

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.

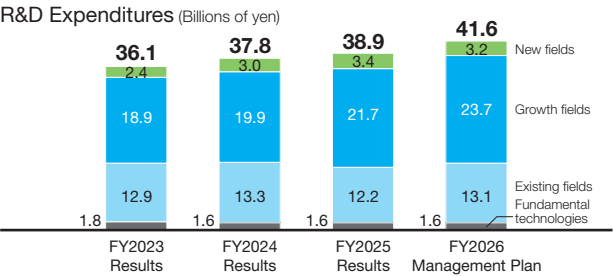
Kazuya Nakayama
Senior Executive Officer
Corporate General Manager, Corporate R&D Headquarters

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 growing energy demand driven by expanded use of digital technologies 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

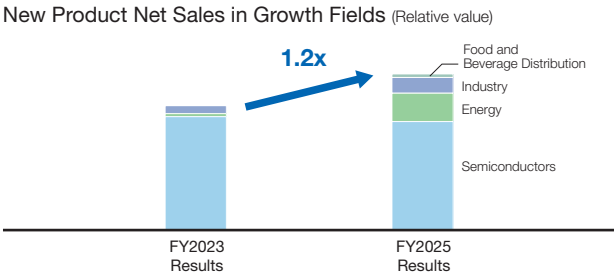
As our R&D strategy in the FY2026 Medium-Term Management Plan, we are promoting the development of new products in our existing fields (1) and growth fields (2), as shown in the R&D portfolio (on the next page), while engaging in R&D in new fields (3) that will contribute to growth from 2030 onward.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



Main Development Progress in FY2025

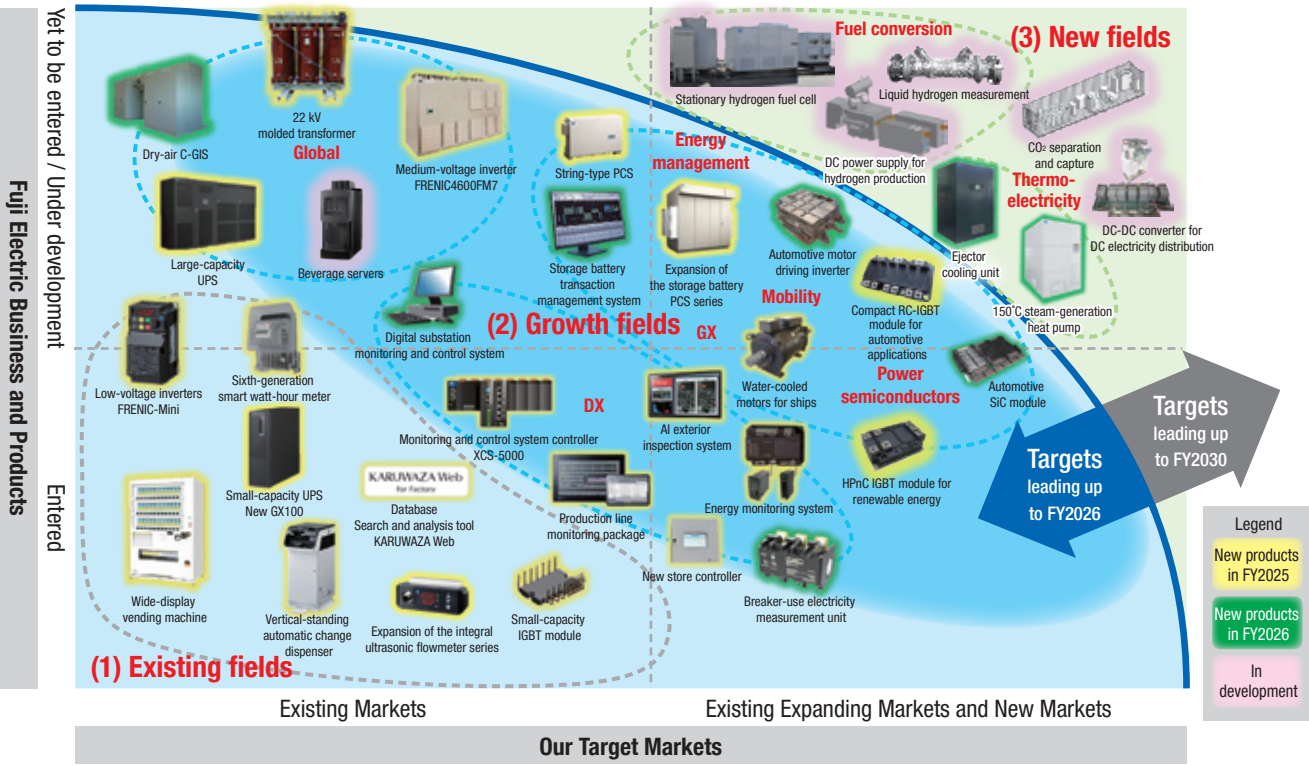
As a result of our development efforts in fiscal 2025, we launched numerous world-first and world-leading new products, while also making significant progress in acquiring new technologies with an eye to the future. In the growth fields (2), we launched products including large-capacity UPSs for data centers that achieve best-in-class power conversion efficiency, and we are also developing a grid storage trading and operation system that is expected to double electricity-market trading revenue. We also began mass production of thin-profile RC-IGBT modules for light and compact vehicles and are developing motor-drive inverters using

expenditures year on year in both fiscal 2025 and fiscal 2026, and we will focus investment on R&D in growth and new fields that support our growth strategies. As a result of our ongoing focused investment to date, new product net sales in growth fields (within five years of launch) in fiscal 2025 grew to 1.2 times the fiscal 2023 level.



these modules. In addition, we are developing large-capacity automotive modules equipped with industry-leading low-loss SiC-MOSFETs. In the new fields (3), we developed a 150°C steam-generation heat pump that makes effective use of waste hot water from factory equipment to significantly reduce energy costs. We will also launch an industry-first ejector cooling unit in fiscal 2026 that can reduce cooling costs for water-cooled servers at data centers by 85%. Using these heat products as a starting point, we will enter markets that are new to Fuji Electric.

- 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 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 2030 onward



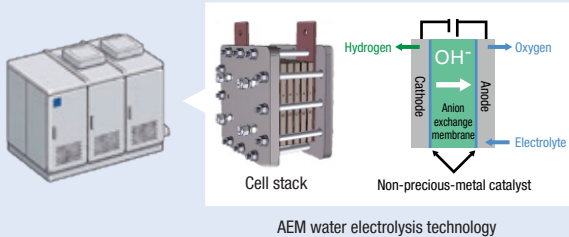
Strengthening Acquisition of New GX Technologies

In fields that are new to Fuji Electric and for which the market is expected to expand from fiscal 2030 onward, such as fuel conversion, DC electricity distribution, CO₂ separation and capture, and next-generation power semiconductor devices, we

are strengthening our acquisition of new GX technologies through joint research with research institutions that possess the world's most advanced technologies.

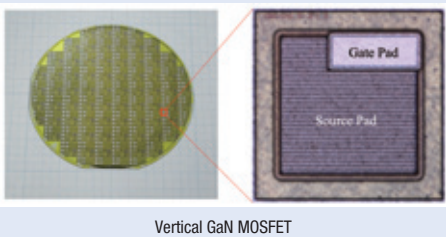
Anion Exchange Membrane (AEM) Water Electrolysis Technology for Hydrogen Production

Aiming to acquire hydrogen production technologies for fuel conversion to hydrogen, we are participating in NEDO's "Project to Develop Common Platforms Supporting the Widespread Use of Hydrogen" and working on the "Development of High-Performance, Highly Durable Anion-Exchange-Membrane Water Electrolysis Cells and Stack Technology." Led by the University of Yamanashi, which possesses the world's most advanced technologies in the field of hydrogen utilization, this research aims to achieve both higher efficiency and lower costs in hydrogen production. In the area for which we are responsible, "Development of Water Electrolysis Cells and Study of Stack Formation," we have achieved industry-leading electrolysis efficiency for an AEM system using a stack comprising 10 layers of small cells.



Vertical Gallium Nitride (GaN) MOSFET

In our research on GaN, which is expected to serve as a next-generation switching device, we are collaborating with Nagoya University, which possesses world-leading technologies in this field and is leading a Ministry of Education, Culture, Sports, Science and Technology project, to research fundamental technologies for vertical GaN power devices. We have devised a proprietary MOS gate structure that incorporates an AlGaN layer and have increased electron mobility approximately threefold, marking a major advance toward the commercialization of vertical GaN MOSFETs. Furthermore, through joint research with the Tsukuba Power Electronics Constellations, we have achieved the world's first large-area vertical GAN device with 1200 V-class breakdown voltage and a current of 10 A, with its structure formed by ion implantation.



