



FUJITSU TEN Group

CSR REPORT 2017

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"Sincerity is the way of Heaven."

The "Ten" in our company name "Fujitsu-ten" means heavenly, in the sense of ultimate or supreme. The character that means "heaven" has been our trademark since the company was first known as Kawanishi Machine Works and then later as Kobe Industries. We have always followed the ideal that "Sincerity is the way of Heaven," as stated in the classic Confucian text "The Doctrine of the Mean."

Corporate Philosophy

We will work with the utmost sincerity to support our customers and contribute to society.

Customer Focus, Highest Possible Quality

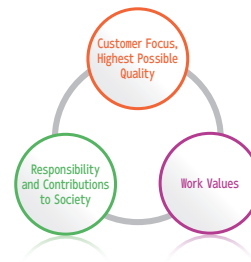
We always think first how to best serve our customers, to create products of the highest quality that exceed our customers' expectations.

Responsibility and Contributions to Society

Recognizing we are a part of society, we shall fulfill our social responsibilities and contribute to our society through our corporate activities.

Work Values

Each and everyone shall take pride in their work, and utilize their own abilities to realize a workplace where everyone shares in our achievements.



Behavior Declaration (CSR Policy)

We, FUJITSU TEN, shall contribute in building a better relationship between human and automobiles by providing our products and endeavor to become a corporation trusted by both regional and international society. In order to achieve this goal, we shall respect the ideal of "MAKOTO" ("sincerity" in Japanese) and put this "FUJITSU TEN Group Corporate Behavior Manifesto" into practice based on "FUJITSU TEN Corporate Philosophy".

Customers

Customer is number one, optimal product quality, and products/services that exceed expectations
Improve safety and product quality
Protect personal information

Employees

Respect for human rights
Prohibition of forced and child labor
Actualize job satisfaction
Fair labor conditions and safe work environment

Clients

Co-existence and co-prosperity
Fair and transparent business opportunities, and just relationships

Shareholders

Improve corporate value

Environment

Reduce environmental impact

Society

Proper information disclosure
Compliance with all international and local rules
Proper relationship with governmental authority
Handling of antisocial forces

Social contribution

Contribute to creating prosperous society and local communities

WEB Behavior Declaration (CSR Policy)

EDITORIAL POLICY

FUJITSU TEN Group annually publishes "CSR Report" in order to clearly disclose the efforts toward the realization of sustainable society and information about CSR and to communicate with our various stakeholders. "CSR Report [Digest version]" (this PDF) of 2017 edition has been prepared in accordance with our important issues of CSR and mainly summarizes our important efforts and topics in FY 2016 in a compact manner. Furthermore, "CSR Report [Detailed version]" that comprehensively reports more detailed information is available on FUJITSU TEN's Web site.

*Japanese Edition only

Reference guideline

Ministry of the Environment "Environmental Reporting Guidelines 2012"
Ministry of the Environment "Environmental Accounting Guidelines 2005"
ISO26000:2010-Guidance on social responsibility
Global Reporting Initiative (GRI) "The GRI Sustainability Reporting Guidelines Version 4.0"

Reporting period

This CSR Report mainly covers activities of FY 2016 (the period from April 1, 2016 through March 31, 2017). However, some contents of other periods are also included.

Expected readers of this report

Expected readers of this report are stakeholders including customers, suppliers, employees, shareholders, local communities and governmental organization.

Reporting organizations

This report covers activities of the entire FUJITSU TEN Group and FUJITSU TEN Group's affiliated companies. However, some data and cases included in this report cover only the specific range and sites.

Forecasts, expectations and plans related to the future

This report discloses not only past and current facts of FUJITSU TEN Group but also forecasts, expectations and plans related to the future. These forecasts, expectations and plans are assumptions and judgments based on the information available at the time of statement, and thus contain uncertainties. Therefore, please note that there is a risk that future business activities and events occurring in the future may differ from the forecasts, expectations and plans stated in this report, and FUJITSU TEN Group is not responsible for such situations.

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We continue to challenge toward the realization of a free and comfortable mobility society by connecting people, vehicles and society.

FUJITSU TEN Group's Vision is to "Challenge toward the realization of a free and comfortable mobility society where people, vehicles and society are connected" through business activities. I think we would like to continuously develop ourselves through the activities.

FUJITSU TEN LIMITED
President & Representative Director

山中 明
Akira Yamanaka

Enhance the added value of vehicles through Vehicle-ICT and contribute to society

At present, we have entered the era of digital innovations such as IoT, Artificial Intelligence (AI) and next-generation high-speed communication technology, and socioeconomic system is about to significantly change. In the automotive industry, technological innovations are advancing in the fields of "automated driving", "connected car" and "electrification", and we are now facing a great turning point. We are about to change significantly not only automotive industries but involving the other industries.

In such a society, the role of vehicles will change from a transportation to human-centered mobility. In such a world, we are aiming to change from a parts supplier of car navigations and ECU to a system supplier of cloud linkage in-vehicle information equipment and service providing businesses.

Specifically, we would like to look at sensing technologies such as millimeter wave radar and MAV (360 degree peripheral surveillance camera), products using connected technologies such as cloud linkage and a new business model using big data such as vehicle probe data, and provide value and contribute to society. Looking at the era in which vehicles will change, society will change and vehicles will become mobility of network society, FUJITSU TEN continues to challenge toward the realization of a mobility society which is comfortable, safe, secure and eco-friendly so as to realize "ICT makes a car your best partner" along with utilizing our strength in advanced driving assistance system / automatic driving technology and electronic basis technology.

Efforts toward CSR activities

Based on contributing to society through business, we are aware that we are members of society and strive to create a more prosperous society / community through corporate activities.

As the importance of CSR has been globally increasing (e.g. Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly in September 2015), in order to proceed with activities that are unique to FUJITSU TEN in line with expectations and demands of stakeholders in the mobility society, we identified important issues to preferentially work on in August 2016. We would like to introduce some of the activities.

Important issues of CSR of FUJITSU TEN Group



The first one is "Fair operating practices". In order to become a company which is trusted by stakeholders or society and local communities, we carry out preventive measures for various risks including compliance violations. In FY 2016, as for three important fields of cartel, export control and information security, we established regulations, provided education and established a monitoring system. In addition, we established CISO (Chief Information Security Officer) / information security control department to strengthen information security of in-house infrastructure / factory / in-vehicle equipment, and established Corporate Technical Audit Dept. to secure the appropriateness of design / technical certification.

The second one is "Labor practices". With social environmental changes such as lifestyle change, progress of diversity and aging population combined with low birth rate, and diversification of individual preferences and values, working styles reform based on the policy of work-life balance that enriches both work and family life is becoming an important issue. FUJITSU TEN started a selective welfare system "TenWel" to meet such new demands from October 2016. Focused on the areas of "childcare", "nursing care", "health" and "self-development", in accordance with individual demands, we established a system that contributes to fulfilling work life.

The last one is "Environment". We carry out various activities including not only the reduction of our own CO₂ emissions but also efforts in product development, the main business of departments and bases / offices. We globally select good examples from these activities and share them as Environmental Contribution Award in the excellent example presentation to improve of the level of activities. In FY 2016, awards were given for 11 activities including CO₂ reduction through improvement of the process for reflow soldering, development of quick charging control ECU capable of optimal quick charging for hybrid vehicles, biodiversity conservation activities such as regeneration of forests and mangroves in foreign countries, etc. especially excellent six activities were presented so as to activate the activities.

