

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.

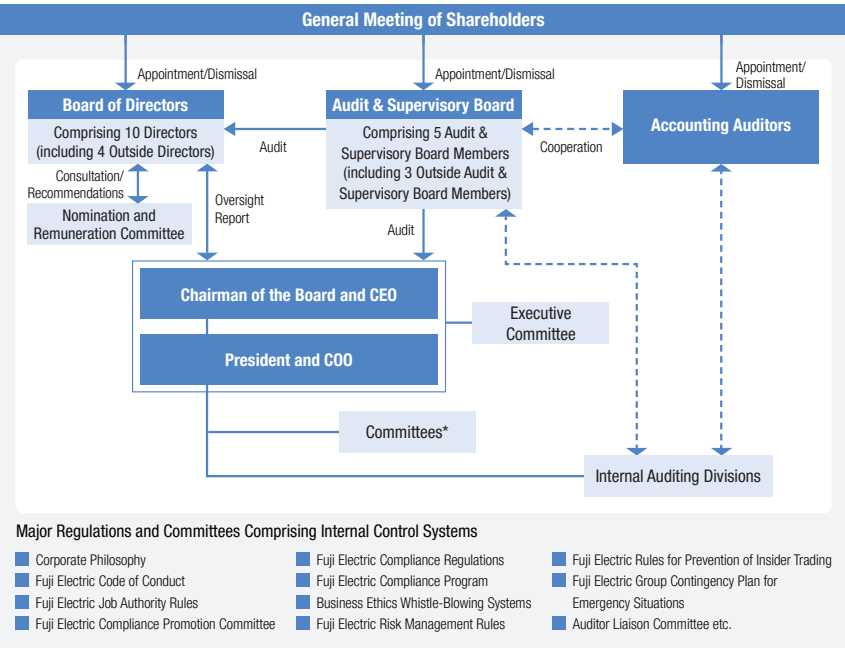
Corporate Governance Framework

Fuji Electric's corporate governance framework consists of the Board of Directors, which performs the functions of management supervision and making important decisions, and Audit & Supervisory Board Members and the Audit & Supervisory Board, which perform 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 24, 2026)



- * Committees
- | | | |
|--|--|---|
| [Key issues for Fuji Electric from a sustainability perspective] <ul style="list-style-type: none">Sustainability Committee | [Legal compliance and other key external issues] <ul style="list-style-type: none">Fuji Electric Compliance Promotion CommitteeHealth & Safety Promotion Committee | [Key business strategy issues] <ul style="list-style-type: none">Skills Development CommitteeProduction Technology CommitteeTechnology Development CommitteeInternational Standardization Committee |
|--|--|---|

Progress of Reforms for Improving the Effectiveness of Corporate Governance

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

Supervisory and Auditing Bodies *FY2025 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 2025, the following matters were deliberated on and reported to the Board of Directors: - Officer remuneration - Performance-related share-based remuneration plan - Officer personnel matters - Annual activity plan for the Nomination and Remuneration Committee, etc.	- 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. - 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	4	9

Business Execution Bodies *FY2025 results

	Executive Committee	Sustainability 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 sustainability, 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
Key Members	Chairman of the Board and CEO, President and COO, Executive Officers, Standing Audit & Supervisory Board Main Members	Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Human Resources and General Affairs Office; Corporate General Manager, Production & Procurement Group; Corporate General Manager, Power Electronics Sales Group; Corporate General Managers of Business Groups; Corporate General Managers of Business Groups; Corporate General Manager, Corporate R&D Headquarters	President and COO; Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Human Resources and General Affairs Office; Corporate General Manager, Power Electronics Sales Group; Corporate General Managers of Business Groups; Corporate General Manager, Production & Procurement Group; Corporate General Manager, Corporate R&D Headquarters, 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 and selecting themes	Deciding on and promoting policies for advancing international standardization
Key Members	General Manager, Human Resources and General Affairs Office; Corporate General Manager, Power Electronics Sales Group; Corporate General Managers of Business Groups; Corporate General Manager, Production & Procurement Group; Corporate General Manager, Corporate R&D Headquarters	Corporate General Manager, Production & Procurement Group; Corporate General Managers of Business Groups; Corporate General Manager, Corporate R&D Headquarters	Corporate General Manager, Corporate R&D Headquarters; Corporate General Manager, Corporate Management Planning Headquarters; Corporate General Manager, Power Electronics Sales Group; Corporate General Managers of Business Groups; Corporate General Manager, Production & Procurement Group	Corporate General Managers of Business Groups; Corporate General Manager, Corporate R&D Headquarters; Corporate General Manager, Power Electronics Sales Group; Corporate General Manager, Production & Procurement Group
Number of meetings per year	2	2	3	1

