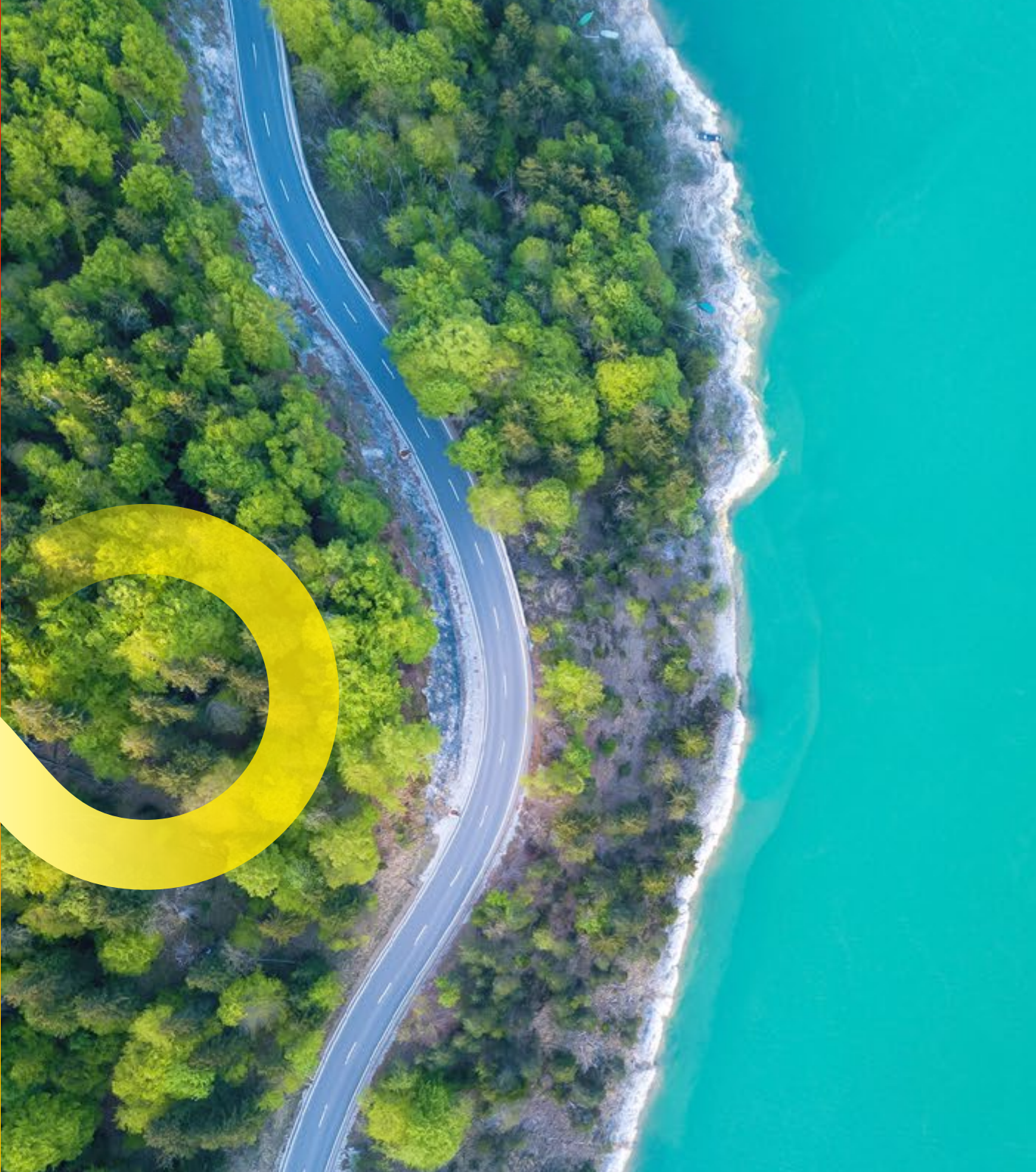


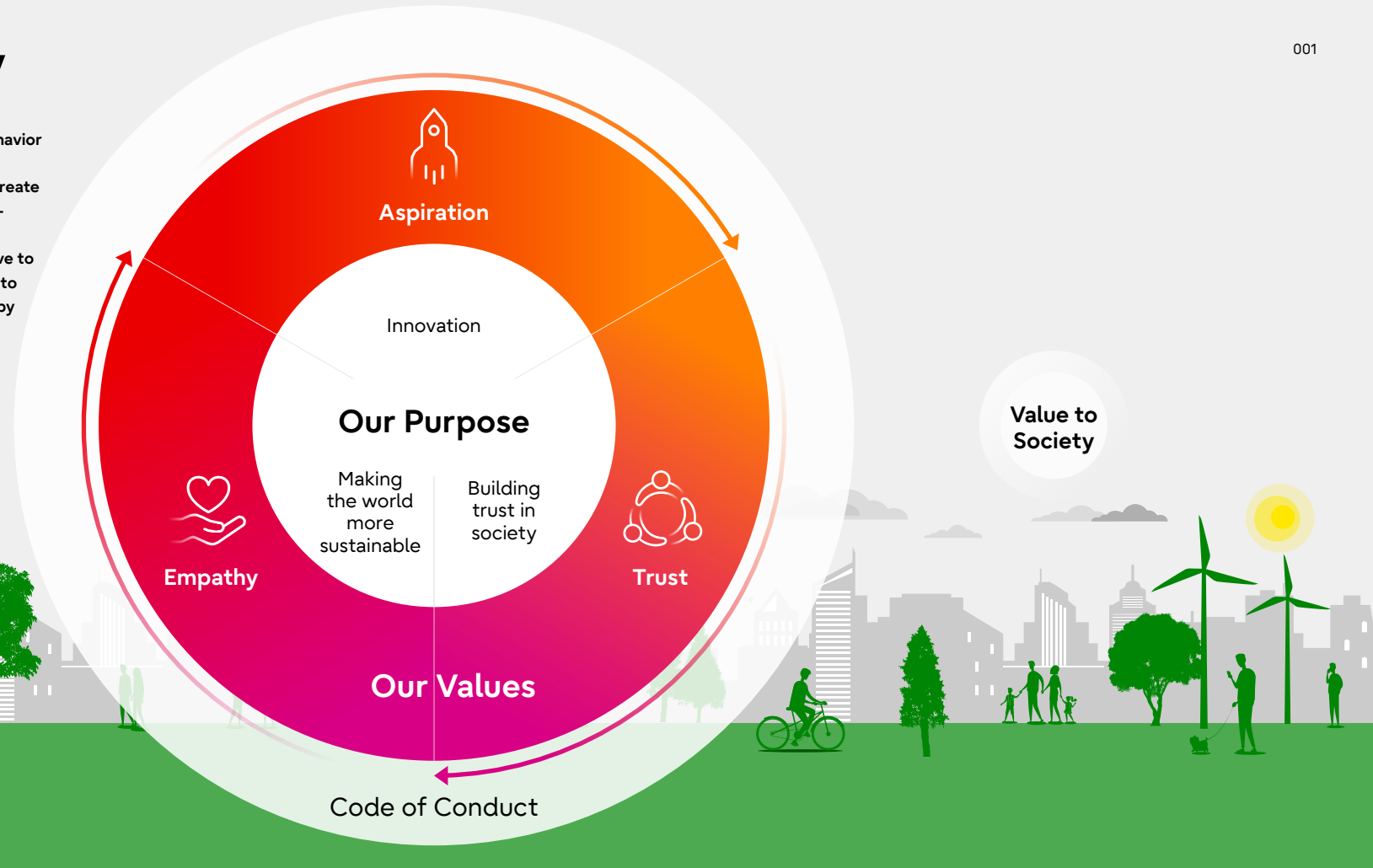
FUJITSU

**Fujitsu
Integrated
Report 2022**



The Fujitsu Way

Fujitsu promotes the "Fujitsu Way," the principle for the behavior of its people centered on Our Purpose, which sets out why Fujitsu exists in society. All Fujitsu employees will seek to create value by working every day in accordance with Our Values - Aspiration, Trust and Empathy - and Our Code of Conduct. In line with the Fujitsu Way, all people in the Group will strive to achieve Our Values through the cycle of actions necessary to achieve Our Purpose: To make the world more sustainable by building trust in society through innovation.



Our Purpose

Our Purpose is to make the world more sustainable by building trust in society through innovation.

Our Values

- | | | |
|--|---|---|
| <p>Aspiration</p> <ul style="list-style-type: none"> • Set ambitious targets and act with agility. • Embrace diversity and create original ideas. • Stay curious and learn from failures and experiences. • Deliver positive impact through human centric innovation. | <p>Trust</p> <ul style="list-style-type: none"> • Honor promises and exceed expectations. • Act with ethics, transparency and integrity. • Work autonomously and unite for common goals. • Contribute to a trusted society using technology. | <p>Empathy</p> <ul style="list-style-type: none"> • Strive for customers' success and their sustainable growth. • Listen to all people and act for the needs of our planet. • Work together to solve global challenges. • Generate shared value for our people, customers, partners, community and shareholders. |
|--|---|---|

Code of Conduct

- | | | | | | |
|--|--|--|---|--|---|
| <ul style="list-style-type: none"> • We respect human rights. | <ul style="list-style-type: none"> • We comply with all laws and regulations. | <ul style="list-style-type: none"> • We act with fairness in our business dealings. | <ul style="list-style-type: none"> • We protect and respect intellectual property. | <ul style="list-style-type: none"> • We maintain confidentiality. | <ul style="list-style-type: none"> • We do not use our position in our organization for personal gain. |
|--|--|--|---|--|---|

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Forward-looking statements

This Integrated Report may contain forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors: general economic and market conditions in key markets (particularly in Japan, Europe, North America, and Asia, including China); rapid changes in the high-technology market (particularly semiconductors, PCs, etc.); fluctuations in exchange rates or interest rates; fluctuations in capital markets; intensifying price competition; changes in market positioning due to competition in R&D; changes in the environment for the procurement of parts and components; changes in competitive relationships relating to collaborations, alliances, and technical provisions; potential emergence of unprofitable projects; and changes in accounting policies.

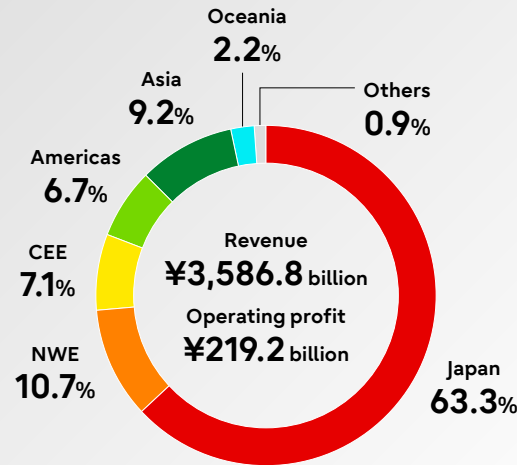
Fujitsu at a glance

The Fujitsu Group has established a global service structure with operations in different regions around the world including Japan.

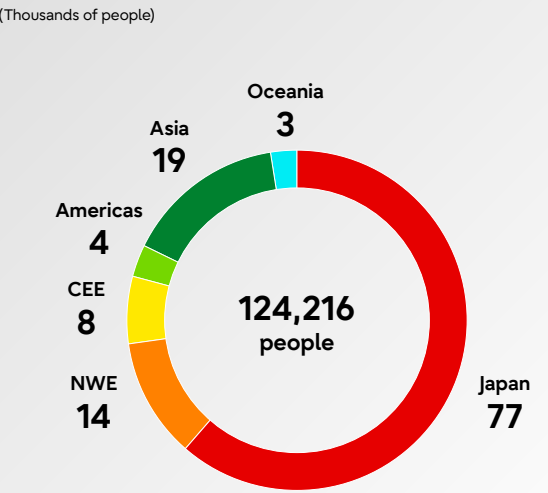
Fujitsu's IT services business ranks top by market share in Japan and in the top tier worldwide, a record that reflects our outstanding technologies and long track record in building large-scale, cutting-edge systems.

Notes:
 NWE (Northern & Western Europe): the United Kingdom, Finland, Sweden, Denmark, Norway, Spain, Portugal, France, Belgium, Luxembourg, and the Netherlands
 CEE (Central & Eastern Europe): Germany, Austria, Switzerland, Poland, and Russia
 Americas: the United States, Canada, Brazil, Mexico, etc.
 Others: Europe excluding NWE and CEE, the Middle East, and Africa

Revenue by region (Fiscal year ended March 31, 2022)



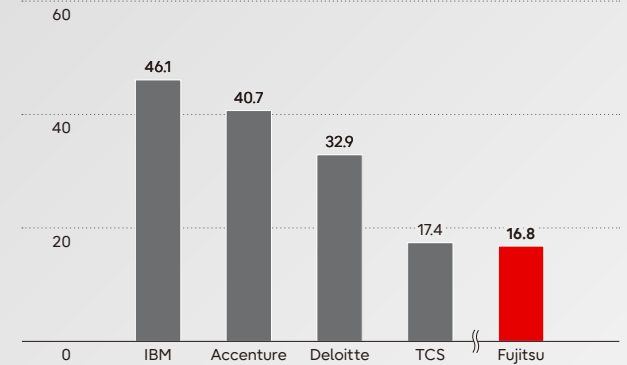
Consolidated number of employees (As of March 31, 2022)



Fujitsu's position in the IT services market

Global services revenue

(Billions of US dollars)

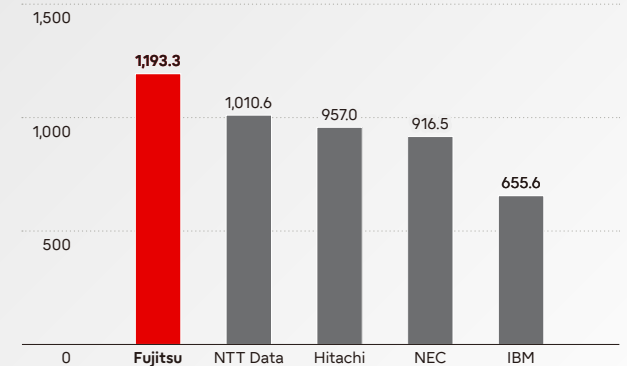


Notes:

- Revenue estimate using calendar year, based on IDC's services market definition. US dollar basis
 - Ranking by vendors' revenue in 2020
- Source: IDC Japan, January 2022 (#JPJ48619722)

Japan IT services revenue

(Billions of yen)



Note: Consolidated revenue estimate using calendar year, based on IDC's services market definition

Source: IDC Japan, July 2022 (#JPJ47876122)

Business segments

Technology Solutions

Main products/Services/Regions

Solutions/Services

- ▶ System integration (system implementation, business application services, etc.)
- ▶ Consulting
- ▶ Outsourcing services (datacenter services, ICT managed services, application managed services, business process outsourcing, etc.)
- ▶ Cloud services (IaaS, PaaS, SaaS, etc.)
- ▶ Network services (business networks, etc.)
- ▶ System support services (ICT system and network maintenance and monitoring services, etc.)
- ▶ Security solutions
- ▶ Software (middleware)

System Platforms

System Products

- ▶ Servers (mainframes, UNIX servers, mission critical IA servers, PC servers)
- ▶ Storage systems
- ▶ Front-end technology (ATMs, POS systems, etc.)
- ▶ Software (OS)
- ▶ Automotive control units and in-vehicle information systems

Network Products

- ▶ Network management systems
- ▶ Optical transmission systems
- ▶ Mobile base stations

International Regions Excluding Japan

- ▶ Solutions/Services delivery and System Products sales in regions outside Japan

Technology Solutions (Common)

- ▶ Common expenses related to Technology Solutions (basic research and development expenses and others)
- ▶ Elimination of sales/profit/loss between subsegments
- ▶ Corporate subsidiaries

Ubiquitous Solutions

Main products/Services

- ▶ PCs

Device Solutions

Main products/Services

- ▶ Electronic components (semiconductor packages, batteries, etc.)

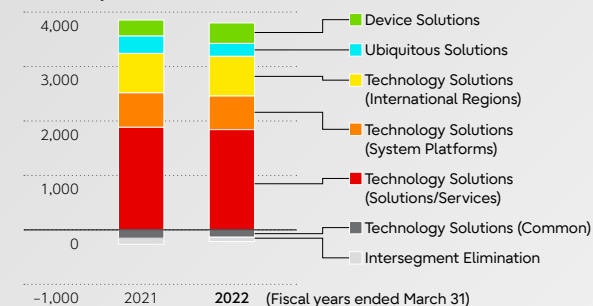
Intersegment Elimination

- ▶ Elimination of intersegment sales

Performance by segment

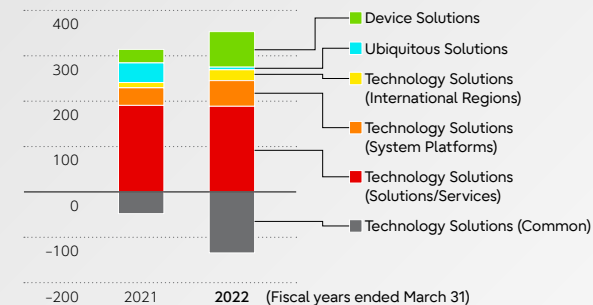
Revenue

(Billions of yen)



Operating profit

(Billions of yen)



Technology Solutions

(Fiscal years ended March 31, 2022)

Revenue	¥3,056.3 billion
Operating profit	¥193.9 billion
Operating profit margin	6.3%

Value Creation Model

We in the Fujitsu Group are committed to providing value to society driven by Our Purpose, starting with social trends.

Our business environment

Social trends

Response to an era of uncertainty
Agreement of global goals

- Global pandemic
- Increased geopolitical risk
- Escalating climate change issues
- Loss of biodiversity
- Growing social inequality

Expectations for companies

Stakeholder capitalism
Playing a leading role toward achieving sustainability

Expectations of Fujitsu

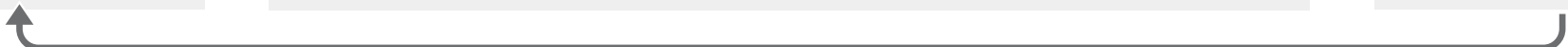
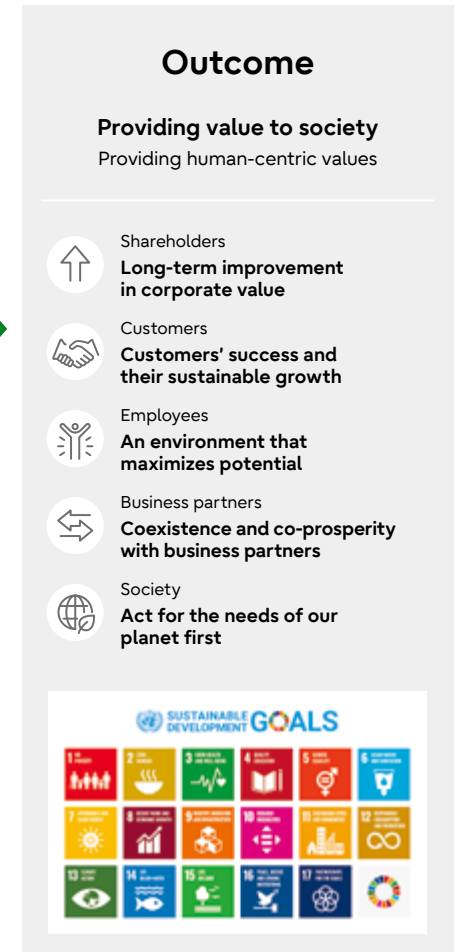
Digital transformation



Input	
Fiscal 2021 results	
Financial capital	
● Equity attributable to owners of the parent ratio	47.7%
● Revenue	¥3,586.8 billion
● Free cash flow	¥189.0 billion
Human capital	
● Number of employees	124,216
● Percentage of female employees (non-consolidated)	18.7%
● Percentage of female managers (non-consolidated)	8.0%
● Number of Global Fujitsu Distinguished Engineers	32
Natural capital	
● Energy usage	13 million GJ
Intellectual capital	
● R&D investment	¥105.3 billion
Social & relationship capital	
● Community activity-related expenditures	¥2.2 billion
Manufactured capital	
● Capital expenditure	¥88.9 billion



Output	
Fiscal 2022 targets	
Financial indicators	
● Revenue	¥3,200.0 billion
● Operating profit margin	10%
● EPS CAGR	12%
Non-financial indicators	
● Customer NPS®	+3.7 points year on year
● Employee engagement	75
● DX Promotion Indices	3.5



Board of Directors / Audit & Supervisory Board members



(Back row from left) 13 Hideo Makuta 10 Youichi Hirose 2 Hidenori Furuta 3 Takeshi Isobe 9 Kenichiro Sasae 5 Chiaki Mukai 11 Megumi Yamamuro 12 Koji Hatsukawa
(Front row from left) 4 Masami Yamamoto 7 Yoshiko Kojo 8 Scott Callon 1 Takahito Tokita 6 Atsushi Abe 14 Catherine O'Connell

1 Takahito Tokita
Representative Director
CEO, CDXO

2 Hidenori Furuta
Representative Director
COO, CDPO

3 Takeshi Isobe
Director and Corporate Executive Officer
SEVP, CFO

4 Masami Yamamoto
Director
Senior Advisor

5 Chiaki Mukai
Director*

6 Atsushi Abe
Director*

7 Yoshiko Kojo
Director*

8 Scott Callon
Director*

9 Kenichiro Sasae
Director*

10 Youichi Hirose
Audit & Supervisory Board Member

11 Megumi Yamamuro
Audit & Supervisory Board Member

12 Koji Hatsukawa
Audit & Supervisory Board Member*

13 Hideo Makuta
Audit & Supervisory Board Member*

14 Catherine O'Connell
Audit & Supervisory Board Member*

* Independent directors and
Audit & Supervisory Board members

Fujitsu update: Current status of changes targeting value creation

The Fujitsu Group has been transforming itself in all aspects of its business, organization, and human resources, and has evolved into a very different entity from the company it was a few years ago. The results of these efforts can be seen in the improvement in the operating profit margin and the generation of base cash flow,* which we expect to exceed ¥740 billion over the three years to March 31, 2023.

* For more information on base cash flow, please refer to "Message from the CFO" on pages 17-18.

Value creation as a Purpose-driven company

Under the Fujitsu Way, which defines the principles of behavior for all Fujitsu Group employees, all corporate activities are positioned as activities to realize Our Purpose, and the organizational and human resource management systems have been reformulated accordingly.

Transformation of business portfolio to become a "DX company"

We have spun off or sold the PC, smart-phone, semiconductor, and scanner businesses to concentrate management resources on the IT services business. By transforming our business portfolio, we are evolving into a "DX company" that supports our customers' digital transformation.

Fujitsu Uvance in four regions worldwide

We have launched Fujitsu Uvance to provide common offerings across the four regions of Japan, Europe, the Americas, and Asia Pacific in seven Key Focus Areas with sustainability at the core. Fujitsu Uvance is pursuing the creation of new value and global growth.

Structural reform of the service delivery model

We are fundamentally reforming the process and structure of service provision, which was created in line with the development and operation of custom-made IT systems for each customer company. By standardizing, automating, and strengthening our global development and service delivery bases, we are building a service delivery model optimized for DX business.

Continued strengthening of governance structure

We are continuing our efforts to ensure effective governance that contributes to enhancing corporate value by appointing an independent external director as chairman of the Board of Directors, adopting a Board composition with a majority of independent external directors, and reviewing the executive compensation system.

Putting sustainability activities back into business

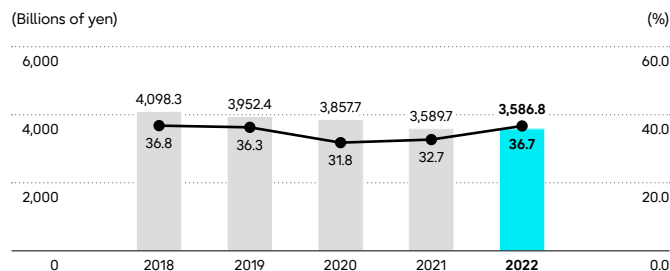
Through Global Responsible Business (GRB), a platform for promoting sustainability activities, we are fulfilling our responsibilities to stakeholders as a global company and returning the knowledge gained from our activities to our business, starting with the resolution of social issues.

Financial highlights

Fujitsu Limited and Consolidated Subsidiaries

The Fujitsu Group adopted International Financial Reporting Standards (IFRS) in the fiscal year ended March 31, 2015.

Revenue and percentage of sales outside Japan



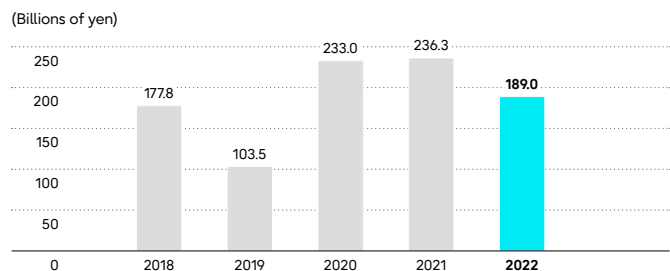
(Fiscal years ended March 31)

■ Revenue (left scale) — Percentage of sales outside Japan (right scale)

Revenue **¥2.8 billion** Down

Revenue decreased due to delays in the procurement of parts and materials, canceling out the positive impact of foreign exchange effects due to yen depreciation, higher sales in the network business, and higher sales of electronic components amid rising global demand for semiconductors.

Free cash flow

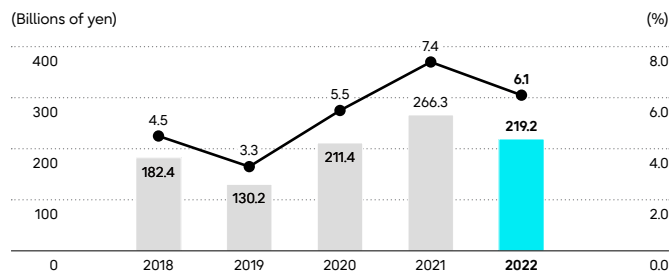


(Fiscal years ended March 31)

Free cash flow **¥47.3 billion** Down

Net cash provided by operating activities decreased as a result of growth investments for value creation and internal transformation, and net cash used in investing activities increased due to capital expenditures for growth. As a result, free cash flow was negative.

Operating profit and operating profit margin



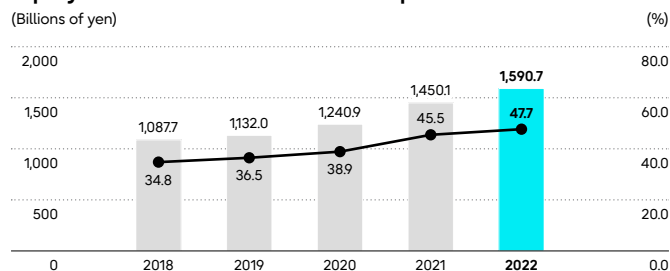
(Fiscal years ended March 31)

■ Operating profit (left scale) — Operating profit margin (right scale)

Operating profit margin **1.3 percentage points** Down

Although the effects of increased revenue in some businesses, cost and expense efficiencies, and foreign exchange rate fluctuations contributed to increased profit, one-time losses related to business restructuring and business transfers, increased investment in growth, and delays in the supply of components resulted in a decrease in earnings and a lower operating profit margin.

Equity attributable to owners of the parent and equity attributable to owners of the parent ratio



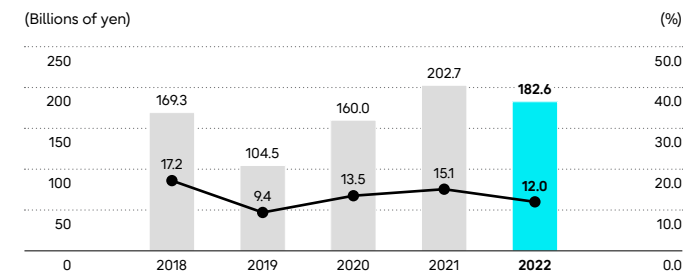
(As of March 31)

■ Equity attributable to owners of the parent (left scale)
— Equity attributable to owners of the parent ratio (right scale)

Equity attributable to owners of the parent ratio **2.2 percentage points** Up

Retained earnings increased, mainly due to the recording of profit attributable to owners of the parent, and equity attributable to owners of the parent ratio increased.

Profit attributable to owners of the parent and ROE



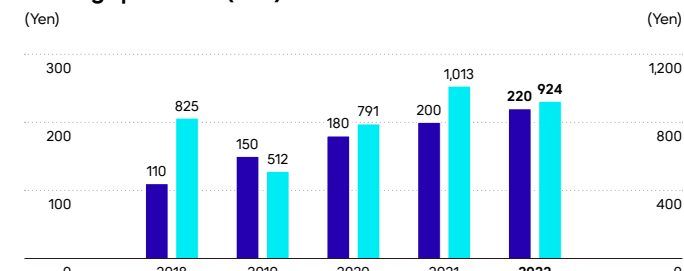
(Fiscal years ended March 31)

■ Profit attributable to owners of the parent (left scale) — ROE (right scale)

Profit attributable to owners of the parent **¥20 billion** Down

The ratio of tax to pretax income decreased due to the tax effect of the liquidation of certain subsidiaries as part of the reorganization of North American subsidiaries, and profit attributable to owners of the parent decreased due to one-time losses related to business restructuring and business transfers.

Dividends per share of common stock and earnings per share (EPS)



(Fiscal years ended March 31)

■ Dividends per share of common stock (left scale) ■ Earnings per share (EPS) (right scale)

Note: On October 1, 2018, Fujitsu consolidated every 10 shares of stock into one share.

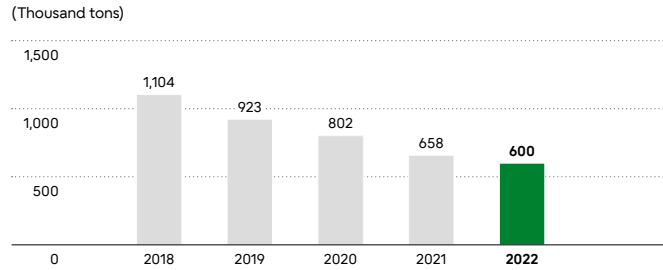
Dividends per share reflect this share consolidation.

Dividends per share of common stock **¥20** Up

Under the policy of stable dividend growth, annual dividends per share increased ¥20 year on year to ¥220, marking the sixth consecutive year of increases. EPS declined due to a decrease in profit attributable to owners of the parent.

ESG highlights

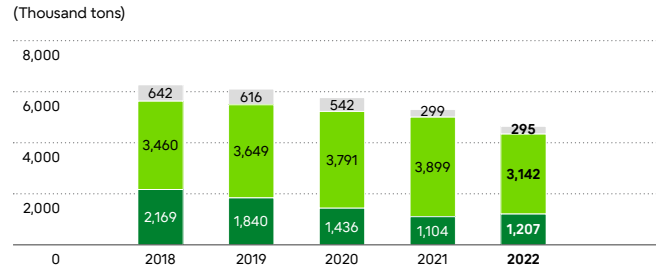
Trend in greenhouse gas emissions (Scope 1 & 2)



(Fiscal years ended March 31)

As of the end of fiscal 2021, the Fujitsu Group's greenhouse gas (GHG) emissions were 8.8% lower than the fiscal 2020 year-end level.
 Note: The scope of aggregation is Fujitsu Limited and Group companies in Japan and overseas.
 Scope 1: Direct emissions
 Scope 2: Indirect emissions from energy sources

Trend in greenhouse gas emissions (Scope 3)

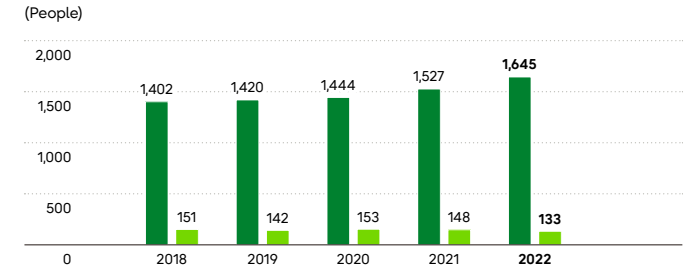


(Fiscal years ended March 31)

█ Purchased goods and services █ Use of sold products █ Others

As of the end of fiscal 2021, the Fujitsu Group's GHG emissions were 12.5% lower than the fiscal 2020 year-end level.
 Note: The scope of aggregation is Fujitsu Limited and Group companies in Japan and overseas.
 Scope 3: Indirect emissions other than Scope 1 and Scope 2

Employees with information security auditor training (cumulative total) and JASA-certified auditors

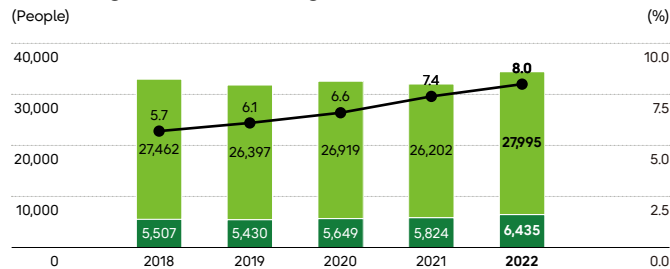


(As of March 31)

█ Employees with information security auditor training (cumulative total)
 █ JASA-certified auditors

We have been offering information security auditor training to heighten the quality of information security audits in each organization. Also, we have been encouraging employees to acquire auditor qualifications certified by Japan Information Security Audit Association (JASA).
 Note: The scope of aggregation is Fujitsu Limited and Group companies in Japan.

Numbers of female and male employees and Percentage of female managers

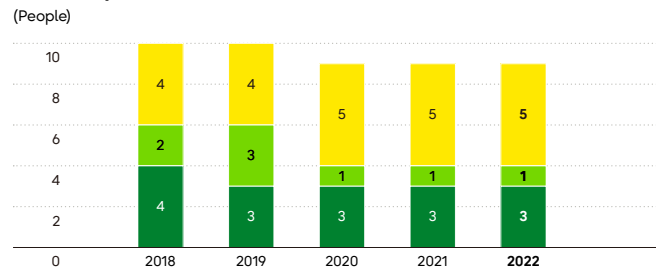


(As of March 31)

█ Female (left scale) █ Male (left scale) — Percentage of female managers (right scale)

Fujitsu is proceeding with selective training for female employees and other initiatives with a view to having more women in leadership positions.
 Note: The scope of aggregation is Fujitsu Limited.

Executive directors, non-executive directors, and independent directors

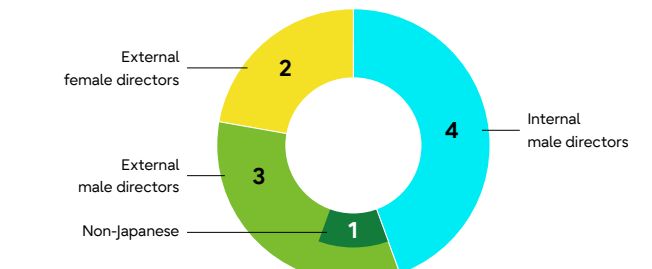


(As of June 30)

█ Executive directors █ Non-executive directors █ Independent directors

We are strengthening oversight by actively appointing independent directors.

Diversity of the Board of Directors



(As of June 27)

We are promoting lively discussions and enhancing objectivity by ensuring the diversity of the Board of Directors. As of June 27, 2022, the nine members of the Board of Directors included five independent directors, two of whom are women.

Our strategy

To realize Our Purpose to “make the world more sustainable by building trust in society through innovation,” the Fujitsu Group is pursuing a medium-term management plan that ends in the fiscal year ending March 31, 2023, and is also implementing strategies for a global society in 2030. We will pursue sustainable growth and corporate value creation by executing strategic capital allocation based on the cash-generating ability we have enhanced through our transformation to date.



Message from the CEO

By achieving “growth with scale,” we will complete the transformation of the Fujitsu Group's business model and take on the challenge of creating new value.

Takahito Tokita
Representative Director
CEO, CDXO



Moving our evolutionary stage forward

The Fujitsu Group is in the midst of the process of building a new business model that goes beyond the conventional business model. I see [Fujitsu Uvance](#), launched in 2021, as a bridgehead for this. We are determined to establish Fujitsu Uvance not only as a new brand but also as an embodiment of the future business model of the Fujitsu Group.

In June 2019, the Fujitsu Group declared its intention to become a “digital transformation (DX) company.” By doing so, we wanted to share with our stakeholders the business direction that the Group would take; one that measures up to the future of the IT services business, which is undergoing dynamic change. Above all, we believe that in order to realize Our Purpose of “making the world more sustainable by building trust in society through innovation,” we need to go beyond the traditional system integration (SI) business and create new value based on the criteria of “Aspiration,” “Trust,” and “Empathy,” which are the foundational values of the Fujitsu Way. Since then, we have been working to transform our business portfolio, and ourselves. Through the deployment of Fujitsu Uvance, which is the culmination of these efforts, we will raise the stage of the Fujitsu Group's evolution to a new level.

Demonstrating the future of the Fujitsu Group's business model

To start with, just what is Fujitsu Uvance? Simply put, it is a new brand for a group of services with which the Group can competitively provide value toward the realization of a more sustainable world. Specifically, the brand consists of seven Key Focus Areas, encompassing four cross-industry Vertical areas that solve societal issues, and three technology-based Horizontal areas that support these Vertical areas. We plan to expand services in each of these Key Focus Areas and strengthen our delivery system, with full-scale deployment planned for 2023.

I envision that Fujitsu Uvance, which starts with societal issues and develops services as One Fujitsu on a global scale, will replace the traditional SI business and become the mainstay of the Fujitsu Group's business in the medium term. This is why I stated at the outset that Fujitsu Uvance is not simply a new service brand, but that it is intended to be a new business model for the Group. To realize this vision, we are currently focusing our energies on creating not only the offerings within our services, but also a global organizational management structure that encompasses the service development processes and reporting line within the organization.

Making sustainability our core business

Addressing sustainability issues is not a philanthropic contribution to society, but an indispensable challenge if we wish to remain at the forefront of value creation and to seize major business opportunities. The fact that sustainability is essential to the continuous enhancement of the Group's corporate value is clearly indicated in Our Purpose. This means that sustainability must be set as a core objective of the business from the outset, not as an "add-on." Fujitsu Uvance's clear commitment to sustainability is based on this idea.

I believe that for us to be successful and achieve Our Purpose in competitively innovating, and rapidly evolving sustainability-related business, we must develop a certain willingness to exercise power. Let us consider the creation of a carbon-neutral society, or more specifically, the creation of a supply chain to expand the use of alternative energy sources to replace conventional fossil fuels, as one example. To build a supply chain efficiently and quickly, it is essential to create an ecosystem that transcends industry boundaries. What is required here is the will to connect with various companies and public institutions and to use the influence of the ecosystem that has been formed. We need to collaborate with influential partners with whom we can generate synergies, quickly create best practices and disseminate information on their significance, and take part in rule-making in the international community. The willingness to exercise power refers to the ability to see the future of society from a big-picture perspective and to lead the move toward its realization.

I envision that Fujitsu Uvance, which starts with societal issues and develops services as One Fujitsu on a global scale, will replace the traditional SI business and become the mainstay of the Fujitsu Group's business in the medium term.

Financial targets

P17-18

Customer Net Promoter ScoreSM (NPS[®])

P28

Employee engagement

P29

DX Promotion Indices

P30

The Fujitsu Group is engaged in field trials and collaborations with various stakeholders, including our customers, to realize DX. We must expand these efforts to a scale that will have an impact on society, and not stay content with stand-alone projects. We will keep on leveraging the Fujitsu Group's strengths to pursue maximum impact.

Realizing scale through expansion of global business

Prior to Fujitsu Uvance, we had been aiming to achieve Our Purpose through value creation and internal transformation in the two business domains of "For Growth" and "For Stability." "For Growth" represents the domain in which we take on the challenge of creating new value and achieving growth as a partner to our customers. Specifically, we realize the modernization of customers' existing IT systems centered on their migration to the cloud, and the resolution of management issues through the use of digital technology and data. In the "For Stability" domain, we create value by contributing to improving our customers' management efficiency by developing IT infrastructure and supporting its stable operation. Specifically, we provide conventional system integration services that include the maintenance and operation of IT systems and the provision of related products.

As yardsticks for value creation in the two business domains of "For Growth" and "For Stability," the Fujitsu Group has set financial targets of ¥3.2 trillion*1 in revenue, a 10% operating profit margin for the Technology Solutions business segment by the close of the fiscal year ending March 31, 2023, and a compound annual growth rate (CAGR) of 12% for EPS. In addition, we have set numerical targets for three non-financial indicators that reflect trusting relationships with stakeholders and progress in internal transformation: Customer Net Promoter ScoreSM (NPS[®]),*2 employee engagement, and DX Promotion Indices.

In terms of value creation in the two domains of "For Growth" and "For Stability," we view our performance in the fiscal year ended March 31, 2022 as falling short of the expectations of our stakeholders. Although we achieved an increase in profit on a Groupwide consolidated basis, the breakdown of this increase shows that the Technology Solutions segment, the core business that is designed to drive the Group's growth, experienced declines in both sales and profit, and the Device Solutions segment, a non-core business, filled the gap. Certainly, there were external factors affecting sales and costs, such as disruptions in the global supply chain, and particularly delays in the procurement of semiconductors. However, in terms of demonstrating a shift in the Fujitsu Group's business model, the results were not enough. In particular, we consider an operating profit margin of 10% one of the prerequisites for developing a globally competitive business. Achieving it, therefore, is a priority for the fiscal year ending March 31, 2023.



As discussed next, at the level of specific measures and initiatives, there has been a lot of progress and the seeds of success are growing. However, I believe that "growth with scale" is essential for the Fujitsu Group to complete the transformation of our business model; and growth with scale necessarily involves expansion of global business. That is why we are focusing on Fujitsu Uvance—because we expect it to be a breakthrough for achieving medium- to long-term global business growth.



*1 In April 2022, we revised the previous revenue target for the fiscal year ending March 31, 2023 of ¥3.5 trillion to ¥3.2 trillion.




*2 Net Promoter[®] and NPS Prism[®] are registered trademarks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld, and Net Promoter SystemSM and Net Promoter ScoreSM are service marks of Bain & Company, Inc., Satmetrix Systems, Inc., and Fred Reichheld.



Progress on “For Growth” and “For Stability” initiatives to realize Our Purpose

Fujitsu Uvance is built on the progress we have made since 2020 in the two business domains of “For Growth” and “For Stability.” In this section, I will report on the specifics of each of the four initiatives.

