

Contributing to the creation
of a sustainable society

Fuji Electric Report **2022**



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Regarding the Fuji Electric Report

Fuji Electric Report is an integrated report that is prepared and published for the purpose of facilitating understanding of the Company's whole corporate activities among its stakeholders, mainly shareholders and investors. Fuji Electric places great importance on clear communication of its material issues of ESG (environment, society, governance) and initiatives aimed at improving sustainability to enhance long-term corporate value. Covered organizations in the chapter "Promoting Material Initiatives for Management" are Fuji Electric Co., Ltd. and its consolidated subsidiaries in Japan and overseas, which are collectively referred to as Fuji Electric.

For details of financial and non-financial information, please refer to the Company's website and other disclosure materials.

Investor Relations Website:
<https://www.fujielectric.com/ir/>

Environmental, Social, and Governance Website:
<https://www.fujielectric.com/company/csr/>

About the Front Cover

The front cover of this report reflects Fuji Electric's attitude toward growth and enhancing corporate value over the long term in addition to contributing to developing SDGs and realizing a sustainable society, leveraging synergies in its energy and environment businesses.



Disclaimer Regarding Forward-Looking Statements

Statements made in this report regarding estimates or projections are forward-looking statements based on the Company's judgments and assumptions in light of currently available information. Actual results may differ materially from those projected as a result of uncertainties inherent in such judgments and assumptions as well as changes in business operations or other internal or external conditions. Accordingly, the Company gives no guarantee regarding the reliability of any information contained in these forward-looking statements. Investors are encouraged to also reference documents submitted by the Company in accordance with the Financial Instruments and Exchange Act of Japan and other disclosure materials.

Corporate Philosophy and Management Policies

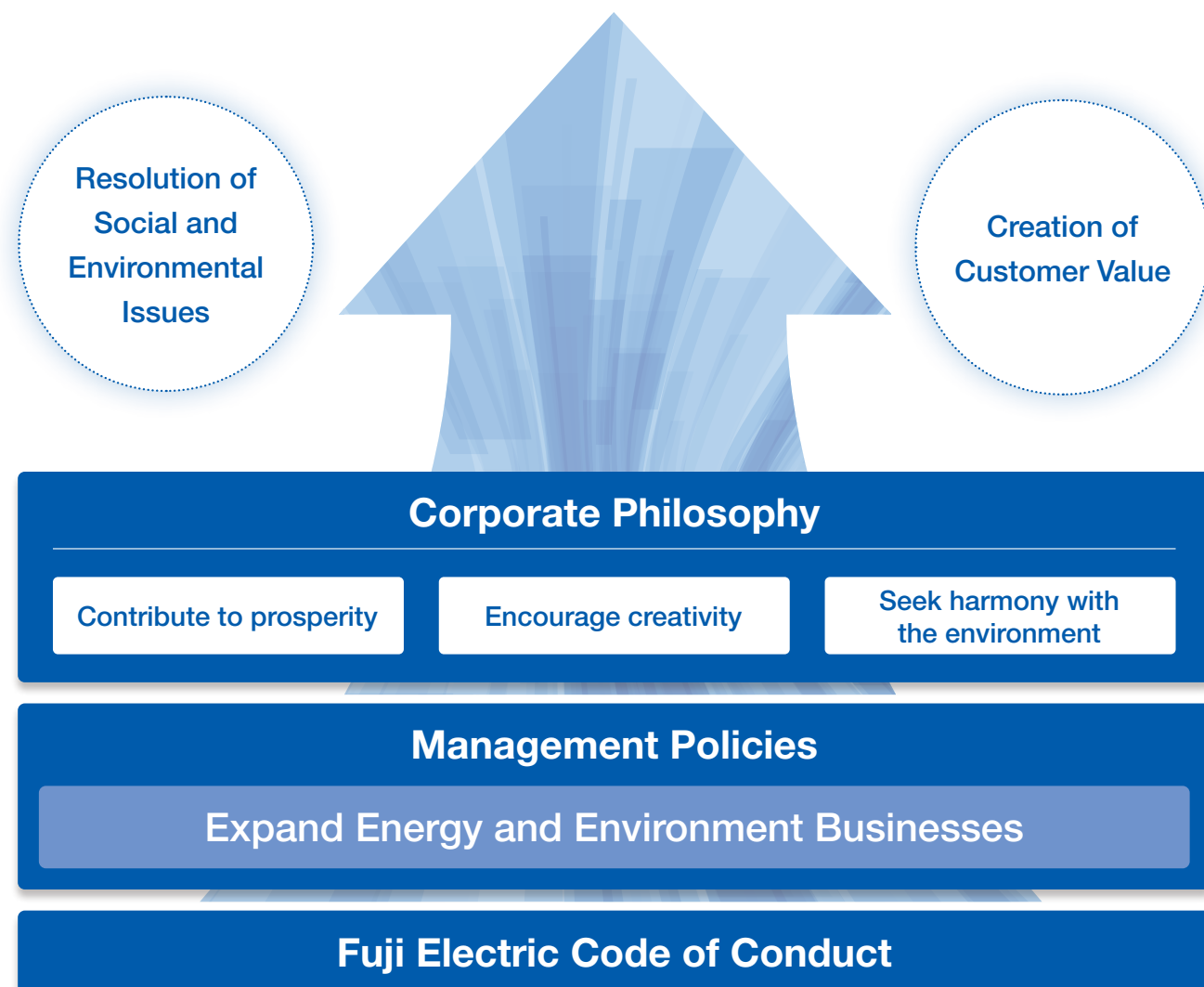
Fuji Electric's corporate philosophy hinges on a mission to contribute to prosperity, encourage creativity, and seek harmony with the environment, while the Company's management policies are centered on the notion of contributing to society through its energy and environment businesses.

By putting this corporate philosophy and management policies into practice based on its Corporate Code of Conduct, which sets forth guidelines for the conduct of employees, Fuji Electric and its employees, together with customers and business partners, will aim to resolve social and environmental issues, create customer value, develop the SDGs, and contribute to the creation of a responsible and sustainable society.

Through our energy and environment businesses, we aim to benefit society and become a company of sustainable growth.



Contribute to the creation of a Responsible and Sustainable Society



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 a responsible and sustainable society.
2. Achieve further growth through our global business expansion.
3. Maximize our strengths as a team, respecting employees' diverse ambition.

Fuji Electric Code of Conduct

In order to practice our corporate philosophy to fulfill social responsibility and act with high ethical standards while understanding and complying with relevant laws, regulations, international rules, and the spirit of such regulations and rules, both domestically and abroad, Fuji Electric and its employees have defined this code as a foundation for decision-making and behavior.

- | | |
|---|--|
| 1. Respect and value all people | 6. Respect and value interaction with society |
| 2. Respect and value our customers | 7. Make global compliance a top priority |
| 3. Respect and value our business partners | 7-1. Thorough compliance |
| 4. Respect and value our shareholders and investors | 7-2. Thorough risk management |
| 5. Respect and value the global environment | 8. Top management will thoroughly practice this standard |

 Further information about Fuji Electric Code of Conduct is available at our website.
<https://www.fujielectric.com/company/conduct.html>

Brand Statement

Innovating Energy Technology

Brand Promise

Through our pursuit of innovation in electric and thermal energy technology, we develop products that maximize energy efficiency and lead to a responsible and sustainable society.

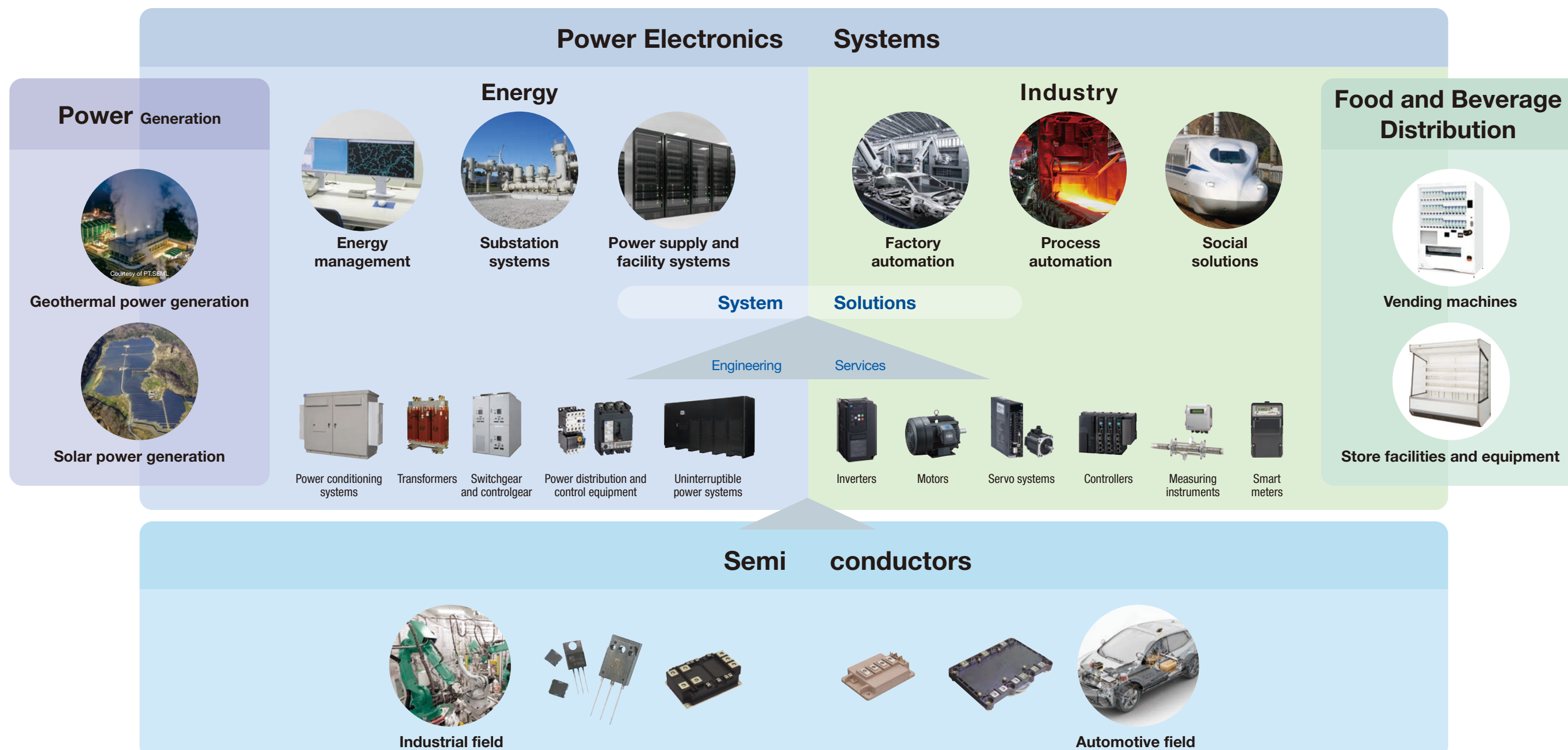
Fuji Electric's Energy and Environment Businesses

We will ceaselessly pursue synergies between our core power semiconductor and power electronics technologies and contribute to the creation of a responsible and sustainable society in industrial and social infrastructure fields through the four businesses of Power Electronics Systems, Semiconductors, Power Generation, and Food and Beverage Distribution.

Clean energy

Stable supply of energy

Energy saving Automation



Priority SDGs to Be Addressed through Our Businesses



Spread of renewable energy use
Improvement of energy efficiency



Reduction of CO₂ emissions from industrial processes
Reinforcement of social and industrial infrastructure



Building safe and secure urban infrastructure services
Development of sustainable transport systems



Efficient use of natural resources
Rigorous management and reduction of emissions of chemical substances and waste



Reducing society's CO₂ emissions through products
Reducing GHG emissions during production

Contributing to the Reduction of Greenhouse Gas Emissions

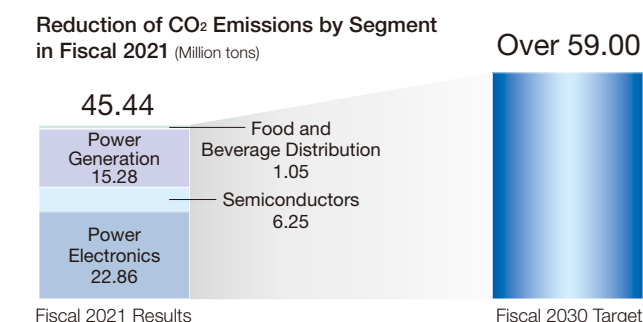
To reduce greenhouse gas emissions, energy suppliers have been promoting the use of clean energy, and energy consumers have been promoting energy saving, electrification, and power-source distribution through the introduction of private power generation facilities.

Fuji Electric's strengths lie in our ability to develop and manufacture power semiconductors—energy saving key devices—and to then provide comprehensive services featuring power electronics equipment using such semiconductors, systems comprised of these pieces of equipment, and engineering work.

We therefore contribute to the reduction of greenhouse gas emissions throughout the supply chain, on both the energy supply and demand sides.

Reducing society's CO₂ emissions through our products

To help limit the rise of Earth's temperature to no more than 1.5°C compared to pre-industrial levels, Fuji Electric has defined goals of reducing society's CO₂ emissions through its products, and we conduct corporate activities accordingly. (For details, please refer to *Environment* on P33.)



Supply side



Power companies and power producers

Power Generation

Reduction of CO₂ emissions
15.28 million tons

Making clean energy mainstream

We have a broad clean energy lineup, including geothermal, hydro, solar, wind, and fuel cells. By combining the above with the technologies that enable the stable supply of renewable energy to help expand the use of clean energy and distributed power sources.



Geothermal power



Solar power

Power Electronics

Stabilizing the energy supply

Through package proposals for data centers, factories, and others that include both the supply and maintenance of a wide range of products and systems, including highly efficient uninterruptible power systems and environmentally friendly substation equipment, we contribute to the stable supply and optimization of power as well as the reinforcement of industrial infrastructure.



Substation equipment



Monitoring and control systems for power grids



Energy management systems (EMS)



Power storage systems



Uninterruptible power systems

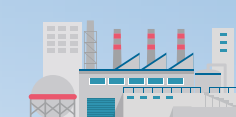


Power conditioning systems

Optimizing and increasing the efficiency of the

Thanks to our efforts related to smart community demonstration projects both in sophisticated power grid operations, and our strengths include technologies for We capitalize on our analytics and AI technologies—for which we boast an extensive

Demand side



Factories



Facilities



Ports



Automobiles



Railways

Semiconductors

Food and Beverage Distribution

Spreading energy-efficient equipment and systems

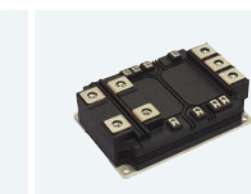
We help factories, buildings, facilities, and others save energy through energy saving proposals, including the visualization of energy saving issues by utilizing measuring and control technologies we have developed over the years as well as effective use of power electronics equipment with our highly efficient power semiconductors, drive control systems, and thermal energy.



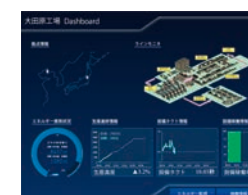
Inverters



Motors



Semiconductors



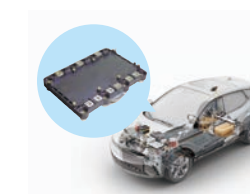
EMS solutions



Hybrid heat pump vending machines



Non-leak showcases



Power semiconductors for electrified vehicles



Electric propulsion systems for vessels

Improving the electrification rate

We use our technical capabilities—with which we have pursued the increased miniaturization and efficiency of power electronics equipment—to contribute to the improvement of the electrification rate, including power semiconductors for electrified vehicles and electric propulsion systems for vessels.

Reduction of CO₂ emissions
22.86 million tons

Reduction of CO₂ emissions
6.25 million tons

Reduction of CO₂ emissions
1.05 million tons

Message from the Chairman of the Board and CEO



Contributing to the Development of the SDGs and the Realization of a Decarbonized Society through Our Energy and Environment Businesses

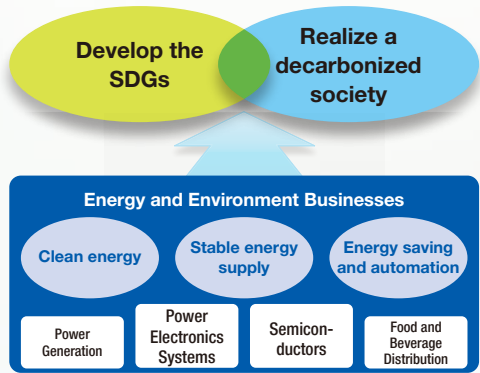
Michihiro Kitazawa
Chairman of the Board and CEO

Maximize employees' strengths as a team and strive for sustainable growth

Since its establishment in 1923, Fuji Electric has contributed to solving social and environmental issues and creating customer value through its cutting-edge energy and environment technologies. The conceptual underpinning of this is our Corporate Philosophy. As responsible corporate citizens in a global society, we seek to deepen our relationships of trust by valuing local communities, customers, and partners under our corporate mission: “contribute to prosperity,” “encourage creativity,” and “seek harmony with the environment.” This is exactly in line with the concept of the Sustainable Development Goals (SDGs), which aim for integrated economic, social, and environmental improvement.

At present, one of the important themes to be tackled on a global scale is the solution of problems for realizing a decarbonized society, and this is expanding business opportunities in our core energy and environment businesses. Our greatest strength is our ability to provide comprehensive solutions to the needs of our customers from the energy supply side to the demand side, from stable energy supply to energy saving and automation solutions and more. We do this by offering power electronics equipment with world-leading power semiconductors, systems that combine such equipment, and bundled engineering services, in addition to

clean energy-related products. We are contributing to the development of the SDGs and the realization of a decarbonized society through our businesses, centered on the power electronics and power semiconductor businesses. In addition, we believe that when it comes to the ESG issues that form the foundation of our operations, it is important to set goals from a high-level management perspective, to share them with employees, and then work as a team to put them into practice. Under the concept of “employees first,” the growth of our employees leads to the prosperity of our company, which creates a virtuous cycle in which profits earned through our business activities are returned to employees, shareholders, and society. This is how we aim to achieve sustainable growth.



Achieved fiscal 2023 operating margin target two years ahead of schedule Aiming for further earnings growth in power electronics and power semiconductors

In April 2022, with the aim of strengthening management and business execution functions, Fuji Electric launched a new structure with a Chairman and CEO (Chief Executive Officer) and a President and COO (Chief Operating Officer). As Chairman and CEO, I will continue to have responsibility and authority over the Board of Directors and the Executive Committee, which are responsible for important management decision-making functions, and will continue to solidify our foundation as a sustainable growth company based on our Corporate Philosophy and Management Policies.

Our five-year Medium-Term Management Plan—Reiwa Prosperity 2023—which ends at the close of fiscal 2023, targets net sales of ¥1 trillion and an operating margin of 8% or more. Under the plan, we will strengthen our operating foundation for Fuji Electric’s further development in fiscal 2024 and thereafter and aim for prosperity together with society.

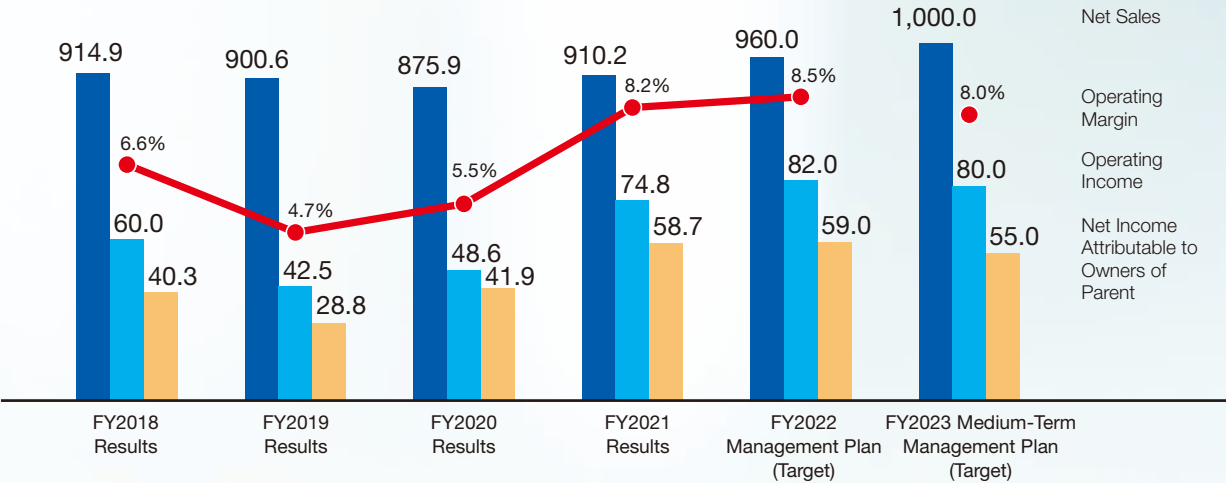
From the first year of the start of the plan, the business environment surrounding the Company changed dramatically. In addition to the U.S.-China trade friction in fiscal 2019 and the COVID-19 pandemic in fiscal 2020, in fiscal 2021, changes in the international political situation added to the impact of soaring material prices, material shortages, and other factors that spread throughout the supply chain.

Although net sales did not grow as planned due to this unexpectedly challenging business environment, our fiscal 2021 results surpassed the previous fiscal year in both sales

and income, with operating income, operating margin, and net income all at record highs. With an operating margin of 8.2%, we achieved the target of the Medium-Term Management Plan two years ahead of schedule. This is the result of our efforts over the past decade or so to improve the structure of our factories, which are the source of our profits, and to augment our manufacturing and procurement capabilities through supply chain reforms centered on in-house production and automation, based on the concept of local production for local consumption.

Fiscal 2022 is an important year as the final year of preparation for the achievement of the Medium-Term Management Plan. Having set must-reach targets of net sales of ¥960 billion, operating income of ¥82 billion, and an operating margin of 8.5%, we aim to further expand earnings in power electronics and power semiconductors. The biggest challenge is to expand sales in the power electronics business, which accounts for about 60% of total sales. Globally, investments toward a decarbonized society, such as clean energy, energy saving, and electrification, are expanding, and we must step up efforts to capture this new demand and reap the benefits. In power semiconductors, another pillar of our business, we intend to respond to strong customer demand, steadily increase production capacity, and solidify our credibility and trust. As for power generation and food and beverage distribution, they are strong businesses with a high market share and play an important role in supporting social infrastructure, and we will continue to operate them with a focus on profitability.

Consolidated Business Performance Trends (Billions of yen)



Continue to invest in growth, maximize profits, and improve capital efficiency

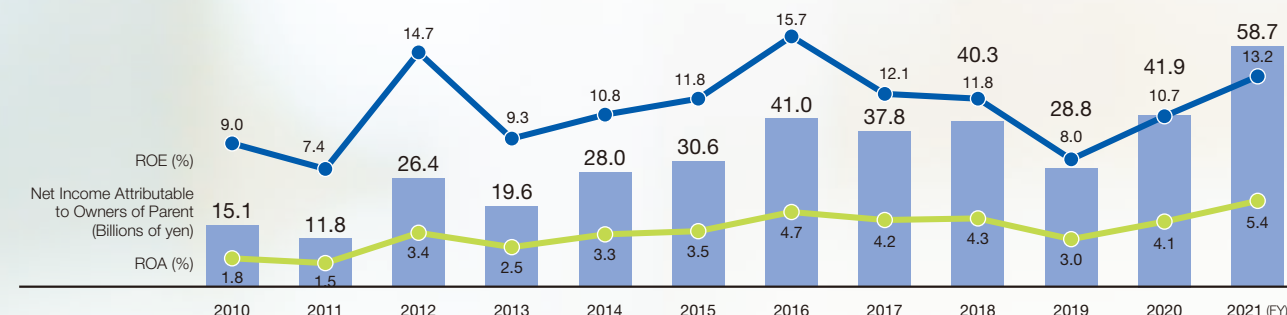
Fuji Electric has been working to improve its financial position since it fell into an operating deficit in fiscal 2008 due to the effects of the global financial crisis. We have clarified our business domain and reduced our interest-bearing debt by generating free cash flow through measures such as focusing resources on power electronics and power semiconductors, augmenting our manufacturing capabilities to enhance profitability, and systematically selling our cross-shareholdings. As a result, in fiscal 2021, not only our operating margin, but also our net debt-equity ratio and equity ratio reached record highs. In terms of capital efficiency, ROA and ROE exceeded the Medium-Term Management Plan's targets of 5% ROA and 11% ROE in fiscal 2023.

Starting in fiscal 2021, we introduced per-business ROIC as a performance indicator. In the semiconductor business, where growth is expected but investments are large, we

are taking measures to minimize investment and maximize profits, such as utilizing the clean rooms vacated by our exit from magnetic disks for semiconductor manufacturing. We are also working to improve the cash conversion cycle (CCC) by strengthening collection of accounts receivable-trade and reducing inventories. Going forward, we will continue to invest in growth in focus areas, maximize profits, and improve capital efficiency while taking financial balance into account.