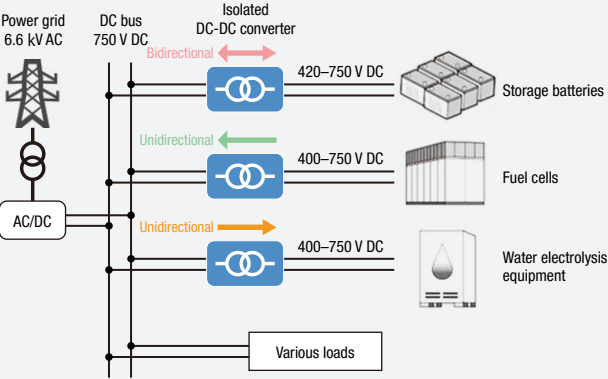
R&D TOPICS

Achieving Industry-Leading Conversion Efficiency with an Isolated DC-DC Converter, a Key Component of Next-Generation Power Supply Systems

Many of the devices that will play key roles in decarbonization operate on DC power, including solar cells, which are becoming increasingly widespread as a source of renewable energy; storage batteries that compensate for fluctuations in solar cell output; water electrolysis equipment that produces hydrogen; and fuel cells that generate electricity using hydrogen and other fuels. As a result, there are high hopes for practical application of DC bus systems that can operate these devices efficiently.

We are developing an isolated DC-DC converter, which is a key component of DC bus systems. We have adopted a dual active bridge circuit that performs the bidirectional power conversion required for connecting to storage batteries, and in a 200-kW prototype that incorporates our own SiC modules and proprietary control technologies, we achieved an industry-leading conversion efficiency of 98.0% or higher under rated conditions. Its wide allowable voltage range of 400 to 800 V DC also enables many power sources and loads to be connected without restriction. We have also developed control technology that maintains a constant DC bus voltage while preventing

connected storage batteries from being overcharged or overdischarged. By further refining these technologies, we aim to realize high-efficiency next-generation power supply systems for data centers and other applications.



Example of a DC Bus System Using an Isolated DC-DC Converter

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 Intellectual Property in Coordination with the R&D Strategy

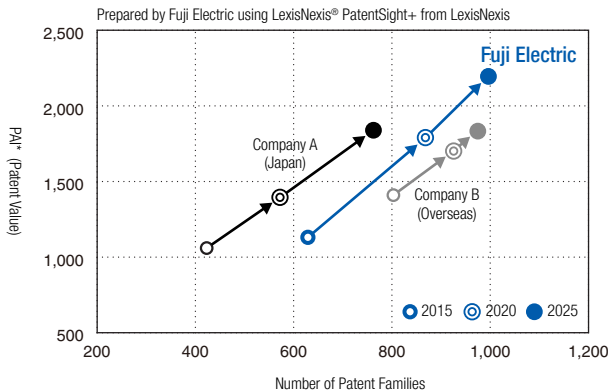
We build and manage the intellectual property rights we hold as business-by-business intellectual property portfolios, with intellectual property organized by factors such as technology and the number of years such rights have been held, and we continuously maintain our portfolios by strengthening, retaining, and abandoning rights in accordance with the business environment. To strengthen our intellectual property, we conduct activities in coordination with our R&D strategy, strategically reinforcing intellectual property while rapidly building patent portfolios in our growth and new fields.

Strategic Strengthening in Growth Fields

Our growth fields include products related to GX (energy management, mobility, and power semiconductors), DX, and global products, and we are strengthening intellectual property in each of these areas. In power semiconductors, for example, we have strengthened our intellectual property over many years in light of the competitive environment. As a result, as shown in Figure 1, by 2025 we had established a leading position among the global competition in both patent value (PAI*), which represents patent “quality,” and the number of patent families, which represents patent “quantity.”

* PAI (Patent Asset Index): Patent value calculated using LexisNexis® PatentSight+

[Figure 1] Strengthening Intellectual Property for Power Semiconductors in Growth Fields



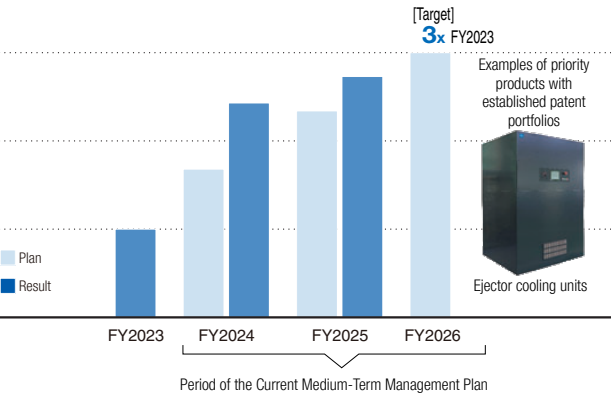
Rapid Development of Patent Portfolios in New Fields

New fields include new products related to fuel conversion and thermoelectricity, which are areas where market expansion is expected from fiscal 2030 onward. It is important to reliably secure intellectual property rights to such new technologies.

To this end, we formulated a plan to triple the overall target number of invention proposals in new fields by fiscal 2026 compared to fiscal 2023. By the end of fiscal 2025, actual performance had already reached 2.7 times the fiscal 2023 level, indicating progress has been faster than planned (Figure 2).

We are also working to rapidly build patent portfolios for priority products. For example, for our ejector cooling units, we carried out activities closely aligned with our business strategy by completing the process from filing to grant within a short period for the many invention proposals identified through fiscal 2024, in preparation for the start of sales in June 2026. In these activities, we strategically utilize the “Collective Examination for IP Portfolio Supporting Business Strategy” system, which supports comprehensive acquisition of intellectual property rights.

[Figure 2] Number of Invention Proposals in New Fields



Strategic International Standardization Activities (Example: Obtaining Security Certifications)

We have established the International Standardization Committee as a governance structure to oversee and lead international standardization activities across the company. By anticipating trends in standards and regulations, we promote rulemaking and certification acquisition to enhance our business competitiveness.

Security Certification Initiatives

Certification at Individual Bases

In recent years, amid a sharp increase in cyberattacks on control systems, increasingly stringent laws and regulations in global markets, and mandating of supply chain security requirements by customers, obtaining security certifications has become an essential business requirement. Under the International Standardization Committee, we began strategic initiatives to obtain certification on a per-factory basis in 2022, and as of fiscal 2026, many bases, including those of our affiliate companies, have completed certification under the international standard IEC 62443-4-1 (Table 1).

[Table 1] IEC 62443-4-1 Certifications at Individual Bases

Base	Fiscal Year Certified
Tokyo Factory	FY2023, renewed in FY2026
Suzuka Factory	FY2023
Kobe Factory	FY2024
Fuji Electric FA Components & Systems Co., Ltd. (Fukiage Factory, Otawara Factory, and others)	FY2024
Hakko Electronics Co., Ltd.,	FY2024
Tsukuba Factory	FY2026

Use of a Japanese Certification Body and the CB Scheme

For the certification renewal at the Tokyo Factory and the new certification at the Tsukuba Factory in April 2026, we newly utilized a Japanese certification body, the Japan Quality Assurance Organization (JQA), and obtained certification under the CB Scheme,* an international mutual recognition system.

Using JQA enabled faster certification, lower costs, and the retention of sensitive information within Japan. Furthermore, obtaining certification under the CB Scheme means that local testing of actual equipment when expanding overseas can be waived or significantly simplified, giving us a major advantage in accelerating our global expansion.

* A system under the IEC's international framework whereby product test results are mutually recognized among member bodies in more than 50 countries worldwide.



CB Certificate Presentation Ceremony
JQA President & CEO Ishii and President & COO Kondo
(on the right in the photo)



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 expanding profits through productivity improvements achieved by drawing on our manufacturing strengths: “Strong On-site Capabilities and Advanced Production Technologies,” “Optimal Global Production Collaboration,” and “Human Resource and Team Capabilities by Cultivating Engineers and Skilled Workers.” We view recent changes in the external environment, including geopolitical risks, rising costs, labor shortages, and climate change, as opportunities for transformation through “manufacturing DX” utilizing digitization and AI technologies. For materials and components, we are accelerating efforts to strengthen resilience by multi-sourcing our procurement supply chain and reshoring production to Japan, as well as efforts to develop alternative materials and shift to resource-circulation-oriented design, with the aim of building a

stable procurement system and reducing costs.

In addition, practicing “Sustainable Procurement” based on co-existence and mutual prosperity with our business partners is one of our most important management priorities. We will ensure consideration for human rights and the environment throughout the supply chain in accordance with the Fuji Electric CSR Procurement Guidelines, and we will build strong relationships of trust that enable us to grow together while fulfilling our social responsibilities.

Going forward, with further productivity improvements through digitization and AI technologies and a resilient procurement base as the two pillars of our efforts, we will continue to improve quality and profitability while reducing environmental impacts, thereby aiming to sustainably enhance corporate value.

