

Human Resources



We will promote further revitalization and training of human resources to achieve a virtuous cycle of employee happiness and sustainable growth of the Company.

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One of Fuji Electric's management policies is to "maximize our strengths as a team, respecting employees' diverse ambition," and the Fuji Electric Code of Conduct states that we will respect and value all people. We consider respect for human rights, health and safety, and the protection of our employees' health to be the foundation of our business activities and actively invest in people to encourage activities, training, and suitable assignment of human resources, which become the core of our efforts to achieve the sustainable growth of our business.

In terms of promoting human resource measures, we consider it important to achieve a virtuous cycle of employee

happiness and sustainable growth of the Company. We will also continue striving to reinforce our operating foundations, such as by pursuing initiatives aimed at respecting human rights, which is essential in building a sustainable corporate structure, encouraging the active participation of diverse human resources, enhancing initiatives aimed at revitalizing senior employees and securing personnel in line with the Company's workforce composition, aiming to significantly improve our business efficiency, promoting workstyle reforms that facilitate work-life balance, and promoting other initiatives to address various issues in a timely manner.

Respect for Human Rights

Based on the United Nations Guiding Principles on Business and Human Rights, we are working to establish a sustainable corporate structure that is never involved in or complicit in human rights violations. Based on our Policy for Human Rights of the Employees, we implement human rights and labor assessments as a part of our human rights due diligence* targeting our operating sites and consolidated subsidiaries both in Japan and overseas.

Fiscal 2022 was the first year in which we implemented human rights and labor assessments once in two years—instead of once in three years as was our conventional approach—and we have also revised the details by switching to a self-assessment that complies with the latest international standards. We provide guidance for improvement to consolidated subsidiaries that have been identified to require remediation. We also strived to flesh out our human rights awareness-raising training related to the responsibility of companies to respect human rights. More specifically, we implement training that deepens the understanding of our team leaders and managers of our approach internationally

agreed upon human rights as well as the relationship between corporate activities and human rights. In addition, based on our belief that running a pleasant workplace where human rights are respected is a key source of corporate competitiveness, we provide all of our employees in Japan with ongoing training aimed at preventing harassment.

* Human rights due diligence
 Efforts to recognize, prevent, and deal with the risk of human rights violation risks in advance

Status of Human Rights and Labor Assessments

Year of Implementation	Fiscal 2022 (conducted every other year)
Implementation Target	Each operating site and Japanese and overseas consolidated subsidiaries <ul style="list-style-type: none"> Operating sites: 21 sites Subsidiaries: 21 Japanese, 42 overseas
Results	Provided guidance to one Japanese and 10 overseas sites to improve on items that had not been achieved Main points of improvement: <ul style="list-style-type: none"> Planning and implementation of education on human rights Perform periodic health checkups Consideration for working hours, etc.

Promoting Active Participation of Diverse Human Resources

Promoting the active participation of female employees

We promote diversity in order to develop the company through the creation of new value with diverse human resources. Among our diversity initiatives, we place particular emphasis on stepping up measures to promote the active participation

of women. We have established fiscal 2023 targets of a ratio of females hired of 20% and ratio of female employees in supervisory positions of 3%, and we are implementing various measures to promote female employees' success to achieve these targets.

We have set up a project aimed at hiring women, especially

those with science and engineering backgrounds. Our project members actively established points of contact with female students in an effort to increase the number of women we hire. As a result, we reached our target ratio of females hired (20%) as new employees for the sixth year in a row since 2018.

Ratio of Female Employees, Ratio of Females Hired, Ratio of Female Managers, and Number of Female Employees in Supervisory Positions (Japan)

	2020 (end of fiscal year)	2021 (end of fiscal year)	2022 (end of fiscal year)	2023 (end of fiscal year) (Target)
Ratio of female employees	13.2%	13.3%	13.6%	—
Ratio of females hired*1	22%	20%	21%	20%
Ratio of female managers*2	2.5%	2.8%	3.2%	3.0%
No. of female employees in supervisory positions*3	266	295	316	400

Data collected from the Company and its six subsidiaries in Japan that adopt the same personnel system
 *1 Graduates from universities or technical colleges *2 Managerial positions or above
 *3 Team leaders or above

Ratio of Female Employees, Ratio of Female Managers (Overseas, as of end of fiscal 2022)

	Overseas consolidated	(Reference) Consolidated Japanese and overseas
Ratio of female hired	41.1%	27.7%
Ratio of female managers	26.5%	9.4%

In addition, to increase the number of female employees in supervisory positions, we actively promote two major initiatives: implementing intensive training and reinstatement support for ambitious female employees and establishing a workplace environment that is pleasant for female employees to work in such as providing support for balancing home and work.