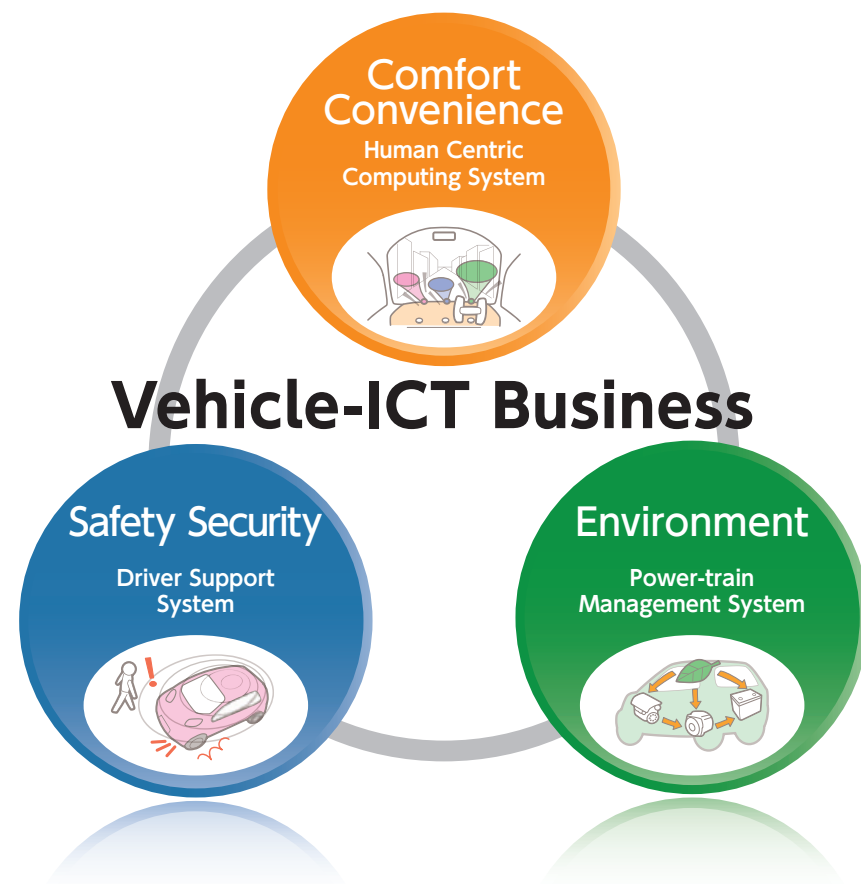
FUJITSU TEN continues to work on the important issues as a whole group and aims to become a company which is trusted by the international and local community. The source of FUJITSU TEN's CSR activities is based on the corporate philosophy "MAKOTO (sincerity) is the way of heaven". We strive to build even better relationship with stakeholders and pursue our philosophy to contribute to customers and society, centering on "MAKOTO", and continue to challenge toward the realization of a sustainable society. We hope that FUJITSU TEN is a company which always grows with our customers and partners. We appreciate your continued support and encouragement.

FUJITSU TEN Builds Bridges Between People, Vehicles, and Society.

Using such automotive technology coupled with information communications technology (ICT), we have created unique connective technologies that more closely bridge the gap between people and the vehicles they drive, as well as between society and the automobiles that play such an important role in society. Our role is to bring greater freedom comfort to the mobility society.

Enterprise vision

To contribute to creation of free and comfortable mobility society where people and vehicles, and community and vehicles are connected.



Proposal of human-friendly information providing system



Infrastructure system to incorporate vehicles into network



Power-train management system to protect the earth

Business domains and products

ICT-enabled, seamless interoperable information transmission personally integrated with people's driving habits.

Comfort & Convenience



CI Business (Car Infotainment)

We have built a system that delivers information on traffic conditions, parking availability, and the weather at the driver's destination in real time. Our goal is to deliver information with optimal content delivered with optimal timing based on sensors that help ascertain how the driver is feeling, his or her state of health, and conditions on that day.

Car Navigation, Display Audio, CD Tuner



Sound system, Amplifier



Rear Seat Display



Radio Antenna Amplifier



One-of-a-kind sensing technologies and full-perimeter monitoring extend car safety and security throughout society.

Safety & Security



V-ICT Business (Vehicle-ICT)

We make products that support safe driving from many angles by preventing accidents and minimizing damage if an accident does occur with the aim of establishing a support system for safe driving that links together cars, pedestrians, cities, and road information.

Multi-angle vision™



Millimeter wave radar



E-call system



Vehicle Security System



Cloud-Based Taxi Allocation system



Cloud-Based Drive Recorder



We are aiding the global environment by helping to improve fuel efficiency, reduce CO₂ emissions, and optimize energy in vehicular travel.

Environment



AE Business (Automotive Electronics)

We are actively developing systems for improving fuel efficiency and reducing exhaust emissions. As power sources become more advanced in various ways, our products that control power sources and make them more efficient are used to optimize energy use not only in cars and towns, but throughout society.

Hybrid ECU



Electric Power Steering ECU



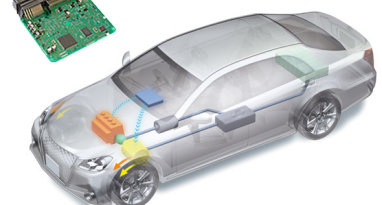
Engine Control ECU



Airbag ECU



Battery Control Unit



Under the idea that “the spirit of “MAKOTO” is the source of our CSR activities and the CSR activities are our business activities themselves based on the corporate philosophy”, FUJITSU TEN Group aims to become a corporate group that is trusted by stakeholders through various activities.

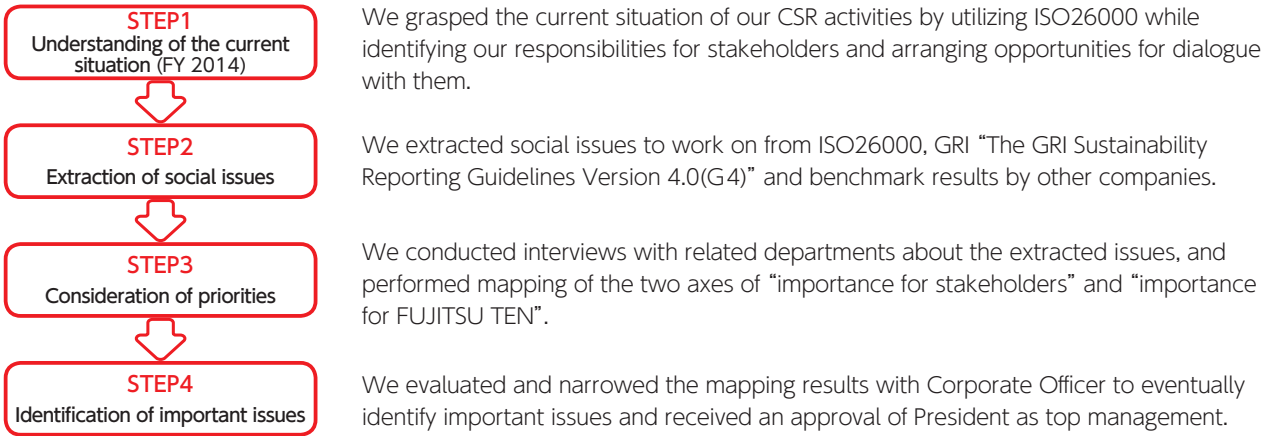
Identify important issues of CSR

In 2016, in order to proceed with activities that are unique to FUJITSU TEN in line with expectations and needs of stakeholders, we have identified important issues (Materiality) to preferentially work on.

