

CSR Activities

Human Resources

To expand its business globally, Fuji Electric is working to develop teams of diverse individuals not only of varying nationality and gender, but of different values and ways of thinking, in order to bolster our strategic capabilities. Our goal is to strengthen our competitiveness by incorporating diverse values across our full range of business activities, and for this reason we have made diversity a priority in our personnel strategy.

We have also embarked on efforts to ensure that all employees, in Japan and overseas, have a true understanding of basic human rights, and that respect for those rights is an integral part of the connection between people and corporate activities.



Career planning program for female employees

Developing Global Personnel

To expand our operations in close association with the global communities in which we operate, Fuji Electric is active in developing global personnel. We believe it is important that local employees intimately familiar with each region's language, business customs, and markets share common management policies and business strategies with personnel in Japan, working together to promote our business.

Major Initiatives in Fiscal 2012

- Establish a global personnel development program in Japan.
- Implement a Japan-based trainee program for overseas local recruits.
- Implement Business Leader Development Training for local employees at all sites in China.

Global Personnel Development Program in Japan



* Global Business Training Program: A program for dispatching trainees to overseas bases for a certain period so that they can experience working under local conditions.

Voice Comment from a Trainee from the Fuji Electric Europe Semiconductor Department



Christian Zahrt
Industrial Module Technology Department
Business Planning Division
Electronic Devices Business Group

Through my work in the Industrial Module Technology Department helping to pull together the business in Europe, I am learning about power semiconductor technology and business processes. I feel this training has really encouraged the idea that we can support the European business from Japan. In the industrial power semiconductor field, many important client companies have their R&D bases in Europe, and design-in activities can lead to greater competitiveness. I hope to use the knowledge and experience I've gained during this training to improve design-in capability, and to further strengthen collaboration in development between Japan and our European sales and marketing company.

Enabling Women to Play Active Roles

One area of focus in Fuji Electric's diversity initiatives in Japan is to encourage female personnel to play an active role. Our initiatives here include providing career development support for female employees.

To date, Fuji Electric has established a Sister System, under which senior female employees serve as role models for younger women and offer counseling; a system of co-working training with supervisors to ensure those returning from childcare leave can make a smooth return to the workplace; and a variety of other skills development training designed to bring more women into management positions. As part of our effort to reform workplace culture, we have also implemented diversity development training programs targeting the management level.

Career Planning Program for Female Employees

As part of our efforts to encourage more women to aim for management positions, from fiscal 2012 Fuji Electric began offering a career planning program for female personnel. The program targets female personnel who are motivated to compete for management positions, as well as women who have been recommended as management

candidates by their department heads. The program objectives are as follows.

- Understand "what is management"
- Develop a clear picture of one's own future career
- Clarify own issues and strengthen weak points
- Promote daily guidance and development from supervisors

During fiscal 2012, 19 employees participated in the program, which ran for six months and included five two-day group sessions.

Female Employees and Managers

	FY2011	FY2012	FY2013
Number of female employees (full time)	1,818	1,743	1,745
Ratio of female employees	(12.2%)	(11.8%)	(12.1%)
Number of female in management	17	33	40
Ratio of female in management	(0.74%)	(1.4%)	(1.5%)

* Management: Manager rank or higher.

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

Initiatives to Promote Respect for Human Rights

As a result of a comprehensive ISO 26000-based review of its CSR initiatives in fiscal 2011, Fuji Electric recognizes that as it expands its business globally, it needs to establish a global standard for addressing human rights. As part of that effort, we began working to put in place a framework for ensuring that the human rights of all employees of the company are respected. In fiscal 2012, Fuji Electric began a series of interviews with local employees and human resource divisions at our locations overseas to ask about their human rights situations and to better understand the human rights risks in each country. In Japan, we implemented level-specific training in global-standard approaches to human rights, and also held study sessions for members of our Human Rights Advisory Committee where lecturers from international human rights NGOs were invited to speak.

Going forward, we will continue to bring together information on human rights risks overseas by region, put in place structures and guidelines for dealing with human rights issues, and work to establish a common set of tools within Fuji Electric for building awareness of human rights.