Main Initiatives

Training for female managers	Provide training for female managers to acquire the skills required to participate in management
Cultivation of priority career targets	Education and training for female employees to advance their careers. Support to challenge upper-level positions through lectures to improve basic skills and practical exercises for problem solving
Sister system	Cross-departmental mentorship with senior female employees as advisors
Project to recruit women with science and engineering backgrounds	Initiatives to recruit female employees with science and engineering backgrounds through seminars that provide first-hand accounts of female employees with science and engineering backgrounds who are successful in the workplace.

TOPICS
Implementation of training for female managers

The Company is also working to reinforce skill development for female employees after their promotion to managerial positions. We conduct training for female managers with the aim of equipping them with the necessary knowledge to participate in management to enable them to further advance to the next level.

In fiscal 2022, various programs aimed at enhancing managerial perspectives and expanding horizons were implemented, including leadership development through self-analysis and training to gain insight into the future to set

specific scenarios and goals. The training was attended by 30 participants, who commented that it was a good opportunity for them to reflect on their own careers, to discover the significance of their own existence as well as the mission in their future social lives, and to acquire ideas that will be useful in their actual work. It was an occasion for them to experience change of mind as managers.

We will continue to improve the environment for female employees so they can acquire the skills required to participate in management.

Promoting the active participation of senior employees

To respond to the workforce composition, which is aging due to the declining birthrate and aging population, it is becoming increasingly important to promote the active participation of senior employees.

Considering the long life span of our products and the time it takes to acquire skills, which are characteristic of our business, senior employees have a wide field of activity and are a valuable asset to the Company.

We are achieving both peace of mind for employees as well as business continuity through the development of a system that enables employees to work actively even after the age of 60.

Ever since we introduced our Selective Retirement Extension System for general employees in fiscal 2000, we have strived to improve the user friendliness of the system while establishing it, and our employees use the system to select their retirement age from the range between 60 and 65 years old in accordance with their life plan. We also introduced our Senior Task System for managers in fiscal 2020, which enables senior employees aged 60 and over to receive the same treatment as younger employees depending on the details of their work and their performance. This system is intended to boost the motivation of our senior employees.

In addition, to enable employees of age 65 or over to continue to contribute by demonstrating their advanced skills and knowledge until they are up to 75 years old, we established the Employment Guidelines for Employees over 65, which are used to promote the active participation of senior employees.

Selection Rate of the Selective Retirement Extension System

	FY2020	FY2021	FY2022
General employees: Selective retirement extension system	84.6%	82.5%	82.1%
Managers: Senior task system	86.6%	96.8%	91.6%

Promoting the active participation of differently abled people

The Company established Fuji Electric Frontier in 1994 as

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a special-purpose subsidiary under the Act on Employment Promotion etc. of Persons with Disabilities. By increasing the hiring of differently abled people and expanding their scope of duties, this company is gradually expanding its bases and currently has 14 bases at every one of our major operating sites, through which efforts are underway to promote the active participation of differently abled people.

The major duties covered by the company include internal document delivery work and cleaning work as well as manufacturing support and light-duty work at each operating site, and the company is actively working on expanding the scope of duties to focus more on manufacturing support and light-duty work.

As of June of 2023, 442 differently abled people were registered, and the employment ratio of such people was 3.02%, well above the statutory employment rate (2.3%). We will continue striving to hire about 20 differently abled people per year as we secure and expand duties available to them and work on achieving stable employment.

Workstyle reforms

As part of our Company-wide Pro-7 Activities, we promote initiatives based on two perspectives: workstyle reforms aimed at improving work efficiency and quality as well as the achievement of work-life balance.

Regarding workstyle reforms, we started promoting company-wide initiatives in fiscal 2017, including reducing long working hours, encouraging the use of vacation time, and striving to achieve a well-balanced workstyle, mainly by implementing steady awareness-raising and visualizing the actual working hours by utilizing IT. From the viewpoint

of employee needs and productivity improvement, we have also been gradually expanding the users of our diverse work systems for promoting flexibility of working hours and locations, and we are increasing the user friendliness of these systems. In addition, rules have been established to provide allowance to employees who have achieved workstyles with a high time value, with the aim of changing employees' awareness toward improving productivity.

To help facilitate work-life balance, we have also set up various systems that support life at work and at home, including vacation systems for childcare and family care, reduced working hour systems, and vacation time when a spouse is transferred within Japan and overseas.

From fiscal 2022 onward, we will promote a free address system at the workplace, mainly in the head office area, and are also working to reform the workplace environment, including minimizing paper documents and enhancing meeting booths utilizing active space.

We are implementing initiatives for workstyle reforms, both in terms of the workstyle system and the workplace environment.