Important issues of CSR of FUJITSU TEN Group



Process of identifying important issues



Efforts of FY 2016 and after

From January 2017, related people of corporate departments gather to periodically hold “CSR discussion meeting” where they discuss how to proceed with integrated CSR activities as FUJITSU TEN Group. In addition, in July 2017, executives in charge of corporate also joined and “Corporate CSR meeting” was held. In the meeting, FY 2016 activities of each functional department were reviewed and the direction of FY 2017 activities was discussed. We continue to review and establish CSR policy / in-house system through discussion meetings and Corporate CSR meeting, and clarify concrete efforts, goals and milestones of activities.

Important issues and main efforts/achievements in FY 2016

Important issues		Important issues and main efforts / achievements in FY 2016
Consumer issues	Protection of customers' data	·Establish rules based on the “personal information protection policy” and thoroughly familiarize employees with the rules (ongoing)
	Improvement of customer satisfaction	·Revised a quality management system to comply with a new standard “IATF16949” ·Held four special exhibitions in total in order to raise employee awareness of quality ·Performed QC circle activities (small group activities) by 4,660 employees (continued)
Environment	Contribution to environment by our products	·Developed a thin-type display audio that achieves compact and lightweight design, enlarged display and improved visibility ·Added “a product whose function can contribute to the reduction of the environmental loads (environmental contribution product)” to in-house criteria for examination of green products ·Obtained globally integrated certification for “ISO14001:2015” with the top speed in the industry
Human rights	Due diligence (Respect of human rights)	·Conduct educational programs related to human rights in the new employee training or level-specific training at the time of promotion (ongoing) ·Held trainings related to power harassment for leaders
Labor practices	Personnel diversity (Diversity)	·Sent President’s message about the importance of diversity in corporate activities, especially the importance of utilization of women to all employees ·Certified as an “Eruboshi” company (Grade 3) showing that the company promotes advancement of women ·Held discussion meetings with senior employees for young women employees to eliminate anxiety about balancing work and family life and provide opportunities to think about future career
	Work-life balance	·Encouraged all employees to take three planned leaves to give them opportunities to work systematically and review working styles
	Enhancement of employee wellness	·Held health enlightenment seminars for young people aged 30 or under to provide advice on self-care of eating / exercising / stress. ·Reduced and moved smoking area to outside and performed enlightenment activities such as holding non-smoking seminars in terms of preventing passive smoking.
Fair operating practices	Fair and equitable transactions	·Held a lecture under the theme of “compliance of corporate activities” in a regular exchange meeting of “Ten-ei-kai”. About 250 people including suppliers participated.

Opportunities for dialogue with stakeholders

Stakeholder	Opportunities for dialogue / Tool	Stakeholder	Opportunities for dialogue / Tool
Customers	·Information exchange by visiting customers ·Customer service liaison office (telephone/ e-mail) ·User questionnaire postcards ·Exhibitions (Motor Show/technology exhibition)	Shareholders	·Shareholders’ meeting ·Various briefing meetings ·Business report/annual report
Employees	·Questionnaire to improve workplace capability ·In-house newsletter on the intranet ·Interviews with supervisors ·Consultation counter (human rights/career/ mental health) ·Regular labor-management council ·Compliance line	Environment	·CSR Report ·Environmental exchange meeting with neighboring companies ·Display at environmental exhibitions ·Participation in local environmental conservation activities
Suppliers	·Suppliers convention / production update briefing ·“Ten-ei-kai”, a supplier cooperation association (general assembly/each sub-committee) ·Self-inspection survey (quality/environment/ CSR) ·Compliance line	Society (Local communities)	·Regular dialogue meetings and information exchange meetings ·Participation in and sponsorship of local events ·Factory tours/events for invitation to factories ·Participation in local disaster prevention/ welfare communities ·Contribution activities to local communities

Feature : Contribution to society through business

The FUJITSU TEN Group creates products and services related to "safety and security," "comfort and convenience," and "the environment" to achieve a rich mobility society, and by doing so, not only solves social issues but also delivers new value.

Provide products for corporate customers

Safety & Security

Contribution to reduction in traffic accidents by company cars

Telematics Service for Safe Driving Management

From June 2016, FUJITSU TEN started to offer "Telematics Service for Safe Driving Management" that provides more simple and reasonable safe driving management to companies that own commercial vehicles and service vehicles without a schedule control manager or a manager having expertise.

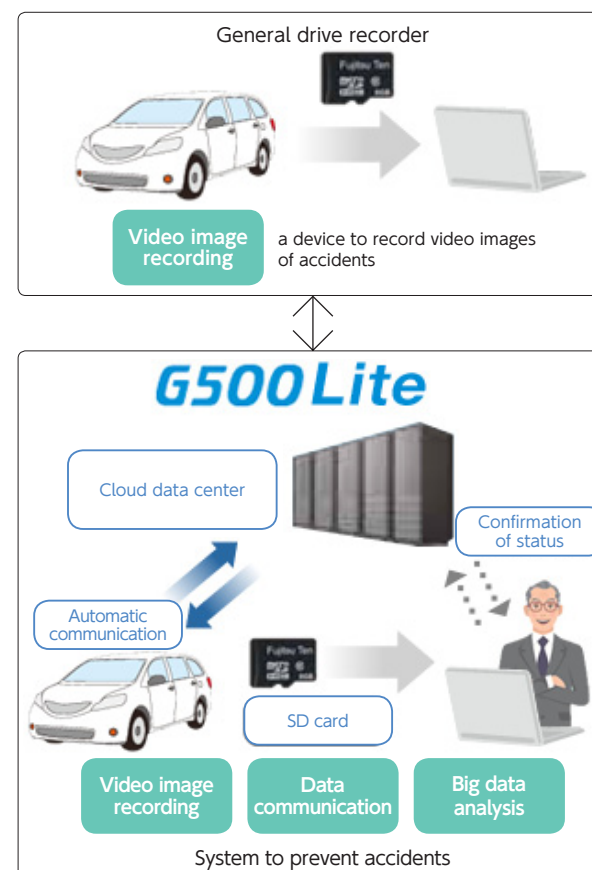
Traffic accidents lead not only to financial impacts but also to loss of business opportunities including loss of social credibility. Therefore, it has become a major issue for companies as well as the whole society to prevent traffic accidents. Recently, the ISO 39001* was issued, and awareness of safe driving management has been growing recently among a wide range of companies, in addition to transportation operators using taxis, busses, trucks, etc. FUJITSU TEN has offered drive recorders for taxi, bus and truck operators and provided analysis tools to them for easier safe driving management since 2005. While the total number of taxis, busses and trucks for commercial use is 2 to 3 million, the total number of general commercial vehicles such as commercial vehicles and service vehicles amounts to about 15 million or more. It is said that the accident rate per 10 thousand vehicles of those general commercial vehicles is about 4.5 times larger than that of private cars.

Therefore, we restructured the system of the commercial use drive recorder "G500 Series" that we had offered to taxi companies, bus companies, transportation companies, etc., for general commercial vehicles, in the hope that "driving general commercial vehicles safely is of the same necessity as driving taxis safely".