Oral surveys of human resource divisions and employees of overseas bases about the local human rights situation

METI Selects Fuji Electric for the "Diversity Management Selection 100"



In fiscal 2012, the Ministry of Economy, Trade, and Industry (METI) established its Diversity Management Selection 100 project, which recognizes firms that have achieved results in improving productivity by utilizing a diverse workforce and creating innovation. Fuji Electric received an award as one of the companies selected in the initial year of the program.

In addition to its efforts to promote the advancement of female personnel, in fiscal 2000 Fuji Electric introduced a selective system of extended employment for older personnel, and today many of these employees play a central role in passing on important technical skills and knowledge. We are also working to enhance employment opportunities for people with disabilities, expanding the base of our special-purpose subsidiary and adding new kinds of work.

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 addition to our environmental protection activities, in fiscal 2012 we began a new Smart Factory Initiative in response to changes in power supply conditions following the Great East Japan Earthquake. This effort is built around the concept of reducing energy use, and better visualizing, understanding, and optimizing our consumption of power.



Fuel cells installed at the Yamanashi Branch Factory under the Smart Factory Initiative

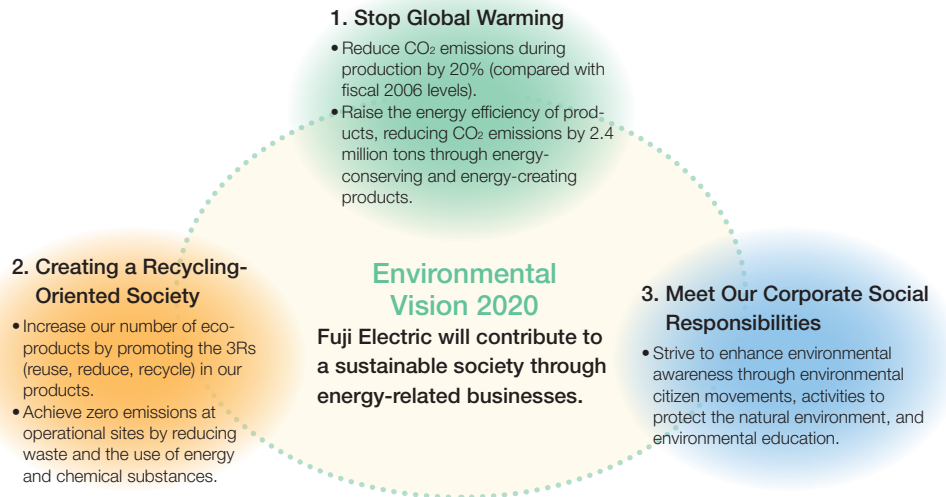
Basic Environmental Protection Policy

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

(Revised in 2003)

Environmental Vision 2020

Fuji Electric's Environmental Vision 2020 was established to provide direction for our medium- to long-term environmental activities, centered around 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, our goal is to achieve a sustainable society by providing energy-saving, energy-creating products and technologies.



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 addition, through our Fuji Electric Global Environment Protection Committee, which reports directly to the president, and the Fuji Electric Global Environmental Promotion Responsibility Council, comprised of officers responsible for environmental management at each of our locations, we evaluate our activities for the current fiscal year and discuss, develop, and execute new initiatives for the following year.

3-Year Rolling Plan



Environmental Vision 2020

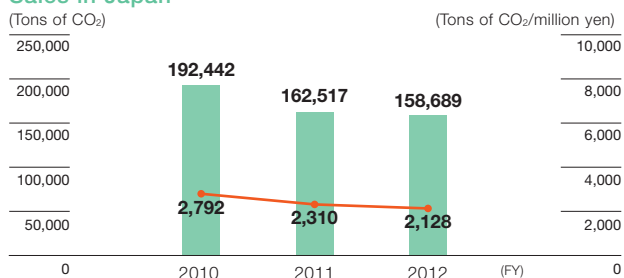
* Please refer to our corporate website for more information about the fiscal 2012 goals and accomplishments of our environmental management promotion structure.

Efforts to Stop Global Warming

Reducing CO₂ During Production

In fiscal 2012, Fuji Electric expanded its efforts to conserve energy and curb energy costs. While energy costs were expected to rise 7.2% with the impact of rate increases, we succeeded in holding the rise in cost to 1.9% by a combination of upgrading to higher-efficiency facilities and equipment, controlling the number of units in operation, and installing inverter systems to control peak power use, among other measures.

