

Strategy

Action Reports on Mitigation and Adaptation

Among the response measures for risks and opportunities (Pages 24 and 25), we introduce seven case studies of initiatives that have already been launched and are yielding successful results.

Themes		Driver	Potential Risks to Fuji Electric / Opportunities for Fuji Electric to Capture and Contribute to	Response Measures
Physical risks	① Addressing Flood Risks (Own operation)	Floods/ Storms	Operational suspension and supply chain disruptions due to extreme weather events	Implement floodproofing measures and BCPs at domestic and overseas manufacturing sites →P.30
	② Addressing Flood Risks (Upstream)			Strengthen supply chain resilience through multi-sourcing for critical suppliers →P.32
	③ Reducing Water Withdrawal	Water resource depletion and water quality degradation	Delays in material extraction and production processes driven by difficulties in water procurement and ecosystem degradation	Improve water recycling rates at semiconductor manufacturing sites to prepare for future drought risks →P.33
Transition risks	④ Reducing Production GHG Emissions	GHG emissions	Loss of market trust due to delayed response to decarbonization	Promote solar power installation, equipment upgrades, and renewable electricity procurement based on SBTi-validated targets →P.34
	⑤ Reducing VOC Emissions	Water use, pollution	Occurrence of adverse impacts on ecosystems from business activities	Thoroughly monitor water quality and recover chemical substances / Build trust with local communities through dialogue →P.35
Opportunities	⑥ Creating Environmental Contribution Products	Decarbonization	Increased demand and market expansion for environmental contribution products (capturing new needs and rising demand for products related to fuel switching, the electrification of thermal processes, the expansion of renewable energy, the electrification of mobility, and energy saving)	Strengthen the development of Environmental Contribution Products that contribute to hydrogen production, electrification, grid stabilization, the electrification of mobility, and energy saving →P.36
	⑦ Regional Contribution Activities	Protecting the Natural Environment	Enhancing corporate value and reputation through the restoration of ecosystem services	Contribute to local ecosystem restoration through conservation activities for forests, rivers, and coastlines →P.37

① Addressing Flood Risks (Own Operations)

Driver	Potential Risks to Fuji Electric	Response Measures
Floods/ Storms	Operational suspension due to extreme weather events	Implement floodproofing measures and BCPs at domestic and overseas manufacturing sites

■ Risk Identification and Assessment Process

For the assessment, we conducted a screening of all 44 domestic and overseas manufacturing sites, utilizing objective external data such as local government hazard maps and Aqueduct (see page 17). As a result, we identified 6 sites (3 in Japan and 3 overseas) as having "active" flood risk, where the maximum predicted flood depth during extreme weather events is 0.5 meters or more—a level at which above-floor flooding typically begins to cause damage to production equipment.

■ Driving Risk Countermeasures (Enhancing Resilience)

To address the identified risks, we are promoting both "structural (hardware) and non-structural (software)" measures designed to minimize damage and ensure rapid recovery. Furthermore, precautionary measures tailored to specific locational conditions are being implemented not only at the 6 sites identified as having active risk but also at other sites with potential flooding vulnerabilities.

- **Structural Measures (Equipment Protection):** We avoid physical damage by installing flood barriers to prevent water from entering buildings, reinforcing drainage pumps, and relocating critical components and product racks to higher elevations.
- **Non-Structural Measures (Advancing BCP):** We have formulated and put into operation the "Flood Response Action Timeline*." By defining a chronological sequence of actions from the early warning stages of a disaster through to recovery, we have established a framework that prevents human casualties and enables swift business resumption.

* Flood Response Action Timeline: An action plan that organizes disaster prevention activities chronologically, outlining "when," "who," and "what" to do in accordance with the progression of the disaster.

■ Installation of Flood Barriers (Mie Factory)

The Mie Factory, a core manufacturing facility of the Food and Beverage Distribution Business Group, installed flood barriers in March 2024 and put them into operation. Although the maximum predicted flood level at the Mie Factory during an emergency is less than 0.5 meters, certain locations carry an inflow risk. Therefore, we installed a flood barrier at the South Gate, which was identified as the vulnerable area among the site's three gates.