The system "Telematics Service for Safe Driving Management" where the connected drive recorder "G500Lite" is connected to the cloud center and automatically collects driving status such as sudden braking, abrupt steering, erratic driving and the distance to the vehicle in front in the cloud center. Furthermore, the drive recorder analyzes the driving of the driver based on collected driving characteristic data by simple operation, automatically prepares a safe driving diagnosis report and provides comments to help the driver improve his / her driving, and automatically sets items to be improved and their recommended targets based on past driving data. By using such functions, the system provides strong support for planning for safe driving of general commercial vehicles to training and learning for each driver.

*ISO39001:an international standard for road traffic safety management system

Difference with general drive recorders



Three solutions for avoiding traffic accidents

Solution 1

Sense dangerous driving with high accuracy

The manager can grasp driver behavior by acquiring data, such as erratic driving by the driver and inter-vehicular distance.

Solution 2

Share information on hazardous locations by connecting to the cloud center

Drivers can understand hazardous locations and drive safely by sharing near-miss map.

Solution 3

Effectively and simply realize driving guidance

The system collects the driver's driving data and smartly prepares a training material so that the driver can learn effectively.

Feature : Contribution to society through business

Provide products for individual customers

Safety & Security

Comfort & Convenience

Make drive recorder more familiar and easier to use

Navigation with a built-in drive recorder, ROKUNAVI

Drive recorders provide "security" by recording video images before and after traffic accidents in the event of traffic accidents. With traffic accidents becoming a major social problem, individual customers who purchase car navigations with drive recorders are gradually increasing. Under such circumstances, FUJITSU TEN developed a car navigation "ROKUNAVI" with a built-in drive recorder and released it in December 2016.

ROKUNAVI

In addition to combining the drive recorder with the car navigation, ROKUNAVI has functions that only FUJITSU TEN can provide. For example, ROKUNAVI is capable of recording video images behind the vehicle by using a rear camera and drivers can check recorded images on the display of the car navigation.



Advantages of ROKUNAVI

[1] Reduce driver's anxiety about situations behind the vehicle

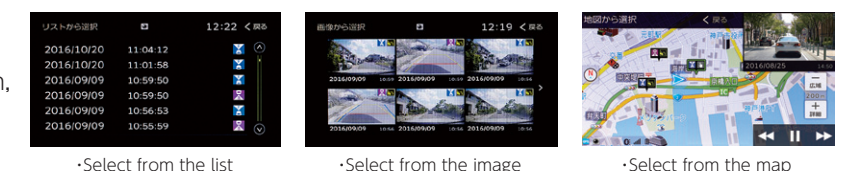
A traffic accident may occur in front of the vehicle and there is also a possibility of rear-end collision while waiting in traffic jams or at traffic lights. ROKUNAVI is capable of recording images not only in front of but also behind the vehicle simultaneously by using the rear camera, which reduces driver's anxiety about situations behind the vehicle.

* The rear camera is required separately.



[2] Check recorded video images on the car navigation screen immediately

Recorded images can be seen on a large and easily visible display of the car navigation. When traffic accidents occur, drivers can check video images immediately and ROKUNAVI assists in dealing with traffic accidents. In addition, it is possible to send recorded video images to smart phones through Wi-Fi.



[3] Neat installation

The recording section of our drive recorders are built into the car navigation system, so you only have to attach the camera to complete the installation. The device does not occupy the windshield or the dashboard, nor does it block your front field of view, for a sleek installation.

To support “safety”

Built-in drive recorder with quality for in-vehicle system that only FUJITSU TEN can provide

Even if a drive recorder receives a strong shock at the time of an accident, etc., “it can record images of the moment and store them as data without breaking down”. This is obvious but very important. In contrast, since the vehicle environment is harsh, vehicle-mounted products are required to “meet requirements unique to vehicles” such as “temperature change”, “vibration durability”, “installation that does not interfere with driver’s view” and “size of the product”.

FUJITSU TEN has acquired a wide range of knowledge related to vehicles through the development of car navigations, millimeter-wave radars that measure inter-vehicular distances, or equipment that controls engines, air-bags, etc. In order to develop ROKUNAVI, we utilized the knowledg

Thorough noise countermeasures not to affect other devices

Noises generated from respective CPUs for a drive recorder and a car navigation may affect devices such as ETC and a terrestrial digital broadcasting player of the car navigation. In order to realize comfortable operation of the car navigation, a triple-core CPU with high processing capabilities is used for ROKUNAVI. Thus, further noise countermeasures were needed and it was also necessary to deal with noises generated when sending video images captured by a camera to the drive recorder.

Therefore, we analyzed a noise generation pattern of each CPU and repeated simulation after implementing countermeasures from different points of view so as to implement thorough noise countermeasures.



Voice
Voice of
a developer

VICT) Engineering Dept.2 Product Planning Team Ryohei Ohno

More and more often, people are requesting our drive recorder navigation system “ROKUNAVI” at shops by name, and we can feel we could provide a product that meets customer needs.

We provide the new value of “security” to car navigation systems. Moving forward, we will undertake the challenge of creating new value, refusing to be tied down by existing ideas, and also considering linking and fusing together products from different fields. We want to develop products that fully consider the customer’s perspective.

Easier to use and “comfortable”. Interface design innovations

Design devised to operate intuitively and comfortably with fewer operations

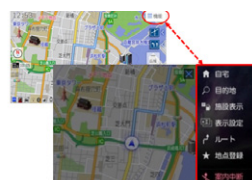
As a result of usability evaluation of ECLIPSE by specialists and general users, we received an opinion that “Along with multi-functions, the menu has become complex so that it is difficult to operate intuitively and hard to find a desired operation”. Therefore, we thought it is important that “a desired screen can be found intuitively with few operations as possible”, and innovated the interface design.

For example, in a two-screen display of audio functions and car navigation, even if the screen changes, audio operation buttons are displayed at the same position as a common layout so as to reduce operation confusion. In the screens of car navigation and audio functions, animation is effectively used so as to switch screens smoothly.



Combination of car navigation and audio functions

With a two-screen display, the driver can immediately grasp the information of both car navigation and audio functions with a quick glance.



Function buttons

Main operations are available (search for a destination, display a facility, route change, etc. from the car navigation screen)



Voice
Voice of
a developer

SS)Sw Engrg Dept 3 UI Design Team Tatsuki Kubo

In order to develop the design, I thoroughly conducted usability evaluation and repeated discussions and examinations to the fine details. Based on this, I designed the amount of information to be displayed and an operating method, and succeeded in embodying “operation without confusion”. The design is highly evaluated at the point that operations of audio functions and car navigation can be conducted in a single screen without switching screens.

Furthermore, I developed the design with developers in the U.S. so as to incorporate a universal design, which leads to easy-to-use design for everyone.

Enhancement of “connected functions”

Connected service “Future Link” makes easy linking to the Internet

Connected service “Future Link”^{*} enables drivers to easily use convenient functions, such as updating maps automatically and indicating information on space availability in parking lots around the destination by using Wi-Fi.

^{*}Future Link

Concept of in-vehicle information equipment and services that provides a new mobility life by linking data on “people”, “vehicles” and “society”.