CO₂ Emissions and CO₂ Emissions per Unit of Sales in Japan



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

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

Smart Factory Initiative

In response to changes in power supply conditions in recent years, Fuji Electric has embarked on a new Smart Factory Initiative.

Under our Smart Factory Initiative, we coordinate effective use of our expertise in electric and thermal energy technology with production planning to optimize energy use.

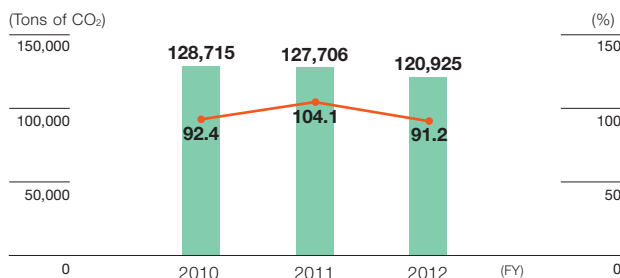
In fiscal 2012, four of our factories—in Kawasaki, Tokyo, Yamanashi, and Mie—were selected for conversion to Smart Factory sites due to the proportion of electric and

thermal energy used and the nature of their production methods. Having analyzed their unique energy usage patterns, and established a concept for implementing smart energy use based on those results, we have now started work to develop a concrete plan of action.

In fiscal 2012, we succeeded in reducing CO₂ emissions from production by 17.6% (compared to fiscal 2010 levels), exceeding our fiscal 2012 target of a 12.3% reduction.

Overseas, energy-saving diagnostics and other activities resulted in a 6.1% reduction in CO₂ (compared to fiscal 2010), versus our fiscal 2012 target of a 2.6% reduction.

Overseas CO₂ Emissions per Unit of Production



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

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

thermal energy used and the nature of their production methods. Having analyzed their unique energy usage patterns, and established a concept for implementing smart energy use based on those results, we have now started work to develop a concrete plan of action.

In fiscal 2013, we will verify the Smart Factory Initiative concept and then roll it out at other factories. The results will eventually lead to the development of smart factory proposals for our customers.

Examples of Initiatives

Fuji Electric Matsumoto Factory

Realizing Environmental Targets Linked to Improved Operating Results

At the Matsumoto Factory, which produces semiconductors, 40% of the energy used is consumed in maintaining clean room ambient conditions (temperature and humidity, cleanliness, airflow, and air pressure). In fiscal 2012, we focused on efforts to make these clean rooms more energy-efficient.

Because minute changes in ambient conditions can have an impact on product quality, the facilities, manufacturing, and quality assurance departments worked together to repeatedly test quality against changes in conditions, before arriving at a set of operating conditions that would

ultimately satisfy both clean room ambient conditions and product quality requirements.

As a result, we exceeded our target for reducing energy consumption by 40%.



The Fuji Electric Fan Filter Unit with Inverter (clean room upper chamber) controls airflow optimally for each work area

Reducing Society's CO₂ Emissions through Products

Fuji Electric is aiming to reduce society's CO₂ emissions by providing Eco-Friendly Products and Environmental Contribution Products.

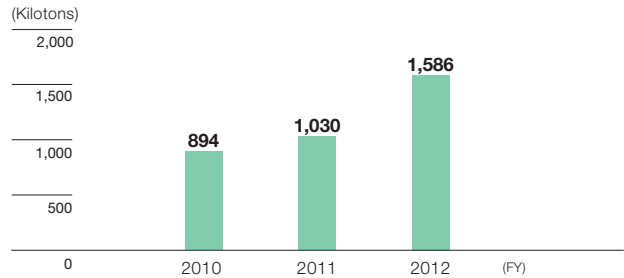
In fiscal 2012, we achieved a reduction of 1.58 million tons, against the result of fiscal 2011, 1.03 million tons, exceeding by 0.56 million tons.

One such initiative has been the establishment of a common Fuji Electric Eco-Product Certification System designed to expand the range of "eco-products" and "super eco-products." The goal is to increase the ratio of sales of eco-products among overall sales to 70% by 2020 (this ratio was 29.5% in fiscal 2012).

