▼ Opinions and requests on topics for information disclosure

- Measures based on the progress and challenges of the FY2026 Medium-Term Management Plan as well as its growth fields and new fields
- 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
- Cash flow allocation, including capital and shareholder return policies
- Business portfolio strategy to improve ROIC
- Measures to achieve the target for the number of female employees in supervisory positions

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

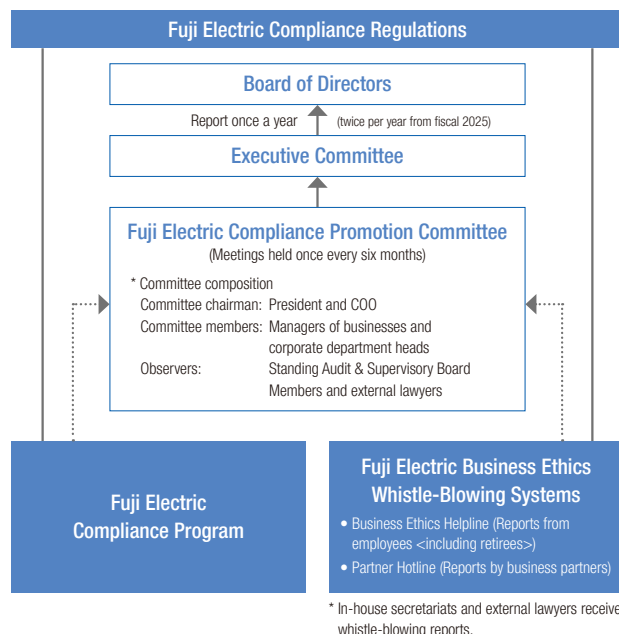
Basic Policies

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.

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

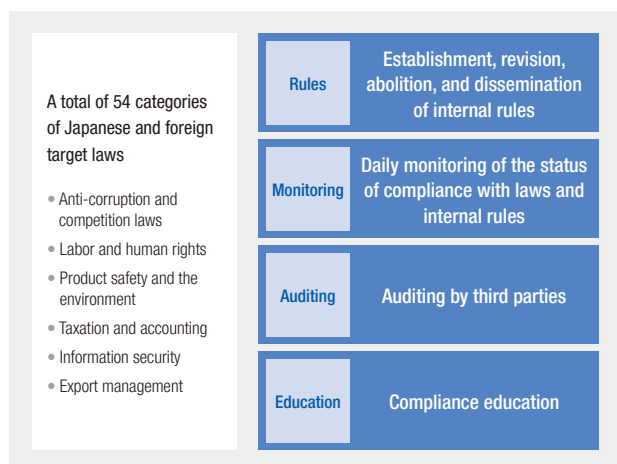


Status of Promotion

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



Compliance education

We promote wide-ranging and systematic compliance education and awareness through level-specific and job-specific group training, online training, e-learning programs and web-delivered training, as well as by displaying posters internally and distributing pamphlets.

In fiscal 2024, to strengthen awareness of anti-bribery measures at our overseas bases, we provided education to our overseas sales companies on compliance with foreign competition laws, anti-bribery measures, and trade secret protection.

Fiscal 2024 Compliance Education Results (examples)

Training category	Participants		Details
Level-specific	Newly appointed Directors and Audit & Supervisory Board Members, etc. of affiliated companies in Japan and overseas	36	Obligation to build Fuji Electric Compliance Program
	Newly appointed managers	89	Compliance with major laws
	New employees	276	Introduction of our Fuji Electric Compliance Program and Business Ethics Whistle-Blowing Systems
Job-specific	For sales companies outside Japan	1,265	Compliance with foreign competition laws, anti-bribery measures, and trade secret protection

Fuji Electric Business Ethics Whistle-Blowing Systems

For the purpose of preventing and detecting violations at an early stage, Fuji Electric has introduced and is operating the Fuji Electric Business Ethics Whistle-Blowing Systems, whereby relevant persons inside and outside the Company can report violations of laws and regulations or internal rules in the course of business operations, or facts of that may lead to such violations, to the President and COO of Fuji Electric via whistle-blowing contact points (in-house contact points and external lawyers). (Anonymous reporting is also possible.)