The first strategic initiative is the reformation of our global business strategy . With business restructuring on track, we achieved profitability in all regions for the fiscal year ended March 31, 2022. In addition, the progress made in organizing and expanding services to be promoted in all regions—that is, global offerings—led to the establishment of Fujitsu Uvance. Furthermore, in April 2022, we reorganized our organization from a six-region structure to a four-region structure (Japan, Europe, the Americas, and Asia Pacific) , which will allow us to execute our strategies more rapidly.

The second initiative is to strengthen our issue resolution capabilities in Japan. Fujitsu Japan  has begun full-scale operations and is steadily transitioning from conventional services catering to the needs of individual customers to solution-based business, despite facing a difficult situation in which the company’s main targets—medium-sized companies, local governments, and educational and medical institutions—were particularly affected by COVID-19. In addition, as a measure toward strengthening the consulting function, we completed the reskilling of 8,000 employees in domestic sales to become “business producers,”  and visually mapping their skills.

Our third initiative is to contribute to the greater stability of our customers’ businesses. We are strengthening the use of data and AI to improve quality in conventional SI business and prevent projects from becoming unprofitable. We also established a Global Information Security Unit and raised the level of information security  under the lead of the Chief Information Security Officer (CISO). Japan Global Gateway (JGG) , which holds the key to improving productivity in the domestic business, now hosts approximately 7,500 engineers and has standardized its service delivery model. The Global Delivery Centers (GDCs) , which develop and deliver services that cover all time zones of the world, now have 20,000 employees and stand ready for further utilization.

Our fourth initiative is becoming our customers’ DX partner of choice. Under the banner of “customer success,” we are strengthening our services focusing on solving customers’ business issues and creating new value, which we pursue in the “For Growth” domain. To accelerate this effort, we reorganized our organization and established the Global Customer Success Business Group  in April 2022. In parallel, Ridgelinez , established as a subsidiary dedicated to consulting services, is steadily gaining ground by advancing business activities and human resource policies that are not bound by the existing framework of the Fujitsu Group.

Global business strategy P20–22

Four-region structure
(Japan, Europe, the Americas, and Asia Pacific) P24–27

Fujitsu Japan P24

Business producers P46

Information security P91–92

Japan Global Gateway (JGG) P25–26

Global Delivery Centers (GDCs) P25–26

Global Customer Success Business Group P24

Ridgelinez P23

One Fujitsu Program

P47

Job-based human resource management

P43-44

Internal job posting (internal recruitment) system

P44

Fujitsu Learning EXperience

P45

Fujitra

P47

Non-financial task force

P31-33

GRB (Global Responsible Business)

P52-55

Work Life Shift

P43, 58

Progress on internal transformation

We are also moving forward with our own reforms, based on the three pillars of “data-driven management,” “DX talent development and productivity improvement,” and “fully participatory, ecosystem-based DX promotion.”

The data-driven management that we are pursuing under the name of the One Fujitsu Program is dramatically changing the management systems that support the Fujitsu Group's global operations. First, OneCRM, which integrates information on customer relations, was launched in all regions in April 2022. The progress of all ongoing business activities around the world can now be visualized in real time, and orders and sales can be predicted not only for the quarter but for a longer period. This project heralds our goal of future-oriented management, in which we make decisions based on data-driven predictions. OneERP+, which integrates information on all assets essential for corporate management, including human resources and capital, was launched in the UK and Ireland in April 2022, with plans to gradually expand to all regions in the future.

The DX talent development for employees is also rapidly moving forward. In April 2022, job-based human resource management in Japan, previously applied only to executives, was extended to the 45,000 domestic Group employees, crossing a major hurdle toward establishing a globally unified HR system. In addition, as a result of expanding the internal job posting (internal recruitment) system, which allows employees to take on another internal job of their own volition, approximately 2,700 employees had been transferred or reassigned by the end of March 2022, increasing the mobility of human resources within the Group. To support our people

taking on challenges and assist their career development, we have also introduced programs such as Fujitsu Learning EXperience, which encourages the acquisition of new skills and knowledge by all employees. Furthermore, we have also expanded our “Self-Produce Support System” to support employees seeking career course redirection outside the Fujitsu Group.

The Groupwide project called Fujitsu Transformation, or “Fujitra,” which promotes DX with the participation of all employees with an ecosystem-based approach, is also making headway in standardizing operations at all levels of the Group organization. In April 2022, we established a non-financial task force that embarked on an initiative to use data to demonstrate how the non-financial indicators relate to financial indicators, as well as to demonstrate what GRB (Global Responsible Business) and other efforts do to effect changes in non-financial indicators. This project will be a touchstone for our DX, given that the realization of management transformation through the use of data is the very high road of the business that the Fujitsu Group is aiming for.

Internal change must not be a “flash in the pan”

“Work Life Shift” systematizes the transformation of human resource management and the development of working environments and systems for employees and has attracted a great deal of interest from external stakeholders. It has also been instrumental in fostering a sense of expectation that “Fujitsu will change” among employees in Japan, who have been the primary target of the program. I caution, however, that these internal transformations must not end as a one-off.

A truly purpose-driven organization is one in which employees spontaneously take on the challenge of creating value by thinking outside the existing business framework. I believe that the motivation for such thinking comes from the realization that change leads to growth.

A truly purpose-driven organization is one in which employees spontaneously take on the challenge of creating value by thinking outside the existing business framework. I believe that the motivation for such thinking comes from the realization that change leads to growth.

From this perspective, I am looking forward to finding out the correlation between the aforementioned non-financial indicators and financial indicators. I want to prove to our employees, in the form of visible data, that the efforts of each and every one lead to changes in non-financial indicators, and that changes in non-financial indicators in turn lead to the business growth of the Group. I believe that a real sense of contributing to the Fujitsu Group's growth, backed by data, will be the driving force behind ongoing change.

We have repeatedly been reminded over the past year that unpredictable changes, such as the disruptions in the supply chain caused by COVID-19 and the crisis in Ukraine, can actually turn into reality. Obviously, it is important to create a system that responds flexibly and quickly to change, but what I have become acutely aware of is the need to see beyond the surface of the changes that have occurred and discern their meaning. Moreover, the importance of the role that IT infrastructure and services play in the debate surrounding economic security has also come into the spotlight, and we see firsthand the growing influence of politics and economics on business. Against this backdrop, discerning the meaning of change has become increasingly important in global management.

Fujitsu Uvance, devoted to the creation of new value that contributes to global sustainability, is a breakthrough that will allow the Fujitsu Group to accelerate its global business development while enhancing such discerning abilities. We look forward to your continued support as we take on the challenge of realizing a more sustainable world through digital innovation, while keeping a close eye on changes in society.



Takahito Tokita
Representative Director
CEO, CDXO

Message from the CFO



While responding flexibly and speedily to the ever-changing environment, we will simultaneously pursue business growth and improved profitability to realize the sustainable enhancement of corporate value.

Takeshi Isobe

Director and Corporate Executive Officer
SEVP, CFO

Overview of financial performance in the fiscal year ended March 31, 2022

For the fiscal year ended March 31, 2022, consolidated operating profit excluding special items increased by ¥28.2 billion from the previous fiscal year, to ¥275.6 billion, an increase of more than 10%. However, in the core Technology Solutions segment, delays in the procurement of components, including semiconductors, had a negative impact and revenue and profit both declined. As a result, revenue excluding special items declined ¥31.3 billion from the previous fiscal year, to ¥3,056.3 billion; operating profit decreased ¥6.7 billion, to ¥193.9 billion; and the operating profit margin narrowed to 6.3%.

Although the overall consolidated results appear to have improved, we are not satisfied with the core business, which we want to expand, notwithstanding the effects of the external environment, including disruptions in the global supply chain. We recognize that the major challenge going forward is how to respond flexibly and promptly to changes in the environment, given that various risks arising from the changes in the external environment have become the norm.

On the other hand, we were able to make solid progress with measures for future growth. In tandem with the execution of strategic investments, we have steadily implemented moves for the future, such as restructuring our global business strategy, strengthening our ability to solve problems in Japan, and working to speed up DX. We are beginning to see the results of these efforts, including in improved profitability and an expanded pipeline of business deals.

Achieving the financial targets of the medium-term plan

Based on the results for the fiscal year ended March 31, 2022, the Fujitsu Group has revised its financial target in the medium-term plan ending March 31, 2023, for revenue in the Technology Solutions business from ¥3,500 billion to ¥3,200 billion.

While an unstable global economy with increasing inflationary pressures warrants caution, we set a target based on market growth projections.

We have maintained our operating profit margin target of 10%. Although this is a high hurdle, representing year-on-year improvement of 3.7 percentage points from the previous fiscal year, we have positioned this year as one in which the results of the various measures we have taken to date will be reflected in our business performance. Improvements in profitability through more efficient development and service delivery and the effects of workstyle reforms have already begun to produce results in the form of improved gross profit margins. We believe that to steadily advance these initiatives will surely lead to the achievement of our goals.

The financial targets for the fiscal year ending March 31, 2023 will be one milestone in the Fujitsu Group's medium- to long-term growth path. While we are determined to achieve our goals and meet the expectations of our stakeholders, we will boldly make the investments necessary to achieve further sustainable growth.

Pursuing both growth and improved profitability

Operating profit growth will be driven by strong top-line growth, which we pursue by accelerating investment to a greater degree than in the past. We project a total of ¥120 billion in growth investments in the fiscal year ending March 31, 2023, an increase of ¥35 billion from the previous fiscal year. Specifically, we are continuing to expand our global offerings as part of our "For Growth" initiative by shifting our focus to the development of Fujitsu Uvance's seven Key Focus Areas. We will also continue to invest aggressively in R&D to strengthen our competitive advantage in the five Key Technologies that will support Fujitsu Uvance into the future.

We will continue to focus on investments in human resources, including training and education and hiring to expand the Global Delivery Centers (GDCs). We are actually seeing that

such investments yield returns and lead to the improved performance of employees: successful examples of sales staff in Japan transforming themselves into “business producers” through training, and thereby expanding the scope of business talks with customers as consultants, have emerged since the second half of the fiscal year ended March 31, 2022.

We will also accelerate in-house DX investments, including in OneERP+. Analysis, forecasting, and decision-making based on real-time information, such as the content and progress of business deals and the order pipeline, have already been partially realized, demonstrating some of the benefits of full-scale data-driven management aimed for the fiscal year ending March 31, 2025 onward.

In parallel with investments, we will pursue further improvements in profitability and cost efficiency. Particularly in the business in Japan, there is still room for wider transformation in service delivery through collaboration between JGG and GDCs, and further improvement of profitability is possible.

Together with productivity improvements through standardization and automation, curtailment of unprofitable projects through enhanced quality and risk management, and fixed cost reductions resulting from borderless offices and optimal human resource allocation, we are targeting an effect of approximately ¥60 billion during the fiscal year ending March 31, 2023.

Capital allocation and shareholder returns

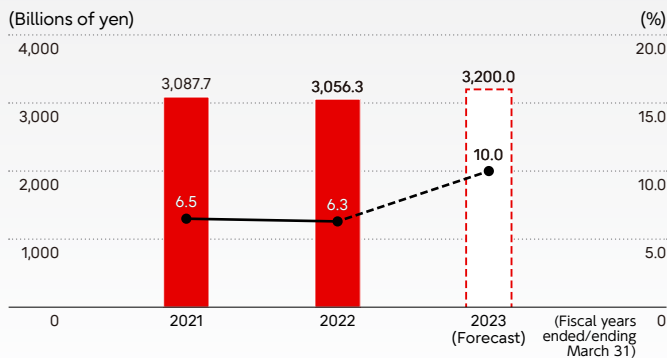
Compared to our initial plan of generating more than ¥1 trillion in base cash flow* over the five-year period from the fiscal year ended March 31, 2021 to the fiscal year ending March 31, 2025, the Fujitsu Group expects to generate ¥742.8 billion in cash flow over the three-year period ending March 31, 2023, and expects this to continue to grow steadily. Based on this outlook, in April 2022, we announced an increase in shareholder returns. Although the Company is still in the middle of its

medium-term plan, it can be said that it has moved ahead to the next stage of shareholder returns, based on the probability of future cash flow expansion.

By getting ahead of the curve, the balance of capital allocation may temporarily appear to prioritize returns. However, our goal at the end of the day is medium- to long-term growth. In the future the time may come when we accelerate strategic investments, such as mergers and acquisitions, for the purpose of acquiring human resources and intellectual property. In light of these assumptions, our target of 12% five-year average growth in earnings per share attributable to owners of the parent (EPS) reflects our commitment to pursue both growth and improved capital efficiency. As CFO, I will promote agile financial strategies to overcome changes in the environment and achieve sustainable corporate value enhancement.

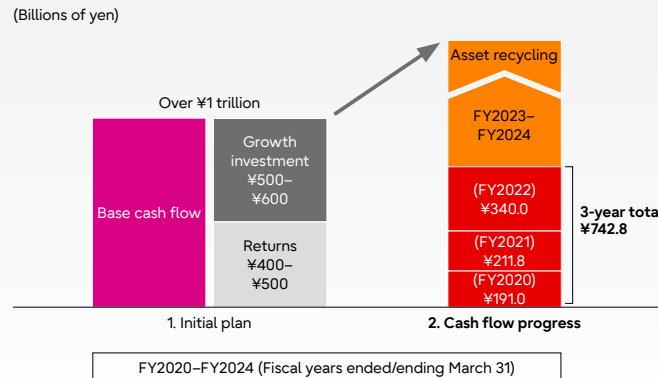
* Free cash flow before investment in growth plus lease payments.

Revenue and operating profit margin (Technology Solutions business)



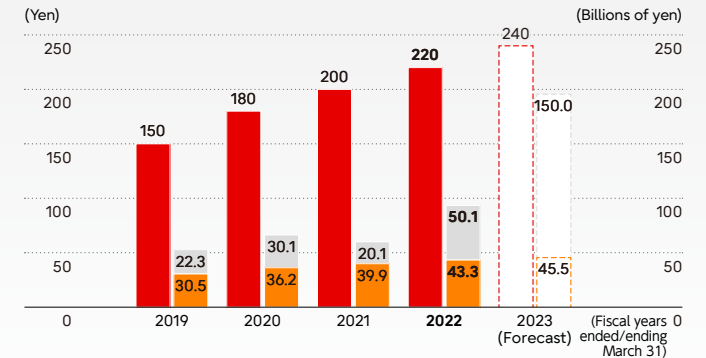
Note: Forecast for the fiscal year ending March 31, 2023 is as of April 28, 2022.

Capital allocation policy



FY2020-FY2024 (Fiscal years ended/ending March 31)

Returns to shareholders: Increasing total payout to ¥200 billion in the fiscal year ending March 31, 2023



Note: Forecast for the fiscal year ending March 31, 2023 is as of April 28, 2022.


Our progress

The Fujitsu Group is committed to value creation in two business domains: "For Growth," which contributes to the transformation and growth of customers' businesses, and "For Stability," which contributes to improving operation of customers' IT infrastructure and supports customers' stable business operations. At the same time, we are strengthening the foundations for value creation by establishing non-financial management indicators that show the progress of our own transformation and pursuing the optimal form of human resource and organizational management required of a DX company.



Message from the COO

Entering the final lap for the medium-term plan

March 31, 2023, marks the end of fiscal 2022 and the time limit for achieving the targets of our medium-term plan. There are only several months left to go. When we formulated our medium-term targets we did not envisage a pandemic, but the resulting impacts that included supply chain disruptions compelled us to review our financial targets  for revenue. Although our target for operating profit margin remains challenging, we believe that it is achievable. Our confidence is based on our progress in the “For Growth” and “For Stability” business domains, in which we have been making operational headways in four priority issues for creating value.

Rebuilding our global business strategy

Despite the impact of procurement delays for components owing to the global chip shortage, we successfully achieved profitability for all regions in the fiscal year ended March 31, 2022, as we finally realized the results of our structural reforms implemented up to the fiscal year ended March 31, 2021. Although we have just begun to establish a structure to generate stable profits and achieve growth, our growth path is becoming clearer.

In April 2022, the former Global Solutions Business Unit was reorganized into the Global Solutions Business Group and the Global Customer Success Business Group. With this move, some of our solutions development operations, which were previously carried out regionally, have now been integrated into the Global Solutions Business Group. This has created a structure in which our four regions—Japan, Europe, the Americas, and Asia Pacific —can concentrate their management resources on sales and service delivery.

Financial targets

P17-18

Four regions (Japan, Europe, the Americas, and Asia Pacific) P24-27

We will steadily develop the results of our initiatives since fiscal 2019 into the realization of our targets and medium-term growth.

Hidenori Furuta

Representative Director
COO, CDPO (Chief Data & Process Officer)



Four elements: offerings, accounts, delivery, and alliances

We are working to prepare the four elements that are essential for global business growth: global offerings, global accounts, global delivery, and global alliances.

First, we made rapid progress in expanding our global offerings during the fiscal year ended March 31, 2022. This has been our highest priority over the past two years, and an urgent issue in the sense that businesses cannot exist without products and services to sell. We are now seeing the results with growing orders for offerings based on collaboration with partners including SAP, Salesforce, and ServiceNow.

In global accounts, which clarify the approach for strategic customers with global business operations, we have completed the formulation of account plans and sales strategies, and we are now at the stage of implementing them under the [Global Customer Success Business Group](#).

In terms of global delivery, we have internalized utilizing our [Global Delivery Centers \(GDCs\)](#), which are sites for development, in each region, including Japan. As our next step, we will continue to expand the scale of our GDCs from the current level of 20,000 people while pursuing further efficiency and productivity gains through the use of AI and automation. Second, we will expand the scope of our “Centers of Excellence” (CoE), from mere knowledge accumulation points to centers to cover more specialized fields than previous infrastructure services and help desks. Finally, with regard to global alliances, we will collaborate with the aforementioned partners SAP, Salesforce, and ServiceNow and also Microsoft to pursue added value that only the Fujitsu Group can provide. The source of added value is our hands-on insights gained through extensive internal practice and the potential to combine partner services with proprietary technologies such as our Digital Annealer.* Moving forward, we will continue to work with leading partners while assessing customer needs.

* Fujitsu's proprietary quantum-inspired digital computing technology that can rapidly solve combinatorial optimization problems that prove difficult to solve using current conventional computers

Fujitsu Uvance

To accelerate the growth of our global business, we are currently focusing our efforts on [Fujitsu Uvance](#), which defines our vision for society in 2030. We do not yet have an established, comprehensive service portfolio as we have just started providing services under Fujitsu Uvance in 2022. The reason is that Fujitsu Uvance is to continue changing and developing in step with the constantly evolving market up to 2030.

For the fiscal year ending March 31, 2023, we will begin providing services in Horizontal areas, which we have built based on our global offerings, and in Vertical areas, such as Sustainable Manufacturing, where we already have a certain number of offerings prepared. In parallel, the Fujitsu Group plans to develop its own original services and to expand services through collaboration with global alliance partners, working toward a full roll-out in the fiscal year ending March 31, 2024. In Vertical areas in particular, we will step up our efforts on service development through co-creation with customers.

Strengthening problem-solving capabilities in Japan

The success of our efforts to reskill our 8,000 sales personnel in Japan is reflected in the data in OneCRM, an integrated customer relations management program. As of March 31, 2022, in half of our business deals in Japan, we have made proposals for helping to strengthen sustainability management, including measures to reduce CO₂ emissions, that go beyond the requirements of the requests for proposal (RFP) documents provided by customers. Of these cases, around half of the customers have reacted positively, remarking that the Fujitsu Group proposed novel solutions to their challenges and pointed out new possibilities. I believe this is the best proof that we are gradually developing a mindset of thinking first and foremost as a business producer about what customers want to achieve and what they need to succeed.

Global Customer Success Business Group	P24
Global Delivery Centers (GDCs)	P25-26
Fujitsu Uvance	P34-41


Japan Global Gateway (JGG)

P25-26


Information Security

P91-92

Helping to make customers' businesses even more stable

The Group's primary earnings base is currently in the Japan market. In this area, the [Japan Global Gateway \(JGG\)](#)  plays a driving role in increasing profitability and ultimately achieving our operating profit margin target. JGG is an organization responsible for service standardization and expansion of shared services. It is the key to increasing productivity through expanding the use of GDCs in the domestic business.

The creation of a scheme for the collaboration process with GDCs through JGG is largely complete. The process of matching requests from the front lines of customer service with human resources from JGG/GDCs has been considerably streamlined with a system that utilizes AI, and the utilization of GDCs is now expanding steadily. By the end of fiscal 2021, approximately 40% of all projects in Japan had adopted service standardization, and we plan to increase this to 50% by the end of this fiscal year. In terms of personnel, out of the 20,000 GDC members, the number of personnel assigned for Japan was 8,400 as of July 2022, up from 4,000 as of April 2021, and is scheduled to increase to 9,000 by September.

In response to a security incident in Japan, we have been promoting total inspections and drastic reforms of all systems, including IT, governance, organizations, human resources, and business processes. With regard to organizations and human resources, we established the [Global Information Security](#)  Unit in October 2021 and are increasing the numbers of our security personnel.

Being the customer's best DX partner

In the Global Customer Success Business Group, we have strategically assigned highly skilled and experienced business producers to global accounts as "Account General Managers" (AGMs). The mission of the AGMs is to carefully consider and identify customers' management issues and the social issues that they are facing. Naturally, it is not enough to just talk with the customers' IT divisions; it is also necessary to approach the so-called "CxO" management level, such as the CEO, CIO, and CDO. In 2021, we assigned AGMs to some of our customers in industries such as manufacturing and distribution, and, as a result, more in-depth proposals were made. We therefore started to expand these assignments to global accounts in all industries in April 2022.

Medium-term growth

I have explained that JGG and the GDCs are key to achieving our medium-term targets, in particular our operating profit margin target. However, our true goal for realizing Our Purpose lies beyond that. In pursuing sustainable corporate value, we will make a supreme effort to promote Fujitsu Uvance with a view to achieving medium-term growth, and to reform our security framework in order to maintain and strengthen the Fujitsu brand.

Progress of key measures and future policies: Capability enhancement



Ridgelinez

Toshiya Imai

Chief Executive Officer
Ridgelinez Limited

Progress through the fiscal year ended March 31, 2022

- ▶ Ridgelinez started operations in April 2020 as a new Fujitsu Group company that provides consulting services key to navigating DX for our customers.
- ▶ The company works to solve management and business issues faced by customers, providing them with optimal technologies that go beyond Fujitsu Group products and services when implementing digital technologies.
- ▶ We focus on four areas: business transformation aimed at improvement of customer experience, optimization of business execution, organizational and personnel reforms that bring about improvement of employee engagement, and data-driven management. We use digital technology as a driver to accelerate transformation in these areas, with the establishment of ICT infrastructure and cloud migration as the main pillars.
- ▶ In the fiscal year ended March 31, 2022, orders received grew by nearly 30% year on year due to the success of strengthening approaches to customers' management and expanding brand recognition through proactive marketing activities.
- ▶ We completed the introduction of a human resources system to maximize employee performance and put in place a human resource management framework as a consulting firm. We have also strengthened recruitment activities; the percentage of employees from the Fujitsu Group, which accounted for most of the employees immediately after the start of operations, has leveled off, and currently about half of the employees were recruited externally by Ridgelinez.

Policies and targets for the fiscal year ending March 31, 2023

- ▶ We continue to pursue a basic policy of focusing on four areas and utilizing digital technology as a driver of change, as well as on the customers' management level approach, aiming to expand the order pipeline and achieve stable growth.
- ▶ To strengthen the foundations that support stable growth, we aim to build an organizational structure that continuously generates profit, and emphasize the realization of companywide transformation utilizing the "4X* + Digital" framework as a companion for further customer transformation.
- ▶ We are deepening our alignment with Fujitsu Uvance to develop upstream consulting functions that are essential for providing services starting from social issues, including sustainability management and carbon neutrality.

* Customer experience, operational excellence, employee experience, management excellence

Medium-term issues

- ▶ Raise brand recognition as a consulting firm
- ▶ Continuously recruit high-quality talent and prepare for the launch of international offices for the consulting business



Strategic Growth & Investments (SG&I)

Nicholas Fraser

Corporate Executive Officer
SVP, Strategic Growth & Investments

Progress through the fiscal year ended March 31, 2022

- ▶ We launched SG&I in March 2020, with a mission to establish a capability to guide and govern inorganic growth activities across the company worldwide. Since then, we have built a world-class team that collectively delivers domestic and international mergers and acquisitions, global venture investments, and professional support for various "business-building" activities, such as joint ventures or new business formulations. The team today has a global mandate which it delivers from the home office in Tokyo, and a team in London established in late 2021.
- ▶ In addition to building and managing a diverse global team of experts and transactions, we are responsible for creating a centralized global governance structure for investing and also for establishing and running the committees to ensure timely and balanced decision-making.
- ▶ With our governance committees now in place, we have completed one acquisition in Japan and three in Oceania (Versor, oobe, and Enable Professional Services) and have made nine venture investments (notably, Autofleet in Israel and QunaSys in Japan). We have supported major efforts to launch new businesses in Japan including a strategic alliance and investment with Palantir, a joint venture with drug-discovery start-up PeptiDream, and a strategic partnership with Dentsu/ISID.

Policies and targets for the fiscal year ending March 31, 2023

- ▶ We entered the current fiscal year with a pipeline of transformational and strategic acquisition opportunities that support both the transformation of the Company's services and the new Uvance agenda. Working closely with both business groups and Uvance sponsors, SG&I will help accelerate the transformation of traditional IT services ("Modernizing the Core") and enhance our portfolio of new solutions ("Building the New—Uvance").
- ▶ This year will mark the establishment of a new incubation program called Fujitsu Launchpad within SG&I. It focuses on helping Fujitsu individuals and business groups develop, evaluate, and commercialize innovations.
- ▶ Despite economic and geopolitical headwinds, we anticipate this year to mark the start of Fujitsu's wave of programmatic inorganic activity, with SG&I team members providing professional guidance every step of the way.

Medium-term issues

- ▶ Attracting, developing, and retaining a global pool of world-class talent
- ▶ Maintaining a healthy pipeline of growth opportunities across M&As, venture investments, business building, and new business development
- ▶ Global economic outlook and geopolitical stability

Progress of key measures and future policies: Global growth



Global Customer Success Business Group

Shunsuke Onishi

Corporate Executive Officer, SEVP,
Head of Global Customer Success

Progress through the fiscal year ended March 31, 2022

- ▶ As the organization spearheading the Fujitsu Group's transformation, we have promoted the integration of the sales/SE (sales and production) organizations and the transformation of the delivery model, i.e., standardization of services through collaboration with JGG and realization of the expanded use of GDCs.
- ▶ We started activities by assigning Account General Managers, who are integrators of production and sales, mainly in the manufacturing industry, to specific customers with global business operations. In addition, we have promoted the development of DX business consultants who accompany customers in solving their issues.

(The progress through the fiscal year ended March 31, 2022, comprises the details of the initiatives of the former Global Solutions Business.)

Policies and targets for the fiscal year ending March 31, 2023

- ▶ We established the Global Customer Success Business Group in April 2022 as a spearhead organization to handle multinational customer businesses and address customers embracing transformation.
- ▶ We are separating the "account" organization from the "offering" organization* to promote customer-oriented, speedy business, and organizational transformation. Deployment of Account General Managers, which has been underway since the previous fiscal year, has expanded to large customers in all areas of the industries for which we are responsible.
- ▶ We intend to design and implement global customer programs and take a leading role, as a point of contact to customers, in globally promoting Fujitsu Uvance and other offerings and business development.

* The former Global Solutions Division has been reorganized into the Global Solutions Business Group and the Global Customer Success Business Group. The Global Solutions Business Group is responsible for offering development and delivery functions.

Medium-term issues

- ▶ As a front organization focused on "customer success," we will lead the ecosystem and co-creation approach with customers and stakeholders to solve social issues and contribute to the Company's global growth.



Japan Region

Hiroyuki Tsutsumi

Corporate Executive Officer, SEVP,
CEO, Japan Region

Progress through the fiscal year ended March 31, 2022

- ▶ In our Japan Region business, we target the central government, telecommunications and media, electricity and gas, social infrastructure, and other mission-critical companies and businesses in Japan. In addition, Fujitsu Japan, a subsidiary of Fujitsu, operates in the areas of the local government/private sector demand, healthcare, and education businesses.
- ▶ As "One Team," we have been breaking down silos and creating synergies to solve Japan's social issues through digital technology, contributing to the Fujitsu Group's growth through new value creation.
- ▶ We have developed a standard platform in line with the shift from a traditional individually contracted business model to a business model as a DX company. To promote the establishment of the new business model we have been developing reskilling training for all business producers to strengthen their DX consulting and proposal capabilities and providing a "lean learning and practice program."

Policies and targets for the fiscal year ending March 31, 2023

- ▶ We are strengthening proposals and deployment of global offering-based solutions to solve management issues faced by target customers.
- ▶ We are focusing on building a business that will be a showcase for Fujitsu Uvance.
- ▶ We will further promote efficiency in service delivery by embedding behavioral change among business producers and expanding the use of JGG and the GDCs.
- ▶ We aim to curb the occurrence of unprofitable projects by identifying and preventing potential issues and strengthening quality and risk management through the use of AI and data.

Medium-term issues

- ▶ We will give shape to the adoption of DX in the infrastructure systems that support society, including the Japanese government's vision of a Digital Garden City Nation, and contribute to their expansion
- ▶ We will strengthen proposals for new business and business transformation to customers and create strategic medium- to long-term projects.
- ▶ We will expand the ecosystem to collaborate with companies and organizations outside of the Fujitsu Group to solve social issues.



Fujitsu Japan

Takayuki Sunada

President
Fujitsu Japan Limited

Progress through the fiscal year ended March 31, 2022

- ▶ Fujitsu Japan Limited was established in October 2020 after the reorganization of the Fujitsu Group's domestic operations, including the integration of subsidiaries. Fujitsu Japan, which primarily targets companies with sales of ¥100 billion or less, local governments, and educational and medical institutions, has almost completed the integration of internal systems that manage order and supply and human resources.
- ▶ In addition to the impact of the semiconductor shortages, our target customers and industries were particularly affected by COVID-19, resulting in only 90% of orders in fiscal 2021 compared to the previous fiscal year.
- ▶ We collaborated with JGG to standardize services and expanded the use of the GDCs.

Policies and targets for the fiscal year ending March 31, 2023

- ▶ Fujitsu Japan is concentrating its management resources in markets and offerings where it has a strong competitive edge, to achieve growth and contribute to the Group's goal of achieving a 10% operating profit margin in Technology Solutions.
- ▶ We are accelerating the shift to a solution-proposing business that takes customer issues as its starting point.
- ▶ In collaboration with JGG, we are further ensuring standardization and accelerating the improvement of productivity and quality of services.

Medium-term issues

- ▶ Fujitsu Uvance offerings will be integrated into Fujitsu Japan's proposals to our target customers to help solve their challenges.

Improving service quality and productivity through the use of Japan Global Gateway (JGG) and Global Delivery Centers (GDCs)

What are JGG and the GDCs?

JGG supports the provision of IT services and DX offerings in Japan with approximately 7,500*1 system engineers (SEs). Specifically, JGG is responsible for all processes from service delivery and offering implementation to operation and maintenance for projects ordered by customers via business producers and customer-facing industry SEs—the point of contact with customers.

The GDCs, on the other hand, support the global business development of the Fujitsu Group with approximately 20,000*1 personnel, and are responsible for a wide range of operations including software and application development, operation services, and call center outsourcing services. GDCs are located in the Philippines, India, Poland, Costa Rica, and other countries and regions with a high concentration of highly skilled IT professionals, providing services in more than 40 languages in four regions—Japan, Europe, the Americas, and Asia Pacific.

Until recently, the Group's business in Japan has been centered on the development and operation of customized systems on the basis of individual-customer contracts, which has limited the standardization of services and prevented the GDCs from being fully utilized. As a result, service quality was inconsistent and productivity was low. At the same time, it was difficult to secure sufficient domestic SE resources that should have been allocated to high-value-added DX projects. JGG was established to resolve these issues and maximize the use of GDC resources to simultaneously improve service quality and productivity.

*1 As of April 2022

Optimal allocation of human resources using AI

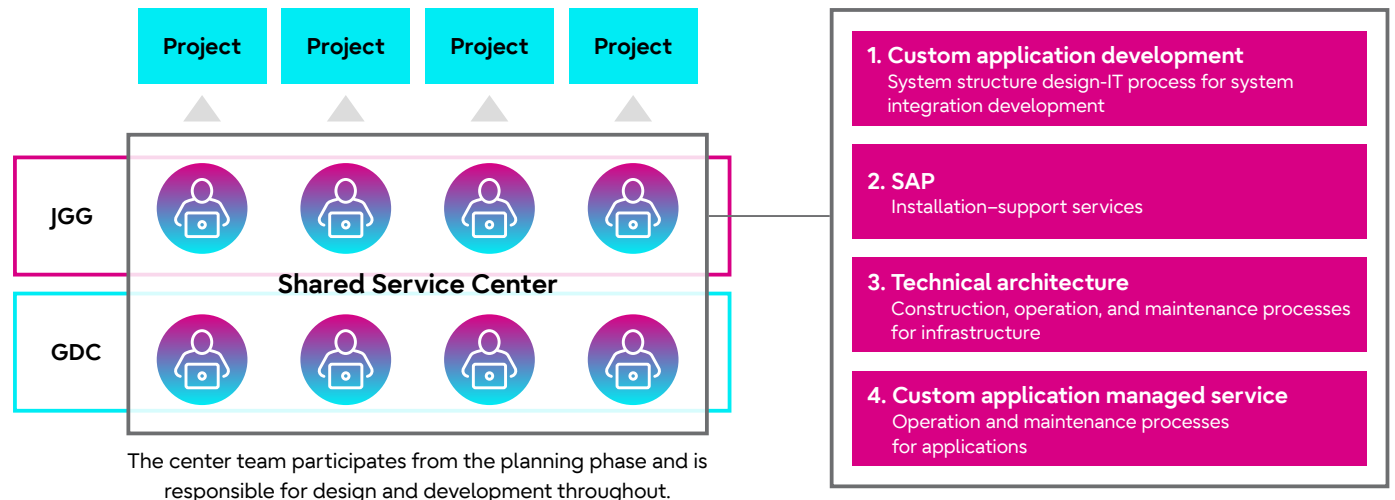
The first piece of business that JGG undertook was to subdivide all work processes from design, development, and testing to service delivery and offering implementation into tasks, thoroughly define them, and standardize them. By eliminating as much as possible ambiguous elements such as manufacturing in accordance with conventions established through longstanding business relationships with customers, and by standardizing work processes and work content, we have created a system that allows GDC members to clearly understand the scope of work. By April 2022, standardization had been applied to all projects in which GDC participates in Japan. As a result, we are working together with approximately 8,400*2 GDC members, including 4,300 English-speaking personnel, and we plan to reach 9,000 GDC members by September 2022, six months ahead of schedule for the current fiscal year, for the establishment of a development system for GDC members.

Next, we introduced the “shared service model” to JGG. This is a shift from the previous system in which a lead SE was

assigned to each customer to one in which a lead SE is assigned to each type of service. The SEs assigned to a particular “shared service” and the GDC members who work with them are responsible for the entire process from development and implementation to operation and maintenance as professional engineers who provide such services, regardless of the customer. The “shared service model” has enabled the speedy provision of high-quality services to customers, while SEs belonging to JGG and the GDCs, respectively, have been able to improve their own expertise and know-how to enhance work efficiency.

We are also planning to build a system that uses AI to match the skill sets required by business producers and industry SEs—the points of contact with customers, with the skill sets possessed by JGG's engineers. By visually mapping the skills and operating information of JGG members, we expect to realize DX, in which we will be able to respond to requests from the project side with prompt and appropriate staffing.

*2 As of July 2022



An industry (public sector) SE's view



Tsubasa Nozawa
Manager

With the availability of JGG's shared services, even for large-scale projects, the construction of infrastructure such as cloud computing and operating systems is now left to JGG. We, the industry (public sector) SEs who are the point of contact with our customers, have a clear division of labor, coordinating the distribution of work among SEs with specialized skill sets such as middleware and databases. In addition, since the JGG members assigned to projects serve as a bridge between the customer-facing front office and the GDC, we, in a positive sense, no longer have to focus on the GDCs, and have come to concentrate solely on communication with the JGG engineers, which has made project management more efficient.

The tools required for infrastructure construction projects have been standardized and automated to minimize manual work. The quality of the materials and deliverables provided by JGG during the course of the project are also top-notch, reflecting its experience in carrying out numerous projects. This is also highly valued by customers, together with the speed and cost advantages JGG offers.

By feeding back the know-how of industry SEs to JGG, we are looking to co-create with JGG the expansion of shared services and the delivery of even higher quality services.

A JGG SE's view



Takayuki Misu
Senior Manager

The Fujitsu Group's service delivery transformation is being felt within JGG. As a specialized engineering group, JGG's SEs are now able to focus on more specialized integration, and it has become commonplace for one SE to carry out multiple projects in parallel. With the development of shared services, GDC members have become more capable, and there are almost no more situations where they have to communicate work procedures manually from scratch. A system in which JGG SEs and GDC SEs work together as "buddies" has been introduced; they communicate on a regular basis and work together based on mutual understanding. The previous relationship between SEs who requested work and GDCs who took care of it has changed to one where they work together as members of the same project.

In the future, I would like to take on the challenge of integration using the latest technologies and integration of large-scale projects. With the shortage of IT personnel in Japan, JGG, as the delivery manager, will take the lead in standardizing the latest technology, globalization, and best practices.

A GDC SE's view



Christen Paul Zamora
Senior Engineer

I joined the Philippines GDC a few months before JGG became fully operational in April 2021. With the jump start of JGG, the GDC's work for Japan has rapidly expanded. Today, it is not uncommon for one development project to begin before the previous one is completed. My own skills as an SE are enhanced by working on numerous projects and gaining experience.

The presence of a "buddy" at JGG helps to deepen mutual understanding of work arrangements and progress between the JGG and GDC sides, which is a big plus for smooth development of offerings. From the perspective of controlling risks or resolving problems in the early stages, it is important to have a structure where concerns and unclear points that arise in the course of work can be easily communicated and resolved with a "buddy" via chat.

In between projects, I try to learn new skills and acquire certifications. It is very rewarding because I can actually use the skills I have learned through the acquisition of certification on projects. By growing myself, I hope to contribute to the growth of the Group as well.



Europe Region

Paul Patterson

Corporate Executive Officer
EVP, CEO, Europe Region

Progress through the fiscal year ended March 31, 2022

- ▶ We undertook structural improvements in two regions, Northern & Western Europe (NWE) and Central & Eastern Europe (CEE), including simplifying our operating model and withdrawing from low-margin and unprofitable businesses.
- ▶ Development of Global Offerings, which had been partially conducted at the Regional level, was transferred to the Global Solutions Business Group to simplify internal processes and accelerate time to market.
- ▶ Our focus on strengthening customer relationships and improvements to service delivery, both in-country and using our Global Delivery Centers, resulted in improved customer satisfaction scores.

Policies and targets for the fiscal year ending March 31, 2023

- ▶ In April 2022, the Service businesses in NWE and CEE were merged into the new Europe Region to increase our focus on growth particularly in Digital Services market segments. The Products business moved into the System Platform Business Group.
- ▶ We are focusing on selected strategic accounts and qualified new business to build closer customer relationships.
- ▶ We continue to build consulting and sector expertise to proactively identify solutions for our customers' business issues.
- ▶ We are building skills for the future by recruiting, retaining, and developing a diverse workforce.

Medium-term issues

- ▶ Geopolitical instability and rising inflation in Europe are pointing toward reduced market growth and economic challenges. Our plans will adapt to focus on opportunities to support our customers while mitigating adverse impacts to our cost base.
- ▶ We will strengthen capabilities, including through M&As, to increase our ability to digitally transform our customers and implement Fujitsu Uvance's growth strategies.



Americas Region

Doug Moore

SVP, CEO, Americas Region

Progress through the fiscal year ended March 31, 2022

- ▶ Withdrawing from unprofitable business areas in North America and accelerating the shift to digital services contributed to the growth of the Americas business in fiscal 2021.
- ▶ To improve profitability of our services business, we shifted resources to large strategic accounts focusing on global offerings and optimized delivery through standardization using Fujitsu's global delivery methodology.
- ▶ Major subsidiaries in North America were integrated into one entity during fiscal 2021.

Policies and targets for the fiscal year ending March 31, 2023

- ▶ Our focus for the fiscal year is to achieve profitable and proportional growth by driving new accounts in underserved territories such as the public sector in the US and the private sector in Canada.
- ▶ We aim to sell more global offerings and improve profitability by strengthening our global alliances through augmentation of our partners' services with Fujitsu solutions such as GLOVIA OM, and through increased use of our Global Delivery capabilities and automation.

Medium-term issues

- ▶ Looking further out, as we implement the Fujitsu Uvance growth strategy, we will build on our digital core capabilities to further develop into a consultative digital services business.
- ▶ We will deliver sustainable enterprise transformation and superior business value to customers across industry sectors enabled by Fujitsu Uvance's horizontal and vertical offerings.



Asia Pacific Region

Graeme Beardsell

Corporate Executive Officer
EVP, CEO, Asia Pacific Region

Progress through the fiscal year ended March 31, 2022

- ▶ Established industry-oriented go-to-market model with an objective of strengthening our industry insight and relevance.
- ▶ Inorganic growth strategy continues to gain momentum. Two acquisitions completed, strengthening the capabilities required to provide value-added services business.
- ▶ Expanded the use of GDCs in service delivery, continuously enhancing delivery capabilities and quality.
- ▶ Improved gender equality at Fujitsu Oceania and launched Māori and Pacific Peoples Inclusion Plan in Aotearoa New Zealand.

Policies and targets for the fiscal year ending March 31, 2023

- ▶ Launch new organization structure for APAC Region.
- ▶ Refine strategy across APAC. Focus on bringing strategy to life through Fujitsu Uvance, with a strong industry lens and a consulting-led manner.
- ▶ Focus on implementing an APAC operating model to strengthen capabilities across the region; leverage our scale through resource sharing where appropriate.
- ▶ Continue with pragmatic M&A strategy. Complete third acquisition.
- ▶ Further Purpose actions:
 - Execute renewable power purchasing agreement to reduce carbon emissions by 30% or more in Australia.
 - Continue to be a diverse and inclusive employer of choice.
 - Promote digital inclusion through First Nations-led program.

Medium-term issues

- ▶ Full-scale rollout of Fujitsu Uvance.
- ▶ Utilize GDCs, automation, and standardization to improve customer outcomes and productivity.
- ▶ Continue to leverage inorganic growth strategy to strengthen capabilities and transform business across APAC.

