

Fuji Electric's CSR

CSR Philosophy

Fuji Electric's CSR is summed up precisely in its Corporate Philosophy and Management Policy. This means contributing to resolving social issues through our energy-related businesses, managing our business in a way that maximizes the positive impact of corporate activity overall on society and the environment, while working to prevent or alleviate any negative impact.

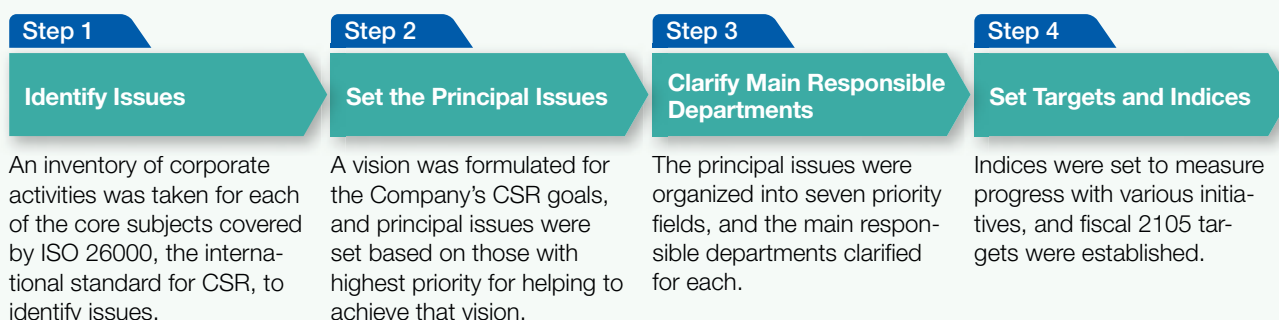
To promote CSR on a global basis, we have also established the Fuji Electric Code of Conduct, a guideline for the Company and employees to share the same values and work together as one.

We hope that through our promotion of these and other CSR practices, we can continue to build strong relationships of trust with all of our stakeholders.

Principal CSR Issues

Fuji Electric first set forth a set of principal CSR issues in 2011, and has focused on these issues primarily through the main responsible departments. For each of the principal issues, indices have been established to measure progress and goals set for fiscal 2015, enabling us to verify the status of our efforts on an annual basis.

Process for Setting the Principal CSR Issues



Priority Fields and Principal Issues

Priority Fields	Principal Issues (Issues for Realizing the CSR Vision)	Reference Page
Customers	<ul style="list-style-type: none"> ● Improve product quality ● Improve the quality of after-sales services ● Promote CSR among sales partners (sales agents, overseas distributors, etc.) 	P23
Suppliers	<ul style="list-style-type: none"> ● Promote CSR among suppliers 	P24
Employees	<ul style="list-style-type: none"> ● Respect for human rights ● Workplace health and safety ● Ensure a pleasant workplace environment (diversity) 	P32–34
The global environment	<ul style="list-style-type: none"> ● Enhance environmental governance ● Contribute to the prevention of global warming ● Contribute to the creation of a recycling-oriented society ● Biodiversity conservation 	P35–40
Local communities	<ul style="list-style-type: none"> ● Build close-knit ties with local communities 	P41–42
Corporate governance	<ul style="list-style-type: none"> ● Risk management 	P43–48
Compliance	<ul style="list-style-type: none"> ● Ensure thorough compliance ● Protect intellectual property ● Strengthen information security 	

In-house Penetration of CSR

In promoting CSR, we are working to cultivate and educate all employees in and outside of Japan, because we consider it important for them to understand Fuji Electric's approach to CSR.

In addition to cultivation activities targeting all employees through our intranet and in-house newsletter, employees learn about our principle CSR issues and initiatives through level-specific training provided at various stages of their careers. They also learn about case studies from other companies, and are taught to recognize their own individual roles in CSR.



For more information about our vision for CSR, principal issues and targets, and the status of our various initiatives, please visit our website.

Human Resources

Fuji Electric focuses on creating work environments suited for globalization, where people respect human rights and prioritize health and safety.

At the same time, we recognize that human resources are the prime driver of our competitive edge, and we actively cultivate each of our people to fully harness their potential.

We have made diversity a top priority in our personnel strategy, aiming to incorporate an array of values and perspectives so we can strengthen our competitiveness and expand business globally.



A consultation through the mentoring system

Major Initiatives in Fiscal 2014

Respect for Human Rights

As our business expands globally, fulfilling our obligation to respect human rights requires an understanding and implementation of human rights based on global standards. We are currently working to establish a framework for doing that.

Developing a Policy for Human Rights

To make the Fuji Electric Code of Conduct more explicit in terms of human rights, we have formulated the Policy for Human Rights of the Employees, which has since been extended to all of our domestic and overseas business sites and subsidiaries. Each business site and subsidiary elected a person to be in charge of human rights, who conducted a self-inspection of the site or subsidiary based on the above policy, using a Human Rights Check Sheet listing specific

items pertaining to human rights and labor practices. The business sites and subsidiaries will now move forward with improvements based on the results of those inspections.

Training and Education

In Japan, as part of its level-specific training, Fuji Electric conducts training designed to deepen employees' understanding of international human rights standards and the obligation of companies to respect human rights. At the management level, in particular, group discussions based on a variety of case studies are intended to enhance sensitivity to human rights risks not only within the Company, but within the supply chain as well.

Health and Safety

Fuji Electric's basic philosophy is that of "health and safety of workers takes precedence over everything else." In line with this, all employees work together to ensure effective health and safety activities.