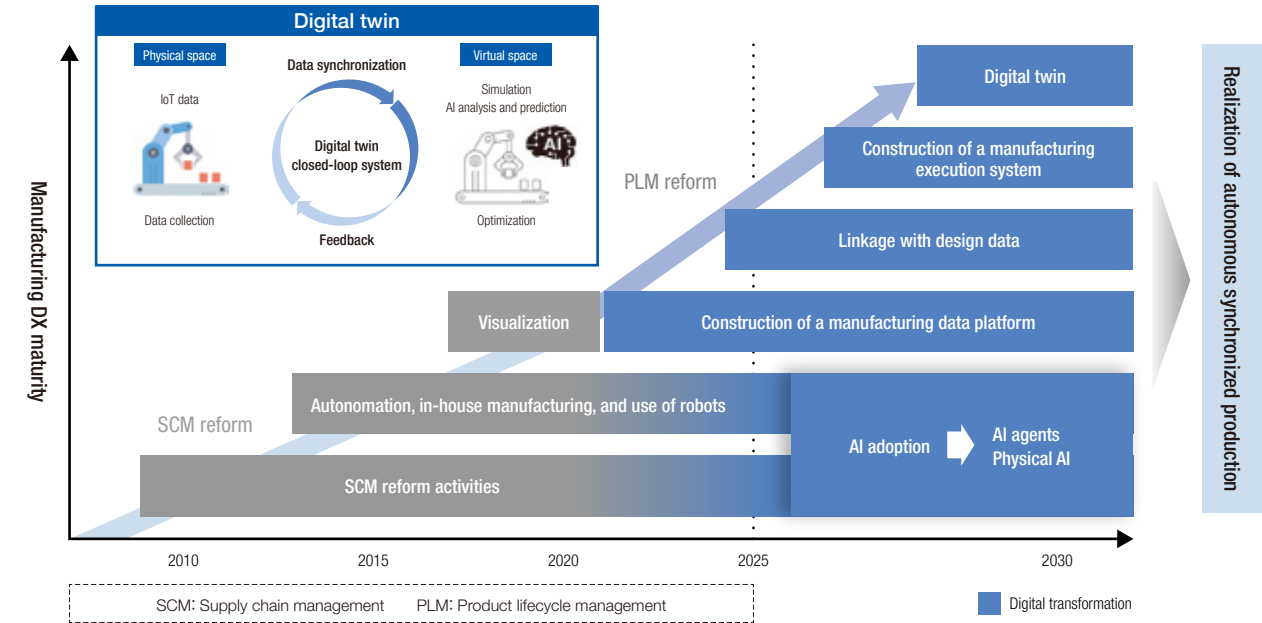
The Strengths of Fuji Electric’s Manufacturing

Strong On-Site Capabilities and Advanced Production Technologies

Optimal Global Production Collaboration

Human Resource and Team Capabilities by Cultivating Engineers and Skilled Workers

Evolution of Manufacturing Innovations



The Evolution of Manufacturing to Respond to Changes in the Environment

By digitally integrating PLM^{*1}, which manages product lifecycles, with SCM^{*2}, which manages supply chains, we will build an “IoT-Linked Smart Factory” that optimizes processes from development through production. We will also introduce automation technologies based on co-creation between people

and AI into parts processing and assembly processes to increase our product supply capacity, while aiming to improve productivity, reduce costs, and enhance quality.

^{*1} PLM: Product lifecycle management
^{*2} SCM: Supply chain management

Concurrent Development Through PLM Reform and SCM Integration

Concurrent development through PLM reform and SCM integration incorporates on-site manufacturing expertise from the early stages of design, with 3D models shared in the PLM system and analyzed by AI. In a virtual environment, the manufacturing division can verify “ease of manufacture,” while the procurement division can verify “parts availability.” This shortens development lead times through work process optimization and a significant reduction in rework hours arising from downstream processes. In

addition, by linking design and manufacturing data and building a mechanism whereby design changes are immediately reflected in procurement and production plans, we will improve data consistency, eliminate waste in administrative work, and raise productivity in indirect functions. These initiatives will not only improve operational efficiency but also serve as a mechanism that automatically drives overall optimization of product quality, cost, and delivery.

Improving Productivity by Advancing Production Technologies (Use of AI)

We are working to increase production capacity by advancing our production technologies, executing timely plant and equipment investments, and strengthening our global production systems. In fiscal 2025, we are using AI for applications such as predictive maintenance that detects equipment failures in advance and the automation of visual inspections, thereby increasing equipment operating rates and production volumes.

In using generative AI, we digitize the tacit knowledge of skilled workers and achieve automation through automatic corrections using the “AI Assistant” function. In the future, we will incorporate intelligent robots that make use of physical AI into our equipment

to automate the picking of irregularly shaped items and complex assembly work.

Through these initiatives, by fiscal 2026, we will achieve a 20% improvement in productivity compared to the fiscal 2023 level, increasing production volumes and addressing labor shortages. Looking further ahead, we will use “digital twins” to reproduce information and data from physical space in virtual space and feed the results of AI-based simulations and verification back into physical space, taking on the challenge of achieving autonomously synchronized production sites that never stop.

Automating Skill-Intensive and Difficult Tasks Using CAD Data and AI

Before Improvement
(Visual inspection by inspectors)

After Automation
(AI-based image diagnosis)

Conventional
(Work by skilled workers)

After Automation
(Equipped with an AI assistant)

Suzuka Factory: Images are used to determine whether inverter components have been correctly installed, whether any parts are missing, and whether connectors have been properly inserted into printed circuit boards. Inspection images are also retained as records and used for traceability management.

Kobe Factory: Welding of stud bolts to panel equipment enclosures is automated using robots. AI learns the tacit knowledge of skilled workers and reproduces craftsmanship that was previously difficult to program.

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 incorporate plans to acquire new technologies into our design reviews, in addition to the technologies already possessed by our factories and development divisions. We also focus on changes and modifications that arise during design and, in addition to reviews

by experts, utilize generative AI technology to identify omissions in analysis and verification, thereby reducing quality risks.

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

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 promote their understanding of our CSR approach and the initiatives they should observe and implement according to the “Fuji Electric CSR Procurement Guidelines.” Through these efforts, we aim to reduce CSR risks throughout the supply chain and create business opportunities.

Items 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

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 briefings and interviews with business partners to share issues and promote collaborative improvement activities.

In fiscal 2025, we conducted assessments of 893 business partners, which accounted for the top 80% of our purchases over the last three years. The number of Rank A business partners increased by 25 year on year to 807, reflecting improved results.

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

On-Site CSR Audit Initiatives

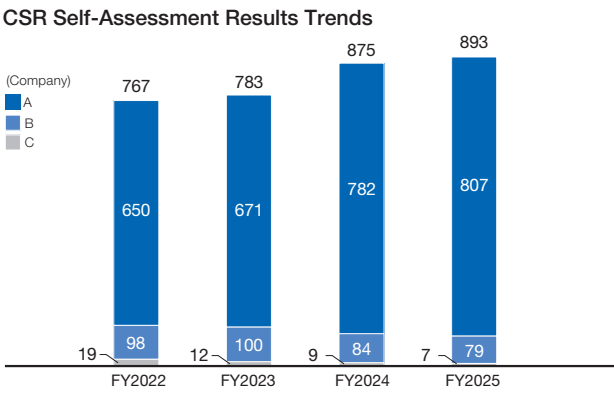
To improve the effectiveness of CSR procurement, we conduct on-site CSR audits of our business partners. In fiscal 2025, we selected 24 Rank A business partners with issues in the environmental category and conducted on-site audits. During these audits, we confirmed their understandings of the importance of CSR activities and the status of their actual activities, ensured alignment with the evaluation criteria and improvement methods, and shared issues. We are also training our own auditors to expand on-site audits; in fiscal 2025, we added 13 auditors, bringing the total to 32. In fiscal 2026, we plan to expand the number of business partners subject to on-site audits and to further increase the number of our own auditors, while strengthening direct communication with our business partners.



CSR Briefing for Business Partners (Held at the Tokyo Factory in FY2025)

Fuji Electric CSR Procurement Guidelines
https://www.fujielectric.com/company/box/doc/guideline_csr_e.pdf

In fiscal 2026, we plan to assess 900 business partners, and we will continue to promote thorough implementation and reinforcement of CSR in our supply chain by sharing issues and making continuous improvements collaboratively.



On-site audit at a business partner

Contributing to Business Continuity through Stable Procurement

Initiatives for Purchasing from Multiple Suppliers to Prepare for Emergencies

We conduct risk assessments for the 200,000 parts and materials that we order on an ongoing basis and, after visualizing single-source items, are promoting multi-sourcing. In fiscal 2025, we achieved multi-sourcing for approximately 90% of our procured items (a five-percentage-point increase from the previous fiscal year). In fiscal 2026, we will target a multi-sourcing rate of 95% and aim to complete a system for purchasing from multiple suppliers.

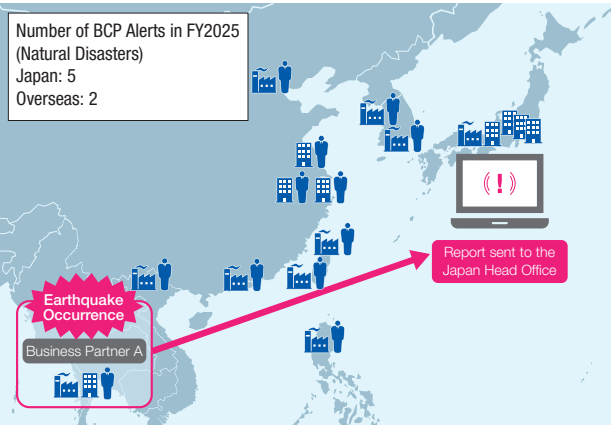
Procured Material Risk Rating Definitions

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

Response to Natural Disaster and Geopolitical Risks

In Japan, we utilize a disaster prevention system that can identify business partners located in areas subject to special warnings for earthquakes or weather. 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 implement countermeasures. We have expanded the scope of registration of this Japan disaster prevention system to include secondary business partners, with approximately 13,000 sites registered in fiscal 2025.

To respond to disasters occurring overseas, we introduced a new disaster prevention system in fiscal 2025 and registered approximately 200 sites. In fiscal 2026, we will expand the scope of registration to include secondary business partners, aiming to further strengthen our global BCP, accelerate emergency response, and reinforce preventive risk measures.



