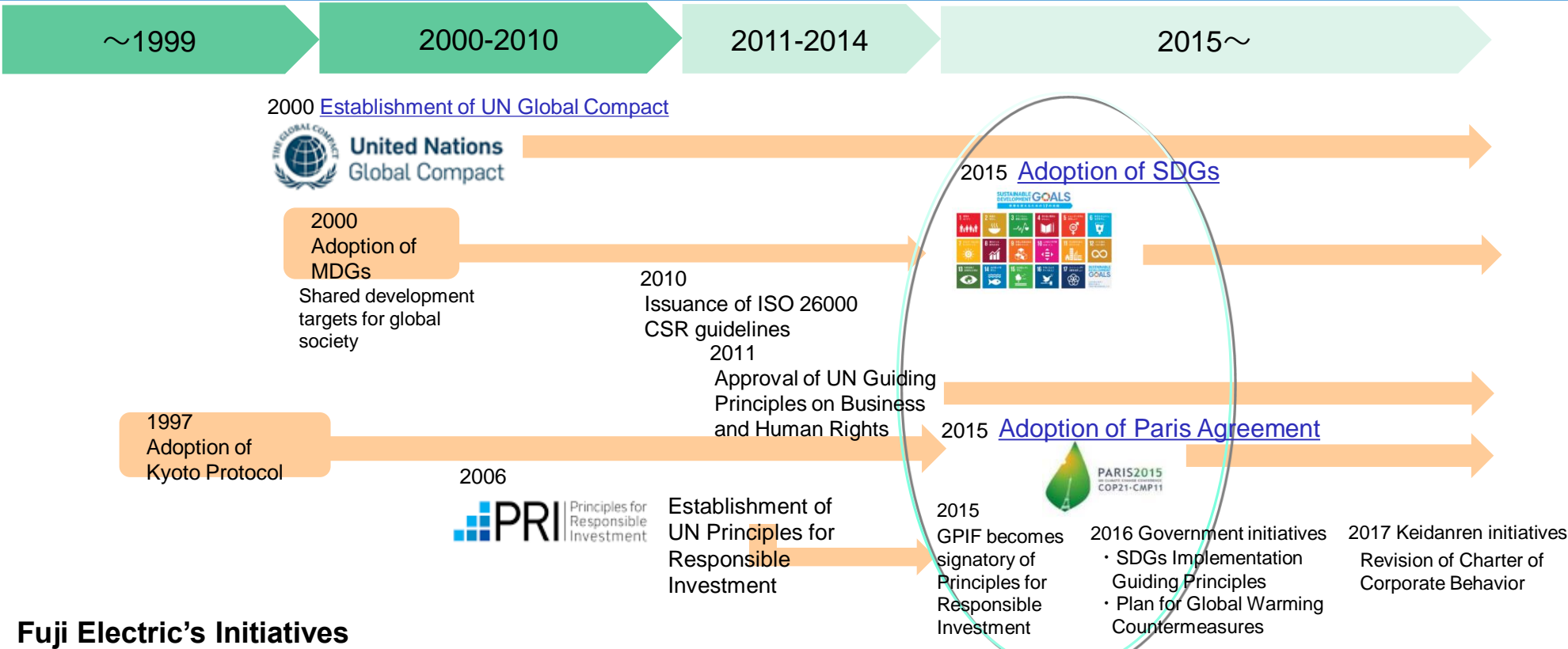


ESG Explanatory Forum

Initiatives for Realizing a Sustainable Society

October 10, 2019
Fuji Electric Co., Ltd.

Global Sustainability Trends and Fuji Electric's Initiatives



Fuji Electric's Initiatives

<p>1991 Formulation of Fuji Electric Group Charter of Corporate Behavior</p>	<p>2009 Signing of UN Global Compact</p> <p>2009 Revision of Fuji Electric Group Charter of Corporate Behavior (formulation of Fuji Electric Code of Conduct)</p> <p>2014 Establishment of Policy for Human Rights of the Employees</p> <p>2012 Identification of material issues to reinforcing operating foundations based on ISO 26000</p>	<p>2019 Revision of Fuji Electric Code of Conduct</p> <p>2019 Disclosure of SDG initiatives and material targets</p> <p>2019 Formulation of Environmental Vision 2050</p>
<p>1992 Establishment of Fuji Electric Basic Environmental Protection Policy</p>	<p>2009 Formulation of Environmental Vision 2020</p>	

Corporate philosophy and management policies congruent with aim of SDGs to achieve economic growth while addressing social and environmental issues

Corporate Philosophy

We, Fuji Electric, pledge as responsible corporate citizens in a global society to strengthen our trust with communities, customers and partners.

■ **Contribute to prosperity** ■ **Encourage creativity** ■ **Seek harmony with the environment**

Slogan

To be enthusiastic, ambitious and sensitive.


Management Policies

1. Through our innovation in energy and environment technology, we contribute to the creation of responsible and sustainable societies.
2. Achieve further growth through our global business expansion.
3. Maximize our strengths as a team, respecting employees' diverse ambition.

Revision of Fuji Electric Code of Conduct to address following tasks based on revised Keidanren Charter of Corporate Behavior

Enhancement of Disclosure

- Inability to effectively communicate specific Fuji Electric initiatives under prior Fuji Electric Code of Conduct due to limitation of disclosure of overarching topics of six major themes

 Disclosure of concrete initiatives and other information to foster accurate understanding of Fuji Electric's stance

Revision of structure of Fuji Electric Code of Conduct to put forth specific behavior guidelines

- Positioning of “respect and value all people” as first priority
 - Clarification of commitment to human rights by positioning people as first priority
<creation of framework for preventing human rights violations>
- Establishment of new principle of “respect and value our business partners”
 - Clear definition of stance toward supply chain-wide initiatives
<development of supply chain for supporting sustainable society>
- Revision of “respect and value the global environment” principle based on Environmental Vision 2050
<Realization of a “Low-Carbon Society,” “Recycling-Oriented Society,” and “Society in Harmony with Nature”>
- Addition of new principle of “top management will thoroughly practice this Code of Conduct”
 - Clear identification of role of top management <facilitation of sound, efficient, transparent, and effective governance>
<Promotion of compliance to prevent legal and Code of Conduct violations>

1. Respect and value all people

Fuji Electric and its employees will respect human rights in their relationships within all corporate activities. In addition, **we will promote the activities of diverse human resources, and strive to create a workplace that takes health and safety into consideration, with each employee having a decent job.**

2. Respect and value our customers

Fuji Electric and its employees will strive to improve customer satisfaction by expanding business globally and providing safe, secure, and reliable products and services that make full use of energy and environmental technologies.

3. Respect and value our business partners

Fuji Electric and its employees, along with business partners, will promote procurement activities aimed at establishing fair and equitable transactions and **a supply chain that supports a sustainable society.**

4. Respect and value our shareholders and investors

Fuji Electric and its employees will deepen mutual understanding and trust by promoting honest and active information disclosure and constructive dialogue with shareholders and investors.

5. Respect and value the global environment

Fuji Electric and its employees will, according to the Fuji Electric Basic Environmental Protection Policy, proactively and actively tackle global environmental issues in all corporate activities and **contribute to the realization of a low carbon, recycling-oriented society that is in harmony with nature.**

6. Respect and value interaction with society

Fuji Electric and its employees will, as good corporate citizens, actively participate in communities, **communicate with local stakeholders**, and contribute to their development through collaboration.

7. Make global compliance a top priority

7-1 Thorough compliance

Fuji Electric and its employees will, as members of a highly public group that declares its contributions to solutions to global problems such as the environment and energy, recognize the importance of compliance, fully understand domestic and foreign laws, customs, and all other social norms and their spirit, comply with them, and always act with the highest ethical standards.

7-2 Thorough risk management

Fuji Electric and its employees will implement thorough risk management for the sustainable growth of Fuji Electric.