Fuji Electric Health and Safety Conference

In February of each year we hold the Fuji Electric Health and Safety Conference. The conference is widely attended, with participants including health and safety managers from every domestic business site, along with representatives from labor unions and partner companies. At the conference, they review the previous year's activities and confirm initiatives for the coming fiscal year.

The latest conference focused on the day-to-day, individual practice of basic safety measures that we have positioned as part of our Health and Safety Action Guideline, including danger prediction and "pointing-and-calling". Attendees affirmed that these practices are important for making employees aware of safety and establishing a culture of safety within the company.

awareness of safety issues and make an effort to maintain that awareness.

To accomplish this, Fuji Electric plans and implements a variety of ongoing health and safety education programs throughout the year based on a practical curriculum. At the same time, systematic safety patrols are also essential to ensuring that workers take notice of the risks and potential for accidents in their work, and raise one another's awareness. Our focus on these safety patrols is delivering significant results, not only at our domestic factories and construction sites, but at our sites in China, Southeast Asia and elsewhere overseas.



Safety patrols

Implementing Effective Health and Safety Education and Safety Patrols

Preventing workplace accidents requires that everyone in the workplace take responsibility for knowledge and

Achieved Accident-Free Record

The Suzuka Factory was recognized by the Ministry of Health, Labour and Welfare for achieving a Class 1 Accident-Free Record. Having achieved this milestone, we will continue making every effort to eliminate industrial accidents and create safe, comfortable workplaces.

Human Resource Development

Training at Fuji Electric is intended to achieve our corporate philosophy and management policies, and to cultivate professionals who can enjoy independent, ongoing growth. In addition to on-the-job training in each workplace, we are proactive in offering a range of cross-company education and training.

To expand our business globally, we are engaged in human resource development aimed at building teams that can work effectively by combining the skills of employees across workplaces and nationalities.

Level-Specific Training

As employees move up to managerial or general manager positions, we provide level-specific education to help them make the organization work effectively as a whole. In fiscal 2014, 498 employees participated in curriculum designed to improve organizational management skills, including decision-making and communication.

Selective Training

Selective training is intended to identify prospective executives at an early stage and provide them with ongoing

Promoting Work-Life Balance

We are strengthening initiatives in Japan to help employees achieve work-life balance by creating working environments that are more conducive to diversity and that enable people to fulfill their potential. We have positioned workstyle innovation and the enhancement of a support system to provide fulfillment in and outside of work as key concerns of management for realizing better work efficiency and quality. Management and labor representatives deliberate on these issues, and we are endeavoring to enhance our programs and corporate culture.

In fiscal 2014, as part of efforts to enhance work quality, individual workplaces conducted reviews of their workflows and visualization of business operations. Company-wide, we encouraged all employees to take five consecutive days

of leave to encourage a workstyle of focusing on their jobs while at work and resting properly outside of work and promote teamwork in operations. In addition, as part of encouraging employees to take their paid leave, we revised our system for taking planned leaves so that employees can plan in advance their use of 50% of the paid leave days granted to them in each fiscal year.

Globalization Training

In fiscal 2014, Fuji Electric brought together 13 of its junior sales staff who had been hired locally in five countries throughout Southeast Asia for a training program in Thailand to give them an understanding of products and technologies, and an opportunity to build networks among themselves.



Participants in a training program in Thailand

We also sent 11 junior employees from Japan as trainees to posts overseas in a new program intended to quickly train future overseas personnel and to educate workers in Japan capable of promoting our globalization efforts. All employees posted overseas from Japan were given training prior to their postings, where they learned the importance of appreciating and cooperating with others regardless of cultural differences, and were given a thorough introduction to compliance issues.

Promoting Employment of People with Disabilities

Fuji Electric Frontier Co., Ltd. was established as a special-purpose subsidiary designed to encourage lifetime employment for people with disabilities. The subsidiary encourages the hiring of people who are intellectually challenged or have other disabilities, and is responsible



Attaching shipping labels.

for a range of duties performed at manufacturing sites, parts inspection centers and other business sites nationwide, as it seeks to expand the working roles of people with disabilities.

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To promote the participation of men in childcare, Fuji Electric has enhanced its childcare leave system, and also introduced an "Ikumen* Seminar" series aimed at changing employee thinking about fathers participating in childcare. We also held seminars offering employees basic knowledge of nursing care.

*A popular term for men who actively participate in childcare.

In fiscal 2014, 16 new individuals with disabilities were hired (10 new graduates, six mid-career hires), bringing our percentage of employees with disabilities to 2.24% as of June, 2015, exceeding the legally mandated ratio of 2.0%.

As part of its efforts to encourage continuous employment, Fuji Electric also focuses on maintaining and enhancing basic learning skills and physical fitness, both areas generally said to be affected by aging, and supports employees' efforts to lead independent lives as members of society.

Additionally, through participation in outside events and other activities, we encourage employees to regard themselves as independent professionals. This effort is producing steady results, with one employee awarded a bronze medal in the office assistant division at the 35th Abilympics.

Enabling Women to Play Active Roles

Fuji Electric actively promotes diversity as part of our management policy of “maximize our strengths as a team, respecting employees’ diverse ambition.” Particularly in Japan, we are focusing on enabling women to play active

Major Initiatives

Recruiting Activities	<ul style="list-style-type: none"> Project for recruiting women with science and engineering backgrounds
Career Development Support	<ul style="list-style-type: none"> Cross-industry joint training for women in management Sister system (mentor system for women employees)
Helping Employees Return to Work after Childcare Leave	<ul style="list-style-type: none"> Pair work training
Spread of Diversity Promotion	<ul style="list-style-type: none"> Business site or working group initiatives

roles in the workplace, through affirmative actions such as aggressive hiring of women with science and engineering backgrounds, support for career development, and assistance in returning to work after childcare leave.

