

FUJITSU TEN Group

CSR REPORT 2016

FUJITSU TEN LIMITED

2-28, Goshō-dori 1-chome, Hyogo-ku, Kobe 652-8510, Japan

For inquiries regarding this report, please contact:
Environmental Protection Department: TEL +81-78-682-2063





"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

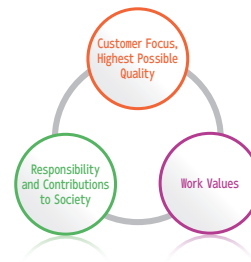
We always think first how to best serve our customers, to create products of the highest quality that exceed our customers' expectations.

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" (until FY 2015, "Sustainability Report" was published) in order to clearly disclose the efforts toward the realization of sustainable society and information about CSR and to communicate with our various stakeholders. This "CSR Report [Digest version]" 2016 edition (this PDF) mainly summarizes our important efforts and topics in FY 2015 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"

Global Reporting Initiative (GRI) "The GRI Sustainability Reporting Guidelines Version 4.0"

Reporting period

This CSR Report mainly covers activities of FY 2015 (the period from April 1, 2015 through March 31, 2016). 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 LIMITED
President & Representative Director

山中 明
Akira Yamanaka

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.

Contribute to society through Vehicle-ICT

Vehicles and the automotive industry will significantly change and a new era will begin. Since vehicles change the role from a simple transportation to one of mobility in the society and life, the development of ICT used in vehicles (Vehicle-ICT) has been accelerated to realize technologies of connected vehicles and automated driving. FUJITSU TEN is aiming to change from a parts supplier of car navigation systems/ECU to a system supplier of cloud related on-vehicle information systems and service providing businesses.

In such a situation, we announced *Future Link* as a key concept in 2014 and newly established "VICT Engineering Group" for the coming V-ICT era in April 2016.

We will contribute to the realization of a mobility society which is comfortable, safe, secure and eco-friendly by combining the advantage of a part of the FUJITSU Group and our technology for installing devices in vehicles, and playing a large role in the system which collects, stores and processes data of vehicles and drivers and gives feedback to the society, vehicles and individuals.

Effects toward CSR Activities

In terms of CSR in a mobility society, Sustainable Development Goals (SDGs) for 2030 were adopted by the United Nations General Assembly in September 2015, and the importance of CSR is further increasing globally. FUJITSU TEN is promoting various activities based on CSR policy created in February 2010.

As for environmental activities, based on Environmental Mid- and Long-term Vision with the goal of cutting CO₂ by half by 2050 and key targets by 2020, we established 8th FUJITSU TEN Group's Environmental Measures Plan for three years from 2016 to 2018 in May 2016 and set a goal for contributing to the global environment through businesses such as expansion of the use of renewable energy and weight reduction of our products.

Furthermore, as for social contribution activities, we are working to deepen our interaction with communities through the sponsorship of charity concerts and "volleyball school" held by FUJITSU TEN women's volleyball club to create a prosperous society/ community. Outside Japan, the continuous CSR activities of FUJITSU TEN CORP. OF PHILIPPINE (FTCP) were highly evaluated and FTCP received "Outstanding Community Projects Award" from Philippine Economic Zone Authority. FTCP also received the trophy and certificate of merit from President Aquino and FTCP has been gaining community trust with their activities. We are continuously working on the activities rooted in community and society so as to become a company which is trusted by the international and local community.

Development of human resources / Corporate reform

We are making efforts from the viewpoint of "Visions can be realized by people". For example, as the promotion of work-life balance, as a result of providing support for balancing between work and parenting, we became a first company in Hyogo prefecture that received "platinum Kurumin", next generation support certification logo in May 2015. Furthermore, we were certified as an "Eruboshi" company in recognition of the efforts to promote women's participation and advancement in the workplace in July 2016.

We will actively utilize our diversity and enhance the workplace ability, which leads to individual development and satisfaction. Then, we will proceed with creating a workplace where each of employees can work vigorously and work on developing human resources who can find the answer "what we must do" and act responsibly.

The source of FUJITSU TEN's CSR activities is based on the company's motto "MAKOTO (sincerity) is the way of heaven". We are challenging toward the realization of a sustainable society through contributions to customers and society while treasuring "MAKOTO".

I hope that FUJITSU TEN is a company which always grows with our customers and partners. We appreciate your continued support and encouragement.