AVN Marks Its 20th Anniversary

~20 Years of Pursuing “The Form Tuned in to Safety and Comfort”~

In July of 1997, our “AVN” product, a combination of “Audio,” “Visual,” and “Navigation,” first went on sale under the ECLIPSE brand. 2017 marked the 20th year anniversary. The AVN successfully grew into a standard form for car navigation systems, and the spirit and desire to undertake challenges continue on even today.

Development Spirit of the AVN

Before the arrival of the AVN, mainstream car navigation systems had separate monitors and main units, with the monitor placed on the dashboard and the main unit placed under the glove compartment or under the seat. This kind of system could create problems such as interference with the airbag, or the monitor blocking the field of vision. We developed a product that not only cleared these issues but would allow the driver and passengers to feel comfortable even with limited space in the car, in the spirit that “being safe makes you comfortable.” Thus, the AVN was born.

Since then, we have not only made it easier to use as a navigation system, but also added the “connecting function” that loads external information into the car, and created the drive recorder navigation system “ROKUNAVI” that fuses the AVN with a drive recorder. We have continued to advance, rapidly adding functions and services to support your security for more fun, more active driving.



First-generation AVN, created after approximately 2 years of development

History of undertaking challenges



Keeping this AVN development spirit, ECLIPSE will continue to grow, always providing extra value that excites drivers.

^{*}ROKUNAVI and Future Link are registered trademarks of FUJITSU TEN LIMITED.



We always think first how to serve our customers.

We always think first how to serve our customers, to create products/services that exceed our customers' expectations by improving quality and safety.

Furthermore, we strictly manage personal information of customers after collecting them by legitimate means and clarifying the purpose of use.

Efforts made by our customer service representative

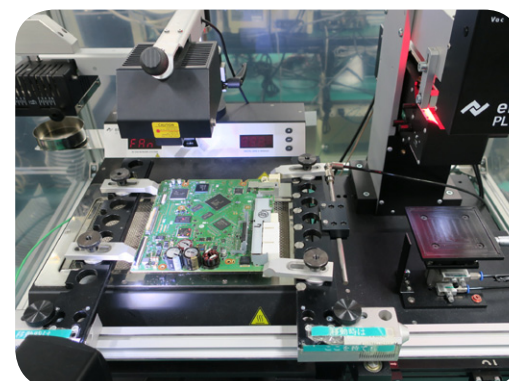
In order to respond to customer inquiries about aftermarket products, our customer service liaison office keeps in mind the philosophy "Responding to individual customers by keeping in close contact with them".

- We aim for easily accessible and high quality service.
- We assign the appropriate operator based on the type of inquiries if customers select the inquiry number after calling.
- We make efforts to improve customer service every day by analyzing the contents of inquiries.
- We feed customers' opinions back to in-house departments.

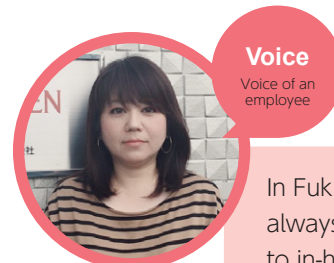
Repairs

In Japan certified Service Shops (hereinafter referred to as SS) at 93 bases nationwide repair products and Field Support Centers (hereinafter referred to as FSC) at 7 sites nationwide help SS on a technical level, such as a failure diagnosis. The overseas customer service system consists of 10 bases of overseas subsidiaries, 14 bases of FSC and 90 bases of SS.

- We aim for "quick, reasonable and careful repair". Realize low repair cost by repairing parts in a minimum part unit.
- We strive to maintain and improve the service level by conducting a certification examination related to service skills for staff in SS and centralized repair bases every year.



Introduced "a high-performance rework system" into centralized repair bases to promote lower repair cost of electronic circuit boards and reduced amount of waste and realized them.



Voice
Voice of an employee

M&S Service Dept 2, Fukuoka Field Support Center Akiko Okui

In Fukuoka FSC in charge of field support activities in Kyushu and Okinawa region, I always try to work from the customer's viewpoint. Developing customer's real opinions to in-house departments leads to the creation of better products that meet our customer demand and makes work rewarding. I always think first for customers and promote field support activities in the future.



Protection of personal information for customers

Recognizing that appropriate handling of the personal information which can identify a certain person such as customer's name, address and e-mail address is a social responsibility as a company, FUJITSU TEN Group has been committed to the protection of personal information, such as establishing rules based on the "personal information protection policy" and thoroughly familiarizing employees with the rules.

Since car navigation equipment includes personal information of customers, SS is also obligated to protect personal information by appointing a responsible person for information management.

Pursuit of quality and safety of products

In order to provide products trusted and satisfied by customers, we have developed a global quality assurance system based on the international standards for quality management system and implemented a cycle designed to improve product quality at domestic and overseas bases.

In such efforts, based on "FUJITSU TEN Group Products Safety Charter, we strive to ensure quality and safety of products at each step from the product planning step to the mass production step.

- We decide roles and cooperation responsibility of design, production and quality assurance to structure a system for ensuring quality by own process completion.

Efforts in FY 2016

- We revised a quality management system to comply with a new standard "IATF16949" in order to achieve higher level customer satisfaction.
- We held four special exhibitions in total in order to raise all employees' awareness of quality. Important issues of quality, criticism and complaints from customers, comparison with other companies and evaluation results were displayed on panels and videos.
- We performed QC circle activities (small group activities) by 4,660 employees under the slogan of "Think and act on your own initiative in QC circle activities".



the quality exhibition.(November 2016)



Voice
Voice of an employee

QA/CQE Dept Analysis & Investigation Team Hiroki Hagiya (photo right)

I Under the basic principle of "Human resource development/activating workplace/contribution to company's prosperity", QC circle activities (small group improvement activities) are the activities to solve problems/issues of the workplace by using the quality control method in cooperation with members.

I again realized the importance of quality management and the meaning of working together at a team through these activities. I have become more aware of the word "Think and act on your own initiative" and I think I have developed myself by proceeding with activities while organizing members.

In addition, I experienced giving a presentation outside the company and knew my level of activities. I would like to utilize this experience in my future work.



●Contribution to environment by our

The beautiful earth is handed down to the next generation.

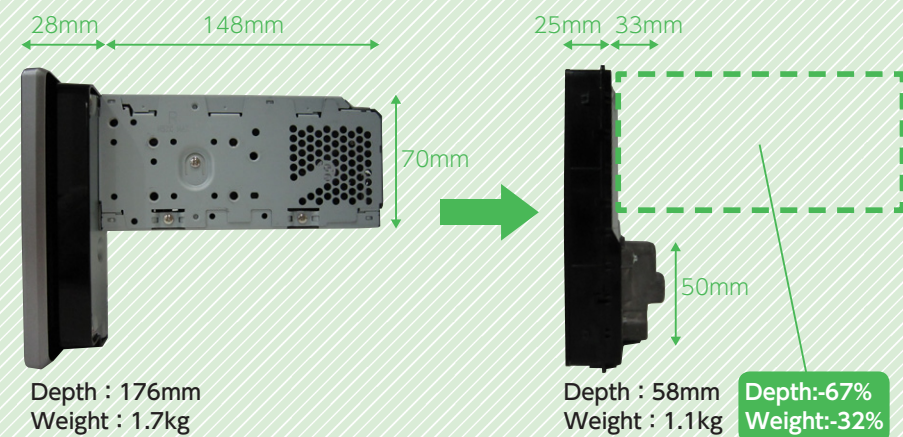
We are deeply aware of the necessity of environmental preservation on a global scale, and promote reduction of environmental loads in every area of business activities.