Non-financial indicators

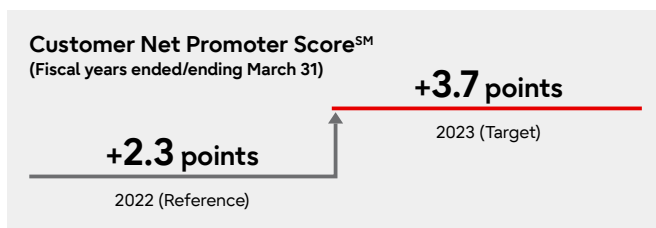
With regard to the three non-financial indicators set forth in the management objectives, we asked the executives in charge why the indicator is important to the Fujitsu Group, what the numerical target means, and what improvements are planned in the future.

Customer Net Promoter ScoreSM (NPS[®])



Taeko Yamamoto

Corporate Executive Officer,
EVP, Chief Marketing Officer (CMO)



Listening to customers through a common global survey

Customer NPS[®] is a metric that enables objective evaluation of customer loyalty, i.e., the customers' level of trust and attachment toward a company. Unlike customer satisfaction, which indicates the degree of satisfaction or dissatisfaction with a purchased product or service, customer loyalty is characterized by its ability to determine the degree of customer attachment and the likelihood of repeat purchases.

The Group uses Customer NPS as one of its non-financial indicators in order to realize customer-centric management. By listening to our customers through Customer NPS and

providing services that accurately meet their needs, or by making proposals that anticipate their needs, the value of the customer experience is enhanced, and Customer NPS is further increased. We believe that creating such a positive cycle will result in the enhancement of the Fujitsu Group's corporate value.

As a mechanism for listening to customers' opinions and improving the customer experience globally, CX leaders are assigned to each region to lead improvement activities at the field level, and on the management side, the CX Steering Board, chaired by CEO Takahiko Tokita and attended by business managers from each region, is held quarterly. This mechanism creates a "feedback loop" that addresses customers' issues as management issues, proposes improvement actions, examines areas for investment, and verifies the effectiveness of the measures.

Aiming for continuous action for improvement

While there are many companies globally that utilize Customer NPS, there are very few that publicly announce it as a management indicator along with a numerical target. In this context, the Fujitsu Group has set a target of a 3.7-point year-on-year improvement for the fiscal year ending March 31, 2023, as we are committed to building relationships of trust with our customers. The fact that the target is not an absolute value but a point improvement over the previous fiscal year also reflects our determination to continuously enhance the value of the customer experience by reflecting customer feedback, as no score is ever enough.

In setting the target, we carefully examined each of the approximately 2,000 responses we received from customers in our global survey and aggregated the number of points that could be improved through actions taken in the current fiscal year. Considering that the actual improvement in the fiscal year ended March 31, 2022, when we took a similar approach, was 2.3 points year on year, we believe that the 3.7-point year-on-year improvement we are aiming for this fiscal year is a high target that cannot be achieved merely through an extension of our previous efforts.

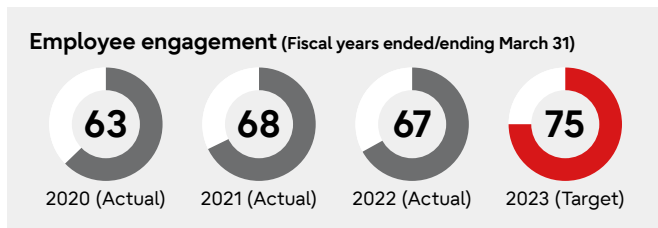
It is important to note that the Customer NPS is only an indicator, and "score improvement" is not the objective in itself. It is important to carefully listen to customers' opinions through NPS surveys, and to continuously implement improvement actions that contribute to enhancing the value of the customer experience. In the fiscal year ending March 31, 2023, we will work to improve the value of the customer experience by taking concrete actions such as strengthening our DX proposals, building a mechanism for sharing best practices globally to strengthen our proposals, and introducing a system that will enable us to quickly follow up on customer feedback, particularly with regard to critical feedback.

Employee engagement



Hiroki Hiramatsu

Corporate Executive Officer,
EVP, Chief Human Resources Officer
(CHRO)



Aiming for both personal and corporate growth

The Fujitsu Group's greatest management resource is its employees, who are the source of the value it provides to customers. Our experience has shown that highly engaged employees are better able to provide customers with high-quality services, and that positive customer evaluations correlate with employees having a more positive attitude toward their work. We believe that increasing the engagement of each and every employee leads to the growth for both the individual and the Group.

Based on this belief, we have set "employee engagement," which demonstrates empathy for Our Purpose and organizational culture and enthusiasm for work, as an indicator to measure the sustainable growth of the Group, and we are promoting various initiatives to improve it. Sharing of the organizational

vision is one example. The heads of each division or team verbalize their vision for the realization of Our Purpose and share it with the members to elicit empathy and motivate them. In addition, supervisors who interact with members are also working to strengthen workplace management. One-on-one meetings are held to help members understand their role and the Company's expectations, and to put this understanding into practice. In addition, as a company, we support career ownership by providing opportunities to think about careers and a wide range of growth and challenging opportunities.

Setting goals appropriate for a global company

The Fujitsu Group has clearly stated its aspiration to be a purpose-driven company and has introduced measures to broaden the range of work options for employees. In this context, we conduct a survey to measure employee engagement twice a year on a global basis in order to grasp changes in organizational culture, employee workstyles, opinions, and awareness in a timely manner, and to reflect the results in our management in a speedy manner.

The target value of 75 is a number that has been determined using global companies as a benchmark. The actual number varies widely, as it is affected by a company's business, the business environment in different countries and regions, and the diversity of countries from which employees come. Frankly speaking, 75 is clearly a high target for our Group. Nevertheless, we aim to achieve our goal, determined to claim our place as a leading global company.

Survey results are disclosed on an intranet page available to all Group employees. The results for each department are also shown to encourage managers to use the results to make changes to improve day-to-day management and engagement in their respective workplaces. In addition, departmental

results are also utilized in a posting system to meet the information needs of employees who are willing to take on challenges in a new environment.

Through analysis of the survey results, it became clear that there is a strong correlation between one-on-one meetings and employee engagement. This indicates that discussing and clarifying a vision that supervisors and subordinates can share, apart from routine work reporting and consultation, is extremely important from the perspective of employee engagement and creating a purpose-driven organization. On the other hand, my own perception is that there is no panacea for improving engagement drastically. We will continue to support individual growth by using data to communicate with all employees and understand their diverse values.

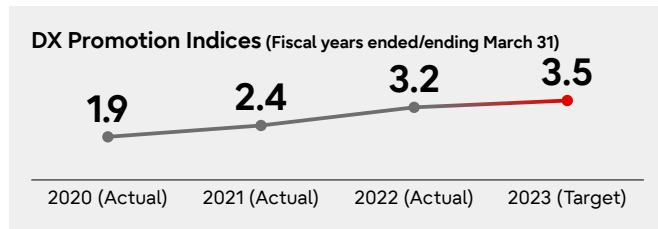
One-on-one meetings	P44
Posting system	P44

DX Promotion Indices



Yuzuru Fukuda

Corporate Executive Officer,
EVP, Chief Information Officer (CIO)
Deputy Chief Digital Transformation
Officer (CDXO)



Capturing changes in the process toward the realization of Our Purpose

The definition of “DX” for the Fujitsu Group is based on the description of the “DX Promotion Indices” set by the Japanese Ministry of Economy, Trade and Industry for the purpose of promoting corporate digital management reform. In order to grasp the changes the Group is undergoing in the process of achieving Our Purpose, we have set up the DX Promotion Indices as one of the non-financial indicators, and are conducting a diagnosis of the maturity level of DX promotion in a common format on a global and Groupwide basis. By conducting detailed diagnostics for each division, we are able to grasp the progress of reform and the results of measures and to take appropriate action.

Another aim of the DX Promotion Indices as a non-financial indicator is to accumulate knowledge as a partner that can spearhead our customers’ DX efforts. By implementing initia-

tives in accordance with the DX Promotion Indices and increasing the maturity level of DX, the Group will be able to provide the knowledge gained in this process to our customers through our business.

The DX Promotion Indices are set on the premise that companies conduct their own self-diagnosis. In order to ensure objectivity in self-diagnosis, the Fujitsu Group uses the opinions of all Group employees, which are compiled every six months, as the basis for scoring, and incorporates a third-party evaluation by Ridgelinez. The feedback collected in this process is also used by the DX officer in charge of DX promotion in each division to determine the progress of divisional initiatives, make decisions on measures to be taken next, and revise the course of action in the Groupwide DX project Fujitsu Transformation, or “Fujitra.”

Internal change is the key to continuous improvement

We have set a numerical target for the DX Promotion Indices of 3.5 by the end of the fiscal year ending March 31, 2023. According to the Ministry of Economy, Trade and Industry’s “DX Promotion Indices,” a company is classified as a “DX leading company” if it achieves an average of 3 or more across all qualitative indicators for all surveyed locations.* Therefore, by achieving this goal, we are aiming to become one of Japan’s leading DX companies, with a level that we can be proud of on a global scale.

Of course, 3.5 is not the goal. We believe that internal reforms in the three areas of “mindset and corporate culture,” “human resource development and retention,” and “incorporation into business operations” hold the key to continuous improvement in the future. With regard to “mindset and corporate culture,” the functioning of measures such as the job-based human resources management and the Fujitsu Innovation Circuit, a business creation program, will be crucial. In terms of “human resource development and retention,” it is essential to

firmly establish and activate human resource development measures, such as reskilling education and the exPractice program for DX talent enhancement, as well as human resource mobility measures, such as the job posting system. The “incorporation into business operations” largely involves the acceleration of measures such as Fujitsu Uvance, service delivery transformation, and business process transformation. We will utilize the DX Promotion Indices to enable all Group employees and external stakeholders to monitor the progress of the Group’s reforms, while also ensuring that the initiatives we have promoted to date take root and permeate the Group.

Ridgelinez	P23
Fujitra	P47
Job-based human resources management	P43-44
exPractice	P45
Job posting system	P44
Fujitsu Uvance	P34-41
Service delivery transformation	P25-26

* Report on Analysis of Self-Diagnosis Based on the DX Promotion Indices (2020 edition), issued June 14, 2021, Information Technology <https://www.ipa.go.jp/files/000091505.pdf> (Available in Japanese only)

Challenges of the Task Force on Non-Financial Indicators

Toward clarifying the relationship between the three non-financial indicators, GRBs, and financial indicators

The Fujitsu Group aims to contribute to the sustainability of society through the promotion of business that has the resolution of social issues at its core, while also practicing its own sustainability management to achieve its Purpose. Financial and non-financial indicators measure the progress of these business activities and sustainability management, and are set as medium-term targets in our Management Direction.

In January 2022, we established a Task Force on Non-Financial Indicators to determine—based on data—what initiatives contribute to the improvement of the non-financial management indicators of Customer NPS®, employee engagement, and DX Promotion Indices, how GRB (Global Responsible Business) initiatives affect non-financial indicators, and what relationship exists between financial and non-financial indicators.

In order to examine non-financial management indicators from various perspectives, members from many departments participate in the task force. We spoke with the members about their sense of purpose in participating in the task force and what they focus on in their efforts.

Clarifying the relationship between GRB and non-financial indicators



Takafumi Ikuta

Head of Social Value Office, Sustainability Unit

We believe that financial and non-financial indicators should be related to each other, rather than each of them existing independently. However, at this point, the relationship between the two has not been verified by data, so it is still a matter of hypothesis and speculation. As we are a company that advocates data-driven management, we were determined to clarify the relationship between financial and non-financial indicators and to highlight it to the Group and others. This is what encouraged us to form a task force.

From a macro perspective, there is a major trend toward increased stakeholder interest in the impact of environmental, social, and governance (ESG) initiatives on corporate value. Moves toward standardization of global disclosure standards are also taking shape, and companies are stepping up their proactive disclosure of non-financial information. We believe that it is necessary to organize the logic of non-financial indicators with a view to responding to these new frameworks.

As a participant from a department that promotes sustainability management, I am eager to elucidate how GRB relates to non-financial indicators. Sustainability initiatives tend to be abstract, but they, too, will accelerate if they are data-driven and have a clear relationship with value creation. On the other

hand, if the data shows that the KPIs set by GRB are not relevant in terms of value creation for the Group, I expect that this will lead to a concrete action of track correction.

Linking “trade-on” to employee satisfaction



Hiroyuki Ohhashi

VP, Executive Director (Strategy & Portfolio) of Corporate Executive Office

Fujitsu’s mission is to “make the world more sustainable by building trust in society through innovation,” and we think that it is a major proposition to examine how to explain the logic of the “trade-on” (the positive mutual effect) between sustainability and enhanced corporate value. In other words, “trade-on” means that financial and non-financial indicators are connected. Our task force’s objective is to elucidate this relationship based on data and communicate it in an easy-to-understand manner to which employees can relate. In analyzing this relationship, we aim to build a logic model that is unique to the Fujitsu Group.

Ultimately, we believe that one of our goals is to ensure that these trade-ons lead to the satisfaction of each individual. If we can visualize data showing that our sustainability management initiatives in such areas as human rights, diversity, and the environment are contributing to our financial

performance, or that we are helping to solve social issues through our customers, we believe that we will be able to better realize that our own work is leading to an increase in corporate value. In the future, if we can utilize our own technology to analyze large volumes of data, I believe this will further strengthen Fujitsu's identity.

In developing this initiative as a practical example of data-driven management, I believe it is important to create an environment where the entire Group, from employees on, can realistically empathize with the results and feel pride and confidence in their own work.

Providing data that leads to employee success and growth



Hidehiko Satake
VP, Head of Engagement & Growth Division,
Employee Success Unit

We view "engagement" from two aspects: a high level of willingness to contribute to the Company and a high level of motivation to work. We believe that employees that are highly motivated to contribute and to work are more willing to make proposals to customers who are worried about their decisions in an uncertain environment where the future is difficult to predict. This willingness in turn affects service quality and productivity, and ultimately business performance. It is with this belief in mind that the Fujitsu Group has set "employee engagement" as a non-financial indicator.

As a member of the HR department working to improve employee engagement, I am participating in this task force to determine the relationship of employee engagement to two non-financial indicators, the Customer NPS® and the DX Promotion Indices, as well as financial performance such as revenue and profit, and data related to management such as one-on-one meetings.

What I would like to achieve through the task force is to show the relationship between employee engagement and various data. By doing so, we can expect to accelerate the movement of each department and organization to make serious efforts to improve engagement. Such improvement will, for example, help individual employees gain a deeper understanding of the meaning of their own work. In addition, we believe that self-motivated career development, in which employees recognize their own strengths and consider how to demonstrate these strengths within the Company, as well as working style and human resource mobility with a sense of ownership that emerges from this process, will lead to the transformation of the Group's organizational culture as a DX company.

Taking action to improve the value of the customer experience



Makoto Tamura
Head of Global Intelligence Division,
Portfolio Strategy Unit

I am promoting efforts to improve the Customer Experience (CX) and participating in this task force, as Customer NPS,

a measure of customer loyalty, has been adopted as one of the non-financial indicators.

The Group officially launched the global Customer NPS survey in the second half of 2020. Since the survey has only been conducted three times so far, we are still in the process of accumulating data to ensure its statistical significance. In addition, as a company focused on business-to-business transactions, our business deals with customers that have a relatively long-term horizon, and there tends to be a gap between improvements in the Customer NPS score and business impact in terms of order pipeline or financial performance. Despite this difficulty, the Fujitsu Group sets Customer NPS as one of its non-financial indicators as it places importance on improving the value of the customer experience through a feedback loop of investigation, analysis, action, and improvement.

I am participating in this task force to clarify the relationship between the Customer NPS and the other non-financial indicators of employee engagement and DX Promotion Indices, as well as financial performance such as revenues and orders. In other words, our goal is to prove that employee engagement, Customer NPS, and DX Promotion Indices are all linked to business growth.

In addition, we collect, analyze, and examine data on the three non-financial indicators broken down by division and organizational units, with the aim of creating a mechanism to encourage concrete actions by divisions and organizational units by feeding back the findings obtained by the task force to business units.

Focusing on DX as a driver



Yuka Yamaguchi

Senior Director of CDXO
Division, Corporate
Executive Office

The DX Promotion Indices are a set of non-financial indicators that measure the maturity of the Fujitsu Group's transformation, using the evaluation indices for digital management reform set up by the Ministry of Economy, Trade and Industry. Fujitsu Transformation, or "Fujitra," a Groupwide DX project, views these DX Promotion Indices as the current state of our own DX, and uses them to formulate and implement measures necessary for the transformation of the entire Group and each organization within it. I am participating in this task force because I am promoting the "Fujitsu VOICE program" in Fujitra to collect and visualize the voices of customers and employees, which are an important source of information for evaluating non-financial indicators.

Data analysis has revealed a gradual correlation between organizational transformation through DX initiatives and organizational credibility, as well as a tendency for customers to recommend Fujitsu as a DX partner when they are introduced to the Group's own DX initiatives. We therefore believe that improving the DX Promotion Indices—that is, transforming the Group—not only directly contributes to increasing our corporate value but also serves as a driver for improving the other two non-financial management indicators.

We believe that clarifying this kind of causal relationship through the task force will convince employees to take action to improve DX Promotion Indices and other non-financial indicators, and we expect that this will be a starting point for all employees to change their behavior.

Establishing a speedy data analysis cycle



Eiji Ikeda

Vice Head of
Data Analytics Center,
Business Management Unit

The Data Analytics Center is a new organization created in November 2021 to lead the enhancement of data-driven management. I am participating in the task force in my capacity as an expert in generating insights through data analysis and building "dashboards," easy-to-understand interfaces.

Compared to financial indicators, the sources of information for non-financial indicators are extremely diverse, including information on human resources accumulated by the HR department, information on customers held by the marketing department, and information on sustainability accumulated through the promotion of GRB.

First of all, it is necessary to prepare the data for the problems to be solved in order to extract information from these sources that is consistent over time and across organizations and comparable. Members from many departments

participate in the task force as it is essential to consider effective task setting and data preparation from a broad and professional perspective.

When data is actually collected and analyzed, the results may differ from the hypothesis. We then discuss what is different from the hypothesis, verify the data, and evaluate the results. We emphasize the importance of continuously and speedily repeating this cycle. We are also designing a dashboard that visualizes information in real time, with the goal of sharing findings from the data within the Group and linking them to employee actions.

Fujitra

P47

"Fujitsu VOICE program"

P47

Our value creation: Fujitsu Uvance

With the launch of Fujitsu Uvance, a portfolio of global solutions that contribute to the solution of societal issues, we have started a new chapter for the Fujitsu Group. The name "Uvance" combines the two words in the underlying concept of making all (Universal) things move forward (Advance) in a sustainable direction. By concentrating our management resources and building a business model with sustainability at its core, we will achieve growth on a global scale.



Message from the Head of Global Solutions

Tackling global social challenges: seven Key Focus Areas

The starting point of Fujitsu Uvance is Fujitsu Group's Purpose, which is "to make the world more sustainable by building trust in society through innovation." Fujitsu Uvance was launched with the vision to seek growth by providing services globally that are tightly linked to the realization of this Purpose.

To turn our vision into practice, we have envisaged what global society might look like in 2030, the target year of the "2030 Agenda" of the United Nations Sustainable Development Goals (SDGs), and we are backcasting to examine the social issues to be resolved and the role that the Group should play in addressing them. As a result, we have identified seven Key Focus Areas that comprise Fujitsu Uvance. Four of these are cross-industry Vertical areas, while the remaining three are Horizontal areas, all supported by five Key Technologies. Fujitsu Uvance is a collection of offerings provided by the Fujitsu Group in these seven Key Focus Areas.

Having said that, the term "a collection of offerings" does not fully describe the entire scope of the transformation we are striving for under the Fujitsu Uvance brand. This is because the business model on which Fujitsu Uvance is based will go beyond that of the existing Fujitsu Group.

Going beyond traditional business models

The Fujitsu Group has developed its business incrementally around the world and has established its identity as a global company. However, given our scale and the diversity of our

businesses and geographies, we have a very broad portfolio to manage. With an emphasis on solving social issues faced by communities globally, Fujitsu Uvance will transform our traditional business model and achieve sustainable growth with a view to realizing Our Purpose.

We established the Uvance Unit in April 2022 as the core business unit that drives Fujitsu Uvance. Currently, about 1,000 employees from four regions around the world have joined the Uvance Unit to formulate strategies, build new offerings, and create an organization and structure that enables a new business model. Personally speaking, I moved from Tokyo to London earlier this year to refresh my mindset and pursue a new business model consistent with our objective of global business development and growth.

Transforming development processes and revenue models

Our short-term priority is to expand the number of Uvance offerings to 20 covering all seven Key Focus Areas by April 2023, and then to 35 offerings by the first half of fiscal 2023. We will realize this in an agile and continuous manner, repeating development and testing in short cycles. We will also promote collaboration with our global alliance partners and co-creation with our customers, in addition to development within the Group. In collaborating with our customers, we emphasize an approach in which we take the lead while discerning how the markets in which our customers operate and the society that lies beyond them will change.

Key Focus Areas

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Global alliance

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Through the pursuit of a better world, we will create a global business that leads to the realization of Our Purpose and achieves growth.

Megumi Shimazu
Corporate Executive Officer
SEVP, Head of Global Solutions

Fujitsu Uvance's revenue structure is also different from that of the traditional business model. In the traditional business model, where we develop an IT system as per the customer's requirements, our revenue is generated based on so-called "person-month" compensation; that is, fees for the number of people and time spent in building the finished product. Fujitsu Uvance, on the other hand, is based on a stock-type revenue model in which we generate revenue from the customer's use of our offerings. We plan to flexibly combine our revenue structure according to the characteristics of our seven Key Focus Areas. We are also looking at revenue sharing on a contingency fee basis with respect to offerings developed through collaboration with the aforementioned partners or through co-creation with customers.

Enhancing foresight

To clearly break away from the traditional business model, accepting a set of offerings as a given and simply continuing to sell them is not enough. The key to Fujitsu Uvance's success will be the ability to foresee the changes that lie ahead in 2030 and beyond, and to rapidly and flexibly build offerings based on that understanding. This means, in practical terms, that we must strengthen our consulting capabilities. To do so, we will continue to reinforce the Uvance team using the global job posting system with personnel who have a desire to contribute to making the world better, and work in collaboration with our consulting subsidiary Ridgelinez and external partner companies. We will also utilize AI to enhance our sensitivity and responsiveness to changes in society and the market.

We envision that by 2025 Fujitsu Uvance will be a well-established brand in the global market, and by 2030, a core business and a major source of revenue for the Fujitsu Group. To achieve this goal, we are accelerating efforts toward product development, service provision, and organizational and structural development in collaboration with our colleagues, customers, and partners in the Group across the four regions.

Job posting system	P44
Ridgelinez	P23



Fujitsu Uvance: Vertical areas

	Sustainable Manufacturing	Consumer Experience	Healthy Living	Trusted Society
Fujitsu's competitive advantage	<ul style="list-style-type: none"> ▶ Knowledge of the manufacturing industry ▶ Having both engineering and supply chain solutions and the ability to provide comprehensive offerings 	<ul style="list-style-type: none"> ▶ Global retail customers and business base ▶ Extensive track record mainly in the retail area ▶ In-house ownership of Key Technologies ▶ Knowledge of supply chain management and traceability management 	<ul style="list-style-type: none"> ▶ Customer and business base developed through existing healthcare business in Japan ▶ Customer base centered on the public sector in Europe ▶ Data analysis and simulation capabilities supported by computing technologies and their application in prior cases 	<ul style="list-style-type: none"> ▶ Broad technology portfolio that enables digital twins ▶ Knowledge of system integration ▶ Core technologies that enable forecasting and matching ▶ Extensive industry and business know-how and experience
Target market	<ul style="list-style-type: none"> ▶ Cross-industry areas such as optimization throughout the value chain and carbon neutrality (starting with assembly manufacturing, automotive and automotive parts manufacturing, heavy industry, chemical industry, etc.) 	<ul style="list-style-type: none"> ▶ Retailers and the logistics providers that comprise their supply chains ▶ All businesses and brands that serve as consumer contact points 	<ul style="list-style-type: none"> ▶ Medical institutions, insurance organizations/insurers, medical device manufacturers, pharmaceutical companies 	<ul style="list-style-type: none"> ▶ Central government, local governments, public institutions ▶ Public transportation, utility companies (electricity, water, gas, etc.) ▶ Airports, ports, road and transportation operators ▶ Automobiles, manufacturing, distribution, logistics operators, non-life insurance
High priority customer needs	<ul style="list-style-type: none"> ▶ Sophistication of decision-making through visualization of corporate activities ▶ Automation and skill transfer using robots and AI ▶ Traceability throughout the value chain and optimization of supply/demand ▶ Strengthening of the supply chain's resilience in the face of unpredictable crises ▶ Visualization and reduction of GHG emissions along the value chain 	<ul style="list-style-type: none"> ▶ Responding to the convergence of online and offline (omni-channel integration) and personalization ▶ Improving sustainability in the supply chain ▶ Addressing labor shortages ▶ Improving productivity through automation and labor savings in operations 	<ul style="list-style-type: none"> ▶ Maximization of healthcare outcomes for society as a whole by improvement of diagnostic accuracy, increased efficiency of healthcare services, and optimization of healthcare resources ▶ More efficient and faster drug discovery R&D ▶ Support for digital health (distribution of medical information and its use in peripheral and other areas crossed with lifestyle information) ▶ Strengthening of preventive medical services and personalized medicine using big data 	<ul style="list-style-type: none"> ▶ Transformation and expansion of public services, improving accessibility and equity ▶ Promotion of dialogue with and participation by citizens for better policy making and service realization ▶ Promotion of green energy and shift to low-carbon lifestyles ▶ Development of social infrastructure to achieve carbon neutrality, including new means of transportation and efficient use of renewable energy
Key growth factors	<ul style="list-style-type: none"> ▶ Shifting to consulting-based business ▶ Integrating proprietary know-how to add value to global applications ▶ Accumulating successful track records of businesses that solve social issues 	<ul style="list-style-type: none"> ▶ Acquiring upstream consulting capabilities ▶ Building an ecosystem with partners on a global basis ▶ Acquiring business and customer base through M&As, especially in North America 	<ul style="list-style-type: none"> ▶ Establishing partnerships with advanced users and disseminating best practices ▶ Acquiring business and customer base through M&As, especially in North America 	<ul style="list-style-type: none"> ▶ Developing precedents through co-creation with strategic partners ▶ Obtaining sales consultants with contacts to decision-makers in target industries

Fujitsu Uvance: Horizontal areas

	Digital Shifts		Business Applications	Hybrid IT
	Data-driven	Workstyle reforms		
Fujitsu's strengths / Key Technologies	<ul style="list-style-type: none"> ▶Development of services that enable advanced decision-making through data intelligence, AI demand forecasting, advanced document analysis through AI natural language processing, and improved traceability transparency through blockchain, all based on proprietary global knowledge of data science 	<ul style="list-style-type: none"> ▶Presentation of extensive case studies, implementation and operational know-how, and results based on in-house practices ▶“Work Life Shift 2.0” to support workstyle reforms and productivity improvement ▶Specialist expertise and know-how accumulated in the development of human resources at the Group's subsidiaries 	<ul style="list-style-type: none"> ▶Accumulation of implementation and operational know-how based on extensive in-house practice of SAP, ServiceNow, and Salesforce, and presentation of implementation results ▶Provision of unique offerings that combine a wealth of industry and business expertise with key solutions ▶Proposing and building of optimal cloud infrastructure for customers, including cloud infrastructure from various solution vendors and public cloud infrastructure 	<ul style="list-style-type: none"> ▶Provision of Hybrid IT by combining accumulated IT knowledge with computing technology, trust data technology, and explainable AI.
Track record to date / Practices within the Fujitsu Group	<p>In-house practices In-house practice of data-driven management and business operations through large-scale data integration</p>	<p>In-house practices</p> <ul style="list-style-type: none"> ▶Work Life Shift (transformation of organizational culture, workstyle, and employee mindset) ▶Initiatives to transform human resource management and improve employee engagement ▶Provision of training, including reskilling of business producers 	<p>Track record A proven track record of implementing applications tailored to individual customer requirements as part of conventional system integration services</p> <p>In-house practices Implementation and operation of applications provided by key vendors such as OneERP+ and OneCRM</p>	<p>Track record Provision of cyber security services to public utility companies in the UK, etc.</p> <p>In-house practices Operation of local 5G system for smart factory at a manufacturing site in Japan</p>
Global trends	<ul style="list-style-type: none"> ▶Data-driven ESG management ▶Enhanced traceability transparency ▶Utilization of data across industries and sectors 	<ul style="list-style-type: none"> ▶Remote work taking root, especially in advanced economies; its importance increasing from an employee retention perspective 	<ul style="list-style-type: none"> ▶Transition from providing individual SaaS, PaaS, and IaaS services to more comprehensive industry cloud services ▶API-first approach to quickly respond to unforeseen risks ▶Low-code/no-code technology for quick development 	<ul style="list-style-type: none"> ▶Use of AI technology to enhance IT system operations and speed up decision-making ▶Public cloud proliferation and highly connected supply chains becoming increased security risks and targets of cyber attacks

Message from the Chief Technology Officer (CTO)

Fujitsu's world-leading technologies

The Fujitsu Group has focused its management resources on five Key Technologies that are essential for digital transformation (DX): Computing, which enables the processing of massive amounts of data; Network, which connects data; AI, which supports decision-making using data; Data & Security, which maintain the safety of all of these; and Converging Technologies, which support the combination of technology with humanities and social sciences that is needed for people to use data.

In these five Key Technologies, we are either at the top level in the world, or have the potential to be at the top. For example, in the area of Computing, we have the technology to develop and manufacture processors for the Fugaku*¹ supercomputer, which boasts world-class processing capacity. We also lead the world with the world's fastest quantum simulator*² as well as our proprietary Digital Annealer technology for solving combinatorial optimization problems. In addition to the area of Computing, our strengths as a technology company also include ultra-high-speed telecommunications technology that realizes 5G, and beyond that, will realize 6G and the technology to discover causal relationships between various individual data related to people and objects, using AI. Our ability to develop such technologies for providing high value to customers and retain them as intellectual property is our strength as a technology company.

Delivering value through the optimization of technology and business

My role as CTO is to connect these technologies with business in order to contribute to the global business growth of the Fujitsu Group. Therefore, my current priority is to combine and incorporate the five Key Technologies within the seven Key Focus Areas of Fujitsu Uvance to provide them as competitive services. We will offer computing power, including high performance computing (HPC), as a service that is available to a wide range of customers, and adding further business applications, we will provide added value that is unique to Fujitsu. We will also realize massive efficiency gains in customers' plants in the manufacturing industry through the use of 5G. By optimizing these technologies and businesses, we will focus on delivering value to even more customers.

Japanese corporations are known for having a low rate of R&D expenditures relative to their net sales. In fact, the Fujitsu Group's R&D expenditure is somewhat limited compared to US technology companies. However, I don't think it is meaningful to make a comparison only in terms of monetary amounts. The important thing is the degree to which we can close and optimize the gap between R&D and business. Based on our original technological capabilities, which US and European companies do not possess, we believe there is ample potential to leverage our presence in the global market by expanding businesses that contribute to solving social issues.

*1 Press release on May 30, 2022: "Supercomputer Fugaku retains first place worldwide in HPCG and Graph500 rankings"
<https://www.fujitsu.com/global/about/resources/news/press-releases/2022/0530-01.html>

*2 Press release on March 30, 2022: "Fujitsu achieves major technical milestone with world's fastest 36 qubit quantum simulator"
<https://www.fujitsu.com/global/about/resources/news/press-releases/2022/0330-01.html>



We will provide customers with value based on our world-leading technology, contributing to solutions for societal issues and the global growth of the Fujitsu Group.

Vivek Mahajan
Corporate Executive Officer
SEVP, CTO

Establishing a research structure that accelerates development

We are also strengthening our global research organization. In November 2021, we established a center in Israel for developing technologies and solutions to support safe applications of AI, followed in April 2022 by the establishment of a research center in India to focus on AI and quantum software. We are now concentrating our technologies at centers under a global research structure for accelerating development.

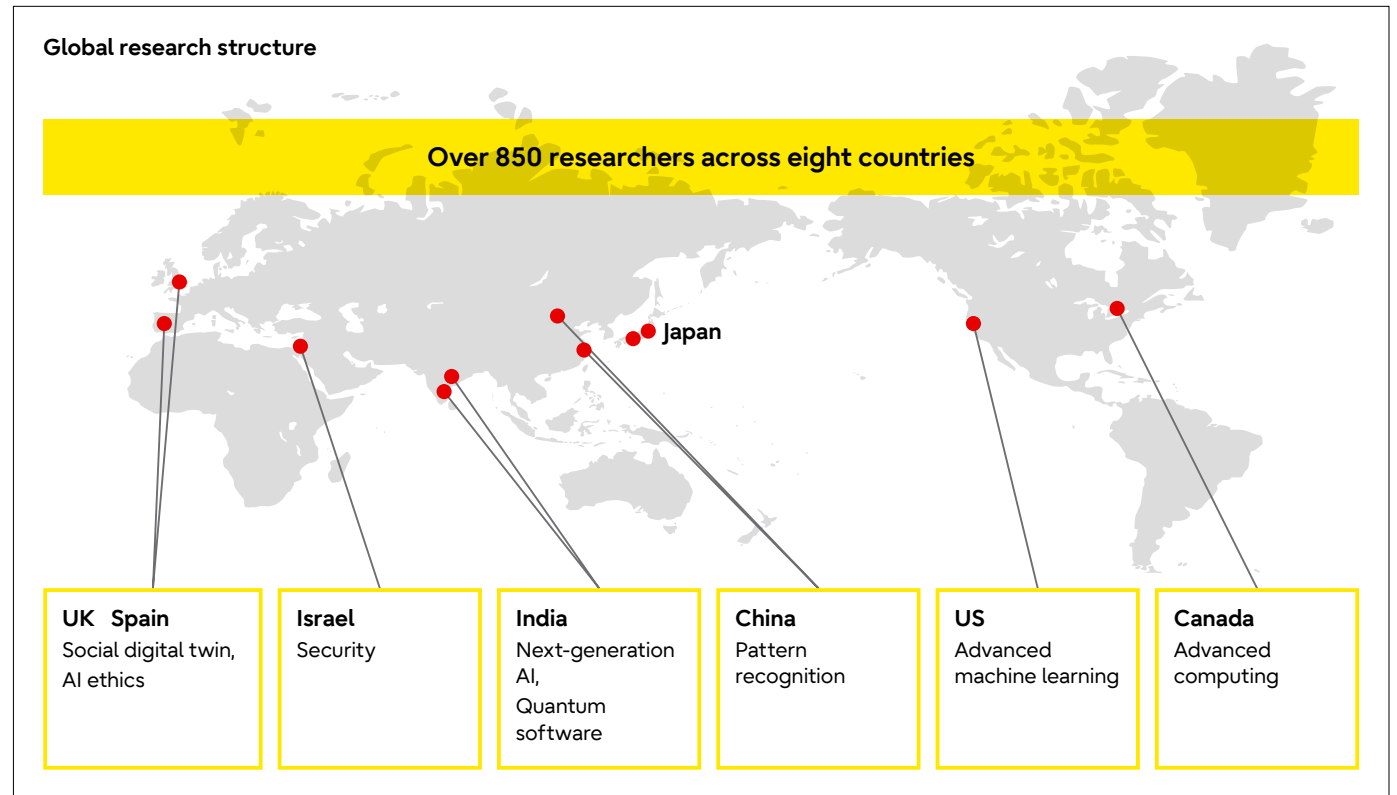
We also emphasize collaboration with academia at the forefront of technology development. At the aforementioned centers in Israel and India, we are promoting joint research with Ben-Gurion University of the Negev and the Indian Institute of Technology Hyderabad and the Indian Institute of Science. Meanwhile, in Japan, we are promoting Fujitsu Small Research Lab, in which the Group's researchers have permanent tenure or long-term residencies within universities to accelerate joint research and identify new themes. Our policy is to incorporate a wide range of innovative ideas through collaboration.

Stimulating innovation by challenging the limits

To be a trusted partner of customers who want to achieve innovation with the Fujitsu Group, we must make speedy decisions and act quickly without eschewing risks. In the area of technology, rather than the conventional approach of developing a technology until it is 100% complete before exploring applications in the real world, it is sometimes necessary to appeal to customers with new technologies and the potential they offer at the pre-completion stage. Business styles differ significantly between global IT companies, where top-down management is the mainstream, and Japanese companies, which are frontline oriented. To grow our business globally, a change of mindset is required.

Innovation inevitably involves failure. The absence of failure means that one is not challenging the limits. Moreover, to encourage employees to take on daunting challenges requires “organizational transparency,” meaning alignment between the vision set out by leadership and actual operations and the positive environment that such transparency creates. I consider this kind of transparency to be one of the

special characteristics of the Fujitsu Group. Our Purpose—“to make the world more sustainable by building trust in society through innovation”—and a desire to transform ourselves and succeed globally are shared throughout the entire Fujitsu Group, and I am certain that we have the capability to generate exciting value together with our customers.



Intellectual property management supporting technology strategy

The Fujitsu Group's intellectual property management plays an important role in realizing Our Purpose. Intellectual property management that corresponds with our business, technology, and brand strategies contributes to the differentiation of our products and services and the strengthening of our competitive advantages. At the same time, we uphold our responsibilities as a global corporation by respecting the intellectual property of others.

The three perspectives of intellectual property management

The Fujitsu Group promotes intellectual property management based on three perspectives:

- 1) Contribution to business, technology, and brand strategies from an innovation perspective,
- 2) Initiatives to protect rights and form rules from a perspective of gaining society's trust, and
- 3) Use of intellectual property from a perspective of realizing a sustainable world.

The practical duties are conducted by the Intellectual Property Division, which comprises around 120 members. The Intellectual Property Global Head Office formulates and executes intellectual property strategies based on Our Purpose and business, technology, and brand strategies. It also builds our intellectual property portfolio and leads global governance through coordination with regional intellectual property managers (IP CoE) stationed at four locations in Europe, China, Australia, and the United States. The Intellectual Property Front Service Division is responsible for providing service functions to our business front lines, including provision of intellectual property information to business divisions and engineers.

Strengthening the intellectual property portfolio of the five Key Technologies

Among the three perspectives, our strongest focus is on the contribution to business, technology, and brand strategies. To promote the growth of Fujitsu Uvance, we are working to strengthen our intellectual property portfolio with a focus on the five Key Technologies (Computing, Network, AI, Data & Security, and Converging Technologies), based on a strategy of concentrating management resources in these technologies to support our seven Key Focus Areas.

Among the five Key Technologies, Computing is where we hold the highest number of patents and the fastest growing number of patent applications. The Group has significant intellectual property in this field, as evidenced by our track record in the development and manufacture of Fugaku, one of the world's leading supercomputers. We also hold a significant amount of intellectual property in Network, including a world-leading number of patents in optical communication technology. These were cultivated in the field of communications equipment, which has been a business of the Fujitsu Group since its founding in 1935. Moreover, in Converging Technologies, we also hold a significant share of the number of design patents, having made design applications focused on screen designs, which is directly related to user experience. In addition, we aggressively obtain trademark rights for the names of technologies that have especially strong potential for differentiation among the five Key Technologies.

For many of the assets in our intellectual property portfolio we apply for registration globally, and our portfolio includes many inventions that originate in other countries, which support our global business. Guided by this intellectual property management, our intellectual property activities have won high acclaim, with Fujitsu being ranked in the Top 100 Global Innovators by Clarivate every year for the past 11 years.

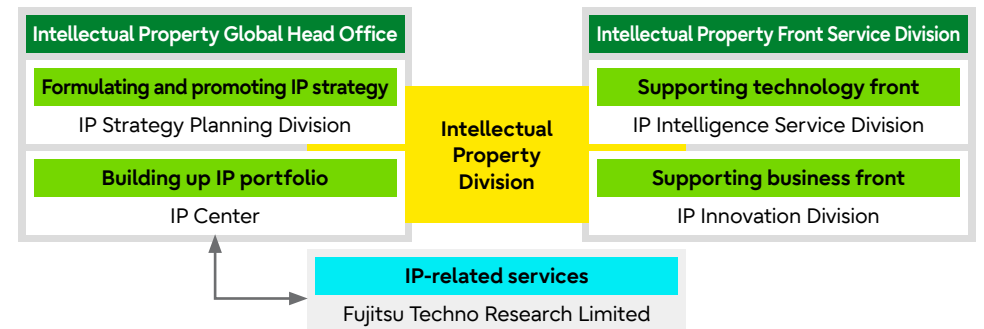
For details on Fujitsu's intellectual property activities to support the realization of Our Purpose, please visit the following website.

<https://www.fujitsu.com/global/about/businesspolicy/tech/intellectualproperty/>

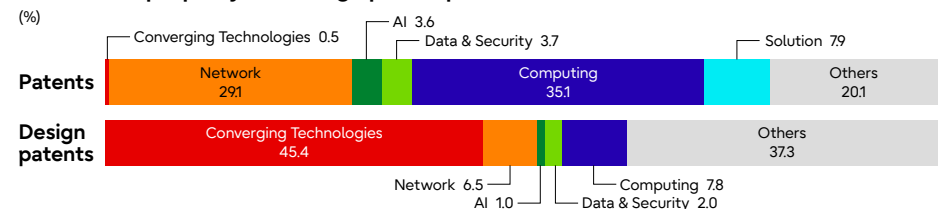
For details on Fujitsu's intellectual property, please visit the following website.

<https://www.fujitsu.com/global/about/csr/intellectual-property>

Intellectual property management organization



Intellectual property and design patent portfolio



Our people and culture


The Fujitsu Group is working on its own transformation by implementing various measures to strengthen data-driven management, the evolution of Group employees into DX talent and the resulting enhancement of productivity, and the promotion of DX with the participation of all employees on an ecosystem platform. We are determined to achieve sustainable growth by enhancing organizational mobility through the execution of a human resource strategy that is consistent with our business strategies, encouraging employees to develop their careers autonomously, and strengthening our competitive advantage through the transformation of our business processes and corporate culture.



Human resource management


Overall human resource strategy

Human resources are the driving force behind the Fujitsu Group's transformation and its progress toward the realization of "Our Purpose." As we move away from a business model based on the development and operation of custom-made IT systems for each customer company and work as a DX company to solve our customers' business challenges and the social issues that exist beyond them, the importance of human resources is increasing even more as they are the source of the value we provide to our customers. In addition, in order to transform the business model and organizational culture, it is essential that Group employees understand the significance of these transformations and are willing to work on them themselves.