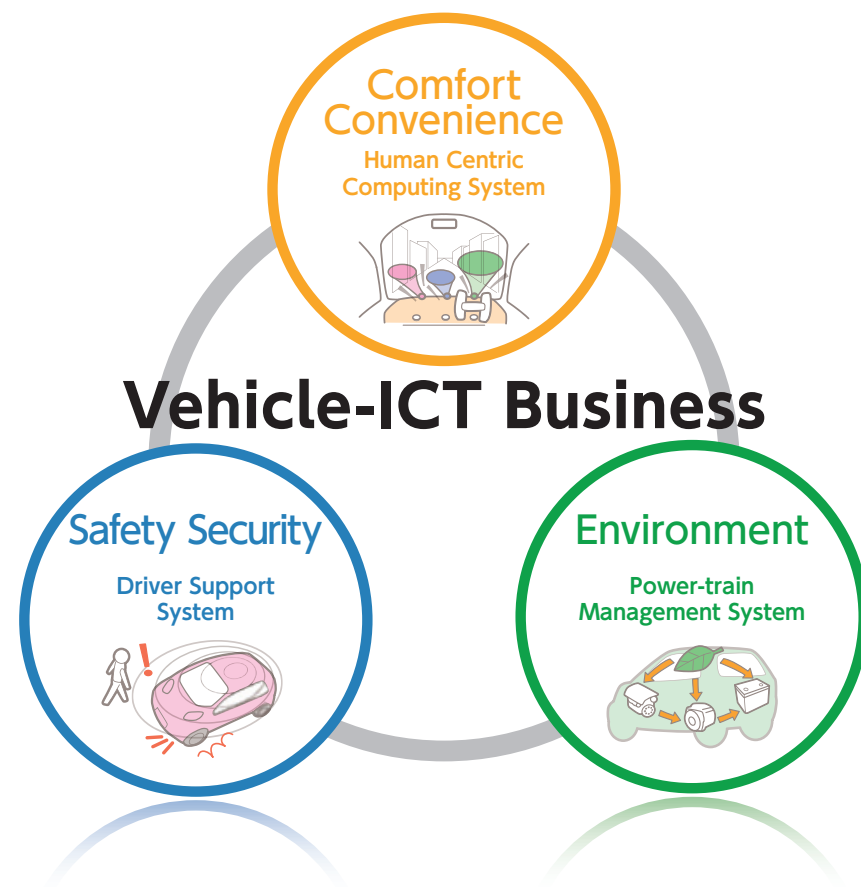


FUJITSU TEN Builds Bridges Between People, Vehicles, and Society.

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 bring greater freedom and 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.



Comfort Convenience

Proposal of human-friendly information providing system

Safety Security

Infrastructure system to incorporate vehicles into network

Environment

Power-train Management System

Business domains and products

We will realize a car life that will be there for people by ICT-enabled mutual use of information as well as seamless adjusted.

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



We will extend car safety and security with our one-of-a-kind sensing technologies and full-perimeter monitoring.

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



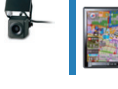
Vehicle Security System



Cloud-Based Taxi Allocation system



Cloud-Based Drive Recorder



Connected Service Future Link.



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



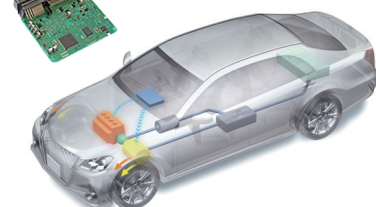
Engine Control ECU



Airbag ECU



Battery Control Unit

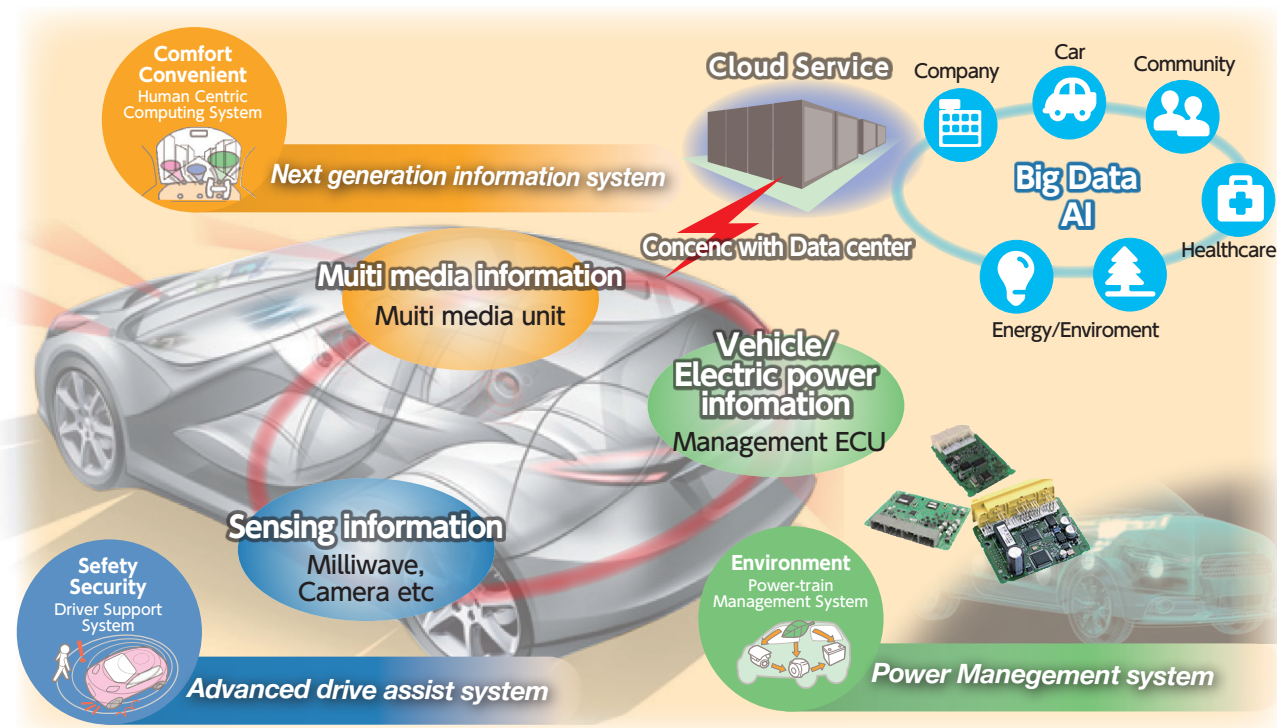


Our Linking Service *Future Link*

We are offering a new mobility life to customers by linking data on “people”, “vehicles” and “society”.