Female Employees and Managers (As of April)

	FY 2013	FY 2014	FY 2015
Employees	14,472	14,418	14,260
Number of female employees	1,745	1,754	1,764
Ratio of female employees	(12.1%)	(12.2%)	(12.4%)
Number of females in management positions*	40	42	46
Ratio of females in management positions*	(1.5%)	(1.6%)	(1.7%)

*Management: Manager rank or higher.

*Data collected from: Fuji Electric, Fuji Electric FA Components & Systems, Fuji Office & Life Service, Fuji Electric IT Center, Fuji Electric Finance and Accounting Support, Fuji Architect and Engineering, Fuji Electric Frontier.

ON-SITE REPORT

Support for Balancing Work and Childcare Pair Work Training for Managers and Employees

Helping Child-Rearing Employees Bring Vitality to Their Work

At Fuji Electric, the pair work training program targets employees returning from childcare leave and their managers. This gives the returning employee and the manager an opportunity to share their respective situations and thoughts, and discuss future work and career aspirations. It is intended to help create a better balance between work and family commitments.

Discussing Career Aspirations

“Individuals have different approaches to childcare and work, and face different situations. I’ve seen cases where trying to be considerate of a working parent by reducing her workload left her feeling unhappy,” notes Kaori Kudo, person in charge of diversity in the Human Resources and General Affairs Office.



Ms. Kudo, person in charge of diversity

Pair work training enables the employee and his/her manager to look at and discuss their situations from each other’s point of view. This pair work training also includes a work of the pairs who do not have a direct report relationship, so the employees are freer to ask questions they might not be able to ask in their own workplaces. Many participants have also remarked on how much better they felt after watching a DVD introducing the experiences of senior employees. The training wraps up with a detailed talk between employee and his/her manager about the future.

The Importance of Communication

Mingshuan Chiang, who is in charge of administering plant capital investments in the SCM Promotion Department of the Production & Procurement Group, returned to work after a six-month childcare leave.

“Upon my return to work, I had two concerns. The first

was whether I could finish my work, since I wouldn’t be able to work overtime. The second was how to arrange my workload if I suddenly needed to take time off without prior notice should my child fall ill or for some other reason. I was concerned that I might make trouble for others.”

Takahiro Shimizu, her supervisor and head of the SCM Promotion Department, says he sensed how important it was to maintain communication, noting that, “Since my wife and I also both worked, I thought I understood how hard it could be to balance a job and childcare. But I found out that Ms. Chiang was far more concerned about creating problems for others in her workplace than I had imagined.”



Ms. Chiang and her supervisor Mr. Shimizu of the SCM Promotion Department

“Listening to the other participants, I was glad to hear that I wasn’t the only one with these concerns. Since the training, I’ve also found it easier to discuss things with my manager,” Ms. Chiang commented.

Mr. Shimizu offered her his own warm encouragement, telling her that, “The child-rearing years can be tough, but they don’t last forever. I hope you’ll take the long view in working to advance your career.”

“Our hope is to establish a culture in which employees can balance both childcare and work, keeping in mind his or her contribution to the Company, while the manager provides appropriate support,” notes Ms. Kudo.

Today, almost every Fuji Electric employee who has taken childcare leave has successfully returned to the workplace, and we look forward to the future contributions of all employees who are raising children.

Environment

Efforts to protect the global environment are a key management issue for Fuji Electric, and with the establishment of our Basic Environmental Protection Policy, we continue to promote environmental management with the goal of contributing to global environmental protection through our business activities.

In fiscal 2012, we began the Smart Factory Initiative to optimize energy usage by coordinating electrical and thermal energy technologies with production planning. In fiscal 2014, we continued demonstrating Smart Factory Initiative benefits at four model factories (Kawasaki, Tokyo, Yamanashi and Mie), while deploying similar measures at other factories in Japan.



Fuel cells installed at a model factory (Yamanashi Factory) under Fuji Electric's Smart Factory Initiative

Basic Environmental Protection Policy

1. Offering products and technologies that contribute to global environmental protection
2. Reduction of environmental burden throughout product life cycles
3. Reduction of environmental burden in business activities
4. Compliance with laws, regulations, and standards
5. Establishment of environment management systems and continuous improvements of the systems
6. Improvement of employees' environmental awareness and social contribution
7. Promotion of communication

Fuji Electric's Material Issues for Environmental Management

Fuji Electric brought together staff from its management planning, technology development and business divisions to identify and prioritize material issues in promoting environmental management based on our Basic Policies on Environmental Protection, from both stakeholder and corporate viewpoints.

In 2009, we established Environmental Vision 2020 to guide our medium-term activities. The vision sets forth the three important themes below, and establishes specific measures and targets for addressing them.

