

# Progress of Management Reforms

Following the global financial crisis in 2008, Fuji Electric initiated business restructuring to enable generation of profits even without growth in sales. Since then, we have taken steps to implement management reforms aimed at achieving targets set in our medium-term management plans, in order to deliver growth and further improve our profitability.

Main initiatives	2010–2012 Strengthen a profitable structure through business restructuring	2013–2015 Promote growth strategies Proactive management	2016–2018 Further renovation of Fuji Electric	2019– Establish foundations for sustainable growth
Reinforcing operating foundations	<ul style="list-style-type: none"> <li>Integrated business operational management by abolishing the holding company system</li> <li>Expedited management decision-making (reduced executive officers from 53 to 18)</li> <li>Revised our management policies</li> </ul>		<ul style="list-style-type: none"> <li>Partial cancellation of cross-shareholdings</li> </ul>	<ul style="list-style-type: none"> <li>Established Nomination and Remuneration Committee</li> <li>Formulated Environmental Vision 2050</li> </ul>
Promoting growth strategies	<ul style="list-style-type: none"> <li>Clarified business domains as energy and environment businesses</li> </ul>	<ul style="list-style-type: none"> <li>Overseas business expansion                             <ul style="list-style-type: none"> <li>Promoted M&amp;As and collaborations to secure human resources and sales channels (six companies in Asia and other regions, two in China, two in the United States, and one in Europe)</li> </ul> </li> <li>Strengthened our businesses in power electronics systems and power semiconductors and maximized synergies</li> <li>Stepped up research and development</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened our power electronics systems business                             <ul style="list-style-type: none"> <li>Reorganized social engineering systems, industrial infrastructure, and power electronics businesses</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Actively invested in power semiconductor business</li> </ul>
Improving profitability	<ul style="list-style-type: none"> <li>Implemented business restructuring                             <ul style="list-style-type: none"> <li>Reorganized production bases (magnetic disks and vending machines)</li> </ul> </li> <li>Reduced costs through global procurement and centralized purchasing</li> <li>Reduced inventories through supply chain reforms</li> <li>Reinforced manufacturing capabilities                             <ul style="list-style-type: none"> <li>Consolidated production and engineering departments and strengthened human resource development</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Promoted local production for local consumption                             <ul style="list-style-type: none"> <li>Established production bases (Thailand, India, and United States)</li> </ul> </li> <li>Improved value-added productivity through in-house production, automation, and standardization</li> <li>Promoted companywide Pro-7 Activities to improve profitability                             <ul style="list-style-type: none"> <li>Improved operational efficiency by reviewing all costs from the ground up</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Strengthened a profitable structure                             <ul style="list-style-type: none"> <li>Strengthened mother factories in Japan (Suzuka, Kobe)</li> <li>Reorganized production model lineup</li> </ul> </li> <li>Improved business efficiency and quality through inventory reassessments across all businesses</li> </ul>	<ul style="list-style-type: none"> <li>Improved productivity through increased introduction of RPA</li> <li>Promoted workstyle reforms</li> </ul>

## Business Performance Trends

(Billions of yen)