List of Officers (As of June 24, 2026)

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 management

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 for

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

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 Hosen 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.

 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, N&O Partners Outside Director, Ferrotec Corporation	 Noriyuki Uematsu Outside Audit & Supervisory Board Member Managing Director, Uematsu Certified Public Accountants Office Representative Director, SJ Consultant Co. Ltd. Outside Audit & Supervisory Board Member, Cybozu, Inc. Outside Audit & Supervisory Board Member, GEOLIVE Group Corporation	

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
Senior Executive Officer	Masahiro Morimoto	President and Representative Director, Fuji Electric FA Components & Systems Co., Ltd.
Senior Executive Officer	Hiroshi Ishii	Corporate General Manager, Power Electronics Sales Group; General Manager, Channel Partner Management Office
Senior Executive Officer	Kazuya Nakayama	Corporate General Manager, Corporate R&D Headquarters
Senior Executive Officer	Taizou Kishi	Deputy Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Corporate Planning Office, Corporate Management Planning Headquarters
Executive Officer	Masahito Wakabayashi	Deputy General Manager, Human Resources and General Affairs Office
Executive Officer	Masaki Suemitsu	Deputy Corporate General Manager, Power Electronics Sales Group
Executive Officer	Kentaro Toyama	Deputy Corporate General Manager, Energy Business Group General Manager, Development Division, Energy Business Group
Executive Officer	Osamu Ikawa	Deputy Corporate General Manager, Semiconductors Business Group General Manager, Business Management Division, Semiconductors Business Group

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	Main Activities
Toshihito Tamba	[Board of Directors] Attendance: 13/13 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] Attendance: 4/4 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	[Board of Directors] Attendance: 13/13 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] Attendance: 4/4 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	[Board of Directors] Attendance: 13/13 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] Attendance: 4/4 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	[Board of Directors] Attendance: 13/13 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] Attendance: 4/4 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.

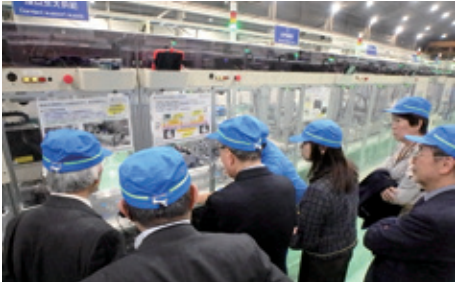
Outside Audit & Supervisory Board Members	
Name	Main Activities
Hirohiko Takaoka	[Board of Directors] Attendance: 13/13 Mr. Takaoka confirmed and offered opinions as necessary concerning agenda items and the status of Fuji Electric's business activities based on his extensive experience and considerable insight as an experienced Full-time Audit & Supervisory Board Member and any other type of executive of listed companies. [Audit & Supervisory Board] Attendance: 9/9 Mr. Takaoka confirmed and offered opinions on the legal compliance of the overall business activities of Fuji Electric.
Yuko Katsuta	[Board of Directors] Attendance: 13/13 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] Attendance: 9/9 Ms. Katsuta confirmed and offered opinions on the legal compliance of the overall business activities of Fuji Electric.
Noriyuki Uematsu	[Board of Directors] Attendance: 13/13 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] Attendance: 9/9 Mr. Uematsu confirmed matters as appropriate and offered opinions from the perspective of ensuring legal compliance for overall business activities.