Material Issues Identified

1

Stop Global Warming

- Reduce CO₂ emissions through products
- Reduce CO₂ emissions during production

2

Create a Recycling-Oriented Society

- Promote the 3Rs [reuse, reduce, recycle] in our products.
- Reduce waste, use of energy and chemical substances

3

Meet Our Corporate Social Responsibilities

- Enhance environmental awareness

Viewpoints Incorporated in Identifying Material Issues

Stakeholder Viewpoint

Global issues

International consensus, laws and regulations, industry agreements

Impact of Fuji Electric's activities

Corporate Viewpoint

Contribution to corporate management
 Connection to management philosophies and policies
 Core technologies
 Increased demand for products and services that contribute to global environmental protection

Management risks

Environmental Vision 2020

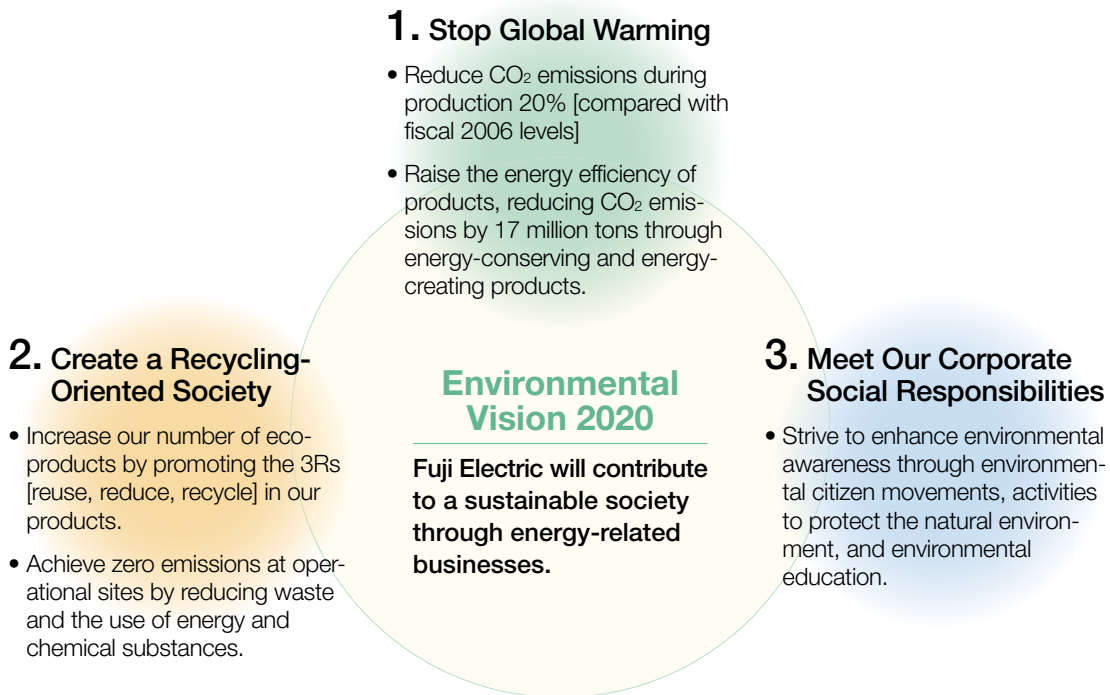
This vision is centered on three specified material issues of stopping global warming, creating a recycling-oriented society, and meeting our corporate social responsibilities. In addition to reducing the environmental load of our own production activities, we also seek to achieve a sustainable society by providing products and technologies that leverage our strengths in energy technologies.

Our main initiatives under the issue of stopping global warming are to reduce CO₂ emissions during production by 20% in fiscal 2020 compared with the fiscal 2006 level of 381,000 tons, while reducing society's CO₂ emissions by 17 million tons by expanding sales of energy-saving and energy-creating products.

Under the issue of creating a recycling-oriented society, our key measures with respect to production resources are to lower final disposal rates by reducing waste and recycling resources. For water resources, we are endeavoring to cut the use of water resource inputs per unit of production. We are particularly stepping up efforts to increase water reuse rates at production facilities that consume a lot of water and at overseas facilities where there are significant water supply risks.

In this report, we present our main initiatives to stop global warming and to create a recycling-oriented society*.

* Unless otherwise specified, environmental activity targets and results in this report encompass domestic consolidated subsidiaries and overseas consolidated production subsidiaries.



Environmental Management 3-Year Rolling Plan

To achieve the goals of the Environmental Vision 2020, Fuji Electric has formulated an Environmental Management 3-Year Rolling Plan, designed to promote ongoing efforts.

In this initiative, we verify each year that the environmental management strategy is addressing societal changes, and establish detailed targets in various areas, such as the enhancement of environmental management governance, measures to prevent global warming, and measures to address the use of chemical substances. Fuji Electric will continually make revisions to the targets and action plans for each fiscal year up to three years in advance, and aim to achieve the goals of Environmental Vision 2020 with certainty.



Fiscal 2014 Efforts to Stop Global Warming

Reducing CO₂ During Production

In Japan, we have been moving ahead with activities to reduce CO₂ emissions since fiscal 2012 to conserve energy and curb costs.

These efforts included reducing electric power by the review and improvement of clean room ventilation and compressor systems, conserving fuel through a revision of production processes, and introducing a cogeneration system (combined heat and power) to curb peak electric power use. In fiscal 2014, these and other energy-saving activities resulted in economic benefits equaling 6.3% of fiscal 2013 energy costs.

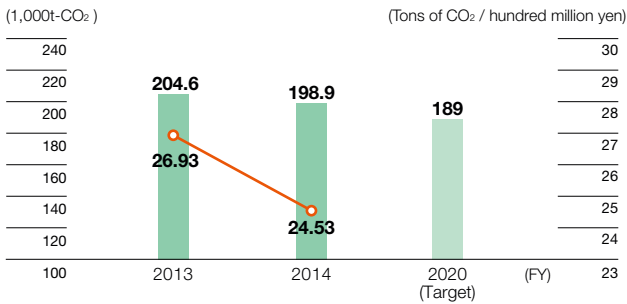
Fiscal 2014 CO₂ emissions from production were 198,900 tons (a 33.6% reduction from fiscal 2006), which surpassed the target of 209,000 tons (a 30% reduction from fiscal 2006). In fiscal 2014, energy conservation efforts enabled us to cut CO₂ emissions by around 10,300 tons,

although the overall reduction was about 6,000 tons when compared to the previous fiscal year due to higher production volumes and other factors.