Compliance with the SME Transactions Act and the Act on Promotion of Entrusted SMEs (Promotion Standards)

Each month, we rigorously monitor compliance with the SME Transactions Act* (effective January 1, 2026 following the amendment of the Subcontract Act), an important law governing procurement activities. Based on transaction data from our operations and those of our consolidated subsidiaries in Japan, we verify compliance in our transactions. We also provide e-learning to all employees across the consolidated Group to ensure thorough understanding of the purpose of the law and

compliance with its provisions.

Aiming to build new partnerships with our business partners, we updated our Declaration of Partnership Building in January 2026. Under this declaration, we will ensure thorough compliance with the Act on the Promotion of Entrusted SMEs as well as promote fair and highly transparent transactions.

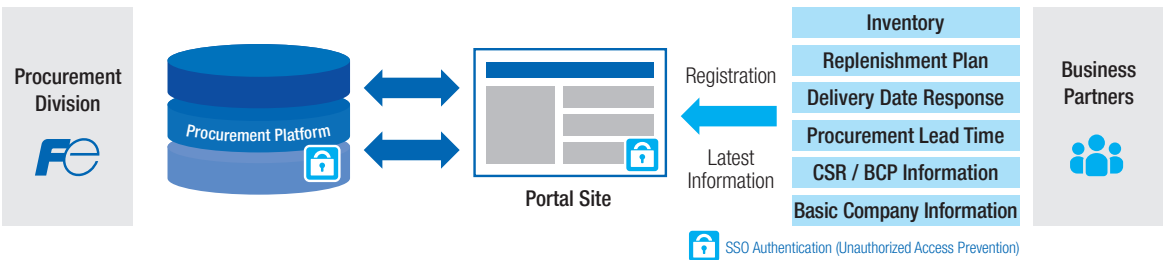
* SME Transactions Act: Act on the Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment.

Digital Collaboration on Procurement Information

By digitally linking procurement information with that of our business partners, we aim to reduce inventory balances by shortening procurement lead times, respond flexibly to fluctuations in production volume, and achieve stable procurement that does not affect production processes while improving operational efficiency.

In fiscal 2025, we began operation with 10 major business

partners. Business partners have told us that “early identification of priority items has improved operational efficiency.” Going forward, we will expand the number of business partners with which we digitally link information and promote greater operational efficiency and stable procurement for both parties.





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 significant impact on a global scale. The frequent occurrence of natural disasters around the world and the serious impacts on ecosystems have become threats that cannot be overlooked for the sustainability of society and the economy. It is becoming increasingly important for our company to accelerate the transition to a circular economy in addition to decarbonization.

Under the Fuji Electric Basic Environmental Protection Policy, we have positioned global environmental protection as an important issue for management and formulated the Environmental Vision 2050. As our Fiscal 2030 Targets, we have set the reduction of greenhouse gas emissions in line with the 1.5°C level for temperature rise set by the Paris Agreement and the promotion of a circular economy, and are working to reduce environmental impacts throughout the supply chain. The results of our periodic review of the Fiscal 2030 Targets conducted in fiscal 2025 confirmed that the targets are expected to be achievable through the major initiatives being implemented as planned.

We view society’s demands regarding environmental issues as growth opportunities for the energy and environment businesses that form a pillar of our management policies. We have placed an “offense and defense” environmental strategy at the core of our business and are advancing both sides of environmental management: “offense,” which responds to decarbonization demand by expanding GX (green transformation) products, and “defense,” which responds to international regulations and requirements, such as the achievement of our own environmental targets.

We will also work to make appropriate disclosures in line with new standards, including the Japanese Sustainability Standards Board of Japan (SSBJ) standards, in addition to responding to the Task Force on Climate-Related Financial Disclosures (TCFD) and Taskforce on Nature-Related Financial Disclosures (TNFD), in order to improve the transparency of corporate environmental activities, risks, and opportunities as demanded by investors, customers, and the international community.

Going forward, our challenges are to formulate Fiscal 2035 Targets, strengthen our response to the circular economy, and create GX products that will strongly drive society’s decarbonization, together with the technological and production innovations that support them. We will continue to make full use of the technologies we have developed in the energy and environmental fields and contribute to the creation of a sustainable society.

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 Targets

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 CO ₂ 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%

Offense and Defense in the GX Strategy to Drive Sustainable Growth

Fuji Electric views contributing to a decarbonized society as its greatest growth opportunity and is vigorously promoting the GX Strategy as a pillar of its management policies. The strategy consists of two pillars: offense, which expands business by

helping to decarbonize society through superior products, and defense, which minimizes environmental impacts from our own activities and responds to international regulations and requirements.

GX Strategy Framework: Offense and Defense



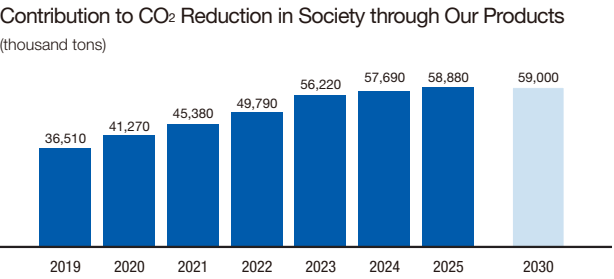
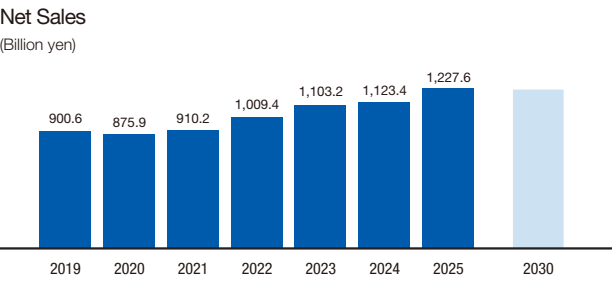
Offense Initiatives: Capture Decarbonization Demand and Expand Business

We are strengthening our provision of environmental products that support the efficient and clean use of energy. By leveraging our technological strengths in the energy and environment fields to address the decarbonization challenges facing society and our customers, we will achieve sustainable growth.

Defense Initiatives: Respond to Regulations and Requirements and Reduce Our Own Greenhouse Gas Emissions

We are working to thoroughly reduce greenhouse gas emissions throughout the supply chain. This initiative forms the foundation for fulfilling our corporate social responsibility.

Growth from Offense and Results from Defense



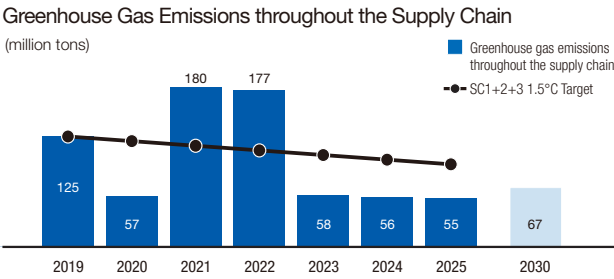
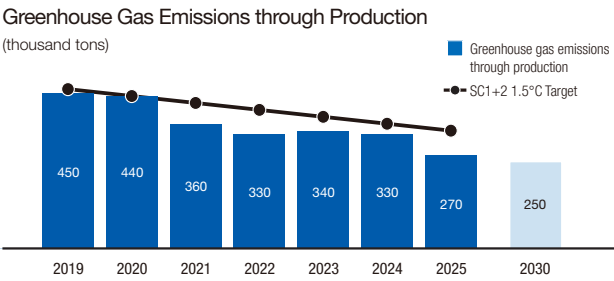
Our contribution to CO₂ reduction through our products has increased substantially as GX products have gained widespread adoption in society in step with the growth of our energy and environment businesses, making a major contribution to decarbonization.

Outlook toward the Fiscal 2030 Targets

In addition to the ambitious targets of reducing emissions throughout the supply chain by 46% or more from fiscal 2019 levels and contributing to more than 59 million tons of CO₂ reduction in society by fiscal 2030, we have set a goal of transitioning to environmentally friendly products to promote a circular economy.

We will continue to install solar power generation equipment at our production bases, expand purchases of renewable electricity,

(Years shown are fiscal years)