New Mobility Life produced by linking service

It was announced in October 2014 that FUJITSU TEN Group was actively promoting the concept of products/services as “Future Link” that link data on “people,” “vehicles” and “society” to offer a new mobility life to customers. We aim for providing new values matching individual customers by linking data on “people” such as individual driving characteristics, data on “vehicles” obtained from in-vehicle devices and various sensors, and data on “society” such as infrastructure and the Internet.



Goal of the values produced by Future Link

To offer new pleasure

We aim for offering various kinds of pleasure such as driving, moving, and owning a car, by achieving services optimum for a user. In an example, we will approach supporting comfortable driving, by making the contents used at home or outside available even in a traveling vehicle without interruption.

To offer advanced safety and security

We aim for offering safe and security services by providing optimum data to reduce accidents, reducing complex operation or other method, which will give a user new sensation of attractiveness of a vehicle. In an example, we will approach the provision of necessary data in optimum timing according to driver's condition, while predicting traffic congestion and danger based on data on people such as driver's driving skill and data on society such as accumulated traffic data.

To offer unprecedented values

We aim for offering unprecedented values by newly utilizing data on people, data on vehicles and data on society. In an example, we will approach the utilization of an in-vehicle camera as a monitoring camera for the purpose of crime prevention in the whole society, not only for antitheft for own vehicle.

Feature : Identify important issues of CSR

Identify important issues of CSR

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.

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 8 important issues (Materiality) to preferentially work on. In the future, we will aim for the sustainable development of society and FUJITSU TEN Group by formulating action plans to solve the important issues and carrying out PDCA for the activities.

Important issues of CSR of FUJITSU TEN Group



Process of identifying important issues

step1
Understanding of the current situation (FY 2014)

We grasped the current situation of our CSR activities by utilizing ISO26000 while identifying our responsibilities for stakeholders and arranging opportunities for dialogue with them.

step2
Extraction of social issues

IWe extracted social issues to work on from ISO26000, GRI “The GRI Sustainability Reporting Guidelines Version 4.0(G4)” and benchmark results by other companies.

step3
Consideration of priorities

We conducted interviews with related departments about the extracted issues, and performed mapping of the two axes of “importance for stakeholders” and “importance for FUJITSU TEN”.

step4
Identification of important issues

We evaluated and narrowed the mapping results with Corporate Officer to eventually identify 8 important issues and received an approval of President as top management.



Important issues and main efforts/achievements in FY 2015

Important issues		Important issues and main efforts/achievements in FY 2015
1. Fair operating practices	Fair and equitable transactions	•Familiarize our procurement policy, important issues and requests based on the basic policy with three pillars of "open, fair and equitable transactions", "co-existence and co-prosperity with suppliers" and "promotion of CSR" (ongoing) •Open the compliance line for suppliers and establish a system capable of responding to reports and consultations from suppliers (ongoing)
2. 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)
3. Consumer issues	Protection of customers' data	•Establish rules based on the "personal information protection policy" and thoroughly familiarize employees with the rules (ongoing) •Newly appointed Chief Information Security Officer and newly established information security control department to carry out information security protection and enlightenment activities
	Improvement of customer satisfaction	•Maintenance of TS16949 certification (ongoing) •Under the slogan of "Toward the company where everyone exercises wisdom in QC circle activities", the whole company including the design department and affiliated companies promoted the QC activities •Introduced "a high-performance rework system" into repair bases in Japan and North America to realize lower repair cost of electronic circuit boards and reduced amount of waste. •Repaired ECLIPSE product (FUJITSU TEN Aftermarket product) at a special price for victims of Kumamoto earthquake
4. Labor practices	Personnel diversity (Diversity)	•Acquisition of "Eruboshi" company certification (Grade 3) showing that the company promotes the advancement of women •Introduced selection trainings for female employees for the purpose of awareness reform/ in-house human network building which are necessary for women to provide leadership •Held trainings and lectures for managers aimed at improvement of management skills and awareness reform to systematically develop female subordinates
	Enhancement of employee wellness	•Raise health awareness among employees through holding seminars and providing advice on health to prevent lifestyle-related diseases (ongoing) •Provide psychological care by industrial physicians or counselors to employees and provide follow-up consultation to those who have high stress and wish to take it. (ongoing)
	Work-life balance	•Acquisition of "Platinum Kurumin" •Conducted exchange meetings for employees who took childcare leave
5. Environment	Contribution to environment by our products	•2 products including "Airbag ECU" which was 35% or more lighter than the previous model were recognized as "Super Green Products" •"Promotion of lightweight design in all newly designed products" and "expansion of environmentally friendly technology initiatives to the entire Engineering Group" were included in "the Eighth Environmental Action Plan"

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

We face customers with “sincerity”

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

TOPICS

FUJITSU and FUJITSU TEN jointly exhibited at Tokyo Motor Show 2015
Presentation of near-future car life utilizing ICT

FUJITSU and FUJITSU TEN jointly exhibited at the “44th Tokyo Motor Show 2015” held in October 2015. Under the theme that “ICT makes a car your best partner”, we proposed near-future car life utilizing ICT by video presentation and demonstration of advanced technologies/latest products.