Overseas, we revised our steam production systems and implemented surplus heat recycling and other energy-saving steps. Because overseas production volumes in Thailand, Shenzhen in China and elsewhere rose by a total of 23%, CO₂ emissions were 127,200 tons* (down 2.5% from fiscal 2010), which did not meet the target of 122,000 tons (down 6.4%).

While the total emissions reduction target for overseas was not met, worldwide we achieved the target in Environmental Vision 2020 of a 20% reduction over 2006 levels, equivalent to 332,000 tons, or a 12.9% reduction from the previous year, with emissions totaling 326,000 tons, for a 14.4% reduction.

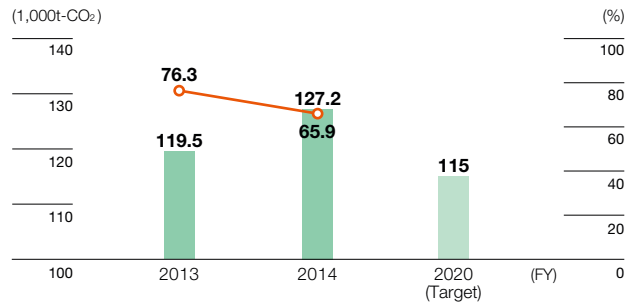
CO₂ Emissions and CO₂ Emissions per Unit of Sales in Japan



■ CO₂ Emissions (left) — CO₂ Emissions per Unit of Sales (right)

* Emissions per unit of sales is calculated by dividing the CO₂ emissions amount by consolidated net sales.

Overseas CO₂ Emissions and CO₂ Emissions per Unit of Production



■ CO₂ Emissions (left) — CO₂ Emissions per Unit of Production (right)

* The amount of CO₂ emitted by production volume (presented taking the value for FY2006 to be 100).

Case Example

Smart Factory Initiative at the Yamanashi Factory

Saving Energy by Optimized Electrical and Thermal Energy Use Linked with Production Planning

Because the Yamanashi Factory produces semiconductors 365 days a year, stable power supplies and energy conservation are essential. The Smart Factory Initiative is thus being promoted both as a way to avoid energy risk and to reduce energy consumption.



Generator

As part of energy risk avoidance, in fiscal 2013 we installed four of our fuel cell units, and in fiscal 2014 added a gas-engine driven generator, bringing the factory's energy self-reliance rate to 100%. With the additional introduction of low-voltage uninterruptible power systems (UPS) units, the factory is also protected against instantaneous voltage drops.

In terms of reducing energy consumption, inverters were applied to fans and pumps or motors were replaced with high-efficiency motors, while the factory also makes effective use of fuel cells and generator exhaust heat as part of a cogeneration system. The factory works to optimize electrical and thermal energy use through an energy management system, resulting in a cut in energy consumption of about 30% in fiscal 2014 compared to fiscal 2010.



Fuji Electric high-efficiency inverter.

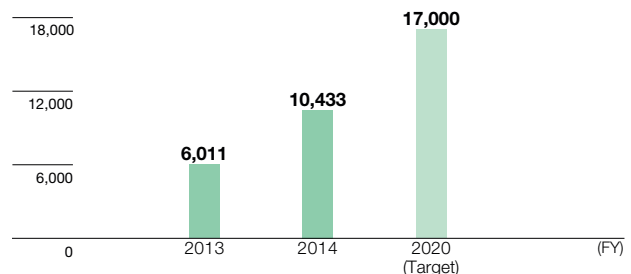


Energy monitor displays the energy being used

Reducing Society's CO₂ Emissions through Products

In fiscal 2014, the contribution to CO₂ emission reductions from products was up 4,422,000 tons from fiscal 2013 to 10,433,000 tons, clearing our target of 7,190,000 tons. This reflected, among other factors, expanded sales of inverters, mega solar power conditioners, solar power generation systems and electronic devices.

Reduced CO₂ Emissions through Products
(1,000t-CO₂)



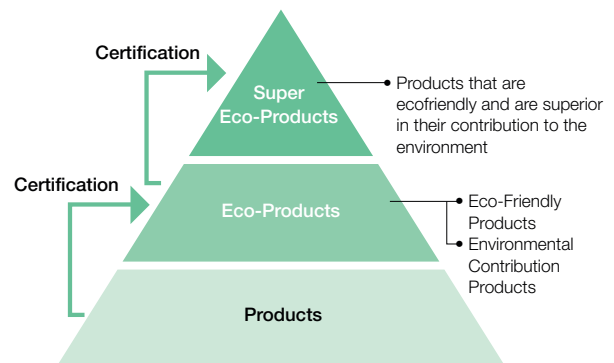
* Amount of CO₂ reduction based on one year of operation of products shipped for each fiscal year after fiscal 2009.
(Calculated making reference to the quantification method of GHG emission reductions stipulated in the Electrical and Electronics Industries' "Action Plan for Commitment to a Low-Carbon Society.")

Eco-Product Certification System

Fuji Electric is developing eco-friendly products, which enhance energy efficiency and reduce the use of chemical substances, and environmental contribution products, which help reduce society's overall impact on the environment. We are continuing to promote the spread of these products.

