

Reinforcing management capital

We are working to maintain and strengthen our management capital by building a workforce portfolio that drives business promotion and delivers value to customers, the acceleration of digital transformation (DX) to achieve data-driven decision-making and productivity improvement, and the practice of sustainability management that can serve as a reference for customers. We will utilize our management capital as a source of energy for the transformation to realize Our Purpose and strive for sustainable value creation.



Message from the CHRO (Chief Human Resource Officer)

By increasing the self-starting job mobility of employees who take career ownership, we will create a workforce portfolio that dovetails with our business strategies and helps enhance corporate value.

Hiroki Hiramatsu

Corporate Executive Officer
EVP, CHRO
* Human Resource




Implementing human resource management transformation to realize Our Purpose

In 2019, the Fujitsu Group declared that it will become a “DX company” that leads the digital transformation of its customers. In 2020, we updated the Fujitsu Way, putting Our Purpose at the apex. To realize Our Purpose as a DX company, we had to think about what changes individuals and organizations needed to make. The HR department discussed this question with the CEO and other members of the management team to formulate our HR vision, to be a “DX company where diverse talent gathers to create innovation everywhere in society.” During the past three years, we have been pushing forward with human resource management transformation to realize this vision.

One key initiative of these reforms was our introduction of job-based human resource management. This system requires clear definition of the responsibilities, authority, and talent requirements associated with specific jobs, and allocating personnel accordingly. We have gradually adapted this type of system in Japan, which is commonly used in other countries. In addition, we have significantly revised our education, performance management, and compensation systems. With this overhaul we aimed to raise employees’ awareness of taking charge of their own career development. We sought to recast the relationship between the Company and its employees, and to transform the organizational culture more broadly.

Building a workforce portfolio aligned with our business strategies


Through fiscal 2022, we focused on carrying out comprehensive transformation that involved the development of various systems. In fiscal 2023, we are building a workforce portfolio aligned with the business strategies outlined in the 2023–2025 Medium-Term Management Plan (the new medium-term plan). Specifically, we are working with our business divisions to determine the workforce portfolio that we require to transform our business portfolio. Our considerations are based on a globally unified set of roles under the resource strategy outlined in the new medium-term plan. In these discussions, we are focusing on questions including how our transformation will enable our workforce portfolio to support our business portfolio three years hence, and even into 2030. We will clarify our current situation and define our ideal state (where we desire to be). We will then calculate the workforce needed for each role, and begin planning and implementing recruitment and training programs to realize this ideal state.

This approach to human resource management differs markedly from the traditional method of annual workforce planning and operation based on interviews with business divisions. The new approach represents a considerable challenge for the HR department, as we now need to contribute to the strategies of the business units. However, we see this as an unprecedented opportunity to establish a framework for investment in the acquisition and training of talent from a medium- to long-term perspective toward our ideal state for 2030, based on our [Materiality](#) .

Message from the CHRO (Chief Human Resource Officer)

Two approaches to realize our ideal state

Once we have established a clear quantitative framework for our future workforce portfolio, the next step is to understand the gap between where we are now and where we wish to be, plan how to fill the gap, and then proceed to approach this ideal state. We believe this process will require a combination of top-down and bottom-up approaches.

In the top-down approach, we will use a reskilling program to help designated personnel acquire the knowledge and skills necessary for specific roles. A forerunner to this initiative was a reskilling program we conducted in fiscal 2020, which transformed approximately 8,000 sales employees into business producers. We now also plan to take a top-down approach to running development programs, and with a sense of urgency, for major portfolio transformations such as strengthening consulting resource offerings capable of delivering in Fujitsu Uvance's  Vertical areas or expanding specialized resources to enhance delivery.

At the same time, we believe that the act of clearly establishing a future workforce portfolio is a means of adopting a bottom-up approach. As the Group defines its workforce portfolio more clearly, employees will better understand which skills they need to acquire in the future. In this way they will be able to see which skills will offer them new opportunities and contribute to their own growth and success.

Career ownership and self-starting job mobility as keys to building a robust workforce portfolio

Workforce mobility represents a key in building a workforce portfolio that aligns with our business objectives and allows for agile adjustments based on the progress of and changes in our strategies. In addition to ensuring workforce mobility through systematic placement and transfer of talent, we believe it is crucial to foster employee initiative and self-starting job mobility, as this helps create value within the Group. As an example, consider a project that is critical to the execution of our business strategies. Selecting team members from among multiple candidates who express the desire to be involved makes it easier to form a highly skilled and motivated team. However, if the pool of employees volunteering for such an opportunity is small and lacks diversity, a bottom-up approach will eventually become ineffective. To help the bottom-up approach function well, we emphasize the importance of career ownership, in which employees shape their own careers.

Over the past two years, we have seen a significant upswing in the number of people taking advantage of our internal job-posting (internal recruitment) system to volunteer for transfers and promotions tailored to their desired career plans. This change is meaningful because it allows us to create a workforce portfolio based on greater employee mobility. The number of people using the job-posting system has increased, and more employees have inspired colleagues and supervisors to utilize the system, encouraging others to take action in developing their careers. We believe the Group's organizational culture will change further as a result, reinforcing the dynamic interplay between business strategies and the workforce portfolio.

Evolving as a competitive company with high employee engagement

The effects of personnel and organizational transformation can also be seen in the [employee engagement !\[\]\(6a9b39b98eb945faa14c645ec99e4eaa_img.jpg\)](#) survey results. Under the previous Medium-Term Management Plan, we set 75 as our target value. In fiscal 2022, we reached 69, which was below our target but was six points higher than in fiscal 2019 when we started conducting the survey.