In fiscal 2024, there were 25 reports in Japan and overseas, 3 of which involved violations (2 cases of harassment and 1 accounting issue). In all cases, necessary measures (e.g., corrective actions and recurrence prevention) were taken.

Regarding our response to the reports, we work meticulously to protect whistle-blowers by keeping their personal information confidential and prohibiting disadvantageous treatment and retaliatory or discriminatory acts on the grounds of whistle-blowing. In addition, we take all necessary steps to resolve issues raised by whistle-blowers, including fact-finding investigations, corrective actions,

recurrence prevention measures, and disciplinary actions.

We also provide the details of our response to the whistle-blowers themselves as feedback. (We also strive to indirectly provide feedback through the above measures in the case of anonymous whistle-blowing.)

Business Ethics Helpline

The Business Ethics Helpline handles reports from our executives and employees in Japan and overseas (including retirees and dispatch employees). It is thoroughly promoted among employees through publications in the Company magazine and the intranet.

Partner Hotline

The Partner Hotline handles reports from external stakeholders. It is thoroughly promoted among them through posts on the website and briefing sessions for business partners.



Partner Hotline
<https://www.fujielectric.com/about/procurement/partnerhotline.html>



Participation in the “Engagement and Remedy Platform” operated by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)

Starting in fiscal 2025, we will participate in the “Engagement and Remedy Platform” operated by JaCER to accept reports on human rights issues and other issues from all stakeholders. JaCER’s platform for grievance redress is compliant with the “UN Guiding Principles on Business and Human Rights.” By accepting grievances through a third-party contact point,

we aim to ensure fairness and transparency in our grievance handling process.



JaCER
<https://jacer-bhr.org/en/index.html>



Results of Promotion

As a result of implementation of the Fuji Electric Compliance Program and the Business Ethics Whistle-Blowing Systems,

in fiscal 2024 there were no compliance infractions with the potential to seriously impact the management of Fuji Electric.

Bribery prevention

With the article “Make global compliance a top priority” stated in the Fuji Electric Code of Conduct, we have declared our commitment to bribery and corruption prevention, and we have disclosed the Fuji Electric Anti-Bribery Policy as part of the Fuji Electric Code of Conduct. This policy declares that we endeavor to prevent bribery throughout the supply chain, such as by ensuring that no Fuji Electric employee (including dispatch employees) ever engages in bribery or any act that could arouse the suspicion of bribery.

We have also established the Fuji Electric Anti-Bribery Guidelines as a set of rules for Fuji Electric employees (including dispatch employees) to help them prevent bribery during their daily business, and we endeavor to prevent bribery through the execution of the Fuji Electric Compliance Program. Fuji Electric will subject all employees involved in bribery to strict disciplinary actions based on our work rules.

In fiscal 2024, there were no incidents of executives or employees being subject to disciplinary actions due to the violation of our anti-bribery rules, and no fines, surcharges, or settlements related to bribery were incurred.

Prevention of competition law infractions

In an effort to prevent the violation of competition laws, we have established and appropriately revise daily business rules, including our Antimonopoly Act Compliance Manual and Foreign Competition Law Compliance Manual. We also perform daily monitoring by confirming quotations and estimates via a comprehensive bidding information management system and extensive record-keeping. In addition, our internal auditing divisions perform audits in accordance with auditing guidelines, and we conduct extensive level-specific and job-specific training. Any employee who is involved in the violation of competition laws will be subject to strict disciplinary actions based on our work rules.

In fiscal 2024, there were no incidents of executives or employees being subject to disciplinary actions due to the violation of the competition laws, and no fines, surcharges, or settlements related to competition laws were incurred.



Fuji Electric Anti-Bribery Policy
<https://www.fujielectric.com/company/box/doc/Anti-Bribery%20Policy.pdf>



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

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

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.