In this initiative, Fuji Electric has established a common Fuji Electric Eco-Product Certification System. We evaluate the degree of product eco-friendliness on a Company-wide platform. Products meeting fixed criteria are certified as "eco-products," while those that are at the top of the industry for environmental benefit and contribution, and which are recognized outside the Company at the national level for environmental superiority are labeled "super eco-products."

In fiscal 2014, 21 offerings were certified as eco-products, and another 8 as super eco-products. As a result, we now have 178 eco-products and 24 super eco-products.



Eco-Friendly Products: Products that have a reduced environmental impact over the entire product lifecycle. These products are superior to traditional products in at least four of six standard areas, including energy conservation, resource conservation, and recyclability.

Environmental Contribution Products: Products that contribute to environmental preservation during use. Products that contribute to the environment by utilizing natural energy or information and communication technology.

Fiscal 2014 Super Eco-Products

Awarded the Japan Machinery Federation's President Award for Superior Energy-Saving Machines

"F-COOL NEO" Indirect Outside Air Conditioning Unit

- Responding to changes in outside air temperature, the F-COOL NEO switches automatically between three modes of operation (a hybrid operation of indirect outside air cooling and refrigeration cooling), enabling optimal control over system operation and selecting the mode that provides the maximum energy savings.
- Utilizing the energy of outside air throughout the year can result in power consumption that is one-third that of conventional air conditioners.
- The equipment requires only a power supply, needing no cold water or cooling equipment, making energy-saving operation possible.
- Because outside air is not conducted directly through the air propulsion unit, contamination by outside moisture and dust is avoided, making the system ideal for data centers, precision machining, food and pharmaceutical production areas, and other places where clean cooling systems are required.



Fiscal 2014 Initiatives to Create a Recycling-Oriented Society

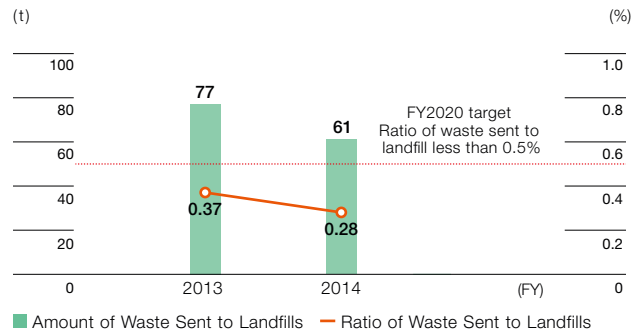
Waste Reduction

In addition to efforts to curb waste, Fuji Electric works to promote resource recycling, and has established a goal of zero waste emissions—a ratio of waste sent to landfills to total waste of no more than 1%.

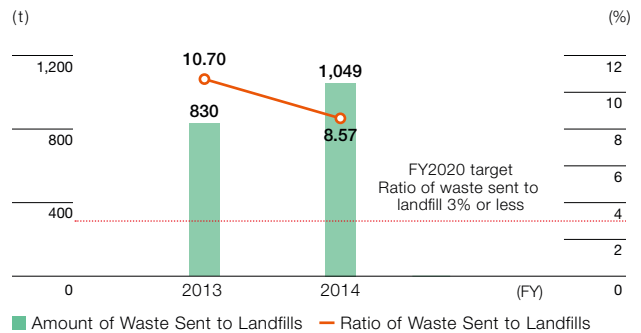
In Japan, efficient use of resources (reduce, reuse, recycle) has enabled Fuji Electric to achieve its goal of zero waste every year since fiscal 2004. In fiscal 2014, we achieved our goal of reducing the ratio of waste sent to landfills to below 0.5%, with a ratio of 0.28%.

Meanwhile, we have also begun promoting zero emission efforts at our factories overseas. Since fiscal 2008, we have been collecting data based on waste categories used in Japan (volume generated, volume recycled, volume sent to landfills). In fiscal 2014, we clarified the types of waste generated by each operation based on their respective waste classifications to assist our efforts to encourage more effective use of resources. Looking ahead, we will continue to monitor how waste is processed, consider further methods for recycling resources, and aim for even greater improvement in the ratio of waste sent to landfills.

Amount and Ratio of Waste Sent to Landfills in Japan



Amount and Ratio of Waste Sent to Landfills Overseas



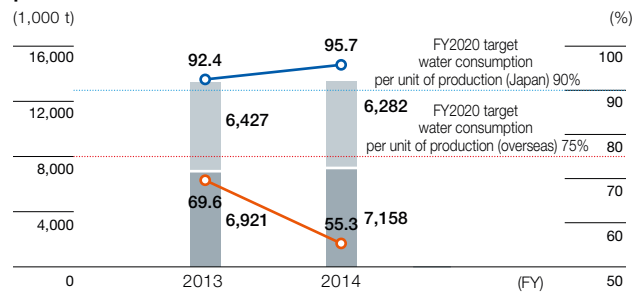
Efficient Use of Water Resources

In view of the problem of global water resource depletion, in addition to its efforts to comply with wastewater quality requirements and reduce wastewater, Fuji Electric launched an initiative aimed at more efficient use of water resources.

Using fiscal 2010 levels as a standard, this initiative aims to reduce both total water intake and water consumption per unit of production at our domestic manufacturing sites by 1% each, with the goal of reducing those levels by 10% in fiscal 2020.

Using fiscal 2011 levels as a standard, since fiscal 2013 we have established a goal for our overseas production sites of reducing water consumption per unit of production by 25% in fiscal 2020, and are conducting activities to reach that target.