Based on its human resources and organizational vision of "a company that creates innovation everywhere in society by bringing together agile and versatile people from inside and outside the Company," the Fujitsu Group promotes various measures and monitors their progress and effectiveness through employee engagement , one of its non-financial indicators.

Aligning organizational and human resource strategies with business strategies


Job-based human resource management, which clarifies the responsibilities and human resource requirements associated with a specific job, is not only the standard in global organizations but is also an excellent mechanism for flexibly designing the organization and reassigning talent according to business strategies. For employees, there is also the great benefit of gaining many opportunities to take on attractive work challenges and options to develop their careers autonomously. The Fujitsu Group introduced job-based human resource management, which was already widespread in regions other than Japan, to executives working in Japan in April 2020 and to all employees in April 2022, and is making progress toward the establishment of a globally unified human resource management framework.

For job-based human resource management to function, not only the human resource allocation system but also the personnel evaluation and compensation systems must be designed in an integrated manner. The Group rated the job responsibilities of Fujitsu and its domestic Group companies' personnel based on common global standards and set monthly compensation according to the rating and market level. In addition, the system that has been used to evaluate executives from the three perspectives of "impact on society and customers," "behaviors," and "learning & growth" was expanded to non-managerial employees in April 2022 as the common global "Connect"  evaluation system.

Furthermore, authority has been delegated to business units (BUs) to formulate new graduate and mid-career hiring plans and assign hired personnel that are highly relevant to the strategies of each BU, whose duties were previously handled collectively by the corporate division. This enables

flexible recruitment, training, and assignment of human resources to be in line with the BUs' business strategies, while also strengthening the system in which the corporate division supports the BUs, thereby ensuring consistency with the human resource strategy of the entire Group.

Raising wellbeing

"Wellbeing"  is the value that underlies the Fujitsu Group's human resources and organizational transformation. Employees can continue to learn and grow on their own initiative in order to realize their career objectives, receive appropriate and fair compensation commensurate with their roles and contributions, build and maintain trust and good relationships with colleagues, family, and friends, and maintain and improve the physical and mental health of themselves and their families. All of these contribute to wellbeing.

Concerning career development in particular, we have put in place a variety of measures to encourage the evolution of our employees into DX personnel. The term "DX personnel" here does not refer to those who have acquired digital technology as a skill, but rather to those who can continue to transform themselves from the perspective of Our Purpose. This is important as the "DX" that the Fujitsu Group is aiming for emphasizes not only the use of digital technology but also the transformation of organizational culture and the mindset of employees. Based on this concept, the Group has introduced a system that fosters ownership of one's own career and has built an educational platform that supports autonomous learning and growth in accordance with employees' individual career vision and the jobs and challenges they want to take on.

The Work Life Shift (WLS) initiative launched in 2020 also aims to improve wellbeing. WLS promotes change through three approaches: "Smart Working," which enables employees themselves to choose the optimal workstyle according to their types of work, objectives, and lifestyles; "Borderless Office," which allows employees to freely choose their office environment according to the objective and content of their work; and "Culture Change," which aims for a corporate culture based on high degrees of employee autonomy and mutual trust.

Employee engagement

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Connect

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Wellbeing

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Internal job posting system

The internal job posting system is a system that allows employees to select their own opportunities to transfer or pursue higher internal positions in line with the career plans they wish to realize. We have introduced a system whereby vacant positions within the Group are made available to the entire Group through a dedicated intranet site, and any Group employee can apply for them. This is intended to encourage mobility and diversity of human resources, assign the right people to the right positions, and foster an open and stimulating organizational culture.

In the fiscal year ended March 31, 2022, there were 6,187 applicants for 4,100 positions available, of whom 2,076 were successful; and in the recruitment for new executive appointments, there were 1,030 applicants for 660 positions available, of whom 578 were successful. Employee engagement survey results also indicate that transferees who use the posting system tend to be more engaged, particularly those who value “satisfaction” and “equal opportunity.”

In April 2022, we introduced the “Global Posting System,” which extended the existing posting system available to employees working in Japan. Open positions that require global recruitment will increase opportunities for employees to advance their careers and promote strategic talent management and [diversity, equity & inclusion \(DE&I\)](#) in the workplace.

Responses from users of the posting system (engineer position)

- ▶ I felt that I had “done what I could” in my old department and applied for a new post. The move has given me new knowledge and ideas, and new relationships with people I never would have met in my former position.
- ▶ The posting system expanded at a time when I wanted to move to a new position if the opportunity arose; as it turned out, there was an opening for a job that seemed like a meaningful challenge and where I could make use of my past experience. I feel that the move has given me insight into the optimization of practices and operations that would have been easy to miss if I were working in the same department for a long time.
- ▶ The start of job-based human resource management has made me want to acquire diverse experiences and skills while I am still young. Since I was transferred to a position that I am interested in, I feel highly motivated to work in this area, even though I am still unfamiliar with it and find it challenging.
- ▶ I took up the challenge to use the posting system as I wanted to use my acquired qualifications and new skills in my work. The transfer motivated me and gave me a fresh mindset, as if I were a new graduate recruit again.

Connect

“Connect” is a common global personnel evaluation system. The aim of this system is to connect the Fujitsu Way, the vision that each department and organization wants to achieve in the future, and various personnel measures through dialogue between the individual and their supervisor, starting from the individual's personal purpose and Our Purpose. The main objective is to encourage each employee's independent growth and action through consistent evaluation from the perspective of Our Purpose, thereby providing value that has an impact on our customers and the society that exists beyond them.

Evaluation is based on the following three metrics: Impact (magnitude of impact), which evaluates the degree of contribution and influence toward the realization of Our Purpose and Vision; Behaviors (actions), which evaluates actions in line with the Fujitsu Way's “Aspiration,” “Trust,” and “Empathy”; and Learning & Growth (growth), which evaluates the growth of oneself and the team to which one belongs. The final evaluation is intended not only to be reflected in salary increases and bonuses but also to help employees improve their skills and take on greater responsibility while presenting growth opportunities.

One-on-one meetings

One-on-one dialogues between managers and their subordinates, or “one-on-one meetings,” are a forum for dialogue between executives and employees to provide advice and feedback for growth. The Fujitsu Group places great importance on one-on-one meetings as the foundation of its job-based human resource management. These meetings are important as they enable employees to align the vision of the department or organization with the direction of their individual careers and to discuss their growth opportunities and future career goals with their managers and receive feedback.

The one-on-one meetings are regular communication between managers and their subordinates that take place at least once a month. Their purpose, however, is not to report and discuss daily work but to confirm, clarify, and give concrete form to the aspirations and growth of the employees. To facilitate communication, the Fujitsu Group regularly advises managers and all employees on points to discuss in one-on-one meetings and has introduced tools to help them prepare in advance.

Fujitsu Learning EXperience

The Fujitsu Group has introduced the Fujitsu Learning EXperience, an on-demand education platform that allows all employees to set goals according to their career aspirations and strengths and learn what they want to learn anytime, anywhere. In the fiscal year ended March 31, 2022, more than 50% of all global Group employees were eligible for the program. In the past, the human resources department was primarily responsible for formulating training menus and implementing them at a set time for a predetermined target group, whereas Fujitsu Learning EXperience is characterized as an on-demand type of program that allows all employees to take courses at their own discretion. Through a partnership with Udemy, one of the world's largest online video learning platforms, the service offers approximately 9,600 courses,* which can be accessed from both PCs and smartphones. Fujitsu Learning EXperience also has a function for recording learning history and recommending courses to take based on one's career aspirations and strengths, and positions to apply for in the future. In addition, we provide content that inspires and motivates employees, such as videos of diverse personnel sharing their knowledge based on their own experiences and their passion for learning.

* As of February 2022

Global Strategic Partner Academy

In December 2021, the Fujitsu Group launched the "Global Strategic Partner Academy," a common global online education program that enables participants to acquire cutting-edge digital technology and know-how.

This program is being implemented in cooperation with ServiceNow, SAP, and Microsoft, three of the Fujitsu Group's strategic technology partners and providers of leading IT services that are widely used worldwide. Specifically, the program will provide Group employees worldwide with access to leading digital technology and know-how related to the services of the three companies. In addition to knowledge-based training and certifying personnel, we regularly conduct practical programs that provide useful experience when interacting with customers.

Currently, the Fujitsu Group is in the process of creating a framework to globally unify the skill sets and hierarchy of its personnel, including business producers and system engineers who are responsible for providing services and offerings, including those in the [GDCs](#). By incorporating this program into this framework, we plan to contribute to the career development of our employees and sustainably expand the pool of personnel with highly specialized knowledge, skills and know-how, even as the shortage of IT engineers becomes a global issue.

Global Fujitsu Distinguished Engineer

The Global Fujitsu Distinguished Engineer (Global FDE) is a new system based on common global standards that certifies top-notch engineers who have outstanding technical capabilities in the areas important to our business strategy and that contribute to our growth. As of March 2022, 32 employees worldwide have been certified as Global FDEs. Global FDEs are the "face" of the Fujitsu Group, and in addition to working to create value on the business front lines, they are also active in the global technology community through participation in conferences and collaboration with research institutions, thereby contributing to enhancing the presence of the Group.

exPractice

exPractice, a term coined by combining the words "experience" and "practice," refers to the attitude of practice that is the driving force behind the Fujitsu Group's DX. More specifically, it is a program created in the process of designing mechanisms for change under Fujitra, a Group-wide DX project, and aims to create a state in which employees are engaged in change as "their own, personal matter." We have organized various skills and frameworks related to DX and set "Purpose," "Design Thinking," "Agile Development," and "Data Science" extracted from them as components of "exPractice in DX" to provide programs that encourage learning and practice. We expect that the practical attitudes acquired by employees through the program will become the driving force behind the transformation of the department that they belong to and the Group-wide DX theme.

Business producers

Sales personnel, who are at the forefront of our business as the point of contact between the Fujitsu Group and our customers, are responsible for the work associated with existing business with our customers and for meeting their expectations of the Group to lead and support DX that transforms their business. In order to meet the challenges of these changing customer needs on the sales front line, the Group is working to transform sales personnel in Japan into “business producers.”

The role of a business producer is to make proposals that exceed customer needs. Our goal is to break away from the traditional sales approach of starting from the written request presented by the customer’s IT department, as we aim to discover the true management issues and needs for change through our approach to the customer’s management and business departments and to provide value as a leading DX entity.

Based on these characteristics of a business producer, since the fiscal year ended March 31, 2021, we have conducted training programs for approximately 8,000 sales personnel, lasting up to approximately four months or more, that systematize the knowledge and skill sets essential for DX, including “Design Thinking” and “Agile Development.” At the same time, we are working to create value as a DX partner for our customers by encouraging business producers to take on new challenges, in such means as supporting a shift in mindset and practical implementation in the field of business through the development of a system to check the improvement of one’s skill level and practical guidelines.

Highly talented professionals

With the aim of maintaining and strengthening its competitive advantage as a DX company, the Fujitsu Group introduced in the fiscal year ended March 31, 2021 a new plan to allow compensation to be designed to contribute to the acquisition and retention of highly talented Group internal and external professionals. In the IT services industry, competition for talent is intensifying, especially in fields such as cybersecurity, AI, and data science, and it is essential to take into account the market level of compensation for highly talented professionals in order to recruit and retain the best talent. For this reason, the Fujitsu Group has introduced a compensation system that allows for flexible design of compensation in light of level of expertise and market value, while also reviewing the system in line with market trends.

Gender diversity

The Fujitsu Group promotes [DE&I](#) in its [GRB \(Global Responsible Business\)](#), and in addition to respecting diversity, the Group promotes initiatives that emphasize building employees’ sense of fairness and transforming their mindset to encourage the success of each and every one of its diverse human resources.

At present, women hold only a small share of jobs in the IT services industry globally. Given that the shortage of IT personnel is expected to increase further in the future, raising the absolute number of female Group employees and the ratio of female managers at the leadership level is essential for achieving sustainable growth. With this in mind, we have set the ratio of women in leadership positions as one of the two DE&I indicators, and we are striving to create an environment in which women can and want to pursue promotion.



Aya Yamagishi
Senior Manager,
Corporate Affairs
Division,
Corporate Affairs
Unit

A female manager’s view

The change in workstyles associated with the Work Life Shift introduced in 2020 was the catalyst for my decision to seek promotion to a managerial position. The change to an environment where I could choose where and when to work encouraged my desire to pursue my own career while also raising my family. I also feel that the monthly one-on-one meetings with my supervisor have been very effective and helpful. They were an opportunity for me to discuss my career development issues and concerns about promotion to management positions in a casual and frequent manner. In addition, the fact that the Fujitsu Group offered training programs such as Learning EXperience, which could easily be taken on a smartphone during free time to help improve skills and advance careers, prepared me for the endeavor.

I am acutely aware that it is very challenging to continue working while raising children, regardless of whether or not you are in a management position. However, I hope that if female managers become more common, other female employees will feel that promotion to a managerial position is something that they can also achieve. In addition, if more female managers enjoy (or appear to enjoy) their work–life balance, their views and thinking may change from “it seems like a lot of work” to “it’s an opportunity for a big change.”

I believe that we need to make a series of such changes until they become commonplace, in order to create an environment in which people who have been putting off thinking about their careers due to anxiety over balancing work and home life can easily take on the challenge of a new career.

DE&I

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GRB (Global Responsible Business)

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Organizational transformation

Organizational change under Fujitra

Digital transformation (DX) refers to a process whereby companies respond to rapid changes in the business environment and utilize data and digital technology to transform their products, services, and business models based on the needs of customers and society, as well as their business processes, organizations, and corporate culture and climate to establish a competitive advantage.* In 2020, Fujitsu launched the Groupwide DX project Fujitsu Transformation, or “Fujitra,” based on the recognition that “formalizing DX” based on our own practices is essential for the Fujitsu Group to provide services and create value as a DX company.

The goals of the Fujitra project are to analyze, test, and implement digital transformation, integrating the whole organization, as well as to establish a “Japan-style” digital transformation project that will serve as a model for our domestic customers. Fujitra does not simply promote the use of digital technology in the business, but is characterized by its focus on breaking down and reforming rigid organizational culture, including siloed vertical organizations and over-planning among divisions and departments. In other words, Fujitra is synonymous with total internal reform.

The project is led by a steering committee, comprising 10 executives from the corporate and sales front divisions, including CEO and CDXO Takahito Tokita; CIO and Deputy CDXO Yuzuru Fukuda; COO Hidenori Furuta; and CFO Takeshi Isobe. Under them, DX officers selected from 26 divisions and four Group companies in Japan, as well as from the Europe, Americas, and Asia Pacific regions, gather insights gained in the field and work across divisions to promote reforms. The DX officers are also responsible for disseminating Groupwide initiatives to each division and region and leading DX at the division level. Under their leadership, a cumulative total of more than 150 transformation themes were identified by September 2021, and initiatives are in progress in all divisions and organizations of the Group.

One Fujitsu program

As part of Fujitra, Fujitsu is promoting the One Fujitsu program to create a framework to support the Fujitsu Group’s data-driven management. This is an ambitious challenge aimed at standardizing management, operations, and processes globally across the Group. To achieve this objective, a Data & Process Owner (DPO), a position reporting directly to the CEO, has been appointed for each business area, including marketing and sales, service delivery, and purchasing, with each DPO leading standardization across businesses and regions.

In the One Fujitsu program, digital technology is only a means to achieve standardization. The construction of the Enterprise Resource Planning (ERP) system is currently underway in line with the progress of standardization. This system was initially launched in the UK and Ireland in April 2022. Ultimately, under a “single global ERP” management, operations, and IT will be integrated

to realize an evolution that culminates in data-driven management based on data that is granular, up-to-date, and precise. In April, we launched OneCRM in Japan, and global standardization of pipeline management is steadily progressing.

“Fujitsu VOICE program”

The “Fujitsu VOICE program” is a framework that uses digital technology to collect qualitative “voices” such as feelings, reactions, and experiences frequently and in large quantity, and combines them with quantitative performance data such as sales performance, production records, and business results for analysis in order to lead to actions based on accurate insights into the background and reasons for specific events and actions. By accurately understanding the “why” behind things, it is possible to make judgments about a company’s management issues and what lies behind them, to predict the next changes to come, and to continue to take actions based on such judgments and predictions.

Fujitra, which operates under the banner of “DX for All,” incorporates the voices of customers and employees collected through the “Fujitsu VOICE program” into the decision-making process, thereby speeding up decision-making, changing behavior, and uncovering new insights, in order to strengthen its competitiveness. When the Fujitsu Group takes customer feedback seriously and takes prompt action, customers’ expectations of the Group will increase. For employees, if their voice leads to management change, they will be more aware that they play an active role in the change. In other words, they will have a greater sense of engagement. In this way, we aim to synergistically increase the value of both the customer and employee experience.

* Based on the definition in “Assessment Indices for Digital Management Reforms (‘DX Promotion Indices’)” by the Japanese Ministry of Economy, Trade and Industry https://www.meti.go.jp/english/press/2019/0731_001.html

Increasing empathy with Our Purpose and the Fujitsu Way

Promoting purpose-driven management

In order to realize Our Purpose, it is necessary to bring together the thoughts of every individual employee to generate greater power. Within our vision of purpose-driven management, all employees shall explore their own personal purpose and how this purpose overlaps with Our Purpose, so that they can recognize the responsibilities and roles they shall fulfill at Fujitsu; when employees focus on their own purpose and create innovation to achieve self-realization, we can grow together. The Fujitsu Group is promoting Purpose Carving® as a Groupwide dialogue program in which employees are asked to identify and express in words their personal purposes to become the driving force of change.

In order to promote purpose-driven management, we first held a town hall meeting where management and the heads of divisions from around the world held a dialogue about purpose-driven management. During this dialogue, all participants declared their commitment to what and how they would change as the head of a division and the first step to achieve it. To realize Our Purpose, it is important for the leaders to express their thoughts on the vision of the organization, to elicit the empathy of their colleagues, and to encourage each of them to think for themselves and take on challenges. We also held a “vision pitch” session where the heads of each division discussed and commented on their organizational vision in order to formulate an improved organizational vision that people can empathize with even more.



Pitching visions

Initiatives for the Groupwide promotion of the Fujitsu Way

To raise awareness of the Fujitsu Way within the Group, we are implementing various communication measures, such as holding various briefings for all employees. We have appointed leaders responsible for promoting the Fujitsu Way at Fujitsu and Group companies in Japan and overseas. These leaders play a key role in establishing a corporate governance structure to promote the Fujitsu Way. In addition, Fujitsu Way meetings are held every six months to a year between the CEO and the leaders. In addition, throughout the year, each of our organizations holds town hall meetings with the CEO and shares best practices with frontline divisions. Through these and other activities, we are working to raise the level of understanding of the Fujitsu Way throughout the world.



Fujitsu Way Manual

Internal award for promoting realization of Our Purpose: Sustainability Contribution Award

The Sustainability Contribution Award is an internal award established to promote the realization of the Group's Purpose. In order to create the sustainable society that Fujitsu envisions, each and every one of us, under the business policy based on Our Purpose, must transform and create new value. The Sustainability Contribution Award therefore recognizes not only output that contributes to society but also cultural change at the organizational level that promotes the reimagining of old practices.

In fiscal 2021, we received a total of 166 applications from Fujitsu Group companies worldwide and awarded two Grand Prizes for “Integrating various stakeholders by offering transparent supply chain solutions to solve social issues” and for the “Global Delivery Responsible Business Program (GRiP)—Creating long-term impact through education (educational volunteer activities) in local communities.” In addition, seven awards for excellence and 39 special awards were given. We share award-winning cases and best practices within the Group to broaden empathy for sustainability initiatives and to further step up our efforts.

For details on the transformation of our corporate culture, please visit the following website:
<https://www.fujitsu.com/global/about/csr/transformation/>

Our approach to sustainability

The Fujitsu Group's Purpose includes a pledge to “make the world more sustainable.”

To realize this goal, the Fujitsu Group is advancing initiatives that address priority issues identified under the Global Responsible Business (GRB) platform. Based on the GRB platform, we will practice sustainability-focused management on a global scale. Moreover, each of the priority issues aligns with the Sustainable Development Goals (SDGs) established by the United Nations.

Through this platform, we will not only help achieve the SDGs but also set our sights beyond them as we reinforce and accelerate our initiatives to tackle issues facing both business and society at large.




Message from the Chief Sustainability Officer (CSO)





Through dialogue, we will accelerate value creation by integrating business and sustainability, thereby contributing to the realization of Our Purpose and the growth of the Fujitsu Group.


Yumiko Kajiwara
Corporate Executive Officer
EVP, Chief Sustainability Officer (CSO)

Fostering a sense of ownership of sustainability

The Fujitsu Group's sustainability efforts have made significant progress over the past two years. In 2020, we reformulated and clearly stated Our Purpose. At the same time, we set non-financial indicators*1 in our Management Direction that set forth our medium-term growth strategy. In 2021, we set numerical targets*2 for non-financial indicators and launched Fujitsu Uvance , a portfolio of global solutions to contribute to the resolution of societal issues. Sustainability is not just a matter of returning profits to society; it has been integrated into management as a core element that defines the Group's role in the global community, and the concept is beginning to be shared by employees.

In the management of GRB (Global Responsible Business) , which serves as a platform for promoting sustainability activities and achieving Our Purpose, executive officer-level leaders have been appointed for each of the seven priority issues to strengthen integration with the business. In addition to the three corporate executives in charge of the corporate divisions, including myself as leaders of the "community," the three executives in charge of the business divisions have been appointed as the leaders, in line with the Group's belief that sustainability is a business in itself. Under the Sustainability Management Committee chaired by the CEO, each leader and the leaders of the four regions (Japan, Europe, the Americas, and Asia Pacific)  in charge of promoting specific activities orchestrate the Fujitsu Group's unified initiatives, while considering specific issues related to each region and their affinity with our business.

Looking back, I believe that until about three years ago, awareness of sustainability among many employees was limited to the occasional communication of information on its importance and relationship to the Group's business, led by the corporate departments. Awareness that sustainability is an integral part of the Group's business and a source of business growth is becoming increasingly widespread, and this is largely due to the development of various systems that evoke a sense of ownership.


To cite a specific example, our business producers  are now making sustainability-related proposals, such as solutions to reduce GHG emissions, in actual business discussions. In addition, in the performance evaluation of senior executives, not only the achievement of financial performance targets but also the contribution to the achievement of non-financial indicators and GRB's environmental, DE&I, and other initiatives are taken into account.

*1 We set two indicators in 2020: Customer NPS® and employee engagement. The DX Promotion Indices were added as an indicator in 2021.

*2 We set numerical targets for employee engagement and DX Promotion Indices in 2021. We added a numerical target for Customer NPS in 2022.

Fujitsu Uvance	P34-41
GRB (Global Responsible Business)	P52-55
Four regions (Japan, Europe, the Americas, and Asia Pacific)	P24-27
Business producers	P46

Supporting the practice of employees' endeavor to provide value



The Group's efforts to use non-financial indicators as part of its growth strategy is attracting considerable attention from our customers, which also motivates employees to become more involved in sustainability. In particular, we have received an increasing number of inquiries asking for specific steps and benefits based on Fujitsu's internal practices around the "Fujitsu VOICE program,"  which we use to measure non-financial indicators. These queries range from the establishment of data collection mechanisms to how the data is used. In order to confidently respond to the needs of such customers, each employee must cultivate an understanding for non-financial indicators and sustainability management.

In fact, we are seeing an increase in the number of requests for assistance from frontline business units to the corporate departments in charge of sustainability. I believe that one of the roles currently required of me as CSO is to examine together with the business units which proposals we can make to customers in response to these requests, and to back up employees who are taking on the challenge of providing value one step ahead of customers and to strengthen the connection between sustainability and business through dialogue with customers.

Fujitsu Uvance is based on the premise of making proposals to customers to create a sustainable society, with a view to achieving Our Purpose. Naturally, when developing offerings and making proposals to customers, it is essential to have a broad understanding of sustainability-related issues, to keep abreast of the latest trends from a global perspective, including those at our competitors, and to consider competitive value offerings based on this understanding.

The knowledge accumulated through the Group's internal practices, such as reducing GHG emissions, will be utilized in our business in the form of training for employees working on the front line and consulting for customers, thereby encouraging the creation of value unique to the Fujitsu Group.

Commitment to dialogue that contributes to business growth

In order to prove that the Fujitsu Group is creating value and making an impact on society by making sustainability our core business, we must achieve growth in Fujitsu Uvance and other businesses. It is also necessary to demonstrate empirically how GRB contributes to the improvement of non-financial indicators  and what kind of relationship exists between non-financial indicators and financial indicators . Such proof should further motivate employees to focus on sustainability-driven business and lead to a positive change in customers' expectations toward the Fujitsu Group. In July 2022, we established a venue, both at our headquarters and online, to introduce to our customers our vision and Fujitsu Uvance's practices and technologies that support our customers' digital transformation (DX). This venue will also serve as a forum where we envision and explore ways to realize a sustainable society together with our customers. As CSO, I am determined to contribute to the growth of the Fujitsu Group and the transformation of its business model by committing to a dialogue with employees and with customers.

"Fujitsu VOICE program"

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Non-financial indicators

P28-30

Non-financial indicators and financial indicators

P31-33

Overview of our sustainability management

Until now, the Fujitsu Group has earned society's trust by delivering products and services responsibly. At present, however, given the unpredictability of day-to-day life and business activities due to an unprecedented crisis, we must redouble efforts to meet society's expectations. Accordingly, under the guidance of our leadership, we will step up sustainability-focused business management and make significant advances in pursuits that benefit society.

For details on "Sustainability Management in the Fujitsu Group," please visit the following website:
<https://www.fujitsu.com/global/about/csr/vision/policy/>

The Fujitsu Group's sustainability management

Basic approach

In contributing proactively to the transformation of society amid the current uncertainty and volatility, we have to conduct business activities as a member of international society based on the new Fujitsu Way, which clarifies Our Purpose, or reason for being. It is particularly important that we take into consideration environmental, social, and economic viewpoints when addressing issues, thereby formulating initiatives that have beneficial impacts on society. To this end, we revised our management targets by incorporating new non-financial indicators alongside existing financial indicators in fiscal 2020. Through long-term, stable contribution to society and customers financially and non-financially, the Fujitsu Group will achieve renewed growth.

Promotional systems and framework

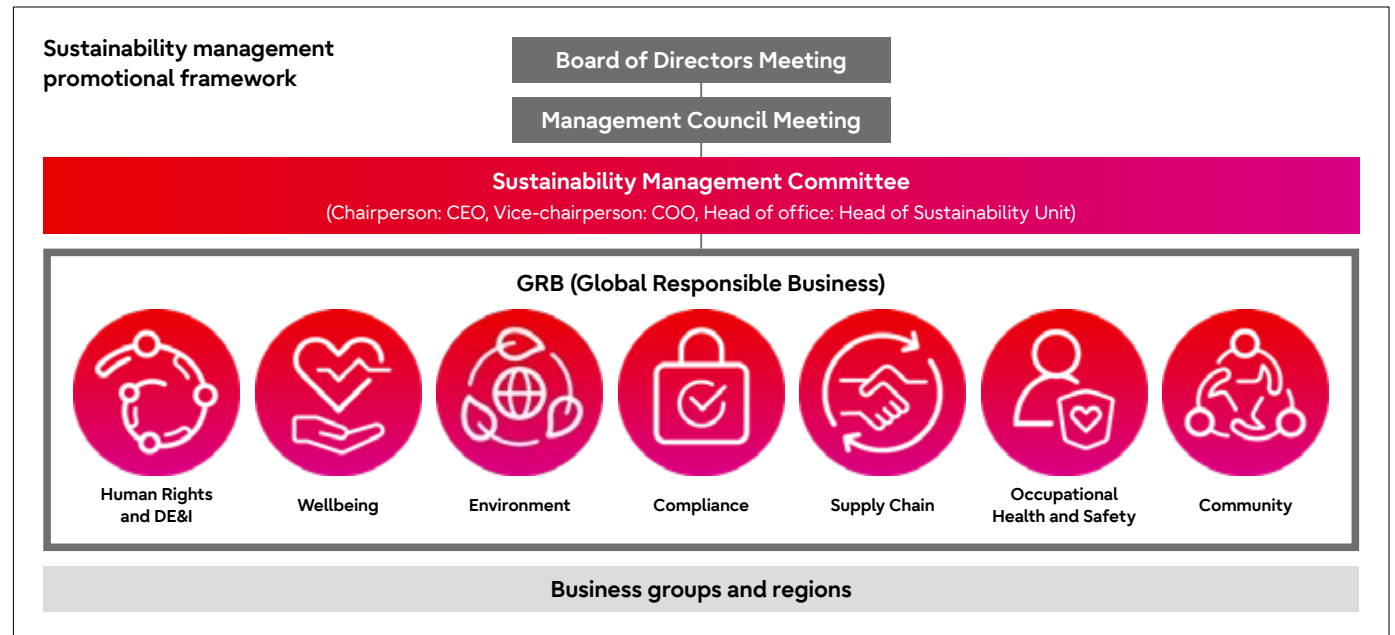
The Fujitsu Group has established the Sustainability Management Committee, tasked with determining how a responsible global company should conduct business management. Specifically, the committee is focused on realizing long-term growth by taking into consideration environmental, social, and economic impacts and by creating value for all of the Group's stakeholders.

Convening every six months, the committee checks progress toward non-financial targets, deliberates on new activities, and reports findings to the Management Council and the

Board of Directors. The committee is chaired by the CEO and comprises executives whom the chairperson appoints with a view to furthering sustainability management. As of April 2022, the committee had 17 members, including the chairperson.

Guided by the Sustainability Management Committee while adhering to the overarching GRB (Global Responsible Business) platform of sustainability aspirations, we have identified seven

priority issues as shown in the figure below. Setting our sights on key performance indicators for each of these issues, we are advancing initiatives across each region and division globally. At the level of each division and Group company, we are promoting the establishment of missions and activity reviews in each organization based on the Fujitsu Way and GRB.



Non-financial indicators and GRB (Global Responsible Business)



By driving sustainability initiatives, the GRB platform gives concrete form to the Fujitsu Way. Ever mindful that their corporate group is a member of society, all Group employees will not merely seek profits but simultaneously work to reduce the negative impact of business activities on sustainability while maximizing their positive benefits. By promoting the GRB platform, our initiatives toward the non-financial sector will ultimately benefit our business and financial performance in the long term.

Accordingly, the Sustainability Management Committee will regularly check the progress toward achievement of the GRB platform, and the committee's conclusions will be released through reviews of the Group's Management Direction and various media.

For details on the non-financial indicators, please see **pages 28–33, “Non-financial indicators” and “Challenges of the Task Force on Non-Financial Indicators.”**

SDG initiatives

Our Purpose is to make the world more sustainable by building trust in society through innovation. This statement represents an internal and external pledge to help realize the Sustainable Development Goals (SDGs).

Fujitsu believes the SDGs essentially define a system transformation that must be achieved by 2030 to allow the world's population, which is expected to exceed 9 billion people in 2050, to live well within the planetary boundaries. The issues highlighted in the SDGs include environmental, social, and economic elements. One key to solving these inherent problems is DX, which can be applied on a scale that encompasses all aspects of society. To this end, Fujitsu has launched Fujitsu Uvance, a new portfolio of global solutions that aims to address societal issues through business, in addition to GRB, which aims to transform Fujitsu's own management in a sustainable manner and is promoting initiatives in this area. We will transform ourselves and our customers' management by leveraging digital technology and forming an ecosystem that transcends industry barriers. Through this transformation, we will contribute to the achievement of the SDGs and to greater society that exists beyond.



For details on SDG initiatives, please visit the following website:
<https://www.fujitsu.com/global/about/csr/sdgs/>

Overview of GRB progress

For each material issue, the Fujitsu Group defines what Fujitsu aspires to be, its related goals, and its KPIs with a deadline of the end of fiscal 2022. In order to achieve these goals, we are building an effective management system and considering specific actions that will enable us to implement activities on a higher level globally, while taking into account differences in national laws, labor markets, and other factors in each country and region.

Pillar	What Fujitsu aspires to be	Goals for fiscal 2022	Major achievements in fiscal 2021
Human Rights, Diversity, Equity and Inclusion	<p>▶ Human Rights In both the real-world and digital societies, consideration for "human dignity" is reflected in all our corporate activities and we constantly work to "create human-centric value."</p> <p>▶ Diversity, Equity and Inclusion Be a responsible business that reflects the diversity of our world. Build an inclusive and equitable culture where everyone belongs and can be completely themselves. We will celebrate difference and ensure that people can succeed regardless of their personal identity. Through inclusive design and innovation, we will endeavor to make a positive impact within society and empower each other to make the world more sustainable.</p>	<p>▶ Human Rights Embedding "respect for human rights" within the Fujitsu Group</p> <ul style="list-style-type: none"> • Completion rates for global human rights training: 80% <p>▶ Diversity, Equity and Inclusion Cultivation of inclusive corporate culture</p> <ul style="list-style-type: none"> • The Fujitsu Group aims to achieve at least Consolidated 69% from 66% (fiscal 2019) / Non-consolidated 63% from 59% (fiscal 2019), in favorable answers to Diversity, Equity and Inclusion question in the engagement survey by fiscal 2022. • The Fujitsu Group aims to achieve at least Consolidated 10% from 8% (fiscal 2019) / Non-consolidated 9% from 6% (fiscal 2019) female leadership by fiscal 2022. 	<p>▶ Human Rights Conducted e-learning on business and human rights for all Group employees in 16 languages worldwide Participation rate: 92%</p> <p>▶ Diversity, Equity and Inclusion</p> <ul style="list-style-type: none"> • Favorable answers rate of engagement survey related to "Diversity, Equity and Inclusion" question Consolidated 69% / Non-consolidated 65% • Female leadership rate Consolidated 10.3% / Non-consolidated 8.0%
Wellbeing	<p>To create an environment where all employees can work positively and healthily in both mind and body. We will also endeavor to provide opportunities for employees to develop personally and display their abilities to the fullest extent.</p>	<p>Providing a positive work environment</p> <ul style="list-style-type: none"> • An average score of 71 globally for "Work Life Balance" and "Work Environment" in the engagement survey <p>Provide opportunities for employees to develop personally and display their abilities to the fullest extent</p> <ul style="list-style-type: none"> • An average score of 70 globally for "Growth Opportunities" in the engagement survey 	<ul style="list-style-type: none"> • Global average score for "Work Life Balance" and "Work Environment": 64 • Global average score for "Growth Opportunities": 68
Environment	<p>Fujitsu will fulfill its social responsibilities as a global corporate environmental leader. We aim to contribute to achieving the 1.5°C climate change goal of the Paris Agreement and also to resolving environmental challenges, through such measures as developing innovative solutions that make effective use of resources.</p>	<p>Fulfill our social responsibilities and help to resolve environmental challenges</p> <ul style="list-style-type: none"> • Reduce greenhouse gas emissions at Fujitsu sites by 37.8% or more from the base year level (Reduce by 4.2% each year compared with fiscal 2013) • Avoid risks associated with our business activities and minimize our impact on the environment • Help to resolve environmental challenges for customers and society through our business operations 	<p>▶ Greenhouse gas emissions reduction rate:</p> <ul style="list-style-type: none"> • Fiscal 2021 target: 33.6% or more Achievement: 36.7% (Reduce by 4.2% each year compared with fiscal 2013) • Renewable energy usage ratio: 20.7% <p>▶ Avoid risks and minimize our impact on the environment:</p> <p>[Business sites]</p> <ul style="list-style-type: none"> • Improve Power Usage Effectiveness (PUE) at datacenters: Actual 1.56 (Target 1.57) • Water usage: 57,000-m³ reduction from the previous year • Promote eco design for resource savings and circulation and increase resource efficiency of newly developed products by 10.1% (compared with fiscal 2019) <p>[Supply Chain]</p> <ul style="list-style-type: none"> • Reduced CO₂ emissions due to power consumption during product usage by 51% (compared with fiscal 2013) • Reduce CO₂ emissions and conserve water resources in the upstream supply chain: Request the Fujitsu Group's key partners to undertake reduction activities, 100% completed <p>▶ Help to resolve environmental challenges:</p> <ul style="list-style-type: none"> • Transfer of carbon-neutral knowledge to business units • Improve the professional skills of employees by conducting in-house education through environmental study sessions and on-the-job training • Create solutions based on in-house references • Support customer proposals to resolve environmental issues • Redevelop EcoCALC, an evaluation tool for CO₂ emissions reductions, for global use and launch an intranet site for information sharing to raise self-awareness of environmental issues among employees

Pillar	What Fujitsu aspires to be	Goals for fiscal 2022	Major achievements in fiscal 2021
Compliance	Ensure that all officers and employees within the Fujitsu Group conduct their business activities with a high level of compliance awareness and through those activities, the Fujitsu Group fulfills our social responsibilities and earns the trust of our stakeholders.	<p>To further disseminate compliance-related part of the Fujitsu Way Code of Conduct throughout the entire organization, the Global Compliance Program is rolled out for the entire Fujitsu Group, thereby instilling a high level of compliance awareness in the organization, and the management is to take the lead in fostering a corporate culture where each employee does not tolerate any wrongdoings (Zero Tolerance).</p> <ul style="list-style-type: none"> • Deliver messages from the president or the heads of each business group/region on the importance of compliance (at least once a year) 	Delivered messages to all employees from the CEO, the heads of each region, and presidents of Group companies in each country on the importance of compliance at Fujitsu Compliance Week to coincide with International Anti-Corruption Day
Supply Chain	In its supply chain, the Fujitsu Group will achieve responsible procurement that embraces diversity and gives full consideration to human rights, the environment and health & safety.	<p>The Fujitsu Group will achieve responsible procurement in its supply chain.</p> <ul style="list-style-type: none"> • To ensure that its major suppliers comply with the international standards for responsible procurement, the Fujitsu Group will obtain one of the following documents from its major manufacturing subcontractors and parts suppliers for its core products (Target KPI = 100%). <ul style="list-style-type: none"> - Platinum or gold level of site recognition under the RBA*1 Audit Recognition program - Written consent with the Fujitsu Group CSR Procurement Guideline (equivalent to the RBA Code of Conduct) <p>Promotion of supply chain diversity</p> <ul style="list-style-type: none"> • We set supply chain diversity as our goal of Responsible Business and promote it globally. <p>Reduction of greenhouse gas (GHG) emissions in supply chain</p> <ul style="list-style-type: none"> • We requested our foremost suppliers to set the quantitative targets complying with international standards to reduce GHG emissions. 	<ul style="list-style-type: none"> • Availability of any of the following documents: 100% <ul style="list-style-type: none"> - Platinum or gold level of site recognition under the RBA Audit Recognition program - Written consent with the Fujitsu Group CSR Procurement Guideline • Achieved procurement KPIs from enterprises with diverse attributes, such as SMEs, women's management, and minority enterprises in the UK, the Americas, and Oceania • Completed to request 293 companies to participate in our Explanation Meeting
Occupational Health and Safety	<p>The Fujitsu Group's first priority in all business activities is to protect the health and safety of our employees both in mind and body by providing a safe and healthy work environment tailored to the different cultures in which we operate.</p> <ul style="list-style-type: none"> • We will foster a culture that does not tolerate accidents, incidents and poor safety performance. • We will ensure safety is a core business value, and make safety important and personal in order to influence people's decisions and behavior. • We will completely eliminate the loss of business opportunities due to preventable illnesses, injuries, and unexpected work-related accidents. 	<p>The Fujitsu Group will maintain a safe and comfortable working environment, and promote employees' mental and physical health in every workplace.</p> <ul style="list-style-type: none"> • Zero occurrences of serious accidents • Implementing health and safety-related management reviews at the global level, conducted once a year 	<ul style="list-style-type: none"> • Zero occurrences of serious accidents • Global OHS management leaders confirmed responses to COVID-19 in the Fujitsu Group
Community	Our employees, who possess an awareness that they belong to a global society, will have a positive impact not just on society, but on the economy and on business, by increasing their empathy for social issues and engaging in the co-creation of activities. We will evaluate, analyze and communicate the impact that our employees have made, and offer greater value to society.	<p>Contributing to the transformation of both our corporate culture and mindset of employees</p> <ul style="list-style-type: none"> • Rate of increase in the number of employees participating in social contribution activities related to social issues: 10% increase compared with fiscal 2019 under the "new normal" situation 	Data collection started in fiscal 2021: Down 29% compared with fiscal 2019*2

*1 RBA: Responsible Business Alliance

Fujitsu Joins EICC, a Global Corporate Social Responsibility Coalition (renamed as the Responsible Business Alliance (RBA) in October 2017)

*2 Face-to-face activities were limited due to the influence of COVID-19. As a result of various measures such as the holding of online events, the number of employees participating increased from the second half of fiscal 2021, but decreased from fiscal 2019.

Human Rights, Diversity, Equity and Inclusion



Why it matters to Fujitsu / Priorities



Tim White

Corporate Executive Officer
EVP, Vice Head of Global Solutions
(in charge of Global Delivery
& JGG)

Ensuring that employees in the Fujitsu Group feel that they belong is crucial to achieving Our Purpose and pursuing sustainable growth. This sense of belonging fosters greater engagement within the Group and encourages diverse thinking, differentiation, and innovation. Awareness of human rights also inspires true empathy, which is the starting point to engage with each of our customers that face a wide range of challenges.

Being a purpose-driven organization that respects human rights and drives diversity, equity and inclusion (DE&I) is imperative to improve the employee experience. In a genuinely diverse, equitable, and inclusive environment our employees can flourish and prosper to be the best they can, in their own individual ways. By respecting human rights and DE&I, we are attracting and retaining the best, most engaged employees and earning the trust of our customers.

Human Rights

Promotional framework

The Fujitsu Group promotes “human rights due diligence” based on the United Nations Guiding Principles on Business and Human Rights (UNGPs). Through interviews with a wide range of internal divisions and exchanges of opinions with experts in and outside Japan, we have identified “customers and end-users,” “employees,” and the “supply chain” as three areas that are particularly affected by our business activities, and are implementing activities to resolve human rights issues in these areas. To promote human rights due diligence, we have also established a system in which human rights officers from each overseas region meet regularly within the framework of “Human Rights and Diversity,” one of the priority issues of GRB. Looking ahead, we will review progress toward achieving our goals and KPIs and exchange opinions on human rights due diligence.