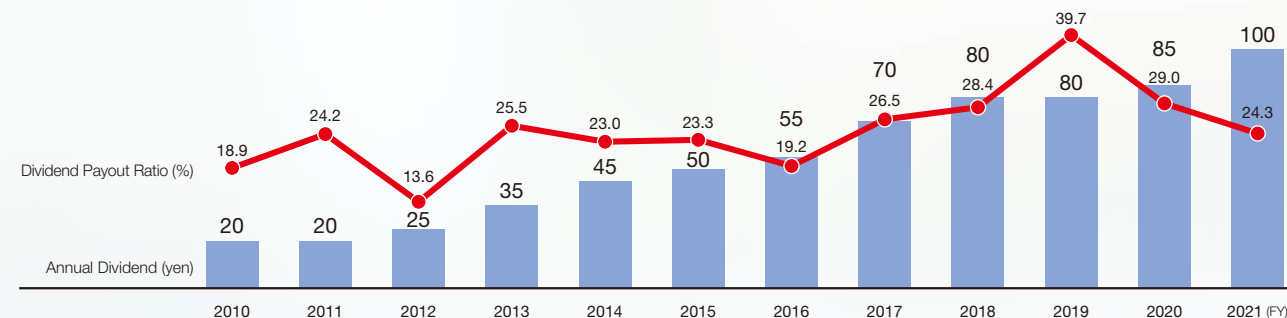
Regarding dividends to shareholders, we have continued to increase dividends since fiscal 2011, and in fiscal 2021, we declared annual dividends of ¥100 per share (¥45 interim dividend and ¥55 year-end dividend), up ¥15 year on year. From a medium- to long-term perspective, in anticipation of the business growth cycle, we will aim for a dividend payout ratio of 30% as targeted in the Medium-Term Management Plan, emphasizing stable and sustainable dividends while retaining internal reserves for research and development, capital investment, and human resource development.

Changes in Key Financial Indicators



Net Debt-Equity Ratio (Times)	1.4	1.4	1.1	0.9	0.7	0.8	0.5	0.4	0.4	0.4	0.3	0.2
Equity Ratio (%)	19.3	20.6	25.4	28.0	32.1	27.3	32.8	36.1	37.0	36.7	39.6	42.3

Changes in Annual Dividend and Dividend Payout Ratio



Ongoing reinforcement of operating foundations with ESG as the core

To become a sustainable growth company, we are strengthening initiatives related to the environment, human resources, and governance, which form our operating foundations.

In terms of the environment, in order to achieve the world's aim of carbon neutrality, we have established our Environmental Vision 2050, which defines the direction of our environmental activities, and set interim goals for fiscal 2030. The three goals are to reduce CO₂ emissions in society through our products, to reduce greenhouse gas emissions during production, and to reduce greenhouse gas emissions throughout our supply chain by promoting the effective use of resources. To further reduce CO₂ emissions in our core energy and environment businesses, we are strengthening the development of new products. In our production activities, we will pursue production processes with low environmental impact and make environmental investments such as installing solar power generation systems and introducing renewable energy at production bases in Japan and overseas.

We declared our support for the Task Force on Climate-related Financial Disclosures (TCFD) in 2020, and are committed to proactive and quality information disclosure. We are utilizing TCFD's review scheme to translate climate change risks, opportunities, and adaptation measures into action plans so that we can minimize the risk impact while enhancing our long-term growth and reason for existence.

In terms of human resources, we are actively investing in human resources and creating an environment that enables us to "maximize our strengths as a team, respecting employees' diverse ambition," as stated in our Management Policies. Based on a foundation of respecting human rights, ensuring occupational health and safety, and protecting employee health, we have been and will continue to focus on the promotion of diversity with a particular emphasis on the advancement of women, the success of experienced senior employees, the cultivation of manufacturing talent, and the cultivation of future management candidates who will lead Fuji Electric in the future.

In terms of diversity, in June 2022 a female outside director with a deep knowledge of business areas relevant to the power electronics business joined our Board of Directors. We believe that diversity is more important than ever in today's rapidly changing, uncertain, and opaque business environment. To become a sustainable growth company, we will further invigorate our discussions on important medium- to long-term issues at our Board of Directors meetings.

Take good care of Fuji Electric's "enthusiastic, ambitious and sensitive" DNA

I have always felt that an individual's strength is limited and so teamwork is important. In particular, we have been focusing on the companywide Pro-7 activities that mobilize the power of individuals into teams. Under Pro-7, which was launched in 2012 to improve profitability, employees aim to pursue Prosperity (company prosperity, returns to shareholders, and happiness of and their families), identify their own tasks, review their work practices from scratch, and work as a team to improve their work efficiency and quality. Today, awareness of the company's profitability and productivity improvements has taken root in each employee and has become an integral part of their daily work. Workstyle reforms are also incorporated into these activities, and feedback from the operational frontlines is leading to the development of a better working environment. I believe these companywide Pro-7 activities have led to the growth of our employees and the strengthening of teamwork, thereby laying an operating foundations for Fuji Electric.

I place great importance on sharing the meaning of our corporate slogan—To be enthusiastic, ambitious and sensitive—with our employees. "Enthusiastic" refers to the passion to develop new technologies, new products, and to serve the world. "Ambitious" means that we must aim high. If you accept "good enough," you'll never do better. No matter how hard it may be, we share goals that aim high. Finally, "sensitive" refers to kindness. A feeling of kindness for our customers, the colleagues we work with, and our families. My hope is that each and every employee will take good care of this Fuji Electric DNA and pass it on to the next generation.

Fuji Electric will celebrate its 100th anniversary in 2023. To continue to be a sustainable growth company into the future, we will maximize the strengths of our employees, who have diverse personalities, as a team in order to develop our energy and environment businesses and contribute to solving social and environmental issues and creating value for our customers.

We look forward to the continued understanding and support of all stakeholders, including shareholders and other investors.



We Must Become More Resilient to Change and Take on the Challenge of Creating New Social Value through Energy and Environmental Technologies

Shiro Kondo
President and COO

Shiro Kondo

Q What are your aspirations upon assuming the position of President and COO?

As the person responsible for execution, I believe I have two missions. The first is to achieve our Medium-Term Management Plan (net sales of ¥1 trillion and an operating margin of 8% or higher), which ends at the close of fiscal 2023. The second is to draw up a new growth strategy for 2030 and show the path to becoming a sustainable growth company.

Since joining the company, I have been involved in the development of various products as an engineer in fields such as information, communications and networking. In recent years, as the head of technology development, I have been striving to achieve the timely alignment of the vertical product development in the business divisions with the horizontal development of fundamental and advanced technologies company-wide. As the world moves toward a sustainable society, including decarbonization and environmental conservation, I feel that environmental and socially conscious products, systems, and solutions are needed more than ever. Focusing on power electronics and power semiconductor technologies, I hope to contribute to solving social issues by using our comprehensive vertical and horizontal strengths to combine all of our businesses and technologies in new ways.

Q What are the challenges in achieving the FY2023 Medium-Term Management Plan?

I think it comes down to the ability to execute. Although fiscal 2022 will be the last year to prepare for the achievement of the Medium-Term Management Plan, we have already outlined a major strategy for fiscal 2023. Over these two years, our employees will work as a team to respond to changes in the business environment while working through the strategies we have drawn up. Our success depends on this.

Let me address sales growth specifically. In fiscal 2021, we had net sales of only ¥910.2 billion, against orders received of over ¥1 trillion. Above all, I believe that expanding sales in Power Electronics is our most important task. We reviewed the sales structure of Power Electronics in September of last year, and started to develop new customers and introduce new products. Orders are steadily accumulating, and we are aiming to increase sales. In addition, in our overseas business, we plan to expand sales to Southeast Asia, India, and China, with a focus on global products developed to meet local specifications.

In semiconductors, another key business, we expect to achieve the sales target in the Medium-Term Management Plan one year ahead of schedule. However, an important

task will be meeting demand from electrified vehicles. In fiscal 2021, we invested in the Tsugaru Factory, and in fiscal 2022, we invested in the Malaysian Factory to increase production capacity. We will steadily implement measures to meet the strong demand of our customers and expand sales. Furthermore, improved performance of power semiconductors will be a key factor in the expansion of electric vehicles (EVs). In addition to IGBTs, which are one of our strengths, we are deploying a production system for SiC power semiconductors, which contribute to extending the cruising range of EVs and other applications, with the aim of mass production in fiscal 2024.

In terms of profitability, we set an operating margin target of 8.5% for fiscal 2022, but we are committed to achieving 8% “or higher” and aim for further improvement. Given the difficulties in procuring parts and soaring logistics costs we experienced last year, it is more necessary than ever to take a bird’s eye view of the entire supply chain and take appropriate measures. Over the past 10 years, we have been working to augment our manufacturing and procurement capabilities under the basic policy of local production for local consumption. Going forward, we will work to further improve productivity through the use of digital technology.

Q What is Fuji Electric’s direction for fiscal 2024 and beyond?

We will continue to focus on our energy and environment businesses in fiscal 2024 and beyond. One of our strengths is our comprehensive capabilities. I hope that by leveraging the foundation of our businesses, technologies, and broad customer base, we can further improve the field-based, real-world technologies we have cultivated over the years. Meanwhile, I would like to combine these existing technologies with digital technologies such as AI and IoT technologies to create even more value for our customers. At the same time, it is important to improve the quality of service. I want to continue to nurture our relationship of trust with our customers so that we achieve sustainability together.

For the next Medium-Term Management Plan, we will consider both forecasting from the perspective of the current situation and backcasting from the perspective of where Fuji Electric wants to be in 2030. In the midst of major market changes, we will have a thorough discussion on Fuji Electric’s position in decarbonization and determine our strengths and direction.

We have various products and systems on both the supply side and the demand side of energy, but the future of energy distribution will be a system where the supply side and the demand side are mixed. Therefore, energy

management that optimizes the supply and demand balance will become more important and more complicated than ever before. At the same time, there will be a major trend toward decarbonization of energy and electrification on the demand side. The equipment and systems that enable decarbonized power sources, the ability to regulate electricity supply and demand, the electrification of heat, energy saving, and so on are typically associated with our Power Electronics and Power Generation businesses. However, the application of these equipment and systems is not limited to factories, but also extends to airports, ports, stores, and many other forms of social infrastructure. I believe we must build a system over the next two years that will allow Fuji Electric to provide a one-stop shop for our customers and partners.

Furthermore, in response to the shift in values among our customers and society, I think we will need some kind of environmental contribution indicator in addition to the traditional management indicators.

Q What do you think you will need to focus on in order to achieve your two missions?

With so many unexpected events occurring throughout the world, and a shift toward new values, I feel that we must become more resilient to change. I think the following three steps are important when it comes to adapting to change. The first is for each employee to increase their information sensitivity to perceive signs of change. The second is to openly and frankly discuss how to respond to the change. I believe that people tend to have a status quo bias when faced with new changes, and I think it is important to remove this as much as possible from the discussion. And third, once the direction is set, the team must work together to achieve the goal. I believe that if each of us makes an effort to perceive change and face it as a team in this way, we will naturally become more resilient. Our stated management policy is “maximize our strengths as a team, respecting employees’ diverse ambition.” I believe that this has spread to all employees, and the foundation for this has been established, but the pandemic has changed the state of our communication. Personally, I want to take every opportunity, including tours of factories and area operations and next-generation management training, to create and communicate opportunities for dialogue and to stimulate dialogue at every level, from individuals to teams. My hope is that, by becoming more resilient to change through a climate that respects diverse personalities and teamwork, we will achieve our Medium-Term Management Plan and further growth in fiscal 2024 and beyond.

Promoting Material Initiatives for Management

SDGs to Be Addressed through Companywide Activities

By assessing the link between the value created by our energy and environment businesses (clean energy, stable energy supply, energy saving, and automation) and contributions to the accomplishment of the SDGs, Fuji Electric selected five priority goals. Furthermore, four additional goals were designated as priorities in relation to the reinforcement of our operating foundation to be pursued through overall corporate activities, making for a total of nine goals.



Material Initiatives for Management to Achieve Sustainable Growth

Today, advancing the SDGs and realizing a decarbonized society have become increasingly significant common global issues. To continue growing sustainably, Fuji Electric has defined high-priority material issues for management (materialities) that the Company must address through our business activities.

Our approach to material initiatives for management

We have identified our material issues for management based on the ongoing reinforcement of our operating foundation, a material issue in our FY2023 Medium-Term Management Plan. In addition to promoting our energy and environment businesses as stated in our management policies, we have organized our major initiatives based on the Fuji Electric Code of Conduct, which serves as a guide for the Company's foundation and how we, along with all our employees, should act in order to put our corporate philosophy and management policies into practice and fulfill our social responsibility.
















Promotion system

Material issues for management are deliberated at committees consisting of executive officers responsible for the business, sales, and corporate divisions alongside divisions affected by the issues, and as necessary, reported and deliberated at the Executive Committee and the Board of Directors.

Major Committees Related to Material Issues for Management

Field	Material Issues	Relevant Major Committees
Business	Promote energy and environment businesses	Production Technology Committee Technology Development Committee International Standardization Committee
Environment (E)	Realize a decarbonized society Realize a recycling-oriented society	SDGs Promotion Committee
Society (S)	Respect for human rights Active participation of diverse human resources	SDGs Promotion Committee Health & Safety Promotion Committee Skills Development Committee
Governance (G)	Improve effectiveness of corporate governance Promote compliance Enhance risk management	Compliance Promotion Committee
Society and Governance (S & G)	Create a supply chain that supports a sustainable society	SDGs Promotion Committee

Material Issues for Management and Major Initiatives

Field	Material Issues	Major Initiatives	Targets	Fiscal 2021 Results	Relevant SDGs	Reference Page(s)
Businesses	Promote energy and environment businesses	Expand power electronics and semiconductor businesses	FY2023 Medium-Term Management Plan <ul style="list-style-type: none">• Net sales: ¥1 trillion (power electronics: ¥600 billion, semiconductors: ¥200 billion)• Operating income: ¥80 billion (power electronics: ¥48 billion, semiconductors: ¥22 billion)• Operating margin: 8% or more	<ul style="list-style-type: none">• Net sales: ¥910.2 billion (power electronics: ¥555.1 billion, semiconductors: ¥178.8 billion)• Operating income: ¥74.8 billion (power electronics: ¥45 billion, semiconductors: ¥27.1 billion)• Operating margin: 8.2%	    	Power electronics P21–24 Semiconductors P25–26
E	Realize a decarbonized society	Reduce greenhouse gas emissions throughout the supply chain	Fiscal 2030 targets Greenhouse gas emissions throughout the supply chain: reduce by more than 46% (compared to fiscal 2019)	Greenhouse gas emissions throughout the supply chain: increased by 44% (compared to fiscal 2019)	   	Environment P33–36
		Reduce greenhouse gas emissions during production	Greenhouse gas emissions during production: reduced by more than 46% (compared to fiscal 2019)	Greenhouse gas emissions during production: reduced by 22% (compared to fiscal 2019)		
		Reduce society's CO ₂ emissions by providing energy-saving products	Reduction of society's CO₂ emissions by products: more than 59 million tons / year	Reduction of society's CO ₂ emissions by products: 45.44 million tons / year		
	Realize a recycling-oriented society	Promote the 3Rs (Reduce, Reuse, Recycle) throughout the supply chain	<ul style="list-style-type: none">• Ratio of waste sent to landfills: 1.2% in fiscal 2022• Water consumption per unit of sales: 1,800 tons / ¥100 million in fiscal 2022	<ul style="list-style-type: none">• Ratio of waste sent to landfills: 2.3%• Water consumption per unit of sales: 1,100 tons / ¥100 million		
S	Active participation of diverse human resources	<ul style="list-style-type: none">• Implement human rights awareness raising activities• Implement human rights due diligence	—	<ul style="list-style-type: none">• Enhance human rights awareness training• Continued implementing harassment prevention education• Implemented improvement guidance for consolidated overseas subsidiaries related to respect for human rights	  	Human resources P37–38
		Promote active participation of female employees	<ul style="list-style-type: none">• Percentage of women hired: 20% in fiscal 2023• Number of female employees in supervisory positions: 400 in fiscal 2023	<ul style="list-style-type: none">• Percentage of women hired: 21%• Number of female employees in supervisory positions: 328 * As of June 2022		
		Promote active participation of senior employees	—	Percentage of persons who used the Selective Retirement Age System: 82.5% (Number of persons who selected the system: 254 out of 308 eligible persons)		
		Broaden scope of duties performed by differently abled employees	Percentage of differently abled individuals hired: At least the statutory employment rate	Percentage of differently abled individuals hired: 2.95% (Reference value: statutory employment rate = 2.3%) * As of June 2022		
		Advance workstyle reforms, promote work-life balance	—	<ul style="list-style-type: none">• Continued implementing companywide Pro-7 activities• Strengthened our support for work-life balance between work and raising children<ul style="list-style-type: none">- Number of persons who took childcare leave: 124 (men: 21, women: 103)• Further promoted flexible workstyle reforms		
G	Improve effectiveness of corporate governance	Improve transparency and supervisory functions of management	—	<ul style="list-style-type: none">• Continued third-party evaluation of the effectiveness of the Board of Directors and incorporated this evaluation into operations• Reduced cross-shareholding<ul style="list-style-type: none">- Number of types of listed shares held: 45 at the end of fiscal 2021 (a decrease of 29 compared to the end of the previous fiscal year)	 	Corporate governance P39–48 Compliance P49–50
		Ensure effective implementation of the Fuji Electric Compliance Program	—	<ul style="list-style-type: none">• Implemented compliance education<ul style="list-style-type: none">- Level-specific training: 413 trainees- Job-specific training: 2,893 trainees• Thoroughly implemented the Business Ethics Whistle-Blowing Systems<ul style="list-style-type: none">- Number of reports: 31		
	Enhance risk management	Improve product quality	—	Strengthened the promotion of high-reliability activities		Risk management P51–54
		Strengthen our response to natural disasters and accidents	—	Established a system that enables us to understand the situation when disasters occur by introducing a disaster prevention information system for customers		
		Strengthen information security	—	Strengthened countermeasures against cyber attacks		
S & G	Create a supply chain that supports a sustainable society	<ul style="list-style-type: none">• Practice fair and equitable procurement• Practice sustainable procurement together with business partners	—	<ul style="list-style-type: none">• Continued to implement self-assessments of CSR procurement and expanded their targets<ul style="list-style-type: none">- Implemented for: 748 companies• Expanded the number of materials procured by purchasing them from multiple suppliers<ul style="list-style-type: none">- Percentage of materials procured by purchasing them from multiple suppliers: approximately 60%		Sustainable procurement P55–56

Details about ESG material issues are available on our website: <https://www.fujielectric.com/company/csr/material-issues.html>

FY2023 Medium-Term Management Plan

“Reiwa Prosperity 2023”

Following the global financial crisis in 2008, Fuji Electric began restructuring its business in order to generate income even without increasing sales, primarily by strengthening its global manufacturing capabilities based on a local production for local consumption approach. To further expand its business and further improve its profitability, since then the Company has also been focusing on our power electronics and power semiconductors businesses by concentrating its resources there. Under our FY2023 Medium-Term Management Plan, we aim to establish a foundation for sustainable growth with net sales of ¥1 trillion and an operating margin of 8% or more, and pursuing three key initiatives: “promote growth strategies,” “further improve profitability,” and “ongoing reinforcement of operating foundation.”

Further information about progress of management reforms is available at our website.
<https://www.fujielectric.com/ir/library/reports/progress.html>

FY2023 Medium-Term Management Plan: Key Issues

Establish Foundations for Sustainable Growth

Promote growth strategies	Further improve profitability
<ul style="list-style-type: none">Concentrate resources on our power electronics and power semiconductor businessesExpand overseas business<ul style="list-style-type: none">Increase sales centered on Southeast Asia, India, and ChinaTarget ratio of sales outside Japan: 35%	<ul style="list-style-type: none">Augment global manufacturing capabilities<ul style="list-style-type: none">Promote local production for local consumptionStep up the development of local leaders overseasDeploy IoT technologies to advance digital reforms of our manufacturing

Ongoing reinforcement of operating foundations

- Ongoing reinforcement of our operating foundations with a focus on the environment, human resources, and governance
- Evolution of companywide Pro-7 activities

Financial Policy

- Emphasize a balance between growth potential, profitability, efficiency, and financial soundness
- Further improve capital efficiency
- For shareholder returns, target a dividend payout ratio of around 30% based on the principle of stable and continuous dividends

Fiscal 2023 Management Targets

Net Sales	¥1 trillion
Operating Income	¥80 billion
Operating Margin	8% or more
Net Income Attributable to Owners of Parent	¥55 billion

Financial Indicators

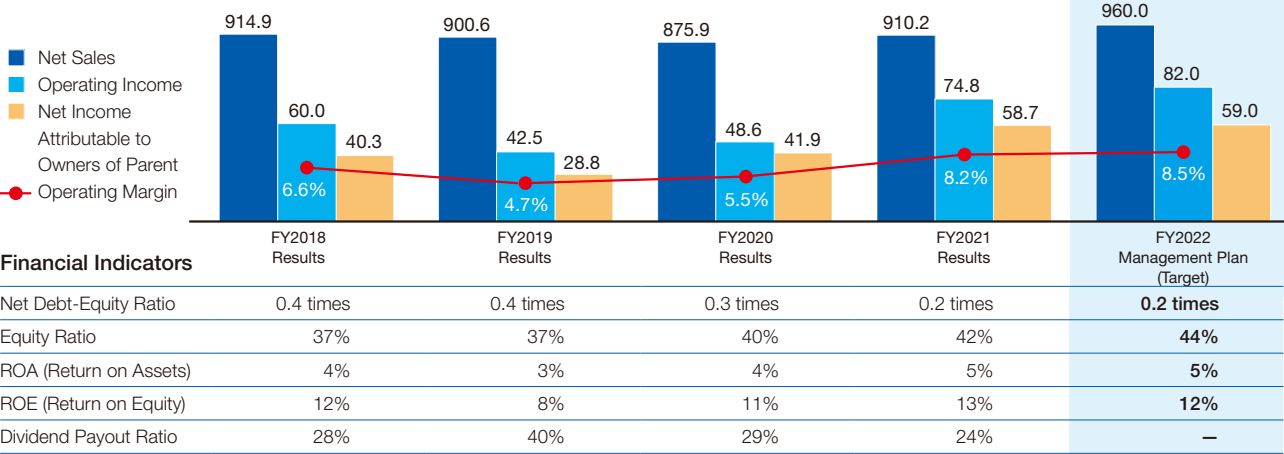
Net Debt-Equity Ratio	0.1 times
Equity Ratio	50%
ROA (Return on Assets)	5%
ROE (Return on Equity)	11%
Dividend Payout Ratio	30%

* Net debt-equity ratio = net interest-bearing debt ÷ equity
* Assumed exchange rates for fiscal 2023: ¥105 to the U.S. dollar, ¥123 to the Euro, ¥16 to the RMB

Progress of the FY2023 Medium-Term Management Plan

In fiscal 2021, we achieved record-high results for our operating income, operating margin, and net income. Regarding the operating margin, we achieved our Medium-Term Management Plan target two years ahead of schedule.

Consolidated Business Performance Trends (Billions of yen)



Overview of Results for Fiscal 2019 to 2021

In fiscal 2019, we faced market contraction overseas, especially in China, due to trade friction between the United States and China, and we suffered a year-on-year decrease in sales and income, mainly due to decreased demand for ED&C components, power electronics FA,* industrial power semiconductors, vending machines, and other major components.

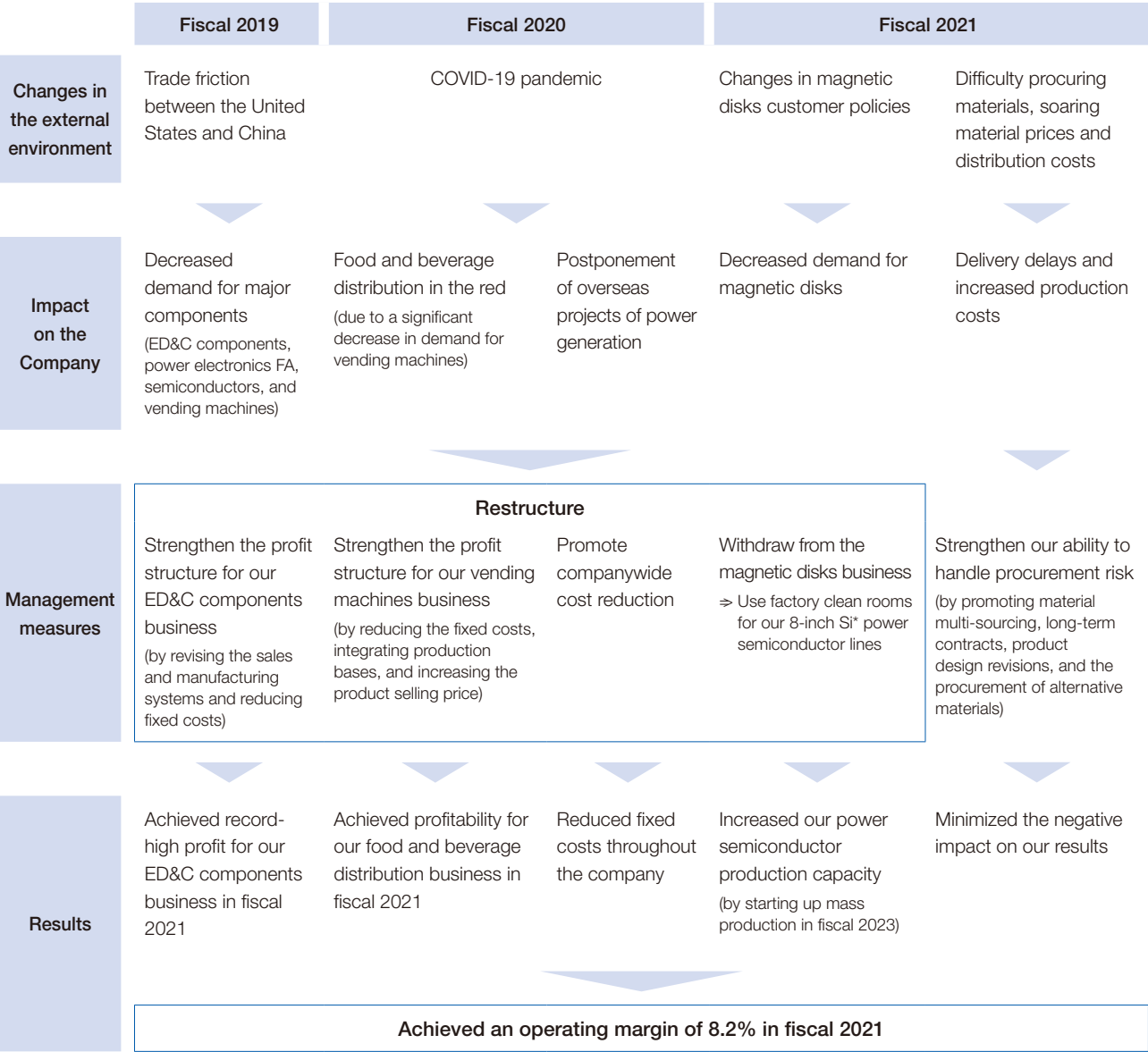
In fiscal 2020, our net sales decreased year on year, mainly due to significantly decreased demand for vending machines and a decrease in large-scale power generation orders due to the effects of the COVID-19 pandemic, but our operating income increased due to factors that included increased demand for power semiconductors, and cost reduction

activities promoted on a companywide basis.