The near-future car life was experienced by a wide range of customers from adults to children.

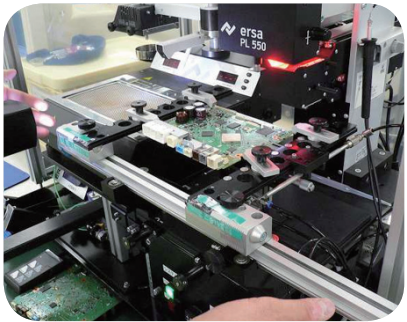
TOPICS

We repaired ECLIPSE product at a special price for victims of KUMAMOTO earthquake in 201

For customers who live in the areas damaged by KUMAMOTO earthquake in 2016 and use ECLIPSE product (FUJITSU TEN aftermarket product), FUJITSU TEN implemented efforts to repair the product at a special price. Our customer service representative accepted requests for repairs at the free phone number and the nearest certified service shop repaired at a price discounted from the normal price by 30%.

Customer service system

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. As for repairs, in FY 2015 we introduced “a high-performance rework system” into repair bases in Japan and North America to promote lower repair cost of electronic circuit boards and reduced amount of waste and realized them.



Introduced "a high-performance rework system" into centralized repair bases

Improvement of quality awareness and development of human resources

In FY 2015, under the slogan of “Toward the company where everyone exercises wisdom in QC circle activities”, the whole company carried out the activities, including the design department which had suspended the activities and affiliated companies which had not yet taken part in the activities. The number of activity themes was 3 times compared to that of FY 2014 and the themes were completed by all employees’ participation. We continued to carry out various activities including the exhibition of quality examples in the quality month of November.

For carrying over the beautiful earth 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

Creation of “the 8th Environmental Action Plan

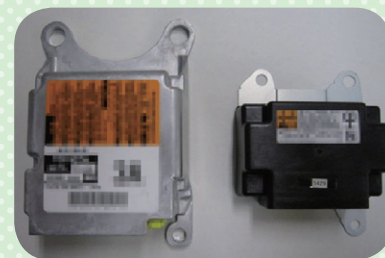
In April 2016, we created “the 8th Environmental Action Plan” ranges 3 years from fiscal 2016 to fiscal 2018.

As new initiatives from the 8th Plan, “expansion of use of renewable energy *1” and “improvement of recycle rate of wastes” were added in green site category, as well as “promotion of light weight design in all newly developed products” and “expansion of environmentally friendly technology initiatives to the entire Engineering Group” in green product category.

TOPICS

Certified 2 types of super green products

We certify “super green products” if the products meet a certain degree of criteria by product environment assessment as well as their environmental consideration are the top group level. In FY2015, we have certified 2 types of products; “anti-theft siren” that achieved weight saving by 50% against the last model and “air-bag ECU” that achieved weight saving by 35% against the last model.



Air-bag ECU
(left : conventional product right : improved product)

TOPICS

Fujitsu Ten Group Environmental Contribution Award was newly established

In April 2016, we have established the “Fujitsu Ten Group Environmental Contribution Award” to give award the excellent initiatives of eco products or technology, or sites/offices that implement effective environmental activity on a daily manner in 4 categories, “Green site/office”, “Department core business”, “contribution through product / service” and “social contribution, improvement of corporate image”. In FY2015, three items of 1st awards were given including “Change of power source for air conditioning” by Tianjin Fujitsu Ten Electronics Co.,LTD., as well as four 2nd awards and five 3rd awards in total.



Voice

Voice of an employee

Administrative and HR manager, Tianjin Fujitsu Ten Electronics Co.,LTD. Li Yiwu

We are very pleased with receiving “1st award” against our activities. The object activity of award has been promoted as a part of global warming measures, this also can contribute to society thus we feel rewarded. We are determined to promote environmental preservation activities in a more effective manner hereafter.

Green site —Global warming countermeasures—

CO2 emission via energy consumption in Japan was reduced by 16.7% (15,287t-CO2) in comparison with FY2011, achieving the target “reduce by 16.7% in comparison with FY2011) Furthermore, global CO2 emission (unit per production output) was reduced by 27.9%(18.53t-CO2/hundred millions yen)in comparison with FY2011, achieving target “reduce by 13.8% in comparison with FY2011”

Toward building richer society/local communities

Based on FUJITSU TEN Group corporate behavior declaration (CSR policy), we are conducting various activities as a member of society.

TOPICS

FTCP received “Outstanding Community Projects Award”

FUJITSU TEN CORPORATION OF THE PHILIPPINES (FTCP) received “Outstanding Community Projects Award” from Philippine Economic Zone Authority (PEZA) in April 2016.