Education on human rights

In addition to regular education such as training at the time of hiring and promotion and management training, Fujitsu conducted e-learning in fiscal 2021 on “Business and Human Rights” for all Group employees globally in 16 languages to raise each employee’s awareness of human rights issues, with approximately 92% of all employees having completed the course. In addition to basic knowledge on human rights, global trends, and corporate initiatives, this e-learning course introduced examples of corporate activities that may have a negative impact on human rights in the three areas defined by Fujitsu (customers and end-users, employees, and the supply chain), with the aim of deepening each employee’s understanding of the importance of respecting human rights in day-to-day business.



Screenshot of e-learning document, fiscal 2021

Educational activities on human rights issues

Fujitsu conducts Groupwide educational activities for employees on human rights issues in conjunction with World Human Rights Day. In addition to delivering messages on human rights from the CEO and management team, we held a “Business and Human Rights” seminar to further deepen the understanding through e-learning. The seminar aimed to establish awareness of human rights in business and invited external speakers to discuss topics such as unintentional human rights violations caused by the provision of technology and solutions, the need for human rights awareness in the supply chain and with partner companies, and ensuring employees’ mental wellbeing.



Seminar speakers
(From left) Hiroko Kuniya, journalist and broadcaster; Asako Nagai, Managing Director, BSR; Yumiko Kajiwara, Fujitsu CSO

For details on the Fujitsu Group’s Human Rights initiatives, please visit the following website.
<https://www.fujitsu.com/global/about/csr/humanrights/>

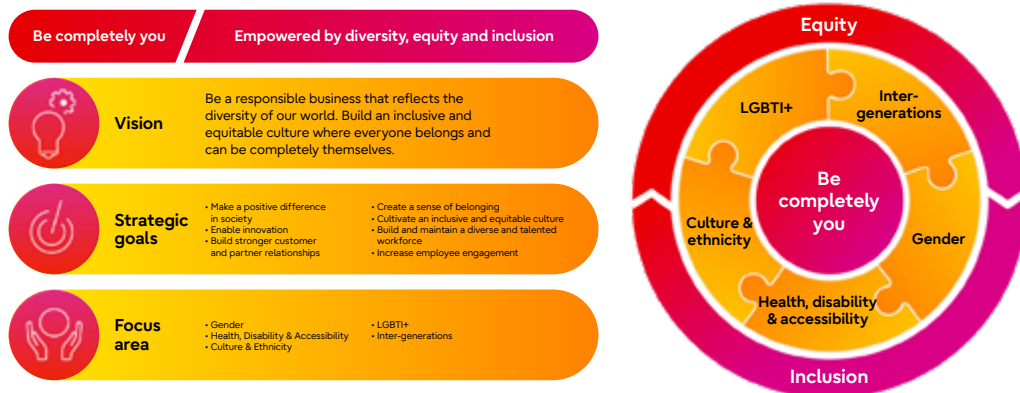
Diversity, Equity and Inclusion

Promotional framework

The Fujitsu Group has built a global system to promote diversity, equity & inclusion (DE&I) under the supervision of the executive officer in charge, starting with the establishment of a dedicated division to promote DE&I in 2008. This system includes regular regional promotion officer meetings to share issues and strategies, and plan and formulate new measures. In order to understand the status of promotion, we further included DE&I questions in our annual global engagement survey and established them as KPIs. In addition, we have appointed executive sponsors to represent supporters in priority areas to bolster promotional activities. In Japan, we are promoting DE&I by sharing information and measures with those responsible for promoting DE&I at Group companies and are working in close cooperation with them. We have included items related to DE&I in the goals of our senior management to increase the effectiveness of our efforts.

Launching the renewed Global DE&I Vision and Inclusion Wheel

In 2019, the Fujitsu Group established the Global D&I Vision and Inclusion Wheel as a common global guideline to accelerate initiatives aimed at inclusion that reflect the diversity of each individual. We have been promoting activities globally by defining a vision, strategic goals, and five focus areas. In 2022, we reviewed and updated our strategy, statement, and vision to build an inclusive and equitable corporate culture where anyone can play a role in their own way and feel a sense of belonging.



Renewed Global DE&I Vision (left) and Inclusion Wheel (right)

Organizing Diversity & Inclusion Sessions

To foster a corporate culture in which everyone can be completely themselves, as stated in the DE&I Vision—"Be Completely You"—the Fujitsu Group has been holding annual Diversity & Inclusion Sessions (formerly, the Companywide Diversity Promotion Forum) since 2008. These sessions are designed to reaffirm our awareness of DE&I and stimulate a new mindset and changes in behavior, and includes messages on DE&I from our management team and lectures by outside experts. Starting from fiscal 2021, we also opened the event to participants from outside Japan, making it a place to convey a globally unified message.



Diversity & Inclusion Session held in December 2021

Fujitsu Australia helps launch First Nations Service Centre

Together with the Cherbourg Aboriginal Shire Council and community in Queensland state, and the Queensland State Government, Fujitsu Australia (FAL) has established a First Nations Service Centre (Service Centre) in Cherbourg. The Service Centre supports digital innovation for First Nations communities and helps members of the communities who become employees of the Service Centre to obtain certification from a state vocational training college that will support their professional career development. We will continue working to empower the First Nations communities to gain and hone the skills they need to thrive in new careers in the digital economy.



FAL team members and Service Centre staff

For details on the Fujitsu Group's Diversity, Equity and Inclusion initiatives, please visit the following website.
<https://www.fujitsu.com/global/about/csr/diversity/>

Wellbeing / Occupational Health and Safety

Why it matters to Fujitsu / Priorities



Hiroki Hiramatsu
Corporate Executive Officer
EVP, Chief Human Resources
Officer (CHRO)

Wellbeing is the source of employee engagement, one of the Fujitsu Group's non-financial indicators. We are strongly committed to continuing to provide supportive work environments and opportunities for personal growth and self-realization, based on four elements: the health of employees and their families, relationships of trust with the Company and colleagues, self-driven learning and growth, and financial and non-financial compensation.

The health and safety of all employees working around the world should be the highest priority for any kind of business activity. This remains constant, even amid a continually changing business environment and with diversifying workstyle options. We share the status of occupational accidents and health and safety initiatives at the global level, while also emphasizing the importance of mental health to create environments where employees take a positive approach to their work and personal growth.

Wellbeing

Promotional framework

We hold regular meetings of the Global Wellbeing Committee as a promotional framework at the global level. Our diverse pool of talented employees is the most important resource for Fujitsu. Thus, one of our global key priorities for achieving sustainability and fully realizing Our Purpose is to protect employees' mental and physical wellbeing along with enriching and continuously improving our positive health culture where our employees can work to their full potential, both in mind and body. At the committee meeting, persons responsible for promoting wellbeing in each region come together online to share the status of global targets and individual initiatives in each region and to discuss measures for accelerating initiatives globally.

Advancement of Work Life Shift

In October 2021, we announced Work Life Shift 2.0 as the next stage of the Work Life Shift initiative announced in 2020. Looking ahead to the post-COVID-19 era, we will implement measures aimed at realizing a true hybrid working model that effectively combines real-world communication in the office along with further enhancement of personal life. We will position the office as a place that can provide its own unique experience, where we collaborate with start-ups and local governments, as with our work with Oita Prefecture in Japan, which we partnered with in March 2021, to drive regional regeneration. The program will also look to create new value by pursuing work-life synergies, such as promoting 100% male participation in childcare, workations, and involvement in side businesses, while also working on individual wellbeing to increase employee engagement.

Fujitsu Learning Festival 2022

In June 2022, the Fujitsu Group held the "Fujitsu Learning Festival 2022" as a five-day event for all employees and their families around the world, with approximately 40,000 people participating. The event was inaugurated last year and was designed to encourage employees to develop positive habits around independent, self-motivated learning. This initiative, which is part of Fujitsu's newly introduced job-based human resources system, relates to a new training policy to provide self-development support for employees who wish to carry out self-learning. This year's theme was "SDGs with Wellbeing/Fujitsu Uvance" and featured 182 items both online and in-person, including interactive sessions, seminars by speakers from inside and outside the Fujitsu Group as well as sessions and workshops held by employees. Events were livestreamed 24 hours a day throughout the event, connecting Japan, Europe, and the United States. Going forward, we plan to continue the event, aiming to create a positive cycle as an organization that empowers everyone to be themselves.



Fujitsu Learning Festival 2022

"Welcome Ceremony for New Joiners," a new kind of welcome ceremony

We held a welcome ceremony for new graduate recruits in 2022 and mid-career hires in 2021 as an event designed to provide a sense of global unity. In order to facilitate worldwide participation and also to prevent the spread of COVID-19, the event was held in a hybrid format, with the main venue at the Fujitsu Uvance Kawasaki Tower connected online to other offices in and outside Japan. Employees in every region around the world participated, giving a worldwide cheer using the online function to welcome over 11,000 new colleagues to the team.



(From left) CTO Mahajan, COO Furuta, and CEO Tokita participating in the event



Day of the event at Fujitsu Uvance Kawasaki Tower

Designated as a world leader in migraine workplace awareness, education, and employee support programs

In March 2022, Fujitsu was designated by the Global Patient Advocacy Coalition of the International Headache Society (IHS-GPAC) as a world leader in migraine workplace awareness, education, and employee support programs. Together with IHS-GPAC and the Japanese Headache Society, Fujitsu ran the FUJITSU Headache Project from July 2019 to February 2022, utilizing e-learning programs to help approximately 70,000 Fujitsu Group employees in Japan increase their awareness about headaches, as well as holding video seminars for people suffering from chronic headaches, online headache consultations with specialists, and other programs. Fujitsu's efforts were lauded as a model case of corporate measures to support employees living with headache disorders.



Certified as a world leader in migraine workplace awareness, education, and employee support programs by the Global Patient Advocacy Coalition of the International Headache Society (IHS-GPAC)

For details on the Fujitsu Group's Wellbeing initiatives, please visit the following website.
<https://www.fujitsu.com/global/about/csr/wellbeing/>

Occupational Health and Safety

Promotional framework

The Fujitsu Group has established a system to promote occupational health and safety in each region, and we are moving forward to ensure compliance and preventive measures for occupational health and safety in accordance with the laws of each country through a comprehensive, region-led approach.

In Japan, a Health and Safety Committee comprising the human resources and general affairs divisions, the health management division, and the labor union lead the initiatives to create healthier, safer workplaces in accordance with policies related to the Occupational Health and Safety Management System. In overseas regions, we also have a cross-sectional system for incident management and conduct activities to raise awareness about occupational health and safety of employees.

We have set medium- and long-term goals that we aim to achieve globally, and we are working to strengthen governance, establish management systems, and develop human resources and skills in order to foster a culture that does not tolerate occupational accidents.

Infectious disease countermeasures

In response to the spread of COVID-19, we have adopted a workstyle based on an optimal split (or combination) of office commuting and teleworking to ensure the safety and peace of mind of our employees globally. We have also generally adopted online meetings and banned overseas business trips and long-distance business trips within Japan. In addition, we have developed and disseminated guidelines for working from home and taken measures to review our internal operations and fulfill our social responsibilities, so that we can carry out operations smoothly, regardless of the environment.

For our office environments, we are implementing measures such as having seat layouts that take social distancing into account, making alcohol-based disinfectant available, and managing records of where people sit in non-fixed seating, in order to provide workplace environments where employees can work safely and with peace of mind.

As a countermeasure against infection by COVID-19, we are promoting vaccination in parts of Asia and Europe, including Japan, India, the Philippines, and Germany. In Japan, the third dose of the vaccine was implemented starting in March 2022. In the Philippines, we have been working to expand vaccination in local communities through measures such as donating surplus vaccines.

For details on the Fujitsu Group's Occupational Health and Safety initiatives, please visit the following website.
<https://www.fujitsu.com/global/about/csr/safety/>

Community

Why it matters to Fujitsu / Priorities



Yumiko Kajiwara
Corporate Executive Officer
EVP, CSO

We recognize that contributing to local communities, one of our most important stakeholders, represents our social responsibility as a global corporation and a global citizen. We also believe that community activities by employees provide a valuable opportunity to deepen their understanding of social issues and empathy for people in difficult situations and contribute to the development of their own skills, instilling pride in working for the Fujitsu Group and giving them a sense of belonging.

Our priority is to build a virtuous cycle that creates a positive impact, linking people and organizations through empathy for social issues, encouraging employees to contribute to communities through their activities, and inspiring innovation based on trust. In this way, we will work to realize Our Purpose.

Promotional framework

By understanding the issues in each community and promoting activities that are close to the local people, we aim to encourage employees in each country to see social issues as their own concerns and to take action to solve them. For this purpose, a person in charge of promoting community activities is assigned to each region to plan and promote activities in each country. The headquarters promotes the evaluation of the results of region-based activities, while global-level initiatives are planned by the headquarters and promoted by each region. The results of each initiative are shared between the headquarters and regions to plan better activities.

Holding online classes for junior high school students: Thinking about the SDGs through "design thinking"

Fujitsu has conducted online classes on social issues addressed by the SDGs, incorporating "design thinking" to come up with solutions, with the participation of 207 students from junior high schools across Japan. This endeavor aims to support the younger generation in developing the abilities necessary to participate in the creation of the society of the future. By teaching design thinking to junior high school students using teaching materials based on case studies about solutions designed by our employees, this program allows students to experience learning that touches on how to solve social issues as well as the thought process that helps formulate the solutions to such issues, which are the goals of the SDGs. We will continue to promote initiatives that support "learning to connect with society."

Supporting career development in STEM fields through virtual work experience

Fujitsu UK offers virtual work experience placements in the UK with the aim of supporting the development of students' skills and helping to promote careers in STEM* fields. The program offers fair and equitable work experience opportunities to students across the country, regardless of geographic location, and is designed by Fujitsu UK employees to provide students with a fascinating insight into the IT industry and an understanding of the impact of technology on society. We aim to accept 2,400 students per year in the future as we continue to stimulate the next generation of students and create opportunities to develop future digital talent.

* Science, technology, engineering, and mathematics



Work experience providing practical skills and industry experience

The Fujitsu Group donated funds to provide humanitarian assistance to those who have been impacted by the ongoing conflict in Ukraine, including the people of Ukraine and the surrounding region. For details on the Fujitsu Group's response to the crisis in Ukraine, please see page 90, "Economic security initiatives."

For details on the Fujitsu Group's Community initiatives, please visit the following website.
<https://www.fujitsu.com/global/about/csr/community/policy/>

Supply Chain

Why it matters to Fujitsu / Priorities



Takashi Yamanashi

Corporate Executive Officer, SVP
Head of Global Supply Chain Unit

The Fujitsu Group's value creation rests on cooperation with our customers and with all stakeholders related to the supply chain, which delivers products and services to the individuals and society at large. Together with our stakeholders, we will uphold the responsibilities of a global corporation by giving consideration to human rights, diversity, the environment, and other aspects in all of our supply chains around the world. Moreover, building supply chains that exhibit resilience in the event of unexpected changes, such as natural disasters, is of the highest importance for upholding our responsibility as a company. The Fujitsu Group continuously inspects, upgrades, and strengthens its supply chains so as to increase its competitive advantages, capture value creation opportunities, and contribute to risk management.

Promotional framework

The Global Supply Chain Unit responsible for the supply chain function is in charge of its promotion, and the head of the unit takes the lead on important issues to create promotional frameworks regarding supply chain operations. To implement Groupwide measures, we have set up a global coordination structure to reflect society's expectations and initiatives in each region and community in planning and operations. Moreover, the unit promotes integrated efforts in which key social issues such as human rights, diversity, compliance, and the environment are addressed in our supply chain. To this end, the unit coordinates closely with the Sustainability Unit, units responsible for other key issues, and business units to promote initiatives.

Compliance with international standards on responsible procurement

The Fujitsu Group is a member of the Responsible Business Alliance (RBA), a global industry initiative for corporate social responsibility (CSR). Based on the RBA's Code of Conduct, the Group has formulated the Fujitsu Group CSR Procurement Guideline, which sets out standards for human rights, the environment, and other issues. The Group obtains proof of compliance with the RBA standards from its major suppliers, such as written statements of agreement with the Group's guidelines. With regard to forced labor, human rights abuse, and the sourcing of minerals from conflict-affected and high-risk areas, the Fujitsu Group conducts investigations based on guidelines of the Organisation for Economic Co-operation and Development (OECD) to eliminate such risks from its products, parts, and supply chain.

Elimination of greenhouse gas (GHG) emissions from the supply chain

In response to heightened awareness of environmental issues such as climate change, the Fujitsu Group has been requesting its suppliers to take measures to reduce GHG emissions. Furthermore, from fiscal 2021, we have been requesting our suppliers to set numerical targets for emissions reductions based on international standards and take actions to achieve them. The scope of our request was initially manufacturing-related companies, but we have now expanded this to also include service companies.

Promoting supply chain (supplier) diversity

The Fujitsu Group always strives to be a responsible business that reflects the diversity of our world, and we have also been increasing and promoting business with diverse suppliers. For example, in the United Kingdom, the United States, and Australia, we have set targets for procurement amounts and procurement ratios from companies managed by women, indigenous peoples, and minorities, as well as from small- and medium-sized companies. In Japan, we are also promoting the creation of transaction conditions and an environment suitable to highly skilled small- to medium-sized and start-up companies, as well as sole traders and others.

For details on the Fujitsu Group's Supply Chain initiatives, please visit the following website.
<https://www.fujitsu.com/global/about/csr/procurement/>

Compliance

Why it matters to Fujitsu / Priorities



Kyoko Mizuguchi
Corporate Executive Officer
EVP, General Counsel

Compliance is the bedrock upon which trust with customers is built, and remains essential for capturing business opportunities and for all value creation. To prevent compliance violations, senior management must make a strong, ongoing commitment to sustained efforts across the Group. The CEO and other members of the management deliver a message every year to the entire Group in order to create a corporate culture with zero tolerance for misconduct.

Going forward, we will work even harder with partners in our supply chain to increase awareness of compliance together. Over the medium to long term, we will take proactive measures to predict and detect misconduct by utilizing data.

Through these initiatives, we aim to contribute to maintaining and strengthening our competitive advantage and our relationships of trust with customers.

Promotional framework

The Fujitsu Group has a compliance division under the General Counsel and carries out measures based on the Fujitsu Global Compliance Program (GCP) in cooperation with compliance officers in each region. The results of these activities are reported to the Risk Compliance Committee, which was established based on the "Policy on the Internal Control System,"*1 and efforts to raise awareness and ensure the enforcement of the Fujitsu Way Code of Conduct throughout the Group are taken in cooperation with the Board of Directors and the Audit & Supervisory Board.

*1 Policy on the Internal Control System
<https://www.fujitsu.com/global/imagesgig5/notice122b.pdf> (P5-8)

Fujitsu Way Code of Conduct

The Fujitsu Way contains a Code of Conduct, which outlines the fundamental principles that all Fujitsu Group employees should abide by, as shown on the right. Fujitsu has also refined its Fujitsu Way Code of Conduct by developing the Global Business Standards (GBS)*2 in 20 languages to serve as a guide on legally compliant behavior for all Fujitsu Group-affiliated employees worldwide and applies the GBS uniformly across the Fujitsu Group.



*2 Global Business Standards (GBS)
<https://www.fujitsu.com/global/about/philosophy/codeofconduct/gbs/>

Global Compliance Program

Fujitsu has developed the Fujitsu Global Compliance Program (GCP) to implement and disseminate the Fujitsu Way Code of Conduct and the GBS and is working to maintain and improve the Fujitsu Group's global legal compliance structure. The GCP organizes Fujitsu's various compliance-related activities into five pillars in a systematic manner. The GCP promotes external understanding of Fujitsu's compliance structure and its compliance activities, in addition to clarifying what items Fujitsu needs to address on a continual basis. Based on this GCP, we implement various policies and initiatives in each region, taking into account factors such as each country/region's legal systems and government institutions' guidelines.



Five pillars of the GCP

For details on the Fujitsu Group's Compliance initiatives, please visit the following website.
<https://www.fujitsu.com/global/about/csr/compliance/>

The Environment

Why it matters to Fujitsu / Priorities



Megumi Shimazu

Corporate Executive Officer
SEVP, Head of Global Solutions

Responsible action on global environmental issues, such as responding to climate change, strengthening resource circulation, and conserving biodiversity, is required of us as a company, but it is also essential for realizing Our Purpose. Moving quickly to mitigate our environmental impact, including by reducing greenhouse gas (GHG) emissions, and using the knowledge gained along the way to provide customers with new solutions and contribute to society will also stimulate our growth.

Currently, under Fujitsu Uvance, we are utilizing digital technology to develop energy systems and ascertain and reduce GHG emissions as we focus our efforts on realizing carbon neutrality for all of society and contributing to the building of resilient social infrastructure. We are using our high information sensitivity to address legal and regulatory systems in each country and region as well as customers' issues, thereby strengthening the creation of new value and our competitive advantage.

Promotional framework

To fulfill our social responsibility as a global environmental leader, we are promoting global environmental management as a single group, united by the commitment of our senior management to fulfilling Our Purpose. We continuously examine medium- to long-term issues, the formulation of policies, the sharing of business risks and opportunities arising from climate change, and our response to them, deliberating on these matters at the Sustainability Management Committee. Using the same structures as corporate management, we swiftly promote environmental policies and action plans within the Group, as well as initiatives on environmental materiality, aiming to further strengthen Group governance. Going above and beyond legal and regulatory compliance, we will work to reduce the environmental footprint of our business activities and the sale of products and services we offer. In doing so, we aim to enable more efficient and effective environmental management.

The Fujitsu Group's medium- to long-term environmental vision: Fujitsu Climate and Energy Vision

The Fujitsu Group has set out its medium- to long-term environmental vision, the "Fujitsu Climate and Energy Vision," which presents a future that the Group should strive to realize. The vision demonstrates how the Fujitsu Group will contribute to the realization of a carbon-neutral society and measures to adapt to climate change, while outlining its plan to achieve zero CO₂ emissions by 2050 through the provision of technology and services that support digital transformation. This vision has three pillars, namely, "Our Business: Achieve Zero CO₂ Emissions," "Mitigation: Contribute to a Decarbonized Society," and "Adaptation: Contribute to Measures in Society to Adapt to Climate Change." The Fujitsu Group aims to use digital technology effectively to accelerate its own efforts to become carbon neutral and, by providing the knowledge gained from such efforts to customers and society as solutions, leverage its own business activities as a way to mitigate and adapt to climate change. Under this vision, we will engage in further activities based on the latest environmental issues and social trends, such as setting a net zero target for GHGs.

Three pillars of the Fujitsu Climate and Energy Vision



**Achieving zero
CO₂ emissions**



**Contributing to
a carbon neutral society**



**Contributing to
measures to adapt
to climate change**

Business and social contribution

Start of a joint project on an environmental value distribution platform

IHI Corporation and Fujitsu started a joint project in April 2022 aimed at contributing to the realization of a carbon-neutral society and to revitalize the market of environmental value*1 trading ecosystems. Under this joint project, IHI and Fujitsu will work toward the commercialization and promotion of an environmental value distribution platform by leveraging their business knowledge in blockchain technology and carbon neutrality solutions in the market for trading environmental value, such as CO₂ reductions. Through this new platform, the two companies aim to support the efficient distribution of environmental value and the reduction of CO₂ emissions generated by companies around the world and contribute to the realization of the global goal of a carbon-neutral society.

*1 Environmental value: The added value of not emitting CO₂ during generation of renewable energy (such as green electricity), since CO₂ has an adverse impact on the environment, in addition to the value of the energy itself

VPP*2 and DR*3 trial project aiming for Japan's future energy market

Fujitsu and ENERES Co., Ltd. have developed a system that enables trading of energy shortages and surpluses between electricity consumers using blockchain technology. Specifically, the two companies have been working on a virtual power plant (VPP) and demand response (DR) trial for over seven years, from the start of the negawatt trading*4 trial in 2015 to participation in the Power Supply I' Adjustment Power for Coping with Severe Weather*5 initiative in 2021. The trial is testing technology for controlling demand-side electric power by deploying Fujitsu's cogeneration generator at its Numazu Plant at the request of a retail electricity provider during times of tight electricity supply.

Going forward, Fujitsu will conduct further collaboration aimed at expanding renewable energy by maximizing the use of distributed energy resources in Japan's energy market and contributing to the achievement of carbon neutrality based on its experience and knowledge from this project.

*2 VPP: Virtual power plant. Technology that controls the decentralized electricity sources such as generators and batteries, functioning as a single large power plant

*3 DR: Demand response. To control electricity demand during peak hours by having the demand side effectively save electricity

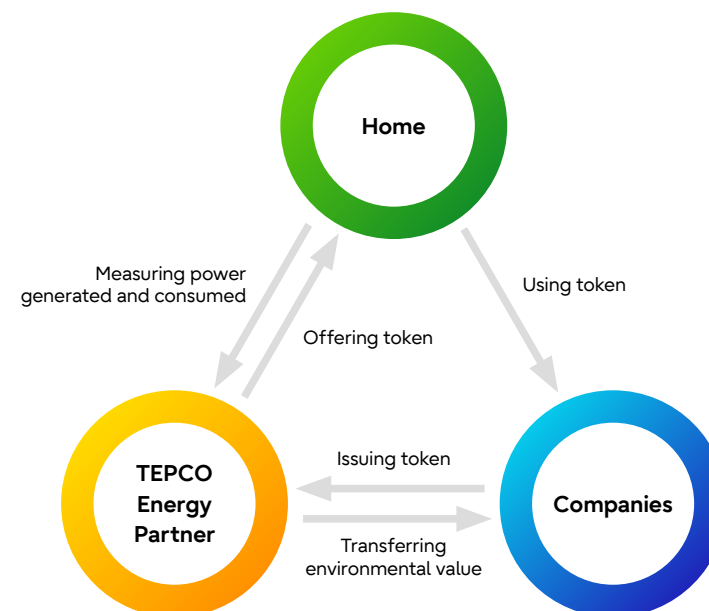
*4 Negawatt trading: A scheme for realizing peak cuts by reducing demand-side electricity usage and paying compensation for the reduced amount

*5 Power Supply I' Adjustment Power for Coping with Severe Weather: An initiative for controlling electric power on the demand side during power cuts during months with severe weather (July–September, December–February)

Joint trial project aimed at circulation of environmental value in homes and companies

Fujitsu, TEPCO Energy Partner, Inc., GridShare Japan Corporation (a wholly owned subsidiary of Itochu Corporation), and Ridgelinez Limited conducted a trial aiming to circulate environmental value in homes and companies in order to realize carbon neutrality. Specifically, the companies built a platform using blockchain technology and offered households with solar panels installed an environmental value token*6 called "Sun Coin" by consuming the power generated themselves. This approach offered consumers a unique way for households to reduce CO₂ emissions. The Sun Coins can be used to donate to a cause proposed by the companies or to support the companies' own increased use of renewable energy, enabling participants to contribute to achieving the SDGs and reducing the companies' CO₂ emissions. Furthermore, for the companies, the scheme offers a way to achieve renewable energy procurement targets while increasing customer engagement by receiving Sun Coins from households.

*6 Token: A digitalized right or asset issued uniquely by a company or organization using blockchain technology



Environmental Action Plan

The Fujitsu Group formulated an Environmental Action Plan in 1993 and, since then, continues to broaden the scope of its environmental activities. Specifically, to significantly reduce our own environmental impact, we implemented far-reaching measures throughout our factories and offices to cut CO₂ emissions and chemical pollutants, reduce waste, and address other environmental concerns. In addition, we have also expanded the focus of our activities across the entire supply chain, including our customers, and society as a whole.

Currently, under the Fujitsu Group Environmental Action Plan (Stage X) (fiscal 2021–fiscal 2022), we have set targets based on recent social issues and demands that address the three global societal challenges of climate change, resource circulation, and living in harmony with nature (preservation of biodiversity), and we are working to minimize negative environmental impacts in the supply chain. We are also working to achieve these targets over the medium to long term through activities including reduction of GHG emissions by introducing and expanding renewable energy and improving the energy efficiency of datacenters, reducing resources in products by cutting down on the amount of new plastic used, and ascertaining and reducing the degree of environmental impact to help preserve natural biodiversity.

The Group received SBTi*7 validation of its “1.5°C-aligned” GHG emissions reduction targets for 2030 in April 2021. In addition, with a view to accelerating the realization of a carbon-neutral society, in June 2022, we submitted a commitment letter toward SBTi’s net zero target validation, which has been accepted.

*7 SBTi (Science Based Targets initiative): An international initiative related to corporate GHG emissions reduction targets to control the rise in the average global temperature

For details on the Fujitsu Group Environmental Action Plan, please visit the following website:
<https://www.fujitsu.com/global/about/environment/action-plan/>

Initiatives for procurement of renewable energy

The Fujitsu Group procures renewable energy based on regional characteristics in and outside Japan with a view to expanding the use of renewables. As an example inside Japan, when a system change in November 2021 made it possible for electricity users to purchase FIT non-fossil certificates*8 directly in the market, we used the system to purchase renewable energy in the Hokuriku area. After this initial purchase, we have expanded our direct purchasing from markets to all areas of Japan since fiscal 2022. Overseas, at Fujitsu Australia, we made a large-scale purchase of renewable energy using a virtual PPA*9 scheme. As a result, since June 2022, Fujitsu Australia’s datacenters have been using renewable energy for around 40% of their electricity consumption. This corresponds to approximately 30% of the annual electricity consumption of Fujitsu Australia. We will continue to expand our use of renewable energy, aiming to achieve our GHG emissions reduction targets for 2030.

*8 FIT non-fossil certificates: Non-fossil certificates certifying the environmental value of non-fossil power sources, such as renewable energy from hydropower, solar power, or wind power, that also certify that the power is generated from a feed-in-tariff (FIT) power source

*9 Virtual PPA: A power purchase agreement (PPA) that involves a method of trading the environmental value of renewable energy separately from the actual electric power transaction

Initiatives for biodiversity in nature

Biodiversity loss has been recognized as a serious global risk. Realizing a goal called “Nature Positive,” which refers to the achievement of a net positive improvement in nature, by 2030 represents an essential step in resolving this issue. At the Convention on Biological Diversity (CBD) COP15, the adoption of a post-2020 biodiversity framework that includes international targets for 2030 was outlined.

The Fujitsu Group aims to be among the first to advance new initiatives in this vital area. Under our Environmental Action Plan (Stage X), we have set targets for evaluating and reducing our dependence and impact on nature and biodiversity in our corporate activities. In tandem with these efforts, we are also working to preserve tropical forests and endangered species using digital technology. To realize a net positive improvement in nature by 2030, we will reduce the impact of our own business activities on biodiversity and contribute to society through promotion of biodiversity preservation.

For details on the Fujitsu Group’s environmental initiatives, please visit the following website:
<https://www.fujitsu.com/global/about/environment/>

TCFD-based information disclosure

The Fujitsu Group recognizes that climate change is an important issue for management as it has a significant impact on the sustainability of society over the long term, and we therefore conduct analysis to ascertain medium- to long-term risks and opportunities. In addition to our own response to climate change risks, we believe that examining the potential climate change risks affecting our customers and making value creation proposals to them using our strengths in digital technology will also lead to business opportunities. As a result, we have also strengthened our governance as we aggressively promote initiatives on management strategies for climate change countermeasures. In April 2019, we announced our support for the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), and we are working to disclose information effectively to various stakeholders, including investors.

For details on the Fujitsu Group's TCFD-based information disclosure, please visit the following website.
<https://www.fujitsu.com/global/about/environment/tcfd/>

Item		Response status
Governance	Oversight structure under the Board of Directors for climate-related risks and opportunities	<ul style="list-style-type: none"> The Sustainability Management Committee shares the risks and opportunities arising from climate change, deliberates on medium- and long-term issues, and formulates policies. These results are reported to the Board of Directors via the Management Council. In fiscal 2021, the results of analysis using multiple climate change scenarios, including limiting global warming to 1.5°C, were reported on and discussed by the Sustainability Management Committee. Important risks identified for the overall Group, including climate risk, are reported periodically to the Board of Directors by the Risk Management & Compliance Committee.
	Role of management in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> The representative director and CEO serves as the chair of the Sustainability Management Committee, with responsibility for the highest level of decision-making and for business execution. Directors are responsible for supervision based on reports by the Management Council. The chief sustainability officer (CSO) proposes reforms to directors and the executive team and executes business related to sustainability. The Company decided to introduce ESG indicators, including consideration of climate-change issues, for evaluation of executive directors' bonuses.
Strategy	Short-, medium-, and long-term climate-related risks and opportunities	<ul style="list-style-type: none"> The provision of ICT products that can contribute to climate change mitigation and adaptation measures creates opportunities to increase sales. Physical risks and legal risks have an impact on operational costs by requiring the implementation of measures in the Group's operations and supply chains.
	Impacts on business, strategy, and financial planning	
	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> In fiscal 2021, scenario analysis was conducted for businesses susceptible to climate change, covering the period to 2050 and using 1.5°C and 4°C scenarios. Analysis of the risk to the Company and the opportunities acquired by supporting resolutions to customers' issues found that the Company's businesses have strategic resilience from a medium- to long-term perspective.
Risk management	Climate-related risk identification and assessment process	<ul style="list-style-type: none"> The Risk Management & Compliance Committee promotes Companywide risk management policy, including for risks related to climate change. Based on the risk assessment results for each division, the committee conducts a two-factor matrix analysis with severity and likelihood axes, selects and assesses risks, and reports the results to the Board of Directors.
	Climate-related risk management process	<ul style="list-style-type: none"> The Company conducts risk monitoring using an environmental management system based on ISO 14001. The Sustainability Management Committee is responsible for managing the progress of climate change measures.
	Status of integration with organization-wide risk management	<ul style="list-style-type: none"> The Risk Management & Compliance Committee identifies and evaluates Companywide risks, including climate change, and coordinates with the Sustainability Management Committee to identify, analyze, and evaluate risks, and to propose and implement recurrence prevention strategies.
Metrics and targets	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> Fujitsu uses greenhouse gas (GHG) emissions and the renewable energy introduction rate as metrics.
	Scope 1 & 2, and the corresponding Scope 3 GHG emissions (Aggregate data based on the latest boundaries)	<ul style="list-style-type: none"> Scope 1: 68 kt-CO₂ Scope 2: 524 kt-CO₂ (Location based), 422 kt-CO₂ (Market based) Scope 3: 1,207 kt-CO₂ (Category 1: Purchased Goods and Services), 3,142 kt-CO₂ (Category 11: Use of Sold Products)
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	<ul style="list-style-type: none"> Fujitsu set a target of realizing carbon neutrality by 2050. In fiscal 2021, we updated our GHG emissions reduction target for 2030 to 71.4% (vs. fiscal 2013), corresponding to the "1.5°C standard." Scope 1 & 2 GHG emissions reduction (vs. fiscal 2013): 37.2% reduction in fiscal 2021 vs. target (fiscal 2021/2030 = 33.6%/71.4%) Scope 3 (Category 1 & 11) GHG emissions reduction (vs. fiscal 2013): 46.9% reduction vs. target (fiscal 2030 = 30%)

Climate change risks and opportunities

Based on external scenarios, we analyzed the business impacts of climate change in fiscal 2018 using a 2°C scenario and in fiscal 2021 using 1.5°C and 4°C scenarios. We identified the climate change risks and opportunities for the Group and examined countermeasures. Our aims are to respond to the negative impacts on the Company's operations and supply chains due to transition and physical risks, while also making proposals for value creation by understanding customers' climate change risks and capturing business opportunities.

Risks

Risk type		Term	Details	Key responses
Transition	Policy/Regulation	Short- to long-term	<ul style="list-style-type: none"> Increase in costs for responding to the strengthened laws and regulations on GHG emissions and energy use (such as a carbon tax, energy-saving policies, etc.) Risk of diminished corporate value in the event of a violation of the above laws and regulations 	<ul style="list-style-type: none"> Continued reduction of GHG emissions (increased use of renewable energy and implementation of energy-saving measures) Ensure legal compliance through EMS
	Market	Medium- and long-term	<ul style="list-style-type: none"> Increase in electricity prices associated with promotion of a carbon-neutral society (spread of electrification) 	<ul style="list-style-type: none"> Reduced electricity consumption by formulating internal company standards and development of innovative technologies, etc.
	Technology	Medium- and long-term	<ul style="list-style-type: none"> Risk that the Company could lose business opportunities if it were to fall behind in fierce competition in technological development (such as energy-saving performance and low-carbon services) and be unable to meet market needs 	<ul style="list-style-type: none"> Development of products and services for solving customers' climate change issues and promotion of innovation
	Reputation	Short- to long-term	<ul style="list-style-type: none"> Increase in costs for responding to demands from stakeholders such as investors and customers Negative impacts on ratings and sales due to delay in response to external requests 	<ul style="list-style-type: none"> Formulation and promotion of medium- to long-term environmental vision and Environmental Action Plan Active disclosure of information to ensure transparency of climate change strategy
Physical (Natural disasters, etc.)	Chronic/Acute	Short- to long-term	<ul style="list-style-type: none"> Increase in costs for responding to changes in rainfall and weather patterns, increase in average temperature, sea level rise, flooding Increase in costs for operation stoppages and recovery, including supply chains, due to increasing severity of abnormal weather 	<ul style="list-style-type: none"> Strengthening of BCP measures, survey of suppliers' business continuity systems and application of countermeasure such as multi-sourcing Assessment and monitoring of potential water risks

Opportunities

Opportunity type	Term	Details	Key responses
Products/services	Short- to long-term	<ul style="list-style-type: none"> Increase in sales due to development and supply of highly energy-efficient products and services 	<ul style="list-style-type: none"> Development and provision of high-performance and energy-saving 5G virtualized radio access network (vRAN) technology, high-performance and low-energy supercomputers, etc.
Market	Short- to long-term	<ul style="list-style-type: none"> Acquisition of new market opportunities by applying ICT to create climate change countermeasures 	<ul style="list-style-type: none"> Development and provision of services to measure and visualize CO₂ emissions in supply chains and more efficient methods for the discovery of new materials for achieving zero emissions
Resilience	Short- to long-term	<ul style="list-style-type: none"> Sales growth through new products and services for strengthening resilience 	<ul style="list-style-type: none"> Development and provision of disaster prevention information systems and an AI water management prediction system for estimating river levels during floods

Scenario analysis

In fiscal 2021, we conducted scenario analysis for our business areas that are considered particularly susceptible to the impacts of climate change covering the period to 2050 and using 1.5°C and 4°C scenarios. These areas were Sustainable Manufacturing (sectors studied: petrochemicals, automotive, foods, electronic device-related businesses), Trusted Society (sectors studied: public sector, transportation, energy-related businesses), and Hybrid IT (sector studied: datacenter-related businesses). The analysis was conducted in four steps: 1) assessment of risk severity, 2) definition of scenarios, 3) evaluation of impacts on business, and 4) discussion of countermeasures. For Sustainable Manufacturing and Trusted Society, our analysis focused mainly on opportunities for the Company's businesses, such as helping customers respond to climate change risks. For Hybrid IT, we analyzed both risks and opportunities, including response to climate-related risks for the Company's businesses and for its customers.

Analysis results

The analysis confirmed that the opportunities under the scenarios are aligned with the discussion and development direction of the Company's offerings, and that the Company has prepared countermeasures for the risks. From a medium- to long-term perspective, the Company's businesses were found to have strategic resilience.

Moreover, the scenario analysis results were also used as one of the inputs for examining businesses, and the Company formulated and announced the following themes for providing value in its key focus areas. In Sustainable Manufacturing: Carbon Neutrality (promoting the visualization and reduction of CO₂ emissions) and Resilient Supply Chain (resilient response to uncertainty); in Trusted Society: Sustainable Energy and Environment (carbon neutrality through green energy). The Company is now progressing with discussions on the details of our offerings, considering the opportunity-related measures revealed by the scenario analyses.

Sustainable Manufacturing (Opportunity Analysis)

● 1.5°C scenario ◆ 4°C scenario

Sectors studied	Risk severity assessment (both 1.5°C and 4°C)		Scenario definitions	Countermeasure considerations (in part)
	Policy/regulation, markets, technology, reputation	Natural disasters		
Petrochemical businesses	Spread of ICT as a resource circulation-based business infrastructure to achieve carbon neutrality	Increase in plant and supply chain damage due to increased risk of natural disasters	● Acceleration of conversion of carbon-neutral materials into environmentally friendly products throughout the entire supply chain, advancement of portfolio transformation, and increase in demand for strengthening of traceability and streamlining of R&D	<ul style="list-style-type: none"> ● Visualization of CO₂ emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Eco-friendly materials development solutions using materials informatics ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
			◆ Increase in demand for plants and supply chains that are more resilient to increased severity of natural disasters	<ul style="list-style-type: none"> ◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM)
Automotive businesses	Increase in regulations on internal combustion engines (ICEs). Increase in spread of electric vehicles, and progress on achieving carbon neutrality throughout the product life cycle	Increase in plant and supply chain damage due to increased risk of natural disasters	● Increase in demand for measures to strengthen supply chain traceability and MaaS to help reduce environmental impacts throughout the life cycle	<ul style="list-style-type: none"> ● Visualization of CO₂ emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Support for EV demand (e.g., circular management of EV batteries) ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management ● Digital technology-based process automation services from design to manufacturing and maintenance
			◆ Increase in demand for accelerated development and increased advancement of ICEs. Increase in demand for stable raw material procurement and enhanced business continuity capabilities due to increasing severity of natural disasters	<ul style="list-style-type: none"> ◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM) ◆ Engineering outsourcing service which contributes to acceleration of development processes/technology and selection of management resources
Food-related businesses	Increased awareness of ethical consumption, promotion of resource circulation and biodiversity	Increase in agricultural damage due to increased risk of natural disasters and temperature rises	● Changes in consumer awareness are driving an increase in demand for environmentally friendly packaging, certificates of origin, smart agriculture, and response to food loss	<ul style="list-style-type: none"> ● Visualization of CO₂ emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Support for enhancing traceability throughout the value chain (demand and supply optimization, support for consumer behavior change) ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
			◆ Increase in demand for “resilient agriculture” as natural disasters put stable food supply at risk	<ul style="list-style-type: none"> ◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM)
Electronic device-related businesses	Increase in plant energy efficiency and expansion in market for products for EVs. Increased potential for radical manufacturing reforms, such as local production for local consumption and 3D printing	Increase in plant and supply chain damage due to increase in natural disaster and water shortage risk	● Spread of energy- and labor-saving technologies. Increase in demand for radical transformation of business model, such as demand chain management	<ul style="list-style-type: none"> ● Visualization of CO₂ emissions throughout the supply chain, support for formulation and implementation of decarbonization strategies ● Digital technology-based process automation services from design to manufacturing and maintenance ● Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
			◆ Increase in demand for higher labor productivity at production sites and construction of plants and supply chains resilient against natural disaster risks	<ul style="list-style-type: none"> ◆ Digital technology-based process automation services from design to manufacturing and maintenance ◆ Support for risk event simulation and timely provision of risk information ◆ Rapid response through data-driven management (review of manufacturing systems, suppliers, and SCM)

Trusted Society (Opportunity Analysis)

● 1.5°C scenario ◆ 4°C scenario

Sectors studied	Risk severity assessment (both 1.5°C and 4°C)		Scenario definitions	Countermeasure considerations (in part)
	Policy/regulation, markets, technology, reputation	Natural disasters		
Public sector-, transportation-, and energy related-businesses	The values by which people select cities and services, such as environmental concerns, will change as decarbonization progresses	Increase in damage to cities, buildings, and infrastructure due to increase in natural disaster risk	● Increase in need for digitalization of city and energy infrastructure and quantification and visualization of new values such as environmental concerns	● Services/solutions related to prediction and control of energy demand and supply balance using real-time data to help achieve a carbon-neutral society through green energy
			◆ Increase in demand for resilient city infrastructure	◆ Building of digital twin infrastructure and enhanced use in simulations, city infrastructure optimization giving consideration to human traffic and individuals, support for resilience in transport and logistics, and disaster prevention/mitigation

Hybrid IT (Risk & Opportunity Analysis)

● 1.5°C scenario ◆ 4°C scenario

Sectors studied	Risk severity assessment (both 1.5°C and 4°C)		Scenario definitions	Countermeasure considerations (in part)
	Policy/regulation, markets, technology, reputation	Natural disasters		
Datacenter-related businesses	Advancement of environmental value traceability, adoption of smart electricity management systems for datacenters	Increase in damage to datacenters due to increase in natural disaster risk	● Datacenter carbon neutrality itself becomes a source of competitive advantage as energy-saving and environmental considerations become standard selection criteria for customers	● Highly energy-efficient datacenters
			◆ Increase in demand for resilient datacenters and need for response to heightened disaster risk for the Company-owned datacenters	◆ Disaster recovery center services in preparation for disasters ◆ Robust datacenters with fully prepared earthquake and security countermeasures

The above scenario analyses are intended to verify the strategic resilience of the Company's business based on assumed hypotheses and are positioned as one simulation that takes into account future uncertainties.