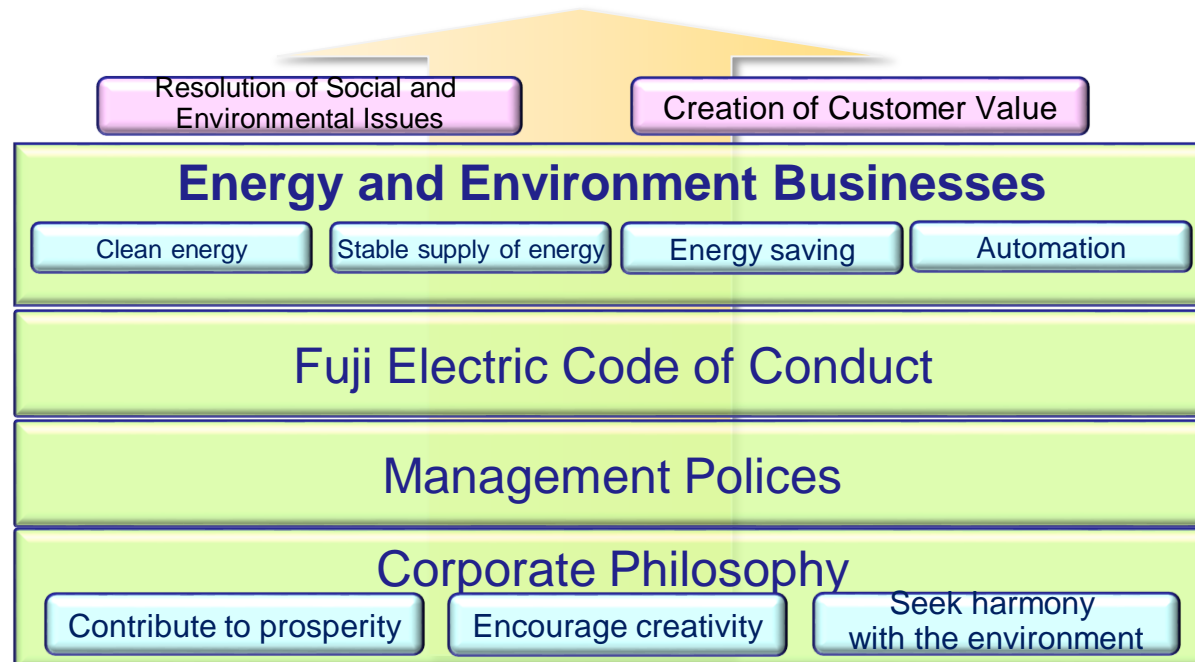
8. Top management will thoroughly practice this Code of Conducts

To put this Code of Conduct into practice, Fuji Electric management will **build and promote a governance system that ensures the soundness, efficiency, transparency, and effectiveness of corporate management, and a compliance system that ensures thorough compliance with laws and social norms.** This Code of Conduct will be shared with all employees and communicated to partners, etc., as well as supply chains.

In the event of a violation of the law or any other situation that violates this Code of Conduct, while working to resolve issues and fulfilling accountability to society, top management will strive to investigate causes, recover damages, prevent recurrence, and deal strict punishment.

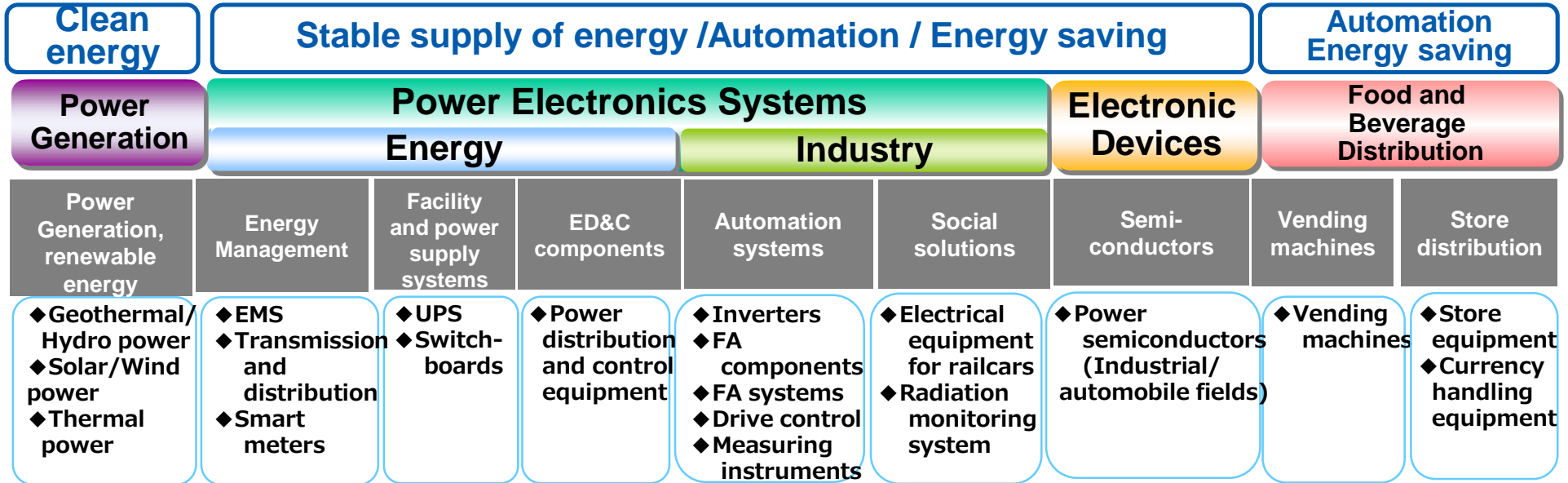
Exercise of the corporate philosophy and management policies to contribute to the accomplishment of the SDGs through the resolution of social and environmental issues and the creation of social value

SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD



Fuji Electric's Energy and Environment Businesses

SDGs to be Addressed through the Businesses



System

System solutions

Optimal control

Engineering / Service

IoT

Component

Control equipment

ED&C components

Power electronics








Measuring instruments

Device

Power semiconductors

Sensors

Material Issues to Reinforcing Operating Foundations

Code of Conduct	Key Issues	Major Initiatives	Relevant SDGs
Respect and value all people	Human rights	<ul style="list-style-type: none"> ● Implement human rights due diligence 	
	Safe and healthy workplaces	<ul style="list-style-type: none"> ● Improve occupational health and safety awareness among employees ● Bolster initiatives for ensuring occupational health and safety and protecting employee health 	
	Diversity	<ul style="list-style-type: none"> ● Expand areas in which female employees make contributions ● Utilize employees over 60 ● Broaden scope of duties performed by differently abled employees 	
	Work-life balance	<ul style="list-style-type: none"> ● Promote flexible work styles ● Offer work-life balance support and foster conducive workplace environments 	
	Human resources development	<ul style="list-style-type: none"> ● Enhance development of future management candidates 	
Respect and value our customers	Improvement of customer satisfaction	<ul style="list-style-type: none"> ● Improve product and service quality ● Enhance customer support and service systems 	
Respect and value our business partners	Value chains for supporting sustainable societies	<ul style="list-style-type: none"> ● Practice fair and impartial procurement ● Fulfill social responsibilities together with business partners 	
Respect and value our shareholders and investors	Constructive shareholder and investor engagement	<ul style="list-style-type: none"> ● Conduct timely, fair, and impartial information disclosure ● Enhance shareholder and investor engagement activities 	
Respect and value the global environment	Realization of a low-carbon society	<ul style="list-style-type: none"> ● Reduce society's CO₂ emissions through provision of energy-saving products ● Reduce CO₂ emissions during production 	
	Creation of a recycling-oriented society	<ul style="list-style-type: none"> ● Promote 3Rs (reduce, reuse, recycle) in relation to products and production activities 	
Respect and value interaction with society	Community outreach	<ul style="list-style-type: none"> ● Contribute to communities through activities for protecting the natural environment and promoting youth development ● Engage in community outreach at major sites of overseas operations 	
Make global compliance a top priority	Effective compliance program implementation	<ul style="list-style-type: none"> ● Establish and revise internal rules and conduct oversight, monitoring, and education based on the Fuji Electric Compliance Program ● Cultivate mindset of strict compliance among employees 	
	Risk management	<ul style="list-style-type: none"> ● Reinforce business continuity capacities ● Strengthen information security 	
Top management will thoroughly practices this Code of Conduct	Improvement of management transparency and oversight function	<ul style="list-style-type: none"> ● Reinforce corporate governance framework 	

SDGs to be Addressed through Fuji Electric's Companywide Activities

Priority SDGs to be Addressed through Energy and Environment Businesses



Contribute to the creation of responsible and sustainable societies through energy and environment businesses



【Reference】SDGs Vision: The Five Ps

People – to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment. (Goal 1, 2, 3, 4, 5 and 6)



Planet – to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations. (Goal 12, 13, 14 and 15)



Partnership – to mobilize the means required to implement this agenda through a revitalised global partnership for sustainable development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people. (Goal 17)



Prosperity – to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature. (Goal 7, 8, 9, 10 and 11)



Peace – to foster peaceful, just and inclusive societies free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development. (Goal 16)



