

Fuji Electric Engineering & Construction's DX Strategy



At Fuji Electric Engineering & Construction, we are engaging in company-wide DX initiatives. To begin with, we are moving forward with optimization and standardization through reforms to our internal business processes. In the future, our aim is to make use of data-driven DX to accelerate business growth while creating new value. Through steady evolution we will aim to build our competitive advantage in a sustainable manner.

Shinichi Maki, Director and Managing Corporate Officer

■ DX Objective

Through digital transformation (DX) efforts, our aim is to widely utilize rapidly advancing digital technologies to reform our conventional business processes, and in turn improve company-wide productivity and reinforce our competitive advantage. In addition to enhancing operational efficiency, DX can enable more sophisticated use of data, automation, quicker AI-based decisions, and as a result the creation of new value. Through these efforts, we will aim to always respond to customer needs in a flexible manner and help address social challenges. And, while building a sustainable and robust platform for growth, we will aim to further improve our corporate value.

■ DX Activity Policy

Our DX strategy aims to promote company-wide use of digital technologies to reform our operational processes and reinforce our competitive advantage. To do so, each department is taking the lead in driving DX activities based on the following three policies.

1. Independent Department Initiatives

As the beneficiaries of our DX activities, each department will take responsibility for independent DX promotion. The aim is to have each department take the lead in reforming operational processes by making DX relevant to them and having them proactively engage in DX initiatives.

2. Responsibility for Targets

Each department will set specific targets for DX and take responsibility for their achievement. Specific action plans for each target are essential for successful DX activities, and each department will implement thorough PDCA cycles to achieve these targets.

3. DX Human Resource Development

The development of personnel who can drive DX initiatives is essential to ensuring sustained success in DX. Each department is creating a sustainable system for DX promotion by selecting individuals to lead DX efforts, providing them with the required skills and expertise, and offering DX education. In doing so, the aim is to ensure the continuous promotion of digital reforms.

■ DX Promotion System

We have established a dedicated DX promotion department for the promotion of company-wide DX activities. The DX promotion department works with each of our other departments to plan and promote effective measures using digital technologies. Moreover, our in-house DX promotion committee is responsible for collecting feedback from each department, ensuring consistency in company-wide measures, and in turn facilitating DX promotion.

■ DX Human Resource Development Initiatives

To ensure the steady promotion of DX activities, we offer the Basic DX Education program to all company employees. The aim is to equip each employee with basic DX knowledge that they can apply to their daily operations.

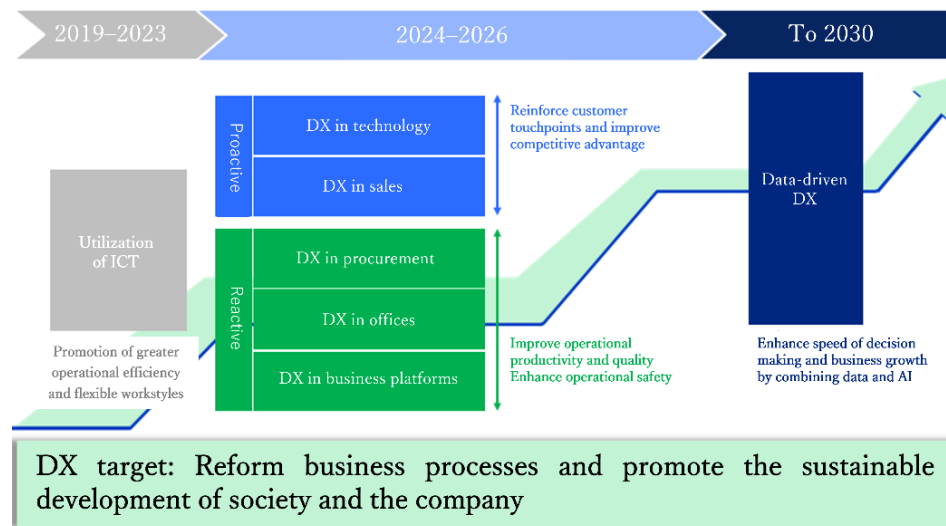
Moreover, we also offer the Digital Personnel Education program for selected employees, which aims to develop personnel who have mastered use of digital tools and who can support the use of digital technologies within their department. Further, the DX Promotion Leader Education program is for selected employees who can drive DX efforts within their department. This

program aims to develop and strengthen DX leadership and project management skills to promote autonomous DX activities in each department.