For details on the Fujitsu Group's TCFD-based information disclosure, please visit the following website:
<https://www.fujitsu.com/global/about/environment/tcfid/index.html>

Collaboration with stakeholders

Participation in external organizations

World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is an international organization of over 200 international companies that aims to realize a sustainable society through business. Fujitsu has been a member since 2013, and Takahito Tokita, our CEO, is currently contributing to the organization's activities as a board member.

In 2021, the WBCSD released its long-term vision, "Vision 2050: Time to Transform," which we were involved in revising and translating into Japanese. The vision sets out the role that companies should play in addressing the pressing issues facing global society in order to realize "a world in which more than 9 billion people are able to live well, within planetary boundaries." Our Purpose is consistent with the direction that "Vision 2050" is aiming for, and we will continue to work toward the realization of a sustainable world.

Internal awareness building in collaboration with the WBCSD

In November 2021, Peter Bakker, president and CEO of the WBCSD, gave a lecture titled "Vision 2050: Time for Action" to our management team to help them understand how companies can contribute to sustainability. A video of the event was made available to all employees via the intranet to promote a broad understanding of sustainability from the management level to the front lines. Fujitsu will work in cooperation with various stakeholders to realize Our Purpose in line with the WBCSD's Vision 2050.



Lecture

World Economic Forum

The 2022 Annual Meeting of the World Economic Forum (WEF), held in May for the first time in two and a half years as an in-person meeting, was themed "History at a Turning Point: Government Policies and Business Strategies," and included discussions on global pandemics, the crisis in Ukraine, and geopolitical challenges. From Fujitsu, CEO Takahito Tokita and COO Hidenori Furuta participated in the meeting. Through senior management communication with various stakeholders and their feedback, we will work toward the realization of a sustainable world.



Stakeholder dialogue: Advancing business management through dialogue with external experts

Ms. Yumiko Noda, Chairman and Representative Director of Veolia Japan K.K., the Japanese subsidiary of the Veolia Group, which operates water, waste, and energy businesses globally, and Ms. Kaoru Kobu, Head of ESG, Japanese Equity Investment at Invesco Asset Management Japan, one of the world's leading independent asset management firms, were invited to participate in a dialogue with our management team on the topic of "Purpose-driven management enters a new phase: Strategies for sustainable growth and enhanced corporate value in the medium to long term."

The two experts offered many suggestions, including that having purpose is a source of inspiration for employees with diverse values and a foundation for connecting the company with its stakeholders, and that implementing management and business strategies based on purpose is the key to increasing corporate social value. They also expressed their high expectations for visualized intangible assets, including human capital, that present evidence based on actual results to further enhance corporate value.

We will continue to apply the valuable feedback we have received to our management efforts as we move forward with purpose-driven management.



For more information on stakeholder dialogues, please visit the following website:
<https://www.fujitsu.com/global/about/csr/society/dialog/2022/>

For information on stakeholder engagement, please visit the following website:
<https://www.fujitsu.com/global/about/csr/society/dialog/>

Our governance

Our Purpose is “to make the world more sustainable by building trust in society through innovation.” Under this Purpose, the Fujitsu Group believes that management that lives up to the trust of customers and business partners, in which employees are encouraged to engage in activities vibrantly and proudly, and to contribute to society, is the path to our medium- to long-term growth and enhancement of corporate value. In other words, it is the way to respond to all of our stakeholders, and we are continuously strengthening corporate governance, the bedrock that supports this practice.

Interview with the Chairman of the Board of Directors



Atsushi Abe

Director
Managing Partner,
Advanced Solutions, Inc.

We spoke with Mr. Atsushi Abe, Chairman of Fujitsu's Board of Directors and also Chairperson of its Executive Nomination Committee, about the current status of strengthening corporate governance and the activities of the Executive Nomination Committee, as well as key points for discussion at the Board of Directors meetings in the fiscal year ended March 31, 2022.

Q How has Fujitsu's corporate governance changed since 2019, when you were appointed Chairman of the Board of Directors?

A A board meeting is a place where the knowledge and experience of the members and the opinions based on them are brought to the table, even if there may be conflicting opinions, and constructive discussions are held to reach a conclusion. I believe that the members now share this understanding and are able to effectively put it into practice.

Specifically, we have created several new opportunities for external directors and auditors to deepen their understanding of the Group's businesses and to create an environment in which they can fully participate in discussions based on this understanding. One of these is the "Business Overview Briefings." We hold these briefings more than 20 times a year as a forum to learn about the current status of the different business units, which are changing at a rapid pace, and to communicate directly with the heads of the business units. In addition, "private sessions," in which only external directors and auditors participate and freely exchange opinions, are held after every Board of Directors meeting. As a result of increasing such discussions, the nature of the independent directors' meetings established in 2015 has changed from an opportunity to foster understanding about the business to an opportunity to organize issues and opinions for the Board of Directors based on the understanding gained at Business Overview Briefings and other meetings.

I myself also use these "forums" to gather the opinions of external directors and auditors and share them with President Tokita in one-on-one meetings to complement discussions at Board of Directors meetings, to ensure that external directors and auditors and the executive team see eye to eye with respect to the direction Fujitsu should take and important management policies.

Q What were the key points of discussion at the Board of Directors meetings in the fiscal year ended March 31, 2022?

A Among the many themes discussed at this past fiscal year's Board of Directors meetings, the most important were setting management targets for the fiscal year ending March 31, 2023, the final year of our medium-term plan, and the focus on growth areas that is essential for the continued expansion of our corporate value in the future.

In the medium-term plan formulated five years ago, we set management targets for the Technology Solutions business, which we have positioned as our core domain, of ¥3.5 trillion in sales revenue and an operating profit margin of 10% in the final year of the plan, the fiscal year ending March 31, 2023. Although these were lofty goals, we maintained the original targets without revising them downward in order to keep up with the challenge of always reaching for higher goals, and we have implemented multifaceted measures to achieve these goals, including the reallocation of resources and internal reforms. As a result,

although it became unrealistic to maintain the original target for revenue, profitability has been steadily improving, and we believe it is possible to achieve the operating profit margin goal of 10% for the fiscal year ending March 31, 2023. We have decided to work hard this year to achieve sales revenue of ¥3.2 trillion and an operating margin of 10% in the Technology Solutions business.

Although our corporate value has been steadily increasing due to improved profitability and investors' approval of our policy of shifting our main focus to higher value-added services and software as a DX company, it is clear that our market valuation is still low compared to industry peers when looking at market capitalization multiples. In order to correct this valuation, we must show growth potential. Now that we have a clear strategy for growth around Fujitsu Uvance, a portfolio of solutions that could become our new business model, with sustainability as a business objective, the Board of Directors will be making decisions to advance that strategy expeditiously. Regarding investment, we are discussing the need to increase the weight of investment for business growth while continuing internal reforms.

We also spent time on discussions related to the security incidents that occurred in 2021 in terms of managing risks that could damage our corporate value. A third party external committee has been established to examine the cause of the incident, take follow-up actions, and discuss measures to prevent a recurrence. The Board of Directors will continue to oversee this matter, including the state of organizational management and business processes, in order to resolve the underlying issues.

Q Please also tell us about the activities of the Executive Nomination Committee.

A Based on the Group's medium- to long-term growth strategy, we have been discussing what kind of knowledge and experience the Board of Directors as a whole needs to be equipped with. The skills matrix we published in March 2022 may be considered a progress report along the way. We plan to break down the major items we published in more detail and further refine our discussions to clarify the knowledge and experience that should be enhanced for the Board of Directors, and then make recommendations that will also go into the composition of the Board of Directors.

Regarding the selection of successors, we are brushing up the existing succession plans based on the same ideas governing the composition of Board of Directors. Specifically, we are visualizing the skills that the CEO and CFO should possess by dividing them into quantitative and qualitative aspects. In addition to making it possible to select candidates that have the requisite skills, this will also clarify training plans for candidates to fill in the gaps before they are assigned to the positions in question. At the same time, we discussed whether succession planning related to the selection of successors is truly reasonable, on the view that we should eliminate those rules and customs that are inappropriate.

In June 2022, Fujitsu welcomed Ms. Catherine O'Connell as a new independent external auditor. Ms. O'Connell is an entrepreneur who has worked in the corporate departments of Japanese companies, has knowledge of Japanese business processes, and is

an entrepreneur who has established and heads a law firm in Japan. Above all, she has a sound critical mind and the ability to engage in constructive dialogue based on her knowledge and experience.

When we interviewed the current auditors regarding the appointment of a new auditor, we were told that an important quality for auditors is the "boldness" to point out problems sharply and frankly. We believe that Ms. O'Connell has the ability to do so and will contribute greatly to the future efforts of the Board of Directors and the Audit & Supervisory Board.

Q Finally, what are your future aspirations as Chairman of the Board?

A First, we will further discuss how to realize our growth strategy centering on Fujitsu Uvance. At the same time, I think we must raise such issues as what is needed to continuously improve productivity, what is required to utilize intangible assets such as human resources, and increase competitiveness. For example, I would like to discuss the level of compensation for employees as a global IT services company.

With respect to strengthening the corporate governance system, based on an analysis of the current skill composition of the Board of Directors, we will also consider specific measures to bring the Group closer to its ideal state. We also intend to seek better ways to evaluate the effectiveness of the Board of Directors, including further expansion of mutual evaluations by directors.

Interview with the Chairperson of the Compensation Committee

The Fujitsu Group has changed its policy for determining executive compensation in 2022. We spoke with Dr. Chiaki Mukai, independent director and Chairperson of the Compensation Committee, about the thinking behind the new policy and the opinions that emerged during the discussion process.

Q The evaluation indicators for bonuses and performance-linked stock compensation have been changed for executive directors. What were the reasons for revising the compensation system? What did you emphasize in the review?

A The decision to change the compensation system was based on the need to align it with the Management Direction and the human resources system.

In 2019, the Fujitsu Group set revenue and operating profit margin as financial indicators for management targets, later adding earnings per share (EPS). In 2020, Fujitsu established Customer NPS® and employee engagement as non-financial indicators, and added DX Promotion Indices the following year. However, a mechanism to reflect progress with these new indicators in the calculation of compensation had not been incorporated into the compensation system for executive directors. Specifically, changes in the evaluation system for senior executives above a certain level had preceded in incorporating non-financial indicators, so it was also necessary to align the compensation system with the evaluation system.

A compensation system that evaluates employees fairly, equitably, and transparently encourages the decision-making necessary to achieve business goals. By rewarding performance, it also serves to promote behavioral change. The current compensation system was created with an emphasis on making such ideas consistent throughout the Group.

Q At the roundtable discussion with independent directors a year ago, you mentioned that there were points that needed to be further deliberated regarding the reflection of non-financial indicators in the compensation system. What were some of the points of consideration?

A The first point of contention was that sustainability and business timelines do not necessarily coincide. Environmental, social, and governance (ESG) initiatives are not something that will produce immediate results. In addition, ESG does not have an endpoint, and there is always room for progress in response to the changing times and the demands of society. For this reason, we have decided to evaluate whether the indicators have improved as a result of progress made in our efforts since the previous year, rather than evaluating whether or not a specific absolute value has been achieved.

While this policy change aligns the compensation system with the Management Direction, we do not believe it is complete. The Compensation Committee is still discussing whether there are more appropriate evaluation indicators.



Chiaki Mukai

Director
Specially Appointed
Vice President of
Tokyo University of Science

Q Why did you add DJSI*¹ and CDP Climate Change*² which are third-party assessments on ESG, to the list of items eligible for bonus payments?

A The purpose of adding globally recognized third-party evaluations is to objectively view ourselves in the context of the standards required of a global company. Since both DJSI and CDP disclose evaluation items, we further considered that we could analyze what was not evaluated and take appropriate action. We would like to use them as benchmarks against which to examine what it takes to win in the world as a global company.

I would also like to explain a little bit about the DX Promotion Indices, which differ from non-financial indicators in terms of global recognition, in that they were established by Japan's Ministry of Economy, Trade and Industry (METI). We are proud of our role as a leader in DX in Japan, as we aim for global growth.

If our Group proceeds with its efforts based on the DX Promotion Indices, it will become a benchmark for domestic customers in Japan. We also added the indices as a management indicator as they will help us understand the level of our DX from a global perspective while keeping an overview of Japan as a whole. As the DX Promotion Indices are an appropriate management goal, the indices should naturally also be reflected in the compensation system.

Q You mentioned that the discussions in the Compensation Committee will continue. What are your thoughts on the issues that need to be addressed in the future?

A The members of the Compensation Committee agreed that it is necessary to start from the ideal image of the Fujitsu Group as a leading global company and consider a compensation system from the perspective of what is important to achieve this ideal. Policies and plans for achieving growth are updated in response to changes in the Group itself and in the business environment. As new management policies and plans are developed, we must naturally consider the compensation to reflect them. Looking beyond the current medium-term plan, which runs through to the end of March 2023, there is much work to be done.

Some members of the Board of Directors believe that a system to boost employee motivation should be introduced and the salaries of regular employees can be further raised to encourage further efforts toward growth. It is also necessary to exchange opinions with the human resources department to develop an executive compensation system that is consistent with the system for general employees. I believe that the most important task of the Executive Compensation Committee is not merely to look at the role of the executive directors, but to consider and adopt a better compensation system for the Group as a whole, and I myself feel that I deepen my understanding about the personnel system.

Q As competition for talent intensifies, what do you think is necessary for the Fujitsu Group to attract talent and continue to grow?

A There are many ways to achieve this, such as globally competitive compensation and a system that allows for autonomous career development, but I believe that expanding revenue and achieving growth are also important for attracting talent. We believe that the growth of our Group's corporate value will enhance our reputation, which in turn will provide us with opportunities to attract good global talent. To create such a good cycle, it is important to properly evaluate the work of those who contribute to growth. We believe that we need to create a system in which people who are motivated to lead the Group can develop their careers, attain promotions, and be rewarded accordingly, in order to be a company that is respected globally and that many people empathize with and want to work for.

*1 Dow Jones Sustainability Index, a global ESG investment index

*2 CDP, an international non-profit organization, conducts surveys and evaluations of climate change initiatives at the request of investors and others, and publishes the results.

Management

(As of September 1, 2022)

Executive Directors



Born: September 2, 1962
 Apr. 1988 Joined the Company
 Jun. 2014 Head of Financial Systems Unit
 Apr. 2015 Corporate Executive Officer
 Jan. 2019 EVP, Head of Global Delivery Group*2
 Mar. 2019 Corporate Executive Officer, SEVP
 Jun. 2019 Representative Director and Chief Executive Officer (CEO)*3
 Chairman of the Risk Management & Compliance Committee*3
 Oct. 2019 Chief Digital Transformation Officer (CDXO)*3

Takahito Tokita

Representative Director
 CEO, CDXO

Number of years as director: 3

Number of Fujitsu shares held:
 1,364*1



Born: December 13, 1958
 Apr. 1982 Joined the Company
 May 2009 Head of Manufacturing Industry Solutions Business Unit
 Apr. 2012 Corporate Vice President
 Apr. 2014 Corporate Senior Vice President*2
 Head of Global Delivery
 Apr. 2018 Corporate Executive Officer*2
 SEVP, Head of Digital Services Business
 Jan. 2019 SEVP, Head of Technology Solutions Business
 Chief Technology Officer (CTO)
 (until June 2021)
 Jun. 2019 Representative Director and Chief Operating Officer (COO)*3
 Apr. 2020 SEVP, Head of Global Solutions Business
 Oct. 2021 Chief Data & Process Officer (CDPO)*3

Hidenori Furuta

Representative Director
 COO, CDPO

Number of years as director: 3

Number of Fujitsu shares held:
 3,763*1



Born: July 29, 1962
 Apr. 1985 Joined the Company
 Jun. 2014 VP of Corporate Controller Division,
 Corporate Finance Unit
 Apr. 2018 Corporate Executive Officer
 EVP, Head of Corporate Finance Unit
 (until March 2021)
 Jun. 2019 Chief Financial Officer (CFO)*3
 Apr. 2020 Corporate Executive Officer, SEVP*2
 Jun. 2020 Director and Corporate Executive Officer,
 SEVP*2,*3

Takeshi Isobe

Director
 CFO

Number of years as director: 2

Number of Fujitsu shares held:
 978*1

Non-Executive Directors



Born: January 11, 1954
 Apr. 1976 Joined the Company
 Jun. 2004 Executive Vice President,
 Personal Systems Business Group
 Jun. 2005 Corporate Vice President
 Jun. 2007 Corporate Senior Vice President
 Jan. 2010 Corporate Senior Executive Vice President
 Apr. 2010 President
 Jun. 2010 Representative Director
 President
 Jun. 2015 Representative Director
 Chairman (until June 2017)
 Chairman of the Board of Directors
 (until June 2019)
 Jul. 2015 Member of the Executive Nomination
 Committee and
 Compensation Committee (until June 2019)
 Jun. 2017 Director and Chairman (until June 2019)
 Outside Director, JFE Holdings, Inc.*3
 Oct. 2018 Member of Council for Promotion of
 Regulatory Reform, Cabinet Office (until July 2019)
 Mar. 2019 Member of Intellectual Property Strategy
 Headquarters, Cabinet Office (until March 2021)
 Jun. 2019 Director and Senior Advisor*3
 Member of the Board of Directors
 (Outside Director),
 Mizuho Financial Group, Inc.*3
 Jul. 2021 Member of the Executive
 Nomination Committee*3

Masami Yamamoto

Director
 Senior Advisor

Number of years as director: 12

Number of Fujitsu shares held:
 10,159*1



Born: May 6, 1952
 Apr. 1977 Staff of Department of Surgery,
 Keio University School of Medicine
 (until November 1985)
 Aug. 1985 Payload Specialist of National Space
 Development Agency of Japan*4
 (until March 2015)
 Jun. 1987 Visiting Scientist of Division of Cardiovascular
 Physiology, Space Biomedical Research
 Institute, NASA Johnson Space Center
 (until December 1988)
 Oct. 2014 Vice President of Science Council of Japan
 (until September 2017)
 Apr. 2015 Vice President, Tokyo University of Science
 (until March 2016)
 Jun. 2015 Director*3
 Apr. 2016 Specially Appointed Vice President of
 Tokyo University of Science*3
 Jul. 2016 Member of the Executive Nomination Committee
 (until June 2021)
 Member of the Compensation Committee
 (until June 2018)
 Jan. 2017 Chair of the Scientific and Technical Subcommittee,
 UN Committee on the Peaceful Uses
 of Outer Space (COPUOS) (until January 2018)
 Apr. 2018 Special Counselor of JAXA
 (until March 2021)
 Jul. 2018 Chairperson of the Compensation Committee*3
 Mar. 2019 Outside Director, Kao Corporation*3

Chiaki Mukai

Director
 Specially Appointed
 Vice President of
 Tokyo University of Science

Number of years as director: 7
 Number of Fujitsu shares held:
 3,295*1



Born: October 19, 1953
 Apr. 1977 Joined Mitsui & Co., Ltd.
 Jun. 1990 Manager, Electronic Industry Department,
 Mitsui & Co., Ltd.
 Jan. 1993 Managing Director, Alex. Brown & Sons, Inc.*5
 Aug. 2001 Managing Director and
 Head of Global Corporate Finance,
 Deutsche Securities, Ltd.*5
 Aug. 2004 Partner & Head of Japan,
 J.P. Morgan Partners Asia*7 (until March 2009)
 May 2007 Board Member, Edwards Group Ltd.*8
 (until October 2009)
 Dec. 2009 Managing Partner, Sangyo Sosei Advisory Inc.
 (until June 2022)
 Feb. 2011 Board Member, ON
 Semiconductor Corporation*3
 Jun. 2015 Director*3
 Jun. 2019 Chairman of the Board of Directors*3
 Dec. 2019 Senior Advisor, Sangyo Sosei Advisory Inc.
 (until June 2022)
 Jul. 2021 Chairman of the Executive
 Nomination Committee*3
 Jul. 2022 Managing Partner, Advanced Solutions, Inc.*3

Atsushi Abe

Director
 Managing Partner,
 Advanced Solutions, Inc.

Number of years as director: 7
 Number of Fujitsu shares held:
 2,902*1

Non-Executive Directors



Yoshiko Kojo

Director
Professor, Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication
Number of years as director: 4
Number of Fujitsu shares held: 856*1

Born: June 19, 1956
Apr. 1988 Assistant Professor of International Relations, Faculty of Law, Kokugakuin University
Apr. 1991 Associate Professor of International Relations, Faculty of Law, Kokugakuin University
Apr. 1996 Associate Professor of International Relations, Department of Advanced Social and International Studies, the University of Tokyo
Jun. 1999 Professor of International Relations, Department of Advanced Social and International Relations, the University of Tokyo (until March 2020)
Oct. 2010 President, Japan Association of International Relations
Oct. 2012 Member of Advisory Board, Japan Association of International Relations*3
Oct. 2014 Member of Science Council of Japan (until September 2020)
Jun. 2018 Director*3
Jul. 2019 Member of the Executive Nomination Committee and Compensation Committee*3
Apr. 2020 Professor, Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication*3



Scott Callon

Director
Chief Executive Officer, Ichigo Asset Management, Ltd.
Number of years as director: 2
Number of Fujitsu shares held: 0*1

Born: December 6, 1964
Apr. 1988 MIPS Computer Systems, Inc.*9
Jan. 2003 Head of Equities, Morgan Stanley Japan Limited*10
May 2006 Chief Executive Officer, Ichigo Asset Management, Ltd.*3
Oct. 2008 Chairman and Representative Statutory Executive Officer, Asset Managers Holdings Co., Ltd.*11*3
Nov. 2008 Director and Chairman of the Board of Directors, Asset Managers Holdings Co., Ltd.*11*3
May 2012 External Audit & Supervisory Board Member, Chiyoda Co., Ltd. (until May 2020)
Mar. 2020 Chairman and Representative Director, Japan Display Inc. (until December 2020)
Jun. 2020 Director*3
Aug. 2020 Chairman of the Board of Directors, Japan Display Inc.*3
Jan. 2021 Chairman, Representative Executive Officer, CEO and Director, Japan Display Inc.*3
Jul. 2021 Member of the Executive Nomination Committee and Compensation Committee*3



Kenichiro Sasae

Director
President, The Japan Institute of International Affairs
Number of years as director: 1
Number of Fujitsu shares held: 45*1

Born: September 25, 1951
Apr. 1974 Ministry of Foreign Affairs
Mar. 2002 Director-General of Economic Affairs Bureau, Ministry of Foreign Affairs
Jan. 2005 Director-General of Asian and Oceania Affairs Bureau, Ministry of Foreign Affairs
Jan. 2008 Deputy Minister for Foreign Affairs
Aug. 2010 Vice-Minister for Foreign Affairs
Sep. 2012 Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America
Jun. 2018 President and Director General, The Japan Institute of International Affairs
Jun. 2019 Outside Director, SEIREN CO., LTD.*3
Outside Director, MITSUBISHI MOTORS CORPORATION*3
Dec. 2020 President, The Japan Institute of International Affairs*3
Jun. 2021 Director*3
Jul. 2021 Member of the Compensation Committee*3
Mar. 2022 Outside Director, Asahi Group Holdings, Ltd.*3

Audit & Supervisory Board Members



Youichi Hirose

Audit & Supervisory Board Member
Number of years as Audit & Supervisory Board Member: 5
Number of Fujitsu shares held: 3,090*1

Born: March 5, 1958
Apr. 1981 Joined the Company
Jun. 2009 Vice President, Corporate Controller, Corporate Finance Unit (until June 2014)
Apr. 2012 Executive Vice President
Vice Head of Corporate Finance Unit (until March 2014)
May 2013 Corporate Vice President (until March 2017)
Apr. 2014 Head of Corporate Finance Unit
Apr. 2017 Executive Advisor
Jun. 2017 Audit & Supervisory Board Member*3
Jun. 2018 External Audit & Supervisory Board Member, FUJITSU GENERAL LIMITED*3



Megumi Yamamuro

Audit & Supervisory Board Member
Number of years as Audit & Supervisory Board Member: 2
Number of Fujitsu shares held: 0*1

Born: March 8, 1948
Apr. 1974 Assistant Judge, Tokyo District Court
Apr. 1984 Judge, Tokyo District Court
Apr. 1988 Professor, The Legal Training and Research Institute of Japan
Apr. 1997 Judge, Tokyo High Court
Jul. 2004 Admitted as lawyer
Participated in CAST Law PC.*12*3
Oct. 2004 Professor, University of Tokyo Graduate Schools for Law and Politics (until September 2010)
Jun. 2005 External Audit & Supervisory Board Member (until June 2020)
Jun. 2013 External Audit & Supervisory Board Member, Yachiyo Industry Co., Ltd. (until June 2020)
Jul. 2013 Member of the Executive Nomination Committee and Compensation Committee (until July 2016)
Jun. 2020 Audit & Supervisory Board Member*3



Koji Hatsukawa

Audit & Supervisory Board Member
CPA
Number of years as Audit & Supervisory Board Member: 9
Number of Fujitsu shares held: 1,813*1

Born: September 25, 1951
Mar. 1974 Joined Price Waterhouse Accounting Office
Jul. 1991 Representative Partner, Aoyama Audit Corporation
Apr. 2000 Representative Partner, Chuo Aoyama PricewaterhouseCoopers
Oct. 2005 Director, Chuo Aoyama PricewaterhouseCoopers Manager of International Operations
May 2009 CEO, PricewaterhouseCoopers Aarata*13 (until May 2012)
Jun. 2012 Audit & Supervisory Board Member, The Norinchukin Bank (until June 2021)
Jun. 2013 Audit & Supervisory Board Member*3
Jun. 2016 External Director, Audit & Supervisory Committee member, Takeda Pharmaceutical Company Limited*3

Audit & Supervisory Board Members



Hideo Makuta

Audit & Supervisory Board Member

Advisor, Nagashima Ohno & Tsunematsu

Number of years as Audit & Supervisory Board Member: 2

Number of Fujitsu shares held: 0*1

Born: February 6, 1953
 Apr. 1978 Public Prosecutor, Tokyo District Public Prosecutors Office
 Dec. 2006 Chief Prosecutor, Niigata District Public Prosecutors Office
 Apr. 2010 Chief Prosecutor, Chiba District Public Prosecutors Office
 Aug. 2011 Director, Criminal Affairs Department, Supreme Public Prosecutors Office
 Jul. 2012 Commissioner, Japan Fair Trade Commission (until June 2017)
 Sep. 2017 Registered as a Lawyer Advisor, Nagashima Ohno & Tsunematsu*3
 Apr. 2019 Commissioner, Contract Monitoring Committee, Japan Atomic Energy Agency*3
 Jun. 2020 Audit & Supervisory Board Member*3
 External Audit & Supervisory Board Member, Daicel Corporation*3



Catherine O'Connell

Audit & Supervisory Board Member

Principal, Catherine O'Connell Law

Number of years as Audit & Supervisory Board Member: Newly appointed

Number of Fujitsu shares held: 0*1

Born: February 10, 1967
 Nov. 1994 Anderson Lloyd Barristers & Solicitors
 Mar. 2012 Head of Legal, Molex Japan LLC
 Jun. 2017 Representative Director, O'Connell Consultants (until December 2017)
 Jan. 2018 Principal, Catherine O'Connell Law*3
 Jun. 2022 Audit & Supervisory Board Member*3

*1 Number of shares held as of March 31, 2022

*2 Regarding Corporate Executive Officers, in April 2022, we eliminated position names (Senior Executive Vice President/Executive Vice President) and changed to naming that demonstrates the scale of job responsibility using the FUJITSU Level (SEVP, EVP, SVP, etc.).

*3 To present

*4 Currently, the Japan Aerospace Exploration Agency (JAXA)

*5 Currently, Raymond James & Associates, Inc.

*6 Currently, Deutsche Securities Inc.

*7 Currently, Unitas Capital

*8 Currently, Atlas Copco

*9 Currently, MIPS

*10 Currently, Morgan Stanley MUFG Securities Co., Ltd.

*11 Currently, Ichigo Inc.

*12 Currently, URYU & ITOGA

*13 Currently, PricewaterhouseCoopers Aarata LLC

Representative Directors / Corporate Executive Officers

Representative Director
CEO, CDXO

Takahito Tokita

Representative Director
COO, CDPO

Hidenori Furuta

Director and Corporate Executive Officer
SEVP, CFO

Takeshi Isobe

Corporate Executive Officers

Vivek Mahajan

Taizo Takahashi

Ryuji Kushida

Megumi Shimazu

Shunsuke Onishi

Hiroyuki Tsutsumi

Shunsuke Baba

Masahiro Ohta

Yumiko Kajiwara

Hiroki Hiramatsu

Kyoko Mizuguchi

Taeko Yamamoto

Yuzuru Fukuda

Junichi Saito

Yuuichi Koseki

Hirohisa Yamaguchi

Shingo Mizuno

Rupert Lehner

Yoshinami Takahashi

Kazushi Koga

Tim White

Hirohisa Yamaguchi

Masaru Yagi

Ryuichi Kubota

Tsuneo Hayashi

Masuo Yasuda

Paul Patterson

Mikihito Saito

Graeme Beardsell

For more information on responsibilities of representative directors and corporate executive officers, please visit the following website:
<https://www.fujitsu.com/global/about/corporate/management/>

Corporate governance

Basic approach to corporate governance

The Company regards corporate governance as a critical mechanism to fulfill the senior management team's mission in a manner befitting shareholders' trust. This mission is based on Our Purpose, and enables a form of business management that, rather than pursuing short-term profits, earns the trust of customers and business partners, motivates employees to work with vitality and pride, and contributes to society. Through such business management, the Company will grow and enhance corporate value over the medium to long term.

Structural framework

The Company endeavors to ensure that the oversight and advice from the diverse perspectives of non-executive directors (the term used for the combination of independent directors and non-executive directors appointed from within the Company) are reflected in the management execution of executive directors, as part of the Board of Directors' function while leveraging the advantages of a company with an Audit & Supervisory Board system. (For specific measures, please see "1. Overview of corporate governance structure.") Based on a decision made by the Board of Directors in December 2015, the Company has established a basic policy, "Corporate Governance Policy," summarizing its approach to corporate governance. From the standpoint that corporate governance is for ensuring better management, we constantly review the policy to ensure that it does not become rigid or lose its relevance, discuss it with the Board of Directors as appropriate, and strive to maintain the best corporate governance system at all times.

Corporate Governance Policy
<https://www.fujitsu.com/global/about/ir/library/governance/governancereport-b-en-20211223.pdf>

For further details on corporate governance, please visit the following website:
 (About Fujitsu > Sustainability > Corporate Governance):
<https://www.fujitsu.com/global/about/csr/governance/>

Initiatives taken to strengthen corporate governance

Reduced directors' terms to one year
 To further clarify directors' management responsibilities

2006

Established the Independent Directors & Auditors Council
 To support independent directors and Audit & Supervisory Board members, who maintain a certain degree of separation from the execution of business activities, in consistently gaining a deeper understanding of Fujitsu's business

2009

Established the Executive Nomination Committee and Compensation Committee
 To ensure the transparency and objectivity of the process for choosing candidates for executives and the process of determining compensation, and to ensure an appropriate compensation system and level

Established Corporate Governance Policy
 To explain to shareholders basic policies on the establishment and operation of systems in light of basic approaches to corporate governance

2015

Introduced performance-based stock compensation plan
 To incentivize executive directors to improve medium- to long-term corporate value and to promote shareholder-oriented business management

Appointed independent director as chairman of the Board
 Independent directors are appointed as chairman of the Board, chairperson of the Executive Nomination Committee, and chairperson of the Compensation Committee in order to strengthen the supervisory function.

2017

Abolished senior executive advisor/ advisor system
 To clarify management responsibility and strengthen corporate governance, Fujitsu will enter into commission contracts with retiring officers, who will be known as "senior advisors" or "senior fellows," on an individual basis and subject to a resolution of the Board of Directors, in cases where such treatment of retiring officers is indispensable as they are to be appointed as an officer of an unaffiliated organization, or where it is judged the individual is particularly useful for Fujitsu's business operations.

2018

Made independent directors a majority on the Board of Directors
 Among nine directors, five independent directors constitute a majority. Our aim is to increase the transparency and objectivity of deliberations.

2019

Revised the executive compensation system
 To make the compensation system more transparent and further link it to business performance and shareholder value by adding EPS and non-financial indicators to the evaluation indicators of executive compensation

2020

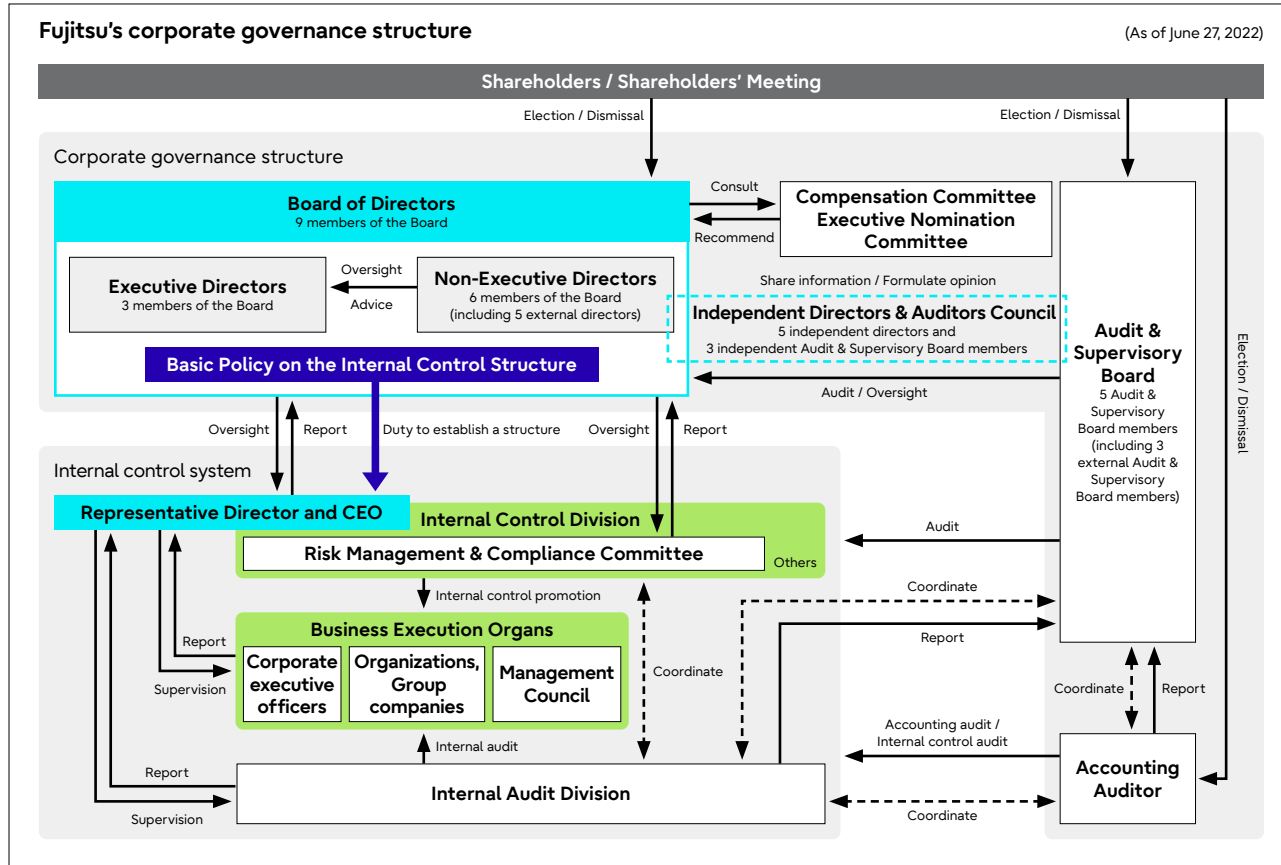
Comprehensively revised the "Basic Policy on Corporate Governance" in line with the revision of the Corporate Governance Code
 To achieve a higher level of governance expected of a company on the Prime Market and to achieve further sustainable growth and increase corporate value over the medium to long term

2021

For the complete Corporate Governance Policy, please visit the following website.
<https://www.fujitsu.com/global/about/ir/library/governance/governancereport-b-en-20211223.pdf>

2022

1. Overview of corporate governance structure



Roles and composition of key boards, committees, and councils

<p>Board of Directors</p>	<ul style="list-style-type: none"> • Serves as a body for making important decisions and overseeing management • Mainly oversees and acts in an advisory capacity in relation to the management execution of executive directors • Composed mainly of non-executive directors, with a majority of the Board of Directors consisting of independent directors • At least one non-executive director appointed from within the Company • Proactive appointment of independent directors to the position of non-executive director • One-year term of office for directors • As of June 27, 2022, the Board of Directors is composed of nine members, of whom three are executive and six are non-executive directors (including five independent directors). The Board of Directors is chaired by an independent director.
<p>Audit & Supervisory Board</p>	<ul style="list-style-type: none"> • From an independent position, audits and provides oversight of the Board of Directors as well as management execution functions and conducts accounting audits • Four-year term of office for Audit & Supervisory Board members • As of June 27, 2022, the Audit & Supervisory Board comprises five members, of whom two are full-time Audit & Supervisory Board members and three are external Audit & Supervisory Board members.
<p>Executive Nomination Committee and Compensation Committee</p>	<ul style="list-style-type: none"> • Serve as advisory bodies to the Board of Directors • The Executive Nomination Committee deliberates on candidates for director and Audit & Supervisory Board member positions in accordance with the Structural Framework of the Corporate Governance Structure and the Procedures and Policy of Directors' and Auditors' Nomination/Dismissal stipulated in the Company's Corporate Governance Policy, and submits recommendations to the Board of Directors. • The Compensation Committee submits recommendations on the level of base compensation and the method for calculating performance-based compensation to the Board of Directors in accordance with the Procedures and Policy of Directors' and Auditors' Nomination/Dismissal stipulated in the Company's Corporate Governance Policy. • As of July 27, 2022, the Executive Nomination Committee comprises three independent directors and one non-executive director; the Compensation Committee comprises four independent directors. (For details on committee members, please see "Members of the Board of Directors and Audit & Supervisory Board" on page 81.) • As of July 27, 2022, both committees are chaired by independent directors.
<p>Independent Directors & Auditors Council</p>	<ul style="list-style-type: none"> • Serves as a framework under which independent directors and independent Audit & Supervisory Board members share information and further their understanding of the Company's businesses. Council members discuss the medium- and long-term direction of the Company, share information, and exchange viewpoints so that all members can formulate their own opinions. • Is composed of all independent directors and independent Audit & Supervisory Board members

2. Directors / Audit & Supervisory Board members

Independence standards for external directors and auditors

The Company has established independence standards and evaluates the independence of external directors and auditors based on these standards.

For details on independence standards, please visit the following website for the corporate governance policy.
<https://www.fujitsu.com/global/about/ir/library/governance/governancereport-b-en-20211223.pdf>

Skills of directors and Audit & Supervisory Board members

Fujitsu, as a global company making the world more sustainable by building trust in society through innovation, has identified requisite qualities including diversity and the necessary skills for the Board of Directors and Audit & Supervisory Board members to provide appropriate advice and supervision in their respective roles, and summarizes and discloses the qualities and skills in a matrix.