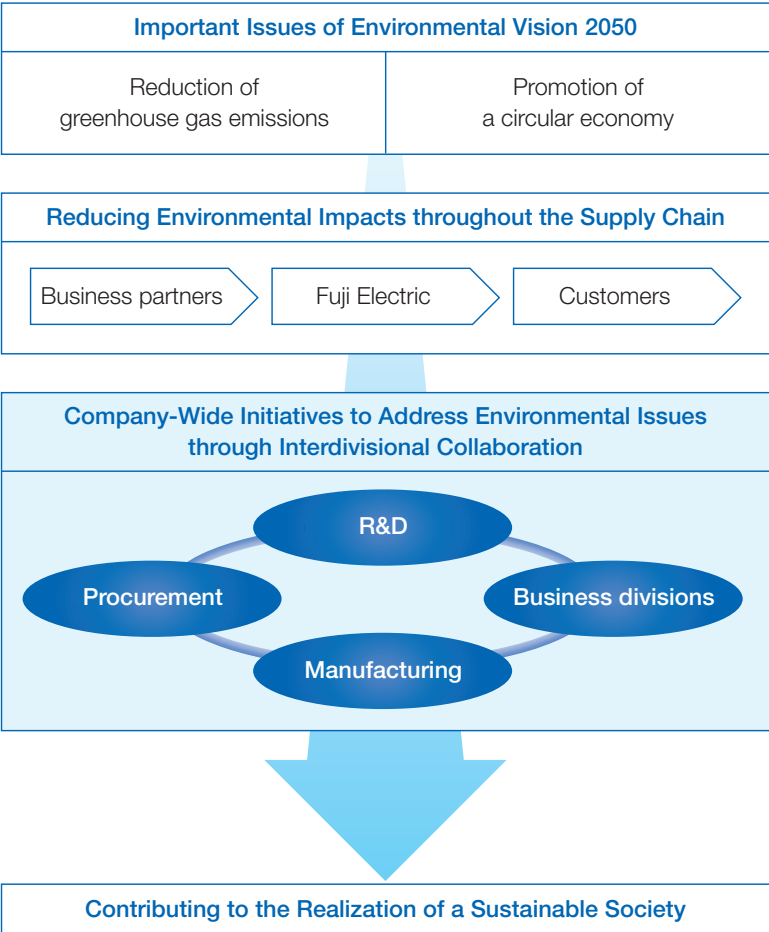


Greenhouse gas emissions from our own production activities decreased 40%, from 450,000 tons in fiscal 2019 to 270,000 tons in fiscal 2025. Together with reductions in emissions throughout the supply chain, we are making steady progress toward our Fiscal 2030 Targets. While net sales have grown to more than ¥1 trillion, we have achieved “decoupling,” reducing greenhouse gas emissions even as the business grows.

and electrify fuel-consuming equipment. At the same time, we will promote the adoption of next-generation power semiconductors and high-efficiency energy management systems and launch new products in new areas of decarbonization demand. Through the further development of our GX Strategy, Fuji Electric will continue to take on the challenge of the creation of a sustainable society and further business growth.

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. Through interdivisional collaboration among business, R&D, procurement, and manufacturing, and across the entire supply chain, including business partners and customers, we are advancing the environmental vision from a medium- to long-term perspective to address these challenges and contribute to the creation of a sustainable society.



Procurement

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, since fiscal 2025 we have been asking each business partner to calculate its greenhouse gas emissions for procured goods. With our business partners, we will identify collaborative areas for reduction through interviews and formulate action plans. Meanwhile, to calculate carbon footprint (CFP)^{*1} on a per-material basis, we have formulated the Fuji Electric CFP Procurement Guidelines and begun collecting 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.

Research and Development

We are carrying out research and development aimed at creating new products that meet new needs related to 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 that contribute to reducing environmental impacts, 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.

Manufacturing

To achieve a reduction of over 46% in greenhouse gas emissions (Scopes 1+2) by fiscal 2030 (compared to fiscal 2019), we are systematically advancing innovation and enhancement of production technologies and energy-saving measures. Specifically, in addition to process transformations such as electrifying fossil-fuel-consuming equipment and lowering temperatures in drying and baking processes, we are using design for manufacturing (DFM)^{*2} from the design stage to reduce energy use per product. We are also using digital design information to promote automated CFP calculation and visualization. In addition, we are systematically optimizing equipment control, upgrading to the latest energy-efficient equipment, installing solar power generation equipment, and expanding purchases of renewable electricity. In our efforts to realize a circular economy, we are thoroughly improving material yields and expanding reuse and the use of recycled materials. By promoting zero emissions to minimize waste and managing and reducing the use of chemical substances, we are pursuing both comprehensive reduction of environmental impacts and sustainable manufacturing.

^{*2} DFM: Designing for ease of manufacturing.

Businesses and Products

As a company operating in the energy and environment fields, we contribute to achieving carbon neutrality in society through our products. Leveraging the synergy between our strengths in power semiconductors and power electronics, we will promote the adoption of high-efficiency equipment, including SiC (silicon carbide) power semiconductors that significantly reduce the energy consumption and weight of various power conversion equipment, and uninterruptible power systems for data centers that achieve 97% system efficiency. We will also provide solutions globally to minimize power losses, ranging from renewable energy plants such as geothermal and hydropower to energy management systems (EMS) that optimize the use of heat and electricity at factories. For the circular economy, all divisions are collaborating to advance the transition to environmentally friendly products. Through compliance with Ecodesign for Sustainable Products Regulation (ESPR) and CFP requirements, we will pursue reduced environmental impacts throughout the product lifecycle.

Business partners

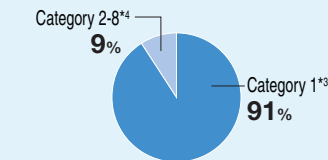
Fuji Electric

Customers

Collection of CFP Primary Data

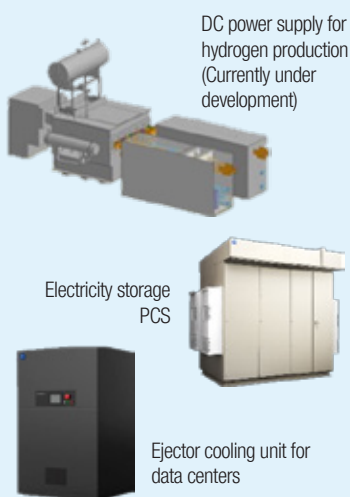
In fiscal 2025, for five representative product models—can vending machines, low-voltage inverters, power semiconductor modules, transformers, and magnetic switches—we began a survey of primary data (Scope 3, Category 1) for approximately 3,300 items from around 250 business partners in Japan.

Breakdown of the Company's Upstream Scope 3 Greenhouse Gas Emissions



^{*3} Category 1: Purchased goods and services
^{*4} Category 2-8: Capital goods, transportation, waste, etc.

Examples of New GX Products



Reducing Environmental Impacts throughout the Supply Chain for Low-Voltage Inverters

We obtained certification for using 100% renewable electricity at our Suzuka Factory low-voltage inverter production line. The factory has promoted the installation of solar power generation equipment and energy-saving measures, and in July 2025, the production line achieved operation using 100% renewable electricity. We are also participating in the Development and Verification of a New System to Certify and Display Actual CO₂ Emission Reductions from Motors/Inverters, announced by the Japan Electrical Manufacturers' Association (JEMA). We are advancing visualization of CO₂ emission reductions during the product operation stage of low-voltage inverters and working to reduce environmental impacts throughout the supply chain for low-voltage inverters.



Solar power generation equipment at Suzuka Factory



Low-voltage inverters

Initiatives to Achieve a Decarbonized Society

Fiscal 2025 Results and Progress

Environmental Vision Fiscal 2030 Indicators	FY2024	FY2025			FY2030
	Result	Target	Result	Measures	Target
Greenhouse gas emissions throughout the supply chain (Scope 1+2+3) (million tons)	56	—	55	•Increase percentage of 7th-generation IGBTs	67 or less
Reduction rate (compared to 2019)	-55%	—	-56%		Over -46%
Greenhouse gas emissions through production (Scope 1+2) (thousand tons)	330	340	270	•Expand installation of solar power generation equipment at the Company's production bases •Upgrade to energy-efficient equipment •Electrification of fuel-consuming equipment •Expand purchasing of renewable electricity	250 or less
Reduction rate (compared to 2019)	-27%	-24%	-40%		Over -46%
Contribution to CO ₂ reduction in a society through our products (thousand tons)	57,690	—	58,880	•Preparations for the transition to environmentally friendly products	Over 59,000

Major Initiatives in FY2025

As part of our initiatives to reduce greenhouse gas emissions from production, we have promoted installation of solar power generation equipment at our production bases since fiscal 2022. In fiscal 2025, we newly installed and began operating the equipment at three bases in Japan. We also engaged in energy-saving initiatives across all production bases, selecting high-efficiency equipment that delivers significant energy savings when replacing infrastructure and production facilities, as well as advancing initiatives such as the electrification of fuel-consuming equipment. At our semiconductor production bases, which

Initiatives toward FY2030

Based on projected production plans through fiscal 2030, we verified the feasibility of our greenhouse gas reduction plan and the achievement of our targets.

We confirmed that we are expected to achieve our Fiscal 2030 Targets for each indicator, including reducing greenhouse gas emissions throughout the supply chain—which covers our own production activities (Scopes 1+2) as well as material procurement, product shipment, and post-delivery emissions

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

We calculate greenhouse gas emissions throughout the 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 SiC products. We are also promoting collaborative activities with our business partners in upstream Category 1 of the supply chain. We aim to reduce greenhouse gas emissions throughout the supply chain toward achieving the Fiscal 2030 Targets.

consume large amounts of electricity, we expanded the number of 20-year off-site PPA*1 contracts to increase purchases of renewable electricity and secure a stable supply.

Regarding emissions during product use (Scope 3, Category 11), which account for approximately 94% 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.

(Scope 3)—and contribution to CO₂ reduction in society through our products.

Our Fiscal 2030 Targets have been certified by the SBTi*2 as reduction targets that exceed the Japanese government's decarbonization target (NDC*3), and we are considering reduction targets through fiscal 2035 and plan to renew the certification.

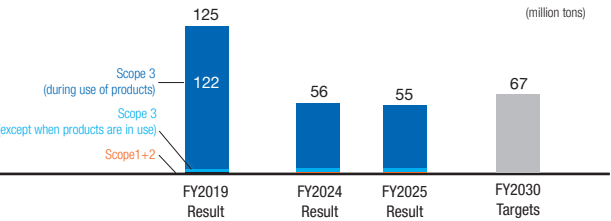
*2 SBTi: An international initiative that certifies science-based greenhouse gas emissions reduction targets (SBTs)
*3 NDC (Nationally Determined Contributions): The contributions set by a country.