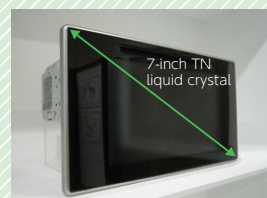
TOPICS

Development of thin-type Display Audio

We drastically changed the parts structure of AV combination unit for automotive manufacture, and integrated PCBs into one PCB by replacing the parts with small chip components etc. Then we realized saving space by the placement of PCB in vertical direction. The feature of this product is not only compact and light but also the improvement of visibility by the big screen which is enlarged from 7-inch to 8-inch and adopting IPS liquid crystal panel.



Improved the visibility by big screen and adopting IPS liquid crystal panel.



Voice

Voice of employees

C)Engineering Dept.1 Engineering Team 3 Naoki Harada (photo right)
C)Mechanical Engineering Dept Team 1 Shinichi Kinoshita (photo left)

We proposed thin-type display audio to automotive manufacture based on the concept of "improvement of mounting space in in-dash panel", "enhancement of a space in car cabin" and "contribution to improvement of fuel consumption and electric power consumption" and our products were adopted.

We needed to adopt small chip components, and to increase mounting density of parts in PCB.

Under development, the temperature rise of display surface was the biggest issue, but we realized the reduction of surface temperature by optimizing placement of heat generating parts and shape of the heat sink for radiation with use of simulation tool, then we safely succeeded in a mass production.

We would like to work on development of eco-friendly product with utilization of this experience.

Green Products

Design department performs product environment assessment to prohibit the use of substances and materials which are regulated by law to reduce the environmental loads of products.

Furthermore, we evaluate the lower power consumption, more compact and lower weight of product itself. The product which passed a certain criteria shall be defined as "green product", and we established in-house criteria to define a product having eco-friendly level leading industry compared to in-house product or outside company product among green products as "super green product" and proceed with eco-design products.

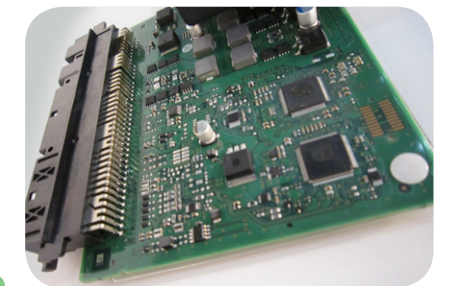
Efforts in FY 2016

- We included "A product whose function can contribute to reduction of the environmental loads (environmental contribution product)" in in-house criteria for examination in addition to the current "the lower power consumption, more compact and lower weight of product compared to the previous model" to promote development of eco-friendly products

Example of environmental contribution product: Stop & start system control ECU

This product reduces CO₂ emission while car stopping by detecting vehicle start / stop operation of driver and automatic control of stop / re-start of engine.

CO₂ reduction effect: about 110kg / year per one unit



Stop & start system control ECU

Management System

TOPICS

Obtaining of global joint certification for ISO14001: 2015 with top speed in industry

On February 19, 2017, headquarter and 25 companies and 58 sites of FUJITSU TEN Group obtained global joint certification*1 for ISO14001:2015 that was a revised standard of environment management system ISO14001. It was the first time in car electronics industry*2. Regarding ISO14001, international standard of environment management system (EMS), FUJITSU TEN finished the obtaining of certification for all domestic production sites in 1997, and then we finished the obtaining of certification for all overseas production sites in 2006. In 2009, we obtained global joint certification with top speed in Japan.

Toward achieving the realization of environmental medium-and long-term vision, we FUJITSU TEN Group will globally make our concerted best efforts as better corporate citizen by the development of environmental contribution products and contribution to reduction of the environmental loads so that we will promote building better relationship among humans, vehicles, and environment.



Registration certificate

*1 System to manage the governance for whole company centering on headquarter function, and establish the system to observe the law as well to reduce the environmental loads, and the third party certify.

*2 In case of Japanese companies in in-vehicle / electronics equipment. An internal investigation

●Due diligence (Respect of human rights)

●Personnel diversity (Diversity)

●Work-life balance

●Enhancement of employee wellness



We respect “Job satisfaction” of each person

We aim to build workplace where human rights of each employee are respected and he/she can work with proud and sense of challenge while he/she demonstrates his/her abilities. We also make efforts to maintain and improve a safe and healthy labor environment under providing fair working conditions for all employees.

TOPICS

Introduced selective welfare system “TenWel”

FUJITSU TEN introduced a new selective welfare system “TenWel” corresponding to the trend of era such as life style, needs and diversification of values. In the new system, employee can choose any combination of menu from the field of childcare”, “nursing care”, “health”, and “self-development” etc. with use of assigned points and receive a benefit. Employees can choose menu flexibly and receive the benefit responding to their life plan compared to the previous system.

We would like to strengthen assistance for employee's work life through the utilization of this system.



“TenWel” portal site

Respect of human rights

FUJITSU TEN regards “respect of human rights” as Business Activity Directive. Also we regard “respect of human rights” as corporate behavior declaration (CSR policy) and describe the words “shall not engage discrimination based on factor of race, color, religion, faith, sex, social status, birth, disability, sexual orientation etc., and human-rights violation, forced labor, and child labor”

- We perform training related to human rights for newcomers and each classified staff, and perform putting posters and distributing leaflets every December.

Efforts in FY 2016

- Following the last training for managers, we held training to deepen understanding of power harassment for leaders who always instructs subordinates.



Important issues: **Human rights**
Labor practices

Acceptance of diversity

We think that all employees will accept and utilize diversity, which will lead to “development of individuals” and “strengthening of the competitiveness and growth of our company”. Led by Diversity Promotion Section, we strive to “develop a corporate culture” which respects diversity, “promote work-life balance”, and “support employees’ independence and success”.

- We perform training for newcomers and each classified staff to deepen understanding of necessity and importance of the diversity.

Efforts in FY 2016

- The president addressed the message about the effort of FUJITSU TEN's utilization of women employee, as the first step of importance of the diversity promotion flexibly responding to environmental changes.

Promotion of work-life balance

In order for employees to be able to realize variety of working styles according to their lifestyles and life stages, and to balance their work and family life, FUJITSU TEN develops various measures. Specifically, we provide / strengthen various systems such as childcare leave and nursing care leave, and provide information and enhance awareness and enlightenment so as to promote the utilization of the systems.

As a result of such efforts, in May 2015, FUJITSU TEN received special certification, “Platinum Kurumin certification” based on “Act on Advancement of Measures to Support Raising Next-Generation Children” from Hyogo Labor Bureau.

- We perform assistance of balance between work and family life, and career improvement such as interview, discussion meetings and e-learning guidance etc. for employees who take a childcare leave of absence so that they can smoothly work on his / her job after reinstatement.
- We establish no overtime days and are promoting to acquire annual leave to realize well-balanced working style.
- We hold our “company tour for children” to invite employees’ children to see the office of their parents every year.



Platinum Kurumin



Voice
Voice of an employee

Prod/Prod Engrg Dept PED Group Assy&Insp Develop Team **Takenari Nakagawa**

I joined “company tour for children”. I was surprised at contents based on elaborate idea and my children seemed to join very joyfully. I joined it because this is a good opportunity for my children to understand my company and job. After this event, they sometimes ask “what kind of machine are you designing now?” to me. I feel they deepened understanding for my job.