Skills matrix of the Board of Directors and Audit & Supervisory Board members (As of June 27, 2022)

	Name	Nationality	External	Skills matrix				
				Corporate management	Finance and investment	Global	Technology	ESG, academia, and policy
CEO	Takahito Tokita	Japan		○		○	○	
COO	Hidenori Furuta	Japan		○		○	○	
CFO	Takeshi Isobe	Japan		○	○	○		
Senior Advisor	Masami Yamamoto	Japan		○		○	○	
Independent Director	Chiaki Mukai	Japan	○			○	○	○
Independent Director	Atsushi Abe	Japan	○		○	○	○	
Independent Director	Yoshiko Kojo	Japan	○			○		○
Independent Director	Scott Callon	United States	○	○	○	○		
Independent Director	Kenichiro Sasae	Japan	○			○		○

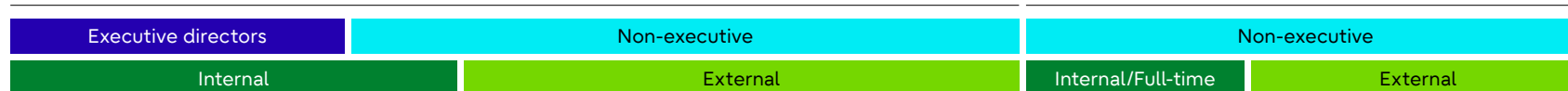
	Name	Nationality	External	Skills matrix		
				Legal affairs and compliance	Finance and accounting	Operating process
Full-time Audit & Supervisory Board Member	Youichi Hirose	Japan			○	○
Full-time Audit & Supervisory Board Member	Megumi Yamamuro	Japan		○	○	
Audit & Supervisory Board Member	Koji Hatsukawa	Japan	○		○	○
Audit & Supervisory Board Member	Hideo Makuta	Japan	○	○	○	
Audit & Supervisory Board Member	Catherine O'Connell	New Zealand	○	○		

Members of the Board of Directors and Audit & Supervisory Board

(As of June 27, 2022)

 Male
  Female
 ● Chairperson ○ Member

9 members of the Board of Directors



5 members of the Audit & Supervisory Board

	Takahito Tokita	Hidenori Furuta	Takeshi Isobe	Masami Yamamoto	Chiaki Mukai	Atsushi Abe	Yoshiko Kojo	Scott Callon	Kenichiro Sasae	Youichi Hirose	Megumi Yamamuro	Koji Hatsukawa	Hideo Makuta	Catherine O'Connell
Executive Nomination Committee				○		●	○	○						
Compensation Committee					●		○	○	○					
Independent Directors & Auditors Council					○	○	○	○	○			○	○	○


Appointment of external directors and auditors

Fujitsu actively appoints external directors and auditors to increase management transparency and further improve efficiency.

Fujitsu determines independence based on the independence standards as introduced on page 81. All external directors and auditors have been registered with and accepted as independent directors and Audit & Supervisory Board members by the financial instruments exchanges on which Fujitsu is listed in Japan.

Fujitsu's views on the roles, functions, and specific reasons for nomination of external directors and external Audit & Supervisory Board members are as follows:

External directors

 <p>Chiaki Mukai</p>	<p>Dr. Chiaki Mukai has an impressive personal history as a doctor who became Asia's first female astronaut, and she exemplifies the Company's spirit of taking on challenges at the cutting edge of science. She led discussions on executive compensation in her capacity as the chairperson of the Compensation Committee. The Company expects that she will continue to be able to provide oversight and advice as an external director from a fair and objective standpoint based on her broad knowledge of science and technology and global perspective. Fujitsu and Academic Corporation Tokyo University of Science, which operates the Tokyo University of Science where Dr. Mukai serves as vice president, had business transactions in fiscal 2021 amounting to approximately ¥2 million. Taking into account the scale of our sales, the amount of transactions is immaterial and does not constitute a conflict of interest. Therefore, Fujitsu considers Dr. Mukai to be independent.</p>
 <p>Atsushi Abe</p>	<p>Mr. Atsushi Abe has gained a deep understanding of the ICT industry and mergers and acquisitions through many years of experience in investment banking and private equity. As chairman of the Board of Directors, he has been managing proceedings objectively from his perspective as an investor gained through his experience to date and dialogues with institutional investors. Additionally, he has led discussions on the qualities required of candidates for director and Audit & Supervisory Board members to improve the composition of the Company's Board of Directors as the chairperson of the Executive Nomination Committee since July 2021. The Company expects that, in addition to being able to provide oversight and advice as an external director from a shareholder and investor perspective, Mr. Abe will continue to contribute to timely and decisive management decision-making. Fujitsu and ON Semiconductor Corporation, where he serves as director, had business transactions in fiscal 2021 amounting to approximately ¥300,000. Taking into account the scale of our sales, the amount of transactions is immaterial and does not constitute a conflict of interest. Mr. Abe has never been a major shareholder, nor has he held a position involved in business execution of a major business partner of the Company, and does not receive monetary benefits other than the compensation as a director of the Company. Therefore, Fujitsu considers Mr. Abe to be independent.</p>
 <p>Yoshiko Kojo</p>	<p>Dr. Yoshiko Kojo served in important positions, including the president of the Japan Association of International Relations, and her research has for many years focused mainly on the impact of economic entities (including private companies) on international politics. The Company expects that she will be able to provide advice and oversight as an external director concerning the Company's responses to change in the external environment during a dramatic transition of international politics and with regard to initiatives for SDGs based on her deep insight. Dr. Kojo has never been a major shareholder, nor has she held a position involved in business execution of a major business partner of the Company. Therefore, Fujitsu considers Dr. Kojo to be independent.</p>
 <p>Scott Callon</p>	<p>Previously, Mr. Scott Callon worked at a foreign-affiliated securities firm. Currently, he serves as the chief executive officer of Ichigo Asset Management, Ltd., an independent investment advisory firm specializing in Japanese equity investment, and has a wealth of experience as an institutional investor. After being appointed as director of the Company, he has actively engaged in dialogues with shareholders and investors. In view of his experience, the Company expects that Mr. Callon will play a role in providing oversight and advice from a shareholder and investors' perspective, as well as in providing feedback based on shareholders' and investors' opinions to the Company's management. Fujitsu and Japan Display Inc., where Mr. Callon is chairman of the board of directors, CEO, and representative executive officer, had business transactions in fiscal 2021 amounting to approximately ¥310 million. Taking into account the scale of our sales, the amount of transactions is immaterial and does not constitute a conflict of interest. Additionally, Ichigo Trust Pte. Ltd., which jointly holds voting rights with Ichigo Asset Management, Ltd., where Mr. Callon serves as chief executive officer, is our principal shareholder, although it does not fall under major shareholders stipulated in our independence standards. As he has never held a position involved in business execution of a major business partner of the Company, Fujitsu considers Mr. Callon to be independent.</p>
 <p>Kenichiro Sasae</p>	<p>Mr. Kenichiro Sasae has served in important positions including as the Vice-Minister for Foreign Affairs, Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America, and currently as the president of The Japan Institute of International Affairs. He has extensive knowledge and practical experience in international politics and economics. As the international situation has become more complicated in recent times, the Company expects that Mr. Sasae will be able to provide oversight and advice from a fair and objective global perspective based on his extensive knowledge and experience. Therefore, the Company expects that he will be able to fulfill his supervisory function and role as independent director. The Japan Institute of International Affairs, where Mr. Sasae serves as president, and the Company have no business relationship. As he has never held a position involved in business execution of a major business partner of the Company, Fujitsu considers Mr. Sasae to be independent.</p>

External Audit & Supervisory Board members

<p>Koji Hatsukawa</p>	<p>Mr. Koji Hatsukawa has been appointed as an external Audit & Supervisory Board member because he has a wealth of auditing experience at global corporations as a certified public accountant as well as broad knowledge of corporate accounting. PricewaterhouseCoopers Aarata (currently, PricewaterhouseCoopers Aarata LLC), where Mr. Hatsukawa served as CEO, has not performed accounting audits for Fujitsu. Fujitsu and PricewaterhouseCoopers Aarata had business transactions in fiscal 2021 amounting to approximately ¥400,000. Taking into account the scale of our revenue, the amount of transactions is immaterial and does not constitute a conflict of interest. Therefore, Fujitsu considers Mr. Hatsukawa to be independent.</p>
<p>Hideo Makuta</p>	<p>Mr. Hideo Makuta has been designated as an external Audit & Supervisory Board member because he has profound insight into not only legal but also economic and social matters affecting corporate management, gained through his career as a public prosecutor and as a commissioner of the Japan Fair Trade Commission. Therefore, Fujitsu considers Mr. Makuta to be independent.</p>
<p>Catherine O'Connell</p>	<p>Ms. Catherine O'Connell is an attorney at law in New Zealand. She has a wealth of practical experience at law offices in Japan and internationally as well as at the legal divisions of Japanese companies. She possesses the legal and compliance knowledge required of Audit & Supervisory Board members of the Company. She also possesses deep insight into issues related to internationality and gender. The Company expects that she will audit and supervise business execution from diverse perspectives. Therefore, Fujitsu believes that she will be able to fulfill the oversight function and the role as an external Audit & Supervisory Board member. Ms. O'Connell has never been a major shareholder, nor has she held a position involved in business execution of a major business partner of the Company. Therefore, Fujitsu considers Ms. O'Connell to be independent.</p>

Systems for ensuring the effectiveness of the Board of Directors

In enhancing the effectiveness of the Board of Directors, the Company has focused on creating a system under which non-executive directors function effectively. Specifically, the Company believes it essential to establish a system that enables independent directors and Audit & Supervisory Board members, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of the Company's business. The Independent Directors & Auditors Council convenes on multiple occasions each year (12 times in fiscal 2021), and its members share information and exchange viewpoints so that each member can formulate their own opinions. In fiscal 2021, the members shared information and exchanged views on important management matters including the Company's Management Direction, the scope of business of the Company and of the Group as a whole. Based on the knowledge gained through the council, each independent director and Audit & Supervisory Board member provided advice to the Board of Directors. Moreover, to facilitate the operation of the Independent Directors & Auditors Council, the Company established the Independent Directors & Auditors Council Support Office in 2015. Under this system, one junior employee is assigned to support each council member so that they are able to acquire information through the support of these employees without requiring the mediation of the management execution team.

3. Executive compensation

Policy for determining executive compensation

[Method of determining the amount of remuneration for directors]

In order to make the executive compensation system more transparent, the Company established the Compensation Committee by resolution of the Board of Directors in October 2009. In addition, the policy for determining the details of individual director compensation (hereinafter referred to as the "Policy for Determination") is determined by the Board of Directors based on the report of the Compensation Committee.

In accordance with the following review of executive compensation, compensation for directors for the fiscal year ending March 31, 2023 and thereafter will be determined by resolution of the Board of Directors after deliberation by the Compensation Committee, and compensation for Audit & Supervisory Board members will be determined based on discussions by Audit & Supervisory Board members, within the total amount of compensation determined by resolution of the Annual Shareholders' Meeting, based on the framework of this Policy for Determination ("basic policy on executive compensation") after changes in accordance with said review.

The remuneration of directors and Audit & Supervisory Board members for the fiscal year ended March 31, 2022 was decided within the scope of the total amount of compensation determined by resolution of the Annual Shareholders' Meeting, and in accordance with the framework

of the policy prior to the revision of executive compensation. Compensation for each director was determined by the president and representative director subject to approval by the Compensation Committee, and compensation for each Audit & Supervisory Board member was determined based on consultation with the Audit & Supervisory Board members.

[Review of executive compensation for the fiscal year ending March 31, 2023 and thereafter]

At the Board of Directors meeting held on April 28, 2022, the Company resolved to review the compensation for executive directors for the fiscal year ending March 31, 2023 and thereafter, based on the report of the Compensation Committee. The details of the review of executive compensation for the fiscal year ending March 31, 2023 and thereafter are as follows.

Item	Before revision	After revision
Bonus: Evaluation indicators	Consolidated revenue and consolidated operating profit are selected as evaluation indicators.	Non-financial indicators for management targets and third-party assessments on ESG are added to the evaluation metrics.
Performance-based stock compensation: Evaluation indicators	Consolidated revenue and consolidated operating profit are selected as evaluation indicators.	Earnings per share (EPS) is added as an evaluation indicator.
Performance-linked stock compensation: Payment method	Payment of monetary compensation receivable in an amount equivalent to the market value of the allotted shares.	Partly in cash equivalent to tax payment funds and the rest in cash equivalent to the market value of the allocated shares paid in compensation credits.
Process for determining individual director compensation: decision-making authority	Delegation of authority from the Board of Directors to the president and representative director to make decisions on individual director compensation subject to approval by the Compensation Committee.	Individual directors' remuneration to be determined by resolution of the Board of Directors.

Basic policy on executive compensation

The Company has established the following basic policy on compensation for executive directors to secure the exceptional talent required to manage the Fujitsu Group and achieve its Purpose "to make the world more sustainable by building trust in society through innovation," and to further strengthen the link between its financial performance and shareholder value while at the same time improving its transparency.

[Policy on the compensation system and compensation levels]

- The remuneration system for executive directors consists of the following: "base compensation," which is a fixed monthly amount in accordance with the position and responsibilities; "bonuses," which are linked to short-term business performance; and "performance-linked stock compensation," which is a medium- to long-term incentive that emphasizes the connection to shareholder value.

- With the aim of setting competitive compensation that contributes to securing and maintaining exceptional talent, compensation levels and compensation ratio by type shall be determined based on the financial position of the Company, analyzing the compensation composition ratio and compensation levels for each executive position and responsibility at other companies with similar business lines and similar scale to those of the Company as benchmarks.
- The ratio of performance-based compensation to the total compensation for executive directors shall be determined so as to strengthen the link between the Group's financial performance and shareholder value by setting the higher ratio to the greater responsibilities.
- Individual director's remuneration shall be determined by the Board of Directors after deliberation at the Compensation Committee to ensure objectivity, transparency, and fairness.

[Base compensation]

Base compensation is paid to all directors and Audit & Supervisory Board members. A fixed monthly amount shall be determined for each executive in accordance with the position and responsibilities of each executive.

[Bonuses]

- Bonuses shall be paid to executive directors. The amount of a bonus shall reflect business performance in the respective fiscal year.
- As a specific evaluation indicator and calculation method, the Company shall adopt an "On Target model" to determine the bonus amount to be paid by setting the base amount in accordance with the position and responsibilities in advance. The bonus amount is calculated by multiplying the base amount by the coefficient in accordance with the following elements: the degree of achievement of the performance targets for the respective fiscal year based on the Company's consolidated revenue and consolidated operating profit, which are our financial management target indicators, growth from the previous fiscal year in employee engagement,*1 Customer NPS®,*2 and DX Promotion Indices,*3 which are our non-financial management target indicators, and acquisition of the highest evaluation from a third-party assessment organization on ESG initiatives.

*1 An indicator to present willingness and attachment to work voluntarily and independently, and to contribute to the Company, with empathy for the Company's direction and Purpose

*2 Net Promoter Score™, an indicator to measure "customer loyalty," which presents the degrees of trust and attachment of customers to companies, products, and services, in order to understand the degree of improvement and depth of the customer experience (CX)

*3 A set of indices intended to share recognition of the current situation and issues among related parties, such as senior management, business division, DX division, and IT division, and to provide opportunities for awareness leading to the next actions, in order to promote companies' management reforms within the framework of digital technologies defined by the Ministry of Economy, Trade and Industry

[Performance-based stock compensation]

- Performance-based stock compensation shall be granted to executive directors, in order to share the profit with shareholders and as an incentive to contribute to enhancement of medium- to long-term performance.
- As a specific indicator and calculation method, the Company shall set a base number of shares in accordance with the position and responsibilities in advance, and calculate the number of shares for each fiscal year by multiplying the base number of shares by the coefficient in accordance with the degree of achievement of the performance targets for the performance judging period (three years) based on the Company's consolidated revenue, consolidated operating profit, and EPS, which are financial management target indicators. When the performance judging period is over, a portion of the total number of shares is paid in cash for the amount equivalent to the market value, and the remainder is allocated in shares of the Company. The total amount of the "basic compensation" and "bonuses" to directors was resolved to be ¥1,200 million or less per year at the Annual Shareholders' Meeting, the "performance-based stock compensation plan" to be ¥1,200 million or less per year, and the total number of shares to be allocated to be 75,000 shares or less per year. And the "basic compensation" to Audit & Supervisory Board members shall be ¥150 million or less per year.

(Reference) Executive compensation items and payment recipients

Recipient	Base compensation		Bonuses	Performance-based stock compensation
	For management oversight	For management execution		
Non-executive directors	✓	—	—	—
Executive directors	✓	✓	✓	✓
Audit & Supervisory Board members	✓		—	—

Details of performance indicators for the calculation basis and reason for selecting them

[Bonuses]

In order to provide executive directors with an incentive to achieve their performance targets for a single fiscal year, the Company has selected revenue and operating profit of the consolidated financial results, which are financial management target indicators for the Company, as evaluation indicators. In addition, the Company has selected employee engagement, Customer NPS, and DX Promotion Indices, which are non-financial management target indicators for the Company,

and third-party assessment, the “third-party assessment on ESG initiatives (DJSI,*¹ CDP Climate Change*²),” as evaluation indicators to enhance the commitment of executive directors to achieving their performance targets.

*1 DJSI: Dow Jones Sustainability Index, a global ESG investment index

*2 CDP Climate Change: CDP, an international non-profit organization, conducts surveys and evaluations of climate change initiatives at the request of investors and others, and publishes the results.

[Performance-based stock compensation]

In order to provide executive directors with an incentive to increase corporate value over the medium to long term as well as to further promote management from the perspective of shareholders, the Company has selected revenue, operating profit, and EPS of the consolidated financial results, which are financial management target indicators for the Company, as evaluation indicators.

Calculation method

[Bonuses]

At the beginning of each fiscal year, the Company will present the executive directors with a base bonus amount in accordance with their performance targets, positions, and responsibilities. Then, at the end of the relevant fiscal year, the bonus amount to be paid will be calculated by multiplying the base bonus amount by the coefficient in accordance with the following elements: the degree of achievement of the performance targets for the respective fiscal year based on the Company's consolidated revenue and consolidated operating profit; growth from the previous fiscal year in employee engagement, Customer NPS®, and DX Promotion Indices, which are set out as non-financial management target indicators; and acquisition of the highest evaluation from a third-party assessment organization on ESG initiatives. No bonus will be paid if the degree of achievement of the performance targets is below the preset lower limit. In addition, if the degree of achievement of the performance targets exceeds the preset upper limit, the amount obtained by multiplying the base bonus amount by the preset upper limit of the coefficient will be paid.

[Performance-based stock compensation]

The Company will present to executive directors a base number of shares in accordance with positions and responsibilities, performance judging period (three fiscal years), and performance targets in advance. The number of shares is calculated by multiplying the base number of shares by the coefficient in accordance with the degree of achievement of the performance targets for the performance judging period (three fiscal years) based on the Company's consolidated revenue, consolidated operating profit, and EPS according to the level of achievement of the performance targets, and is fixed for each fiscal year and upon completion of the performance judging period.

When the performance judging period is over, (1) a portion of the total number of shares is paid in cash for the amount equivalent to the applicable person's tax obligations arising from compensation paid under the performance-based stock compensation plan and (2) the remainder is allocated in shares of the Company, for each applicable person under the condition that they continue to be in the position of an applicable person in the plan throughout the performance judging period. Then, monetary compensation claims and cash equivalent to market value of the aforementioned total number of shares are provided to the executive directors. The executive directors invest the former monetary compensation claims in allocated shares to acquire them. The ratio of the portion to be paid in cash to the total number of shares shall be determined by the Board of Directors, taking into consideration the applicable person's tax obligation.

The executive directors may transfer acquired shares of the Company to third parties at their own discretion unless they violate regulations regarding insider trading.

Name or title of the persons authorized to make decisions regarding the policy for determining the amount of remuneration for executive directors or the method for calculating the amount of remuneration

The Company has established the Executive Nomination Committee and the Compensation Committee as advisory bodies to its Board of Directors for the process of nominating directors and Audit & Supervisory Board members, for ensuring the transparency and objectivity of its process for determining executive compensation, to enable efficient and substantial discussions, as well as to ensure the fairness in the structure and level of executive compensation.

The Compensation Committee provides its recommendations or proposal on the level of base compensation and the method for calculating performance-based compensation to the Board of Directors in accordance with the procedures and policy of determining directors' and auditors' compensation, as stipulated in the Corporate Governance Policy.

Based on the report issued by the Compensation Committee, an advisory body to the Board of Directors, the Board of Directors establishes this decision-making policy and determines the level of compensation for each individual director within the framework of this policy. Based on the idea that the CEO and representative director, who is the person with the highest responsibility for business execution, should make decisions based on his/her own ideas in order to realize the Management Direction decided by the Board of Directors, the authority to make decisions on the indicators used to determine compensation and the amount to be paid in accordance with the degree of target achievement in the fiscal year under review was delegated to Takahito Tokita, CEO and Representative Director, subject to approval by the Compensation Committee. However, for compensation for the fiscal year ending March 31, 2023 and thereafter, the Company has

decided that it is necessary to ensure an even higher level of objectivity, transparency, and fairness in the process of determining executive compensation than before. As part of the review of executive compensation described above, the Company has changed the process of determining executive compensation so that decisions are made by resolution at a meeting of the Board of Directors after deliberation by the Compensation Committee.

The Corporate Governance Policy stipulates that the Compensation Committee shall consist of non-executive officers, a majority of whom shall be independent external directors, and that this committee shall be chaired by an independent external director. The members of this committee, appointed in July 2021, are as follows and consist of four non-executive directors.

Chairperson: Dr. Chiaki Mukai

Members: Dr. Yoshiko Kojo, Mr. Scott Callon, Mr. Kenichiro Sasae

From the appointment of the above committee members in July 2021 through the end of the fiscal year ended March 31, 2022, the Compensation Committee met six times to discuss the revision of executive compensation details and changes in the process for determining individual compensation, and provided its recommendations to the Board of Directors.

Note: The above committee members retired due to expiration of their terms of office at the end of the Annual Shareholders' Meeting held on June 27, 2022; for the committee members appointed on June 27, 2022, please see "Members of the Board of Directors and Audit & Supervisory Board" on page 81.

4. Policy for strategic shareholdings

The Company holds only those strategic shares with clear-cut objectives and meaningful significance in a positive manner. The Board of Directors Meeting examines the weighted average capital cost of the Company as the standard to evaluate quantitatively whether returns (quantitative factors such as dividends and the state of transactions) or risks are well balanced with the cost. If quantitative significance in shareholdings is not found, the Board of Directors Meeting will further evaluate whether there is a qualitative reason that supports the rationale for continuing to hold those shares and will discuss the continuation of such holdings. In fiscal 2020, the Company sold 23 issues, and at the Board of Directors Meeting, held on June 24, 2021, the Board determined which strategic shareholdings would be held by the Company at the end of fiscal 2020.

The Company deals with strategic shareholders on an equal footing, just as it does with other business partners. Even when strategic shareholders indicate their sale of shares, we do not prevent them from selling. That said, we sometimes call upon them to consider the timing of the sale or the ways of selling their shares.

5. Views and policies for Group management and measures to ensure the effectiveness of corporate governance

Fujitsu manages the Fujitsu Group with the aim of achieving continuous growth and the generation of medium- to long-term corporate value of the entire Group, while also urging each Group company to realize its potential to the maximum extent possible.

For some subsidiaries, we publicly list them with the aim of further improving their business value through diversification of the capital procurement necessary for sustainable growth and enhancing the value of the entire Group. By publicly listing subsidiaries, it is possible to focus on investment in specific businesses rather than just in the Group as a whole, thus contributing to diversifying investment opportunities. As there are some concerns regarding the possibility of a conflict of interest with minority shareholders and our publicly listed subsidiaries, we respect the independence of their management and make efforts to provide advice and support to enhance the corporate value of relevant subsidiaries by holding reporting sessions on an as-needed basis. To further promote our policies for Group management, we established a department in February 2020 as a corporate function that specializes in formulating and conducting plans and measures for the most suitable group formation and corporate governance, thus handling the management of the Group including listed subsidiaries.

Our policy is to turn non-core listed companies into strong independent businesses. We will consider their independence from the following perspectives: ensuring sustainable growth of the relevant business, maximizing the Company's asset value, and considering the best timing for independence.

Measures to ensure the effectiveness of corporate governance

Fujitsu understands that its publicly listed subsidiaries make efforts to enhance corporate governance and provides support for these efforts. All listed subsidiaries are ensured their independence by appointing independent directors and directors dispatched from the Company to help maximize their corporate value. Also, all listed subsidiaries become a company with an Audit and Supervisory Committee to strengthen corporate governance.

6. Status of internal audits, accounting audits, and the Internal Control Division

Internal audit and accounting audit systems

[Audits conducted by Audit & Supervisory Board members]

The Audit & Supervisory Board primarily conducts examinations of the appropriateness of audit policy and plans, the audit method of the accounting auditor, the appropriateness of the audit results, and the Key Audit Matters, as well as receiving reports from the Internal Audit Division and conducting examinations of reports on important items submitted by full-time Audit & Supervisory Board members to external Audit & Supervisory Board members.

Further, the activities of Audit & Supervisory Board members include attending and stating opinions at meetings of the Board of Directors, meetings of the Independent Directors & Auditors Council, and other important meetings; reviewing important approval documents; conducting exchanges of opinions with the representative director; auditing the operations of headquarters and subsidiaries; exchanging information with the corporate auditors of subsidiaries; receiving reports from the accounting auditor; receiving reports from the Internal Audit Division on the progress and results of audits; and receiving reports from the Compliance Division on the status of in-house whistleblowing. In addition, with respect to the Key Audit Matters, we continued to hold a sufficient number of discussions and deliberations with the accounting auditor. The discussion topics were potential risks of material misstatements in the consolidated financial statements and impacts of, and developments in, material events, etc., that occurred in fiscal 2021.

Full-time Audit & Supervisory Board member Mr. Youichi Hirose has extensive knowledge of finance and accounting issues and many years of experience in the Company's finance and accounting divisions, having served as the head of the Company's Corporate Finance Unit. Full-time Audit & Supervisory Board member Mr. Megumi Yamamuro has many years of experience in the legal profession and is an expert in corporate law, including the Companies Act, and domestic and overseas compliance measures. (For overviews of the professional backgrounds of external Audit & Supervisory Board members, please see "Appointment of external directors and auditors" on page 82.)

[Internal audits]

The Internal Control & Audit Office serves as an internal audit group. This office audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Internal Control & Audit Office makes regular reports to full-time members of the Audit & Supervisory Board, the Audit & Supervisory Board, and accounting auditor on auditing plans for and results of internal audits, including matters relating to Group companies. The Internal Control & Audit Office includes 19 employees with specialist internal auditing knowledge, including certified internal auditors (CIA), and certified information systems auditors (CISA).

[Accounting audits]

The accounting auditor, Ernst & Young ShinNihon LLC, reports to the Audit & Supervisory Board concerning the auditing plans and results. The accounting auditor also conducts an exchange of opinions when needed and carries out coordinated audits.

Internal control system

[Internal Control Division]

Based on the Basic Policy on the Internal Control Structure, the Risk Management & Compliance Committee maintains and operates risk management systems, compliance systems, and internal control structures related to financial reporting and executes duties regulated under the basic policy. The status of operation of the internal control system is periodically reported to the Board of Directors.

7. Review of corporate governance in fiscal 2021

The Fujitsu Group is strengthening its corporate governance to ensure a sustainable increase in corporate value. Here, we report on the status of this initiative in fiscal 2021.

Number of meetings of key boards and committees

Board of Directors meetings (including extraordinary meetings)	Audit & Supervisory Board meetings	Attendance of external directors at Board of Directors meetings
14 (2)	9	98.6% Dr. Chiaki Mukai: 100%; Mr. Atsushi Abe: 100%; Mr. Jun Yokota: 100%; Dr. Yoshiko Kojo: 92.9%; Mr. Scott Callon: 100%; Mr. Kenichiro Sasae: 100%
Attendance of external Audit & Supervisory Board members at Board of Directors meetings		Attendance of external Audit & Supervisory Board members at Audit & Supervisory Board meetings
100% Mr. Koji Hatsukawa: 100%; Mr. Hideo Makuta: 100%		100% Mr. Koji Hatsukawa: 100%; Mr. Hideo Makuta: 100%

Policy for determining executive compensation for the fiscal year ended March 31, 2022

The remuneration for directors and Audit & Supervisory Board members for the fiscal year ended March 31, 2022, as presented in the table below, was determined based on the policy before the review of the compensation policy for executive directors as described in "3. Executive compensation." Please refer to the following for the policy for deciding executive compensation before the review.

Fujitsu Group Integrated Report 2021
<https://www.fujitsu.com/global/about/integratedreport/2021/>

Details of remuneration

Position	Number of recipients	Remuneration type			Total amount of compensation
		Base remuneration	Bonuses	Performance-based stock compensation	
Directors (Internal)	4	¥246 million	¥100 million	¥104 million	¥451 million
External directors	6	¥77 million	—	—	¥77 million
Audit & Supervisory Board members (Internal)	2	¥72 million	—	—	¥72 million
External Audit & Supervisory Board members	2	¥30 million	—	—	¥30 million

Notes: 1. The above includes directors and Audit & Supervisory Board members who resigned in fiscal 2021.

2. The total amount of monetary compensation for directors was resolved to be within ¥1,200 million or less per year (including ¥150 million per year for external directors) at the 121st Annual Shareholders' Meeting held on June 28, 2021. At this Annual Shareholders' Meeting, the total amount of non-monetary compensation was resolved to be ¥1,200 million or less per year and the total number of shares of common stock of the Company to be allocated was set within 75,000 shares per year. As of the close of the 121st Annual Shareholders' Meeting, the number of directors was nine (including five external directors). The Company is paying the compensation shown in the above table, which is within these limits.

3. The total amount of compensation for Audit & Supervisory Board members was resolved to be ¥150 million or less per year at the 111th Annual Shareholders' Meeting held on June 23, 2011. As of the close of the 111th Annual Shareholders' Meeting, there were five Audit & Supervisory Board members (including three external Audit & Supervisory Board members). The Company is paying the compensation shown in the above table, which is within these limits.

4. Performance-based stock compensation shows the amount that was recorded as expenses in the fiscal year ended March 31, 2022.

Evaluation of the effectiveness of the Board of Directors

To maintain and enhance the effectiveness of the Board of Directors, the Company has included annual evaluations of the Board of Directors in the Corporate Governance Policy.

Actions taken in fiscal 2021 based on the evaluation of fiscal 2020

To share information in advance with independent directors and auditors in anticipation of the review of high priority items at the Board of Directors and to enhance vital communication among the Board members, the Company continued to hold the following events in this fiscal year: (1) The Independent Directors & Auditors Council in an effort to facilitate exchange of information and formulation of opinions between them; (2) Briefings on business overview, a platform for sharing information on the Company's business from business heads on the management executive side to the independent directors and auditors; and (3) Private sessions held for only the relevant non-executive directors as a platform to enhance communication among them. In addition, the Company changed the document format and composition in light of digitization of the document and devised information provision and means of giving notice at the meetings of the Board of Directors and the Independent Directors & Auditors Council.

Fiscal 2021 evaluation method

The evaluation of fiscal 2021 includes an evaluation of the chairman and self-evaluations by directors and Audit & Supervisory Board members, and as in fiscal 2020 or before, an anonymous questionnaire with a five-grade evaluation was conducted. The results of the Board of Directors' evaluation were reported at the regular Board of Directors meeting and discussions based on the results were carried out at the meeting. Furthermore, the evaluation of the Company's Board of Directors by a proxy advisory firm was also reported. From this fiscal year, the Company conducted a mutual evaluation by executive directors and non-executive directors, including the non-executive directors from within the Company as evaluation targets, and provided feedback to each evaluation target to lead to their new awareness.

Fiscal 2021 evaluation

By comparing the results of the questionnaire for the past three years, the following evaluations were made.

- While the overall evaluation points remained unchanged, the evaluation points increased for (1) the information volume and quantity of the documents for the Board of Directors and (2) opportunities to obtain information outside the Board of Directors.
- In order to further promote the oversight function of the Board of Directors, the Company shall improve the efficiency of discussions through efficient progress of meetings and more appropriate preparation of agenda materials. In addition, the Company shall enhance discussions by creating opportunities for independent directors and auditors to receive specific details of business strategies, by utilizing the Independent Directors & Auditors Council, etc., for valid and high-quality discussions at the Board of Directors to develop a medium- to long-term plan to be scheduled in the future.

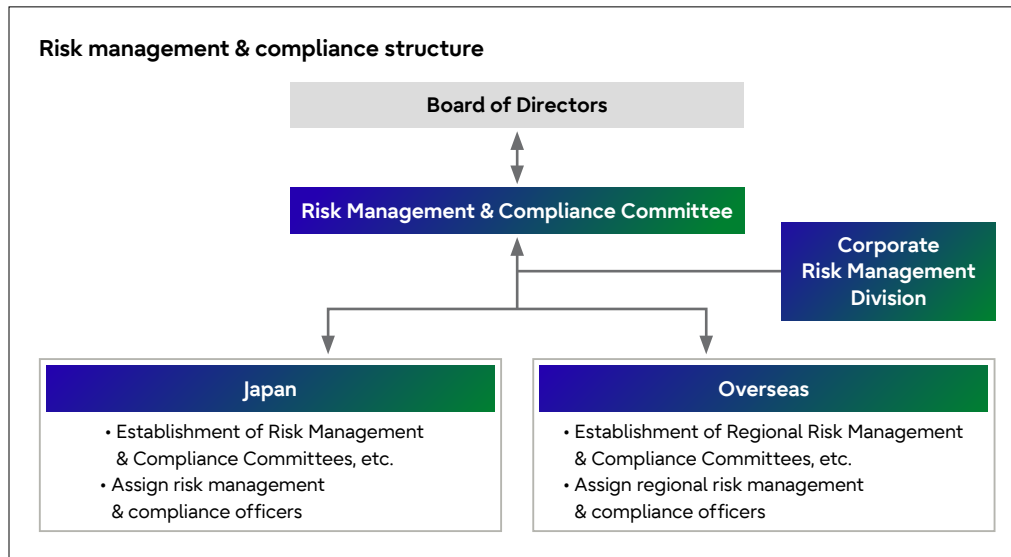
Risk management

Guidelines & structure

For the Fujitsu Group, it is an important management issue to appropriately identify and respond to risks in the Group's business operations and other activities. Accordingly, the Board of Directors formulated the Basic Policy on the Internal Control Structure. Based on this policy, the Fujitsu Group established a Risk Management & Compliance Committee reporting directly to the Board of Directors, which acts as the highest-level decision-making body on matters involving risk management and compliance.

The committee also assigns risk management & compliance officers to each of Fujitsu's divisions and to Group companies in Japan and internationally. These organizations collaborate to build a risk management and compliance structure for the entire Group, thereby guarding against potential risks and mitigating risks that have already materialized.

Furthermore, we created the Corporate Risk Management Division, which reports directly to the CEO and is independent of the business divisions. This body has assumed the secretariat functions of the Risk Management & Compliance Committee and, under the leadership of the chief risk management officer (CRMO), is responsible for interpreting risk-related information and spearheading rapid, appropriate responses where required.



Risk management process

The Risk Management & Compliance Committee identifies, analyzes, and assesses the major risks associated with business activities in all Fujitsu business divisions and Group companies in Japan and other countries. (Among the Group companies, implementation is focused on 33 risks identified as particularly important.) The committee also checks the progress of measures designed to avoid, mitigate, transfer and accept such risks, and then formulates new measures or reviews existing measures.

This committee also prepares processes for dealing with risks that have eventuated despite implementation of the various preventive measures. If a critical risk arises, such as a natural disaster, a product fault or defect, a system or service problem, a compliance violation, an information security breach, or an environmental problem, the division or Group company concerned reports immediately to the Risk Management & Compliance Committee.

The committee then coordinates with the related divisions and work sites to quickly resolve the problem by taking appropriate steps, such as establishing a task force. At the same time, the committee works to identify the causes of the problem and proposes and implements measures to prevent any recurrence. For critical risks, it also reports as needed to the Board of Directors. The Risk Management & Compliance Committee checks the progress of implementation of these processes on an ongoing basis and formulates improvements.

Business risks of the Fujitsu Group

The Fujitsu Group identifies, analyzes, and assesses the risks associated with business activities and works on measures to avoid or mitigate their impact and to deal promptly with any issues that do occur.

For details on the Fujitsu Group's business and other risks, please see the risk management section in *Fujitsu Group Sustainability Data Book 2022*, disclosed on the following website.
<https://www.fujitsu.com/global/about/csr/riskmanagement/>

Main business risks

- Economic and financial market trends
- Customers
- Competitors and the industry
- Investment decisions and business restructuring
- Suppliers, alliances, etc.
- Public regulations, public policy, and tax matters
- Natural disasters and unforeseen incidents
- Finance
- Deficiencies or flaws in products and services
- Compliance issues
- Intellectual property
- Security
- Human resources
- Fujitsu Group facilities and systems
- Environment

Economic security initiatives

Establishment of Economic Security Office

In recent years, various countries have become more closely interrelated and interdependent from an economic perspective. When political conflicts arise among these countries, a wide variety of economic measures are taken, including restrictions on exports and acquisitions and the protection and development of domestic industries, which can affect such countries in various ways. In this context, economic security is a movement to review and balance economic activities from a security perspective.

In digital business fields such as AI and Network, there is also a global focus on the trends regarding economic security, both in terms of value creation and protection. As a technology company that operates globally, we are required to take these trends into account and promote our business appropriately around the world.

In order to implement appropriate Groupwide, comprehensive economic security measures, in December 2021, we appointed a senior corporate executive officer to be in charge of economic security and established the Economic Security Office.

Addressing economic security

The Economic Security Office formulates policies to be taken by the Group as a whole through a cross-section of related divisions, and regularly monitors the status of business operations. The office prevents the occurrence of risks by analyzing information related to economic security, such as geopolitical trends, policies, and legal systems, assessing related impacts, and updating the status of countermeasures taken by relevant internal departments.

These responses to economic security issues include compliance with export controls, investment management, intellectual property management, and other regulatory requirements in various countries, as well as appropriate management of emerging technologies as a technology company.

Supply chain resilience

While supply chains are becoming more diversified with the progress of globalization, rising political tensions between countries may have a significant impact on global supply chains. To control procurement risks, Fujitsu is working to maintain supply chains by securing procurement routes from multiple suppliers, encouraging and strengthening support for business continuity management (BCM) among suppliers, and maintaining appropriate inventories.

Response to the crisis in Ukraine

Considering the various circumstances related to the crisis in Ukraine, the Fujitsu Group has ceased all new orders and deliveries of products and product-related services in Russia. In order to maintain the stable continuity of services to our customers, we decided to transfer responsibility for the various services it has offered to customers outside of Russia from a service center in Russia to delivery locations in other regions as soon as possible. We will work to minimize any possible impact on customers through the implementation of business continuity plans and respond appropriately and decisively to any additional future developments.

The Group has donated US\$1 million (approximately ¥115 million) to UNHCR, the UN Refugee Agency, to provide humanitarian support for the many people displaced by the ongoing crisis in Ukraine and countries in the surrounding region. Furthermore, in the hope of improving the situation of many children suffering from the conflict, Fujitsu called for employees to donate to NGO Save the Children, with the Company matching the amount of donations collected.

Information security

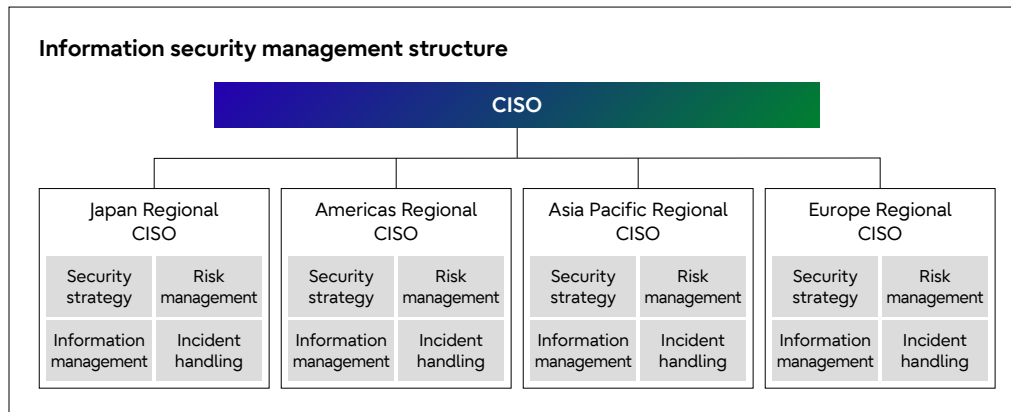
Policy

The Fujitsu Group appointed a dedicated Chief Information Security Officer (CISO) in October 2021. Under the new information security system, we are striving to secure and improve information security for our customers through our products and services, while also ensuring the information security of the entire Fujitsu Group.

Management structure

The Fujitsu Group is working on strengthening its global information security governance. We appointed Regional CISOs in each of four regions (Japan, the Americas, Europe, and Asia Pacific) who report to the Fujitsu Group CISO.

We also set up four functions to drive information security initiatives: “security strategy,” “information management,” “risk management,” and “incident handling.” We reorganized each region to hold these four functions to enable cross-region activities.



Security strategy

Fujitsu supports customers' businesses by developing and executing security strategies that foster trust with stakeholders and appropriately control security threats that may hinder our business and social activities.

Additionally, through a security framework based on global regulation standards, we foster processes and an organizational culture that continuously creates an organizational structure, measures, and operations that will serve as reference models in the global market. Moving forward, we will embrace challenges in fields where we are still inexperienced or have yet to enter.

Furthermore, in order to protect customers who use our services and products, we are strengthening the collection and accumulation of information including vulnerability information, visualization of information assets, and bill of materials information. We are also utilizing a new technology infrastructure to construct data relations for statistical analysis and decision-making by data scientists.

Information management

The Fujitsu Group in Japan implemented the Information Protection Management Systems in order to appropriately protect third-party confidential information (including personal information) and our own confidential information. We also apply a PDCA cycle where we start with “Roles & Responsibilities” and end with “Review”. In order to clarify information assets that have to be protected, we establish appropriate management according to the status of our customers and suppliers and take initiatives for protecting information. These steps are taken for the autonomous information protection activities (regulations by industry, business type, etc.) conducted by each division while unifying the classification of information on a global scale.

Furthermore, we provide various automation support tools that utilize information management dashboards to support appropriate information management. We make improvements as necessary to realize operations that are both safe and effective.

Fujitsu has established a global Personal Information Protection System to strengthen the protection of personal data. Under the leadership of the CISO organization and the Legal Division, we work with each region and Group company to comply with the laws and regulations of each country, including the GDPR.* In Japan, with the objective of protecting personal information, the Fujitsu Group obtained certification for the PrivacyMark by the Japan Information Processing and Development Center (JIPDEC) in August 2007. We are continually working to strengthen our Personal Information Protection System.

* General Data Protection Regulations

Information Protection Management Systems (7 points)



Risk management

In order to support safe, secure, and sustainable business activities by our customers, the Fujitsu Group centralizes and visualizes the IT asset management of global customer IT systems and in-house IT systems. By doing so, we quickly identify and correct security risks in the entire Group.

To raise security awareness among employees, we are enhancing our mandatory regular security e-learning program. We also set up a security help desk and provide vulnerability information and FAQs on a security information website to enable employees to easily access information.

Handling of cybersecurity incidents

As the methods of cyberattacks are becoming more sophisticated and complex, it is getting more difficult to completely prevent incidents. To this end, we shifted our incident response initiatives from “preventing security incidents” to “preparing for incidents.”