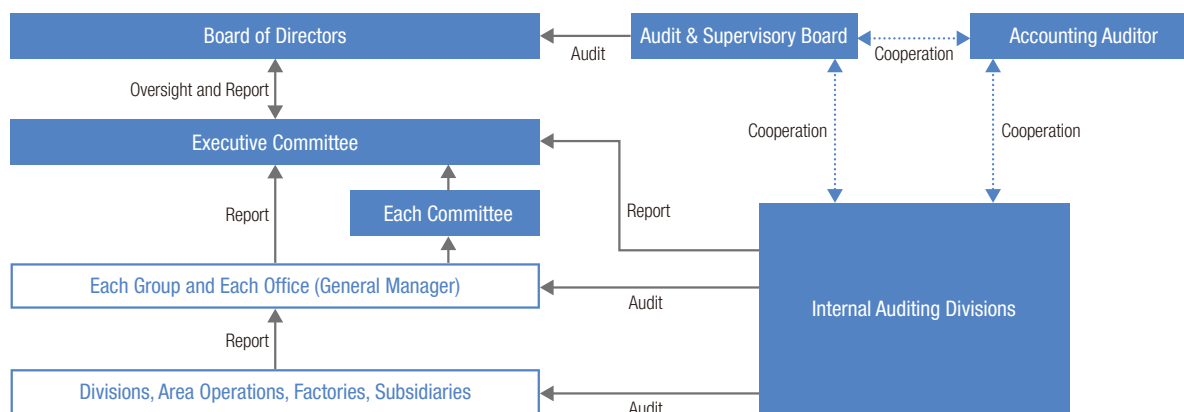
Significant risks, such as those related to business plans and large-scale investments, are reported at the Executive Committee as appropriate to facilitate the sharing of information. We also have manuals in place to ensure that risks are steadily managed. We provide training in handling each type of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

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



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

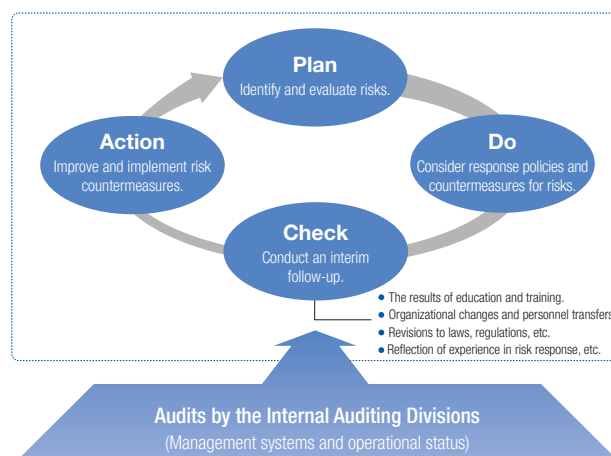
When annual budgets are formulated, the Company's business divisions and affiliated companies gain an understanding of and evaluate risks related to their business activities.

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.

Annual Risk Management Process



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.

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

Consolidated Financial and Non-Financial Highlights

Financial Highlights

Fiscal year	2016	2017	2018	2019
Operating Results				
Net sales	837,765	893,451	914,915	900,604
Japan	632,723	674,744	682,503	679,719
Overseas	205,042	218,707	232,412	220,885
Operating profit	44,709	55,962	59,972	42,515
Profit Attributable to Owners of Parent	40,978	37,763	40,267	28,793
R&D and Capital Investment				
R&D expenditures	34,910	35,620	33,669	34,457
Plant and equipment investment*2	27,149	26,465	43,338	48,208
Depreciation and amortization*3	29,445	30,151	30,906	32,319
Cash Flows				
Cash flows from operating activities	58,185	53,146	54,949	46,087
Cash flows from investing activities	9,748	(14,550)	(21,448)	(27,621)
Free cash flow	67,934	38,596	33,501	18,466
Cash flows from financing activities	(56,082)	(46,887)	(38,172)	16,918
Financial Position				
Total assets*4	886,663	914,744	952,659	996,827
Total net assets	323,863	366,546	392,061	406,002
Equity	291,216	330,636	352,922	365,620
Net interest-bearing debt	141,578	130,177	124,850	153,617
Interest-bearing debt	183,465	163,507	153,985	217,364
Financial Indicators				
Ratio of operating profit to net sales (%)	5.3	6.3	6.6	4.7
Ratio of overseas sales to net sales (%)	24.5	24.5	25.4	24.5
ROIC (Return on Invested Capital) (%)	—	—	—	—
ROE (Return on equity) (%)	15.7	12.1	11.8	8.0
ROA (Return on assets) (%)*4	4.7	4.2	4.3	3.0
Equity ratio (%)*4	32.8	36.1	37.0	36.7
Net debt-equity ratio (times)*5	0.5	0.4	0.4	0.4
Debt-equity ratio (times)*6	0.6	0.5	0.4	0.6
Per Share Data*7				
Profit	286.82	264.34	281.89	201.57
Net assets	2,038.40	2,314.50	2,470.65	2,559.60
Cash dividends	55.00	70.00	80.00	80.00
Dividend payout ratio (%)	19.2	26.5	28.4	39.7