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.



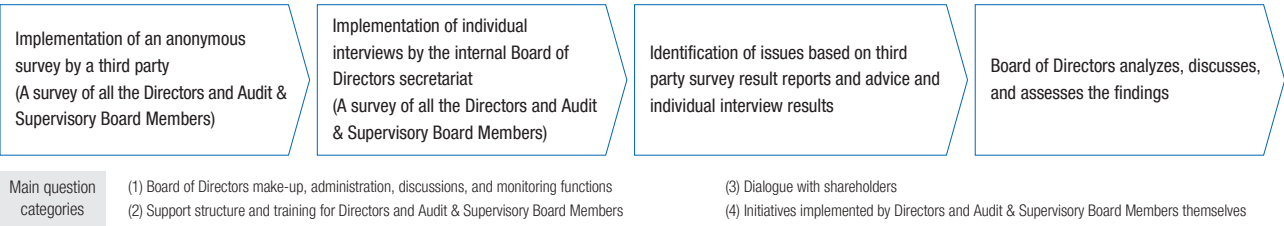
Outside Directors and Audit & Supervisory Board Members touring the ED&C components business (Fukiage Factory)

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



Main Opinions of Directors and Audit & Supervisory Board Members from the Survey and Interviews

Composition of the Board of Directors	Operation of the Board of Directors	Content of Board of Directors Discussions (Matters for Deliberation and Reporting)
In addition to diversity in nationality, it is important to cultivate human resources with an international outlook within the Company and give them management experience at overseas subsidiaries and elsewhere. The ratio of women should be increased gradually. Initiatives are also needed to cultivate and appoint female officers from within the Company. We should appoint younger people who will lead the Company in the future and reflect their perspectives in discussions, thereby bridging generational differences in perceptions and overcoming organizational vulnerabilities.	There were no cases in which insufficient deliberation time prevented adequate discussion. Open and vigorous discussions are being held. In addition to tracking the performance of each business, we need to further expand opportunities to discuss topics such as the potential for new businesses from a medium- to long-term perspective. We also need to deepen discussions on management and legal concerns with Outside Directors and Audit & Supervisory Board Members who have specialized expertise.	We need to expand discussions on measures for addressing geopolitical risks and changes in national policies and international rules, as well as on resilience and BCP. We would like to see not only the conclusions of agenda items, but more of the process and background leading to decisions. Greater transparency around the process, including the criteria used to reach those decisions, would be beneficial.

Results of Initiatives to Address the Major Issues Identified in the Fiscal 2025 Effectiveness Evaluation and the Policies on Initiatives in Fiscal 2026

Major Issues	Results of Initiatives in FY2025	Policies for Major Initiatives in FY2026
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 • Human resource measures (human resource cultivation, promoting active participation of diverse human resources, etc.) • Sustainability Committee activity report	Continue to work to enhance opportunities to report on and discuss medium- to long-term issues that contribute to corporate value enhancement. • Human resource strategy (medium- to long-term strategy and progress follow-up on measures, etc.) • Initiatives to address sustainability issues
Enhancement of the reporting required for supervising important decisions and business execution	Reports on the status of business execution from each division • Implementation status of the compliance program • Business transformation ERP project	Continue to work to enhance opportunities for each division to report on and discuss the status of business execution. • Business transformation ERP project • 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 specific 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.

Officer Remuneration System

A. Base remuneration	A predetermined fixed amount corresponding to each officer is paid at the set time each month. Standing Directors: No more than ¥450 million per year Outside Directors: No more than ¥100 million per year Standing and Outside Audit & Supervisory Board Members: No more than ¥120 million per year
B. Performance-linked remuneration	(Only Standing Directors are eligible for performance-linked remuneration.)
a. 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, and 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.
b. 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.