In order to respond promptly to cybersecurity incidents, knowledge in various specialized fields such as log analysis, malware analysis, and forensics is required. It is also necessary to enhance various aspects of incident handling measures including improvement of knowledge, periodic training, strengthening of security monitoring, improvement of incident response procedure, and accumulating and utilizing know-how from records of past incident handling.

The Fujitsu Group is also strengthening the key components of incident handling consisting of people, data, process, and system and is continuously improving these functions.

Components of incident handling

People <ul style="list-style-type: none"> • Log analysis • Cause investigation • Impact identification, etc. 	Process <ul style="list-style-type: none"> • Response flow • Incident level definition • Escalation, etc.
Data <ul style="list-style-type: none"> • Security sensor log • Configuration information • Threat information, etc. 	System <ul style="list-style-type: none"> • Information collection/saving • Information processing/store • Automation, etc.

We apologize for any inconvenience to our customers and other related parties caused by the unauthorized access to our project information sharing tool “ProjectWEB.”

Fujitsu will work to prevent the recurrence of similar incidents and strengthen its information security management, based on the recommendations received from the external committee established directly under the Board of Directors.

For further details on information security management, please visit the following website:
<https://www.fujitsu.com/global/about/csr/security/>

Performance highlights

Fujitsu Limited and Consolidated Subsidiaries

The Fujitsu Group adopted International Financial Reporting Standards (IFRS) in fiscal 2014. Figures for fiscal 2013 are presented based on both Japanese GAAP and IFRS.

On November 1, 2017, the Company sold some of its shares in Fujitsu TEN Limited to DENSO CORPORATION. Consequently, Fujitsu TEN became classified as a discontinued business and net sales (revenue) and operating profit were reclassified in the fiscal year ended March 31, 2017.

Fiscal years ended March 31	JGAAP		IFRS									Year-on-year change (%) 2021/2022*
	2013	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	
(Billions of yen)												
(%)												
Financial data												
Net sales (revenue)	¥4,381.7	¥4,762.4	¥4,762.4	¥4,753.2	¥4,739.2	¥4,132.9	¥4,098.3	¥3,952.4	¥3,857.7	¥3,589.7	¥3,586.8	-0.1
Net sales (revenue) outside Japan	1,498.2	1,801.4	1,801.4	1,879.9	1,894.2	1,461.2	1,506.8	1,435.4	1,228.5	1,172.0	1,316.9	12.4
Percentage of sales outside Japan (%)	34.2	37.8	37.8	39.6	40.0	35.4	36.8	36.3	31.8	32.7	36.7	
Operating profit	88.2	142.5	147.2	178.6	120.6	117.4	182.4	130.2	211.4	266.3	219.2	-17.7
Point 1 Operating profit margin (%)	2.0	3.0	3.1	3.8	2.5	2.8	4.5	3.3	5.5	7.4	6.1	
Net profit (loss) (Profit (loss) attributable to owners of the parent)	(79.9)	48.6	113.2	140.0	86.7	88.4	169.3	104.5	160.0	202.7	182.6	-9.9
Cash flows from operating activities	¥ 71.0	¥ 175.5	¥ 176.5	¥ 280.1	¥ 253.0	¥ 250.3	¥ 200.4	¥ 99.4	¥ 347.2	¥ 307.9	¥ 248.3	-19.4
Cash flows from investing activities	(161.4)	(128.8)	(128.9)	(200.5)	(164.3)	(145.4)	(22.5)	4.1	(114.2)	(71.5)	(59.2)	—
Point 2 Free cash flow	(90.4)	46.6	47.5	79.6	88.7	104.8	177.8	103.5	233.0	236.3	189.0	-20.0
Cash flows from financing activities	100.3	(44.7)	(46.2)	(17.3)	(67.7)	(98.8)	(112.4)	(136.6)	(193.1)	(219.6)	(193.6)	—
Inventories	¥ 323.0	¥ 330.2	¥ 330.2	¥ 313.8	¥ 298.8	¥ 293.1	¥ 241.6	¥ 226.0	¥ 238.0	¥ 237.0	¥ 309.8	30.7
Monthly inventory turnover rate (times)	1.00	1.07	1.07	1.11	1.12	1.15	1.21	1.22	1.13	1.16	0.98	
Total assets	2,920.3	3,079.5	3,105.9	3,271.1	3,226.3	3,191.4	3,121.5	3,104.8	3,187.4	3,190.2	3,331.8	4.4
Owners' equity (Equity attributable to owners of the parent)	624.0	573.2	566.5	790.0	782.7	881.2	1,087.7	1,132.0	1,240.9	1,450.1	1,590.7	9.7

Point 1 Operating profit margin

In the fiscal year ended March 31, 2022, despite the challenging business environment amid the ongoing COVID-19 pandemic and the negative impact of semiconductor shortages, operating profit excluding a one-time loss of ¥56.4 billion related to business restructuring and business transfers was ¥275.6 billion and operating profit margin was 7.7%, for an increase of over 10% from the previous fiscal year.

Point 2 Free cash flow

In the fiscal year ended March 31, 2022, free cash flow, the sum of cash flows from operating and investing activities, decreased ¥47.3 billion from the previous fiscal year. Net cash provided by operating activities was used for growth investments aimed at value creation and internal transformation, while net cash used in investing activities was for capital expenditures aimed at growth.

* The actual figures are shown in units of billions of yen, and the rate of change is calculated in units of millions of yen.

Performance highlights

Fujitsu Limited and Consolidated Subsidiaries

The Fujitsu Group adopted International Financial Reporting Standards (IFRS) in fiscal 2014. Figures for fiscal 2013 are presented based on both Japanese GAAP and IFRS.

On November 1, 2017, the Company sold some of its shares in Fujitsu TEN Limited to DENSO CORPORATION. Consequently, Fujitsu TEN became classified as a discontinued business and net sales (revenue) and operating profit were reclassified in the fiscal year ended March 31, 2017.

Fiscal years ended March 31	JGAAP		IFRS									Year-on-year change (%)
	2013	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2021/2022*1
Financial data												
Return on equity (ROE) (%)	(11.8)	8.1	23.2	20.6	11.0	10.6	17.2	9.4	13.5	15.1	12.0	
Owners' equity ratio (equity attributable to owners of the parent ratio) (%)	21.4	18.6	18.2	24.2	24.3	27.6	34.8	36.5	38.9	45.5	47.7	
Return on assets (ROA) (%)	(2.7)	1.6	3.7	4.4	2.7	2.8	5.4	3.4	5.1	6.4	5.6	
Interest-bearing loans (billions of yen)	534.9	519.6	560.2	578.4	534.9	486.7	402.2	316.2	405.5	316.3	285.3	-9.8
D/E ratio (times)	0.86	0.91	0.99	0.73	0.68	0.55	0.37	0.28	0.33	0.22	0.18	
Net D/E ratio (times)	0.40	0.38	0.46	0.27	0.20	0.12	-0.05	-0.09	-0.04	-0.11	-0.12	
R&D expenses (billions of yen)	231.0	221.3	222.5	202.7	179.8	170.0	158.6	134.9	123.3	113.8	105.3	-7.5
Capital expenditure*2 (billions of yen)	121.7	122.2	122.8	140.6	156.0	120.6	94.0	83.5	96.4	87.5	88.9	1.6
Depreciation*2 (billions of yen)	116.5	115.1	115.9	121.2	119.8	108.6	107.0	96.9	84.5	76.0	89.5	17.8
Amounts per share of common stock (yen)*3												
Net profit (loss) attributable to owners of the parent (EPS)**4	¥ (38.62)	¥ 23.49	¥ 54.71	¥ 67.68	¥ 41.94	¥ 42.83	¥ 82.53	¥ 512.50	¥791.20	¥1,013.78	¥ 924.21	-8.8
Dividends	5	4	4	8	8	9	11	150	180	200	220	10.0
Equity attributable to owners of the parent*5	301.57	277.03	273.79	381.88	378.37	429.80	528.38	5,585.35	6,197.11	7,287.15	8,094.70	11.1

Point
3

ROE

In the fiscal year ended March 31, 2022, ROE, calculated through the division of net profit attributable to owners of the parent by equity attributable to owners of the parent (owners' equity), was 12.0%, while ROE based on a core business basis, which excludes one-time gains and losses related to business restructuring and business transfers, was 14.4%, up 0.2 of a percentage point from the previous fiscal year.

Point
4

Net profit attributable to owners of the parent per share (EPS)

In the fiscal year ended March 31, 2022, EPS was ¥924.21, down 8.8% from the previous fiscal year, but EPS on a core business basis, which excludes one-time gains and losses related to business restructuring and business transfers, was ¥1,108.9, up 16.4% from the previous fiscal year, as the profit base expanded. Compared with the fiscal year ended March 31, 2020, the CAGR of EPS was 13.2%, exceeding the CAGR of 12% that we are targeting for the five fiscal years starting from that fiscal year.

*1 The actual figures are shown in units of billions of yen, and the rate of change is calculated in units of millions of yen.

*2 Capital expenditure and depreciation in the fiscal year ended March 31, 2020 do not include the effect of adopting IFRS 16 (Leases).

*3 On October 1, 2018, Fujitsu consolidated every 10 shares of stock into one share. Dividends per share for 2019 and thereafter reflect this share consolidation.

*4 Net profit attributable to owners of the parent ÷ Average number of shares of common stock outstanding excluding treasury stock during the fiscal year

*5 Equity attributable to owners of the parent (Owners' equity) ÷ Number of shares of common stock outstanding excluding treasury stock at the end of the fiscal year

Performance highlights

Fujitsu Limited and Consolidated Subsidiaries

Fiscal years ended March 31	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2021/2022
Non-financial data (ESG indicators)											
Environmental											
Greenhouse gas emissions (Scope 1) (thousand tons)*1	225	219	197	189	208	198	147	87	75	70	-6.7
Greenhouse gas emissions (Scope 2 [Location-based]) (thousand tons)*1	790	1,105	700	686	1,021	939	808	715	583	530	-9.1
Greenhouse gas emissions (Scope 2 [Market-based]) (thousand tons)	—	—	—	—	—	912	771	663	540	428	-20.7
Greenhouse gas emissions (Scope 3) (thousand tons)	5,137	8,499	8,124	7,290	7,800	6,271	6,105	5,769	5,302	4,638	-12.5
Energy usage (thousand GJ)	—	19,700	18,780	18,370	20,380	19,250	17,350	16,300	13,780	13,000	-5.7
Ratio of renewable energy to total electricity consumption (%)	—	—	—	—	5.2	7.3	8.6	8.4	10.1	20.7	
Water usage (thousand m ³)	19,860	18,620	16,600	15,830	16,870	15,540	13,830	9,910	6,770	6,890	2.2
Social											
Number of employees	168,733	162,393	158,846	156,515	155,069	140,365	132,138	129,071	126,371	124,216	
Outside Japan	64,497	61,357	59,491	57,610	56,622	47,889	46,791	46,839	44,946	47,371	
Percentage of female managers (non-consolidated) (%)	4.0	4.3	4.6	4.8	5.2	5.7	6.1	6.6	7.4	8.0	
Employee engagement*2	—	—	—	—	—	—	—	56	65	64	
Governance											
Percentage of independent directors (non-consolidated) (%)	33.3	27.3	36.4	40.0	40.0	40.0	40.0	55.6	55.6	55.6	
Percentage of female directors (non-consolidated) (%)	8.3	9.1	16.7	20.0	20.0	20.0	20.0	22.2	22.2	22.2	

Point
5Point
5

Percentage of female managers (non-consolidated)

We have set the percentage of female managers as one of our GRB's KPIs and are promoting various measures, including the reduction of long working hours to improve work-life balance, initiatives to address unconscious bias to eliminate the perception of gender roles, and career workshops. By increasing the percentage of female managers, we are enhancing the diversity of the organization and strengthening human capital for the realization of Our Purpose.

Point
6

Percentage of independent directors (non-consolidated)

As of the Annual Shareholders' Meeting convened in June 2022, five of the Company's nine directors approved were independent directors, who constitute a majority at meetings of the Board of Directors. The Company is strengthening oversight and advisory capabilities by actively appointing external directors with a high degree of independence and diverse perspectives.

*1 Figures for the fiscal years ended March 31, 2018 to 2019 differ from those presented in the ESG highlights graphs on page 9 due to the inclusion of international business sites. From the fiscal year ended March 31, 2020, these international business sites were included, and the figures align with those in the ESG highlights graphs on page 9.

*2 An average score calculated by assigning scores between 0 and 100 to each of the five answer options of survey questions

Highlights by segment

Fujitsu Limited and Consolidated Subsidiaries

Presented based on business segments applied from the fiscal year ended March 31, 2021

	Market environment	Fiscal 2021 highlights	Revenue (Fiscal years ended March 31)	Operating profit / Operating profit margin (Fiscal years ended March 31)																		
Technology Solutions	Solutions / Services	<p>The Solutions/Services market continued to face difficult conditions due to the impact of COVID-19 in the fiscal year ended March 31, 2022. However, due to the gradual resumption of IT projects and other factors, the growth rate turned positive, overcoming the negative growth of the previous fiscal year. Although uncertainty remains in the fiscal year ending March 31, 2023, an overall recovery trend is expected, and efforts toward DX, including the modernization of existing legacy IT systems, are expected to accelerate.</p>	<p>Revenue in Solutions/Services was ¥1,840.5 billion, down 2.3% year on year. Although revenue varied by industry sector, recovery from the impact of COVID-19 is beginning to emerge, and system development, services, and solutions in various sectors, such as enterprise, and finance and retail, performed well. On the other hand, in addition to delays in the supplies of components due to the semiconductor shortage, there was a fallback after the completion of a major business deal in the previous fiscal year, and the hardware-related business remained sluggish, especially for local governments, education, and medium-sized private-sector demand, resulting in a decline in revenue.</p> <p>Operating profit was ¥188.7 billion, a decrease of ¥1.9 billion year on year. Despite efforts to improve cost efficiency and profitability, operating profit declined due to the impact of procurement of components, in addition to increased growth investment for the expansion of the DX business.</p>	<table border="1"> <caption>Revenue (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>1,883.6</td> </tr> <tr> <td>2022</td> <td>1,840.5</td> </tr> </tbody> </table> <p>Note: Includes intersegment sales</p>	Year	Revenue	2021	1,883.6	2022	1,840.5	<table border="1"> <caption>Operating profit / Operating profit margin (Billions of yen / %)</caption> <thead> <tr> <th>Year</th> <th>Operating profit (left scale)</th> <th>Operating profit margin (right scale)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>190.7</td> <td>10.1</td> </tr> <tr> <td>2022</td> <td>188.7</td> <td>10.3</td> </tr> </tbody> </table> <p>Legend: ■ Operating profit (left scale), — Operating profit margin (right scale)</p>	Year	Operating profit (left scale)	Operating profit margin (right scale)	2021	190.7	10.1	2022	188.7	10.3		
	Year	Revenue																				
2021	1,883.6																					
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Year	Operating profit (left scale)	Operating profit margin (right scale)																				
2021	190.7	10.1																				
2022	188.7	10.3																				
System Platforms	<p>In the fiscal year ended March 31, 2022, the domestic System Platforms market saw a steady recovery in demand amid the gradual resumption of IT projects. In the fiscal year ending March 31, 2023, the market is expected to expand, supported by continued strong recovery in demand, although uncertainties remain due to supply chain disruptions and geopolitical risks. As the switch from LTE to 5G progressed, the size of the mobile infrastructure markets in Japan and North America continued to increase in the fiscal year ended March 31, 2022. This trend is expected to continue. The optical transmission market in Japan contracted during the fiscal year ended March 31, 2022, but is expected to remain at a high level in the future. The North American optical transmission market expanded as core networks were enhanced accompanying the deployment of 5G.</p>	<p>Revenue in System Platforms was ¥617.5 billion, down 2.6% year on year. Although network business, mainly 5G base stations for North America and other markets, increased significantly, revenue declined due to a fallback from revenue recorded in the previous fiscal year from the supercomputer Fugaku and the impact of delays in supplies of components.</p> <p>Operating profit was ¥56.6 billion, up ¥17.8 billion year on year. Despite the impact of delays in supplies of components, revenue increased due to cost efficiencies and improved profitability, including a decreased burden from business model transformation expenses related to the reorganization of domestic plants in the previous fiscal year, as well as the effect of increased sales in the network business.</p>	<table border="1"> <caption>Revenue (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>System Products</th> <th>Network Products</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>432.6</td> <td>201.1</td> </tr> <tr> <td>2022</td> <td>384.7</td> <td>232.8</td> </tr> </tbody> </table> <p>Note: Includes intersegment sales</p>	Year	System Products	Network Products	2021	432.6	201.1	2022	384.7	232.8	<table border="1"> <caption>Operating profit / Operating profit margin (Billions of yen / %)</caption> <thead> <tr> <th>Year</th> <th>Operating profit (left scale)</th> <th>Operating profit margin (right scale)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>38.8</td> <td>6.1</td> </tr> <tr> <td>2022</td> <td>56.6</td> <td>9.2</td> </tr> </tbody> </table> <p>Legend: ■ Operating profit (left scale), — Operating profit margin (right scale)</p>	Year	Operating profit (left scale)	Operating profit margin (right scale)	2021	38.8	6.1	2022	56.6	9.2
Year	System Products	Network Products																				
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	Market environment	Fiscal 2021 highlights	Revenue (Fiscal years ended March 31)	Operating profit / Operating profit margin (Fiscal years ended March 31)															
<p>Technology Solutions</p> <p>International Regions Excluding Japan</p>	<p>Please see pages 98–99, “Technology Solutions highlights by international region.”</p>	<p>Revenue in International Regions Excluding Japan was ¥729.3 billion, up 0.8% year on year. This increase was due to higher revenue in Northern & Western Europe (NWE), the growth of service business in North America, and the effect of yen depreciation.</p> <p>Operating profit was ¥239 billion, up ¥12.3 billion year on year. Profitability improved due to the acquisition of a large service deal in the UK and progress in structural reforms in North America, as well as the effect of yen depreciation and one-time gains from the transfer of subsidiaries, which contributed to the improvement in profitability.</p>	<table border="1"> <caption>Revenue (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>723.7</td> </tr> <tr> <td>2022</td> <td>729.3</td> </tr> </tbody> </table> <p>Note: Includes intersegment sales</p>	Year	Revenue	2021	723.7	2022	729.3	<table border="1"> <caption>Operating profit / Operating profit margin (Billions of yen / %)</caption> <thead> <tr> <th>Year</th> <th>Operating profit (left scale)</th> <th>Operating profit margin (right scale)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>11.6</td> <td>1.6</td> </tr> <tr> <td>2022</td> <td>23.9</td> <td>3.3</td> </tr> </tbody> </table> <p>Legend: Operating profit (left scale), Operating profit margin (right scale)</p>	Year	Operating profit (left scale)	Operating profit margin (right scale)	2021	11.6	1.6	2022	23.9	3.3
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<p>Ubiquitous Solutions</p>	<p>In the fiscal year ended March 31, 2022, the enterprise PC market in Japan contracted year on year due to a fallback from the previous fiscal year’s demand for PCs for the GIGA School Program in the education market and telework, as well as the impact of semiconductor shortages. In the fiscal year ending March 31, 2023, the market is expected to continue to contract due to concerns over the impact of shortages of semiconductors and other components.</p>	<p>Revenue in Ubiquitous Solutions was ¥237.1 billion, down 25.7% year on year. Revenue in Japan fell 38.0% year on year, while overseas revenue declined 2.3% year on year. Revenue declined significantly in comparison with the previous fiscal year, when there was strong remote work-related demand for PCs as well as revenue from the GIGA School Program.</p> <p>Operating profit was ¥5.8 billion, down ¥37.3 billion year on year. The decrease was attributable to a gain of ¥25.4 billion from the transfer of the mobile phone retail store business in the previous fiscal year that did not recur in fiscal 2021, as well as the impact of lower revenue.</p>	<table border="1"> <caption>Revenue (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>319.0</td> </tr> <tr> <td>2022</td> <td>237.1</td> </tr> </tbody> </table> <p>Note: Includes intersegment sales</p>	Year	Revenue	2021	319.0	2022	237.1	<table border="1"> <caption>Operating profit / Operating profit margin (Billions of yen / %)</caption> <thead> <tr> <th>Year</th> <th>Operating profit (left scale)</th> <th>Operating profit margin (right scale)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>43.2</td> <td>13.6</td> </tr> <tr> <td>2022</td> <td>5.8</td> <td>2.5</td> </tr> </tbody> </table> <p>Legend: Operating profit (left scale), Operating profit margin (right scale)</p>	Year	Operating profit (left scale)	Operating profit margin (right scale)	2021	43.2	13.6	2022	5.8	2.5
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2021	43.2	13.6																	
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<p>Device Solutions</p>	<p>In the fiscal year ended March 31, 2022, the market grew due to demand for semiconductors expanding significantly in a wide range of fields including PCs and servers against the backdrop of progress in digitalization. In the fiscal year ending March 31, 2023, although uncertainties remain due to factors including supply chain disruptions and geopolitical risks, the market is expected to expand, supported by strong demand on the back of continued progress in digitalization and expansion of applications in a wide range of fields.</p>	<p>Revenue in Device Solutions was ¥375.9 billion, up 279% year on year. Sales of electronic components were strong in tandem with a rising demand for semiconductors.</p> <p>Operating profit was ¥78.3 billion, an increase of ¥48.5 billion year on year. In addition to the favorable global semiconductor market, profitability improved significantly due to improved operations, resulting in a large increase in profit.</p>	<table border="1"> <caption>Revenue (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>293.8</td> </tr> <tr> <td>2022</td> <td>375.9</td> </tr> </tbody> </table> <p>Note: Includes intersegment sales</p>	Year	Revenue	2021	293.8	2022	375.9	<table border="1"> <caption>Operating profit / Operating profit margin (Billions of yen / %)</caption> <thead> <tr> <th>Year</th> <th>Operating profit (left scale)</th> <th>Operating profit margin (right scale)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>29.8</td> <td>10.1</td> </tr> <tr> <td>2022</td> <td>78.3</td> <td>20.8</td> </tr> </tbody> </table> <p>Legend: Operating profit (left scale), Operating profit margin (right scale)</p>	Year	Operating profit (left scale)	Operating profit margin (right scale)	2021	29.8	10.1	2022	78.3	20.8
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Technology Solutions highlights by international region

Fujitsu Limited and Consolidated Subsidiaries

	Market environment	Fiscal 2021 highlights	Revenue (Fiscal years ended March 31)	Operating profit / Operating profit margin (Fiscal years ended March 31)															
Europe	<p>In 2021, Europe's IT market expanded much faster than in the previous year, growing 10.24% year on year. By region, the IT market in Central and Eastern Europe grew 179% year on year, and in Western Europe it expanded 9.2% year on year, both much more rapidly than in the previous year. Between 2021 and 2022, the overall European IT market is expected to grow at a slower rate of 4.7% year on year, with Central and Eastern Europe expected to experience a decline of 11.5% year on year while Western Europe is expected to experience growth of 7.1% year on year. For Europe as a whole, CAGR between 2021 and 2024 is expected to be in line with the previous forecast of 5.5%. By region, Central and Eastern Europe is expected to remain essentially flat, with growth of 0.1%, while Western Europe is expected to continue to see strong market growth, of 6.3%.</p>	<p>NWE is a region within Europe that includes the UK, Ireland, Northern Europe, and Western Europe. Revenue was ¥362.7 billion, an increase of 4.3% year on year, mainly due to the impact of foreign exchange rates. Operating profit was ¥7.9 billion, an increase of ¥2.5 billion year on year. In addition to the effect of increased revenue due to the acquisition of large-scale solution service orders, including system orders from government ministries and agencies in the UK, the increase in profit was due to the promotion of cost efficiency and other factors.</p>	<p>NWE</p> <table border="1"> <caption>NWE Revenue (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>347.8</td> </tr> <tr> <td>2022</td> <td>362.7</td> </tr> </tbody> </table> <p>Note: Includes intersegment sales</p>	Year	Revenue	2021	347.8	2022	362.7	<p>NWE</p> <table border="1"> <caption>NWE Operating Profit and Margin</caption> <thead> <tr> <th>Year</th> <th>Operating Profit (Billions of yen)</th> <th>Operating Profit Margin (%)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>1.6</td> <td>2.2</td> </tr> <tr> <td>2022</td> <td>7.9</td> <td>4.0</td> </tr> </tbody> </table> <p>Legend: ■ Operating profit (left scale), —●— Operating profit margin (right scale)</p>	Year	Operating Profit (Billions of yen)	Operating Profit Margin (%)	2021	1.6	2.2	2022	7.9	4.0
		Year	Revenue																
2021	347.8																		
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Year	Operating Profit (Billions of yen)	Operating Profit Margin (%)																	
2021	1.6	2.2																	
2022	7.9	4.0																	
<p>CEE is a region within Europe that includes Germany, Switzerland, and Austria. Revenue was ¥169.0 billion, down 0.8% year on year. Operating profit was ¥7.5 billion, an increase of ¥2.0 billion year on year. Although revenue in the services business increased, overall revenue declined due to a decrease in the products business, mainly IA servers, partly affected by the delays in supplies of components. Operating profit, on the other hand, increased due to gains from the transfer of a subsidiary, and despite the impact of lower revenue.</p>	<p>CEE</p> <table border="1"> <caption>CEE Revenue (Billions of yen)</caption> <thead> <tr> <th>Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>170.4</td> </tr> <tr> <td>2022</td> <td>169.0</td> </tr> </tbody> </table> <p>Note: Includes intersegment sales</p>	Year	Revenue	2021	170.4	2022	169.0	<p>CEE</p> <table border="1"> <caption>CEE Operating Profit and Margin</caption> <thead> <tr> <th>Year</th> <th>Operating Profit (Billions of yen)</th> <th>Operating Profit Margin (%)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>3.2</td> <td>4.5</td> </tr> <tr> <td>2022</td> <td>7.5</td> <td>8.0</td> </tr> </tbody> </table> <p>Legend: ■ Operating profit (left scale), —●— Operating profit margin (right scale)</p>	Year	Operating Profit (Billions of yen)	Operating Profit Margin (%)	2021	3.2	4.5	2022	7.5	8.0		
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Notes: 1. IDC's Black Book Live Edition is the source of IT market information.

2. Effective April 1, 2022, Fujitsu replaced the International Regions organization with four newly established regions (Japan, Europe, the Americas, and Asia Pacific). However, the information for the fiscal year ended March 31, 2022 is presented in the classification before the change.

	Market environment	Fiscal 2021 highlights	Revenue (Fiscal years ended March 31)	Operating profit (loss) / Operating profit (loss) margin (Fiscal years ended March 31)															
Americas	In 2021, the IT market in the Americas grew 11.7% year on year. From 2021 to 2022, it is expected that this strong growth rate will continue with an increase of 7.4%. It is expected to continue to expand rapidly in line with the previous forecast at a CAGR of 7.1% from 2021 to 2024.	The Americas is a region that includes the United States, Canada, and Brazil. Revenue was ¥391 billion, down 22.8% year on year. Despite significant effects due to restructuring, including withdrawal from the products business, revenue in the services business increased. Operating profit was ¥0.6 billion, an improvement from the previous fiscal year's operating loss of ¥5.4 billion, and the region returned to profitability. Profit improved significantly from the previous fiscal year due to the effects of structural reforms, including the shift to the high-margin solutions and services business by liquidating unprofitable products and maintenance businesses, as well as the effect of increased revenue in the services business.	<p>(Billions of yen)</p> <table border="1"> <tr><th>Year</th><th>Revenue</th></tr> <tr><td>2021</td><td>50.7</td></tr> <tr><td>2022</td><td>39.1</td></tr> </table> <p>Note: Includes intersegment sales</p>	Year	Revenue	2021	50.7	2022	39.1	<p>(Billions of yen) (%)</p> <table border="1"> <tr><th>Year</th><th>Operating profit (loss)</th><th>Operating profit (loss) margin</th></tr> <tr><td>2021</td><td>-5.4</td><td>-10.8</td></tr> <tr><td>2022</td><td>0.6</td><td>1.7</td></tr> </table> <p>■ Operating profit (loss) (left scale) — Operating profit (loss) margin (right scale)</p>	Year	Operating profit (loss)	Operating profit (loss) margin	2021	-5.4	-10.8	2022	0.6	1.7
Year	Revenue																		
2021	50.7																		
2022	39.1																		
Year	Operating profit (loss)	Operating profit (loss) margin																	
2021	-5.4	-10.8																	
2022	0.6	1.7																	
Asia	In 2021, the Asian IT market expanded at a much faster rate than the previous year, growing 16.7% year on year. It is also projected to continue to expand between 2021 and 2022 with a 4.0% year on year increase. The market is expected to grow at a slightly slower rate than in the past, with a CAGR of 6.5% from 2021 to 2024.	Asia is a region that includes Singapore and other Southeast Asian countries, as well as China, Korea, Hong Kong, and Taiwan. Revenue was ¥83.4 billion, up 4.5% year on year. Operating profit was ¥2.7 billion, an increase of ¥0.1 billion year on year. Faced with lower revenue in the products business due to a shortage of components, the region focused on high-margin business deals, shifted its emphasis to the services business, promoted a work-life balance shift, and streamlined operating expenses. Both revenue and profit thus increased.	<p>(Billions of yen)</p> <table border="1"> <tr><th>Year</th><th>Revenue</th></tr> <tr><td>2021</td><td>79.8</td></tr> <tr><td>2022</td><td>83.4</td></tr> </table> <p>Note: Includes intersegment sales</p>	Year	Revenue	2021	79.8	2022	83.4	<p>(Billions of yen) (%)</p> <table border="1"> <tr><th>Year</th><th>Operating profit (loss)</th><th>Operating profit (loss) margin</th></tr> <tr><td>2021</td><td>2.6</td><td>3.3</td></tr> <tr><td>2022</td><td>2.7</td><td>3.3</td></tr> </table> <p>■ Operating profit (left scale) — Operating profit margin (right scale)</p>	Year	Operating profit (loss)	Operating profit (loss) margin	2021	2.6	3.3	2022	2.7	3.3
Year	Revenue																		
2021	79.8																		
2022	83.4																		
Year	Operating profit (loss)	Operating profit (loss) margin																	
2021	2.6	3.3																	
2022	2.7	3.3																	
Oceania	In Oceania, the IT market in 2021 grew at a high rate of 7.7% year on year. It is expected to continue to grow strongly from 2021 to 2022, albeit at a slower rate of 6.4% year on year. The CAGR from 2021 to 2024 is expected to be 4.7% year on year and is expected to continue to grow steadily.	Oceania is a region that includes Australia and New Zealand. Revenue for the fiscal year ended March 31, 2022 was ¥79.7 billion, up 7.4% year on year. Operating profit was ¥3.9 billion, up ¥2.2 billion year on year. Despite the impact of lower revenue due to large-scale business deals from fiscal 2020 that did not recur in fiscal 2021, revenue increased due to yen depreciation, as well as the contribution of a company acquired in Australia in the fiscal year ended March 31, 2022, and efforts to improve cost efficiency.	<p>(Billions of yen)</p> <table border="1"> <tr><th>Year</th><th>Revenue</th></tr> <tr><td>2021</td><td>74.3</td></tr> <tr><td>2022</td><td>79.7</td></tr> </table> <p>Note: Includes intersegment sales</p>	Year	Revenue	2021	74.3	2022	79.7	<p>(Billions of yen) (%)</p> <table border="1"> <tr><th>Year</th><th>Operating profit (loss)</th><th>Operating profit (loss) margin</th></tr> <tr><td>2021</td><td>1.7</td><td>2.4</td></tr> <tr><td>2022</td><td>3.9</td><td>5.0</td></tr> </table> <p>■ Operating profit (left scale) — Operating profit margin (right scale)</p>	Year	Operating profit (loss)	Operating profit (loss) margin	2021	1.7	2.4	2022	3.9	5.0
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Company overview / Shareholder data

(As of March 31, 2022)

Capital:	¥324,625,075,685
Authorized common stock:	500,000,000 shares
Issued common stock:	207,001,821 shares
Number of shareholders:	101,658

Equity shareholdings by type of shareholder:



Status of principal shareholders:

Principal shareholders	Number of shares held (thousands)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (for trust)	31,811	16.19
Ichigo Trust Pte. Ltd.	14,899	7.58
Custody Bank of Japan, Ltd. (for trust)	11,060	5.63
GIC PRIVATE LIMITED - C	6,920	3.52
JP MORGAN CHASE BANK 385632	6,566	3.34
Fujitsu Employee Shareholding Association	4,056	2.06
SSBTC CLIENT OMNIBUS ACCOUNT	3,608	1.84
Asahi Mutual Life Insurance Company	3,518	1.79
STATE STREET BANK WEST CLIENT - TREATY 505234	3,450	1.76
Fuji Electric Co., Ltd.	2,844	1.45

Notes: 1. The investment ratio is calculated after exclusion of treasury stock holdings (10,488,990 shares).

2. The shares held by The Master Trust Bank of Japan, Ltd. (for trust) and Custody Bank of Japan, Ltd. (for trust) pertain to their trust business.

Corporate headquarters: Shiodome City Center,
1-5-2 Higashi-Shimbashi,
Minato-ku, Tokyo 105-7123, Japan
+81-3-6252-2220

Telephone: +81-3-6252-2220

Transfer agent: Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-8212, Japan

Stock exchange listings: Tokyo, Nagoya

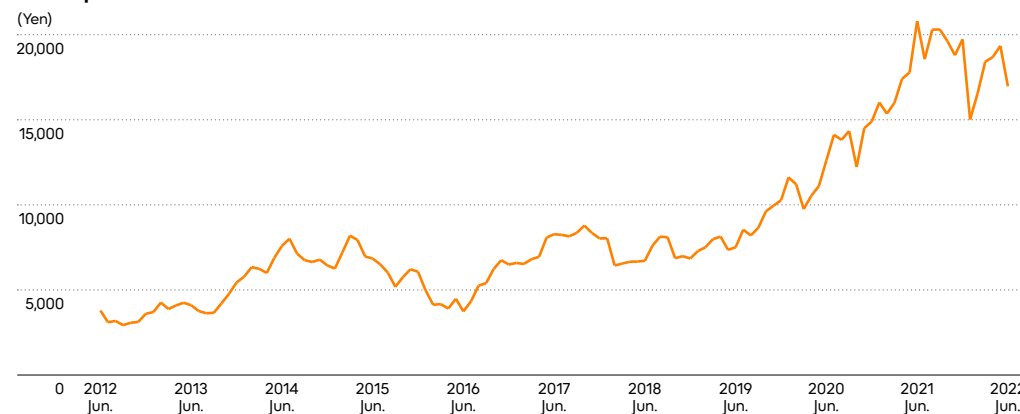
Accounting auditors: Ernst & Young ShinNihon LLC

Shareholder information: For further information, please contact:
Fujitsu Limited Public & Investor Relations
Telephone: +81-3-6252-2173

For inquiries, please visit our "Contact" page on our investor relations website.

URL: <https://www.fujitsu.com/global/about/ir/>

Share prices



Note: On October 1, 2018, Fujitsu consolidated every 10 shares of stock into one share. Dividends per share reflect this share consolidation.

Agreement with international norms, participation in international organizations, and external evaluations

Agreement with international norms and participation in international organizations

United Nations Global Compact (UNGC)



World Business Council for Sustainable Development (WBCSD)



World Economic Forum (WEF)

For details on the Fujitsu Group's participation in the WBCSD and WEF, please see "Collaboration with stakeholders" on page 70.



Science Based Targets initiative (SBTi)



Gold Member Participant in Renewable Energy 100% (RE100)



Agreement with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

External evaluations

High ratings received from global ESG rating institutions, among other international bodies



Dow Jones Sustainability Indices (Asia Pacific)



FTSE4Good

FTSE4Good Index Series



MSCI World ESG Leaders Index



CDP

Received the highest grade of A in "Climate Change," "Water Security," and "Supplier Engagement Rating" Certified as a "Supplier Engagement Leader Board" company



STOXX® Global ESG Leaders Index



EcoVadis Sustainability Rating



ISS ESG Corporate Rating

Selected for all five ESG stock indices adopted by the Government Pension Investment Fund (GPIF)

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan



Editorial policy / Disclosure system

On the publication of Fujitsu Integrated Report 2022

This report aims to provide stakeholders with a comprehensive and concise picture of the Fujitsu Group's business activities and efforts to create value by integrating information on non-financial initiatives such as social, environmental, and governance activities, together with financial information.

We consider the process of producing this integrated report as one of the means that makes our business strategy more sustainable and accelerates management transformation. By working on its production in close cooperation with all concerned departments, we aimed to advance the Group's efforts to contribute to the resolution of societal issues through our business and to achieve sustainable growth.

We have particularly focused on communicating the Group's transformation from various angles. Regarding the medium-term plan, as the final year of the three-year plan is currently underway, we have discussed in the report how the results of the initiatives we have promoted so far will lead to the achievement of our goals and the realization of medium- to long-term growth. In particular, Takahito Tokita, our CEO, and other executives have explained Fujitsu Uvance from their own perspectives, while disclosing more specifics regarding the seven Key Focus Areas. With the non-financial indicators set as management targets, the executives in charge of each indicator and employees involved in the task force have given their views.

Throughout the report, we disclose as much quantitative data as possible on the progress of the transformation, while on the qualitative side, we try to portray the transformation in a more in-depth manner by depicting it from multiple perspectives, including those of our executives and employees. Furthermore, we attempt to communicate our value creation consistently.

In producing the report, we have referred to various guidelines, including the Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation, and the Guidance for Collaborative Value Creation of the Japanese Ministry of Economy, Trade and Industry.

As part of the production process, the report has been approved by the Sustainability Management Committee and the Executive Committee, and reported to the Board of Directors, with cross-functional cooperation among concerned departments. We confirm the appropriateness of the production process of this integrated report and integrity of the information contained. We will continue to value opportunities for dialogue with our stakeholders, and we would appreciate your candid feedback.

Yumiko Kajiwara

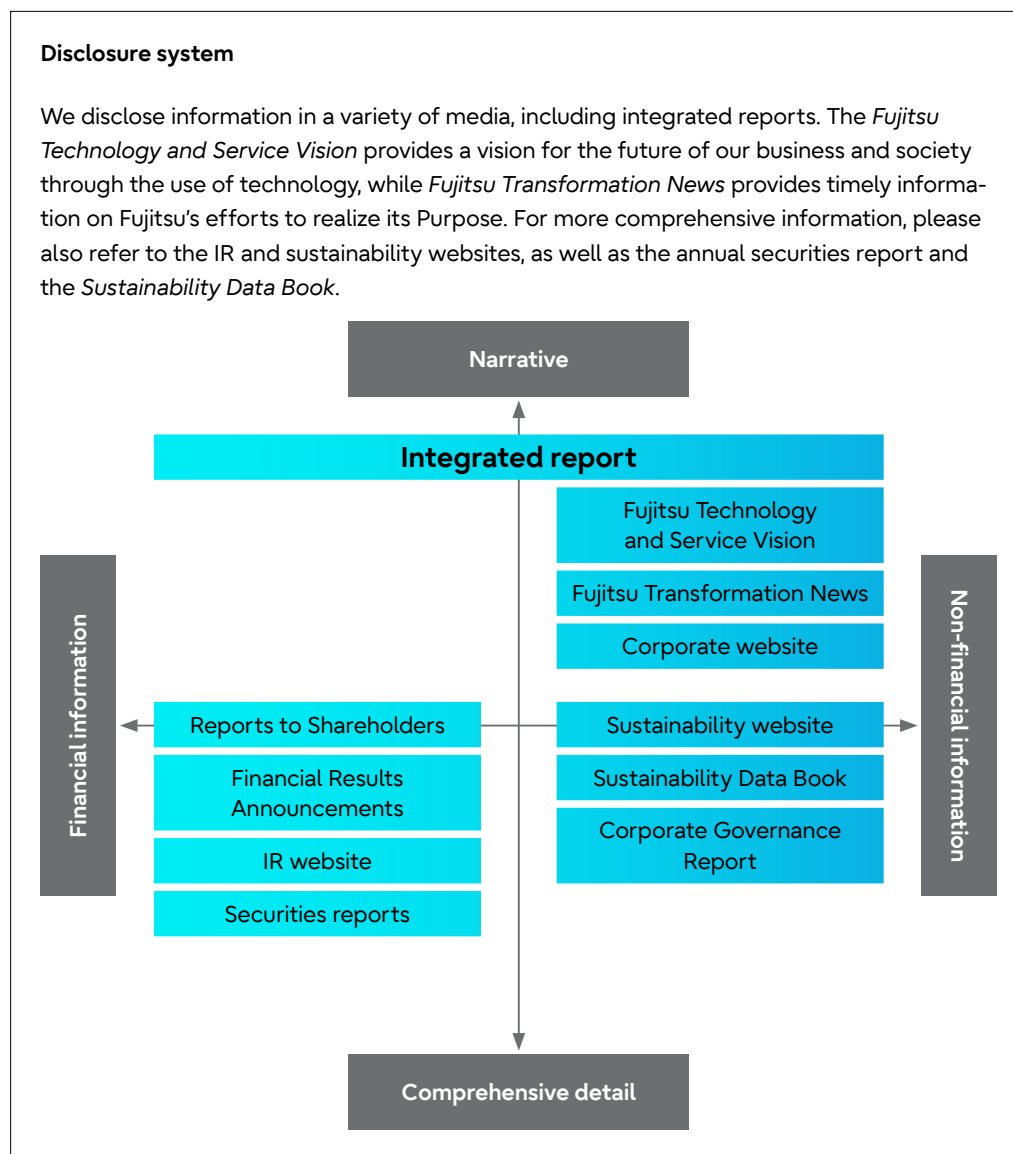
Corporate Executive Officer,
EVP, CSO

Kunihiko Nomoto

Corporate Executive Officer,
SVP
Head of Public and Investor
Relations Division

Disclosure system

We disclose information in a variety of media, including integrated reports. The *Fujitsu Technology and Service Vision* provides a vision for the future of our business and society through the use of technology, while *Fujitsu Transformation News* provides timely information on Fujitsu's efforts to realize its Purpose. For more comprehensive information, please also refer to the IR and sustainability websites, as well as the annual securities report and the *Sustainability Data Book*.



- Notes: 1. From the fiscal year ended March 31, 2015, Fujitsu has adopted the International Financial Reporting Standards (IFRS). However, some sections have presented results under the Japanese accounting standard for the purpose of year-on-year comparison. These sections are indicated in the report.
 2. All brand names and product names are trademarks and registered trademarks of their respective holders.
 3. The GRB icons represent Fujitsu's seven key priority issues in sustainability management as graphic symbols.