Non-Financial Highlights

Fiscal year	2016	2017	2018	2019
Employees	26,503	27,009	27,416	27,960
Japan	17,716	17,704	17,647	17,681
Overseas	8,787	9,305	9,769	10,279
Greenhouse gas emissions throughout the supply chain (10,000 t-CO ₂)	—	—	—	12,473
Greenhouse gas emissions through production (10,000 t-CO ₂)	46.7	48.4	52.1	45.1
Contribution to CO ₂ reduction in a society through our products (10,000 t-CO ₂)*8	2,230	2,579	3,162	3,651

*1 The U.S. dollar amounts represent the arithmetic results of translating yen into dollars at ¥149 = U.S. \$1, the approximate exchange rate at March 31, 2025.

*2 Plant and equipment investment is the total of investment in tangible fixed assets, including acquisition amounts for lease contracts.

*3 Depreciation and amortization expense is the total of the depreciation of tangible fixed assets and amortization of intangible assets.

*4 Effective April 1, 2018, the Company have adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, revised on February 16, 2018). As such, financial indicators in consolidated accounting period as of March 31, 2018 have been adjusted to retroactively apply said accounting standards.

*5 Net debt-equity ratio is the ratio of net interest-bearing debt (interest-bearing debt + lease obligations – cash and cash equivalents) to equity.

*6 Debt-equity ratio is the ratio of interest-bearing debt to equity.



Detailed financial information is available on our website.

https://www.fujielectric.com/ir/library/financial_results/index.html



Millions of yen					Thousands of U.S. dollars*1	
2020	2021*9	2022	2023	2024*10	2024	
875,927	910,226	1,009,447	1,103,214	1,123,407	7,539,645	
654,020	655,821	717,390	770,790	797,923	5,355,193	
221,907	254,405	292,057	332,424	325,484	2,184,452	
48,595	74,835	88,882	106,066	117,646	789,577	
41,926	58,660	61,348	75,353	92,239	619,056	
33,562	33,756	36,216	36,059	37,822	253,840	
35,890	59,320	84,147	68,311	85,185	571,712	
36,194	39,969	45,938	51,875	57,341	384,842	
26,931	76,809	116,163	84,858	144,920	972,622	
23,477	(22,350)	(49,498)	(62,418)	(63,384)	(425,397)	
50,408	54,458	66,665	22,439	81,536	547,224	
(39,518)	(42,894)	(77,192)	(45,868)	(86,246)	(578,836)	
1,051,952	1,117,112	1,181,552	1,271,174	1,312,175	8,806,550	
461,254	523,729	572,068	661,472	730,658	4,903,750	
416,997	472,900	517,092	602,516	691,767	4,642,733	
140,872	117,041	99,107	97,362	42,201	283,229	
216,205	208,391	183,273	162,906	104,876	703,870	
5.5	8.2	8.8	9.6	10.5	—	
25.3	27.9	28.9	30.1	29.0	—	
—	—	10.2	11.5	12.9	—	
10.7	13.2	12.4	13.5	14.3	—	
4.1	5.4	5.3	6.1	7.1	—	
39.6	42.3	43.8	47.4	52.7	—	
0.3	0.2	0.2	0.2	0.1	—	
0.5	0.4	0.4	0.3	0.2	—	
Yen					U.S. dollars*1	
293.52	410.68	429.50	527.57	642.69	4.313	
2,919.34	3,310.80	3,620.23	4,218.41	4,695.56	31.513	
85.00	100.00	115.00	135.00	160.00	1.073	
29.0	24.3	26.8	25.6	24.9	—	

2020	2021	2022	2023	2024	2024
27,593	26,757	27,123	27,325	27,391	—
17,647	17,493	17,392	17,340	17,368	—
9,946	9,264	9,731	9,985	10,023	—
5,688	17,994	17,690	5,841	5,612	—
43.7	36.4	33.4	33.8	33.1	—
4,127	4,544	4,979	5,622	5,769	—