Remuneration by Officer Classification

Classification	Total remuneration, etc. (Millions of yen)	Performance-linked remuneration				Number of applicable officers (persons)
		Base remuneration	Annual bonus	Share-based remuneration		
Total	1,180	475	706	433	273	16
Of which, Standing Directors	1,038	332	706	433	273	7
Of which, Standing Audit & Supervisory Board Members	63	63	—	—	—	2
Of which, Outside Directors and Outside Audit & Supervisory Board Members	79	79	—	—	—	7

 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/securities150_y.pdf
(Japanese only)



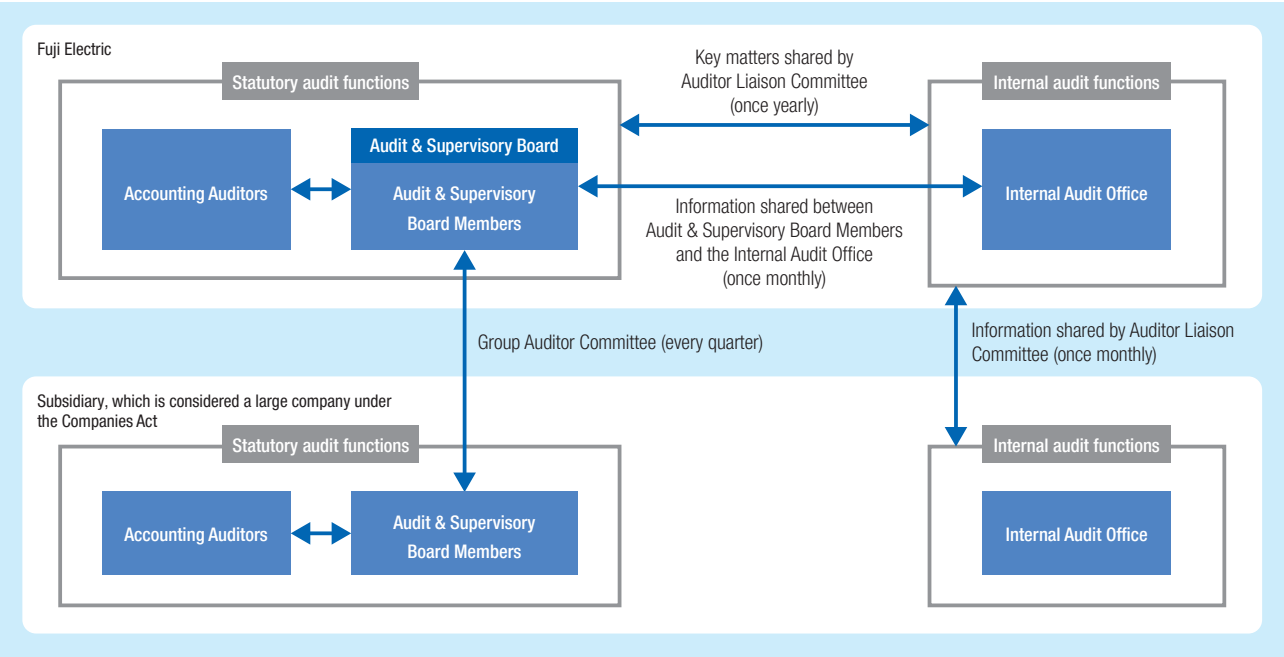
Audit & Supervisory Board Members and Internal Audits

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 and ensuring strict compliance with quality control and safety control rules. 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.

(For main audit implementation items, please refer to P60 "Supervisory and Auditing Bodies" – "Audit & Supervisory Board.")



Meeting with the President and COO

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 2025, we conducted on-site audits at 46 bases, or about 50% of the audit bases.

