Appendix

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TCFD	The acronym for the Task Force on Climate-related Financial Disclosures. Established in 2015 by the Financial Stability Board (FSB), it released its final recommendations in June 2017, providing an international framework for companies to disclose climate-related risks and opportunities to investors.
TNFD	The acronym for the Taskforce on Nature-related Financial Disclosures. Launched in 2020 by UN agencies, the WWF, and other organizations, this international initiative develops a framework for companies to assess and disclose their dependencies and impacts on natural capital, aiming to redirect financial flows toward nature-positive outcomes.
The Paris Agreement	An international framework for post-2020 climate change action, adopted at the 21st Conference of the Parties to the UNFCCC (COP21) in 2015. It aims to keep the increase in the global average temperature well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C. Member countries are required to submit emissions reduction targets every five years and implement mitigation measures.
The Glasgow Climate Pact	The outcome document adopted at the 26th Conference of the Parties to the UNFCCC (COP26) held in Glasgow, UK, in November 2021. It established a global consensus to pursue efforts to limit the global average temperature increase to within 1.5°C above pre-industrial levels.
IPCC	The acronym for the Intergovernmental Panel on Climate Change. Established by the World Meteorological Organization (WMO) and the United Nations Environment Program (UNEP), it is an intergovernmental body that assesses and provides scientific knowledge on climate change.
SBTi Validation	A validation granted to companies whose greenhouse gas emissions reduction targets meet scientific criteria. It is managed by the Science Based Targets initiative (SBTi), a partnership between CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wildlife Fund (WWF).
Kunming-Montreal Global Biodiversity Framework	An international framework for biodiversity adopted at COP15 in December 2022. Consisting of a 2050 Vision and a 2030 Mission, it notably calls for not only halting but reversing biodiversity loss by 2030 to achieve a "nature-positive" world.
ESPR	The Eco-design for Sustainable Products Regulation. It requires products distributed in the European Union (EU) market to minimize their carbon footprint and environmental impacts throughout their entire life cycle. Enforced in July 2024.
Carbon Neutrality	A state in which greenhouse gas emissions are balanced by absorption and removal (such as by forests), resulting in an effectively zero total.

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Circular Economy	An economic system that utilizes resources cyclically, moving away from the conventional "take-make-waste" linear model. It aims to generate added value without producing waste and by minimizing resource inputs, integrating reuse and remanufacturing from the initial product and service design stage.
Green Supply Chain	An initiative aimed at reducing environmental impacts across the entire supply chain, encompassing raw material procurement, manufacturing, logistics, sales, and disposal.
LEAP Approach	A framework recommended by the TNFD for assessing nature-related risks and opportunities. It is an acronym for the four sequential steps: Locate (discover nature-related interfaces), Evaluate (diagnose dependencies and impacts), Assess (assess risks and opportunities), and Prepare (prepare to respond and report).
GX	The acronym for Green Transformation. It refers to efforts to shift the fossil-fuel-reliant industrial and social structure into one centered on clean energy, transforming the entire economic and social system. The Japanese government drives GX to achieve decarbonization, a stable energy supply, and economic growth simultaneously toward 2050.
DX	The acronym for Digital Transformation. It refers to transforming business models, products, and operational processes by utilizing data and digital technologies—such as AI, IoT, and big data—to establish a competitive advantage for companies and society.
Water Stress	The degree of water scarcity relative to demand. While multiple metrics exist, the United Nations defines a region as water-stressed when its annual water availability falls below 1,700 cubic meters per person.
VOC	The acronym for Volatile Organic Compounds. A collective term for organic compounds that easily evaporate into the atmosphere.
PRTR-Listed Substances	Hazardous chemical substances subject to the Pollutant Release and Transfer Register (PRTR) system. Facilities that handle or manufacture these substances are required to monitor and report their annual release and transfer volumes to government authorities.
Ecosystem Integrity	The degree to which a local ecosystem maintains its original, natural state. It is an indicator that quantifies changes in species populations compared to pristine conditions; a higher value indicates a healthier and better-preserved natural environment.
KBA	The acronym for Key Biodiversity Areas. Sites globally identified as being of exceptional importance for the persistence of biodiversity, including habitats for endangered species and pristine ecosystems, based on standardized international criteria.
Aqueduct	A global water risk mapping tool developed by the World Resources Institute (WRI) to assess water stress, drought, and flood risks across different regions.

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IBAT	The acronym for the Integrated Biodiversity Assessment Tool. A tool used to assess the conservation priority of business sites based on global data regarding protected areas and Key Biodiversity Areas (KBAs).
Biodiversity Intactness Index	An indicator that shows how much of a local ecosystem's natural state remains intact, calculated based on changes in species populations.
WWF Biodiversity Risk Filter	The acronym for the WWF Biodiversity Risk Filter. A tool provided by the World Wildlife Fund (WWF) to assess the environmental risks and impacts that business activities pose to nature.
Global Forest Watch	A free online platform developed by the World Resources Institute (WRI) that utilizes satellite data to monitor and publicly disclose global deforestation and land-use changes.
Pressures on Biodiversity	Direct factors (pressures) that negatively affect biodiversity and accelerate species decline and extinction. The five main drivers include habitat destruction, overexploitation of resources, climate change, pollution, and the introduction of invasive species.
ENCORE	The acronym for Exploring Natural Capital Opportunities, Risks and Exposure. A tool designed to visualize the dependencies and impacts of corporate activities on natural capital.
Human Rights Due Diligence	An ongoing process for companies to identify, prevent, mitigate, and account for how they address adverse human rights impacts within their own operations and supply chains. In accordance with the UN Guiding Principles, it requires impact assessments, the implementation of countermeasures, and accountability.
UN Guiding Principles on Business and Human Rights	An international standard for corporate responsibility regarding human rights, endorsed by the United Nations in 2011. It is structured around "Three Pillars": the State duty to protect human rights, the corporate responsibility to respect human rights, and access to remedy. It requires companies to formulate human rights policies and implement human rights due diligence.
Universal Declaration of Human Rights	A landmark declaration adopted by the UN General Assembly in 1948 that serves as the foundation for modern human rights. It defines rights across civil, political, and economic spheres as a "common standard of achievement for all peoples." It plays a foundational role in the international protection of human rights.
ILO Declaration on Fundamental Principles and Rights at Work	A core declaration adopted in 1998 that obligates all ILO member states to respect and promote five fundamental categories of labor rights, regardless of whether they have ratified the specific conventions: freedom of association, the elimination of forced labor, the abolition of child labor, the elimination of discrimination, and a safe and healthy working environment.

Disclaimer Regarding Forward-Looking Statements

The forward-looking statements, strategies, and financial forecasts contained in this report are based on information currently available to Fuji Electric as of June 2026 and certain assumptions deemed reasonable. These statements do not guarantee future performance or results. Actual performance and results of activities may differ materially from the forecasts described herein due to various factors, including changes in social conditions surrounding climate change and natural capital, global economic trends, and other diverse variables.