■ Deployment Drills for Flood Protection Equipment (Fukiage Factory)

To achieve the goal outlined in the Flood Response Action Timeline—"Complete the installation of flood protection equipment at least 24 hours prior to disaster onset"—the Fukiage Factory conducts regular drills. These drills aim to verify the actual time required for deployment and to identify potential challenges during installation. By physically assembling the flood barriers during these exercises, we actively work on countermeasures for any issues that come to light.



■ Installation of Flood Barriers

At sites with high flood risks, we have attached specialized fixtures to factory building entrances, anticipating the deployment of flood barriers during a flood event. In conjunction with this, we are reviewing and updating the Flood Response Action Timeline for each factory.

Additionally, we conduct flood response drills with a strong focus on enabling anyone to respond swiftly and accurately, regardless of when a flood occurs—be it during the day, at night, or over holidays.



② Assessing and Addressing Flood Risks (Upstream)

Driver	Potential Risks to Fuji Electric	Response Measures
Floods/ Storms	Supply chain disruptions due to extreme weather events	Strengthen supply chain resilience through multi-sourcing for critical suppliers

■ Assessing and Addressing Flood Risks for Suppliers

Flood risks also exist within our supply chain. If a supplier is affected by a disaster and the delivery of components is delayed, it brings a significant impact to our manufacturing. Therefore, from 2022 to 2024, we evaluated the flood risks of critical suppliers that affect our business continuity (focusing on single-source suppliers and those with high purchase volumes). For suppliers where flood risks were identified, we transition to multi-source procurement and strengthen management control measures.

■ Risk Identification

- **Target of Evaluation:** 357 companies (Single-source: 142 domestic and overseas companies; Key primary manufacturers: 215 domestic companies)
- **Evaluation Method:** Conducted objective simulations of maximum predicted flood depths using hazard maps and external data.
- **Evaluation Results:** 158 companies identified as having "active" flood risk (Single-source: 78 companies; Key primary manufacturers: 80 companies)

■ Execution of Countermeasures

We are implementing the following countermeasures for all 158 companies determined to have active risk:

- **Transition to Multi-Source Procurement (Multiple Sourcing): 50 companies**
Secured alternative procurement sources to physically diversify risk.
- **Strengthened Management Control Measures: 108 companies**
For suppliers where substitution is difficult, we individually verified their BCP formulations and building floodproofing measures, confirming that there is "no disruption to supply." Moving forward, we will additionally promote stable procurement by strengthening inventory management.

③ Reducing Water Withdrawal

Driver	Potential Risks to Fuji Electric	Response Measures
Water resource depletion and water quality degradation	Delays in material extraction and production processes driven by difficulties in water procurement and ecosystem degradation	Improve water recycling rates at semiconductor manufacturing sites to prepare for future drought risks

As our mother factory for semiconductors, the Matsumoto Factory focuses on wafer fabrication (front-end processes) and therefore uses large amounts of pure water in the manufacturing process, as well as a lot of water for cooling production equipment. Therefore, reducing water usage and utilizing our water resources effectively have become important initiative themes.

■ Recycling Back Grinding (BG) Wastewater and Converting Leftover Materials into Valuable Resources

In the wafer back grinding (BG) process, wastewater containing cutting debris could not previously be recycled; the water was treated as wastewater and the debris as industrial waste. To address this, we transitioned to a system that separates and removes solid content, such as cutting debris, from the wastewater, reusing the clarified water as raw water to produce pure water. At the same time, through collaboration with a specialized company, the recovered cutting debris is extracted and recycled as valuable resources within the treatment process, leading to a substantial reduction in waste and a decrease in disposal costs. This initiative has suppressed the volume of new pure water production and wastewater discharge, while also reducing the factory's wastewater treatment load.



