

Fiscal 2015 Report—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.



Career development support training

Major Initiatives in Fiscal 2015

Respect for Human Rights

We strive to guarantee that human rights are respected in our corporate decisions and business activities. To ensure this type of respect, it is crucial to foster and maintain a corporate culture in which all employees act while remaining constantly aware of human rights and neither commit nor be complicit in human rights abuses. For this reason, Fuji Electric is enhancing its systems for advocating respect for human rights.

Human Rights Awareness Promotion System

All domestic and overseas business sites and subsidiaries performed self-inspections based on the Policy for Human Rights of the Employees established and deployed in fiscal 2014 as well as Human Rights Check Sheets. The results of these inspections were used to hold hearings, which were primarily conducted with overseas manufacturing subsidiaries. When necessary, improvement measures were formulated based on hearings, and the hearings themselves were used as

opportunities to exchange opinions regarding issues faced when advancing human rights-related initiatives.

Training and Education

In Japan, as part of its level-specific training, Fuji Electric conducts training focused on deepening its 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 were conducted with the intent to enhance sensitivity to human rights risks, not only within the Company but along the supply chain as well.

Furthermore recognizing workplaces that respect human rights and are free of discrimination and harassment as the basis for all business activities, we implemented e-learning programs on harassment, which all domestic employees were required to take.

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

This year's Fuji Electric Health and Safety Conference was held on February 12, 2016. 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, attendees review the previous year's activities and confirm initiatives for the coming fiscal year. This year, we examined the causes of accidents that had occurred on Fuji Electric's premises during the fiscal year, checking and sharing information on the circumstances surrounding the accidents among all attendees. All attendees pledged to ensure that the findings of these activities are communicated throughout each division to prevent reoccurrence of the same accidents.

Ongoing Health and Safety Education

Preventing workplace accidents requires that all employees strive to quickly identify unsafe situations and actions in the workplace from their own unique perspective so that these risks can be weeded out. Accordingly, all employees must possess accurate insight and awareness with regard to safety. At Fuji Electric, training is not only conducted when employees

seek to acquire qualifications; rather, we periodically implement refresher training to improve employee skill levels, and we are constantly planning and instituting health and safety education programs to promote continuity.

Workplace Safety Patrols

Inspections from a third-party perspective are an effective way to uncover risks lurking in familiar work processes. We therefore believe it is vital to continue conducting systematic safety patrols at business sites, including those of Group companies. Such safety patrols are performed at domestic factories and construction sites as well as overseas bases in China, Southeast Asia, and other locations, leading to great successes.



Safety patrol

Achievement of Accident-Free Records

The Matsumoto Factory was recognized by the Ministry of Health, Labour and Welfare for achieving a Class 3 Accident-Free Record, while the Fukiage Factory was recognized for achieving a Class 1 Accident-Free Record. Going forward, 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 autonomous, continuous 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 2015, 419 employees participated in a 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 education. In fiscal 2015, 14 managers participated in this training.

Promoting Work-Life Balance

We are strengthening initiatives to help employees achieve a work-life balance by creating working environments that are more conducive to the efforts of diverse employees and that enable people to fulfill their potential. We encourage a work style of focusing on one's job while at work and resting properly outside of work, based on which we are actively entrenching a workplace culture that makes taking time off easier.

In fiscal 2015, we set quantitative targets with the aim of addressing the issue of excessive work hours. We also held periodic meetings through which both management and labor representatives followed and discussed the progress of initiatives on this front.

To promote the participation of fathers in child-rearing, Fuji Electric has enhanced its childcare-related leave systems. In addition, steps are taken to encourage usage of these systems.

Employment of People with Disabilities

The Company encourages lifetime employment for people with disabilities. We therefore promote hiring and ongoing employment of people with disabilities.

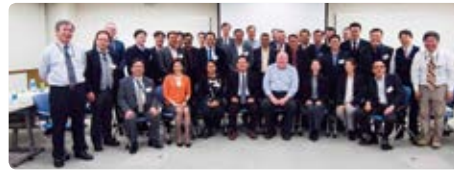
In fiscal 2015, we continued to expand the scope of duties that can be performed by differently abled individuals at business sites across Japan. As a result, 19 new individuals with disabilities were hired (14 new graduates, five mid-career hires), bringing the percentage of employees with disabilities to 2.3% as of March 2016.