Greenhouse Gas Emissions and Reductions throughout the Supply Chain

[Scope 3 Category 11] Emissions* and main products (fiscal 2025)

Energy	0.3 million tons (industrial substations, etc.)
Industry	6.5 million tons (low-voltage inverters, drive control, etc.)
Semiconductors	44.0 million tons
Food and Beverage Distribution	0.7 million tons (store distribution, etc.)

* Emissions = Number of units shipped in the fiscal year × Lifetime emissions per product unit



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

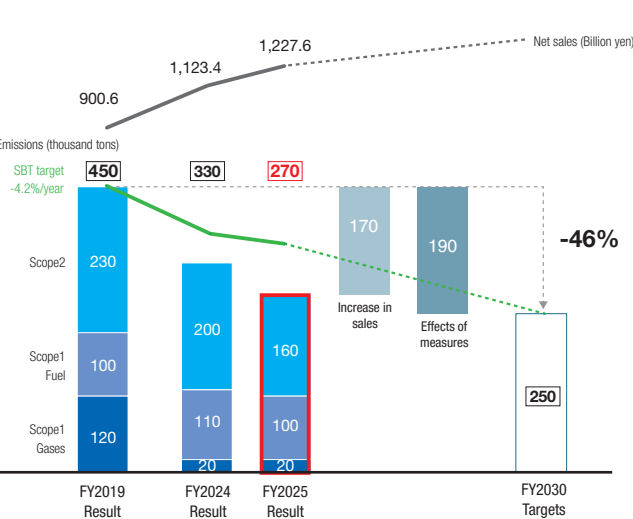
Based on projected production increases under the Medium-Term Management Plan, we are advancing measures to achieve a reduction of over 46% in greenhouse gas emissions from production (compared to fiscal 2019).

To expand our purchasing of renewable electricity, we are securing a stable supply through long-term contracts, and we aim to increase the share of renewable electricity in our total company-wide purchased electricity*4 from 27% in fiscal 2025 to 55% by fiscal 2030.

*4 Amount of purchased electricity: 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 three bases in Japan in fiscal 2025. New installations or expansions are planned at six bases in Japan by fiscal 2027 (bringing the total number of bases with installations in Japan and overseas to 22).
Updating to energy-efficient equipment	Replace production facilities, air conditioning, and lighting equipment with the latest energy-saving models
Electrification of fuel-consuming equipment	Replace fuel-consuming equipment, such as boilers and heating furnaces, with electric equipment
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

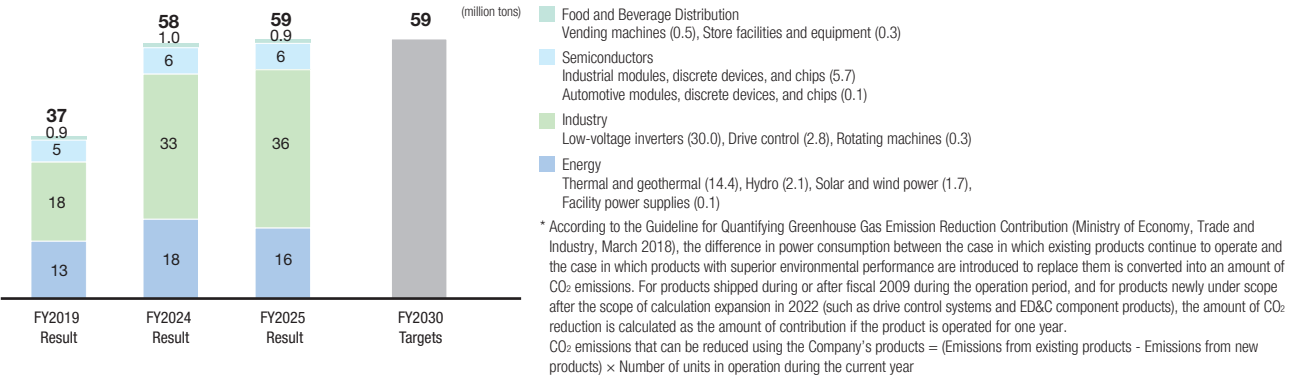
We have calculated the contribution to CO₂ reduction in society through our products since fiscal 2009. In fiscal 2025, contributions increased, primarily from inverters and power semiconductor products, reaching 59 million tons, up year on year.

Following the publication of IEC 63372, an international

standard for calculating reduction contributions, in January 2026, we are in the process of revising our conventional calculation method to align it with the method specified by the standard. We will strive for more objective disclosure and further expand our contribution to CO₂ reduction.

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 Included in the Calculation (Fiscal 2025 Result)

(Billion yen)

	Energy	Industry	Semiconductors	Food and Beverage Distribution	Total
Net sales of contributing products included in the calculation	29.0	46.5	194.3	58.7	328.4
Total net sales	394.2	467.2	237.4	108.0	1,227.6
Composition ratio	7%	10%	82%	54%	27%

* The main contributing products included in the calculation are those listed in the legend of the graph above. Other products are excluded because it is difficult to objectively calculate their contribution to CO₂ reduction, as operating conditions (load factor, operating hours, etc.) vary by project.

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

Fiscal 2025 Results and Progress

Fiscal 2030 indicators	FY2024	FY2025			FY2030 Targets
	Result	Target	Result	Key measures and activities	
Final waste disposal rate*1 (%)	0.15	Less than 0.5	0.08	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	0.12	—	0.004	Improved through development of waste disposal contractors	
Water consumption per unit of sales (1,000 m³/100 million yen)	0.9	—	0.81	Recycling at semiconductor factories	1.2 or less
Volatile organic compounds (tons)	509	800 or less	471	Recovery rate improvement	800 or less
Transition to environmentally friendly products	—	—	—	Launch of Environmentally Friendly Product Planning WG; preparations for compliance with ESPR*2	—

*1 Final waste disposal / Total waste generated
*2 ESPR: Ecodesign for Sustainable Products Regulation

Major Initiatives in FY2025

Regulations for the transition to a circular economy are advancing, particularly in Europe, and companies are required to implement initiatives to reduce environmental impacts throughout the supply chain and comply with information disclosure requirements. In fiscal 2025, to transition to environmentally friendly products, we newly launched the Environmentally Friendly Product Planning WG, advanced initiatives to reduce environmental impacts from the product design stage, and began developing proprietary evaluation items based on ESPR

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

and preparing revisions to the Environmentally Friendly Design Standards.
We also worked to reduce final waste disposal, strengthening sorting and developing waste disposal contractors at overseas production bases, and maintained the high level of performance, with a final waste disposal rate of 0.08%. At production bases in Japan, we promoted plastics recycling and reduced the final waste disposal rate to 0.004%.

environmental impacts, we are working to create a framework to support CFP calculation and the Digital Product Passport (DPP)*3.
*3 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

We have made the transition to environmentally friendly products, which reduce environmental impacts throughout the entire product lifecycle, a pillar of our efforts to promote a circular economy. We focused on compliance with international regulations, including ESPR, and on establishing internal systems.

Development of Proprietary Evaluation Items and Analysis of Current Status

We investigated and analyzed ESPR requirements and developed 20 proprietary evaluation items, including durability, recyclability, and CFP. Based on these items, we completed assessments of the applicability of these evaluation items to representative models such as low-voltage inverters and vending machines and clarified the issues.

Fundamental Revision of Company-Wide Design Standards

We are preparing to revise our internal Environmentally Friendly Design Standards to integrate the requirements of the international standard IEC 62430 and ESPR. In addition to conventional energy and resource savings, we are establishing systematic guidelines covering resource efficiency and information disclosure.

Future Plans

In fiscal 2026, we will focus on expanding the use of recycled materials, primarily plastics, and promote the establishment of procurement schemes in collaboration with our business partners and the development of design technologies for easy disassembly. With a view to addressing the DPP, we will also begin trials of life cycle assessment (LCA) to understand environmental impacts other than CFP. Through these efforts, we will contribute to a sustainable society while strengthening product competitiveness in the market through environmentally friendly products.

Diagram of Environmentally Friendly Products

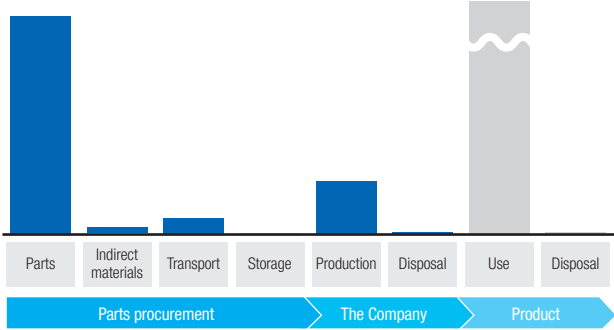


Addressing Product Carbon Footprint (CFP)

We are promoting the calculation and reduction activities of product carbon footprint to visualize greenhouse gas emissions throughout the entire product lifecycle and contribute to our customers' decarbonization.
In fiscal 2025, we formulated the Fuji Electric CFP Calculation Rules Ver. 1.0, which comply with international standards, including ISO 14067, and Japanese guidelines. The scope is Cradle-to-Grave (from resource extraction to disposal and recycling), enabling us to quantify emissions throughout the entire product lifecycle. We also developed the CFP Management Solution to improve calculation efficiency and reliability. Following trials in each Business Group, full-scale operation of this CFP calculation system will begin in fiscal 2026.