In fiscal 2021, we saw an increase in sales and income—mainly due to increased demand for ED&C components, power electronics FA, industrial power semiconductors, vending machines, and store facilities resulting from expanded our comprehensive electrical equipment business, ongoing increases in the demand for power semiconductors for electrified vehicles, the recovery of plant and equipment investment in the manufacturing sector, and other factors—and we achieved record-high results for our operating income, operating margin, and net income.

* Power electronics FA: Inverters, FA components, and other businesses

Enhancing Our Ability to Respond to Changes in the External Environment to Improve Profitability



* Si: silicon

Fiscal 2022 Management Plan

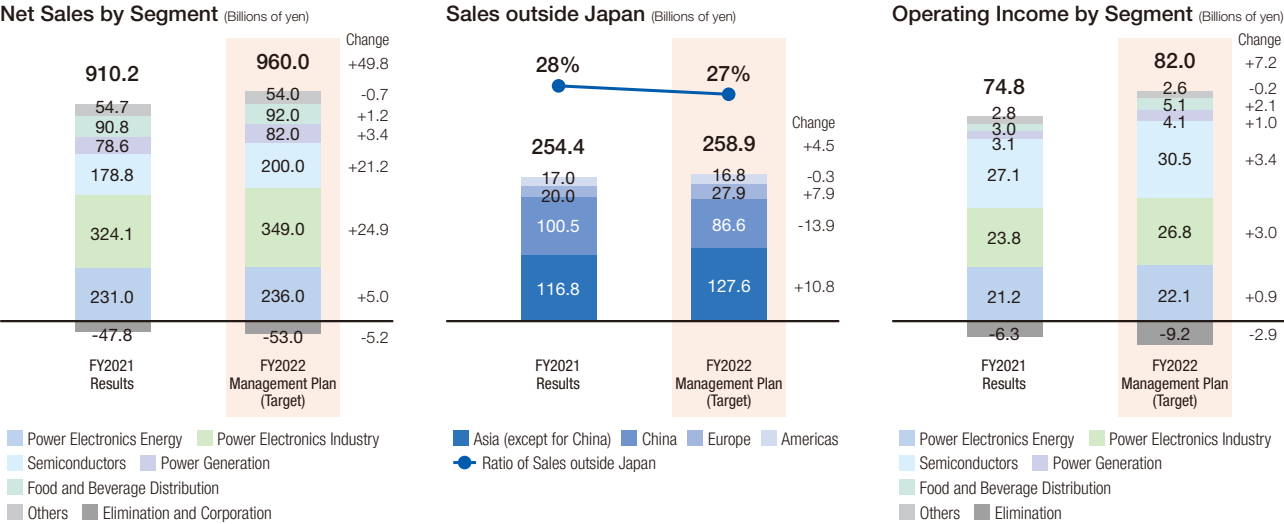
In fiscal 2022—as our final preparations to achieve net sales of ¥1 trillion and an operating margin of 8% or more, both of which are targets of our FY2023 Medium-Term Management Plan—we will aim to achieve record-high results for our operating income, operating margin, and net income for the second year in a row.

We will aim to increase our net sales to ¥960 billion, a year-on-year increase of ¥49.8 billion, mainly by taking advantage of increased sales in Power Electronics Industry—a result of increased demand for automation and IT solutions due to increased energy saving, automation, and digital transformation (DX) needs—and increased sales in Semiconductors, stemming from an increase in demand for

power semiconductors for electrified vehicles.

Our overseas sales to China—especially of Power Electronics and Semiconductors—are expected to decline, mainly due to the impact of the lockdown. However, we will increase our sales to Asia and Europe of Power Electronics, Semiconductors, and Power Generation in particular by taking advantage of an expected increase in renewable energy demand as well as increasing energy saving and electrified vehicle needs.

We are aiming to increase our operating income to ¥82 billion, a ¥7.2 billion year-on-year increase, thanks to increased sales and production volumes of Power Electronics Industry and Semiconductors as well as improved profitability of Power Generation and Food and Beverage Distribution.



* Figures for FY2021 reflect the organizational restructuring conducted in FY2022.

Fiscal 2022 Priority Measures

Promote growth strategies

For our power electronics business, we are striving to expand our comprehensive electrical equipment business that supports stable equipment operation both in Japan and overseas, and we have established a special department to respond to the various carbon neutrality needs of our customers as we expand our business. To expand our after-sales business, we are expanding our services for supporting the efficiency of overall equipment maintenance business as well as our equipment deterioration diagnosis service to prevent accidents and other problems involving aged equipment. In terms of our overseas business, we are striving to expand our global products, including inverters and substation equipment, while also promoting the strengthening of our manufacturing systems to achieve local production for local consumption, the expansion of our production models, and the strengthening of cooperation between our regional sales and manufacturing bases. In this way, we are working on increasing sales for data centers and in the renewable energy and material plant fields where growth is expected.

For our semiconductors business, we will maintain a high rate of operation—and thus maximize our profitability—by flexibly

adjusting our production in response to recent fluctuations in demand. We will also steadily increase our production capacity to deal with the rapid increase in demand for electrified vehicles. In addition, to respond to the increasing need for improved power conversion efficiency, we will promote the development of silicon carbide (SiC) and other new products as well as the establishment of a mass-production system.

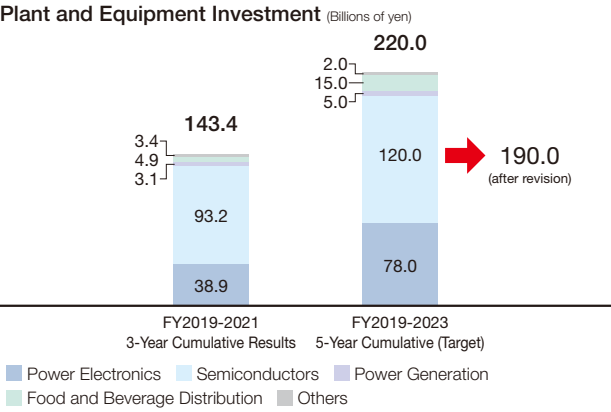
Further improve profitability

We will strive to minimize the impact of supply chain disorder due to external environment changes on our results, such as by concluding long-term contracts in response to soaring material prices, revising our product prices in accordance with increases in basic costs, securing alternative materials and the ability to purchase from multiple suppliers in the case of materials for which the supply is tight, and promoting design changes.

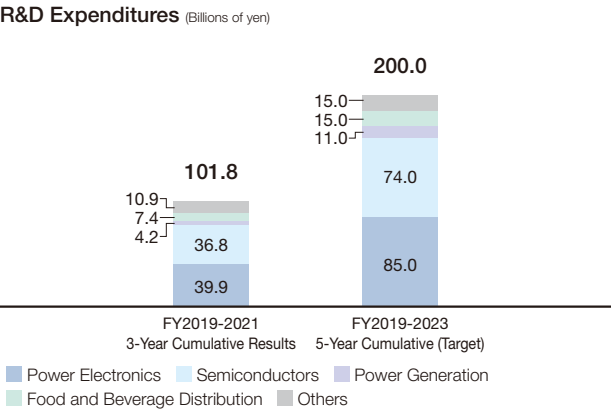
In addition, we will promote DX through manufacturing innovations based on the expanded application of digital and AI technologies as well as the development of human resources in order to thoroughly enhance quality at every step through our design, manufacturing, and testing processes.

Plant and Equipment Investment and R&D Expenditures

We are making continuous plant and equipment investment and R&D investment, mainly for our power electronics and semiconductors businesses. In addition, to respond to the strong demand for power semiconductors, we have increased our initial plan for plant and equipment investment during the five years leading up to fiscal 2023 from a total of ¥120 billion to ¥190 billion.

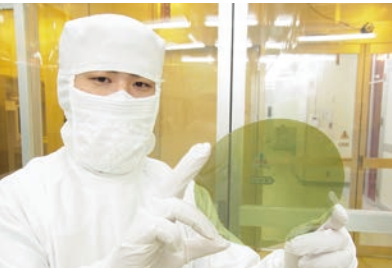


Major Plant and Equipment Investment Details	
FY2019-2021	
Power Electronics	Thailand: Construction of switchgear and controlgear system factory and engineering center India: Expansion of factory and production models Chiba Factory: Construction of engineering center Tokyo Factory: Construction of the Plant Systems Center
Semiconductors	Front-end process (8-inch Si) production capacity expansion (Yamanashi, Matsumoto, Tsugaru Factories)



Major R&D Expenditures Details	
FY2019-2021	
Power Electronics	Global product development (transformers, switchgears, large-capacity UPSs, products for plants) Products for the mobility field (electrical equipment for railcars, ship systems)
Semiconductors	Development of 8th-generation IGBT technologies IGBTs for electrified vehicles SiC technology development

* Figures for R&D expenditures are classified by segment according to theme and therefore differ from figures stated in the consolidated financial report.



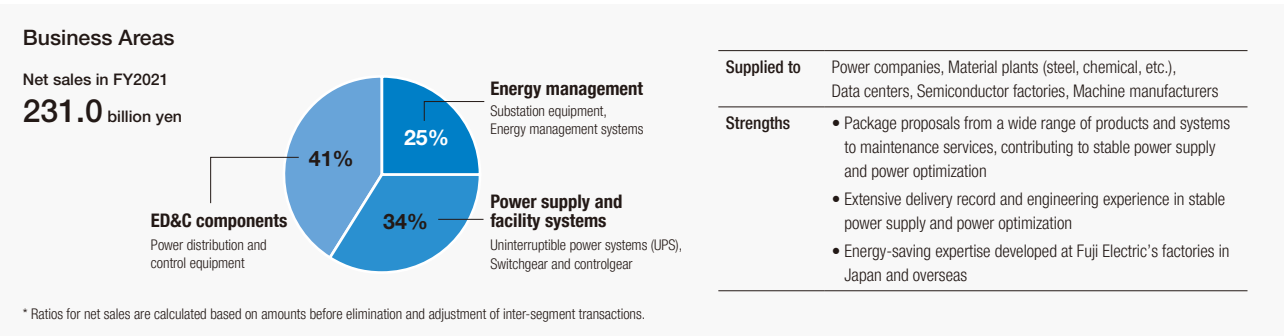
Overview of Segments

Power Electronics Energy



We will work to expand sales in our comprehensive electrical equipment business, particularly in Southeast Asia.
We will strengthen businesses that contribute to carbon neutrality.

Masashi Kawano
Managing Executive Officer
Corporate General Manager, Power Electronics Energy Business Group



Market Trends and Business Opportunities

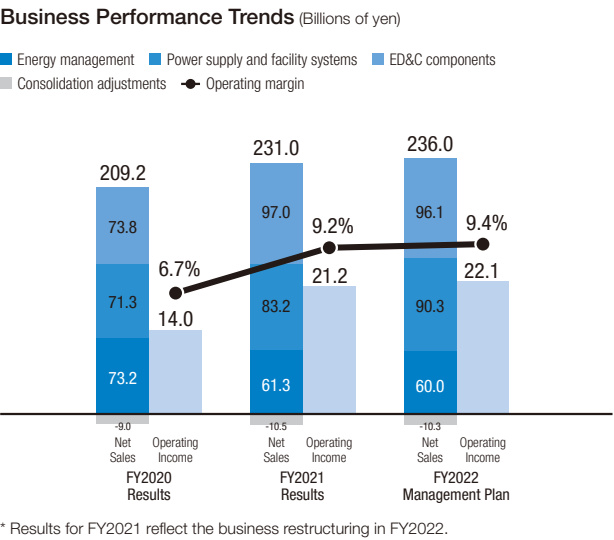
In the energy management business, we can expect an increase in equipment renewal demand due to replacement of aging substation equipment and an increase in capital investment related to renewable energy aimed at carbon neutrality.

In the power supply and facility systems business, investments by IDC operators, driven by digitalization and the use of 5G, as well as semiconductor-related investments, are expanding, and demand continues to increase at data centers

and semiconductor factories for our comprehensive electrical equipment business.

In the ED&C components business, demand from machine manufacturers is expected to continue to increase, driven by investment in electric vehicles and rising demand for 5G. In addition, we will continue to monitor and adjust to changes in demand and the situation related to procurement of parts and materials due to the impact of the lockdowns in China.

Fiscal 2021 Results and Fiscal 2022 Plan



In fiscal 2021, the operating margin rose to 9.2% thanks to increased demand for ED&C components from machine manufacturers in both in Japan and overseas, as well as the benefits of business structural reforms including fixed cost reductions to date.

In fiscal 2022, despite the anticipated impact of lockdowns in China and a decrease in large-scale energy management projects, we forecast net sales of ¥236.0 billion, up ¥5.0 billion year on year, and operating income of ¥22.1 billion, up ¥0.9 billion, with an operating margin of 9.4%, mainly driven by increased sales of power supply and facility systems due to the continued expansion of the comprehensive electrical equipment business.

Priority Measures

Expanding orders in the substation business and developing the carbon neutrality market

In the substation business, we plan to expand our business through early development and market launch of differentiated products. To expand orders, we are developing new products such as natural ester filled global transformers for substations, where safety and environmental regulations are important, and gas insulated switchgear (GIS) that minimizes the generation of greenhouse gases, and combining these new products with other power electronics equipment.

In addition, we have established a specialized organization to promote the development of the carbon neutrality market, which is expected to expand over the medium to long term. Based on the know-how gained through our own carbon neutrality initiatives, such as the introduction of renewable energy power generation equipment and cogeneration (combined heat and power generation) in our own factories, we will develop new markets with solutions such as energy management systems and power stabilization systems that help customers adopt and procure renewable energy.

Electric Manufacturing (Thailand) Co., Ltd.'s engineering center and production and sales bases, as well as by strengthening cooperation with sales divisions in Japan.

In the data center market, as construction of large-scale data centers increases globally driven by the transition of information systems to the cloud and the progress of e-commerce systems, there are calls for uninterruptible power systems (UPSs) to have higher capacity and be made more compact and energy-efficient to expand server installation space and reduce power consumption. The 7500WX Series large-capacity UPS we launched last year combines one of the industry's smallest footprints and highest power efficiency rating, making it the optimal product for the needs of our customers. We aim to expand sales through our comprehensive electrical equipment business, which combines highly competitive large-capacity UPSs as the core with substation equipment, installation work, and maintenance services.

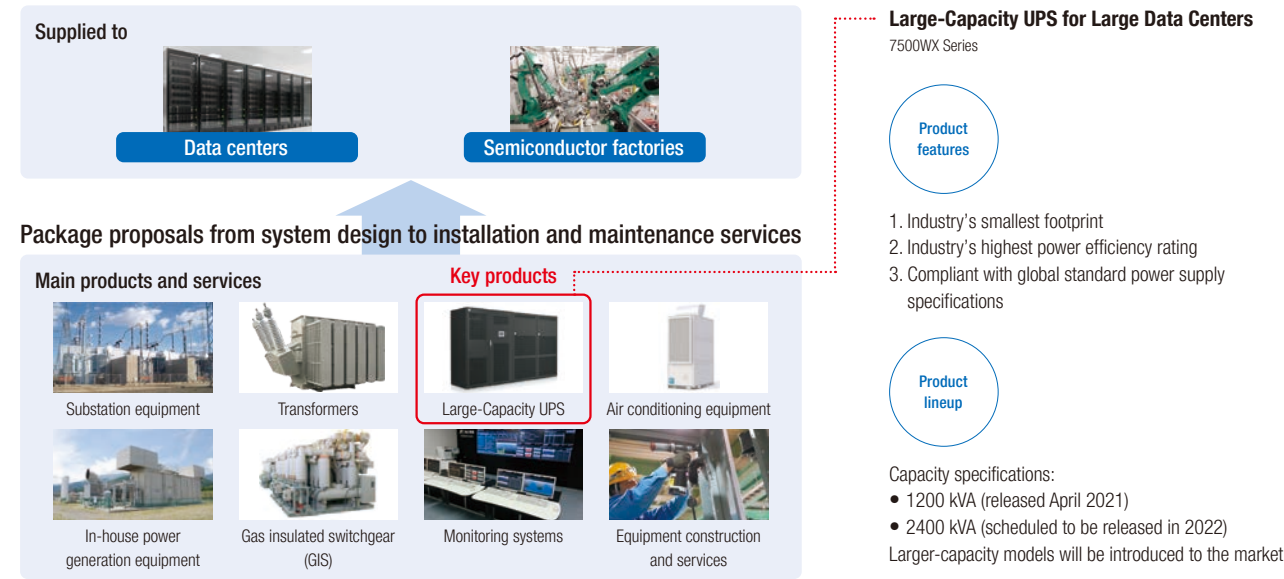
Expanding sales in Southeast Asia by strengthening our comprehensive electrical equipment business

Our comprehensive electrical equipment business, for which demand is growing at data centers and semiconductor factories, has received high praise in terms of shortening the customer's construction period and reducing equipment management personnel, and based on our track record in Japan, inquiries are increasing overseas, mainly in Southeast Asia. To meet this demand, we will expand our business in Southeast Asia by increasing the number of personnel at Fuji

Promoting strength of our ED&C components business

In the ED&C components business, we aim to maintain and improve our highly profitable structure by strengthening our response to parts procurement difficulties and material price hikes, and by continuing to engage in cost reduction activities. In terms of our sales structure, by integrating our sales bases with our subsidiary Fuji Electric FA Components & Systems Co., Ltd., we will work to develop new customers and expand sales volume by utilizing mutual sales channels. Furthermore, we will work to strengthen the competitiveness of our products by investing in the development of key models to focus on, such as switch controls and power distribution equipment.

Comprehensive Electrical Equipment Business

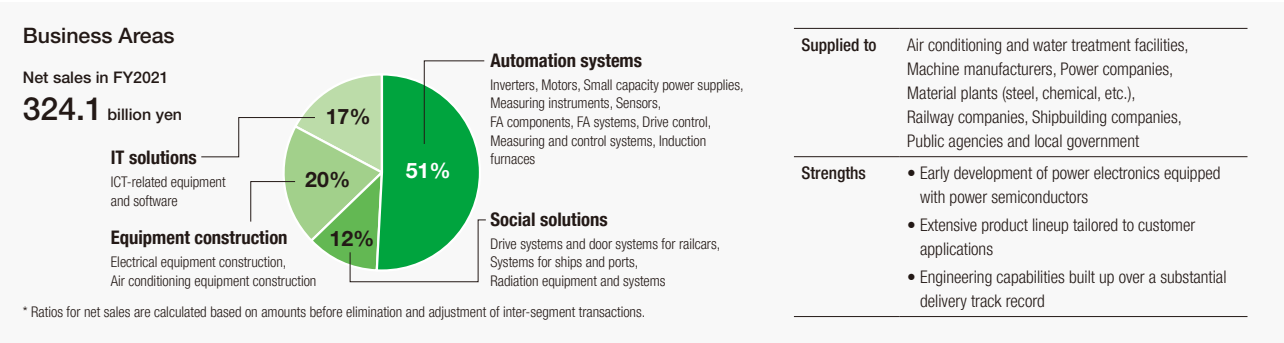


Power Electronics Industry



We will work to expand our overseas businesses by building a system of local design, local production, and local consumption, and by launching new global products.

Hiroshi Tetsutani
Managing Executive Officer
Corporate General Manager, Power Electronics Industry Business Group



Market Trends and Business Opportunities

Globally, further capital investment in decarbonization-related environmental measures, automation, DX, and related areas is expected in the future.

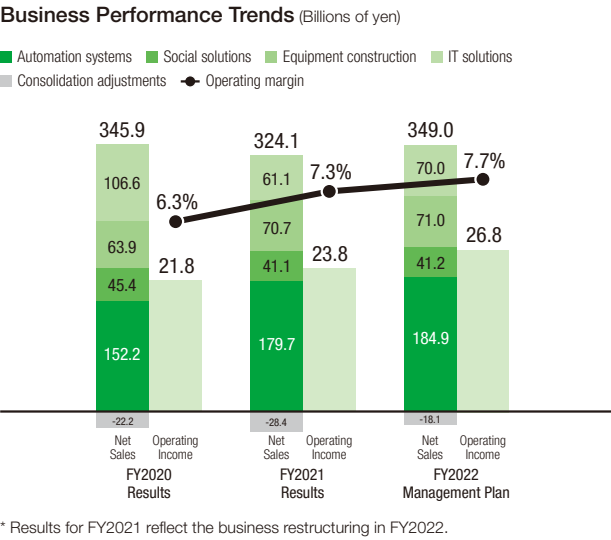
In the automation systems business, although demand for components remains uncertain due to the impact of the COVID-19 lockdowns in China and the impact of the global difficulty in procuring materials, including semiconductors, market conditions in Southeast Asia and India are predicted to continue their moderate recovery from the COVID-19 pandemic. In plant systems, we anticipate equipment replacement demand to improve productivity in the steel and

chemical sectors, as well as strategic investments related to high performance, electrification, and carbon neutrality.

In the social solutions business, investments associated with equipment replacement demand continued in the rail sector, while in the ship sector, the market for environmentally friendly products is beginning to grow as countries move toward electrification and decarbonization of ports.

In the IT solutions business, rising demand is expected due to digitalization and teleworking in government, municipalities, and offices, and in the future, we also anticipate new demand in the industrial DX market.

Fiscal 2021 Results and Fiscal 2022 Plan



In fiscal 2021, despite a decrease in net sales due to the impact of the preceding fiscal year's large-scale IT solutions projects, demand for automation systems grew, mainly for low-voltage inverters and FA components, and the operating margin rose to 7.3%.

In fiscal 2022, despite the anticipated impact of lockdowns in China and material procurement difficulties, we expect capital investment to remain strong among manufacturers of machine tools, semiconductor manufacturing equipment, steel, chemicals, and other materials. Furthermore, due mainly to increased demand in automation systems and IT solutions driven by growing DX needs, we forecast net sales of ¥349.0 billion, up ¥24.9 billion year on year, and operating income of ¥26.8 billion, up ¥3.0 billion, with an operating margin of 7.7%.

Priority Measures

Creating the platform for component products

To strengthen cost competitiveness and build a system that can steadily generate earnings, we are strengthening our system of "local design, local production, and local consumption" for components at the global level. We are working to strengthen profitability by expanding production models in India and Europe in fiscal 2022, launching knockdown production of low-voltage inverters in the Americas in fiscal 2023, and establishing a global six-pole production system (Japan, China, Southeast Asia, India, Europe, and the Americas).

Furthermore, we are promoting the creation of the platforms for the main components of our products to standardize them, thereby expanding the range of products to which they can be applied. Through that efforts, we can significantly reduce the number of parts, reduce procurement and production costs, and reduce material inventories, contributing to improved profitability. In addition, the use of common parts facilitates replacement with alternative parts, which helps to mitigate difficulties in the procurement of parts and materials.

In China, where we continue to develop new customers such as machine manufacturers and material plants as the main focus area, mainly with components, there is increasing demand for induction furnaces, which are more environmentally friendly. We will work to expand sales by promoting our high-efficiency global induction furnaces, which use our power electronics, analysis, and control technologies and backed by our track record as the No.1 market leader in Japan.

For Southeast Asia and India, we have been developing a global control system as an easy-to-use engineering support tool for steel, chemical, and other material plants, and plan to bring it to market in fiscal 2022.

Offer new products in the Chinese, Southeast Asian, and Indian markets to expand overseas businesses

Whereas in the past we have been working to establish production and engineering systems outside Japan and strengthen our partnerships, we now intend to expand our business by providing competitive global products overseas.

Expanding business in the railway and ship sectors through differentiated products

In the railway business, electric door systems are highly regarded in the public transportation field for their ease of maintenance, safety, and reliability. We will expand our business globally with highly reliable electric door systems by using their platform.

In the ship and port business, specific studies have begun on the development of carbon neutral ports, led by Japan's Ministry of Land, Infrastructure, Transport and Tourism, with the goal of decarbonization of ports. Leveraging our track record, comprehensive proposal capabilities, and product lineup, we will expand our business by offering electrification of ships and systems that supply power to ships from the land.

Products for Focus Regions outside Japan

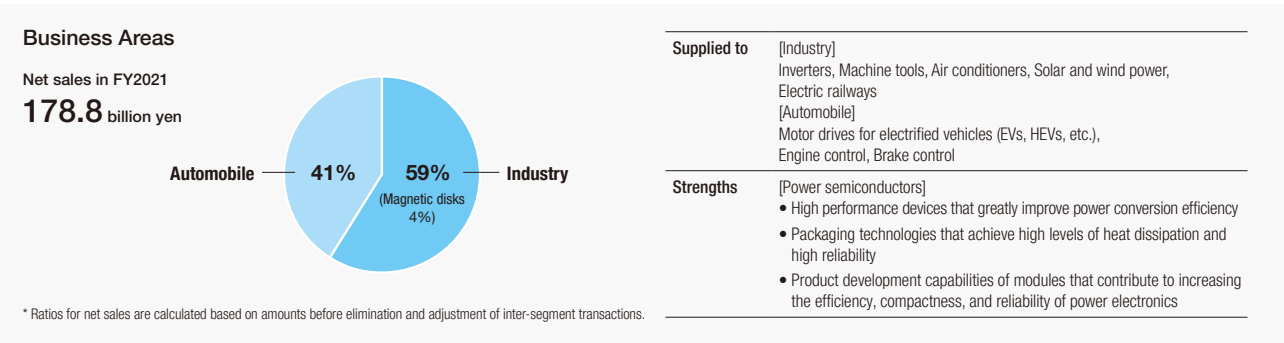


Semiconductors



In response to growing demand for power semiconductors for electrified vehicles, we will steadily increase production capacity and expand sales.