Efforts in FY 2016

- We worked on effort for all employees to take three planned leaves in order to give them an opportunity to work systematically and review their working styles.



Promotion of women's advancement

As one of measure of supporting employees' independence and success, we strive to create a workplace where women can work comfortably, such as to continue to employ women, expand the types of jobs available, develop and improve various systems for balancing work and childcare, and develop a corporate culture to utilize the measures.

- We conduct training to reform consciousness to demonstrate leadership and to support building of in-house network in order to increase the number of woman who aims to be a position with higher responsibility.



Efforts in FY 2016

- In July 2016, we obtained the "Eruboshi" company certification (Grade 3) by the Minister of Health, Labor and Welfare based on the evaluation result of "recruitment", "continued employment", and "various career courses" etc.
- We hold discussion meetings with senior employees for young women employees for providing the opportunity to deepen relationships with senior employees / same generation employees, to eliminate anxiety about balancing work and family life, and to think about their future career.



Voice
Voice of an employee

VICT/Cn Svce Engrg Dept OEM Telematics Team Adusa Minode

I joined a discussion meeting with senior employees and heard their thinking for career and will for the job. They were different from what I had imagined, and it was very valuable opportunity because I could understand their attitude to working with natural style, so that I changed my mind positively toward career besides interacting with same generation's women employees.

Mental and physical health support

Under recognition of "health management of employee is a base of management", we enhance health awareness of each employee and support voluntary health promotion including mental and physical health. We have been shifting main support scheme to "activities for preventing mental and physical illnesses" from "health check / care" since 2nd half in FY 2014,.

- We perform regular health examination, health examination by purpose corresponding to age / workplace environment, and care of mental health.

Efforts in FY 2016

- We changed the age of target person for health enlightenment seminar to young people up to age of 30 (newcomer, age of 27 and 30), and provided advice on self-care of eating / exercising / stress because we found there was the trend that degree of obesity of employees between age of 20 and age of 40 increased from the result of health check.
- We performed various activities such as integration of smoking space, moving smoking space to outside, and enlightenment activities like no smoking event / seminar in terms of preventing passive smoking.



We performed "lung age measurement" at no smoking event.

● Fair and equitable transactions



We maintain fair relationships with suppliers.

We provide open and equitable transaction opportunity toward suppliers, comply with all laws and contracts, and maintain fair relationships. And under a long-term perspective, we work on materializing the partnerships for co-existence and co-prosperity with suppliers based on mutual trust.

Partnership with suppliers

FUJITSU TEN Group describes the sentences "respecting for clients such as suppliers etc.", "materializing the partnerships for co-existence and co-prosperity with suppliers based on mutual trust under a long-term perspective", "providing open and equitable transaction opportunity", and "complying with laws and contracts, and maintaining fair relationships" in the Corporate Behavior Declaration (CSR policy).

Based on the above, we set the policy of "open, fair and equitable transactions", "co-existence and co-prosperity with suppliers", and "promotion of CSR" as the basic policy for procurement. And we notify suppliers of our procurement policy, important issues, and requests for suppliers through all suppliers convention.

We also present letters of appreciation to the suppliers there which achieved higher performance.

TOPICS

"Ten-ei-kai", a supplier cooperation association, held a lecture by Mr. Nobuo Gohara.

In November FY 2016, "Ten-ei-kai" comprising 95 suppliers and FUJITSU TEN held a lecture by Mr. Nobuo Gohara who was a representative lawyer of Gohara compliance and law office in a regular exchange meeting. About 250 participants eagerly listened to the lecture of "compliance in corporate activities".



Lecture by Mr. Gohara



Voice
Voice of a supplier

KOKI COMPANY LIMITED Mr. Takeshi Shirai, Operating officer

Our company is a manufacturer of solder material which is used for mounting of electrical printed board. We received the prestigious award "Excellent Engineering Development" for the "low cost solder paste" which was joint development with FUJITSU TEN, at "FUJITSU TEN suppliers convention 2017". This product realizes cost reduction without degradation of the junction reliability which is required for mounting of print board, and contributes also to reduction of consumption of nitrogen gas while mounting.

We would like to work on manufacturing which can contribute to society and environment in the future, too.

We declare social responsibilities while treasuring “MAKOTO”.

Under the leadership of top management, we will establish the system which declares social responsibilities, and develop organizational culture which is suitable for a company trusted by international society and local communities.

Compliance

FUJITSU TEN Group strives to promote group-wide compliance activities, establishing in-house rules, training programs, and monitoring systems, while clarifying laws and regulations related to business activities.

Efforts in FY 2016

- We implemented the development of regulations, trainings, and monitoring systems for three major field of cartel, export control, and information security.
- We established Corporate Technical Audit Dept. which aimed to secure appropriateness on laws and contracts as for design / technical certification.

Voice

Voice of an employee

Corp|Legal & Compliance Dept. Moriaki Inoue

To live up to the expectations and trust placed in us by our customers and society, and so that each and every employee can carry out sincere and fair business activities in light of the laws and customs of the various countries and regions where our company's market exists, we shall carry out measures such as in-company training and responding to consultation about compliance issues.

In the training, we will strive to give support so that all our employees can practice compliance in our actual business, such as by introducing real cases and giving easy-to-understand explanations of the thinking behind laws.

Information Security

Since the risk of information leakage has increased in accordance with rapid development of ICT environment, we strive to strengthen information security by establishing various rules, performing audits, and trainings by e-learning for all employees.

- We established the relevant regulations based on ISMS* international standard (ISO / IEC27001 etc.). We build and operate information management system and perform self-check and audit in whole company.
- We protect information leakage by introducing anti-virus software for all PC and system which checks security status of PC connected with network.
- We establish “Security Day” once a month, and strive to enlighten consciousness of information security by sending various information

* ISMS: Information Security Management System

Toward building richer society / local communities

We would like to contribute to building richer society / local communities through corporate activities under self-awareness of “we are a member of society”.

TOPICS

Distribute Kobe jazz guide map by collaboration with “BLUE GIANT”

We have been operating website “KOBEmjazz.jp” sending information on jazz and big band of Kobe since year of 2006 with thought of “For more people to more touch the jazz culture of Kobe where we headquarter. We create a Kobe jazz guide map by use of contents to introduce jazz live houses in Kobe to contribute to PR (Public Relations) of our home town Kobe. The map is distributed at various places in Kobe with cooperation of Kobe city and Kobe citizen culture promotion foundation.

Taking opportunity to have 10th anniversary of website opening in 2016, we revised the Kobe jazz guide map and adopted characters of “BLUE GIANT” as the cover of the map which is popular on a youth comic. As a result, the new map acquired favorable reputations from the people including younger generations than ever before, which leads to good PR of jazz town Kobe to broader generations.



Kobe jazz guide map

TOPICS

Women's Volleyball Club Awarded the "Hyogo Universal Society Development Award" by Hyogo Prefecture

Our women's volleyball club was awarded the "Hyogo Universal Society Development Award" for the first time, given by Hyogo Prefecture to corporations, organizations, and individuals in the prefecture engaging in efforts towards achieving a universal society. Our women's volleyball club has been praised for holding volleyball workshops through Japan for everybody, from children to adults, regardless of handicaps.