	FY2018	FY2022
Average overtime hours per month	24.4 hours	20.8 hours
Average number of paid vacation days acquired annually	14.5 days	18.5 days
Work from home/satellite office (total number of users)	2,397	147,251
Childcare leave system (total number of users)	107 (including 6 male) (percentage of male utilizing childcare leave 3.1%)	131 (including 43 male) (percentage of male utilizing childcare leave 21.1%)

Initiatives to Cultivate Human Resources

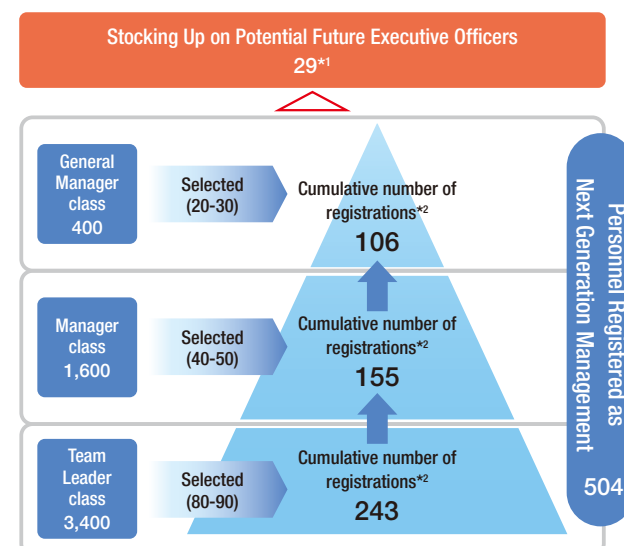
In the Fuji Electric Code of Conduct, we have expressed our commitment to reinforce human resource cultivation to achieve the development of each individual employee as well as the collective strength of the team. We are enhancing the cultivation of human resources who can demonstrate strong leadership and a high level of expertise by bolstering employee skill development and strengthening our investment in education.

Fostering next-generation management

We are also taking active measures to foster future management candidates who will lead our sustainable growth.

Our human resource development covers three main areas. The first is carefully selecting young trainees, the second is effective OJT (on-the-job training) based on a training plan, and the third is participation in selective training. In fiscal 2021, to complement our future management candidate training system, we launched our Line Successor Planning System in an effort to achieve systematic line manager training. By combining these two systems, we are striving to connect posts that require succession training to individual training, thereby achieving more effective management-candidate training. We also strive to work out the details by sharing

and discussing the following and other details with executive officers on an annual basis: trainee selection details, the implementation status of training rotations, and who has undergone selective training.



*1 Number of registered next-generation management human resources

*2 Cumulative number of registrations is cumulative from fiscal 2017 to fiscal 2022

Cultivating human resources adaptable to change: Cultivating digital human resources

As the world undergoes significant changes due to the rapid spread of AI, IoT, and other advanced digital transformation technologies, we are actively working to cultivate digital human resources to solve challenges and create new value through the use of digital technologies. We provide training to enhance DX literacy not only for engineers responsible for service development, but also for factory and production divisions, as well as sales and service divisions that face customers. In addition, in order to adapt to rapid changes

Employee Communication

Employee awareness surveys

In order to understand employee awareness in a timely manner, the Company conducts an annual employee awareness survey consisting of a total of 95 questions for Japanese and overseas consolidated subsidiaries to make fixed-point observations on overall employee awareness, including satisfaction toward the Company, the workplace, and their jobs. The results of the survey are reported at the Executive Committee, and the results of the analysis for each organization are provided to general managers and representatives of subsidiaries for use in improving their respective issues.

The results of the annual employee awareness surveys to date have been directly utilized for various human resources measures, including the implementation of training to strengthen management skills of middle managers, the enhancement of the target management system and expansion of education and training to support employee career development, and a review of the employee treatment

in society and achieve sustainable growth, it is essential to improve the productivity of internal operations through the use of digital technology, and we widely promote education from the perspective of reskilling. Since fiscal 2021, a total of more than 7,000 people have received training under the Company's initiative to cultivate digital human resources. We will continue to cultivate human resources that adapt to changes in society and business needs, and aim for sustainable growth through an improved workplace for employees and improved productivity.

system to evaluate the improvement and streamlining efforts of skilled employees.

In addition, the results of the annual employee awareness surveys are used as an indicator of our human capital initiatives. The goal is not to boost the indicator, but to maintain at least 3.5 pt with the aim of identifying issues and risks early in the trend analysis and taking appropriate countermeasures.

Average Responses to Representative Questions Indicating Overall Satisfaction toward the Company

Target	Fiscal 2021 results	Fiscal 2022 results
Maintain a level of 3.5 pt or higher, a level that can be evaluated as sound	3.8 pt	3.8 pt

* The scope of the survey covers domestic and overseas consolidated subsidiaries excluding the Company and Fuji Furukawa Engineering & Construction Co. Ltd.
* Average of responses to the representative question "I am satisfied with working for Fuji Electric" indicating overall satisfaction toward the Company (5 point scale from 1 to 5 pt, with higher scores indicating a more positive stance)