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 2024. As of the end of fiscal 2025, the number increased by 2 from the previous fiscal year to 8. This was due to the reclassification of shares as listed stocks following the new listing of unlisted stocks we held and the sale of some shares in affiliate companies that we held. In fiscal 2025, we also 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.

The total amount of cross-shareholdings (including shares deemed to be held by the Company) at the end of fiscal 2025 was 99.6 billion yen (11.8% 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 2025

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 - Business Strategy Meeting - Ordinary General Meeting of Shareholders	- Reports for the shareholders - Annual Securities Report
July to September	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 (Tokyo Factory, Suzuka Factory)	- Semi-Annual Report - Reports for the shareholders
January to March	Third quarter financial results presentation	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 Company’s officers each month and with the Board of Directors and the Executive Committee semiannually for discussion as management issues. The Board of Directors, including Outside

Directors and Audit & Supervisory Board Members, has been generally positive in its assessment that the status of dialogue and activities with shareholders and investors is reported regularly and that information is shared in a timely manner.

Dialogue Results for Fiscal 2025

Small meetings:	1 time (President and COO: February)
Overseas roadshows:	1 time (Director in charge of PR and IR: October)
Dialogue through individual interviews:	1,015 (80 with analysts, 414 with Japanese institutional investors, 513 with overseas institutional investors, 8 with ESG investors)

	Major Comments and Requests from Analysts and Investors	Examples of Our Responses
Management and Business	- Improvement of capital efficiency as net cash accumulates and disclosure of cash flow allocation - Proactive shareholder returns, such as share buybacks and dividend increases - Long-term growth investments leading to profit growth and business expansion - Continuation of management that leverages strengths such as synergies between businesses and collective strengths that contribute to a conglomerate premium - Disclosure of the scope and scale of businesses targeting data centers, a growth market - Disclosure of the medium- to long-term positioning of and approach to Fuji Electric's semiconductor business in light of semiconductor industry restructuring	- Communication of policies and approaches on initiatives to realize management that is conscious of the cost of capital and share price and to improve ROE - Disclosure of the basic approach to and track record of cash flow allocation, including growth investments and shareholder returns - Disclosure of examples of leveraging collective strengths across business divisions (data center solutions, synergies between power electronics and power semiconductors)
Environment, Human Resources, and Governance	- Status of the transition to environmentally friendly products that comply with ecological design regulations - Results of the annual employee awareness survey, related issues, and improvement measures - Continued reduction of cross-shareholdings	- Enhanced environmental information disclosure (disclosure of efforts to reduce environmental impacts throughout the supply chain and the status of the transition to environmentally friendly products, publication of an integrated TCFD/TNFD report) - Enhanced human capital information disclosure (disclosure of annual employee awareness survey results and revisions to personnel and human resource benefit systems and their objectives) - Continued disclosure of progress in reducing cross-shareholdings

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 2025 (for the sixth consecutive year) and the Internet IR Commendation Award 2025 (for the seventh 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 of Directors. We

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 applicable 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. In the event of a compliance infraction, there is a system in place to take any necessary measures such as fact-finding investigations, corrective actions, recurrence prevention measures, internal punishments, and internal and external disclosure.

