

Third-Party Opinion



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Mr. Adachi is in charge of sector analysis and company evaluation from a CSR perspective, centering on environmental measures, and provides information about companies to financial institutions for socially responsible investing and environmentally friendly lending. Publications include *An Illustrated Guide to Environmental Issues for Companies* (1999, Toyo Keizai inc.), *Introductory Guide to Socially Responsible Investment* (2003, Nikkei inc.), *CSR Management and SR* (2004, Kinzai), *Businesses That Will Grow Due to Global Warming* (2007, Toyo Keizai inc.), *Intro to Environmental Management* (2009, Nikkei inc.), and others. From March 2005 to May 2009, Mr. Adachi served as the Japanese expert on the ISO26000 Working Group.

I have reviewed the Fuji Electric Report 2012 and the CSR section of the Company's website.

Overall, current trends seem to be providing a tailwind for the progress of Fuji Electric. For example, electric power is no longer simply supplied when needed. Rather, in today's society key roles are played by distributed power generation and demand-side management. From the viewpoint of strategic CSR, there will be a focus on the extent to which the company can appropriately leverage this tailwind. There is no lack of opportunities, including geothermal power generation facilities, EV systems, and power conditioners for mega solar power systems. The Company's participation in the Kitakyushu smart community creation project and in the Keihanna Eco-city next-generation energy and social systems demonstration are also likely to become important challenges. In addition, radiation monitoring systems and plant factories are also expected to grow into environmental businesses that address new needs.

In addressing these topics, I would like to see more aggressive disclosure in regard to Fuji Electric's technical strengths, R&D challenges, and roadmaps for developing businesses to the stage at which cash flow is generated.

On the other hand, from the viewpoint of "basic CSR," my impression is that the focus areas could be identified more clearly. The report includes information on Fuji Electric's creation of a 270-point checklist based on ISO 26000, an inventory of the current situation, and the identification of seven priority areas—corporate governance, customers, suppliers, employees, the global environment, local communities, and compliance. However, I think that there is too much of an emphasis on comprehensiveness at the cost of

persuasiveness. In regard to disclosure, the "ISO 26000 core subjects comparative table" has been included, but there are areas that could be reconsidered, such as, for example, the handling of the issue of "human rights crisis" on pages 33 and 34 of the Fuji Electric Report 2012. If ISO 26000 is to be applied, it will be necessary to identify the important topics based on the stakeholder engagement.

The Annual Securities Reports' business risks section includes risks related to human resources, leakage of personal information, soil contamination, and compliance. If these are considered to be important, then more-detailed disclosure should be provided also in this report. In addition, on the assumption of stakeholder engagement, it would be recommended to provide an explanation of the relationship between the strategy of expanding vending machine operations in China and social responsibility.

In the previous year, in the third-party opinion I gave Fuji Electric Report 2011 a good evaluation for the decision to combine the Annual Report and the CSR Report. However, the integrated reporting is not limited to a simple combination of the previous financial information and non-financial information. I believe that the core of an integrated reporting should comprise two following elements. The first is the presentation of scenarios for how the company will make progress toward the solution of the environmental / social issues as it works to create businesses. The second is the presentation of company's understanding of how the environmental / social issues directly impact to its operations, and an explanation of the company's countermeasures for those impacts. I would like to see the Company continue to take on the challenge of information disclosure in this format, and strive to implement a vision that incorporates shifting management resources to energy / environment businesses and targeting the maximization of corporate value as a company that contributes to global society through business and the realization of CSR management.

This third-party opinion, which is provided from the perspective of an analyst providing corporate information to financial institutions for the purpose of socially responsible investing, is based on my understanding derived from this report. On that basis, I have made comments about the various environmental / social activities of Fuji Electric and about the Company's information disclosure. These comments are not a testimony to the accuracy of the measurements and calculations offered in this report based on generally accepted standards for the preparation of environmental reports and other publications or to the comprehensive inclusion of all significant items.

In Closing

As indicated in the third-party opinion, we have entered an age in which Fuji Electric's technologies and products can make a contribution to the resolution of issues faced by society in the areas of energy and the environment. In 2012, Fuji Electric adopted a new Brand Statement that is a proclamation of our contribution to the realization of a sustainable society through innovating energy technology. To implement this proclamation, Fuji Electric will carefully consider the positive effects of its businesses on society and the environment, as well as the burdens associated with its businesses, and will pursue sustainability for society and business. On that basis, we will proactively fulfill our responsibilities in the area of information disclosure.

In addition, as we develop global business operations, we will need to deal with new risks and challenges. Since fiscal 2011, we have implemented ISO 26000, taken an inventory of CSR issues from a global perspective,

determined priority targets, and implemented activities accordingly. For example, in regard to human rights issues, we have tracked the situation at subsidiaries in Japan and overseas and begun to establish related systems. Moving forward, we will work to understand the expectations of stakeholders and to reflect that understanding in our CSR issue activities.

Fuji Electric will continue working to deepen communication with its stakeholders, to recognize their expectations, and to be a company that contributes to global society through its business.

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