Source: United Nations DPI

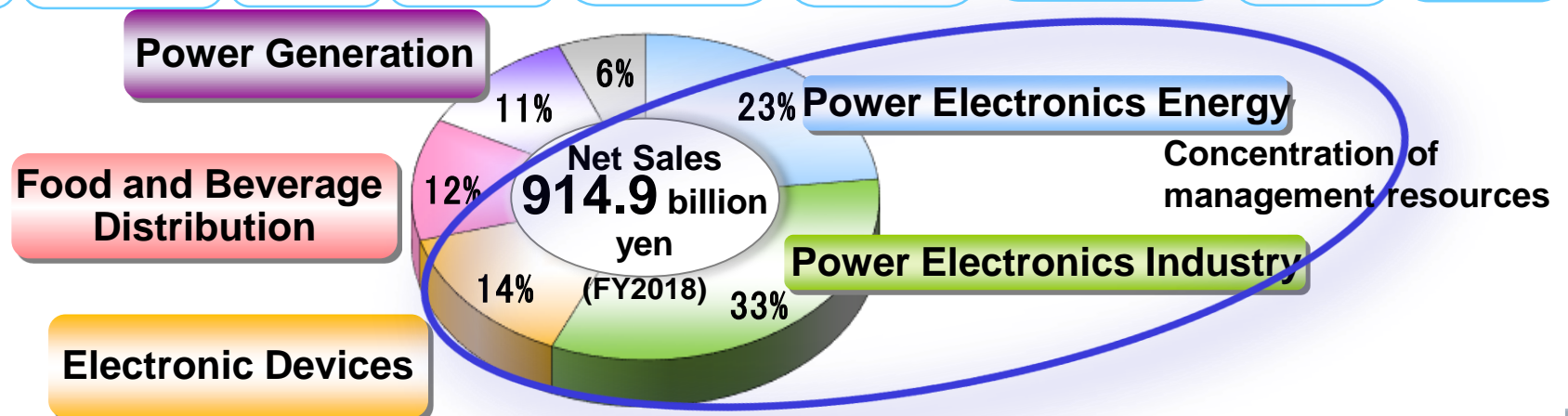
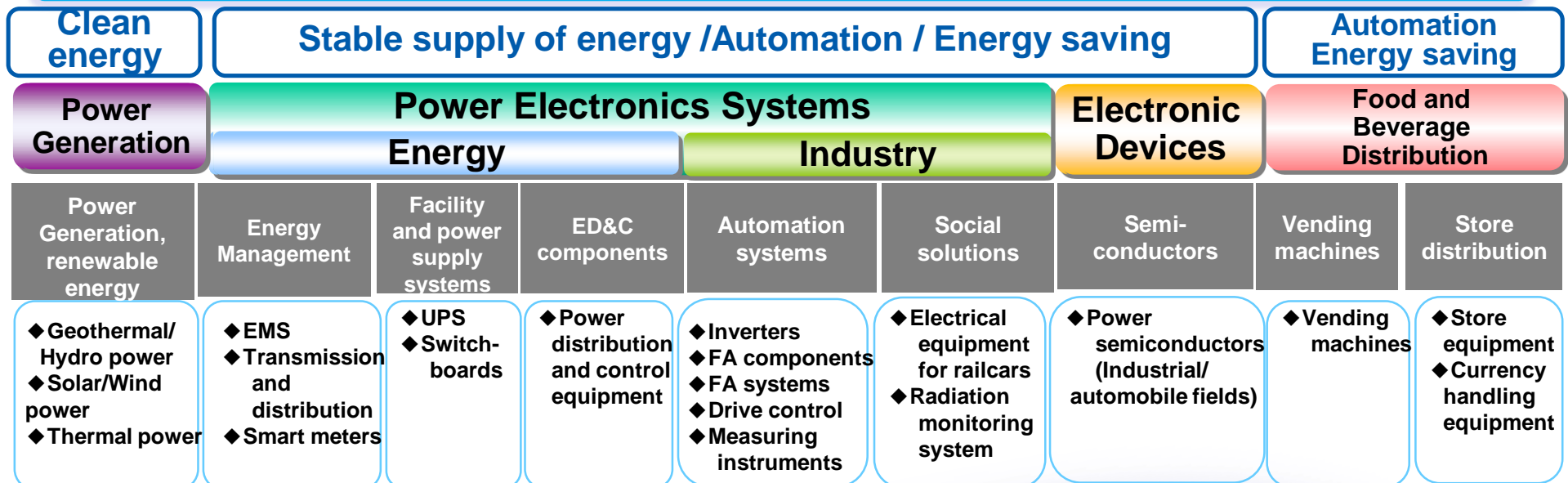
Relation between Fuji Electric's Management Policies and Key ESG Initiatives

Management Policies	Environmental (E)	Society (S)	Governance (G)
<p>Energy and environment businesses</p>	<ul style="list-style-type: none"> - Environmental contributions through business - Concentration of management resources on power electronics systems and electronic devices - Focus on renewable energy in Power Generation segment <ul style="list-style-type: none"> - Promotion of Environmental Vision 2050 		
<p>Global business expansion</p>		<ul style="list-style-type: none"> - Development of human resources - Enhancement of supply chain management 	<ul style="list-style-type: none"> - Reinforcement of auditing function in corporate governance - Entrenchment of global compliance
<p>Strengthen as at team</p>		<ul style="list-style-type: none"> - Promotion of contributions by diverse human resources - Development of workplace environments that fully draw out employee potential - Advancement of Companywide Pro-7 Activities 	











Energy and Environment Businesses

- Environmental contributions through business characteristics of Fuji Electric
- Concentration of management resources on power electronics systems and electronic devices
- Focus on renewable energy in Power Generation segment

Concentration of management resources on power electronics systems and electronic devices
Focus on renewable energy in Power Generation segment



Contribution to Accomplishment of SDGs through Fuji Electric's Business

<p>Major SDGs Contributed to by Energy and Environment Businesses</p>	 ⑦ Ensure access to sustainable and modern energy	 ⑨ Build resilience infrastructure and expand technological innovation	 ⑪ Develop inclusive, safe, resilient, and sustainable cities and other residential areas	 ⑫ Ensure sustainable consumption and production patterns	 ⑬ Take urgent action to combat climate change and its impacts
<p>Power Generation</p> <p>Clean energy</p> 	<p>Supply clean energy</p>				
<p>Power Electronics Systems Energy</p> <p>Reliable supply of energy Energy saving</p> 		<p>Reduce CO₂ emissions from industrial processes</p>	<p>Provide basic services for cities and other residential areas</p>	<p>Efficiently utilize natural resources in product use</p>	
<p>Power Electronics Systems Industry</p> <p>Automation Energy saving</p> 	<p>Improve energy efficiency</p>		<p>Reduce emissions of pollutants</p>		
<p>Electronic Devices</p> <p>Energy saving</p> 		<p>Build resilient infrastructure</p>	<p>Supply sustainable transportation systems</p>		
<p>Food and Beverage Distribution</p> <p>Automation Energy saving</p> 					<p>Implement climate change countermeasures</p>

7 AFFORDABLE AND
CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

● Contributions to Specific SDG Targets

- 7.1 Ensure universal access to modern energy services
- 7.2 Increase substantially the share of renewable energy in the global energy mix

Fuji Electric delivers geothermal power generation products that have been optimized for the heat source to be used in order to realize high efficiency and corrosion resistance.

Since delivering the first geothermal power generation plant to be put to practical application in Japan in 1960, Fuji Electric has proceeded to supply 82 geothermal power turbines around the world with a combined generation capacity of 3,185 MW. We have maintained the top global share of deliveries (36%) since 2000.



【Other SDG Targets to Which Contributions Are Made】

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



9.4 Reduce CO₂ emissions during industrial processes

13 CLIMATE
ACTION

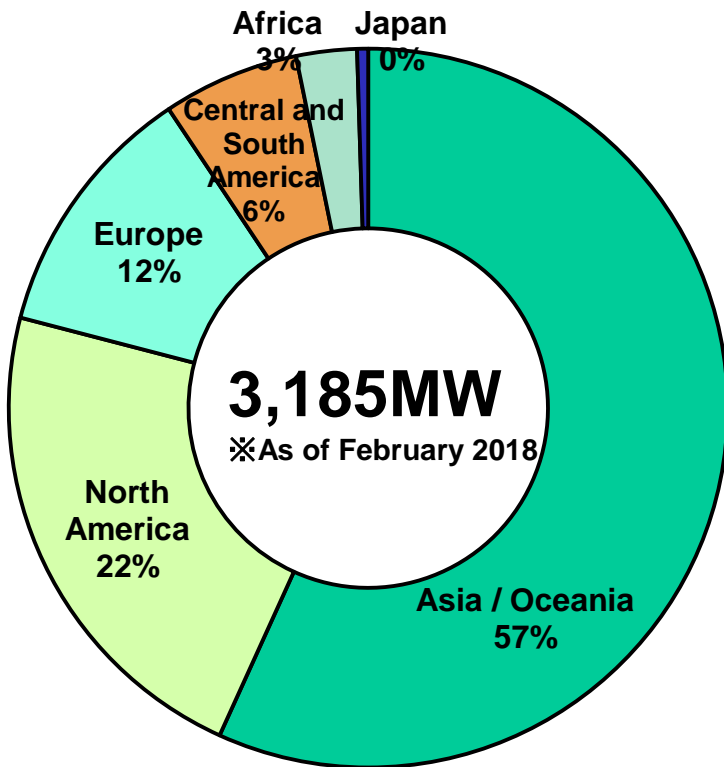


13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

Fuji Electric's Business and the SDGs

—Geothermal Power Generation

**Delivery history by Region
(Generation Capacity)**



	Units	Generation Capacity (MW)
Asia / Oceania	38	1,809
Indonesia	19	1,006
Philippines	15	509
New Zealand	3	290
China	1	3
North America (United States)	20	709
Europe (Iceland, Turkey)	9	369
Central and South America (El Salvador, Nicaragua, Mexico)	6	196
Africa (Kenya)	1	87
Japan	8	16
Total	82	3,185

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Development of resilient infrastructure, promotion of sustainable industry, and expansion of innovation

● Contributions to Specific SDG Targets

- 9.1 Develop sustainable and resilient infrastructure to support economic development
- 9.4 Reduce CO₂ emissions during industrial processes

Fuji Electric provides one-stop service for UPSs, emergency power generation equipment, air-conditioning systems, power monitoring and control systems, and other equipment for the data centers that support cloud services and electronic transactions along with lifecycle maintenance services to contribute to highly reliable infrastructure operation.