Toru Hosen
Senior Managing Executive Officer
Corporate General Manager, Semiconductors Business Group



Market Trends and Business Opportunities

Power semiconductors help save energy thanks to their high levels of conversion efficiency and power control. Demand for these devices is rising globally, driven by environmental action aimed at decarbonization and increasing investment in automation in the manufacturing industry.

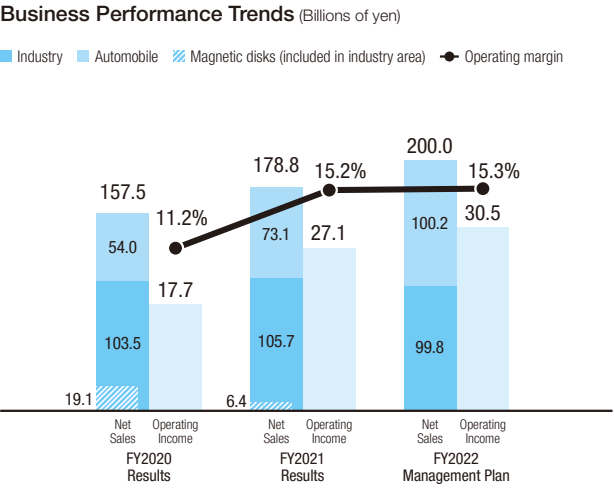
In the automotive field, the shift from gasoline-powered vehicles to electrified vehicles (xEVs) is gaining momentum in various countries around the world, and production of full hybrid and electric vehicles (EVs), which are Fuji Electric's

targets, will grow at an average annual rate of 42%* from 2019 to 2023.

In the industry field, due to growing demand for energy saving and automation, demand is expected to continue to grow for factory automation equipment, such as inverters and machine tools, and applications for renewable energy, including solar and wind.

* Fuji Electric forecast based on research firm forecasts

Fiscal 2021 Results and Fiscal 2022 Plan



In fiscal 2021, despite the impact of our exit from the magnetic disk operation, increased demand for power semiconductors for automotive and industry applications, as well as accelerated expansion of 8-inch silicon (Si) wafer production capacity, has led to a significant increase in sales and income over the previous fiscal year, with an operating margin of 15.2%, up 4 percentage points from the previous fiscal year.

In fiscal 2022, thanks to sales growth in the growing market for xEVs, we forecast sales of ¥200.0 billion, up ¥21.2 billion year on year, and operating income of ¥30.5 billion, up ¥3.4 billion, with an operating margin of 15.3%.

Priority Measures

Growing sales of power semiconductors for xEVs

Power semiconductors contribute to reducing power loss and improving driving distance, which are major issues for xEVs, and as demand grows rapidly, there is a need for ever higher efficiency.

Fuji Electric's power semiconductor modules incorporate Si RC-IGBT*, which we developed independently ahead of our competitors, and use a direct liquid cooling structure. We have continued their development to meet customers' requirement specifications, more and more manufacturers and models are adopting our modules in Japan and overseas.

In addition, there is a growing need for silicon carbide (SiC) products, which can significantly reduce power loss compared to Si products, and we have decided to work with our customers to develop new SiC products and to invest in increasing production of SiC power semiconductors.

We will continue to work to increase sales beyond the growth of the xEV market.

* RC-IGBT: Reverse-conducting IGBT

Expanding sales of 7th-generation IGBT modules for industrial applications

We are expanding our product lineup of 7th-generation IGBT modules—which feature high heat dissipation and high reliability—and increasing sales of products for the renewable energy and FA markets.

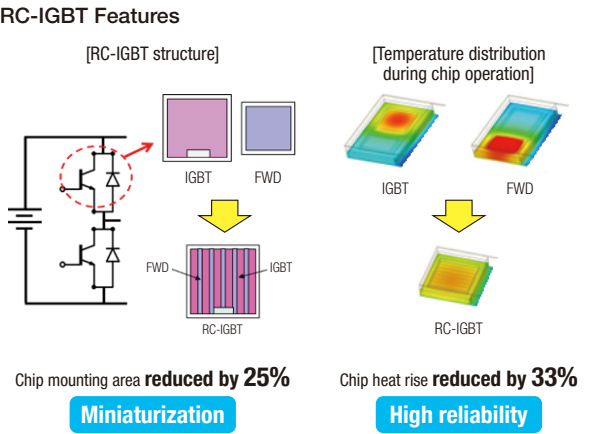
Going forward, we will continue to capture the strong demand in these markets to boost sales.

Steadily implementing production capacity augmentation

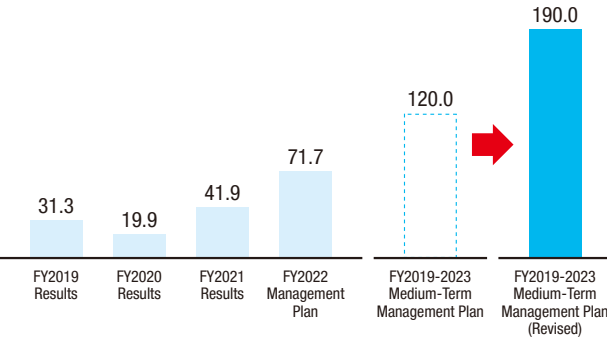
In order to respond to strong demand for power semiconductors, we have decided to increase our cumulative plant and equipment investment for the five years up to fiscal 2023 from ¥120 billion in our initial plan to ¥190 billion.

For the manufacturing process of power semiconductor chips, we are accelerating investments to increase the production capacity for 8-inch Si wafers and plan to increase production capacity in fiscal 2022 by about 2.4 times the level of fiscal 2019. For the assembly process, we are continuing investments to increase the production capacity for automotive and industrial products.

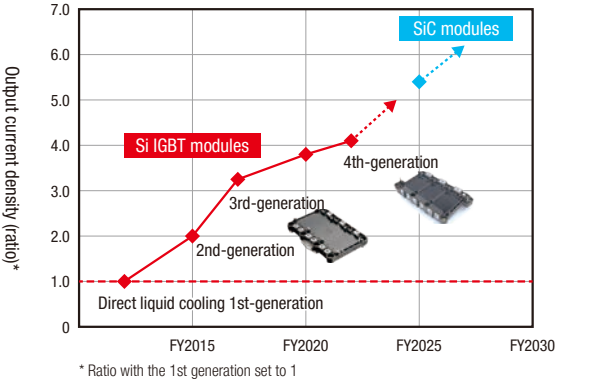
For SiC products, as the SiC module market is expected to grow from fiscal 2024 onward, mainly for EV applications, we are preparing for the start of mass production at Fuji Electric Tsugaru Semiconductor in fiscal 2024.



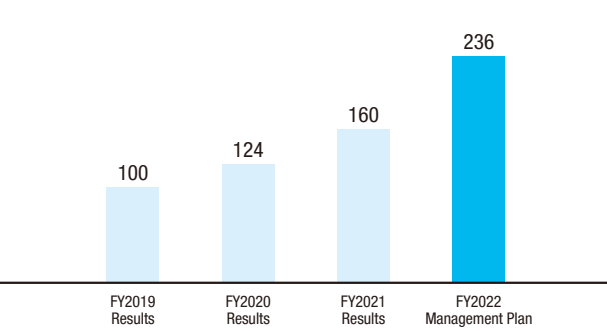
Plant and Equipment Investment (Whole Segment) (Billions of yen)



Changes in Performance of Power Semiconductor Modules for xEVs



8-Inch Si Wafer Production Capacity



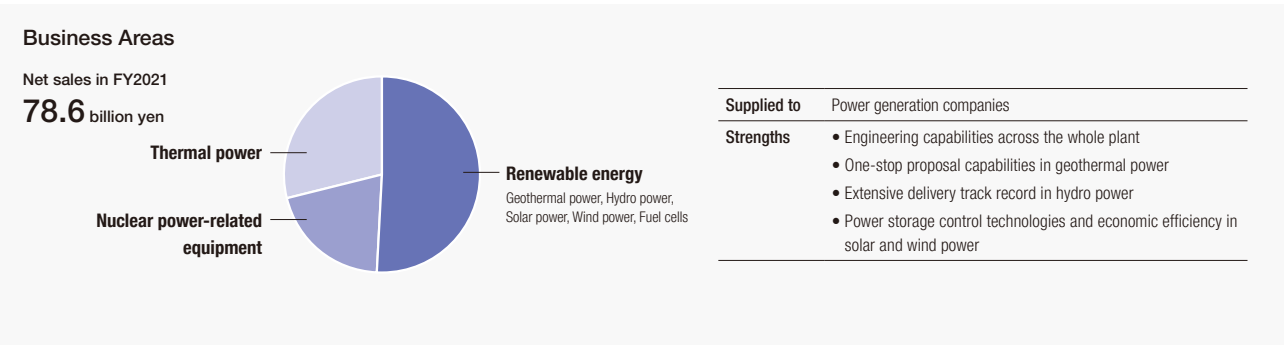
* For production capacity (year-end comparison), FY2019 (benchmark year) is assigned 100 for comparison purposes.

Power Generation



We will transform our portfolio and strengthen profitability by expanding our renewable energy, after-sales, and nuclear power-related businesses.

Tadao Horie
Executive Officer
Corporate General Manager, Power Generation Business Group



Market Trends and Business Opportunities

In response to the growing problem of climate change, the market for renewable energy is expanding as the trend toward decarbonization accelerates.

For geothermal power generation, although business negotiations have stalled in some overseas markets due to the impact of the COVID-19 pandemic, development is progressing in Japan, and projects with low capacities are starting to materialize.

In hydro power generation, which is a stable source of electricity, demand continues in Japan for replacing aging power generation facilities and rising output.

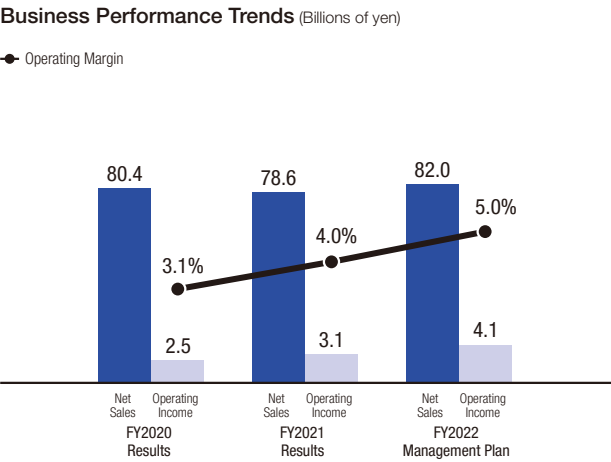
For solar power generation, demand for the construction of

regional microgrids as distributed power sources is gradually expanding in Japan, while Official Development Assistance (ODA) projects are taking shape in Southeast Asia.

In the nuclear power generation sector, safety is a top priority, and there is increasing demand for decommissioning of facilities and waste treatment.

In the after-sales sector, in response to the expansion of renewable energy sources with fluctuating output, such as solar and wind power generation, there is a growing need to improve the output adjustment capabilities of existing thermal and geothermal power generation facilities.

Fiscal 2021 Results and Fiscal 2022 Plan



We are focusing on improving profitability as well as promoting the transformation of our portfolio with a focus on the renewable energy and after-sales businesses.

In fiscal 2021, despite a decrease in sales due to rebound from large-scale renewable energy projects recorded in the previous fiscal year, the operating margin improved to 4.0%, reflecting differences between projects and cost reductions.

In fiscal 2022, thanks mainly to higher sales in the renewable energy and after-sales businesses, particularly geothermal power generation, we forecast net sales of ¥82.0 billion, up ¥3.4 billion year on year, and operating income of ¥4.1 billion, up ¥1.0 billion, with an operating margin of 5.0%.

Priority Measures

We are promoting the transformation of our business portfolio in response to the accelerating tide of decarbonization. In addition to our core renewable energy and after-sales businesses, we will expand business in the decommissioning and waste treatment sectors in nuclear power-related facilities and increase sales in the carbon-free sector.

Expanding orders for renewable energy
Geothermal power

In geothermal power generation, where we have the top market share in the industry, we are expanding our business mainly in Japan, Asia, and Africa. Fuji Electric has the advantage of being able to handle flash cycles, which are suitable for high-temperature heat sources, and ORC*, which can generate power from low-temperature heat sources, as a single company. Taking advantage of this strength, we will intensify proposals to expand orders in Japan for small-scale heat sources of 5 MW or less, which have short lead times. Overseas, we will continue to promote activities to win orders in countries developing geothermal power systems in Asia and Africa.

* ORC (Organic Rankine Cycle): A method of generating electricity using a low-boiling medium with a low evaporation temperature instead of water and steam

Hydro power

In response to the high level of power plant S&B* demand, we are expanding orders by leveraging our strengths in differentiated products such as hybrid servo systems that reduce environmental impact and improve reliability and maintainability, as well as turbine technology that enables highly efficient power generation from water sources with varied flow rates. As of the beginning of fiscal 2022, our order backlog had grown around 3.1-fold for the past 4 years, and we will strive to respond to high workloads by developing and expanding human resources, with the goal of further expanding orders and sales.

* S&B (Scrap and Build): Achieving efficiency by scrapping or eliminating obsolete and inefficient facilities and replacing them with new ones

Solar and wind power

For solar power generation, we are pursuing increased orders by leveraging our strengths in high-efficiency power conditioning systems, as well as solutions that use storage batteries to contribute to power stabilization and peak shifts, and by responding to the need for distributed power sources in Japan, for example with regional microgrid construction and self-consumption power generation facilities in the industrial sector. Overseas, we will seek to expand orders by leveraging the supply chain we have established for geothermal power generation and other projects, particularly in Southeast Asia.

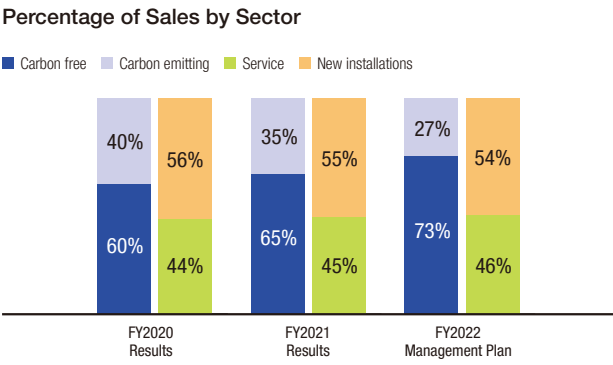
For wind power generation, in addition to steadily carrying out our ongoing large-scale self-consumption wind power generation facility project, we will strengthen our proposals in Japan by leveraging the know-how we have accumulated through this project and our strengths in power stabilization technology and other areas.

Expanding our nuclear power-related equipment business

Amid progressive efforts to improve the safety of nuclear-related facilities, we are continuing to contribute to safe and secure decommissioning and waste treatment by utilizing Fuji Electric's strengths in remote handling (including nuclear fuel removal and storage), radiation measurement, radioactive waste cutting and solidification, and other technologies.

Expanding our after-sales business

To expand sales of maintenance and replacement services, we will develop and propose new products that meet decarbonization needs, such as solutions for changing fuel mixes. In Japan, we will strengthen our solution proposals by increasing the efficiency of power generation facilities and improving the adjustment capabilities of existing power generation facilities, which contribute to stabilizing electric power when combined with renewable energy. Overseas, we will strengthen our proposals to ensure that we capture the maintenance needs of existing power generation facilities in Southeast Asia and other regions.

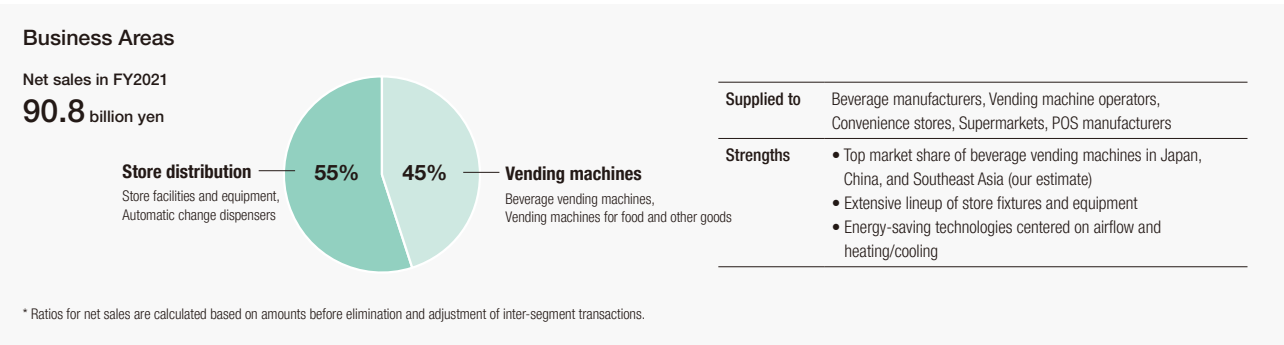


Food and Beverage Distribution



We will expand sales and improve profitability by increasing the added value of products that meet market needs and reducing the total cost of manufacturing.

Keiichi Asano
Executive Officer
Corporate General Manager, Food and Beverage Distribution Business Group



Market Trends and Business Opportunities

The food and beverage distribution market, which had declined significantly due to the COVID-19 pandemic, is on the road to recovery.

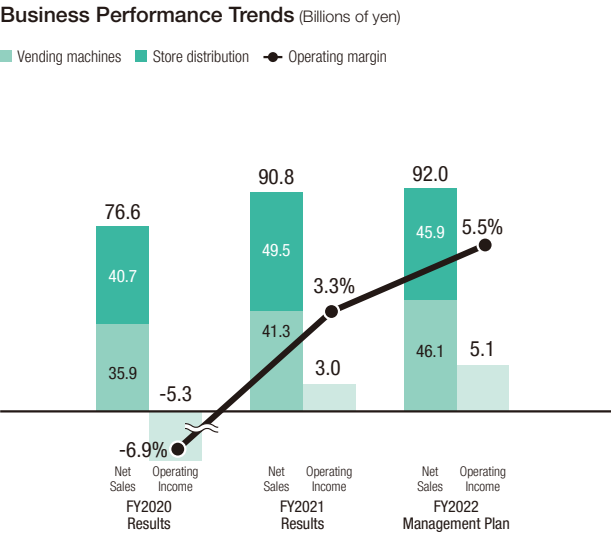
With regard to the vending machine market in Japan, in addition to a recovery in investment by beverage manufacturers, we anticipate a growing market for new vending machines as the demand for contact-free, non-face-to-face sales increases.

As for the overseas vending machine market, sales are on a recovery trend from the previous fiscal year due to the

expansion of products being sold and the diversification of customer needs in areas such as energy saving and eco-friendliness, although in the case of China we are closely monitoring the lockdown and zero-COVID policy situations.

In the store distribution market, along with an increase in demand for store renovations to meet energy-saving requirements, particularly in convenience stores, needs are diversifying to include labor saving, food loss reduction, and contact-free, non-face-to-face interactions.

Fiscal 2021 Results and Fiscal 2022 Plan



In fiscal 2021, sales increased thanks to a recovery in demand in vending machine investments, mainly from beverage manufacturers in Japan, and an increase in demand for store facilities and equipment at convenience stores. Operating income improved from a loss of ¥5.3 billion in the previous fiscal year to ¥8.3 billion, a surplus of ¥3 billion, reflecting the benefits of business restructuring in the previous fiscal year.

In fiscal 2022, despite a reactionary fall in large-scale automatic change dispenser projects, we forecast sales of ¥92.0 billion, up ¥1.2 billion year on year, thanks to the ongoing recovery of beverage manufacturers' investment in vending machines in Japan and the expansion of new markets centered on frozen food vending machines. Operating income is projected to increase by ¥2.1 billion to ¥5.1 billion, with an operating margin of 5.5%, due to increased product volume, streamlining of manufacturing, and progress in measures against variable costs.

Priority Measures

Expanding sales and further improving profitability in the vending machine business

In the vending machine sector in Japan, we will continue to introduce high-value-added vending machines that are energy-saving and cashless. In addition, we will expand sales and improve profitability by developing DX-related products such as vending machine IoT services that enable beverage manufacturers and vending machine operators to improve the efficiency of product replenishment operations. Overseas, in addition to energy saving, we will develop differentiated products that meet demands for high functionality, such as machines that support non-face-to-face sales, food delivery or other services.

To improve profitability, for the fully redesigned machines to be launched in fiscal 2022, we will standardize parts through platform design, consolidate models, and promote total cost reductions, including improved productivity and operational efficiency in manufacturing. In addition to passing on higher raw material prices, we will revise prices to reflect product value.

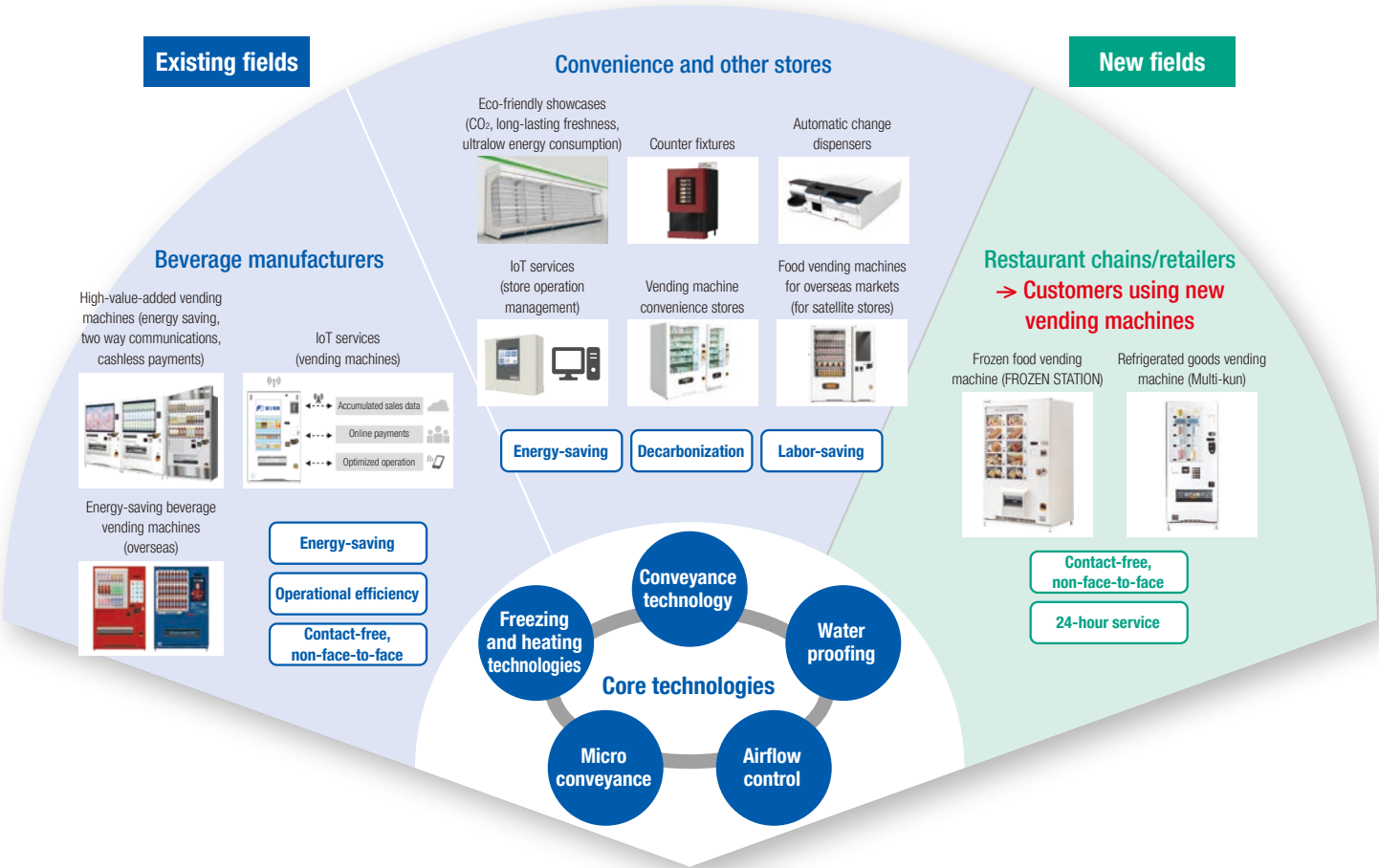
Offering high-value-added products that meet diversifying needs

In the field of store distribution, we will develop total solutions centered on convenience stores, including showcases, counter fixtures, automatic change dispensers, and vending machine convenience stores. In the store distribution market, needs are diversifying, and now include energy saving, labor saving, food loss reduction, and non-face-to-face sales. To meet these needs, we will offer more high-value-added products such as eco-friendly showcases that improve energy-saving performance, new labor-saving, energy-efficient counter fixtures, and store operation management services, thereby improving profitability.

Developing customers with a “vending machine as a store”

For customers considering the use of new vending machines to meet the demand for contact-free, non-face-to-face, 24-hour sales, we will introduce vending machines that can handle a variety of products, including frozen foods. Furthermore, to meet the needs of new customers, such as restaurant chains and retailers, a specialized sales organization to be launched in fiscal 2022 will play a central role in accelerating the capture of demand and will be a pillar of our new growth strategy.