*7 Effective October 1, 2018, the Company conducted a 1-for-5 common stock consolidation. Amounts for profit per share and net assets per share have been calculated assuming that the stock consolidation took place on April 1, 2014. The amount of dividend ¥48 per share for the year ended March 31, 2019 is total of the interim dividend of ¥8 per share and the year-end dividend of ¥40 per share. Since the Company conducted a 1-for-5 common stock consolidation effective October 1, 2018, the interim dividend of ¥8 does not reflect stock consolidation effect and the annual dividend of ¥40 reflects stock consolidation effect. If the stock consolidation effect is also considered to the interim dividend per share, the interim dividend of ¥8 per share without the effect is equivalent to ¥40 per share with the stock consolidation effect. Accordingly, the annual dividend for fiscal 2018 amounted to ¥80 per share, including adjusted interim dividend of ¥40 per share and year-end dividend ¥40 per share.

*8 Reductions in CO₂ emissions through products refer to CO₂ emission reductions from products shipped in and after fiscal 2009 that were in operation for a year. Calculated based on the Ministry of Economy, Trade and Industry's Guideline for Quantifying Greenhouse Gas Emission Reduction Contribution.

*9 From the beginning of the fiscal year ended March 31, 2022, the company applied the "Accounting Standard for Revenue Recognition" (Accounting Standard Board of Japan ("ASBJ") statement No. 29 issued on March 31, 2020) etc. The figures after consolidated accounting period as of March 31, 2022 in the "Consolidated Financial Highlights" reflect the application of the accounting standards.

*10 The Company applies "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) etc. from the beginning of the current fiscal year. As such, financial indicators in consolidated accounting period as of March 31, 2024 have been adjusted to retroactively apply said accounting standards. In addition, "Revised Accounting Standard of 2022" is applied the transitional treatment prescribed in the proviso of paragraph 20-3 of Accounting Standard for Current Income Taxes and the proviso of paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No.28, October 28, 2022). As a result, the figures in consolidated accounting period as of March 31, 2025 in the "Consolidated Financial Highlights" reflect the application of the accounting standards.

Corporate Data

Company Information (As of March 31, 2025)

Company Name	FUJI ELECTRIC CO., LTD.
Established	August 29, 1923
Consolidated Subsidiary	68 (Japan 20, Overseas 48)
Equity Method Affiliate	4
Head Office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi, Kanagawa 210-9530, Japan
Head Office Business Address	Gate City Ohsaki, East Tower, 11-2, Osaki 1-chome, Shinagawa-ku, Tokyo 141-0032, Japan
Capital Stock	¥47.6 billion
Employees (Consolidated)	27,391 (Japan 17,368, Overseas 10,023)
Net Sales (Consolidated)	¥1,123.4 billion (Year ended March 31, 2025)
Stock Code	6504

Stock Information (As of March 31, 2025)

Issued and Outstanding Shares	149,296,991
Number of Shareholders	47,030

Major Shareholders

Shareholders' name	Number of shares (1,000s)	Voting rights (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,625	16.00
Custody Bank of Japan, Ltd. (Trust Account)	14,204	9.62
STATE STREET BANK AND TRUST COMPANY 505001	4,966	3.36
Asahi Mutual Life Insurance Company	3,983	2.70
National Mutual Insurance Federation of Agricultural Cooperatives	3,059	2.07
FANUC CORPORATION	2,684	1.82
BNYM AS AGT / CLTS 10 PERCENT	2,659	1.80
STATE STREET BANK WEST CLIENT - TREATY 505234	2,658	1.80
GOVERNMENT OF NORWAY	2,563	1.74
JPMorgan Securities Japan Co., Ltd.	1,889	1.28

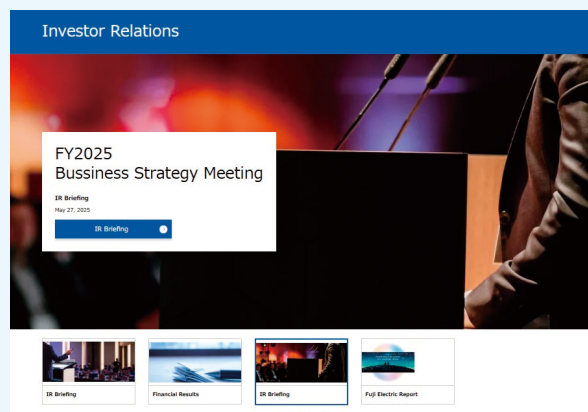
Note: The ratio of shareholding is calculated by deducting the number of treasury stock from the total number of shares outstanding based on the provisions of the Ordinance for Enforcement of the Companies Act.