【Other SDG Targets to Which Contributions Are Made】

7 AFFORDABLE AND
CLEAN ENERGY



7.3 Improve energy efficiency

11 SUSTAINABLE CITIES
AND COMMUNITIES



11.5 Reduction of the number of deaths and the number of people affected and the direct economic losses caused by disasters

13 CLIMATE
ACTION



13.3 Improvement of institutional capacity for climate change mitigation

11 SUSTAINABLE CITIES AND COMMUNITIES



Development of inclusive, safe, resilient, and sustainable cities

● Contributions to Specific SDG Targets

11.2 Provision of sustainable transport systems

Fuji Electric provides railcar door systems, drive equipment, and auxiliary power suppliers; the high efficiency power semiconductors employed in this equipment; and the substation equipment that contributes to safe and energy-efficient railway transportation.

Fuji Electric's electric door systems, for which we boast a 50% share in the domestic market, are used on the Yamanote Line, the Yurikamome Line, and other prominent train lines, and our controllers deliver the sophisticated control that enables safe and timely operation.



Door system



Traction motor

Main Transformer

Traction converter

【Other SDG Targets to Which Contributions Are Made】

7 AFFORDABLE AND CLEAN ENERGY



7.3 Improve energy efficiency

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



9.4 Reduce CO₂ emissions during industrial processes

13 CLIMATE ACTION



13.3 Improve institutional capacity for climate change mitigation



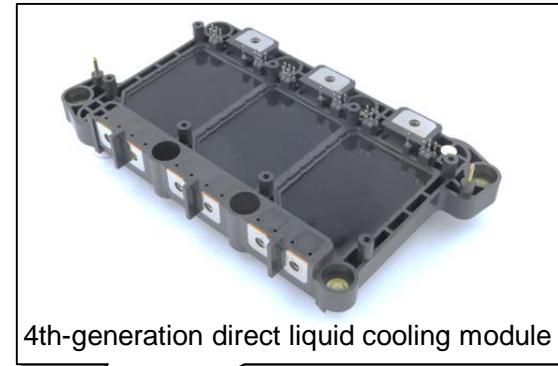
Ensure sustainable consumption and production patterns

● Contributions to Specific SDG Targets

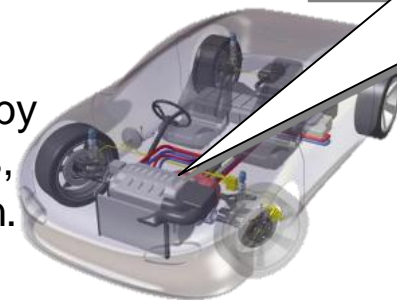
12.2 Achieve the sustainable management and efficient use of natural resources

Fuji Electric supplies the IGBT modules used to control the drive motors of electrified vehicles (xEVs) and thereby contributes to improved fuel efficiency and reduced environmental impacts. In addition, our cutting-edge 4th-generation direct liquid cooling modules realize a 58% improvement in per density unit performance in comparison to prior offerings.

We also contribute to compact and highly reliable products by applying our RC-IGBT and direct liquid cooling technologies, which help reduce chip mounting areas and heat generation.



4th-generation direct liquid cooling module



【Other SDG Targets to Which Contributions Are Made】



7.3 Improve energy efficiency

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

● Contributions to Specific SDG Targets

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

Amid the global shift from thermal power to renewable energy for the purpose of limiting global warming, Fuji Electric is undertaking scrap and build projects to upgrade aging hydro power generation facilities in order to improve generation efficiency and stabilize power supplies. Meanwhile, Fuji Electric's dam management systems help prevent floods resulting from extreme weather events and thereby contribute to safe and highly reliable dam operation based on the scale and purpose of the given dam.



【Other SDG Targets to Which Contributions Are Made】

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



9.1 Develop sustainable and resilient infrastructure
9.4 Increase resource-use efficiency and promote greater adoption of environmentally sound technologies and industrial processes

7 AFFORDABLE AND CLEAN ENERGY



7.3 Improve energy efficiency

Global Business Expansion

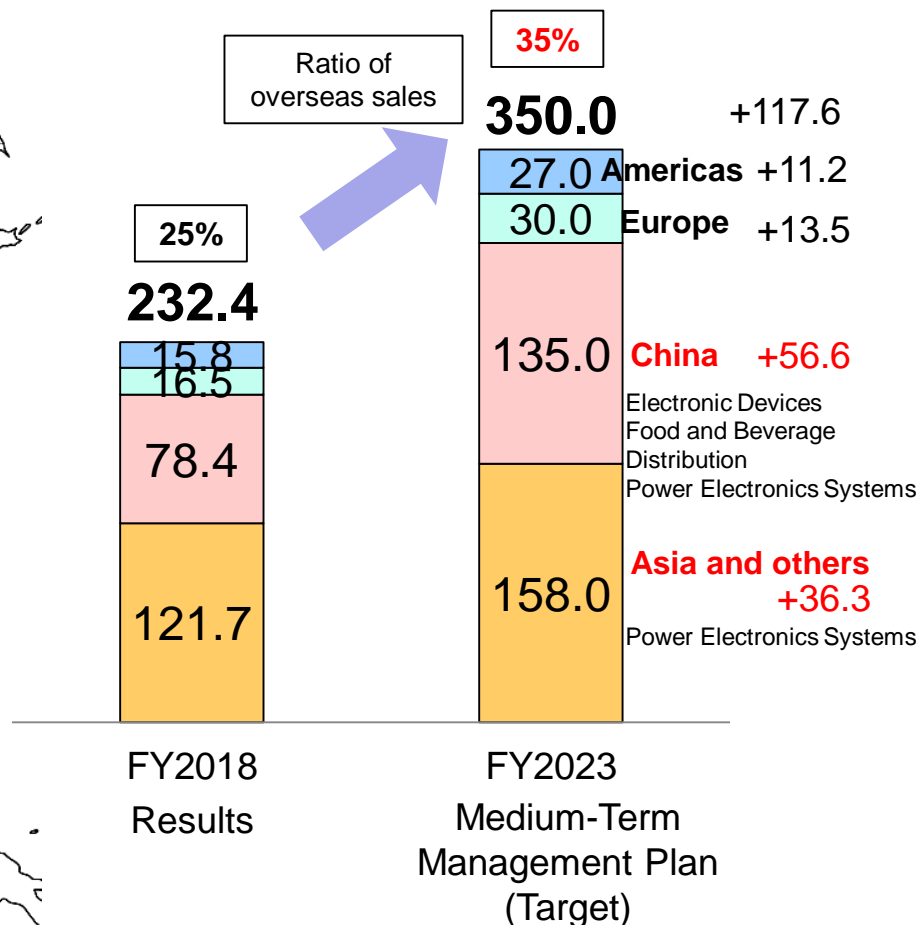
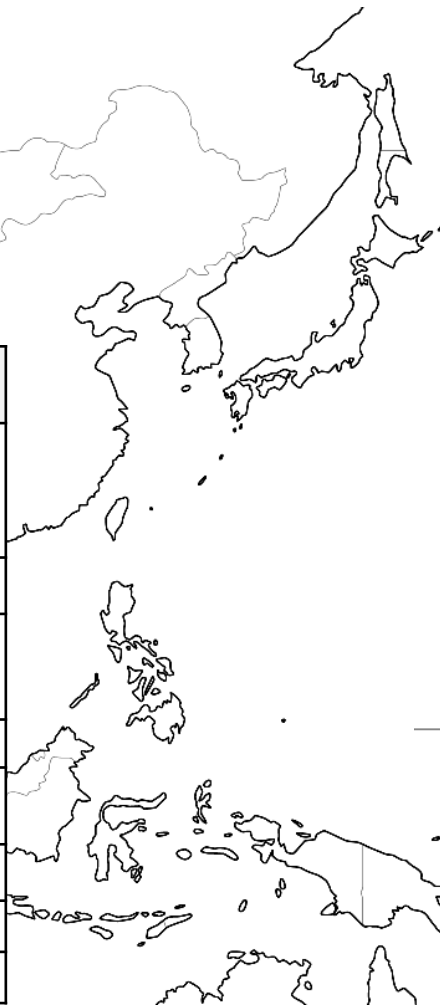
- Reinforcement of auditing function in corporate governance
- Entrenchment of global compliance
- Enhancement of supply chain management
- Development of human resources