In training employees with disabilities, we strive to help them achieve independence as professionals by encouraging participation in events such as the Abilitympics and work fairs for people with disabilities as well as through the utilization of action-goal systems. We also support employees' efforts to lead independent lives as members of society through

Globalization Training

In fiscal 2015, 22 members of the local management staff of 13 countries worldwide gathered together for global leadership training, at which we shared information on our borderless vision as well as on issues faced in different countries and regions, deepening coordination among participants. In addition, two sales skills enhancement training sessions were held in Thailand with the aim of giving young employees hired locally opportunities to improve their product knowledge and build networks. These training sessions were attended by a total of 31 employees from 12 countries, including the United States and Middle Eastern countries.

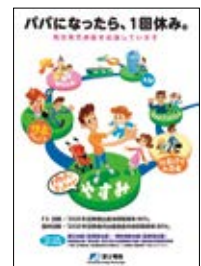
The Company also dispatched 12 junior employees from Japan as the latest group of overseas trainees and sent four engineers on overseas assignments for study purposes. Furthermore, those employees to be assigned abroad were given preparatory training on the importance of appreciating and cooperating with others regardless of cultural differences as well as a thorough introduction to compliance issues.



Global leadership training

For example, when the Company learns of a childbirth in a male employee's family, an e-mail explaining the leave system for childbirth by a spouse will be sent to both the employee and their supervisor urging use of this system. Furthermore, we endeavored to foster a positive mind-set toward fathers' participation in child-rearing by holding the "Ikumen* Seminar" series of training sessions and level-specific training sessions, displaying Ikumen posters, and otherwise working to change employees' thinking on this subject. We also conducted seminars offering employees basic knowledge of nursing care.

*A popular term for fathers who actively participate in child-rearing



Ikumen poster



Circuit board testing



Forklift operation

Empowerment of Female Employees

Fuji Electric promotes diversity on an ongoing basis as part of its management policy to “maximize our strengths as a team, respecting employees’ diverse ambition.” As one facet of these efforts, we are focusing on empowering female employees in the workplace. The Company deploys a wide range of initiatives to help women play an active role in the Company, such as proactively hiring women with science and engineering backgrounds and offering career development support training for new and mid-level female employees. Other initiatives include a mentorship program known as the Sister System, in which experienced employees provide guidance to newer employees as well as pair work training between employees taking childcare leave and their supervisors. Through these initiatives, we support the career development efforts of female employees and aim to cultivate appropriate attitudes among management and all other employees.

In 2013, the Ministry of Economy, Trade, and Industry (METI) selected Fuji Electric for inclusion in its Diversity Management Selection 100, which recognizes companies that have achieved results in creating innovation and improving productivity by utilizing a diverse workforce.

Furthermore, in 2016, the Company was included in the Nadeshiko Brand based on an overall evaluation of its initiatives to promote the empowerment of female employees.

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"> Career development support training for female employees 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 Positioning of representatives at each business site to strengthen initiatives at all sites Level-specific training

Career Development Support Training for Female Employees

To offer further support for the contributions of female employees, we provide career development support training designed to cultivate female managers. A career awareness survey conducted in conjunction with employee evaluations showed that, while many female employees were ambitious about advancing their careers, they harbored many concerns regarding their job and their life away from work. It was for this reason that we began holding these training sessions. The goals of this training program include helping women develop concrete career plans, heightening ambition to pursue career advancement through presentations by experienced female employees that serve as role models, and bestowing the skills necessary for mid-level employees.

Sister System (Mentoring Program for Female Employees)

The Sister System entails assigning female employees a mentor of a higher rank from a different division to serve as a consultation partner, aiding their growth through consultation meetings.

Fuji Electric previously suffered from a lack of nearby role models and consultation partners for female employees. To address this issue, we introduced the Sister System in fiscal 2011 with three goals: (1) having more experienced female employees help younger employees further their careers and achieve a good work-life balance, (2) promoting networking among female employees, and (3) improving the capacity of experienced employees to cultivate new employees. This program has been in effect for five years as of fiscal 2015, and a total of 218 people have taken part over this period.

Inclusion in Nadeshiko Brand

Conducted jointly by METI and the Tokyo Stock Exchange, the Nadeshiko Brand recognizes listed companies that display excellence in empowering their female employees. Fuji Electric was chosen for inclusion out of approximately 3,500 applicable listed companies.

The Nadeshiko Brand is designed to introduce companies that will be appealing to investors concerned with medium-to-long-term improvements in corporate value. For this reason, companies are scored based on their career development and work-life balance support systems for female employees, and return on equity (ROE) and other financial indicators are also considered when selecting the one prestigious representative from each category.