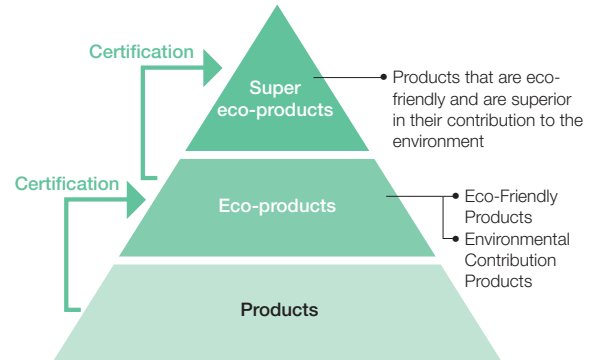
Eco-Product Certification System

Fuji Electric evaluates 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."

Reduced CO₂ Emissions through Products



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



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.

Super Eco-Products in Fiscal 2012

Agency for Natural Resources and Energy Director's Award Received at the Superior Energy Conserving Machinery Awards

In the 33rd annual Superior Energy Conserving Machinery Awards held by the Japan Machinery Federation in fiscal 2012, Fuji Electric was recognized with the Agency for Natural Resources and Energy Director's Award for its HX Series of uninterruptible power supplies (UPS) equipped with a 3-level IGBT module, and for its PVI Series of power conditioners (PCS).

Both products were recognized for their world-class energy-saving performance. Fuji Electric's proprietary new 3-level IGBT module significantly reduces power losses generated in the conversion between alternating and direct current, with the HX series of UPSs achieving a conversion efficiency of 97%, and the PVI series of PCSs achieving 98.5% efficiency.



Initiative to Create a Recycling-Oriented Society

Waste Reduction

In addition to reducing waste, Fuji Electric has worked to promote resource recycling, with a focus on attaining the goal of zero waste emissions — a ratio of waste sent to landfills to total waste of no more than 1%.

In Japan, waste recycling enabled Fuji Electric to achieve its goal of zero waste emissions in fiscal 2004, and we have continued to meet our targets in the years since.

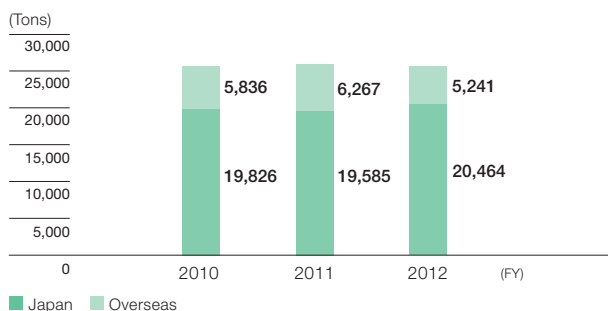
Further, in fiscal 2011 we revised this target to “under 0.5%,” and worked to strengthen our efforts in resource recycling.

In fiscal 2012, two new factories (in Chiba and Tsugaru*) came online in Japan, increasing both waste generated and landfill-bound waste, but with the latter ratio at 0.43%, we were nevertheless able to achieve our target.

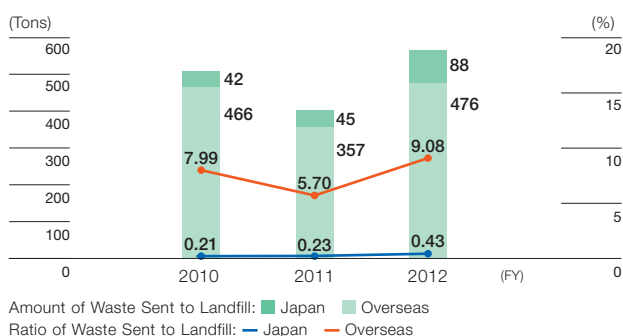
In addition, we have launched zero emission activities at our overseas factories. Worldwide, waste treatment and disposal and resource recycling infrastructure is far less advanced than in Japan, particularly in emerging countries. At its overseas operations, Fuji Electric is working to bring the ratio of waste sent to landfills down to 7% or less in fiscal 2013.

* Tsugaru: Fuji Electric Tsugaru Semiconductor Co., Ltd.