Develop Products and Solutions that Meet Diverse Needs



Research and Development

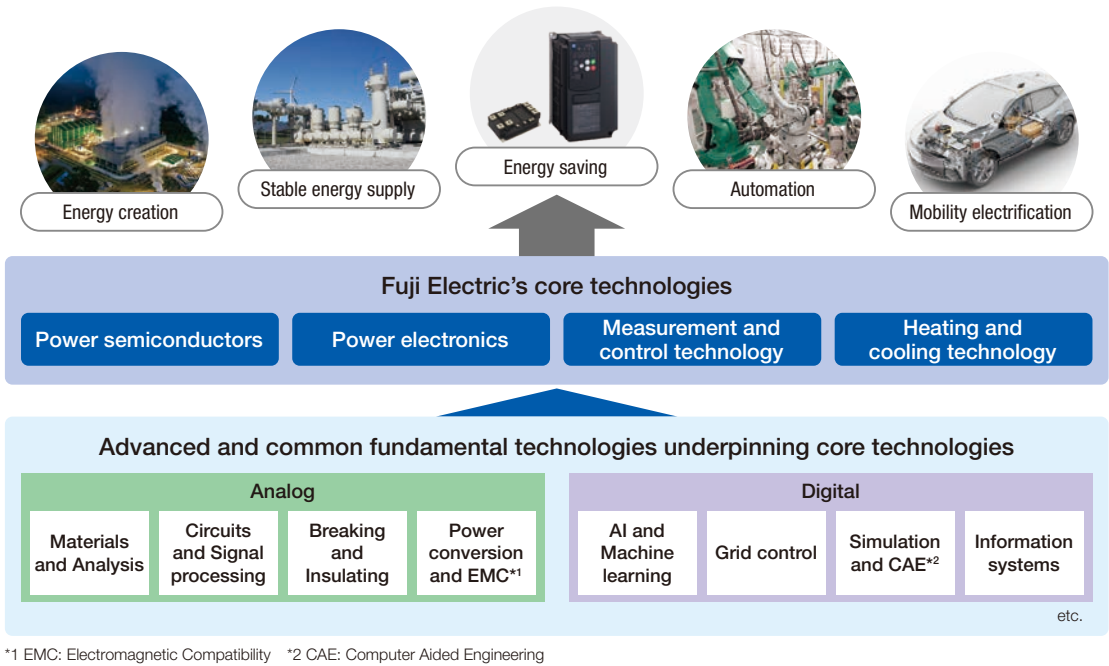
Basic Policies

We attempt to create new customer value and resolve social issues by integrating power semiconductor and power electronics technologies with advanced digital technologies.

Fuji Electric's Core Technologies

Fuji Electric has four core technologies, centered on power semiconductors with top-of-the-line power conversion efficiency and power electronics to convert and utilize electric power freely and without waste, as well as measurement and control technology and heating and cooling technology cultivated in our industry-leading vending machines. These core technologies are underpinned by high levels of advanced technology and common fundamental technology, both analog and digital, including materials and analysis, electrochemistry,

AI and machine learning, and system control. Fuji Electric has contributed to solving customers' problems in a wide range of fields from energy creation to stable energy supply, energy saving, automation, and mobility electrification. Going forward, we will continue to strengthen our advanced and common fundamental technologies, as well as our core technologies, all of which are the source of our competitive advantage, and work to create new customer value and solve social issues.

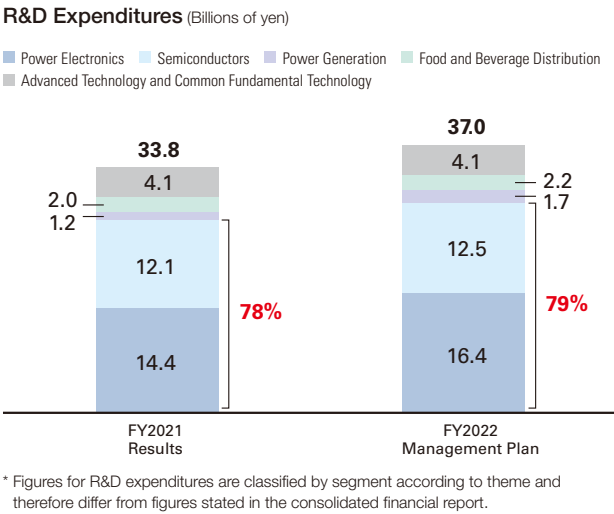


*1 EMC: Electromagnetic Compatibility *2 CAE: Computer Aided Engineering

Efforts to Achieve the Medium-Term Management Plan

As part of the growth strategy in the FY2023 Medium-Term Management Plan, we announced a policy of investing 80% of our R&D expenditure in our power electronics and semiconductor businesses.

In fiscal 2021, we invested ¥33.8 billion in R&D, 78% of which was for power electronics and semiconductors. In power electronics, we are developing global products such as substation equipment and control systems to expand overseas businesses and products for electrification in the mobility field, including ships. Meanwhile, in response to the difficulty in procuring parts, we focused on changing the designs of existing products to facilitate adoption of alternative parts. In semiconductors, we focused on developing automotive IGBTs

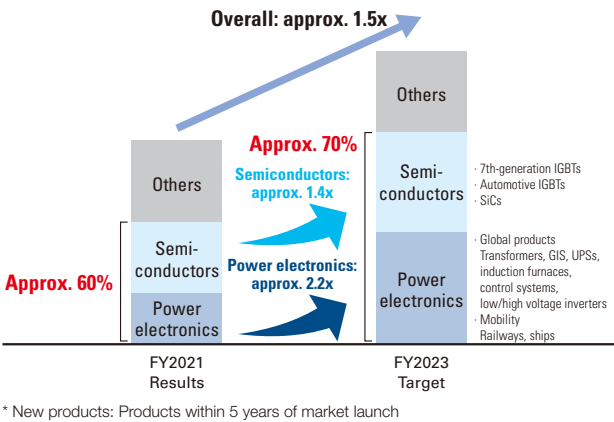


* Figures for R&D expenditures are classified by segment according to theme and therefore differ from figures stated in the consolidated financial report.

with higher power density for electrified vehicles (xEVs) and promoted the development of SiC modules that achieve even lower loss using the next-generation material.

In fiscal 2022, we will continue to actively invest in development in the power electronics and semiconductor businesses, including mobility and global products. We will accelerate the development and market launch of new products, strengthen the competitiveness of our products, and expand sales of new products, thereby contributing to the achievement of the sales targets of the Medium-Term Management Plan. In fiscal 2023, sales of new products are expected to grow by about 1.5 times compared to fiscal 2021.

Contribution to Net Sales from New Products*



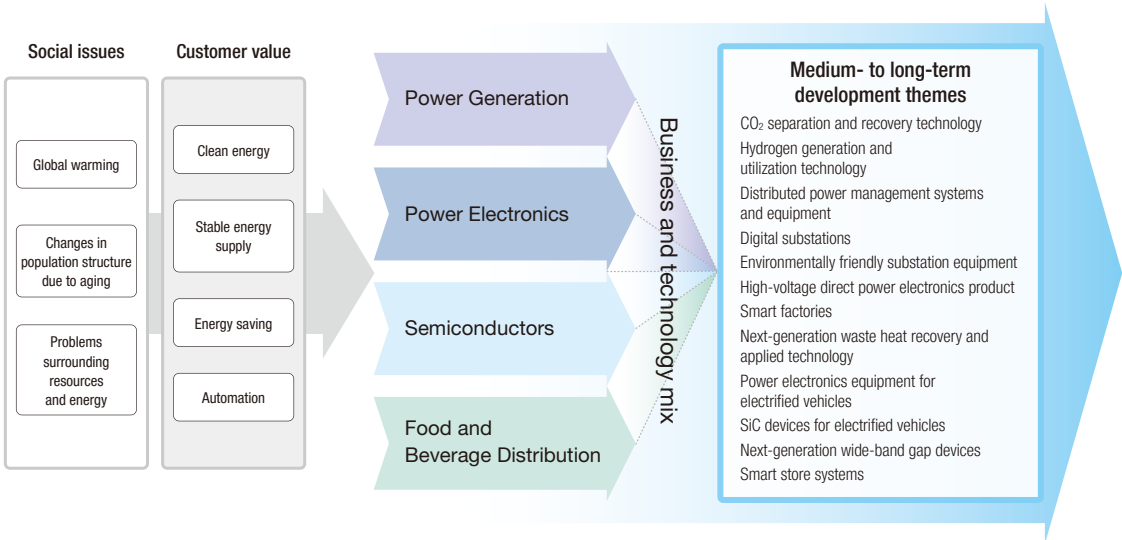
* New products: Products within 5 years of market launch

Medium- to Long-Term R&D Initiatives

As a medium- to long-term initiative, we are strengthening our technology marketing*, which envisages social issues 10 years into the future. At the same time, we are stepping up our search for themes to address increasingly complex issues through both advanced technology development and social acceptability research. In fiscal 2021, we established a New Products Development Office in our Corporate R&D Headquarters to accelerate and promote future new product

development. To achieve the sustainable growth of Fuji Electric, the sales, business, and R&D divisions collaborate cross-sectionally to analyze market and customer trends from a medium- to long-term perspective, and then match market needs with Fuji Electric's mix of technologies to create new business opportunities and social value through products.

* This means uncovering new customer value from a technology-oriented perspective, creating an ecosystem with potential customers, and co-creating a product market, before creating the product itself.



Intellectual Property Initiatives

Fuji Electric considers intellectual property to be an important management resource. We are strengthening intellectual property at the source of business planning and R&D and promoting global intellectual property strategies, including the promotion of international standardization. Our aim is to build a group of patents that will give us an advantage in our business, such as:

- (1) Patents related to enhancing efficiency and energy saving of power electronics products
- (2) Patents related to power semiconductors, including SiC-related technology

(3) Patents related to our food and beverage distribution sector
Among our global intellectual property activities, we are continuing to address intellectual property issues overseas and take measures against counterfeit products. For international standardization, we foster the development of standards in close cooperation with the International Electrotechnical Commission (IEC), which is in charge of standards related to electrical and electronics technologies, as well as other industry organizations in Japan and overseas.

Environment

We will take advantage of our energy and environmental technologies to contribute to solving social and environmental issues on the way to achieving our Environmental Vision 2050.

Takashi Obinata

Executive Officer
Corporate General Manager, Production & Procurement Group



As efforts toward decarbonization spread internationally, it has become more and more important for businesses to address environmental challenges.

In light of the global movement toward carbon neutrality and the Japanese government's decarbonization goals, our "Environmental Vision 2050" and "Fiscal 2030 Target" established in 2019 were revised in 2021.

Beyond the goal of achieving a decarbonized society, there are increasingly active social movements aimed at achieving a recycling-oriented society and a society in harmony with nature, and we are considering new targets that reflect these goals.

For the third consecutive year, the CDP certified Fuji Electric as an "A List Company" with excellent climate change initiatives and information disclosure. We will continue to work to solve social and environmental issues through our decarbonization initiatives, taking advantage of the technologies we have cultivated to date in the energy and environment fields.



Revised Environmental Vision 2050 and Fiscal 2030 Target

In the revisions to our Environmental Vision 2050, which sets the long-term direction of our environmental activities, we clearly stated that we target carbon neutrality across the supply chain. We also revised our interim Fiscal 2030 Target and set a new target for reducing greenhouse gas (GHG) emissions not only for our company but across the supply chain that includes our business partners.

Our new Fiscal 2030 Target corresponds to the "1.5°C level" accreditation criteria of the international Science Based Targets initiative (SBTi). Fuji Electric applied for SBT certification in March 2022.

Environmental Vision 2050	
We aim to achieve a "Decarbonized Society," "Recycling-Oriented Society," and "Society in Harmony with Nature" by expanding use of Fuji Electric's innovative clean energy technology and energy-saving products.	
Achieve a Decarbonized Society	Target carbon neutrality across the supply chain
Achieve a Recycling-Oriented Society	Promote green supply chains and 3R activities to reduce environmental impact to zero
Achieve a Society in Harmony with Nature	Aim for zero influence on the ecosystem by corporate activities contributing to biodiversity

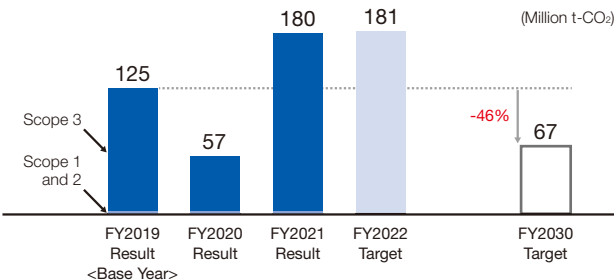
Fiscal 2030 Target	
We aim to achieve the following goals in order to limit the temperature rise to 1.5°C above pre-industrial levels.	
Greenhouse gas emissions throughout the supply chain (Scope 1+2+3):	Reduction of over 46% (compared to FY2019)
Greenhouse gas emissions during production (Scope 1+2):	Reduction of over 46% (compared to FY2019)*
Contributions to CO ₂ emissions reduction in society through our products:	Over 59 million tons/year

* Reduction rate from FY2013: 54%

Environmental Vision 2050 Initiatives

► Achieve a decarbonized society

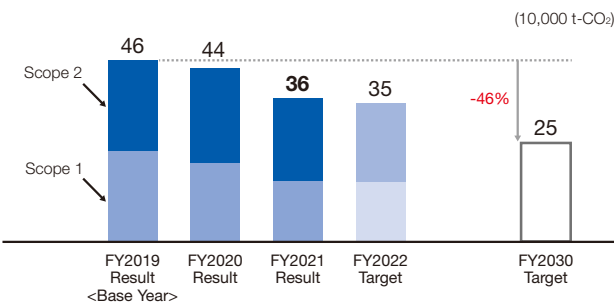
GHG emissions throughout the supply chain (Scope 1+2+3)
Our total emissions in fiscal 2021 were 180 million tons, up approximately 123 million tons from the previous fiscal year. Of the total emissions, 99.8% are Scope 3*. The increase was mainly due to large-scale thermal power EPC (engineering, procurement, and construction) projects for power generation plants, which accounted for 61% of the total emissions at approximately 1.1 million tons. As large-scale thermal power EPC projects are expected to continue in the next fiscal year, the target for fiscal 2022 is set at the same level as fiscal 2021. However, we aim to increase the ratio of energy that does not emit greenhouse gases as we approach fiscal 2030.



* Calculated in accordance with the Ministry of the Environment's "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain."

GHG emissions during production (Scope 1 and 2)

Emissions in fiscal 2021 were 360,000 tons, a decrease of approximately 70,000 tons compared to the previous fiscal year. In the future, along with plant and equipment investment to reduce power and fuel consumption, we plan to reduce emissions through measures such as installing solar power generation equipment on factory premises in Japan and overseas and expanding procurement of renewable energy electricity.



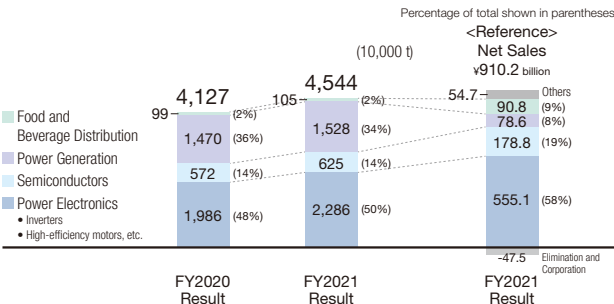
[Key emission reduction factors]

- Eliminated use of solvents by discontinuing production of magnetic disks at Fuji Electric (Malaysia) Sdn. Bhd.
- Reduced insulating gas (SF₆) used in gas abatement apparatuses and other equipment for various semiconductor processes

Contributions to CO₂ emissions reductions in society through our products

Our contributions to CO₂ emissions reductions* in fiscal 2021 was 45.44 million tons, up approximately 4.17 million tons from the previous fiscal year. By business segment, the largest contributions came from Power Electronics, which contributes to energy saving, and Power Generation, which handles geothermal, hydro, and solar power generation.

* Contribution amounts are calculated based on the reduction of CO₂ emissions from products shipped in fiscal 2009 and thereafter that are in operation for one year. CO₂ emissions that can be reduced by using Fuji Electric products = (emissions from existing products - emissions from new products) × number of units in operation in the current year



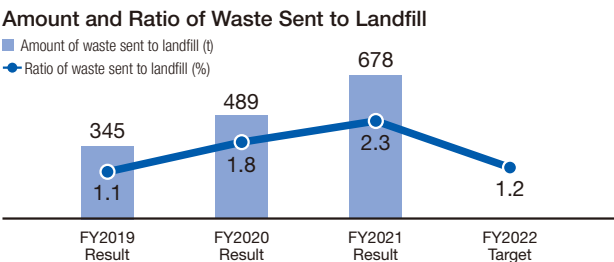
► Achieve a recycling-oriented society

Fuji Electric is committed to practicing the 3Rs (Reduce, Reuse, Recycle) throughout our supply chain, including through life cycle assessments at the design stage and green procurement. We are also focusing on reducing water consumption through recycling, and are installing recycling

equipment in semiconductor factories, which use a lot of water. Going forward, we will promote the efficient and cyclical use of resources and consider shifting to a circular economy that increases added value in order to build a "green supply chain" as set forth in our environmental vision.

Ratio of waste sent to landfill

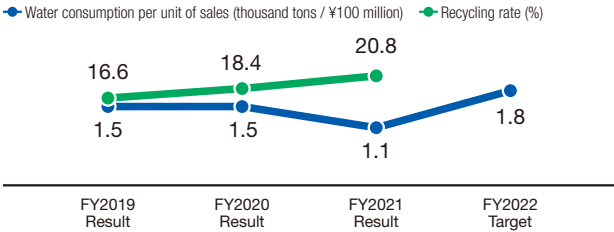
In fiscal 2021, the ratio of waste sent to landfill was 2.3%, a 0.5 percentage point increase from the previous fiscal year, reflecting greater disposal of sludge into landfill due to a change in the acceptance criteria at the company that recycles the sludge generated at our semiconductor plant in Malaysia into cement. In fiscal 2022, we will work to increase the recycling rate by increasing the accuracy of sludge separation.



Water consumption per unit of sales

In fiscal 2021, water consumption per unit of sales was 1,100 tons per ¥100 million, a significant decrease from the previous fiscal year. The main factor was the suspension of production at Fuji Electric (Malaysia) Sdn. Bhd. due to our withdrawal from the magnetic disk business. In addition, the company-wide recycling rate increased from 18.4% to 20.8% as a result of the expansion of water recycling facilities at the Yamanashi Factory, which produces semiconductors.

Water Consumption per Unit of Sales and Recycling Rate



► Achieve a society in harmony with nature

We aim to ensure that our products are designed and manufactured in a way that does not adversely affect the ecosystem so our customers can use them with peace of mind. To preserve biodiversity, meanwhile, each base in Japan

and overseas engages in its own environmental protection activities to meet local needs. Going forward, we will consider specific targets and measures for achieving zero impact on ecosystems from business activities.

Amount of volatile organic compound (VOC) atmospheric emissions

Our volatile organic compound (VOC) emissions in fiscal 2021 were 617 tons, a reduction of more than 200 tons compared to the previous fiscal year. The main factors were the enhancement of VOC recovery equipment at Fuji Electric

(Shenzhen) Co., Ltd., which produces semiconductors, and the discontinuation of production of magnetic disks at Fuji Electric (Malaysia) Sdn. Bhd.

Approach to Disclose Climate-Related Information in Accordance with TCFD Recommendations

The TCFD* recommendations require companies to disclose information on Governance, Strategy, Risk Management, and Metrics and Targets related to climate change. Since declaring support for the TCFD recommendations in June 2020, we have

provided regular updates on the progress of our efforts in these four areas. (For more information, please visit our website.)

* TCFD: Task Force on Climate-related Financial Disclosures

 Approach to Disclosing Climate-Related Information in Accordance with TCFD Recommendations
https://www.fujielectric.com/company/csr/global_environment/management_02_03.html

Items Required for Disclosure	Our Approach	Major Initiatives in Fiscal 2021
Governance	<ul style="list-style-type: none">The SDGs Promotion Committee (established in 2020 and consisting of managers from all business, sales, and corporate divisions) deliberates on climate change-related issues and evaluates policies.The results of the Committee's deliberations and evaluations are reported to the Executive Committee (consisting of all executive officers and Standing Audit & Supervisory Board Members) and the Board of Directors for deliberation as necessary.	<p>The SDGs Promotion Committee met twice to address climate change-related issues (in May and December 2021).</p> <ul style="list-style-type: none">Proposed revisions to the Fiscal 2030 Target in the Environmental Vision 2050 were compiled and discussed at the Executive Committee meeting and reported to the Board of Directors.Climate change-related risks, opportunities, and adaptation measures based on multiple scenarios were compiled and discussed at the Executive Committee meeting and reported to the Board of Directors.
Strategy	<ul style="list-style-type: none">We will analyze and identify risks and opportunities that climate change poses to our business (including supply chain) from short-, medium- and long-term perspectives using multiple temperature rise scenarios, and incorporate the impacts and adaptation measures into our business strategies.We will disclose the risks and opportunities, adaptation measures, financial implications, and other information in a phased manner as the formulation progresses, taking into account management priorities.	<ul style="list-style-type: none">In addition to analyses using two temperature rise scenarios, "below 2°C" and "4°C," conducted in fiscal 2020, we identified risks and opportunities under the scenarios of "below 1.5°C" and "4°C" and developed adaptation measures (disclosed in March 2022). <p>* Time frames considered: short term (up to 2022), medium term (up to around 2030), long term (up to around 2040)</p>
Risk Management	<ul style="list-style-type: none">Fuji Electric will systematically recognize and evaluate risks that may affect its management, and appropriately manage and deal with such risks in accordance with the Fuji Electric Risk Management Rules (hereinafter referred to as the "Risk Management Rules").Recognizing climate change as one of the external risks that may affect management, we will assess and manage it in accordance with the Risk Management Rules.	<ul style="list-style-type: none">Recognizing climate change-related risks as one of the risks that may affect management, we added them to the list of "external risks" stipulated in the Risk Management Rules.In accordance with the risk management process stipulated in the Risk Management Rules, we conducted segment-specific risk identification, a semi-annual (interim) assessment, and an annual assessment.
Metrics and Targets	<ul style="list-style-type: none">We will use the Fiscal 2030 Target in the Environmental Vision 2050 as indicators for assessing climate-related risks and opportunities, and the medium-term targets will cover greenhouse gas emissions along the entire supply chain (Scope 1+2+3).	<ul style="list-style-type: none">We established a new reduction target for greenhouse gas emissions across the supply chain based on the "below 1.5°C" scenario.

Risks and Opportunities and Adaptation Measures in the “Below 1.5°C” Scenario

Overview	External Scenarios Adopted
Scenario in which stringent measures are taken to limit the global average temperature rise as of 2100 to below 1.5°C above the pre-industrial average, using technologies and solutions scaled up from the “below 2°C” scenario.	IEA*1: World Energy Outlook (WEO) 2020 NZE IPCC*2: “Special Report on Global Warming of 1.5°C” RCP2.6

*1 IEA: International Energy Agency
*2 IPCC: Intergovernmental Panel on Climate Change

	Risks	Opportunities	Adaptation Measures
Suppliers	<ul style="list-style-type: none">Deterioration in profit due to procurement difficulties and cost increases	<ul style="list-style-type: none">Promotion of parts standardization and unificationExpanded use of recycled materials in products	<ul style="list-style-type: none">Promote multi-sourcingSupport for decarbonization of key suppliersAccelerate R&D of new technologies related to decarbonization, release them to the market in a timely manner, and reduce their costs
Development and Design	<ul style="list-style-type: none">Delays in technology development to meet decarbonization requirements	<ul style="list-style-type: none">Increased demand for technologies needed to promote decarbonization	<ul style="list-style-type: none">Expand parts recycling through collaboration with customers and recycling companiesStrengthen reduction of greenhouse gas emission at production facilitiesRespond to increased demand by increasing production capacity [Semiconductors]Shift resources to renewable energy business [Power generation]
Manufacturing	<ul style="list-style-type: none">Cost increases associated with decarbonization of production facilities (plant and equipment investment and other costs, purchase of renewable electricity)	—	
Logistics	—	<ul style="list-style-type: none">Promotion of “local production for local consumption” (inventory reduction, logistics cost reduction, tax saving)	
Customers and Markets	<ul style="list-style-type: none">Loss of business opportunities due to lack of support for 100% usage of renewable energy during productionDecrease in demand for thermal power generation	<ul style="list-style-type: none">Increased demand for renewable energy and energy-saving productsIncreased demand for renewal of thermal power generation services due to changes in fuel types for thermal power generation and the spread of CCS and CCUS	

Risks and Opportunities and Adaptation Measures in the “4°C” Scenario

Overview	External Scenarios Adopted
Scenario in which a global average temperature rise of around 4°C above the Industrial Revolution period is assumed unless measures exceeding the current level are taken.	IPCC: “Fifth Assessment Report” RCP8.5

Risks	Opportunities	Adaptation Measures
<ul style="list-style-type: none">Delays in procurement of partsCost increases due to wind and flood damage countermeasures in response to frequent extreme weather eventsDelays in outdoor construction and service workDelays in product delivery due to the disruption of logistics network and influence to production	<ul style="list-style-type: none">Increased demand resulting from active investment in BCP measures by customers	<ul style="list-style-type: none">Promote multi-sourcing of parts (identify parts with high procurement risk due to the disasters, and diversify risks)Reinforce wind and flood protection measures for factory buildings in Japan and overseas located mainly in bay areas and areas covered by hazard maps

Human Resources

To reinforce operating foundations for sustainable growth, we will promote further revitalization and training of human resources.

Takeshi Kadoshima

Managing Executive Officer
General Manager, Human Resources and General Affairs Office



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

growth, corporate prosperity, and profit returns based on an “employee-first” approach.