FTCP President, Shinji Kawabata received the trophy from Philippine President, Benigno Aquino III (at that time).

■ Main efforts for social contribution made by FTCP

FTCP conducts continuous CSR activities with special focus on environmental preservation and biodiversity, community services, and corporate wellness. The following CSR activities were evaluated so that FTCP received this award.

- Planted more than 2,500 trees
 - Adopted a forest reserved in Mt. Makiling for reforestation
 - Numerous education caravan in various public elementary schools in Sta. Rosa and Binan, Laguna areas
 - Provided assistance to less privileged members of society (school supplies, basic needs for abandoned children and elders, blood donation to Red Cross, etc.);
 - Supported various fun-run activities raising funds for environmental activities
 - Successfully promoted volunteerism among FTCP employees.
- In 2015FY, FTCP employees implemented approximately 15 kinds of activity for a total of 90 days. The number of the participants of the employees reached a total of 900.

Voice

Voice of an employee

FTCP General Administration Department Manager Ronald Teves

We take pride in receiving the prestigious award from the President of the Philippines for the numerous community projects that we have implemented. Our Team Members volunteered tirelessly for every activity and they find fulfillment in helping preserve the environment and in serving the less fortunate members of our society without expecting anything in return. As a result, we received this award.

TOPICS

CD recording support of students and young musicians

As a “company related to sound”, based on the idea of “contributing to society through sound”, we support recording of young amateur musicians or bands of junior high school and high school students/university students in addition to the sponsorship of concerts and hosting of charity concerts.



The engineer of FUJITSU TEN supported CD recording of an amateur band.

Voice

Voice of a participant in the recording

KWANSEI GAKUIN UNIVERSITY K.G.SWING CHARIOTEERS2015
Bandmaster Ms. Nozumi Kuroda
(photo right, photo left: concertmaster Mr/Ms. Shinobu Mizumoto)

I was happy to participate in such a full-fledged recording because I cannot usually experience! Everyone was excited to use great equipment which is completely different from one we use!! am really grateful that I had such an opportunity.

Partnership with suppliers

We strive to establish the partnership for co-existence and co-prosperity with suppliers and fulfill our responsibilities to society and environment throughout the entire supply chain.

TOPICS

Ten-ei-kai*, a supplier cooperation association held an event commemorating the 20th anniversary

In FY 2015, celebrating its 20th anniversary, "Ten-ei-kai" comprising 97 suppliers and FUJITSU TEN held a tour of TOYOTA MOTOR Kyushu, a commemorative tree planting and a lecture on special situations to further deepen mutual exchange.



77 companies and 86 people participated in the tour of TOYOTA MOTOR Kyushu (excluding FUJITSU TEN)

Distributed "Revised Green Procurement Guideline"

In March 2015, in order to carry out the measures for the purpose of responses to substances of environmental concern and CO2 reduction by suppliers, we revised "Green Procurement Guideline" (6th edition) and distributed it to domestic and overseas suppliers.

WEB Green Procurement Guideline (6th)



Revised Green Procurement Guideline

Continuation of supply chain business

IBy using the cloud system "SCR-Keeper" jointly developed by TOYOTA MOTOR CORPORATION and FUJITSU LIMITED, production site information until quaternary suppliers is available to FUJITSU TEN and suppliers anytime and anywhere.

We promoted to understand the system with actual place and actual thing at 6 overseas bases in FY 2015.

Communication with suppliers

We set targets for 5 items of quality, cost, delivery, technology and environmental conservation for each supplier and present letters of appreciation to the supplier which achieved the highest performance at the "suppliers convention" held at the end of each fiscal year.

At the suppliers convention held in March 2016, we explained FUJITSU TEN Group's company and procurement policies for the next fiscal year and presented letters of appreciation and commemorative gifts to 15 suppliers.



About 160 suppliers participated in "Suppliers convention 2016".



Voice
Voice of an
employee

TOYOTA TSUSHO ELECTRONICS CORPORATION Mr. Kiyotaka Nakao, Managing Director

We, TOYOTA TSUSHO ELECTRONICS CORPORATION are a trading company specializing in car electronics field and aim to become a company that opens up new possibilities for the automotive industry by forming a strong partnership with our customers and suppliers. We received the prestigious award "Excellent Engineering Development" at "FUJITSU TEN suppliers convention 2016". This award was given for the "development of communication module for in-car emergency call (eCall) system compatible with ERA-Glonass system. ERA-GLONASS products are required to be certified in Russia locally and we have solved various problems in the certification and development with suppliers with global business capabilities. We continue to propose a new technology and development together with suppliers and strive to contribute to FUJITSU TEN.

Enhance "workplace capability" to develop employees

We strive to create the "workplace" where all employees work with pride, demonstrate their capabilities and share the joy of achievement.

Promotion of work-life balance — Acquisition of Platinum Kurumin certification —

In order to realize a variety of working styles according to employees' lifestyles and life stages and to balance work and family life, FUJITSU TEN develops and improves various systems including childcare leave and nursing care leave, and provides information and enhances awareness so as to promote the utilization of the systems. Furthermore, we set the day of leaving work on time, conduct employee awareness survey and hold our "company tour for children" to invite employees' children to see the office of their parents.