Nadeshiko Brand logo

Female Employees and Managers (As of April 1)

	FY2014	FY2015	FY2016
Employees	14,418	14,260	14,057
Number of female employees	1,754	1,764	1,737
Ratio of female employees	(12.2%)	(12.4%)	(12.4%)
Number of females in management positions	42	46	48
Ratio of females in management positions	(1.6%)	(1.7%)	(1.9%)

* Management: Manager rank or above.

* 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.

Quantitative Female Employee Empowerment Targets

Number of female officers in fiscal 2020	300
Ratio of employees that are female university or vocational school graduates	20%

* Officers: Assistant manager class or above

* Applicable companies: Fuji Electric, Fuji Electric FA Components & Systems, Fuji Office & Life Service, Fuji Electric Information Technology Center

Support for Nurturing Female Employees

To help address the concerns of female employees arising from the lack of nearby consultation partners, Fuji Electric introduced the Sister System, which makes it easier for female employees to consult with their more experienced peers.

■ Fuji Electric's Sister System

"We often heard female employees voice their concern with being the only woman at their workplace, leaving them with no one to talk to about their work or home life. It was out of our desire to address this issue that we introduced the Sister System," recalls Kaori Kudo from the Human Resources and General Affairs Office.



Kaori Kudo, representative in charge of diversity

The Sister System is a program that provides career development and work-life balance support for female employees through consultation meetings held once every two or three months. In fiscal 2015, 36 pairs, or 72 individuals, participated in this program. In addition, three group training sessions were held in fiscal 2015 to support the development of female employees by providing them with opportunities to learn about methods for ensuring smooth communications, share information about issues they sought consultation on, and discuss possible solutions for these issues. These training sessions offer further support to nurture female employees.

■ For Want of Broader Horizons



Izumi Tachikawa
International Taxation
Section, Taxation
Department, Corporate
Finance Office, Corporate
Management Planning
Headquarters

Izumi Tachikawa works in a taxation-related division that primarily handles transactions with overseas bases. When asked her reasoning for participating in the Sister System, she smiles and replies, "I had worked in the same place since joining the Company, and I wanted to broaden my horizons. I thus chose to join the program due partially to a recommendation from my boss but also to help advance

my career. While I was a little concerned about what type of person my mentor would be, my excitement outweighed this concern."

■ Advice Grounded in Experience

Tachikawa's mentor Mikako Sato, a manager from the Human Resources and General Affairs Section of Fuji Electric IT Center, offers advice based on her experience. "Ms. Tachikawa is a hard worker that values both her



Mikako Sato
Chief Evaluator, Human
Resources and General Affairs
Section, Planning Department
Fuji Electric IT Center Co., Ltd.

job and her family, but she needs to know when to take a break." Sato then smiles to extend words of encouragement, "I hope that she can learn to relax a little and become a capable woman that can meet any situation with a smile. Ms. Tachikawa can go far by herself, but I am always around if she needs any help."

■ Mutual Growth Based on Discoveries

"Ms. Sato told me that "handling transactions with overseas bases is itself a job that broadens your horizons." It was an eye-opening moment. Having someone evaluate my situation from a different perspective brought new discoveries and changed the way I look at things," recounts Tachikawa when explaining her experience consulting with Sato.

Tachikawa also asked Sato about child-rearing. "At first I thought that it was only natural for children to require a lot of



Consultation meeting between Tachikawa and Sato

attention, but Ms. Sato told me about how important it is to let children develop a sense of independence by allowing them to do things by themselves. Coming from a mother of four kids, these words were inspiring. Should I ever have a chance to make use of my own experience in this manner, I hope to be able to pass on such wisdom to younger employees as well," Tachikawa says.

When the subject turns to networking, Sato explains, "The program provides an opportunity to interact with people you would not encounter in everyday work, making them a great opportunity to build networks."

Tachikawa adds, "The program reminded me of the importance of workplace communication. Now, I try to make sure I speak with my coworkers no matter how busy I am." The growth of both parties is palatable as the conversation proceeds.

■ Message for Working Women

Kudo offers a message for working women. "The Sister System is now in its fifth year, and over 200 people have taken advantage of this program. Through this program, I hope we can enrich both the work and private lives of female employees and build an environment in which working women can exercise their skills to the fullest. I see these training sessions as an opportunity to move toward this goal."

Fuji Electric remains committed to supporting its female employees into the future.