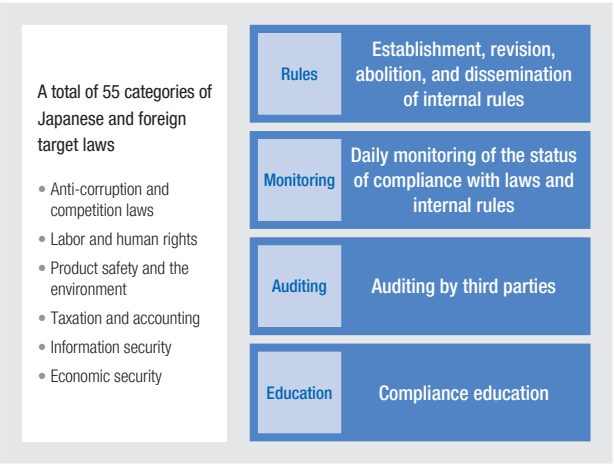
Status of Promotion

Fuji Electric Compliance Program

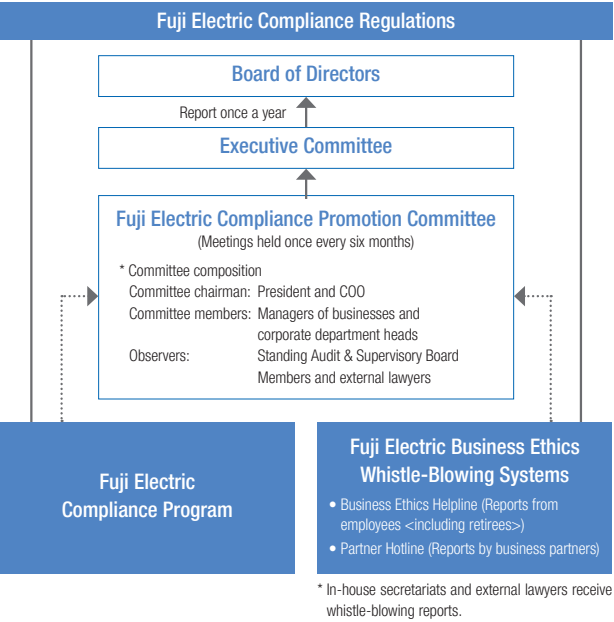
Fuji Electric has established the Fuji Electric Compliance Program for the Company and its Group companies in Japan and overseas, covering four aspects (rules, monitoring, auditing, and education) to be implemented for each of the 55 categories of the Japanese and overseas laws that are applicable to their business activities.

We review the Program in light of the latest developments in the enactment and revision of laws and regulations, thereby strengthening the organizational foundation for compliance activities across the Group.

Fuji Electric Compliance Program



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



Risk Management

Basic Policies

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

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 duties, developing appropriate risk management systems, and implementing risk countermeasures. However, amid an increasingly complex operating environment shaped by climate change, large-scale disasters affecting broad areas, geopolitical risks, and responses to economic security concerns, we will strengthen risk management for common risks across the Company.

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 2025, we conducted internal audits at 46 bases.

In fiscal 2026, we will establish a new Risk Management Office within the Corporate Management Planning Headquarters, which oversees risk management across the Company. As part of the internal control system, the Office will systematically identify and evaluate risks that could have a significant impact on management, including company-wide BCP*, security, and economic security, and will work to collect information in cooperation with relevant parties, establish systems, and deploy countermeasures.

*Business Continuity Plan

Emergency Response

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

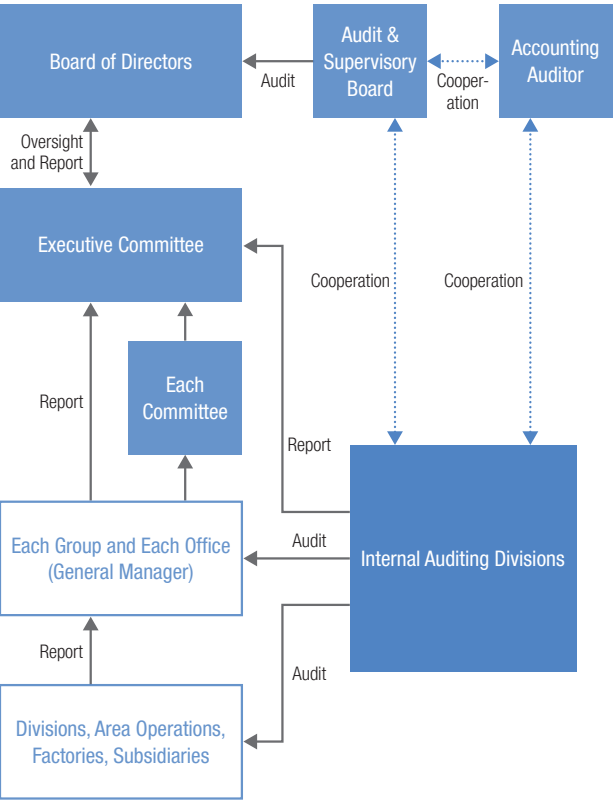
Risk Management Process

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 the frequency of occurrence, and implement these policies and countermeasures by appointing a person in charge of execution in each division or other unit.