We will also continue striving to reinforce our operating foundations, such as by pursuing initiatives aimed at respecting human rights—a topic of great social interest—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 due diligence* targeting our operating sites and consolidated subsidiaries both in Japan and overseas.

In fiscal 2021, in relation to our initiatives aimed at respecting human rights, we provided improvement instructions to overseas consolidated subsidiaries for which we confirmed that improvements are necessary. 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 to 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 with ongoing training aimed at preventing harassment.

Fiscal 2022 is the first year during which we will implement human rights due diligence 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, thereby increasing the effectiveness of our approach.

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

Promoting Active Participation of Diverse Human Resources

Promoting the active participation of female employees

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 400 female employees in supervisory positions, and we are implementing various measures to achieve these targets.

We have set up a project aimed at hiring women, especially those with science and engineering backgrounds. In fiscal 2021—as a countermeasure against COVID-19—we conducted online interviews alongside the usual face-to-face ones, and

our project members actively established points of contact with female students in an effort to increase how many women we hire. As a result, we reached our target ratio of females hired

Changes in the Ratio of Females Hired, Ratio of Female Managers, and Number of Female Employees in Supervisory Positions

(FY)	2020	2021	2022	2023 (Target)
Ratio of females hired*1	22%	20%	21%	20%
Ratio of female managers*2	2.5%	2.8%	3.1%	3.0%
No. of female employees in supervisory positions*3	268	300	328	400

Data collected from the Company and consolidated subsidiaries that adopt the same personnel system (6 companies in total)
*1 Graduates from universities or technical colleges
*2 Managerial positions or above *3 Team leaders or above

(20%) as new employees for the fifth year in a row since 2018. In addition, to increase the number of female employees in supervisory positions, we promote two major initiatives: implementing intensive training for ambitious female employees and establishing a workplace environment that is pleasant for female employees to work in. Thanks to the promising results of these initiatives, the Ministry of Economy, Trade and Industry—in collaboration with the Tokyo Stock Exchange—has selected us as a Semi-Nadeshiko Brand.



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.

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.

Promoting the active participation of differently abled people

The Company established Fuji Electric Frontier in 1994 as 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 12 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 2022, 431 differently abled people were registered, and the employment ratio of such people was 2.95%, 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 otherwise striving to achieve a well-balanced workstyle, mainly by implementing steady awareness-raising and visualizing the actual working hours by utilizing IT. We have also been gradually expanding the users of our diverse work systems for promoting flexibility of working hours and locations, and we have used the COVID-19 pandemic as an opportunity to increase the user friendliness of these systems. 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 spouses is transferred in Japan and overseas.

In fiscal 2021—in an effort to change attitudes in order to improve employee productivity—we established new rules for providing an allowance to employees who achieve workstyles with a high time value. We also revised our systems to strengthen our support for balancing work and childcare, including relaxing the requirements for our telework system and establishing a special paid leave system for female employees who have to leave the workplace for a while due to childbirth, and childcare as a way to help them get back to the workplace sooner.

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: trainee selection details, the implementation status of training rotations, and who has undergone selective training.

Corporate Governance

Basic Policies

In strengthening our corporate governance, our basic policies are to protect shareholder rights and ensure their equal treatment, cooperate appropriately with non-shareholder

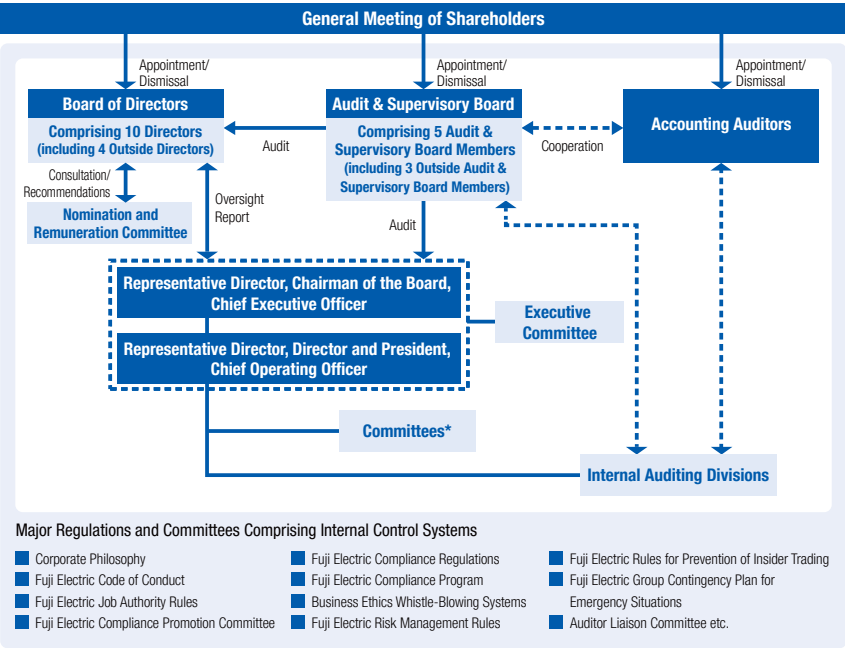
stakeholders, ensure proper information disclosure and transparency, execute the duties of the Board of Directors, and engage in dialogue with shareholders.

Corporate Governance Framework

Fuji Electric's corporate governance framework consists of the Board of Directors, which performs the functions of management supervision and making important decisions, and the Audit & Supervisory Board, which is in charge of the management audit function. As a company employing the corporate auditor system, Fuji Electric's Audit & Supervisory Board suitably undertakes audits of the Company's Directors and Executive Officers and guarantees objectivity and neutrality. The Company actively appoints Outside Directors and Audit & Supervisory Board Members that satisfy the requirements for independence, endeavors to strengthen management supervisory and auditing functions, and has established the Nomination and Remuneration Committee comprising a majority of Outside Directors as an advisory body to the Board of Directors. In addition, in order to separate management and execution

and expedite decision-making, we have introduced an executive officer system to clarify the duties, authority, and responsibilities of each executive officer and streamline the execution of duties. In order to continue strengthening our operating foundation as a company with sustainable growth, in April 2022 we appointed a Chief Executive Officer and Chairman and a Chief Operating Officer and President. We are endeavoring to build an effective corporate governance framework with the use of the Executive Committee, which discusses and reports on important matters related to management as an advisory body to the Representative Director, Chairman of the Board, Chief Executive Officer and Representative Director, Director and President, Chief Operating Officer, as well as other committees tasked with planning and promoting key business strategy issues and key external issues, such as legal compliance.

Corporate Governance Framework



(As of June 28, 2022)

Nomination and Remuneration Committee

Fuji Electric has established the Nomination and Remuneration Committee as the advisory body for the Board of Directors in order to enhance the Company's corporate governance by reinforcing the fairness, transparency, and objectivity of procedures concerning the nomination of and remuneration for Directors and Audit & Supervisory Board Members.

Matters for Consultation

- (1) Policy on the composition of the Board of Directors
- (2) Policies and criteria regarding the appointment or dismissal of Directors, the President and Chairman of the Board of Directors, and Audit & Supervisory Board Members
- (3) Appointment or dismissal of Directors, the President and Chairman of the Board of Directors, and Audit & Supervisory Board Members
- (4) Matters regarding the formulation and implementation of a succession plan for the President and Chairman of the Board of Directors
- (5) Policies and criteria regarding the remuneration of Directors and Audit & Supervisory Board Members
- (6) Details of remuneration for Directors and Audit & Supervisory Board Members

The committee comprises at least three Directors as members, the majority of which are elected from among the Company's Outside Directors. The chairman is elected from among the Outside Directors that sit on the committee as members. The Nomination and Remuneration Committee met three times in fiscal 2021 to discuss and confirm executive remuneration, compliance with the revised Corporate Governance Code, and executive appointments, as well as to deliberate and report to the Board of Directors on advisory matters concerning appointment of Directors and Audit & Supervisory Board Members.

Nomination and Remuneration Committee (Fiscal 2022)	
The Committee Chairman	
Outside Director	Toshihito Tamba
Committee Members	
Outside Directors	Naoomi Tachikawa, Yoshitsugu Hayashi
Standing Directors	Michihiro Kitazawa, Shiro Kondo

Appointment of Directors and Audit & Supervisory Board Members

Fuji Electric's policy on nominating candidates for Directors and Audit & Supervisory Board Members is to decide on candidates by taking into account such factors as the overall balance of qualifications and experience on the Board of Directors, and other viewpoints such as diversity. Persons with the qualifications, experience, and other attributes required to execute the Company's management policies are appointed as Standing Directors. Persons equipped with the insight and experience required to make multilateral business decisions who also have an understanding of Fuji Electric's management are appointed as Outside Directors, including persons with management experience at other companies, knowledge in the energy and environment fields related to our business, and international experience.

Each Director's term of office is one year so that we maintain the management framework capable of making clear the responsibilities of management in each fiscal year and of responding quickly to changes in the business environment. Persons familiar with the Company's operations in general who also possess expert knowledge and experience are appointed as Standing Audit & Supervisory Board Members. Persons equipped with the expert knowledge and experience required to undertake audits who also have an understanding of Fuji Electric's management are appointed as Outside Audit & Supervisory Board Members. For instance, corporate managers, persons with experience as a standing auditor of a listed company, or legal experts.






Independence Criteria for Outside Directors and Audit & Supervisory Board Members

Fuji Electric judges the applicable candidate to be fully independent from the Company when he/she does not fall under any of the conditions listed below, in addition to the criteria for independence stipulated by domestic financial exchanges, including the Tokyo Stock Exchange. (1) Major shareholder A major shareholder of the Company (who owns 10% or more of the voting rights) or its executor of business. (2) Major business partner A business partner (consultants such as lawyers, certified public accountants, and tax accountants, as well as consulting firms such as law firms, audit firms, and tax firms) or a person executing its business whose transactions with the Company exceed 2% of the annual consolidated net sales of the Company or the other entity in the past three fiscal years.

(3) Major lender, etc. A financial institution, other major creditor, or a person executing the business of these institutions that is indispensable for the Company's funding and on which the Company depends to the extent that it is irreplaceable. (4) Accounting Auditor A certified public accountant who belongs to an auditing firm that serves as the Accounting Auditor of the Company or an employee of or any other person belonging to such auditing firm. (5) Donee A person executing the business of an organization which receives a donation exceeding 10 million yen per year that is greater than 2% of its annual income from the Company for the past three fiscal years.

List of Officers (As of June 28, 2022)

Directors	Areas Expected to Director by the Company						
	Business Management	Finance and Accounting	Global Business	Environment and Society	R&D, Technology, Manufacturing, and DX	Corporate Governance, Legal Matters, and Risks	Marketing and Industry
 Michihiro Kitazawa Representative Director Chairman of the Board of Directors Chairman of the Board and Chief Executive Officer Nomination and Remuneration Committee member	●	●	●		●	●	●
 Shiro Kondo Representative Director President and Chief Operating Officer In charge of Corporate R&D Nomination and Remuneration Committee member	●		●		●		●
 Toshihito Tamba Outside Director Nomination and Remuneration Committee chairman Executive Adviser, Tokyo Century Corporation	●	●	●			●	
 Naoomi Tachikawa Outside Director Nomination and Remuneration Committee member	●					●	
 Yoshitsugu Hayashi Outside Director Nomination and Remuneration Committee member Distinguished Professor, Center for Sustainable Development and Global Smart City, Chubu University			●	●		●	
 Yukari Tominaga Outside Director External Director, MORINAGA MILK INDUSTRY CO., LTD. Outside Director, Yashima & Co., Ltd. Outside Director, SB Technology Corp.	●				●	●	
 Michio Abe Director Senior Managing Executive Officer In charge of Production & Procurement and Power Generation Business			●	●	●		●
 Junichi Arai Director Senior Managing Executive Officer Corporate General Manager, Corporate Management Planning Headquarters General Manager, Export Administration Office In charge of compliance management		●	●			●	
 Toru Hosen Director Senior Managing Executive Officer Corporate General Manager, Semiconductors Business Group					●		●
 Hiroshi Tetsutani Director Managing Executive Officer Corporate General Manager, Power Electronics Industry Business Group					●		●

Audit & Supervisory Board Members	
 Yoshio Okuno Standing Audit & Supervisory Board Member Chairman of the Audit & Supervisory Board	 Junichi Matsumoto Standing Audit & Supervisory Board Member
 Tetsuo Hiramatsu Outside Audit & Supervisory Board Member Chairman & Representative Director, Chuo-Nittochi Group Co., Ltd. Chairman & Representative Director, Chuo-Nittochi Co., Ltd.	 Hirohiko Takaoka Outside Audit & Supervisory Board Member
 Yuko Katsuta Outside Audit & Supervisory Board Member Partner, ITN Partners	

Executive Officers		
Position	Name	Division
President Executive Officer	Shiro Kondo	Chief Operating Officer; In charge of Corporate R&D
Senior Managing Executive Officer	Michio Abe	In charge of Production & Procurement and Power Generation Business
Senior Managing Executive Officer	Masatsugu Tomotaka	In charge of Power Electronics Sales, Power Electronics Energy Business, Power Electronics Industry Business, and Fuji Electric FA Components & Systems Co., Ltd.
Senior Managing Executive Officer	Junichi Arai	Corporate General Manager, Corporate Management Planning Headquarters; General Manager, Export Administration Office; In charge of compliance management
Senior Managing Executive Officer	Toru Hosen	Corporate General Manager, Semiconductors Business Group
Managing Executive Officer	Takeshi Kadoshima	General Manager, Human Resources and General Affairs Office; In charge of crisis management
Managing Executive Officer	Masashi Kawano	Corporate General Manager, Power Electronics Energy Business Group
Managing Executive Officer	Hiroshi Tetsutani	Corporate General Manager, Power Electronics Industry Business Group
Managing Executive Officer	Yoshitada Miyoshi	General Manager, President's Office; In charge of SDGs Promotion, and Public Relations and IR
Executive Officer	Kenji Goto	Deputy Corporate General Manager, Power Electronics Energy Business Group
Executive Officer	Masahiro Morimoto	President and Representative Director, Fuji Electric FA Components & Systems Co., Ltd.
Executive Officer	Tadao Horie	Corporate General Manager, Power Generation Business Group
Executive Officer	Masato Miyake	General Manager, Legal Office, Corporate Management Planning Headquarters
Executive Officer	Keiichi Asano	Corporate General Manager, Food & Beverage Distribution Business Group
Executive Officer	Takashi Obinata	Corporate General Manager, Production & Procurement Group
Executive Officer	Hiroshi Ishii	Corporate General Manager, Power Electronics Sales Group

Activities of Outside Directors and Audit & Supervisory Board Members in Fiscal 2021

To strengthen our management supervisory and auditing functions, and to ensure the validity and appropriateness of our important decisions, the Directors and Audit & Supervisory Board Members play the proper roles as stated below.

Outside Directors		
Name	Status of Attendance at Board of Directors Meetings (Meetings Attended/Meetings Held) Status of Attendance at Nomination and Remuneration Committee (Meetings Attended/Meetings Held)	Main Activities
Toshihito Tamba	13/13 3/3	[Board of Directors] Mr. Tamba offered opinions as necessary on all areas of Fuji Electric's management, including on the following matters, based on his professional standpoint and considerable insight as a manager of listed companies. <ul style="list-style-type: none">• Formulation of a business plan taking into account changes in the market environment• Appropriate ways to carry out IR activities [Nomination and Remuneration Committee] Mr. Tamba led the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.
Naoomi Tachikawa	13/13 3/3	[Board of Directors] Mr. Tachikawa offered opinions as necessary on all areas of Fuji Electric's management, including on the following matters, based on his professional standpoint and considerable insight as a manager of listed companies. <ul style="list-style-type: none">• Managing the progress of management plans• Managing the progress of large-scale orders [Nomination and Remuneration Committee] Mr. Tachikawa carried out the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.
Yoshitsugu Hayashi	13/13 3/3	[Board of Directors] Mr. Hayashi offered opinions as necessary on all areas of Fuji Electric's management, including on the following matters, based on his professional standpoint and considerable insight about the environment, transportation, and urban sustainable development fields that are closely related to the Company's management policies. <ul style="list-style-type: none">• Initiatives to realize a decarbonized society• How to discuss sustainability at Board of Directors meetings [Nomination and Remuneration Committee] Mr. Hayashi carried out the supervisory function in appointment of candidates for Directors and Audit & Supervisory Board Members and the process of determining remunerations for Directors and Audit & Supervisory Board Members from an objective and neutral standpoint.

Outside Audit & Supervisory Board Members

Name	Status of Attendance at Board of Directors Meetings (Meetings Attended/Meetings Held) Status of Attendance at Audit & Supervisory Board Meetings (Meetings Attended/Meetings Held)	Main Activities
Tetsuo Hiramatsu	13/13 10/10	[Board of Directors] Mr. Hiramatsu confirmed and offered opinions as necessary concerning agenda items and the status of Fuji Electric's business activities based on his extensive experience and considerable insight as a manager at financial institutions. [Audit & Supervisory Board] Mr. Hiramatsu confirmed and offered opinions on the legal compliance of the overall business activities of Fuji Electric.
Hirohiko Takaoka	13/13 10/10	[Board of Directors] Mr. Takaoka confirmed and offered opinions as necessary concerning agenda items and the status of Fuji Electric's business activities based on his extensive experience and considerable insight as an experienced Full-time Audit & Supervisory Board Member and any other type of executive of listed companies. [Audit & Supervisory Board] Mr. Takaoka confirmed and offered opinions on the legal compliance of the overall business activities of Fuji Electric.
Yuko Katsuta	13/13 10/10	[Board of Directors] Ms. Katsuta confirmed and offered opinions as necessary concerning agenda items and the status of Fuji Electric's business activities based on her expert knowledge as an attorney. [Audit & Supervisory Board] Ms. Katsuta confirmed and offered opinions on the legal compliance of the overall business activities of Fuji Electric.

Remuneration for Directors and Audit & Supervisory Board Members

Process of determining remuneration

Consulted by the Board of Directors, the Nomination and Remuneration Committee discusses policies and criteria concerning remuneration as well as the details of remuneration. The Board of Directors resolves on the policy for the final decisions respecting the details of the committee's report that the Board of Directors has received from the Committee.

The actual decision on remuneration amounts for individual Directors is left to the discretion of Representative Director Michihiro Kitazawa, but within the limit resolved at the General Meeting of Shareholders and with reference to the details of the committee's report.

Policy regarding decisions on remuneration

We have established a remuneration system and remuneration levels that are deemed appropriate for their respective duties and in accordance with shareholder mandates, giving due consideration to the aims of securing and maintaining competent personnel and providing incentives for the improvement of business performance.

We routinely verify that the system and levels are appropriate or whether they need reviewing in light of changes in the operating environment or objective external data.

Classification-Based Remuneration System

Classification	Remuneration System
Standing Directors	<p>The amount of performance-linked remuneration for Standing Directors is based on the payment level that pushes up the proportion of performance-linked remuneration when there is a rise in the consolidated ratio of operating income to net sales, which is set as a critical target in a medium-term management plan. The previous year's consolidated performance (e.g., net sales, operating income, net income, and dividends) is taken into account to make the final decision. The consolidated ratio of operating income to net sales for fiscal 2021 was 8.2%, and performance-linked remuneration accounted for about 53% of the remuneration.</p> <p>Base Remuneration Base remuneration is a predetermined amount that is paid monthly at a certain time according to their position. A portion of the base remuneration is contributed to the director shareholding association to share the economic interests of shareholders and as an incentive to make management aware of share value.</p> <p>Performance-Linked Remuneration Performance-linked remuneration is paid annually at a certain time only in instances in which dividends are paid to all shareholders from retained earnings. The total amount of performance-linked remuneration shall be within 1.0% of consolidated net income for the fiscal year prior to the date of payment in order to make the link with consolidated results for each fiscal year more clearly.</p>
Standing Audit & Supervisory Board Members Outside Directors and Audit & Supervisory Board Members	<p>A predetermined amount is paid monthly at a certain time according to their position as base remuneration. Stocks in the Company may be acquired at their own discretion.</p>

Remuneration by Classification (Fiscal 2021)

Classification	Total Remuneration (Millions of Yen)	Remuneration by Type (Millions of Yen)		Number of Recipients
		Base Remuneration	Performance-Linked Remuneration	
Standing Directors	610	269	341	6
Standing Audit & Supervisory Board Members	58	58	—	2
Outside Directors and Audit & Supervisory Board Members	50	50	—	6

Amount of Contributions to Director Shareholding Association and Shares of the Company Acquired (Fiscal 2021)

Classification	Amount of Contributions to the Director Shareholding Association (Millions of Yen)	Shares of the Company Acquired (Hundreds of Shares)
Directors	19	37
Audit & Supervisory Board Members	4	8

Training Policy for Directors and Audit & Supervisory Board Members

Before taking office, Standing Directors and Audit & Supervisory Board Members undergo compliance training, which also encompasses legal and taxation matters. They are also provided opportunities after taking office to acquire necessary knowledge on an ongoing basis.

Before taking office, Outside Directors and Audit & Supervisory Board Members are briefed on the state of the Company and the roles they are expected to perform. After taking office, they have the chance to deepen their understanding of the Company through presentations on the strategies for business, R&D, and other operations and by inspecting business bases.



Outside Directors and Audit & Supervisory Board Members visiting the Chiba Factory

Evaluation of Effectiveness of the Board of Directors

We conduct the evaluation of the effectiveness of the Board of Directors with the use of a third-party survey in order to verify whether the Board of Directors is properly fulfilling its expected roles and functions and to facilitate further improvements

thereof. The results of the survey are reported to the Board of Directors, and issues that require improvement going forward are shared with everyone.

Method of Evaluation of Effectiveness of the Board of Directors

Evaluation method	Anonymous survey of all the Directors and Audit & Supervisory Board Members conducted by a third party
Main question categories	(1) Board of Directors make-up, administration, discussions, and monitoring functions (2) Support structure and training for Directors and Audit & Supervisory Board Members (3) Dialogue with shareholders (4) Initiatives implemented by Directors and Audit & Supervisory Board Members themselves
Evaluation process	(1) Subjects answer a survey conducted by a third party (2) The third party identifies issues based on a results report and advice (3) Board of Directors analyzes, discusses, and assesses the findings

Summary of evaluation results and issues to be addressed

The performance of the Board of Directors, including discussions as well as support for Directors and Audit & Supervisory Board Members, earned mostly positive assessments, thereby assuring the overall effectiveness of the Board of Directors.

On the other hand, in light of the opinions in the survey calling for more in-depth discussions about material

medium- to long-term issues, it was agreed that challenges lie ahead in order to further improve the Board's functions and invigorate discussions.

Going forward, after due consideration, we will promptly address the issues that have been shared based on the results of this effectiveness evaluation so that we continue working to enhance the functions of the Board of Directors.

Major Issues and Major Initiatives Identified in the Effectiveness Evaluation of the Board of Directors

Major Issues	Major Initiatives in FY2021	Policies for Major Initiatives in FY2022
Further discussion of key medium- and long-term issues	Discussed each segment's business plans and strategies, major issues of the SDGs Promotion Committee, and policy on cross-shareholding.	Continue to work on enhancing opportunities for reporting and discussing key issues.
Diversity in the composition of the Board of Directors (further consideration of knowledge, experience, expertise, gender, internationality, etc.)	Selected members of the Board of Directors for the next term, including three new Directors (one of whom is a female Director).	Continue to engage in vigorous discussions at the meetings of the Nomination and Remuneration Committee and Board of Directors.
Enhancement of information provision and exchange of opinions on our business and products through factory visits	Resumed factory inspections for Outside Directors and Audit & Supervisory Board Members, which had been suspended due to the COVID-19 pandemic, and conducted inspections of the Yamanashi Factory and Chiba Factory.	Continue to work to provide enriched information on our business and products, as well as to enhance opportunities for exchanging opinions among Directors and Audit & Supervisory Board Members.
Report on dialogue with institutional investors	Reported to the Board of Directors on the status of IR activities as well as opinions and requests from analysts and institutional investors.	Continue to work on initiatives from the previous fiscal year.

Internal Control System

With the aim of complying with laws and regulations, managing the risk of loss, and securing the efficiency of the execution of duties, the Fuji Electric Board of Directors has determined basic policies concerning the establishment of an internal control system as stipulated in the Companies Act of Japan, and the Company discloses those policies. Fuji Electric discloses information on the implementation of its internal control system, thereby taking steps to respond promptly and accurately to the demands placed upon the Company by society.

Main systems based on the internal control system

Compliance system

Based on systems for ensuring that Directors and employees

perform their duties in a manner that is compliant with laws and the articles of incorporation, Fuji Electric has established and promotes a compliance system in order to secure the transparency and soundness of business execution.

Risk management system

Based on regulations and other systems pertaining to managing the risk of loss, Fuji Electric has developed an appropriate risk management system in order to manage business risks in a coordinated, systematic manner. In regard to specific cross-sectional risks, the Company determines departments to put in charge of each risk, thereby establishing a risk management system.