Expansion of Overseas Businesses

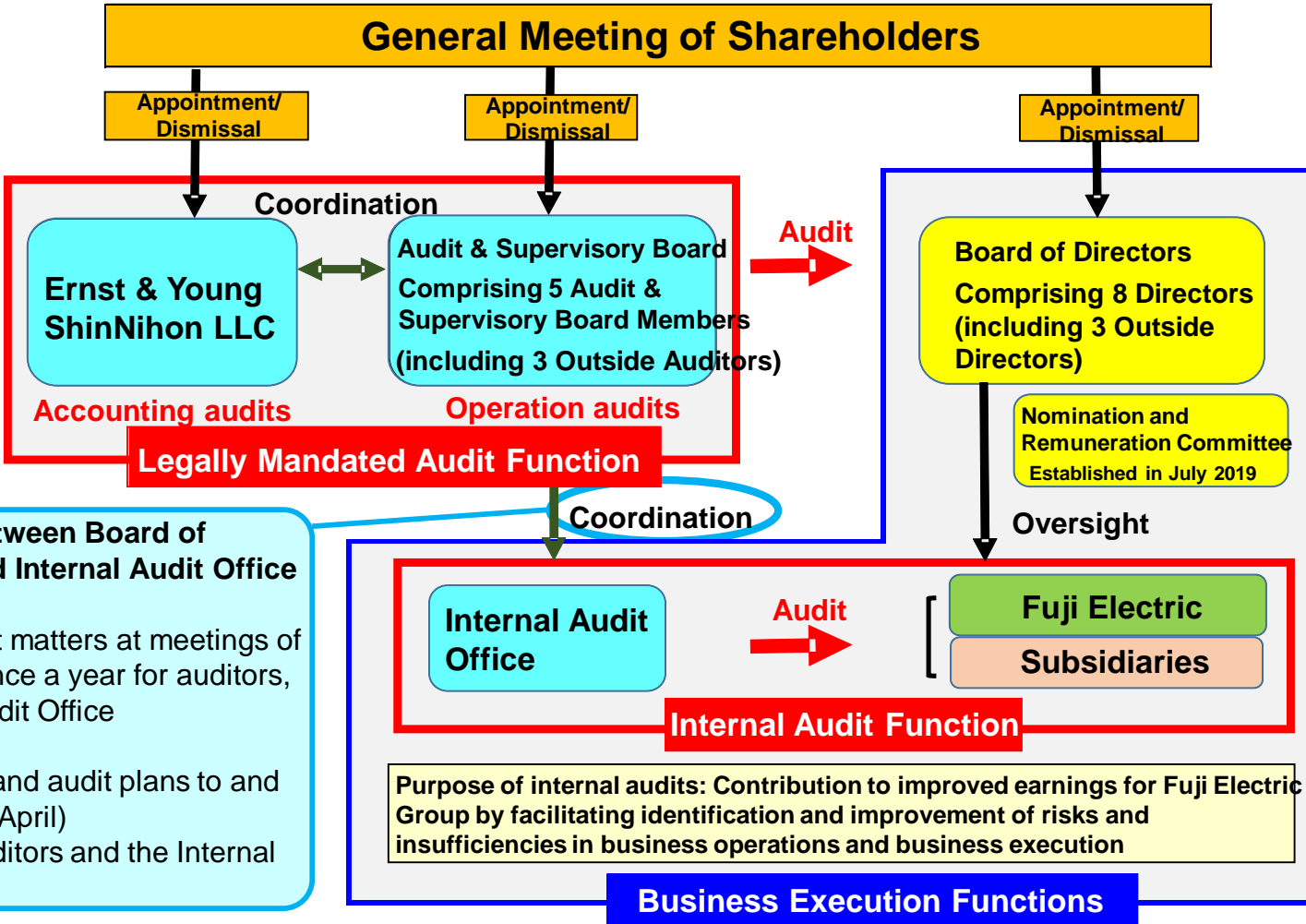
Expansion of overseas businesses centered on China and other parts of Asia
Exhaustive promotion of local production and consumption and utilization of M&A activities and collaboration

March 31, 2019	China	Asia
Sales bases (of which, M&A or joint venture)	4 (1)	5 (0)
Manufacturing bases (of which, M&A or joint venture)	11 (3)	9 (5)
Employees	3,817	5,497

	Production bases	Product lineup
China	11	Low- and medium-voltage inverters, industrial motors, servos, melting furnace, switchgear and control gears
India	1	Engineering services only (steel)
Thailand	3	Transformers, gas-insulated switchgears, switchgear and control gears
Singapore	1	Switchgear and control gears
Vietnam	1	Engineering services only (cement)
Malaysia	1	Semiconductors, magnetic disks
Philippines	1	Semiconductors
Indonesia	1	Vending machines



Enhancement of coordination between Board of Auditors, accounting auditor, and Internal Audit Office (internal auditing division) to ensure effective corporate governance



Enhancement of Coordination between Board of Auditors, Accounting Auditor, and Internal Audit Office

- Sharing of information on important matters at meetings of Auditor Liaison Committee (held once a year for auditors, accounting auditor, and Internal Audit Office representatives)
- Reporting on internal audit results and audit plans to and confirmation by Board of Auditors (April)
- Sharing of information between auditors and the Internal Audit Office (once monthly)

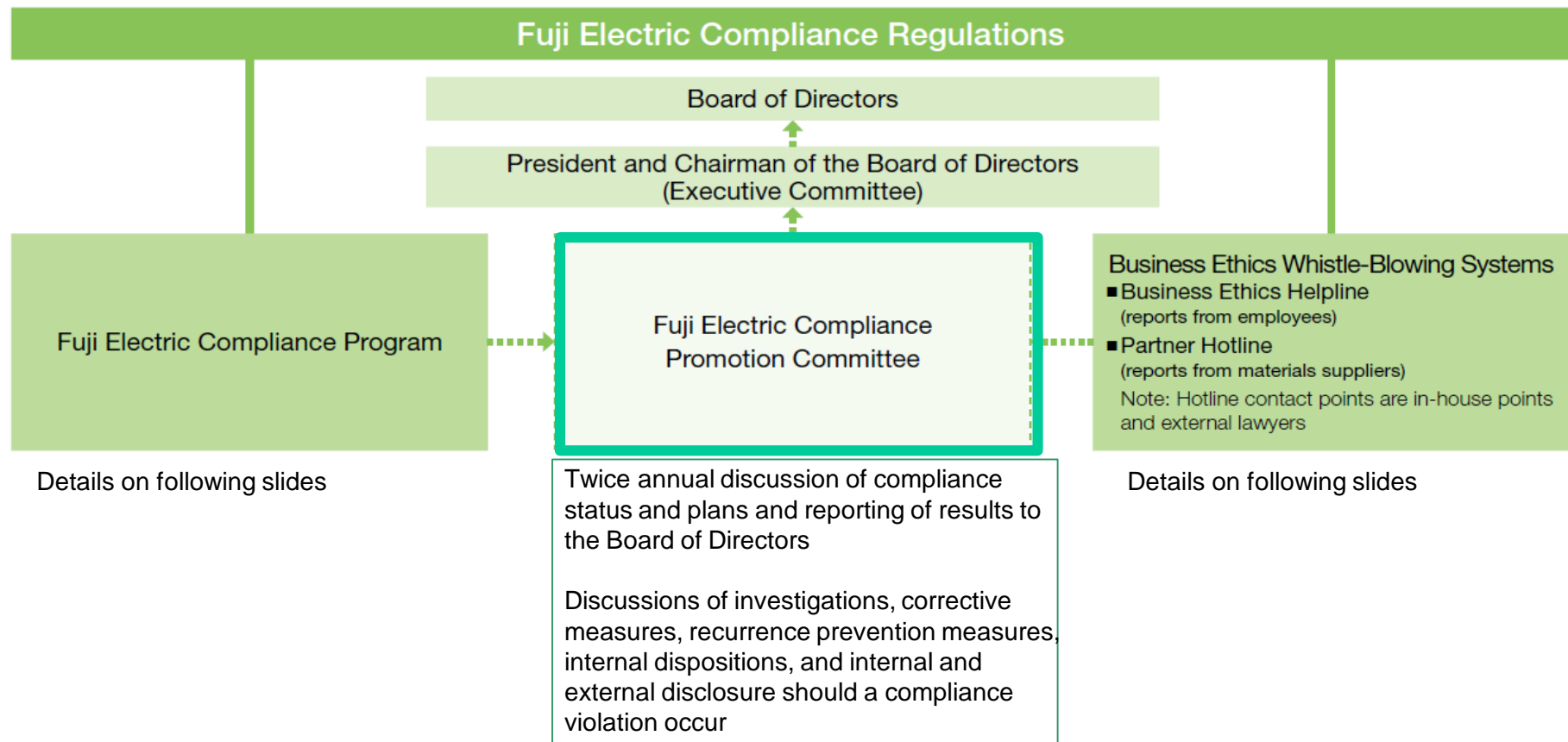
Audits by Audit & Supervisory Board and Internal Audits