Amount of Industrial Waste



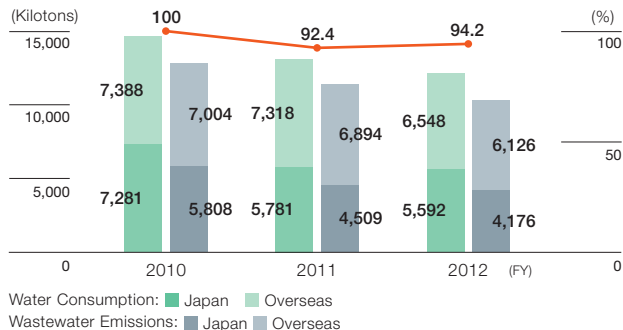
Amount and Ratio of Waste Sent to Landfill



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, in fiscal 2012 Fuji Electric launched a new 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 base units of consumption at our domestic manufacturing sites by 1% each, with the goal of reducing those levels by 10% in fiscal 2020.

Water Consumption and Wastewater Emissions per Unit of Production



* Water consumption per unit of production is the amount of water consumed for the amount of production (Presenting FY2010 level as 100).

Examples of Initiatives

Fuji Electric Power Semiconductor Omachi Factory

Fusing Production Streamlining with Environmental Activities for a Whole-Team Effort to Reduce Waste

In fiscal 2004 the Omachi Factory, which assembles IGBT modules and other semiconductor products that contribute to energy savings, succeeded in recycling 100% of waste generated, and has continued to maintain zero emissions ever since.

Recognizing that initiatives to eliminate assembly defects through production streamlining efforts could lead to a further reduction in waste generated, in fiscal 2012 the factory set targets for elimination of defects as an environmental initiative, and began addressing the issue through a collaboration between staff of its manufacturing, quality assurance, and technology departments. At the same time,

these efforts were coordinated with the activities of its on-site quality control circle, and the entire staff worked to promote further waste reduction activities.

As a result, generated waste was reduced by 72% compared to fiscal 2010 levels. Going forward, we plan to continue these initiatives for integrating production streamlining and environmental activities.



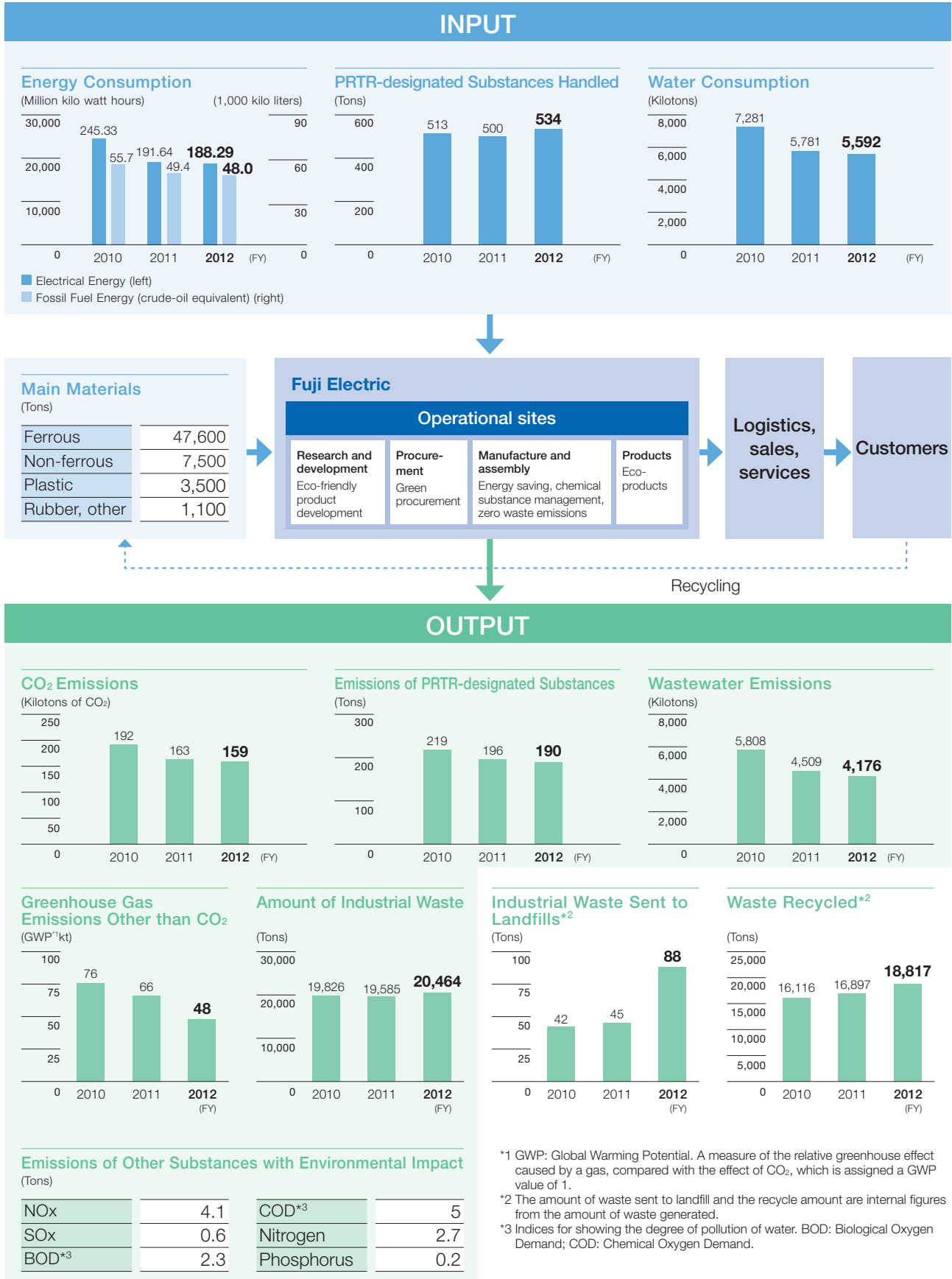
Waste reduction is incorporated into the activities of the quality control circle