As a result of such efforts, in May 2015, we received [special certified "Platinum Kurumin" certification] from Hyogo Labor Bureau as a company that provides superior childcare support under "the Act on Advancement of Measures to Support Raising Next-Generation Children".



TOPICS

Acquisition of "Eruboshi" company certification showing that the company promotes the advancement of women

Based on the system established by the enforcement of the Act on Promotion of Women's Participation and Advancement in the Workplace, FUJITSU TEN was certified as an "Eruboshi" company by the Minister of Health, Labour and Welfare in July 2016.

Eruboshi company certification is awarded to a company in recognition of its superior efforts to promote the active involvement of female employees, out of the companies which formulated and notified their action plans. As for the five items of "recruitment", "continued employment", "working hours", "percentage of female managers" and "various career courses", FUJITSU TEN satisfies all of the criteria and thus obtained the highest class certification (Grade 3).



Safety and health management

In August 2012, eight of our bases including the headquarters obtained the globally integrated certification of OHSAS 18001 (Occupational Health and Safety Management System) and ISO14001 (Environmental Management System). Since then, by integrating with the "system to carry out PDCA in the group" which had already in place, we have utilized the know-how and promoted a common standard for manuals and formats so as to promote an effective management by the entire group. Through global operation, information sharing among our bases has been advanced and control in the target area has been effectively improved so that the target area has expanded to 9 companies and 10 bases* in 6 countries (as of August 2016).

* The headquarters, FUJITSU TEN MANUFACTURING LIMITED Nakatsugawa factory/Oyama factory, FUJITSU TEN TECHNOSEPTA CO., LTD., TIANJIN FUJITSU TEN ELECTRONICS CO., LTD, FUJITSU TEN ELECTRONICS (WUXI) LTD. (FTEW), FUJITSU TEN CORPORATION OF THE PHILIPPINES (FTCP), FUJITSU TEN (THAILAND) COMPANY LIMITED (FTTL), FUJITSU TEN DE MEXICO, S.A. DE C.V. (FTdM) and FUJITSU TEN ESPAÑA, S.A. (FTESA)



Voice
Voice of an
employee

(FTESA) Laura Vela Lora

FUJITSU TEN ESPAÑA, S.A. (FTESA) participated in the globally integrated certification of ISO14001 and OHSAS18001 in August 2015. In the examination by external certification body, no cases of nonconformity were pointed out. This has been brought about by company-wide efforts under the leadership of the Human Resources & General Affairs Department and Quality and Environment Department. We are very pleased about it. By utilizing this integrated system, we are making efforts to continuously improve environmental performance and worker safety in the future.

Aim to become a company trusted by society and local communities

We strive to build even better relationship with stakeholders and realize our corporate philosophy centering on “MAKOTO (sincerity)”.

Business Continuity Management

We established a disaster prevention plan focused on the Kobe head office area in preparation for Nankai Trough Earthquake along with Business Continuity Plan. We formulated disaster prevention manuals about initial responses and evacuation activities in the event of earthquakes. We strive to strengthen disaster prevention activities through annual disaster drills.



Conducted a disaster drill assuming earthquakes and tsunami under the instruction of Task Force at the Kobe head office. (November 2015)



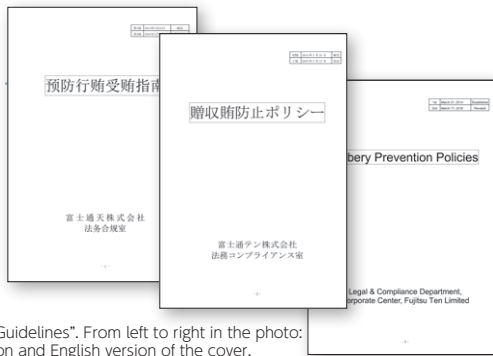
Conducted the first night-time drill at FUJITSU MANUFACTURING (November 2015)



Disaster drill at Tokyo office (November 2015)

Compliance

We strive to promote group-wide compliance activities, including establishing in-house rules, training programs and monitoring systems, as well as clarifying laws and regulations related to business activities. In FY 2015, as priority measures for compliance and risk management, we mainly strive to promote “prevention of bribery” and “strengthening of personal information management including national identification numbers”.



Distributed “Bribery Prevention Guidelines”. From left to right in the photo: Chinese version, Japanese version and English version of the cover.

Internal reporting system

We established “compliance line” that receives internal reporting/consultation from employees of our domestic group companies and it is also available to our suppliers. In August 2013, we introduced “Fujitsu-Alert”, the internal reporting service into our overseas subsidiaries. We established a system in which not only overseas subsidiaries but also the headquarters receive reporting to strengthen alliances among group companies.

Information security

Since the risk of information management has increased along with the use of ICT in society, we strive to strengthen information security in cooperation with FUJITSU LIMITED by establishing various rules and implementing self-audit. As part of such efforts, on April 1, 2016, we appointed Chief Information Security Officer and established Information Security Management Department to carry out information security protection and enlightenment activities.