	Audits by Audit & Supervisory Board (Legally Mandated Audits)	Internal Audit Office (Internal Audits)
Auditing Activities	<ul style="list-style-type: none"> ▪ Attendance at meetings of the Board of Directors and other important meetings ▪ Examination of important resolution documents ▪ Audits of Fuji Electric divisions (every year, in principle, including meetings with directors on status of execution of duties) ▪ Audits of domestic consolidated subsidiaries (every year, in principle) ▪ Audits of overseas consolidated subsidiaries (biennially, in principle, core subsidiaries audited annually) ▪ Audits of non-consolidated subsidiaries conducted based on risk assessments ▪ Audits of acquired companies upon joining the Fuji Electric Group 	<ul style="list-style-type: none"> ▪ Audits of Fuji Electric divisions (biennially, in principle) ▪ Audits of consolidated subsidiaries (biennially, in principle) ▪ Audits of non-consolidated subsidiaries conducted based on risk assessments ▪ Audits of acquired companies upon joining the Fuji Electric Group
Audit Focus	<ol style="list-style-type: none"> 1. Legal compliance of execution of duties by directors 2. Legal compliance of accounting documents and accounting audits by accounting auditor 3. Legal compliance of resolutions and disclosure 	<ol style="list-style-type: none"> 1. Organizational operation audits Evaluations of appropriateness of management (regulations, resolution procedures, performance management, etc.) 2. Risk management audits Evaluation of effectiveness of risk management systems and risk countermeasures 3. Compliance management audits Inspection of status of compliance with relevant laws and confirmation of legal compliance based on Fuji Electric Compliance Program 4. Business execution audits Evaluation of appropriateness, efficiency, and effectiveness of business execution (sales and procurement recording, expense management, investment, cash flows, etc.) 5. Accounting audits Evaluation of appropriateness of accounting procedures and of balance sheet health

- Reinforcement of audits of overseas subsidiaries
 - Increase in number of auditing firms
 - Implementation and operation of internal control systems and risk management systems
- Enhancement of auditing of overtime hours in conjunction with Labor Standards Act revisions
- Strengthening of management of large-scale projects (installation standards)

Entrenchment of global compliance focused on Fuji Electric Compliance Program and Fuji Electric Business Ethics Whistle-Blowing Systems

Compliance Promotion System



Future Tasks: Effectiveness Verification and Revision of Fuji Electric Compliance Program

Implementation of annual plans for Fuji Electric Compliance Program that defines divisions responsible for specific laws and clarifies roles and responsibilities related to internal rules, monitoring, audits, and education pertaining to each law

■ Fuji Electric Compliance Program

34 Applicable Laws

Companies Act	Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers
Financial Instruments and Exchange Act	Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment
Disclosure rules	Act on Prevention of Unjust Acts by Organized Crime Group Members
Accounting and tax laws	Foreign Exchange and Foreign Trade Act
Antimonopoly laws	Construction Business Act
National Public Service Ethics Act	Electricity Business Act
Unfair Competition Prevention Act	Money Lending Business Act
Whistleblower Protection Act	Insurance Business Act
Patent Act-related regulations	Real Estate Brokerage Act
Consumer Product Safety Act	Insurance laws
Environmental laws	Travel Agency Act
Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors	Defined-Benefit Corporate Pension Act
Copyright Act	Food Sanitation Act
Act on Prohibition of Unauthorized Computer Access	Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures
Act on the Protection of Personal Information	Water Supply Act
Political Funds Control Act	Act on Ensuring Fair Electric Business Practices
Labor Standards Act	
Industrial Safety and Health Act	

Establishment, revision, and abolition of internal rules

Daily monitoring of status of compliance with laws and internal rules

Audits by third parties

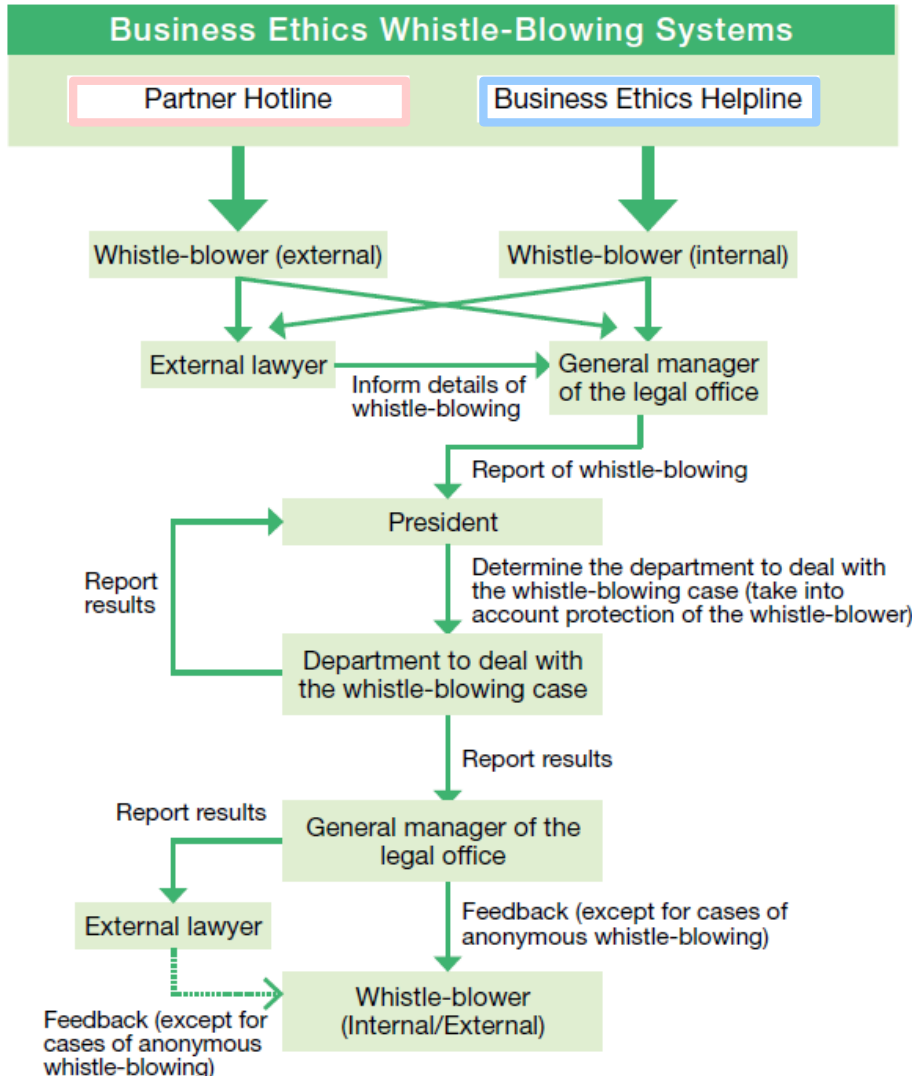
Compliance education



Training for new managers

- 【Major Compliance Education Initiatives】**
- Level-specific training
 - Training for new officers, new managers, and new employees
 - Training comprehensively covering the Fuji Electric Compliance Program
 - Job-specific training
 - Training on procurement, quality, the environment, finances, IT, etc.
 - E-learning programs for all employees

Systems that allow internal and external stakeholders to report actual or potential violations of laws or internal rules to the president of Fuji Electric via divisions responsible for compliance or external lawyers



Business Ethics Helpline

- Reports from domestic and overseas employees (including dispatched employees)
- Promotion of awareness through training and internal newsletters

Partner Hotline

- Reports from business partners regarding procurement activities
- Promotion of awareness through websites and explanatory forums for business partners

Number of reports processed: More than 20 a year (average over past five years)

Promotion of fair and impartial transactions and social responsibility with business partners to develop a supply chain for supporting a sustainable society

● **Procurement Policy**

- Selection of business partners through comprehensive consideration for quality, price, delivery, supply reliability, and environmental preservation based on fair and impartial transactions
- Promotion of CSR-minded procurement activities together with business partners

● **CSR Education Activities for Business Partners**

- CSR surveys (administered to top 500 business partners accounting for 80% of domestic transaction amounts in FY2018)
(Human rights and labor, occupational health and safety, the environment, fair trade and business ethics, quality and safety, information security, social contributions)
- Business policy explanatory forums for business partners

● **Employee Education**

- Procurement-related law compliance training

● **Future Tasks**

- Japan: Sharing of information on issues identified through CSR surveys with business partners, implementation of improvement measures, and administration of CSR surveys to new business partners
- Overseas: Implementation of CSR surveys (FY2020)

Employee Training Statistics (FY2018)

Japan	China	Asia
32 bases	12 bases	8 bases
1,045 participants	74 participants	69 participants

1. Human Rights and Labor

- (1) Prohibition of compulsory labor
- (2) Prohibition of inhumane treatment
- (3) Prohibition of child labor
- (4) Prohibition of discrimination
- (5) Appropriate wages
- (6) Work hours
- (7) Employees' right to organize