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: Production Bases in Japan



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.



Fuji Electric (Shenzhen) Co., Ltd.
Tree-planting activity "Green Shenzhen A Comfortable Place to Live"

Key Themes and Main Activities in Fiscal 2012

- **Theme 1: Protecting the Natural Environment**
 - Restoring farmlands, restoring rural woodlands
 - Forestry conservation activities (planting, thinning, etc.)
- **Theme 2: Promoting Youth Development**
 - Conducting science classes for school children of all levels (building motors by hand, lectured on energy, etc.)
 - Practical science training for teachers, etc.
 - Environmental school

Case Example

An Opportunity to Communicate the Excitement of Manufacturing

Since 2009 Fuji Electric, working with the Board of Education of Hino City, Tokyo, where we have an office, has offered training in practical science skills for the city's elementary school teachers. Using everyday items such as paper clips and other materials to make a motor, the teachers learn about key points of fabrication, and how those principles are used in society in general. The sessions thus provide them with information that can have practical application in the classroom. In fiscal 2012 the program was extended to include junior high school teachers, providing them with an opportunity to gather information on the latest trends in energy technology, and to share methods for applying the knowledge in the classroom.

Fuji Electric also works with the Japan Institute for Social and Economic Affairs* under its program to provide corporate training to teachers through private-sector companies. In fiscal 2012, for our 6th program, we invited teachers from Hino City to participate as part of their 10th year training. By disassembling a vending machine, they learned about its functions and underlying technology, and gained an understanding of manufacturing techniques. They also practiced

Promoting Youth Development — Training for Teachers

working with puzzles as a way of facilitating group discussion about the kind of human resources companies are looking for. We hope that these experiences will prove useful to them in the classroom, whether they are teaching children about the excitement of creating things with their own hands, or working to nurture the kind of people society will need in the future. The lecturers and assistants for these sessions are made up entirely of employees who have volunteered their own time. This interaction with people from other occupations provides those employees with a valuable learning opportunity.

* The Japan Institute for Social and Economic Affairs: 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.



Hino City practical science training for teachers



Tokyo corporate training for teachers

Voice

Comment from Hino City Board of Education, Tokyo



Masaaki Sato
Supervisor
Hino City Board of Education

With the cooperation of Fuji Electric's base in Hino City, the Hino City Board of Education provides training in practical science skills centered around the themes of electricity, power generation, and electromagnetics, and hands-on training for teachers. By conducting experiments in electricity generation and storage, building their own motors, disassembling and studying the structure of a vending machine, and other activities, participants gain first-hand exposure to leading-edge technology, which in turn helps them to craft more appealing science classes.

In addition, training that enables teachers to learn more about private-sector technology and thinking also provides them with a valuable opportunity to consider the future of school-based learning and human resource development.