■ DX Strategy/Vision

In the three years from FY2024 onwards, we will aim to reform our business processes through both proactive and reactive DX measures, improve productivity, and speed up our decision making. After this period and through to 2030, we will accumulate in-house data in real time and combine it with AI technologies to reinforce our data-driven competitive advantage, and in turn promote the sustainable development of society and the company.

DX Strategy/Vision Overview



1. DX in Technology

Through DX in Technology, we are aiming to improve productivity and reinforce our competitive advantage through the use of digital technologies and operational process reforms. Our target is to improve efficiency within our technology departments and reduce process loads by 10%, and in turn contribute to an increase in orders. Specifically, we will create an integrated system based on the building information modeling (BIM) approach for a

series of technology department operations including design, estimate and cost management, construction diagram creation, progress management, and operation and maintenance management. This will enable the creation of a new operational process that uses information from previous processes in ensuing processes. Through these initiatives we will aim to improve productivity and business quality and enhance the value we provide to customers.

2. DX in Sales

Through DX in Sales, using sales force automation (SFA) software, we are promoting a data-driven approach and the standardization and automation of internal processes. This will allow us to improve the efficiency and precision of our sales activities.

In doing so, we will aim to achieve our sales strategies, expansion of environment-related businesses and reinforcement of major project strategies over the medium- to long-term, and establish a platform for sustainable growth. Moreover, through the better understanding of customer needs with data analysis and efficient project management, we will build a highly competitive sales structure.

3. DX in Procurement

Through DX in Procurement, by building and implementing an estimation evaluation system, we will enable the visualization of procurement and purchasing information in real time. Moreover, by standardizing evaluation accuracy we will promote greater efficiency in the creation of materials and in turn reduce workloads for the employees responsible.

Through these initiatives, we will aim to achieve the following two organizational targets: Improve operational quality (evaluation capabilities) and productivity in the procurement and purchasing of materials, and Reduce costs and reinforce our competitive advantage. Moreover, we will support the creation of a sustainable procurement structure by strengthening partnerships with suppliers.

4. DX in Offices

Through DX in Offices, we are promoting the use of generative AI, RPA, and AI transcription tools among all employees to improve individual and organizational productivity. By FY2026, we are aiming for a more than 70% AI utilization rate and a 10% improvement in productivity. Moreover, we are offering the following, level-specific DX education programs: (1) Basic DX Education for all employees; (2) Digital Personnel Education to develop personnel who can support the use of generative AI, RPA, and AI transcription tools within their department; and (3) DX Promotion Leader Education to develop personnel who can lead the promotion of DX activities within their department. In doing so, we will develop an internal culture that facilitates the ongoing and autonomous promotion of office DX activities.

5. DX in Business Platforms

Through DX in Business Platforms, we will comprehensively develop core systems, peripheral systems, networks, and other IT infrastructure to create a robust and efficient platform that can support our business activities. In addition to system updates to respond to End Of Life (EOL) and improvements to our operational process efficiency, we will strengthen our cyber security measures to develop and maintain a safe and secure business environment. Further, with an eye on future scalability and the introduction of new technologies, we will develop flexible and sustainable IT platforms to strengthen the overall competitive advantage of our businesses, support quicker decision making, and create comfortable working environments.

6. Data-driven DX

Through Data-driven DX, we will use master data management processes to build an integrated data platform that brings together data from the various DX projects we implement up to 2030, including data related to core systems. By linking this data platform with AI, we will significantly enhance the precision and speed of business forecasts, analyses, proposals, and management, and support quick and accurate decision making. Moreover, using data-based insights, we will work to optimize strategies that are flexible to changing

customer needs, create new business opportunities, and in turn reinforce our competitive advantage and aim for sustainable growth. Data-driven DX will allow us to establish a highly flexible and responsive business model and promote improved efficiency and productivity across the organization. In turn we will aim to further strengthen our competitive superiority.