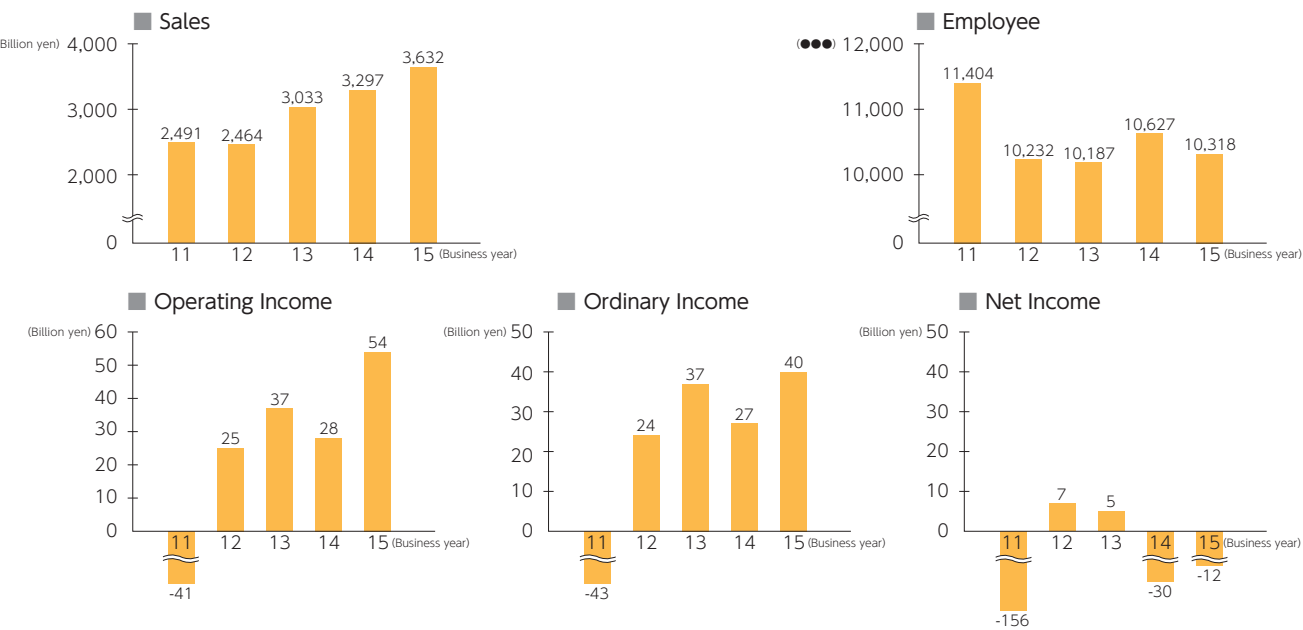


Voice
Voice of an employee

Security Management Department EX Goro Adachi

Various measures for information security have been previously implemented. Under such an environment, the maintenance and improvement of information security levels depend on the consciousness of employees, that is, how well employees understand and implement these measures with feeling that information security problem is “their own problem”. In order to help realize the maintenance and improvement of information security levels, we set the second Monday of each month as “Security Day”, deliver information about information security and introduce responses to targeted type cyber-attacks, measures for preventing information leaks and others. We always try to write understandable articles using examples to prevent the articles from being difficult with technical terms.

Financial report (consolidated)



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

Japan

FUJITSU TEN LIMITED
FUJITSU TEN MANUFACTURING LIMITED
FUJITSU TEN TECHNOSEPTA LIMITED
FUJITSU TEN SALES LIMITED
FUJITSU TEN RESEARCH LIMITED
FUJITSU TEN STAFF LIMITED
FUJITSU TEN TECHNOLOGY LIMITED
FUJITSU TEN SERVICE LIMITED

海外拠点

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 2016

Overall

Compared to the reports of FUJITSU TEN Group which had been issued until the previous fiscal year, one of the features of this report is that the title has been changed from “Sustainability Report” to “CSR Report” to highlight “corporate philosophy” and “corporate behavior manifesto”. This corporate behavior manifesto as CSR policy is for the purpose of Creating Shared Value with various stakeholders. This report introduces the contents of diverse and global CSR activities along “corporate philosophy” while following the stance of disclosure observed in the past reports (detailed explanation, rich data, stakeholders’ viewpoints and others). By publishing this report as a digest version and a more detailed version to meet information needs of stakeholders, the contents of the activities are expected to be more widely recognized.

Environment

Among various CSR activities, what FUJITSU TEN has worked on at the group and global level including overseas bases from an early stage and continuously improved is to respond to environmental issues. Significant results, for example, a reduction of the total volume of CO2 emissions (domestic) by about 17% over the past 5 years, a reduction of CO2 emissions (global) by about 28% per unit of production and others can be confirmed from “CSR Report 2016”. Comparing to the past reports, the levels of both objectives and achievements have been further increased. The same applies to the reduction of waste and hazardous substances. Through Green Procurement Guidelines, Supplier CSR Guideline and the revision thereof, efforts in the entire supply chain have been made and improved. Furthermore, the report fairly discloses information including negative data such as results of environmental audit, information about countermeasures against soil and groundwater contamination as responses to environmental risks and others. “CSR Report 2016” includes the collection of environmental data which was disclosed separately from the body of the report from 2012. Therefore, the report shows greenhouse gas emissions based on SCOPE 1 to 3, environmental accounting, site data and others and is well worth reading.