Share Distribution by Shareholder Type

Type	Number of shareholders	Number of shares	Holding (%)
Financial institutions / Securities firms	148	59,339,206	39.74
Other corporations in Japan	572	5,564,928	3.73
Foreign corporations	958	66,732,166	44.70
Individuals and others	45,352	17,660,691	11.83
Total	47,030	149,296,991	100.00

Note: "Individuals and others" includes treasury stock.

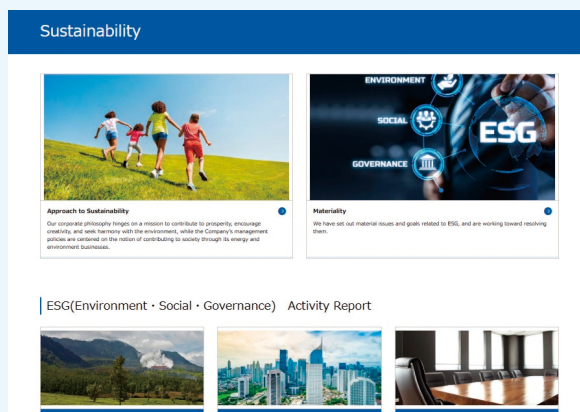
Corporate Data on Fuji Electric Website (Information Related to IR and Sustainability)



If you would like to obtain **information related to IR**, please refer to the Investor Relations site.



Investor Relations
<https://www.fujielectric.com/ir/>



If you would like to obtain **information related to sustainability**, please refer to the sustainability site.



Sustainability
<https://www.fujielectric.com/csr/>



TOPICS

Fuji Electric's Promotion of Youth Development

To further deepen our relationship of trust with society, we engage in social contribution activities to leverage the people and technology that we have cultivated through our business activities and to contribute to solving social issues around the world. We are focusing on the promotion of youth development for children, students, and teachers in the communities where we operate.

[In Japan]

To convey the wonder of science and technology as well as the importance of manufacturing to elementary and junior high school students, our employees serve as instructors for science classes; we invite students to visit our factories and other bases for work experience and factory tours; and we provide teachers with corporate training.



Programming education for elementary school students
(An elementary school in Tokyo, Japan)



Private corporate training for teachers
(An elementary school in Tokyo, Japan)

[Overseas]

In India and the Southeast Asian region, which are experiencing remarkable economic development, we provide technical support to science and engineering universities, such as by establishing courses on manufacturing and product technology and by donating experimental equipment (our products).



Courses for technical colleges
(Thailand)



Partnership with a university
(India)



External Evaluation

Fuji Electric has been selected as a component of the following environmental, social and governance (ESG) indexes, as a company that excels in social responsibility.



FTSE4Good



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index



2025 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

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In recognition of the efforts to address climate change and the information disclosure, the Company has been selected for six consecutive years for "the CDP A List", the world's most prestigious list in the environmental field.



In recognition of our commitment to climate change measures and environmental initiatives with our suppliers, we have been selected as a "Supplier Engagement Leader" by CDP, a globally respected environmental organization, for five consecutive years.

We have received the following awards and certification in recognition of our outstanding initiatives to promote diversity.



Recognized as one of the "Diversity Management Selection 100" firms that have achieved results in improving productivity by utilizing a diverse workforce and creating innovation (Ministry of Economy, Trade, and Industry)



Acquired "Semi-Nadeshiko Brands" as a listed company that excels in women's activities (Ministry of Economy, Trade, and Industry)



Acquired Kurumin certification as a company that supports child-rearing (Ministry of Health, Labour and Welfare)



Acquired highest rank of Eruboshi certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace (Ministry of Health, Labour and Welfare)



Based on the universal design (UD) concept, we have adopted fonts that are easy to read (and difficult to misread) by more and more people.

FE Fuji Electric Co., Ltd.

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Corporate Management Planning Headquarters
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