Grinding Debris Recovery Membrane Unit

■ Recycling Dicing Wastewater

In the dicing process where wafers are cut into individual chips, wastewater containing cutting debris also could not previously be recycled; the water was treated as wastewater and the debris as industrial waste. In response, in fiscal 2025, we introduced a recycling system to the Si (silicon) line at the Matsumoto Factory that removes cutting debris from dicing wastewater, purifies the water, and returns it to the process as pure water. For fiscal 2026, we plan to additionally introduce this system to the SiC (silicon carbide) line at the Matsumoto Factory and to the Yamanashi Factory. This will reduce pure water usage and the volume of wastewater discharged into the public sewage system, thereby lowering our environmental impact.



Dicing Wastewater Recycling System

④ Reducing Production GHG Emissions

Driver	Potential Risks to Fuji Electric	Response Measures
GHG emissions	Loss of market trust due to delayed response to decarbonization	Promote solar power installation, equipment upgrades, and renewable electricity procurement based on SBTi-validated targets

In fiscal 2022, we launched the "Renewable Energy Introduction Promotion Project" with the goal of maximizing the installation of solar power generation equipment at our domestic and overseas manufacturing sites (excluding sites where installation is not feasible due to structural limitations such as building strength). Starting with the Suzuka Factory in March 2023, these systems have successively commenced operations at various factories.

	FY 2023	FY 2024	FY 2025
Key Factories Commencing Operations Indicates power generation capacity (Unit: MW)	 Tokyo Factory (1.2) • Suzuka Factory (2.3) • Fuji Electric Philippine (1.9)	 Mie Factory (1.5) • Chiba Factory (2.5) • Ohtawara Factory (0.5) • Fukiage Factory (0.8) • ChiChibu Fuji (0.4)	 Kobe Factory (0.3) • Saitama (0.5) • Hakko Electronics (0.1)
Total Power Generation* (Unit: 10,000 kWh)	1,221	1,769	1,872

* Total Power Generation: Company-wide total solar power generation, including existing installations.

⑤ Reducing VOC Emissions

Driver	Potential Risks to Fuji Electric	Response Measures
Water use, pollution	• Occurrence of adverse impacts on ecosystems from business activities	• Thoroughly monitor water quality and recover chemical substances / Build trust with local communities through dialogue

The Shenzhen Factory in China, which produces photoconductors, uses large amounts of volatile organic compounds (VOCs) in manufacturing processes such as coating, drying, and cleaning. Since VOC emissions can cause air pollution and potentially impact ecosystems, the factory treats reducing VOC emissions and recovering resources as one of its highest-priority initiatives, aiming to preserve the local environment and lessen the burden on natural capital.

Operating a VOC Recovery System Using the Activated Carbon Adsorption Method

The gas discharged from the drying process in manufacturing contains high concentrations of VOCs. Rather than releasing this exhaust gas directly into the atmosphere, the Shenzhen Factory directs it to a large-scale VOC recovery system. The system employs an adsorption method using activated carbon to efficiently capture and separate VOC components from the exhaust, reducing atmospheric emission concentrations to levels significantly below the strict local environmental regulatory limits. Through this, we contribute to maintaining ambient air quality around the factory and mitigating risks to the ecosystem.



VOC Recovery System

Purifying and Reusing Recovered Solvents for Resource Circulation

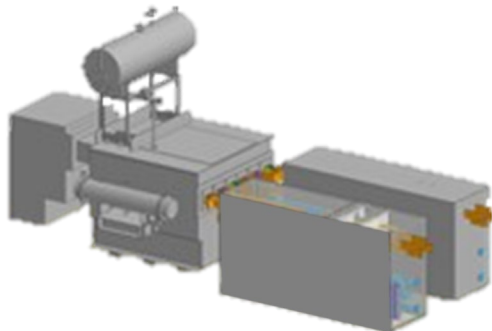
Rather than simply disposing of the VOC liquids recovered by the adsorption system, we are driving initiatives to utilize them effectively as resources. The recovered liquid is processed through on-site distillation and purification equipment to remove impurities, regenerating it to a purity level that allows for reuse in the manufacturing process. By establishing this "closed-loop" system, we have suppressed the purchase volume of new organic solvents, simultaneously achieving a reduction in costs and a decreased dependency on natural capital associated with raw material procurement.