We conduct an interim follow-up after the end of the second quarter, followed by an annual evaluation of risk countermeasures and the formulation of countermeasures for the next fiscal year.

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.

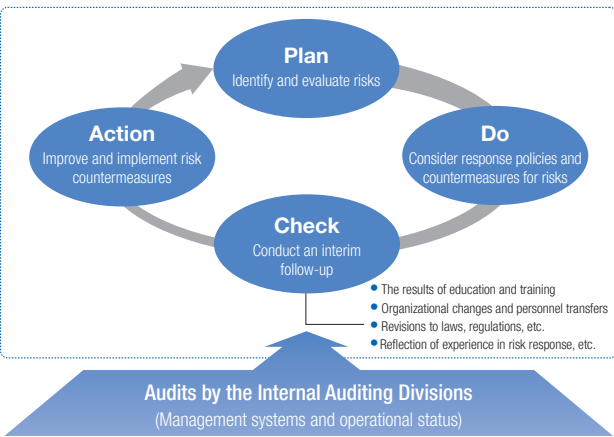


For the list of major risks, please refer to our website. https://www.fujielectric.com/csr/governance/risk_management/risk/governance_risk_factors.html



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

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 disasters and accidents occur, we have formulated business continuity plans (BCPs) and are making efforts company-wide 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 comprehensively 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 regularly evaluate the effectiveness of the BCPs and their management system once every six months at the “Company-wide BCM Promotion Meeting.” For BCPs formulated at factories and area operations, the Crisis Management Secretariat checks, assesses, and verifies whether the assumed scale of disasters and damage reflects the latest risks, as well as the appropriateness of target recovery times and strategies for business continuity. Through these efforts, we work to improve BCPs and strengthen our business continuity capabilities.

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.

Strengthening Security Measures

To address the threat of cyberattacks, we are continuously strengthening cybersecurity and governance, including information management and operational structures.

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 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.

Strengthening Product and Factory Security

Product security must be strengthened to comply with laws and regulations such as the EU Cyber Resilience Act (CRA). With digitalization, products and systems such as drive control systems, control equipment, and monitoring and control systems are increasingly connected to networks. Technologies (embedded security) and support that maintain a secure state throughout the entire product life cycle (design, development, shipment, operation, etc.) are becoming increasingly important.

To improve the quality and ensure a stable supply of our products and services, we have been promoting certification under the international standard for control system security, IEC*1 62443-4-1, since fiscal 2023. In April 2026, in addition to the five bases that had already obtained certification (the Tokyo Factory, Suzuka Factory, Kobe Factory, Hakko Electronics Co., Ltd., and Fuji Electric FA Components & Systems Co., Ltd.), the Tsukuba Factory also obtained certification. The Tokyo Factory also had its certification renewed in recognition of its continued operation of the “secure product development process.”

In fiscal 2026, we will establish a new Security Committee and launch organizations with functions for new product security incident response (PSIRT*2) and factory security incident response (FSIRT*3), in addition to the existing function for information security incident response (CSIRT*4). These organizations will coordinate their activities across organizational boundaries to appropriately address diverse cyber threats and minimize risks. Through these initiatives, we are working to improve the quality and ensure the stable supply of products and services delivered to customers.

*1 IEC: International Electrotechnical Commission
*2 PSIRT: Product Security Incident Response Team
*3 FSIRT: Factory Security Incident Response Team
*4 CSIRT: Computer Security Incident Response Team

Initiatives to Strengthen Project Management

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