Water Consumption and Water Consumption per Unit of Production



Water consumption: ■ Japan ■ Overseas

Water Consumption per Unit of Production: — Japan — Overseas

* Water consumption per unit of production (For Japan, presenting FY2010 level as 100; for overseas, presenting FY2011 level as 100).

Case Example

Shikoku Division Environmental Management System

Involving Everyone in Environmental Activities

At the Shikoku Division, practice committee members are selected for industrial waste reduction, energy conservation and other individual environmental programs across four regions—Takamatsu, Matsuyama, Kochi and Tokushima. Together, they promote the division's environmental management system.

Given the importance of improving awareness of environmental issues and maintaining ongoing activities, the division issues every employee an Environmental Management Card printed with the Company's environmental policies. On the back, employees fill in their own list of things they could or should be doing and display them at their desks. Every-

one gets involved.

The division has been recognized for these efforts, which have been effective in reducing and recycling business-related waste and curbing greenhouse gas emissions, and was given the 3rd Annual Eco City Takamatsu Excellent Business Award by Takamatsu City.

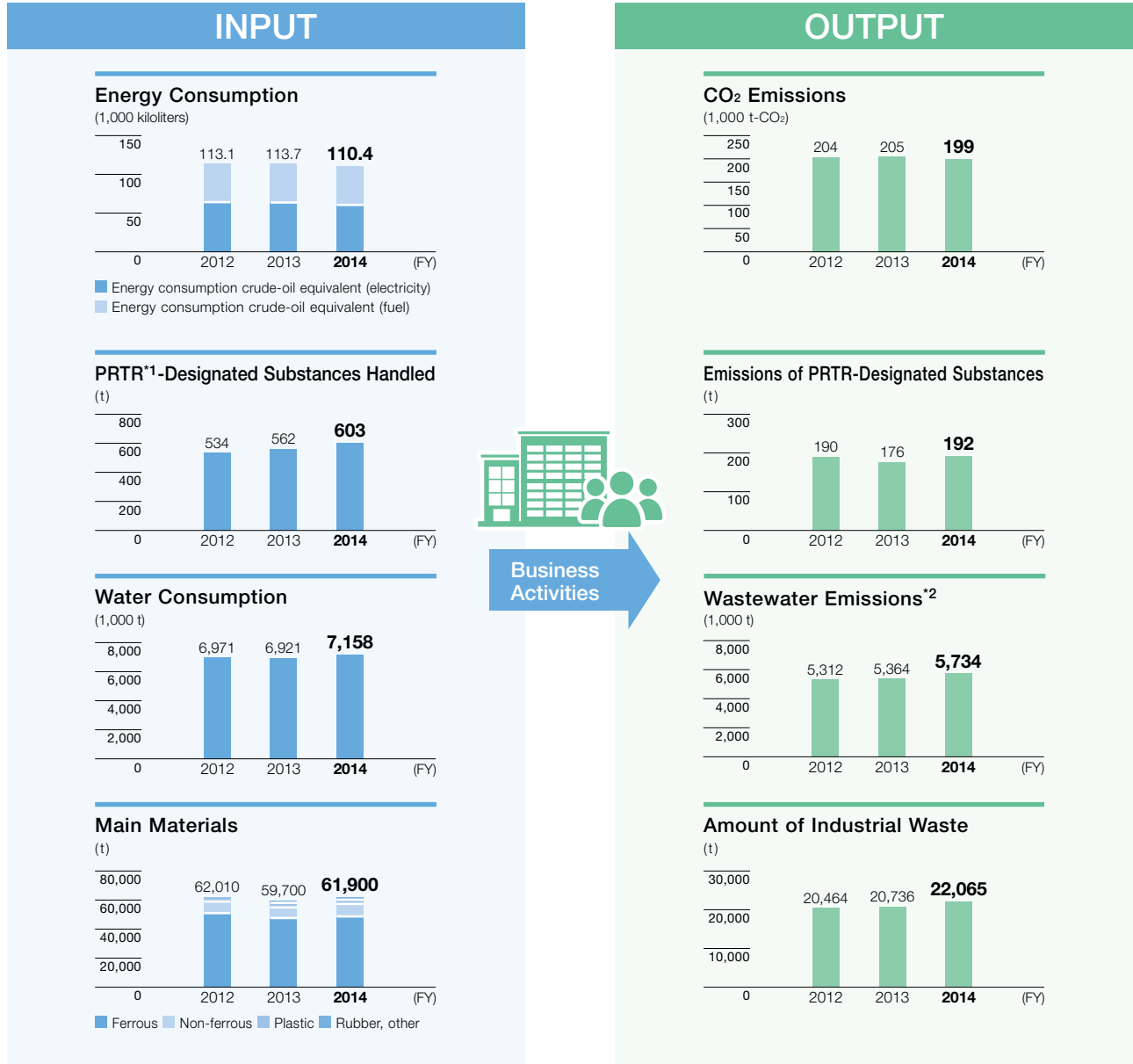


Environmental Management Cards distributed to every employee

Mapping the Interplay between Business Activities and Environmental Impact

Fuji Electric is constantly working toward more efficient use of resources and energy and the reduction of waste throughout all of its business activities. We are also proactive in our efforts to be more environmentally conscious across the entire product and service lifecycle.

Scope: Domestic production base



*1 Pollutant Release and Transfer Register Law

*2 Wastewater emissions refer to volume of water discharged into rivers and other natural environments.

*3 The amount of waste sent to landfills and the amount of waste recycled are internal figures from the amount of waste generated.

Contributing to Communities

Using the human resources and technology it has nurtured through its business activities, Fuji Electric works to ensure that as many of its employees as possible are active in communities around the world, with a basic policy of contributing to solutions to the issues those communities face.