Society

In addition to various social contribution activities utilizing the company’s main business, especially, advanced efforts related to promotion of work-life balance attract attention. That is reflected in “Eruboshi” company certification showing that the company promotes the empowerment of women. As introduced at Feature 2, while globalization of FUJITSU TEN Group’s business is proceeding, I expect that identifying Materiality (important issues) from CSR viewpoints will further strengthen future global business activities and lead to virtuous cycle of enhancing corporate value.

Toward the future

When I was a student, I read a book called “Social costs of vehicles” by Hirofumi Uzawa, was surprised at how high the social costs of vehicles were and understood the necessity to internalize such social costs (car accidents, air pollution and others). After many years passed, I read CSR Report of FUJITSU TEN Group and the first thing I felt was that the internalization of social costs of vehicles which the book “Social costs of vehicles” suggested about 40 years ago was being realized through safe driving support systems to prevent accidents and exhaust gas reduction technologies of two out of three business visions “Security and Safety (V-ICT business)” and “Environment (AE business)”. The business philosophy overlaps with CSR and is associated with “TEN (heaven)”, the origin of the company name and “MAKOTO (sincerity)”, the corporate philosophy. If so, I think it is possible to clarify the positions of management philosophy (mission), business visions, the concept of “Future Link”, CSR policy, medium-and long-term environmental visions, important issues of CSR and others in the short, medium-and long-term corporate value creation processes. Taking into account connectivity and interaction among management resource (including environment and society) which influence the ability of long-term corporate value creation (including environment and society), stakeholders’ demands, financial performance and others, this meets “Integrated Thinking” to aim for integrated decision making or “Integrate Reporting”* as its disclosure. I think it is one direction to create a stronger message by utilizing FUJITSU TEN group’s experiences and achievements in CSR activities.

* From an international framework for integrated reporting of International Integrated Reporting Council (IIRC)



Chika Saka

Professor of School of Business Administration at Kwansei Gakuin University; Visiting scholar at the University of California, Irvine; Doctor of Commercial Science. Currently, a member of Science Council of Japan, a director of the Japan Corporate Social Accounting and Reporting Association, a director of the national business-related university education council. Her publications include “Environmental Accounting” (Tokyo Keizai Jouhou Shuppan). Received the prize of Japan Accounting Association.

Response to third party comment

This is the first time that we received comments from Professor Saka. We greatly appreciated that she checked our efforts over many years as far back as the past and also gave us candid comments.

We have promoted little by little the CSR activities based on our corporate philosophy and corporate behavior guidelines, referring to opinions from professors who previously evaluated the activities. Currently, we are promoting the CSR activities conforming to ISO26000 toward formulating action plans. This year, we have clarified CSR issues that we should focus on in the future. Accordingly, the title of this report has been changed from “Sustainability Report” to “CSR Report” to clarify our stance on CSR management. Furthermore, we published a digest version and a more detailed version of its CSR report so as to meet various needs of stakeholders.

As for the efforts of “Environment” which were particularly evaluated, it was really encouraging that she focused on environmental burden reduction over many years based on medium-and long-term environmental visions and transparent information disclosure including negative data and evaluated the activities. Since responses to environmental problems including COP21 are getting more important, we continue to proceed with the activities based on a medium-and long-term perspective.

Regarding diversity, we come to be able to show the identity of the specific efforts. In July 2016, we obtained the highest class “Grade 3” of the “Eruboshi” company certification which is a recognition system of encouraging women’s success established by the enforcement of the Act on Promotion of Women’s Participation and Advancement in the Workplace. As for CSR activities, we think that it is meaningful to promote the concept as a company and declare to the society prior to the results.

As she pointed out, as we play a role in the automotive industry, it is an important theme in the 20th and 21st century to overcome the social issues such as security, safety and environment while improving convenience of customers and society. Therefore, we confront the issues head-on through business activities so as to contribute to the society. We continue to clarify the relation between these business activities and our CSR activities, contribute to the society through practices of our management philosophy centering on “MAKOTO” and aim to become a trusted company.



FUJITSU TEN LIMITED.
Executive Officer

Hiraki Morishita

森下 拓

From
the
Editor

We are pleased to provide the new version of “CSR Report” to everyone from this fiscal year. We think that the basic premise of better CSR report is accurate. Furthermore, CSR Report should be easy to read and understand and well worth reading. We published a digest version and a more detailed version of its CSR Report. The digest version is designed for easy understanding by anyone and the more detailed version is designed to satisfy the specialists and cover the details of the activities. Although we understand this report is insufficient, we hope that our activities will be informed everyone in a manner that is more accurate and easier to understand. If you have any questions, we would appreciate any comments or suggestions.

September 2016 Environmental Protection Dept
Department General Manager **Takashi Yamamoto**



Advanced environmental initiatives have been recognized and FUJITSU Group was certified as an “Eco-First company” by the Ministry of the Environment.



Toward a Low-Carbon Society by realizing “Human-centric intelligent society”. FUJITSU TEN Group support the climate change campaign “Fun to Share”.

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