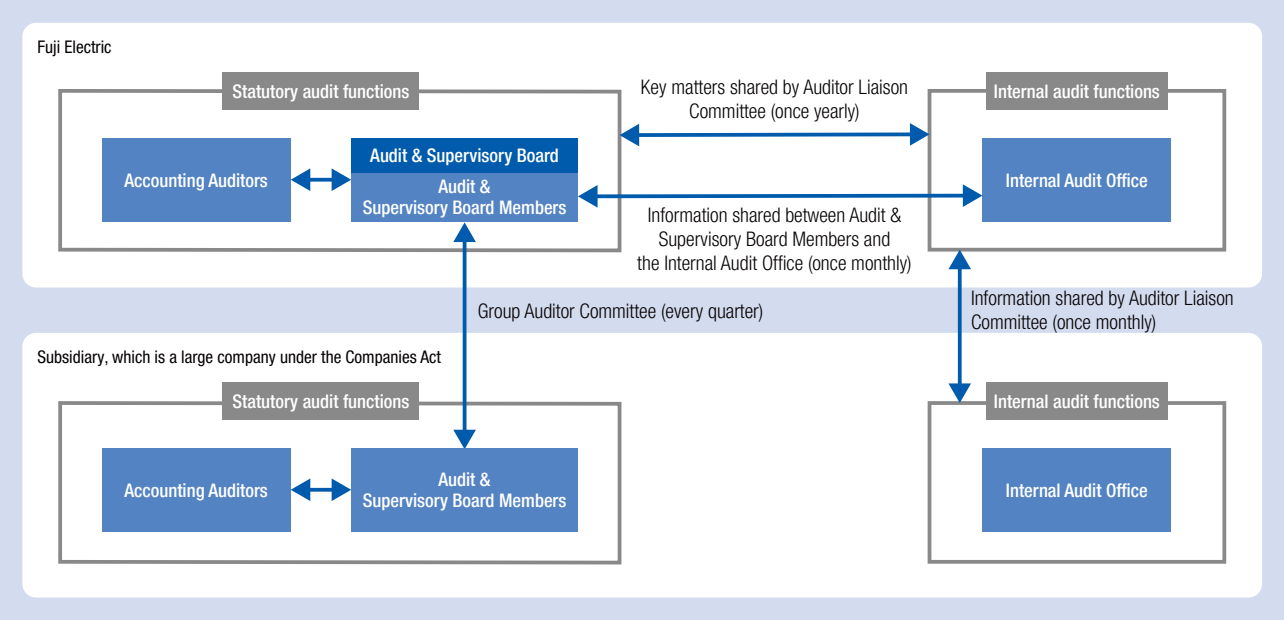
Audit & Supervisory Board Members and Internal Audits

Strengthening collaboration between audit functions

We ensure the effectiveness of Fuji Electric's audit functions by reinforcing collaboration between statutory audit functions (Audit & Supervisory Board Members, Accounting Auditors) and internal audit functions (Internal Audit Office). We will continue

to strengthen this collaboration going forward, with a particular focus on project management for large-scale projects, compliance audits, and audits at overseas subsidiaries.

Main Initiatives for Strengthening Collaboration



Audits by the Audit & Supervisory Board Members

Audit & Supervisory Board Members conduct audits in accordance with the audit policies and duties assigned and in compliance with the standards for audits established by the Audit & Supervisory Board. They report the details and results of their audits to the Audit & Supervisory Board.

In fiscal 2021, the Audit & Supervisory Board convened ten times in total. Every meeting was attended by all of the Company's Audit & Supervisory Board Members. During the meetings, the Audit & Supervisory Board mainly reviewed audit policies and plans, the appropriateness of auditing methods and results of the Accounting Auditors, and undertook an assessment of the Accounting Auditors. It also reported on

and reviewed important matters that the Standing Audit & Supervisory Board Members communicated to the Outside Audit & Supervisory Board Members.

Main tasks

- Attending and offering opinions at meetings of the Board of Directors, the Executive Committee, the Compliance Promotion Committee, and other important committees
- Reviewing documents pertaining to important resolutions
- Receiving explanations on the status of operational execution from Directors and internal auditing divisions
- Investigating the status of operations and assets at Fuji Electric's business divisions, consolidated subsidiaries in Japan and overseas, and companies undertaking M&As (done remotely as necessary)

Internal audits

Every second year, the internal auditing divisions as bodies directly under the President perform the following audits on Fuji Electric’s business divisions and subsidiaries in accordance with internal auditing standards and annual audit plans.

In fiscal 2021, utilizing remote auditing, we conducted audits at 42 bases, or about 40% of the audit sites. No risks or inadequacies with the potential to seriously affect management were discovered.

Type of Audit	Main Tasks
Organizational management	Evaluating the appropriateness of management and administration (development of regulations, approval procedures, performance management, etc.)
Risk management	Evaluating the effectiveness of risk management systems and risk response
Compliance	Checking for compliance with laws and regulations based on the Fuji Electric Compliance Program and confirming legal compliance
Business execution	Evaluating the appropriateness, efficiency, and effectiveness of business execution (booking of sales and purchases, investments, cash flow, etc.)
Accounting	Evaluating the appropriateness of cost accounting and the soundness of assets and liabilities

Policy on Cross-Shareholding and Current Status

Fuji Electric holds listed shares as a matter of policy in order to maintain and strengthen relations with its investee companies. Our basic policy is to reduce cross-shareholdings. Even in cases where we recognize a certain rationality in holding these cross-shareholdings, we will reduce them while paying attention to the impact on management and business.

Based on the above policy, we have reduced the number of different listed stocks we held from 102 as of the end of fiscal 2018 to 45 as of the end of fiscal 2021.

The Board of Directors periodically evaluates the rationality of shareholding in light of whether it is necessary to maintain

and strengthen relations with the investee companies and of the comparison of capital cost and return. The details of the review are disclosed.

The voting rights that come with cross-shareholding are exercised after considering all relevant factors, including whether the proposed action will help the issuing company to establish an appropriate corporate governance framework and to increase its medium- to long-term corporate value, and what impact the action will have on Fuji Electric. We also have dialogue regarding the details of the proposal, among others, with the issuing company as necessary.

Number of Cross-Shareholdings and Balance Sheet Value

Type		End of FY2018	End of FY2019	End of FY2020	End of FY2021
Number of different stocks (issues)	Listed stock	102	79	74	45
	Unlisted stock	73	69	69	69
	Total	175	148	143	114
Balance sheet value (billion yen)	Listed stock	1,004	998	1,050	980
	Unlisted stock	40	39	39	40
	Total	1,045	1,037	1,089	1,020

* In addition to the above, there are deemed cross-shareholdings (end of FY2018: ¥2.5 billion, end of FY2019: ¥2.2 billion, end of FY2020: ¥2.2 billion, end of FY2021: ¥1.9 billion). The amount of deemed shareholdings is calculated by multiplying the market value of shares as of March 31, 2022 by the number of shares held.

Dialogue with Shareholders and Investors

Basic policies

We disclose information in accordance with various laws and regulations. Even if we are not required to do so by law, we also strive to disclose corporate information thought to have a significant impact on investment decisions in a timely, fair, and equitable manner, so that we might earn the trust of our shareholders and investors and ensure they have a proper understanding of the Company.

Major initiatives in fiscal 2021

We handled more media coverage on conference calls or online, provided more elaborate information than ever to disclose at the IR briefings, and published more detailed IR information on our website in order to ensure that our shareholders and investors have a clearer understanding of our business environment, business strategy, and ESG initiatives.

Timely disclosure (examples)

- Losses Caused Due to Product Defect (April 2021)
- Announcement of the Board of Directors’ Resolution on Selection of New Market Segment “Prime Market” (September 2021)
- Notice Concerning Change of Representative Director (February 2022)

Explanatory forums for analysts and investors

- Financial results presentations (April, July, and October 2021; January 2022)
- Management plan presentations (April 2021)
- Business strategy presentations (May 2021)
- ESG Meeting (March 2022)

Publication of reports for shareholders
(June, August, and December 2021; February 2022)

 Investor relations (IR) website:
<https://www.fujielectric.com/ir/>

Opinions of analysts and institutional investors

We actively engage in dialogue with analysts and institutional investors, and the information shared at briefings and the principal feedback and requests we receive during private meetings are shared with the executive officers and Board of Directors, so that we discuss them as management issues. The main opinions and requests received from analysts and institutional investors in fiscal 2021 are as follows.

Main opinions and requests

- **Opinions on management and business**
 - Promote measures to expand business in decarbonization-related businesses
 - Clarify growth strategy and direction for fiscal 2024 and beyond
 - Promote measures to improve low-profit businesses
 - Appoint female Directors to ensure diversity on the Board of Directors
 - Reduce cross-shareholdings
- **Opinions on topics for information disclosure**
 - Prospects for expanding sales in the power electronics business and competitive strategies
 - Competitive advantage of SiC in the semiconductor business and measures to expand market share
 - Progress in expansion of renewable energy and after-sales businesses in the power generation business
 - Future growth potential of the vending machine market and measures to further improve profit margins
 - Initiatives to achieve the target of the Environmental Vision 2050
 - Strengthening information dissemination related to our business opportunities in the initiatives toward achieving a decarbonized society
 - Approach and measures to improve capital efficiency

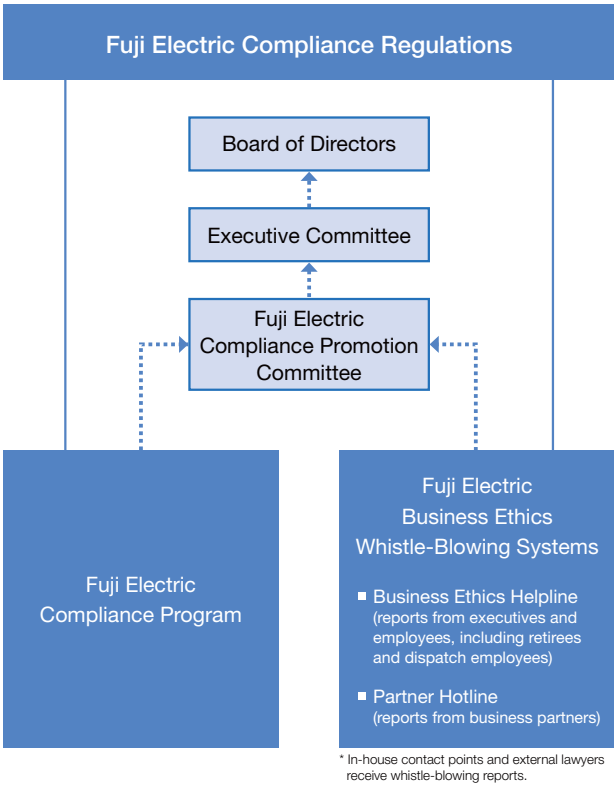
Compliance

Basic Policies

The Fuji Electric Code of Conduct states that Fuji Electric must “make global compliance a top priority.” In addition, we have defined the Fuji Electric Compliance Regulations, a guideline for compliance, under the supervision of the Board of Directors. We also globally promote compliance through the Fuji Electric Compliance Program and the Fuji Electric Business Ethics Whistle-Blowing Systems.

Promotion System

The Fuji Electric Compliance Promotion Committee is headed by our President and COO as its Chairman, and it consists of control chiefs (managers of businesses and corporate department heads) responsible for regulating laws and acts, with Standing Audit & Supervisory Board members and outside experts (attorneys) as observers. The Committee meets twice per year to deliberate on the implementation status of the Fuji Electric Compliance Program and the Fuji Electric Business Ethics Whistle-Blowing Systems as well as the plan for implementing the Fuji Electric Compliance Program and then reports to the Board of Directors once per year. In the event of a compliance infraction, the Committee has a system in place to take any necessary measures after deliberating on fact-finding investigations, corrective actions, recurrence prevention measures, internal punishments, and internal and external disclosure.



Status of Promotion

Fuji Electric Compliance Program

Fuji Electric has established the Fuji Electric Compliance Program to cover four aspects related to compliance with Japanese and overseas laws by both the Company and its Group companies in Japan and overseas. Through reviews and revisions made by the Fuji Electric Compliance Promotion Committee, we conduct activities while also actively acquiring external certifications and disclosing information externally in order to verify the effectiveness of our activities from an external perspective.

Target laws (examples)

<div>• Bribery, anti-corruption, and competition laws</div> <div>• Labor and human rights</div> <div>• Product safety and the environment</div> <div>• Taxation and accounting</div> <div>• Information security</div> <div>• Export management</div>	Establishment, revision, abolition, and dissemination of internal rules
	Daily monitoring of the status of compliance with laws and internal rules
	Auditing by third parties
	Compliance education

Compliance education

We promote wide-ranging compliance education and instruction through level-specific and job-specific group training and e-learning programs, as well as by displaying posters internally and distributing pamphlets.

Fiscal 2021 Compliance Education Results (examples)

Training category	Participants		Details
Level-specific training	Newly appointed executives	29	Building a legal compliance system
	Newly appointed managers	127	Compliance with major laws
	New employees	257	Overview of our Fuji Electric Compliance Program and Business Ethics Whistle-Blowing Systems
Job-specific training	Sales and administrative division employees	2,893	Compliance with major laws

Fuji Electric Business Ethics Whistle-Blowing Systems

To prevent infractions of laws and regulations and ensure early detection, we have introduced and are operating the Fuji Electric Business Ethics Whistle-Blowing Systems. Under these systems, internal and external parties can report real or suspected violations of laws, regulations, or internal rules—including matters related to bribery and corruption—to the President and COO of Fuji Electric via whistle-blowing contact points (in-house contact points and external lawyers). (Anonymous reporting is also possible.)

Business Ethics Helpline

The Business Ethics Helpline handles reports from our executives and employees in Japan and overseas (including retirees and dispatch employees). It is thoroughly promoted among employees through publications in the Company magazine and the intranet.

Partner Hotline

The Partner Hotline handles reports from external stakeholders. It is thoroughly promoted among them through posts on the

Partner Hotline

<https://www.fujielectric.com/company/procurement/partnerhotline.html>

Results of Promotion

In fiscal 2021, there were no compliance infractions with the potential to seriously impact management.

Bribery prevention

With the article “Make global compliance a top priority” stated in the Fuji Electric our Corporate Code of Conduct, we have declared our commitment to bribery and corruption prevention, and we have disclosed the Fuji Electric Anti-Bribery Policy as part of the Fuji Electric Code of Conduct. Under this policy, we endeavor to prevent bribery throughout the supply chain, such as by ensuring that no Fuji Electric employee (including dispatch employees) ever engages in bribery or any act that could arouse the suspicion of bribery and by requesting that all of our stakeholders—including suppliers and other business partners—strive to prevent bribery.

We have also established the Fuji Electric Anti-Bribery Guidelines as a set of rules for Fuji Electric employees (including dispatch employees) to help them prevent bribery during their daily business, and we endeavor to prevent bribery through the execution of the Fuji Electric Compliance Program.

Any employee who is involved in bribery will be subject to strict disciplinary actions based on our work rules.

In fiscal 2021, there were no incidents of employees being

Fuji Electric Anti-Bribery Policy

<https://www.fujielectric.com/company/box/doc/Anti-Bribery%20Policy.pdf>

website and briefing sessions for business partners.

In fiscal 2021, there were 31 reports.

Note that we work meticulously to protect whistle-blowers by keeping their personal information confidential and prohibiting disadvantageous treatment and retaliatory or discriminatory acts on the grounds of whistle-blowing. In addition, we take all necessary steps to resolve issues raised by whistle-blowers, including fact-finding investigations, corrective actions, recurrence prevention measures, and disciplinary actions. We also provide the details of our response to the whistle-blowers themselves as feedback. (We also strive to indirectly provide feedback through the above measures in the case of anonymous whistle-blowing.)

Due to the enforcement of the revised Whistleblower Protection Act on June 1, 2022, we significantly strengthened our protection of whistle-blowers by expanding the coverage of the protection to encompass all Fuji Electric executives and employees, including retirees.

subject to disciplinary actions due to the violation of our anti-bribery rules, and no fines, surcharges, or settlements related to bribery were incurred.

Prevention of competition law infractions

In an effort to prevent the violation of competition laws, we have established and appropriately revise daily business rules, including our Antimonopoly Act Compliance Manual and Foreign Competition Law Compliance Manual. We also perform daily monitoring by confirming quotations and estimates via a comprehensive bidding information management system and extensive record-keeping. In addition, our internal auditing divisions perform audits in accordance with auditing guidelines, and we conduct extensive level-specific and job-specific training.

Any employee who is involved in the violation of competition laws will be subject to strict disciplinary actions based on our work rules.

In fiscal 2021, there were no incidents of employees being subject to disciplinary actions due to the violation of our competition law rules, and no fines, surcharges, or settlements related to competition laws were incurred.

Risk Management

Basic Policies

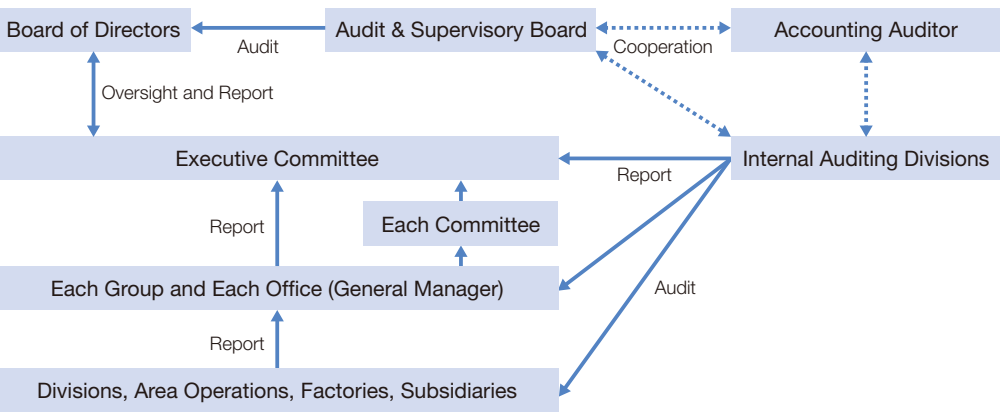
Based on the Fuji Electric Risk Management Rules, the Company manages risks in a coordinated, systematic manner. We practice appropriate management and counter various risks that could affect Fuji Electric's management in order

to prevent risks from materializing (crisis situations), thereby minimizing the impact on management in the event that risks do materialize.

Risk Management System

The Company's business divisions and affiliated companies are responsible for managing risks related to their business activities as a part of their business duty, developing appropriate risk management systems, and implementing risk countermeasures. Significant risks, such as those related to business plans and large-scale investments, are reported at the Executive Committee as appropriate to facilitate the sharing of information. We also have manuals in place to ensure that risks are steadily managed. We provide training in handling

each type of risk and inform the whole Company about our efforts to manage risks through company magazines and other appropriate means. The internal auditing divisions conduct regular audits to check whether each business division and affiliated company identifies and evaluates risks based on the Fuji Electric Risk Management Rules, defines countermeasure policies, and properly builds and operates management systems.



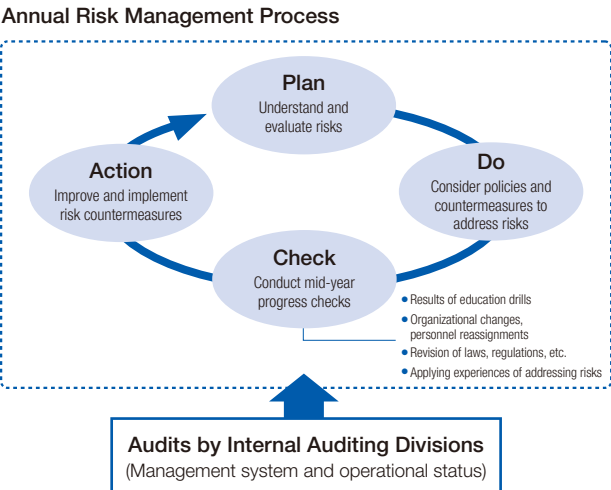
Emergency response

If an emergency arises due to a large-scale disaster or any other serious cause, we need to act to prevent the situation from becoming any worse and resolve the situation as soon as

possible. Hence, we have guidelines in place on preparations for possible emergencies, an emergency contact network, and setting up an emergency task force.

Risk Management Process

When annual budgets are formulated, the Company's business divisions and affiliated companies gain an understanding of and evaluate risks related to their business activities. Policies and countermeasures in response to risks (aversion, mitigation, relocation, retention, and so forth) are considered based on their impact on management and frequency of occurrence, and each division appoints a person in charge of policy and countermeasure execution. We also conduct mid-year progress checks at the end of the second quarter of each fiscal year to improve and effectively implement risk countermeasures.



Major Risks

The current major risks that could impact Fuji Electric's results or financial situation are shown below.

Risk Items	Risk Details
Management Strategy Business Strategy Business Environment	<ul style="list-style-type: none">• We concentrate our management resources on business that is expected to grow and pursue capital investment and R&D investment accordingly. Regarding semiconductor capital investment in particular, we make investment decisions based on our volume and price negotiations with customers, and regarding R&D investment, we emphasize factors that include consistency with our business strategy, and we promote fundamental and advanced technology R&D to support our future based on our roadmap. Be that as it may, the semiconductor field has a short product cycle, fluctuations in the product supply-demand balance, and fierce competition, and there is still a risk of not being able to recover investments.• We consider the protection of the global environment to be a key management issue, and we continuously communicate our efforts to achieve a more sustainable society through our business, including declaring our support for the TCFD and establishing our Environmental Vision 2050. However, if our coal-fired thermal power business becomes the subject of increased criticism due to the strengthening of environmental regulations or initiative evaluations by ESG evaluation bodies, there is still a risk of this impacting Fuji Electric's reputation.
Corporate Governance	<ul style="list-style-type: none">• By constantly striving to improve our management transparency and auditing functions, we work on strengthening our corporate governance, but there are still risks, such as our management falling into disorder as a result of our corporate governance failing to function when internal control and other inadequacies occur due to unforeseen situations.
Business Reorganizations, Alliances, and Withdrawals	<ul style="list-style-type: none">• We strive to strengthen our competitiveness by collaborating with third parties, thereby building good relationships with them as we share our corporate philosophy, etc. and endeavor to achieve close communication, but there is still a risk of us not being able to achieve sufficient results due to differences in systems and cultures.
Orders, Marketing, and Sales Promotion	<ul style="list-style-type: none">• We work on avoiding opportunity loss as we strive to keep costs down and reduce our total expenses in order to minimize the impact of Japanese and overseas market trends on our results, but there is still a risk of the market environment worsening, the product supply-demand balance suddenly fluctuating, competition becoming fiercer, and the price level falling significantly as a result of the above.• For large plant projects, we strive to improve the accuracy of our quotations when we receive orders and strengthen our project management after orders are received in order to ensure the appropriate level of income, but there is still a risk of our profitability worsening as a result of unforeseen specification changes after orders are received, process delays, natural disasters, etc.
Development and Design Engineering	<ul style="list-style-type: none">• We focus on R&D aimed at creating competitive components and systems as well as R&D that provides higher value solutions to customers by combining underlying technologies, but there is still a risk of us failing to market our products at the right time due to us losing our superiority to other companies as a result of rapid technological progress or failing to achieve development as planned.
Procurement	<ul style="list-style-type: none">• We deploy various means, including product swaps, to deal with the risk of the prices of raw materials soaring, but there is still a risk of the prices of raw materials, etc. significantly rising due to yen depreciation, demand increases, and similar factors.
Production & Manufacturing Shipping & Distribution Installation & Delivery Services	<ul style="list-style-type: none">• We constantly strive to understand the latest volume trends while building production management systems that are optimal for responding to volume fluctuations, but there is still a risk of excessive or deficient inventory if there are delays in responding to changes in volume trends due to unforeseen situations.• We strive to promote community-based manufacturing, global procurement, but there is still a risk of delivery delays and similar problems due to the distribution network being disrupted by limitations on the movement of goods and people.

Risk Items	Risk Details
Quality Assurance	<ul style="list-style-type: none">• We have developed a quality control system, we strive to ensure a high level of quality, and we have the necessary insurance, but there is still a risk of quality problems due to unforeseen situations impacting our results.
Human Resources and Labor	<ul style="list-style-type: none">• We actively educate and train our employees and are expanding our mid-career hiring to ensure that we have outstanding personnel, but there is still a risk of us not being able to secure or train the necessary personnel.
Finance and Accounting	<ul style="list-style-type: none">• We constantly verify the optimal mix of corporate bonds, commercial paper, and short-term and long-term borrowings, thereby striving to ensure that flexible, stable funding is possible, but there is still a risk of our interest rate burden with respect to interest-bearing debt increasing due to interest rates rising more than expected.• We strive to enhance our collection of trade receivables by trying to strengthen our credit management, but there is still a risk of not being able to recover debt due to the cash flows of our business partners worsening as a result of economic stagnation and similar factors.
Legal Affairs and Ethics	<ul style="list-style-type: none">• We strive to ensure compliance with laws through our Fuji Electric Compliance Promotion Committee and have developed compliance systems that include our compliance program and internal whistle-blowing systems, but there is still a risk of society's trust in us or our results being impacted if violations of laws and regulations occur.• We are building systems to quickly handle necessary processes in preparation for lawsuits and other legal disputes (including fact-finding investigations, corrective actions, recurrence prevention measures, internal disciplinary actions, and disclosure), but there is still a risk of us being ordered to pay an unforeseen, large amount of compensation.• We strive to effectively protect intellectual property rights and develop products and technologies that respect the rights of other companies, but there is still a risk of disputes that could impact our results.
Political and Socioeconomic Trends	<ul style="list-style-type: none">• We implement currency exchange contracts according to certain standards, but there is still a risk of exchange rates to the yen fluctuating.• To prepare for unexpected risks, we are trying to decentralize our production and sales bases, but there is still a risk of our results being impacted by changes in overseas laws and regulations, political factors, social disorder, and similar issues.
Trends of Shareholders and Other Investors	<ul style="list-style-type: none">• We strive to deepen everyone's understanding of the Company's management by emphasizing active disclosure and communication with our shareholders and institutional investors while also disclosing honest, accurate information, but there is still a risk of votes against executive-appointment agenda items, etc. due to differences between the intentions of investors and shareholders on the one hand and the Company's management on the other.
Natural Disasters and Accidents	<ul style="list-style-type: none">• We strive to "strengthen our business continuity capabilities," by setting up a specialized crisis management team involved in spearheading fire safety and disaster-preparedness activities and formulating the business continuity plans (BCPs), but there is still a risk of damage to production facilities, operations being suspended, product shipping delays, or similar problems due to large-scale disasters and accidents.
External Attacks	<ul style="list-style-type: none">• To respond to cyber-security threats, we implement attack monitoring and control, enhance our defense and detection systems, and continuously strengthen our ability to respond through cyber drills and similar measures, but there is still a risk of us losing the trust of society in cases where our systems fail to function due to attacks from outside (cyberterrorism, etc.) and lead to problems such as information leakage.
Individual Events (Impact of COVID-19)	<ul style="list-style-type: none">• We have established a set of emergency Guidelines in response to various risks. In response to COVID-19, we collect and consolidate information and strive to promote business continuity as we take comprehensive measures against the COVID-19 pandemic, but there is still a risk of us having to stop various business activities if someone infected with COVID-19 is found in the workplaces of the Company, customers or business partners.