2. Occupational Health and Safety

- (1) Equipment safety measures
- (2) Workplace safety
- (3) Workplace health
- (4) Occupational accidents and illnesses
- (5) Emergency response measures
- (6) Consideration for work with high physical burdens
- (7) Facility health and safety
- (8) Employee health management

3. Environment

- (1) Management of chemical substances contained in products
- (2) Management of chemical substances used in manufacturing processes
- (3) Environmental management systems
- (4) Minimization of environmental impacts (wastewater, sludge, exhaust, etc.)
- (5) Environmental permits and government approval
- (6) Effective use of resources and energy (3Rs)
- (7) Reduction of greenhouse gas emissions
- (8) Waste reduction
- (9) Disclosure on environmental preservation initiatives

4. Fair Trade and Business Ethics

- (1) Prohibition of corruption and bribery
- (2) Prohibition of abuses of dominant bargaining position
- (3) Prohibition of provision and acceptance of inappropriate profits
- (4) Prohibition of acts restricting competition
- (5) Provision of accurate information on products and services
- (6) Respect for intellectual property rights
- (7) Appropriate export control
- (8) Information disclosure
- (9) Prevention and early detection of inappropriate behavior

5. Quality and Safety

- (1) Product safety
- (2) Quality management systems

6. Information Security

- (1) Protection of computers and networks from threats
- (2) Prevention of leakage of personal information
- (3) Prevention of leakage of confidential information pertaining to customers or third parties

7. Social Contributions

- (1) Social and community contributions

Total of 39 items

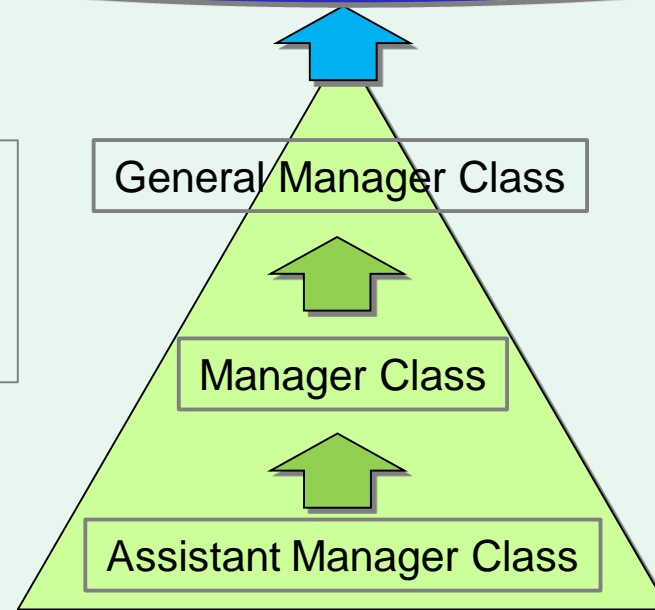
Enhancement of Programs for Development of Future Management Personnel

- **Cultivation of talented junior employees into management candidates (program launched in FY2017, aggregate total of 531 participants)**
- **Skill improvement through proactive rotation programs and selective training**

Cultivation of Numerous Individuals with the Potential to Become Executive Officers

Qualities Required of Management Personnel

- Ability to compete on the global stage
- Capacity for innovating existing businesses
- Propensity for creating new businesses



Strengths as a Team

- Promotion of contributions by diverse human resources
- Development of workplace environments that fully draw out employee potential
- Advancement of Companywide Pro-7 Activities

Revision of compensation systems to support contributions from technical staff and employees age 60 and above

Refinement of compensation systems based on operating environment changes to better empower employees

	Previously	Future (Points of Revision)
Technical staff	Reflection of increased technical skills	<ul style="list-style-type: none"> ● Introduction of Meister System (Second Half of FY2019) <ul style="list-style-type: none"> ▪ Goal of reinforcing manufacturing capabilities ▪ Evaluation of capacity for improvement and rationalization expected of technical staff ▪ Construction of human resource development systems that foster superior technical skills and capacity for improvement and rationalization
Employees age 60 and above Management-level employees	Compensation for employees age 60 and above based on grade at age 60	<ul style="list-style-type: none"> ● Introduction of Senior Task System (FY2020) <ul style="list-style-type: none"> ▪ Set compensation based on tasks for employees aged over 60 ▪ Pay high compensation to individuals performing high-level tasks → Tailor compensation systems and empower employees that continue to deliver superior performance

Expansion of Opportunities for Contribution by Female Employees

- Increase employment of women (target ratio of female employees among newly hired employees of more than 20%)
- Cultivation and promotion of female employees to increase female presence in management
 - Register female employees pursuing further career development, arrange meetings with supervisors, and formulate and implement development plans
 - Hold selective training for registered female employees and improve motivation and awareness



Female employees in Food and Beverage Distribution segment responsible for sales to major convenience stores

(FY)	2017	2018	2019	2023 Target
Ratio of female employees among newly hired employees	14%	20%	21%	20%
Ratio of female employees in management positions	1.9%	1.9%	2.3%	3.0%
Number of female employees in supervisory positions	215	225	249	400

* Female employees in management positions refers to employees of manager rank or above
 Female employees in supervisory positions refers to employees of assistant manager class or above



Promotion of Flexible Workstyles to Facilitate Work-Life Balance

- Flexibility in work location (work at satellite offices or at home)
- Flexibility in work hours (shortened work hours, encouragement of acquisition of consecutive days of leave)
- Support for continuation of career (rehiring request registration system, extended leave system for use when spouse undergoes job relocation)

(FY)	2017	2018
Usage of satellite office/work-at-home systems	1,054 times	2,397 times
Average number of days of paid leave acquired	14.1 days	14.5 days

Support for Contributions of Employees with Disabilities

- Broadening of scope of duties performed by employees with disabilities



Servo amp assembly



Circuit board testing

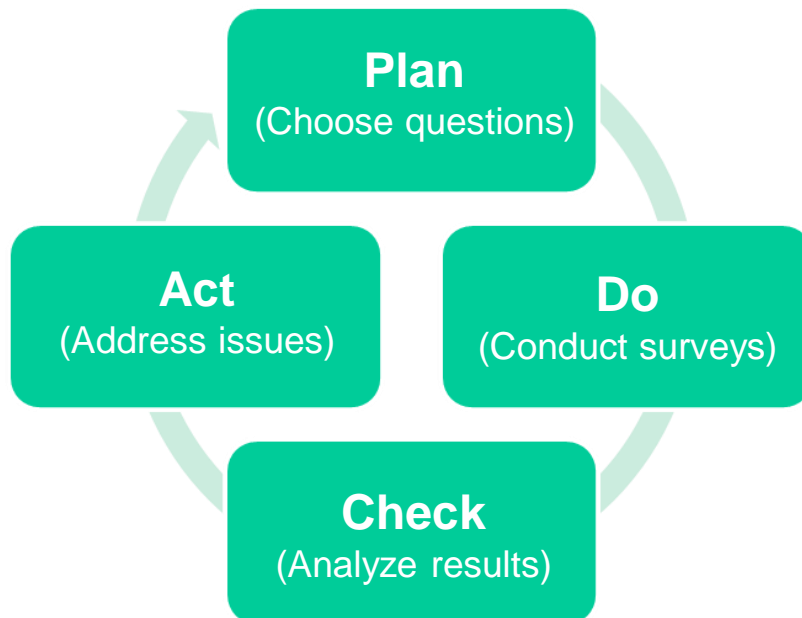
(FY)	2017	2018	2019
Number of employees with disabilities	370	378	397
Employment rate	2.51%	2.57%	2.73%

* Legally mandated rate: 2.0% until 2017, 2.2% from 2018

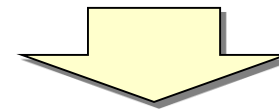
Ongoing Employee Awareness Surveys

- **Purpose:** 1. Tracking levels of management policy understanding and employee satisfaction
2. Reviewing organizations and improving organizational management
- **Conducted biennially from 2010 and annually from 2018**
- **Administered to 20,689 employees (domestic and overseas consolidated subsidiaries,* companies to which Fuji Electric's personnel systems are applied); response rate of 93%**
 - * Excluding overseas production staff

【PDCA Cycle for Tracking Employee Awareness】



Fixed-point observation of satisfaction with the Company and workplaces, senior management, trust for supervisors, and compliance