Collecting primary data for raw materials and components is essential to improving CFP accuracy. In July 2025, we published the CFP Procurement Guidelines, held briefing sessions for business partners and formulated action plans, and are promoting collaborative activities to collect primary data for key materials.

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 TCFD*4 in June 2020, we have continued to reflect the impacts of climate change on our business in our strategies and disclose information. In fiscal 2024, we introduced the TNFD*5 framework and began assessing our production bases' dependencies and impacts on natural capital; in fiscal 2025, we are deepening these assessments further.
*4 TCFD : Task Force on Climate-related Financial Disclosures
*5 TNFD : Taskforce on Nature-related Financial Disclosures

Integrated TCFD/TNFD Report Issued in July 2026

Climate change and natural capital are deeply interdependent and interact in complex ways. We regard them as an integrated set of risks and opportunities, and in July 2026 we issued an integrated report to provide stakeholders with a more unified and comprehensive understanding of our overall environmental management.

Overview of Integrated Assessment and Disclosure

Our disclosures are based on four pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

Governance	The Sustainability Committee deliberates important climate- and nature-related issues across the Company, and we are strengthening the framework for oversight by the Board of Directors.
Strategy	In addition to our conventional 1.5°C/4°C scenario analyses, we expanded application of the LEAP approach recommended by the TNFD from our own bases to upstream areas of the value chain (e.g., mineral extraction), identifying priority issues directly linked to management.
Risk Management and Metrics	We integrate the identified risks into our company-wide management system and rigorously monitor progress toward our targets through KPIs such as greenhouse gas reduction and the water recycling rate.

For details, please refer to the Integrated TCFD/TNFD Report.

Integrated TCFD/TNFD Report
https://www.fujielectric.com/csr/global_environment/environment01/tcfd-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.

Based on the human resource strategy in the FY2026

Medium-Term Management Plan, we are working toward the 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 are 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.

Furthermore, reflecting on our achievements and challenges to date, we are considering the next Medium-Term Management Plan with the aim of further enhancing corporate value. To maintain unwavering competitiveness even in an era of rapid change, we will accelerate the strengthening of our growth foundation through human resources.

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	FY2025 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	11.1%	11.2%

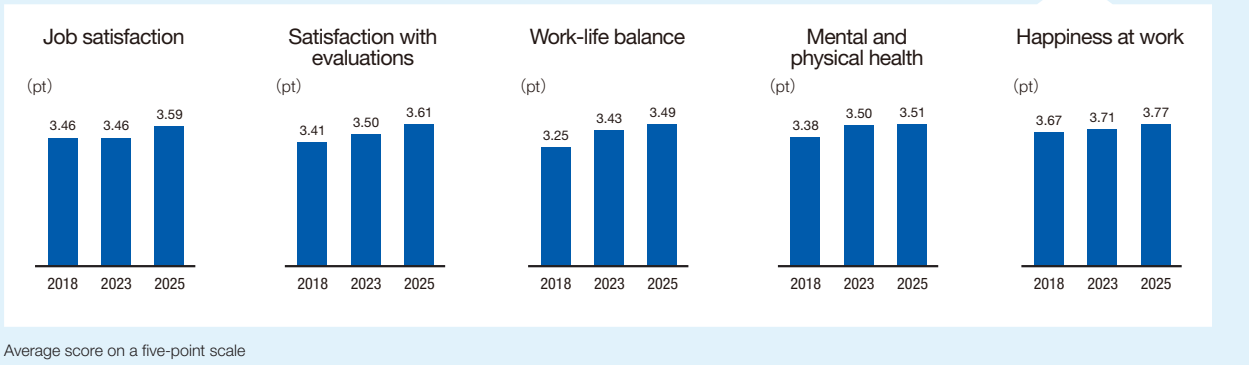
Important Issues	Main Measures and Systems	KPIs	FY2025 Results	FY2026 Targets
Promoting the active participation of diverse human resources				
Promoting the active participation of female employees	Career development support Creating a comfortable working environment	Number of female employees in supervisory positions	361	450
		Ratio of female managers	4.1%	4.8%
Promoting the active participation of senior employees	General employees: Age 65 Retirement System Managers: Reemployment system after age 60 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*4	2.95%	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	18.9 hours	Maintain less than 20 hours
		Average number of paid vacation days acquired annually	18.7 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 (Executive Officer candidates)	47	50
Career development support	Internal open application system Career education by generation Strengthened cultivation of global human resources Strengthened cultivation of digital human resources	Career autonomy awareness*3	3.5 pt	3.6 pt or higher

*1 Average response value to the representative question gauging overall satisfaction with the Company: "I am satisfied working at Fuji Electric"
*2 Average response value to questions regarding job satisfaction, satisfaction with evaluations, work-life balance, mental and physical health, and happiness at work.
*3 Average response value to the question: "Do you have a clear career goal for yourself (what you want to be in the future)?"
(*1-3 are average responses on a 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, excluding Fuji Electric Engineering & Construction Co., Ltd.)
*4 Employment rate of differently abled people as of June 2026

Annual Employee Awareness Surveys

We conduct an annual employee awareness survey of employees in Japan and overseas to understand the current level of awareness of our management policies and satisfaction with the Company, workplace, and jobs, as well as to analyze changes over time.

The survey results are used not only to review each division's performance and improve organizational management, but are also reflected in a timely manner in measures such as revisions to the compensation system, support for employee career development, and the expansion of various training programs. Through these efforts, we are creating a more comfortable and motivating working environment while addressing issues across the organization.



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 place particular emphasis on career development support by employee level and continue to implement measures that contribute to career development for female employees.

In fiscal 2025, we newly introduced the Mentorship Program for Female Managers to help them develop the mindset needed to become management leaders.

Main Initiatives

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
Sister System	A cross-divisional mentorship program with senior female employees as advisors
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.
Registration as next-generation management human resources	In fiscal 2025, 15 female employees were registered.
Training for female managers	Training for female managers to acquire the skills necessary to participate in management
Mentorship Program for Female Managers	The Mentorship Program for Female Managers with experts serving as mentors. The program helps participants develop the mindset needed to become management leaders.



Kick-off of the 15th Sister System program

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

	2023 (end of fiscal year)	2024 (end of fiscal year)	2025 (end of fiscal year)	2026 (end of fiscal year) (Target)
Ratio of female employees	13.8%	13.9%	14.1%	—
Ratio of females hired*1	21%	20%	22%	20% or higher
Ratio of female managers*2	3.6%	3.8%	4.1%	4.8%
No. of female employees in supervisory positions*3	336	342	361	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 2025)

	Overseas consolidated	(Reference) Consolidated Japanese and overseas
Ratio of female hired	39.3%	24.4%
Ratio of female managers	24.5%	9.2%

Overview of the Mentorship Program

As part of its support for the career advancement of female employees, which contributes to the active participation of diverse human resources, Fuji Electric introduced the Mentorship Program for Female Managers. Through the mentoring process, participants are supported in envisioning the kind of leader they aspire to become and in formulating and implementing action plans to achieve that vision.

Comment from a Participant

Dialogue with an external mentor gave me a valuable opportunity to recognize strengths I was not even aware I had. The process of envisioning the person I want to become based on my own strengths was refreshing, and it enabled me to clearly envision my future vision and next steps. Interacting with the other participants also strengthened horizontal ties among female managers within the Company. At the final presentation, my supervisor gave me warm words of encouragement, and I intend to make full use of what I learned through this program in my future career development. (Energy & Control Engineering Department, Energy Business Group)



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.

	FY2023	FY2024	FY2025
General employees: Number of employees aged 60 and older* (Employment rate)	301 (85.5%)	266 (81.6%)	270 (81.6%)
Managers: Number of employees aged 60 and older* (Employment rate)	127 (94.8%)	129 (92.1%)	155 (96.3%)
Employees subject to the Employment Guidelines for Employees over 65	413	444	437

* Through fiscal 2024: Number and rate of employees selecting retirement extension; From fiscal 2025: Number and rate of employees employed after age 60

For general 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 2026, approximately 450 employees are actively working under this system, primarily in plant and system engineering and successor mentoring.

Promoting the Active Participation of Differently Abled 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 PC-based office support and cleaning, it is actively working to expand the scope of duties

to include assembly work on manufacturing lines and manufacturing support.
As of June 2026, we employed 458, and the employment ratio of differently abled people was 2.95%, 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

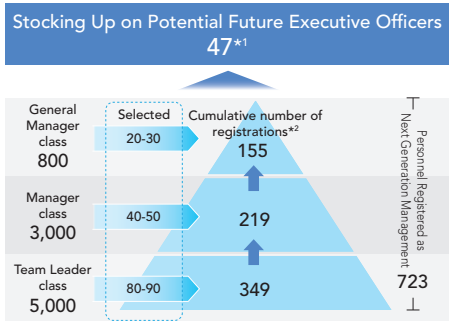
In the Fuji Electric Code of Conduct, we have expressed our commitment to reinforce human resource cultivation to achieve the development of each individual employee as well as the collective strength of the team. We are working to enhance the cultivation of human resources who can demonstrate strong 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, six Executive Officers have been appointed since fiscal 2024.