⑥ Creating Environmental Contribution Products

Driver	Opportunities for Fuji Electric to Capture and Contribute to	Response Measures
Decarbonization	Increased demand and market expansion for environmental contribution products (capturing new needs and rising demand for products related to fuel switching, the electrification of thermal processes, the expansion of renewable energy, the electrification of mobility, and energy saving)	Strengthen the development of Environmental Contribution Products that contribute to hydrogen production, electrification, grid stabilization, the electrification of mobility, and energy saving.

Key Environmental Contribution Products

DC power supply for hydrogen production (Currently under development)



- Achieved overwhelming downsizing and high efficiency through the adoption of the inverter system
- Applications:
Large-scale hydrogen production plants

Ejector cooling systems



- Achieved substantial energy saving in liquid cooling systems by eliminating compressors
- Applications: Data centers

Storage battery PCS



- Contributes to grid stabilization by suppressing output fluctuations during sudden changes in renewable energy power generation
- Applications:
Renewable energy power plants and grid-scale energy storage stations

⑦ Regional Contribution Activities

Driver	Opportunities for Fuji Electric to Capture and Contribute to	Response Measures
Protecting the Natural Environment	Enhancing corporate value and reputation through the restoration of ecosystem services	Contribute to local ecosystem restoration through conservation activities for forests, rivers, and coastlines

Fuji Electric conducts various initiatives to protect the natural environment, driven by the leadership of each region and site.

Fields	Details	Activity Examples
Forest Preservation Activities	These activities aim to restore and preserve the multi-faceted functions that enable woodlands to safeguard against landslide damage and floods, and to promote biodiversity and absorption of carbon dioxide, through tree planting, pruning and thinning out.	- Forest restoration (Azumino City, Nagano Prefecture and Tsukuba City, Ibaraki Prefecture) - Tree planting activities in China (Zhuhai City, Guangdong Province), India and Philippines - Kumano Kodo preservation activities in Wakayama Prefecture - Yushan Mountain cleanup activities in China (Changshu City, Jiangsu Province) - Old and valuable tree preservation activities in China (Shanghai City) - Cooperation with Takao Forest-Restoration Group in Hachioji City in Tokyo
Marine and River Preservation Activities	Fuji Electric is helping prevent pollution to water ecosystems through beach and river cleanup activities.	Beach cleanup activities in Japan, Taiwan, Singapore, Vietnam, Philippines and India
Biodiversity Preservation Activities	Activities contributing to the conservation of biodiversity by protecting the earth's ecosystem, with its wide variety of living organisms.	- Development of Musashino no Mori at the Tokyo Factory - Reclaiming abandoned farmland in Aichi Prefecture - Mangrove planting in Thailand and Philippines - Removing invasive alien plants in Shanghai City, China

We introduce selected case studies of local contribution activities driven by the leadership of each region and site.

■ Mangrove Planting Activities

On April 26, 2024, Fuji Tusco Co., Ltd. (Thailand) planted mangrove saplings at the Bampu Recreation Center in Samut Prakan Province. Mangrove forests play a vital role in preventing coastal erosion, providing habitats for marine life, and supporting the natural balance by absorbing carbon dioxide. On the day of the event, 63 employees participated. Together, they planted seedlings along the shoreline and also engaged in a nearby cleanup activity. This hands-on experience allowed everyone to learn about environmental conservation while actively contributing, making it a valuable opportunity to feel the importance of protecting the environment firsthand.



■ Protecting Nature with a Forest Foster Parent Program

On October 13, 2025, as part of its CSR activities, Fuji Electric Meter Co., Ltd. participated in the forest Foster Parent Program, which is promoted by Azumino City. It was attended by a group of about 30 employees and their family members as well as Azumino City staff members, who cut undergrowth with brush cutters and thinned trees with chainsaws. Then, we held a trial wood-chopping session and had a barbecue where participants could socialize. Participants commented that it was a valuable experience and that they enjoyed it very much.

