

Progress of Management Reforms

Since 2010, Fuji Electric has advanced its management reforms by consistently pursuing three pillars: Strengthening of Management Foundations, Promotion of Growth Strategies, and Improvement of Profitability. While adapting to changing times, we have steadily improved our performance and, through the rigorous implementation of management emphasizing profit, have developed into a company capable of achieving an operating profit ratio of over 11%.

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 - Integrated TCFD and TNFD disclosures
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 United States, 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 - Strengthen the plant and systems business
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, 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 - Introduced generative AI

Business Performance Trends (Billions of yen)