Tree-planting activities at Fuji Electric Philippines, Inc.

Key Themes and Main Initiatives in Fiscal 2014

- ▶ **Promoting Youth Development**
 - Hosting science classes for elementary and junior high school students
 - Corporate training and training in practical science skills for teachers
- ▶ **Protecting the Natural Environment**
 - Forest conservation and farmland restoration activities
 - Clean-up activities
- ▶ **Helping Reconstruction after the Great East Japan Earthquake**
 - Supporting Fukushima Prefecture by buying local produce

Case Example Promoting Youth Development: Training for Teachers through Private-Sector Companies

Putting Hands-on Experience in the Private Sector to Work in Teaching Children

In addition to science classrooms for children, one of the ways Fuji Electric is working to combat the recent drift away from the sciences is by offering training to teachers as well.

In one of our initiatives, we work with the Japan Institute for Social and Economic Affairs*, under its program to provide training to teachers through private-sector companies. In fiscal 2014, in our 8th annual program, we invited 24 teachers from elementary and junior high schools in Hino City, near our base in Tokyo, to participate as part of their 10th year training. After an explanation of Fuji Electric's CSR programs and a tour of a company workplace for people with disabilities, the teachers also had the opportunity to disassemble a vending machine. These experiences enabled them to learn more about corporate social initiatives and how companies

work to improve quality and lower costs. We hope that the teachers will be able to use what they learned through the program in the classroom, whether they are teaching children about the excitement of creating things with their own hands, or sharing the importance of being useful to society.

*An organization dedicated to broadly disseminating information on economic thinking and business activity in Japan and overseas, while providing input from society in general to economic and business circles.



Disassembling a vending machine



Simulated assembly line experience

Case Example Helping Reconstruction after the Great East Japan Earthquake: Supporting Fukushima Prefecture by Buying Local Produce

Continuing Support for Fukushima Prefecture through Purchase of Local Produce

We have strong business ties to Fukushima Prefecture, which continues to suffer reputational damage following the Great East Japan Earthquake. In fiscal 2013, Fuji Electric began purchasing farm produce from Fukushima as a way to offer continued support. Produce and processed goods are not only used in our factory cafeterias, but are offered for sale to local residents and our own employees at factory festivals. In fiscal 2014, we partnered with Fukushima Prefecture's Tokyo office in an effort to expand this program. This enabled us to have people from Iwaki City, Fukushima sell their products directly, to add marine products and a wide-ranging selection of foods from Fukushima to our items for sale. We also increased the number of in-house sales events, creating even

more opportunities to build awareness among our employees of the importance of supporting recovery efforts. Many employees responded that they were glad to be able to support Fukushima Prefecture. We will continue these support activities, holding sales events at even more of our business sites and making wider use of products from Fukushima.



Selling at a factory festival



A produce sales event

Heartfelt Desire to Help Others

At Fuji Electric Malaysia, which produces semiconductors and disk media, we are working to instill in employees a spirit of volunteerism through community support and environmental preservation activities. The company takes the lead in forming teams that work to contribute to the local community.

Local Community Contribution Activities of Fuji Electric Malaysia



Production Manager
Effendy

“Reaching out to people seeking help is natural and needed for me. Doing it is something that makes me happy.”

So says Effendy, the Production Manager. It has been 10 years since Effendy started doing local community contribution activities.

Every year, Fuji Electric Malaysia internally seeks recruits and selects the members of the Community Outreach Program team. Currently, 15 employees are participating in the team.

“In all our community outreach programs, we place the highest priority on the feelings of local people.” (Effendy)

The Community Outreach Program team schedules and plans a wide range of activities including visiting the poor, teaching classes at nearby schools, providing support for areas affected by disasters, and doing activities to promote environmental conservation awareness. Usually, members of the team perform these activities, but the goal of the team is to instill the spirit of volunteerism in employees. The team members also urge all employees to participate in environmental conservation activities and donation activities, and they provide employees with opportunities to get involved. In fiscal 2014, there were as many activities as one every two months.



Support for a native village



Visiting a nursing home

Visit to Taman Ria Primary School

On June 12, 2014, eight members of the local community contribution team went out to teach a class at the Taman Ria Primary School in Kulim, Kedah, which is 15 km from the company. We want to visit schools in remote areas that receive very little public assistance. It was a unanimous decision by the team members. On that day, about 100 students from 6th grade attended.

In the class, we played a game using 10 pieces of cardboard and styrofoam cups. The group that stacked



The game played in the class

the cups the highest and sturdiest with the fewest cups won. The purpose of the game was to communicate the basics of science and technology and stimulate the children's interest. “I felt the eyes of the children become positive and animated.”

(Shakir, Process Development Engineer)



Shakir, Process Development Engineer

What especially brought a sparkle to the children's eyes was when Khairul, a development engineer, talked about his study experiences in Japan.

“After it was over, the children asked us for our contact information. I could tell that they wanted to talk more.” Shakir felt that the activity was successful because of the children's reaction.



Visiting a school to give a lesson



Principal Anuar (right)

Anuar, the principal of the primary school, spoke as follows to the team members. “I am thankful that you selected our school for your class. The stories of everyone's study experiences and the learning game about science and technology was a good encouragement for the children as regards the examination that they will soon be taking. I would be grateful if you could have another interaction with the children in the future.”

The Future

“I hope that our local community contribution activities will continue to bring happiness to diverse people.” (Shakir)

Fuji Electric Malaysia will continue contributing to the local community and maintaining its environmental conservation activities.