Prompt action to address issues identified by employee awareness surveys

【Example】

Employee Awareness Survey Results

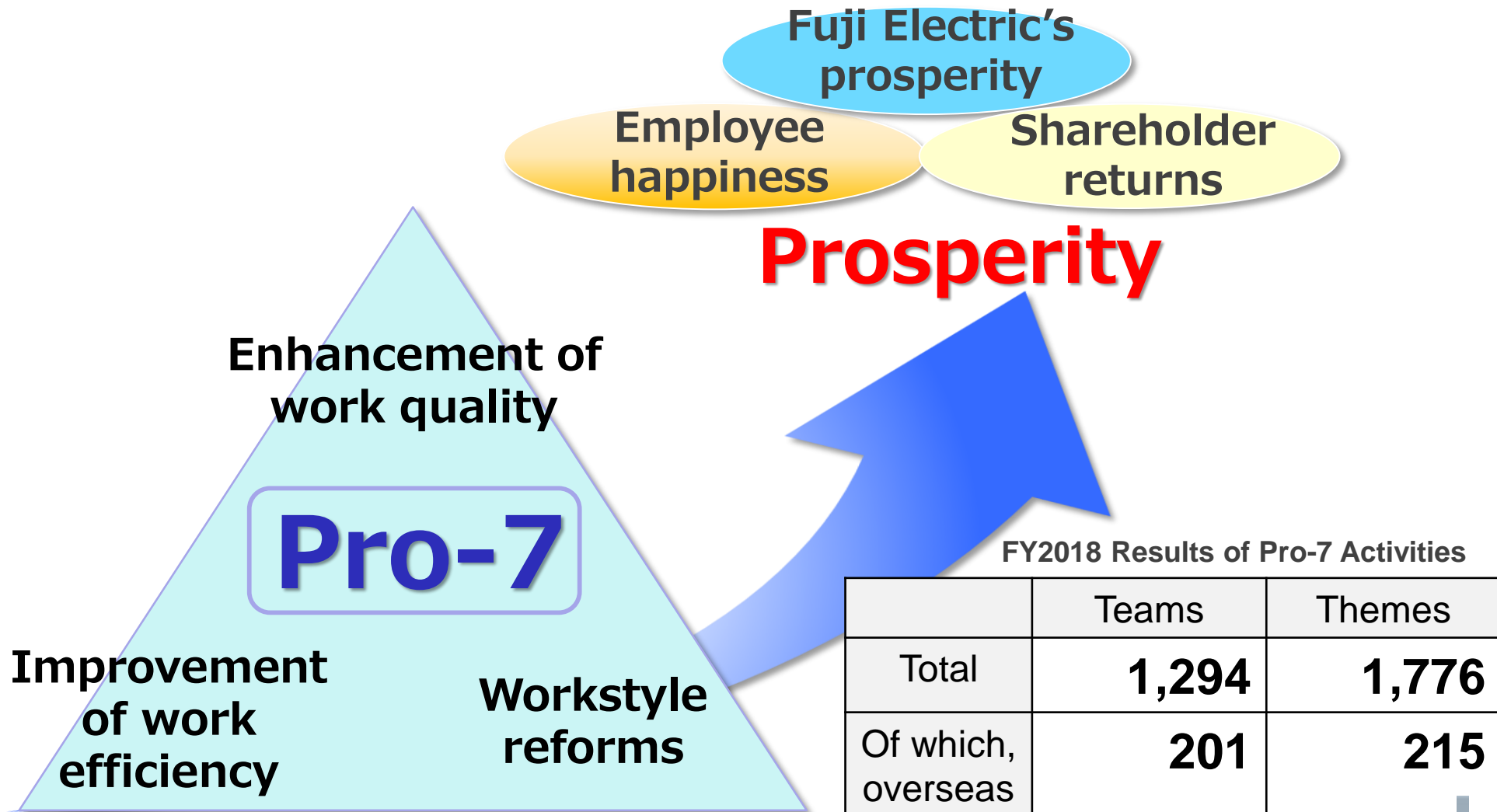
■ 2012 ■ 2014 ■ 2016 ■ 2018



Actions for Addressing Issues (FY2019)

- Sharing of medium-term career goals between supervisors and subordinates
- Training for line managers

Establishment of Foundation for Sustainable Growth through Companywide Pro-7 Activities



FY2018 Results of Pro-7 Activities

	Teams	Themes
Total	1,294	1,776
Of which, overseas	201	215

■ Food and Beverage Distribution

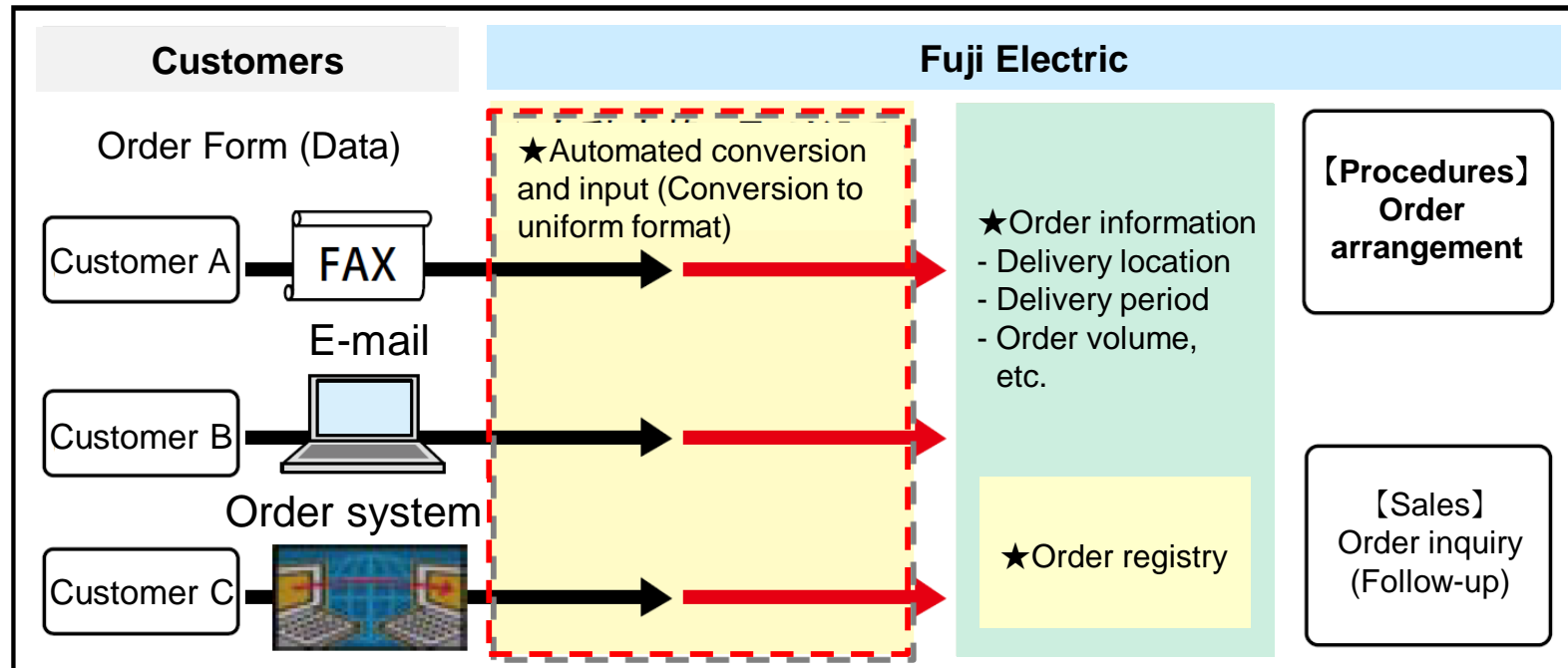
· Streamlining of order arrangement procedures through upgrade to order management system











<Initiative Details>

- Upgrade to system to allow for automated inputting of orders made through order forms that differ in format by customer

<Benefits>

- Two-thirds reduction in order arrangement work time (3,500 hours/year)
- Reduction in human error




ESG Rating Institution/Index	Evaluation of Fuji Electric
	<p>Overall score: 61 (Economic: 54; Environment: 77; Social: 54) Asia Pacific</p>
  	<p>Overall score: 3.5 (Governance: 3.0; Environment: 4.3; Social: 3.3) FTSE4Good FTSE Blossom Japan</p>
  <p>MSCI Japan ESG Select Leaders Index</p>  <p>MSCI Japan Empowering Women Index (WIN)</p>	<p>A rank (3rd highest of 7 ranks) Overall score: 6.0 (Governance/ethics: 5.8; Environment: 6.6; Social: 5.4) MSCI Japan ESG Select Leaders Index MSCI Japan Empowering Women (WIN) Select Index</p>
<p>Toyo Keizai Inc.</p> 	<p>Overall score: 521 (Human resources: 88; Environment: 96; Social: 92) 107th out of 1,495 companies</p>
	<p>B rank (3rd highest of 8 ranks)</p>
	<p>World 120</p>

Internal awareness poster

FE Fuji Electric
Innovating Energy Technology

SUSTAINABLE DEVELOPMENT GOALS



Target Prosperity
Fuji Electric's Prosperity,
Employee and Family Happiness

Challenge **1 trillion yen** **8%+**
Net Sales Operating Margin

Work as a team Pro-7
Work quality, Work efficiency, Work style reform

To be enthusiastic, ambitious and sensitive.

Management Slogan

To be enthusiastic, ambitious and sensitive

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