Close Up

Efforts to improve quality

Promoting quality assurance activities

Under its Production Technology Committee—which is headed by the Corporate General Manager of the Production & Procurement Group and consists of Corporate General Managers of Business Groups—Fuji Electric strives to improve its production technologies and quality.

The High Reliability Working Group, a subordinate organization of the Production Technology Committee, aims to achieve a stable, uniform level of quality by formulating a High Reliability Activities Policy every year and then applying it to business divisions and factories to promote activities. Every year, the working group identifies all the serious complaints received and continually conducts recurrence prevention diagnosis to reassess the effectiveness of recurrence prevention measures. The working group also promptly reports any serious quality problem that has arisen to the Company's President and COO, the Production Technology Committee members, and other stakeholders in accordance with the rules and regulations to share which risks are involved and quickly promote countermeasures.

In fiscal 2021, a working group was set up within the High Reliability Promotion Working Group in order to conduct activities intended to increase the quality soundness. In addition to the internal auditing we typically conduct, this working group diagnoses the health of our quality control system by having employees of different bases mutually check whether the quality data of each base satisfies external required specifications and whether there are any problems with the quality data creation process. In addition, these activities are connected to instructional activities, such as efforts to promote a mindset leading to increased quality soundness.

At our factories, we are also working on further improving the accuracy, reliability, and speed of our quality control by utilizing the IoT to promote the visualization of production, quality information, and traceability, expanding the range of equipment for which we can digitize or automate tests and inspections, and phasing in statistical quality control.

Training human resources to support quality

In an effort to thoroughly learn from past product defects and failures and to conduct activities that prevent such problems, we have continually held the Failure Utilization Workshop since fiscal 2006. At this workshop, we use case studies to clarify the true causes, backgrounds, and circumstances of failures, reflect on this information, derive lessons from it, share this with trainees as well as other in-house parties, and utilize the results for our daily work.



Product quality assurance
https://www.fujielectric.com/company/csr/with_customer/quality.html

Responding to natural disasters and accidents (BCP efforts)

Based on the Fuji Electric Disaster Prevention and Procedural Manual, all of Fuji Electric's bases have developed disaster-response systems and put comprehensive measures in place to ensure that structures and facilities are earthquake resistant. They also stockpile emergency goods, conduct regular drills, and take other preventive measures. In addition, we regularly conduct safety confirmation training for all employees to strengthen our disaster response capabilities.

We have formulated business continuity plans (BCPs) at the head office, factories, and area operations that serve as contact points with customers. We have also formulated Company-wide BCPs for our procurement sections, which manage our supply chain, and for IT sections, which manage our information systems. In addition, in fiscal 2021, we introduced our disaster prevention information system—which enables the automatic identification of domestic business partners located in regions affected by natural disasters—for customers as well, and we built a system that enables us to quickly understand the customer damage situation.

The Company has also been positively evaluated for its active business continuity efforts, and we have therefore acquired Resilience certification.



Positively evaluated for active business continuity efforts, leading to the acquisition of Resilience certification

Efforts to maintain and strengthen information security

To properly manage confidential and personal information, Fuji Electric has formulated and is implementing policies and regulations related to information security. We have also established management systems at the Company as well as Group companies in Japan and overseas, and we provide regular training to all of our employees, manage access to operating sites and offices, implement Internet device and computer security measures, and conduct annual inspections regarding the status of efforts taken by each workplace.

In addition, to respond to increasingly diversified and sophisticated cyber-security threats, we endeavor to strengthen our computer security incident response team and security operation center (CSIRT/SOC), our monitoring of signs and information related to new cyber attacks, and our information-system defense and attack monitoring functions.

At our bases as well, we strive to improve our countermeasures based on the requirements of our business partners, related industry organization guidelines, market trends, and other factors. At Group companies requiring high-level information security management, a total of five departments (in three companies) have acquired information security management system (ISMS) certification, and both the Company and four of its subsidiaries have acquired Privacy Mark certification.

For details on how we are responding to climate change risks, please refer to Environment on P33-36.

For details on how we are responding to supply chain risks, please refer to Sustainable Procurement on P55-56.

Sustainable Procurement


Basic Policies

The Fuji Electric Code of Conduct states that Fuji Electric, along with its business partners, “will promote procurement activities aimed at creating a supply chain that supports a sustainable society.” We endeavor to ensure fair and equitable transactions that comply with laws and regulations in Japan and overseas, and we engage in procurement activities that are compatible with the sustainability of the environment,

 Fuji Electric Purchasing Policy
<https://www.fujielectric.com/company/procurement.html>

Sustainable Procurement Activities with Business Partners

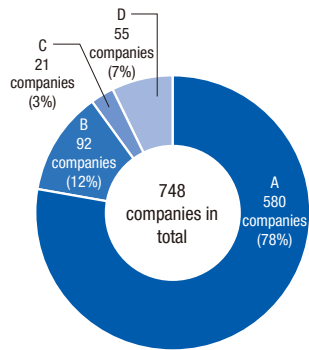
Every year, the Company implements the self-assessment of CSR procurement in accordance with the Fuji Electric CSR Procurement Guidelines for its business partners to deepen their understanding of our corporate social responsibility (CSR) approach and initiatives we would like to have them comply with and implement while also gaining an understanding of the status of such efforts.

 Fuji Electric CSR Procurement Guidelines
https://www.fujielectric.com/company/box/doc/procurement/pdf/guideline_csr_e.pdf

In fiscal 2021, of about 6,000 primary business partners in total, we implemented our assessment for 748 major business partners, which accounted for the top 80% of our purchasing results during the two-year period from fiscal 2019 to fiscal 2020. The survey found that 55 business partners were rated D, which means they needed to work on improving their CSR efforts. We made sure that these partners were interviewed so they would have a deeper understanding of CSR initiatives and successfully make these improvements.

We will deepen our communication with our business partners so that we can work together to create a supply chain that supports a sustainable society.

Fiscal 2021 Assessment Results by Rating

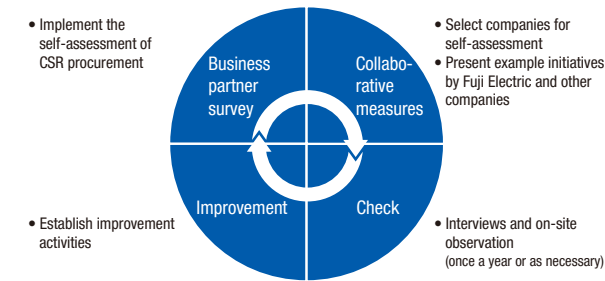


society, and governance.

In addition, by freely engaging in transactions with all our business partners that are based on fair and equitable competition, we strive to build better partnerships, deepen mutual understanding, and maintain and improve cooperative relationships.

Subjects in the Fuji Electric CSR Procurement Guidelines		
1. Human Rights and Labor	4. Fair Trade and Ethics	7. Business Continuity Plan
2. Health and Safety	5. Quality and Safety	8. Establishment of Management Systems
3. Environment	6. Information Security	9. Social Contribution

PDCA for the Self-Assessment of CSR Procurement



Number of Companies that Conducted the Self-Assessment

	Fiscal 2019	Fiscal 2020	Fiscal 2021
Business partners	425	673	748
Japan	425	572	646
Overseas	0	101	102

Ratings

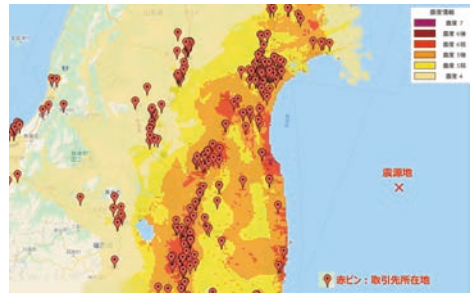
Rating	Description
A	The business partner considers CSR as an organizational challenge and takes specific actions.
B	The business partner considers CSR as an organizational challenge and is planning specific actions.
C	The business partner considers CSR as an organizational challenge.
D	The business partner should consider CSR as an organizational challenge and should work on improvements.

Contributing to Business Continuity through Stable Procurement

By identifying, assessing, and addressing supply chain risks, we aim to build stable material procurement and production systems over the medium and long terms.

Responding to natural disaster risks

The Company has introduced a disaster prevention information system that makes it possible to identify domestic business partners located in regions affected by earthquakes and regions for which emergency warnings have been issued. In fiscal 2021, as a result of utilizing data related to the approximately 9,000 bases of primary and secondary business partners registered to our disaster prevention information system, we were able to quickly confirm the situation when natural disasters (mainly earthquakes) occurred, thereby avoiding effects on the Company's production activities. We will strive to more effectively visualize supply chain risks and expand the number of registered business partners.



Conceptual image of the disaster prevention information system (when an earthquake occurs)

Efforts aimed at purchasing from multiple suppliers

In fiscal 2021, the supply was hindered as a result of various countries being locked down due to the impact of COVID-19, which resulted in the production of many industrial supply chains stopping and other problems. The Company has individually evaluated the risks associated with approximately 200,000 materials that could be purchased from multiple suppliers and is striving to achieve multi-sourcing for materials that have risk ratings of D and E. As a result, approximately 60% of its procured material items have been sourced from multiple vendors thus far. In addition, we are endeavoring to conclude long-term contracts in order to stably procure certain items. We will continue to consider items for which we have not yet achieved multi-sourcing.

* Multi-sourcing refers to a system in which materials are procured from multiple business partners.

Procured Material Risk Rating Definitions

Risk	
Low	A Multi-sourcing complete (ordering complete)
	B Multi-sourcing preparation complete (ordering possible)
	C Material evaluation complete
	D Candidate selection complete / not yet evaluated
High	E Specified customer, no alternative, discontinued, alternative unknown

TOPICS

Implementing compliance education related to procurement activities

In October of 2020, we took our support for the Declaration of Partnership Building promoted by the Cabinet Office and the Small and Medium Enterprise Agency as an opportunity to further strengthen our compliance system by taking steps to train compliance leaders who will be in charge of inspecting our in-house procurement business and handing compliance-related

consultations from other divisions. We selected candidates from various Fuji Electric Group bases, had them attend lectures on related laws, and trained them through the use of simulated internal auditing exercises, etc. As a result, we trained 21 compliance leaders in fiscal 2020 and 24 compliance leaders in fiscal 2021. We will continue striving to build high-quality compliance systems.

 Declaration of Partnership Building web portal
<https://www.biz-partnership.jp>
(Japanese only)



Compliance leader training

Consolidated Financial and Non-Financial Highlights

Financial Highlights

Fiscal year	Millions of yen								Thousands of U.S. dollars*1	
	2013	2014	2015	2016	2017	2018	2019	2020	2021*9	2021*9
Operating Results										
Net sales	759,911	810,678	813,550	837,765	893,451	914,915	900,604	875,927	910,226	7,460,873
Japan	582,223	605,763	597,757	632,723	674,744	682,503	679,719	654,020	655,821	5,375,586
Overseas	177,688	204,915	215,793	205,042	218,707	232,412	220,885	221,907	254,405	2,085,287
Operating income	33,136	39,316	45,006	44,709	55,962	59,972	42,515	48,595	74,835	613,407
Net income attributable to owners of parent	19,582	27,978	30,644	40,978	37,763	40,267	28,793	41,926	58,660	480,823
R&D and Capital Investment										
R&D expenditures	32,029	35,023	35,949	34,910	35,620	33,669	34,457	33,562	33,756	276,693
Plant and equipment investment*2	26,916	29,041	27,650	27,149	26,465	43,338	48,208	35,890	59,320	486,236
Depreciation and amortization*3	30,849	33,615	29,723	29,445	30,151	30,906	32,319	36,194	39,969	327,616
Cash Flows										
Cash flows from operating activities	53,651	51,459	48,450	58,185	53,146	54,949	46,087	26,931	76,809	629,583
Cash flows from investing activities	(9,649)	(22,750)	(19,410)	9,748	(14,550)	(21,448)	(27,621)	23,477	(22,350)	(183,204)
Free cash flow	44,002	28,708	29,040	67,934	38,596	33,501	18,466	50,408	54,458	446,380
Cash flows from financing activities	(50,570)	(33,827)	(31,567)	(56,082)	(46,887)	(38,172)	16,918	(39,518)	(42,894)	(351,591)
Financial Position										
Total assets*4	810,774	904,522	845,378	886,663	914,744	952,659	996,827	1,051,952	1,117,112	9,156,663
Total net assets	251,225	319,636	260,980	323,863	366,546	392,061	406,002	461,254	523,729	4,292,868
Equity	227,181	290,339	230,399	291,216	330,636	352,922	365,620	416,997	472,900	3,876,235
Net interest-bearing debt	200,340	194,579	189,374	141,578	130,177	124,850	153,617	140,872	117,041	959,353
Interest-bearing debt	233,753	226,474	220,213	183,465	163,507	153,985	217,364	216,205	208,391	1,708,130
Financial Indicators										
Ratio of operating income to net sales (%)	4.4	4.8	5.5	5.3	6.3	6.6	4.7	5.5	8.2	—
Ratio of overseas sales to net sales (%)	23.4	25.3	26.5	24.5	24.5	25.4	24.5	25.3	27.9	—
ROE (Return on equity) (%)	9.3	10.8	11.8	15.7	12.1	11.8	8.0	10.7	13.2	—
ROA (Return on assets) (%)*4	2.5	3.3	3.5	4.7	4.2	4.3	3.0	4.1	5.4	—
Equity ratio (%)*4	28.0	32.1	27.3	32.8	36.1	37.0	36.7	39.6	42.3	—
Net debt-equity ratio (times)*5	0.9	0.7	0.8	0.5	0.4	0.4	0.4	0.3	0.2	—
Debt-equity ratio (times)*6	1.0	0.8	1.0	0.6	0.5	0.4	0.6	0.5	0.4	—
Per Share Data*7										
Net income	137.03	195.80	214.48	286.82	264.34	281.89	201.57	293.52	410.68	3,366
Net assets	1,589.79	2,031.97	1,612.59	2,038.40	2,314.50	2,470.65	2,559.60	2,919.34	3,310.80	27,138
Cash dividends	35.00	45.00	50.00	55.00	70.00	80.00	80.00	85.00	100.00	0,820
Dividend payout ratio (%)	25.5	23.0	23.3	19.2	26.5	28.4	39.7	29.0	24.3	—

Non-Financial Highlights

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
Employees	25,524	25,740	26,508	26,503	27,009	27,416	27,960	27,593	26,757	—
Japan	18,022	17,814	17,635	17,716	17,704	17,647	17,681	17,647	17,493	—
Overseas	7,502	7,926	8,873	8,787	9,305	9,769	10,279	9,946	9,264	—
Total greenhouse gas emissions from production activities (10,000 t-CO ₂)	53.6	53.8	51.9	46.7	48.4	52.1	45.6	43.7	36.4	—
Reductions in CO ₂ emissions through products (10,000 t-CO ₂)*8	601	1,043	1,598	2,230	2,579	3,162	3,651	4,127	4,544	—

*1 The U.S. dollar amounts represent the arithmetic results of translating yen into dollars at ¥122 = U.S. \$1, the approximate exchange rate at March 31, 2022.

*2 Plant and equipment investment is the total of investment in tangible fixed assets, including acquisition amounts for lease contracts.

*3 Depreciation and amortization expense is the total of the depreciation of tangible fixed assets and amortization of intangible assets.

*4 Effective April 1, 2018, the Company have adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, revised on February 16, 2018). As such, major management indicators in consolidated accounting period as of March 31, 2018 have been adjusted to retroactively apply said accounting standards.


*5 Net debt-equity ratio is the ratio of net interest-bearing debt (interest-bearing debt + lease obligations – cash and cash equivalents) to equity.

*6 Debt-equity ratio is the ratio of interest-bearing debt to equity.

*7 Effective October 1, 2018, the Company conducted a 1-for-5 common stock consolidation. Amounts for net income per share and net assets per share have been calculated assuming that the stock consolidation took place on April 1, 2012. The amount of dividend ¥48 per share for the year ended March 31, 2019 is total of the interim dividend of ¥8 per share and the year-end dividend of ¥40 per share. Since the Company conducted a 1-for-5 common stock consolidation effective October 1, 2018, the interim dividend of ¥8 does not reflect stock consolidation effect and the annual dividend of ¥40 reflects stock consolidation effect. If the stock consolidation effect is also considered to the interim dividend per share, the interim dividend of ¥8 per share without the effect is equivalent to ¥40 per share with the stock consolidation effect. Accordingly, the annual dividend for fiscal 2018 amounted to ¥80 per share, including adjusted interim dividend of ¥40 per share and year-end dividend ¥40 per share.

*8 The contributions to CO₂ emission reductions refers to CO₂ emission reductions from products shipped in and after fiscal 2009 that were in operation for a year. Calculated based on the Ministry of Economy, Trade and Industry's Guideline for Quantifying Greenhouse Gas Emission Reduction Contribution.

*9 From the beginning of the current fiscal year, the company applied the "Accounting Standard for Revenue Recognition" (Accounting Standard Board of Japan ("ASBJ") statement No. 29 issued on March 31, 2020), etc. The figures for the current fiscal year in the "Consolidated Financial Highlights" reflect the application of the accounting standards.



Detailed financial information is available on our website.
https://www.fujielectric.com/ir/library/financial_results/index.html

Corporate Data

Company Information (As of March 31, 2022)

Company Name	FUJI ELECTRIC CO., LTD.
Established	August 29, 1923
Consolidated Subsidiary	71 (Japan 21, Overseas 50)
Equity Method Affiliate	4
Head Office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi, Kanagawa 210-9530, Japan
Head Office Business Address	Gate City Ohsaki, East Tower, 11-2, Osaki 1-chome, Shinagawa-ku, Tokyo 141-0032, Japan
Capital Stock	¥47.6 billion
Employees (Consolidated)	26,757 (Japan 17,493, Overseas 9,264)
Net Sales (Consolidated)	¥910.2 billion (Year ended March 31, 2022)
Stock Code	6504

Stock Information (As of March 31, 2022)

Issued and Outstanding Shares	149,296,991
Number of Shareholders	37,567

Major Shareholders

Shareholders' name	Number of shares (1,000s)	Voting rights (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,632	17.95
Custody Bank of Japan, Ltd. (Trust Account)	16,152	11.31
Asahi Mutual Life Insurance Company	3,955	2.77
National Mutual Insurance Federation of Agricultural Cooperatives	3,059	2.14
GOVERNMENT OF NORWAY	2,723	1.91
FANUC CORPORATION	2,684	1.88
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	2,601	1.82
STATE STREET BANK AND TRUST COMPANY 505001	2,235	1.57
FURUKAWA CO., LTD.	2,205	1.54
STATE STREET BANK WEST CLIENT - TREATY 505234	2,055	1.44

Notes: 1. Treasury stock of 6,461,058 shares is excluded from the above list of top 10 shareholders.
2. The ratio of shareholding is calculated by deducting the number of treasury stock from the total number of shares outstanding based on the provisions of the Ordinance for Enforcement of the Companies Act.

Share Distribution by Shareholder Type

Type	Number of shareholders	Number of shares	Holding (%)
Financial institutions/Securities firms	138	66,712,843	44.69
Other corporations in Japan	426	9,725,063	6.51
Foreign corporations	758	51,846,961	34.73
Individuals and others	36,245	21,012,124	14.07
Total	37,567	149,296,991	100.00

Note: "Individuals and others" includes treasury stock.


History

Fuji Electric continues to evolve in step with the times and with society, with technology as our driving force.

Company

- 1923

Fuji Electric Manufacturing Co., Ltd., established
Established as a capital and
technology alliance between Japan-
based Furukawa Electric Co., Ltd.
and German-based Siemens AG.
The result was a company with
characteristics inherited from industry
in both countries.


Company emblem,
"FS" mark
- 1925

Began operation of the Kawasaki Factory
- 1935

Established Fuji Tsushinki Manufacturing Co., Ltd.
(Present: FUJITSU LIMITED)
by spinning off the Telephone Department
- 1942

Began operation of the Matsumoto Factory
- 1943

Began operation of the Fukiage Factory and
Tokyo Factory
- 1944

Began operation of the Mie Factory
- 1961

Began operation of the Chiba Factory
- 1968

Began operation of the Kobe Factory and
Suzuka Factory
- 1970

Established Fuji Electric Co., Ltd., USA
(Present: Fuji Electric Corp. of America)
- 1973

Began operation of the Otawara Factory
- 1984

Changed company name to Fuji Electric Co., Ltd.
- 1987

Established Fuji Electric Gesellschaft mit beschränkter
Haftung (Present: Fuji Electric Europe GmbH)
- 1989

Established Singapore Fuji Electric Co., Ltd.
(Present: Fuji Electric Asia Pacific Pte. Ltd.)
- 1991

Began operation of the Yamanashi Factory
- 1995

Established Fuji Electric (Thailand) Co., Ltd.
- 1995

Established Fuji Electric Philippines, Inc.
- 1996

Established Fuji Electric (Malaysia) Sdn. Bhd.
- 1999

Established Fuji Electric (Shanghai) Co., Ltd.
(Present: Fuji Electric (China) Co., Ltd.)

- 2002

Introduced our corporate symbol
mark (Photo 1)


Photo 1
- 2003

Changed company name to Fuji Electric Holdings Co.,
Ltd., owing to shift to pure holding company system
- 2003

Established Dalian Fuji Bingshan Vending Machine
Co., Ltd.
- 2008

Fuji Electric FA Components & Systems Co., Ltd.,
merged operations with Schneider Electric Japan Ltd.
(power distribution and control equipment joint venture)
- 2008

Established METAWATER Co., Ltd. as a joint venture
with NGK Insulators, Ltd.
- 2009

Established Fuji Electric India Private Ltd.
- 2010

Established Fuji Electric Power Supply (Thailand) Co., Ltd.
(Present: Fuji Electric Manufacturing (Thailand) Co., Ltd.)
- 2010

Began operation of the Tsukuba Factory
- 2011

Changed company name to Fuji Electric Co., Ltd.
- 2011

Established PT. Fuji Electric Indonesia
- 2013

Established Fuji Electric Vietnam
Co., Ltd.


Photo 2
- 2014

Created new corporate brand emblem
for products (Photo 2)

Technology

- 1924


Began manufacturing electric motors (Photo 3)


Photo 3
- 1925

Began manufacturing transformers
- 1930


Began manufacturing mercury-vapor rectifiers
- 1936

Built first hydraulic turbine,
4,850 HP Francis turbine (Photo 4)


Photo 4
- 1937

Began manufacturing watt-hour meters
- 1954

Began manufacturing ultra-compact magnetic
switches (Photo 5)


Photo 5
- 1955

Full-scale entry into thermal power generation business
- 1959

Began manufacturing silicon diodes
- 1965

Electric propulsion system fitted to Antarctic exploration
ship Fuji


Photo 6
- 1966

Supplied nuclear pressure vessels and
other equipment to the Tokai Nuclear Power Plant
- 1966

Released medium and large capacity UPSs (200 kVA)
- 1969

Released vending machines (Photo 6)
- 1970

Released cup-type coffee vending machines
- 1973

Released open showcases
- 1974

Released installation-type ultrasonic flowmeters
- 1975

Began manufacturing bipolar transistors
- 1976

Began manufacturing general-purpose inverters (Photo 7)
- 1976

Released hot & cold vending machines
- 1977

Received an order for our first full-scale geothermal power
generation facility
- 1980

Released the programmable logic controller "MICREX-P"
- 1988

Supplied world's first EIC integrated control system to a steel company
- 1988

Began manufacturing 1st-generation IGBTs (Photo 8)
- 1991

Released gas-insulated switchgear
- 1997

Supplied the world's first large-capacity flat IGBT
equipped main converters for Shinkansen trains



Photo 8
- 1997

Expansion of 4th-generation IGBT product lineup
- 1998

Supplied 100 kW phosphoric acid fuel cells
- 2002

Supplied environmental radiation monitoring systems
- 2010

Development of SiC modules of next-generation power
semiconductors (Photo 9)


Photo 9
- 2011

Released hybrid heat pump vending machines
- 2012

Released power conditioning systems for mega solar
- 2012

Released coffee machines for convenience stores
- 2016

Began shipping direct water-cooled power modules for automotive
applications (built-in RC-IGBT)
- 2017

Supplied SiC-equipped main converters for Shinkansen trains
- 2017


Delivered one of Japan's largest geothermal binary plants
- 2018

Began shipping 7th-generation RC-IGBTs for industrial equipment
- 2018

Supplied exhaust gas cleaning systems for ships
- 2019

Released on-site diagnostic system that uses analytics and AI (Photo 10)
- 2021

Released 7500WX Series large-capacity UPS


Photo 10



This mark symbolizes
the commitment of Fuji Electric
to environmental protection

External Evaluation

Fuji Electric has been selected as a component of the following socially responsible investment (SRI) indexes, as a company with outstanding CSR performance.

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index



We have received the following awards and certification in recognition of our outstanding initiatives to promote diversity.



We have received the following certifications as a company exhibiting excellence in health and productivity management.



Based on the universal design (UD) concept,
we have adopted fonts that are easy to read (and difficult to misread)
by more and more people.

FE Fuji Electric Co., Ltd.

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