Voice

Voice of Women's Volleyball Club Members

FUJITSU TEN Red Phoenix Manager Ayako Karino

We value places of interaction for everyone, regardless of handicaps, age, or class, through volleyball. We're very happy that our daily activities to spread the fun of volleyball and the fun of team sports to more people have been praised through this wonderful award. We feel renewed devotion to further efforts to contribute to society.

Financial report (consolidated)

※ The amounts shown in this financial report are rounded down to the unit used for presentation.



Corporate Profile

Company name FUJITSU TEN LIMITED
 Head office address 2-28,Gosho-dori 1-chome,Hyogo-ku,Kobe 652-8510,Japan
 Phone +81-78-671-5081
 Established October 25, 1972
 Capital ¥5,300 million
 Shareholders FUJITSU LIMITED, TOYOTA MOTOR CORPORATION, DENSO CORPORATION
 Business Description Vehicle-ICT: Multi-angle vision, Millimeter wave radar,E-call system, Drive Recorder etc.
 Car Infotainment : Car Navigation, Display Audio, CD Tuner, Sound system etc.
 Automotive Electronics : Hybrid ECU, EPS ECU, EFI ECU, Airbag ECU etc.
 Chairman & Representative Director Takashi Shigematsu
 President & Representative Director Akira Yamanaka

List of business offices

Sales/Production/Research & Development/Logistics and others
 The Bases with an asterisk (*) are not included in the scope of this report

WEB List of business offices

Japan		
FUJITSU TEN LIMITED	FUJITSU TEN SALES LIMITED	FUJITSU TEN TECHNOLOGY LIMITED
FUJITSU TEN MANUFACTURING LIMITED	FUJITSU TEN RESEARCH LIMITED	FUJITSU TEN SERVICE LIMITED
FUJITSU TEN TECHNOSEPTA LIMITED	FUJITSU TEN STAFF LIMITED	
Asia, Oceania		
Australia	FUJITSU TEN (AUSTRALIA) PTY. LTD.	
Philippines	FUJITSU TEN CORPORATION OF THE PHILIPPINES	
	FUJITSU TEN SOLUTIONS PHILIPPINES, INC.	
Thailand	FUJITSU TEN (THAILAND) COMPANY LIMITED	
Singapore	FUJITSU TEN (SINGAPORE) PTE. LTD	
India	FUJITSU TEN MINDA INDIA PVT. LTD	
	MINDA F-TEN PVT. LTD *	
Indonesia	PT. FUJITSU TEN MANUFACTURING INDONESIA	
	PT. FUJITSU TEN AVE INDONESIA *	
Korea	FUJITSU TEN KOREA LIMITED	
China	FUJITSU TEN(CHINA)LTD.	
	TIANJIN FUJITSU TEN ELECTRONICS CO., LTD.	
	FUJITSU TEN ELECTRONICS (WUXI) LTD.	
	FUJITSU TEN (TIANJIN) PRECISION ELECTRONICS CO.,LTD*	
	FUJITSU TEN TRADING (TIANJIN) LTD.	
	FUJITSU TEN RESEARCH & DEVELOPMENT (TIANJIN) LTD.	
Europe		
Spain	FUJITSU TEN ESPAÑA, S. A.	
Germany	FUJITSU TEN (EUROPE) GmbH	
Americas		
United States	FUJITSU TEN CORP. OF AMERICA	
	TEN TECHNOSEPTA USA, INC *	
Canada	FUJITSU TEN CANADA INC.	
Mexico	FUJITSU TEN de MEXICO, S.A. de C.V.	
Brazil	FUJITSU TEN DO BRASIL LTDA.	

After reading the CSR Report 2017



Chika Saka

Assistant to the President
 Professor of School of Business Administration /
 Doctor of Commercial Science at Kwansei Gakuin
 University. Currently, a member of Science Council
 of Japan, a director of the Japan Corporate Social
 Accounting and Reporting Association, a director of
 Business Analysis Association.

Overall

In this CSR report, the efforts are reported by the field out of five important issues which were identified by evaluation and mapping of CSR Materiality (important issues) performed in the last year. This new trial is commendable as seriously striving to respond to stakeholder's request from global point of view based on Sustainable Development Goals (SDGs) etc. In the future, products and services which solve social issues through the business are introduced, so that contribution of FUJITSU TEN to reducing traffic accident and to safe / security through various driving support, can be known. As for the CSR report detailed version, following the previous year, more detailed explanation and reference material are available from the commentary or links on the left side of each page. Both easy reading and completeness of CSR report are enhanced.

Efforts for field of important issues

As for "Consumer issues", the spread of solid and steady activities in FY 2016 can be understood such as revision of system conforming to the new quality management standard IATF16949 in automobile industry, special exhibition for awareness and enlightenment to quality improvement, and implementation of QC circle activity which 4,660 members, all concerned employees, joined etc.

As for "Environment", target / actual performance and root analysis in FY 2016 are shown for the Eighth Environmental Action Plan which was created along with the Environment long-term plan VISION2050 and the Environment middle-

term plan VISION2022. As for new efforts, obtaining of global joint certification for ISO14001:2015 with top speed in industry, product development which realized great saving materials / space, and complete abolition of phthalate ester by pre-conforming advanced RoHS Directive enforced in 2019 etc. are described in this CSR report. FUJITSU TEN also started the effort for the development of environmental contribution product (A product whose function can contribute to reduction of the environmental loads). And "environmental management comparative evaluation" which was opened in the last year is a superior system which can evaluate effort level of each site quantitatively. It discloses negative information and detailed data responding to environmental audit and environmental risk, and sincere attitude for information disclosure can be seen. As for "Human rights / Labor practices", selective welfare system TenWel which was newly introduced as one of assistance of work-life balance and putting more emphasis on diversity are described. Various points of view obtained from diversity including working styles are expected to be a seed of future growth. As for "Fair operating practices", this is an item which is low disclosure level in Japanese company, but it is important factor to realize sustainability. FUJITSU TEN's strong consciousness, to include this item into important issues, is expected to connect with the further advancement of development in the future.

Toward the future

I think, after organizing and identifying CSR efforts by important issue, FUJITSU TEN became easy to predict the pass which enhances long-term ability to create new value by integrating CSR into FUJITSU TEN's business model in the future. I believe the change of business environment such as an electric car and automatic driving will transform the former image of vehicle and the role of vehicle in society. Based on CSR, FUJITSU TEN continues to be "a company that contributes much better to society" by taking advantage of its technology and service ability, I wish.

Response to third party comment



FUJITSU TEN LIMITED.
 Executive Officer

Hiraki Morishita

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We greatly appreciate that Professor Saka gave us candid comments following the previous year.

In the last year, we identified CSR issues to mainly be worked on in the future. In accordance with this result, the structure of this CSR report is changed to describe the contents by the field of important issues. And we described the case focusing on the contribution by the product related to "safety / security" and "comfort / convenience" of our business field as the contribution case through business activities.

We are honored to receive evaluation not only for structure change and feature of CSR report but also for contents of activity of each important field by Professor Saka.

We will proceed with review and maintenance of CSR policy and in-house system, and clarify concrete effort items, goals, and milestones of activities by the important field through discussion in "the corporate CSR meeting" which is started in this year from now on.

We, as a company to play a role in the automotive industry, would like to sharply grasp the environmental change and expectation of society and to contribute to solve social issues in mobility society through business activities.

We will continuously clarify the relation between these business activities and our CSR activities, and contribute to the society through practice of our management philosophy centering on "MAKOTO", then aim to become a trusted company.