*1 Number of registered next-generation management human resources
*2 Cumulative number of registrations is cumulative from fiscal 2017 to 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 (56 employees in total since fiscal 2017), providing training in Japan to employees from overseas bases (158 employees in total), and operating and improving language classes in Japan

(2,327 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 2025, 24 of these candidates participated in a special program.

Career Development Support

We are working to support career development in order to improve expertise through employees’ autonomous career development and thereby enhance the Company’s collective strengths.

In fiscal 2025, we introduced career training by age group, attended by 449 eligible employees and 335 supervisors. Under

the internal open application system, 20 employees transferred to divisions of their choice. In addition, to shift toward autonomous skill development, we are expanding elective training content in level-specific training programs and open courses.

Reskilling and DX Human Resource Development

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

In particular, we are actively cultivating digital human resources to solve issues using advanced DX technologies such as AI and the IoT, create new value, and improve the productivity of internal

operations. We provide education to improve DX literacy not only for engineers responsible for development, but also for employees in production and sales/service divisions. Over the five years from fiscal 2021 through fiscal 2025, more than 10,000 unique participants and more than 39,000 participants in total attended DX-related courses.

Creating a Motivating Workplace

Revision of Personnel and Compensation Systems

To achieve further growth at Fuji Electric, we have fundamentally revised our personnel and compensation systems for the first time in 22 years. Based on the management policy to “maximize our strengths as a team, respecting employees’ diverse ambition,” the revisions are aimed at realizing our human resource strategy vision of “a virtuous cycle of employee well-being and the Company’s sustainable growth” by promoting employee growth and stronger management while creating an innovative organization that can quickly detect signs of change through diverse values and respond in a timely and flexible manner.

For general employees, we are changing the basis of compensation from a function to a role, which reflects the present value of an employee’s work. This change aims to help

employees to develop their careers autonomously by recognizing their own roles and improving their expertise, while also motivating them to take on larger roles. In addition, by establishing the position of Assistant Manager on top of planning as a new management level, we will cultivate strong next-generation leaders, strengthen line management, and raise the level of our organization to be competitive and flexible so we can facilitate active participation of diverse human resources.

For managers, we have introduced a Professional Position System as one career path for employees, with the aim of making even greater use in management of employees with advanced expertise. Five employees were certified under the system in fiscal 2026.

[Comment from the Senior Manager of the Human Resources Department] Toward “Employee Growth” and “Organizational Transformation”

As the business environment changes due to factors such as a shrinking working-age population and increasingly advanced technologies, sustainable growth with limited human resources requires us to strengthen line management while ensuring that each employee continues to improve expertise and productivity and maximize team results. To promote the active participation of diverse human resources, it is also important to strengthen management at the individual level in line with each person’s views on work and stage of life. Through these revisions, we aim to achieve “employee growth” and “organizational transformation” for the next stage.



Human Resources Department members involved in revising the personnel and compensation systems

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 2025, average overtime hours were 18.9 hours per month (up 0.3 hours year on year), while the average number of vacation days taken was 18.7 days per year (up 0.4 days year on year), remaining largely unchanged from the previous fiscal year but showing significant improvement compared with fiscal 2019. There were no legal violations with regard to either working hours or vacation use.

We also strengthened work-life balance support by expanding work arrangements for family nursing care.

In terms of the workplace environment, with the aim of

	FY2019	FY2025
Average overtime hours per month	23.8 hours	18.9 hours
Average number of paid vacation days acquired annually	16.5 days	18.7 days
Total number of days worked at Home / satellite offices	3,207	102,090
Childcare leave system	302	309
Number of male employees who took childcare leave (acquisition rate, average number of days taken)	197 (84.5%, 63 days)	213 (93.8%, 93 days)

* Childcare leave includes special paid leave when an employee’s spouse gives birth.

improving productivity by creating a more comfortable working environment, in fiscal 2025 we introduced hot desking in all workplaces at the Osaki operating site. We also established a new Sozo Area at the Osaki operating site to encourage more active communication among employees.

Sozo Area

As part of our efforts to create a motivating workplace, we opened the Sozo Area on the 13th floor of the head office. Its name derives from the two sozos—imagination and creativity, which are drivers of innovation—referred to in the President’s message. We respect each individual’s power of sozos and promote diverse ways of working.

The meeting area (Sozo Base) and refreshment space (Sozo Lounge) have been designed with different atmospheres. Alcohol may also be consumed in the Sozo Lounge after regular working hours, helping to encourage interaction across organizational and hierarchical boundaries.



General Affairs Department project members

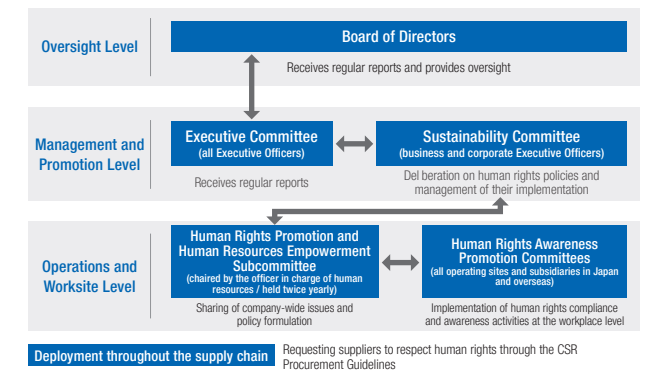
Respect for Human Rights

Fuji Electric supports and respects international norms including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (UNGPs), and Section 54 of the UK Modern Slavery Act. The Fuji Electric Code of Conduct begins with the commitment to “respect and value all people,” and we have established the Policy for Human Rights of the Employees. In our supply chain as well, we have established the Fuji Electric CSR Procurement Guidelines and are working with business partners to build a sustainable social foundation that respects human rights.

Governance Framework

We have established an effective framework that combines oversight by top management with implementation at the workplace level. The Sustainability Committee, comprising Executive Officers including the officer in charge of human resources, deliberates on policies and measures, monitors progress, and regularly reports to the Board of Directors. The Human Rights Promotion and Human Resources Empowerment Subcommittee shares company-wide issues and formulates policies, while Human Rights Awareness Promotion Committees at each operating site and consolidated subsidiary in Japan and overseas ensure thorough compliance with human rights at the workplace level.

Human Rights Governance Framework

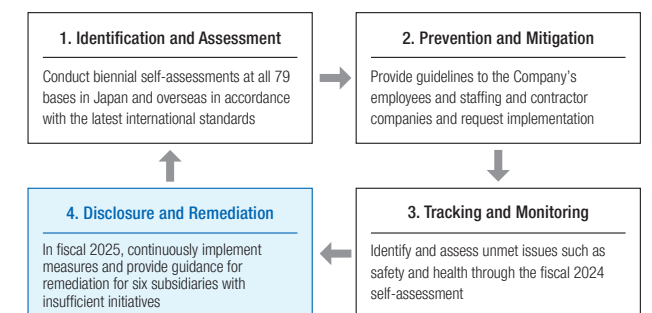


Promotion of Human Rights Due Diligence

Based on the “Protect, Respect and Remedy” framework required by the UNGPs, we continuously run the process of identifying, mitigating, and addressing adverse impacts on human rights through the PDCA cycle in order to reduce human rights risks.

As a result of the fiscal 2024 human rights and labor assessment, in fiscal 2025 we continued from the previous fiscal year to provide improvement guidance to six subsidiaries whose initiatives were insufficient in areas such as overtime work exceeding regulations and labor-management agreements, health measures for employees working long hours, and the existence of a health and safety policy.

Human Rights Due Diligence PDCA Cycle



Supply Chain Initiatives

To prevent human rights risks, we conduct an annual self-assessment of CSR procurement for major business partners accounting for the top 80% of transaction value. By confirming compliance with the Fuji Electric CSR Procurement Guidelines and engaging in dialogue, we are steadily improving human rights, labor, and health and safety practices.

P43, 44 Sustainable Procurement

Remedy Mechanisms

We have established and operate multiple contact points to enable early detection and reliable remediation of human rights violations.

Contact Point / System Name	Eligible Parties	Features	Reports in Fiscal 2024	Reports in Fiscal 2025
Business Ethics Whistle-Blowing Systems	All employees, business partners, etc.	Anonymous reports accepted. Reports can be made directly to the compliance division or external lawyers.	25	55
JaCER Engagement and Remedy Platform	All stakeholders	External third-party platform compliant with the UNGPs. Ensures objectivity, fairness, and transparency in grievance handling through a third-party contact point	—	0

* Of reports submitted through the Business Ethics Whistle-Blowing Systems, all cases in which violations were found have been addressed through corrective measures and measures to prevent recurrence (3 cases in fiscal 2024, 5 cases in fiscal 2025).

* JaCER: Japan Center for Engagement and Remedy on Business and Human Rights. Fuji Electric has participated in the Engagement and Remedy Platform since fiscal 2025.

* In addition to the above, employee human rights consultation desks are available at all bases in Japan.

Human Rights Education

We continuously provide education to foster an organizational culture that respects human rights. In fiscal 2025, 10,756 employees, from new hires through management-level employees, completed e-learning. We also provided company-wide mental health education (approximately 27,000 participants in total), among other initiatives, to instill awareness of respect for diversity.

For details on our initiatives to respect human rights, please refer to “Respect for Human Rights” on the Fuji Electric website.
<https://www.fujielectric.com/csr/social/social01/humanrights.html>