Our analysis of survey results suggests that communication with managers strongly affects engagement. As talent mobility increases, it is important for companies to enhance employee engagement and create an environment where employees feel motivated to take on challenges and believe they can grow within the organization. Keeping this in mind, we encourage managers to regularly engage in 1-on-1 meetings with their team members. We also provide managers with knowledge and tools to facilitate smooth communication.

In April 2023, we revised our compensation of employees in Japan to bolster our competitiveness in talent acquisition, ultimately enabling us to provide sustained value to our customers as a global DX company. Employees' monthly wages were raised by 10% on average. By raising compensation levels and creating an environment that fosters growth, we aim to heighten engagement and strengthen the link between our business strategies and our workforce portfolio. We will also continue working to transform employees' mindsets and our organizational culture, contributing to the Group's growth and elevating our corporate value.

Overall human resource strategy

The Fujitsu Group is working to transform its businesses and the Group itself to realize Our Purpose. From the perspective of human capital management, we are focusing on connecting the growth of each employee and the overall growth of the Group toward individual and organizational transformation. We are promoting human resource management measures that can be broadly categorized into two areas: “results-producing initiatives” and “sustainable-effects initiatives.”

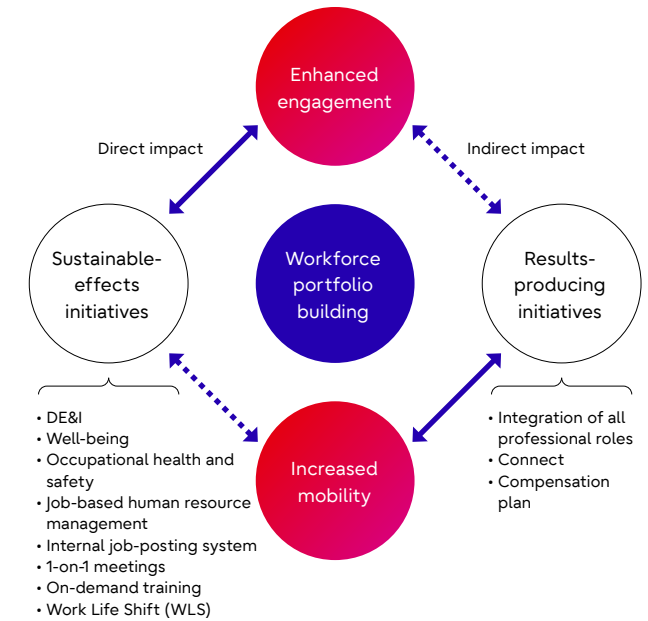
“Results-producing initiatives” are indispensable human resource strategies that are integral to the fulfillment of management and business strategies. As part of the resource strategy under the new medium-term plan, these initiatives include the global standardization of role definitions, the development of a workforce portfolio, and the implementation of our global personnel evaluation system, called “Connect.”

“Sustainable-effects initiatives,” meanwhile, create a framework to provide ongoing support for “results-producing initiatives.” “Sustainable-effects initiatives” include those that seek to enhance diversity, equity, and inclusion (DE&I) and well-being under the GRB (Global Responsible Business) platform, our operation of job-based human resource management and internal job-posting systems, ongoing 1-on-1 meetings (regular dialogue between managers and their team), and the provision of on-demand training programs that support employees’ autonomous learning. Another example is our promotion of the Work Life Shift initiative, which allows employees to optimize working styles to match job content and personal lifestyles.

As part of our data-driven management approach, we analyze personnel-related data. We have learned that utilization of an internal job-posting system and other initiatives to promote self-starting job mobility can play a potentially vital role in elevating corporate value. From

the perspective of bolstering employee engagement, we have also realized the need to foster a deep understanding of the organizational vision and to arrange effective 1-on-1 meetings to help achieve this understanding.

To successfully roll out the business strategies outlined in the new medium-term plan, we need to establish a workforce portfolio to help execute those strategies and create an environment that encourages all employees to perform to the best of their abilities. To create our ideal workforce portfolio, we will strategically allocate and develop talented individuals in collaboration with each business division. Simultaneously, we will continue to prioritize consistent human resource management, with a focus on maximizing employee engagement, improving the mobility of talent based on career ownership, and further promote DE&I to contribute to the growth and enhancement of corporate value.



Human capital management and data analysis

Beginning in March 2022, we held a series of six CHRO Roundtable meetings, bringing together chief human resource officers (CHROs) from five companies (including Fujitsu Limited) with the aim of defining human capital management strategies that improve corporate value. As part of this initiative, we analyzed data related to human capital and identified key performance indicators (KPIs) that would contribute to this goal. Specifically, we conducted correlation analysis by multiplying the growth rates of revenue and operating profit from fiscal 2020 to fiscal 2021 with data from approximately 50 categories related to internal talent to identify KPIs that are correlated with enhancing corporate value.

Through analyses from various perspectives, we found a positive correlation between the percentages of internal transfers

and mid-career recruits in an organization's workforce and the growth rate of financial indicators. Conversely, we found a negative correlation between the percentage of transfers based on convenience to the company and the financial indicator growth rate. These results suggest that voluntary mobility through internal transfers and mid-career recruiting helps in improving an organization's operational capabilities. As the Group undergoes various HR transformations, including job-based human resources management, it has become evident that “talent mobility,” which we considered to be of great importance, also has the potential to enhance corporate value from a data analysis perspective.

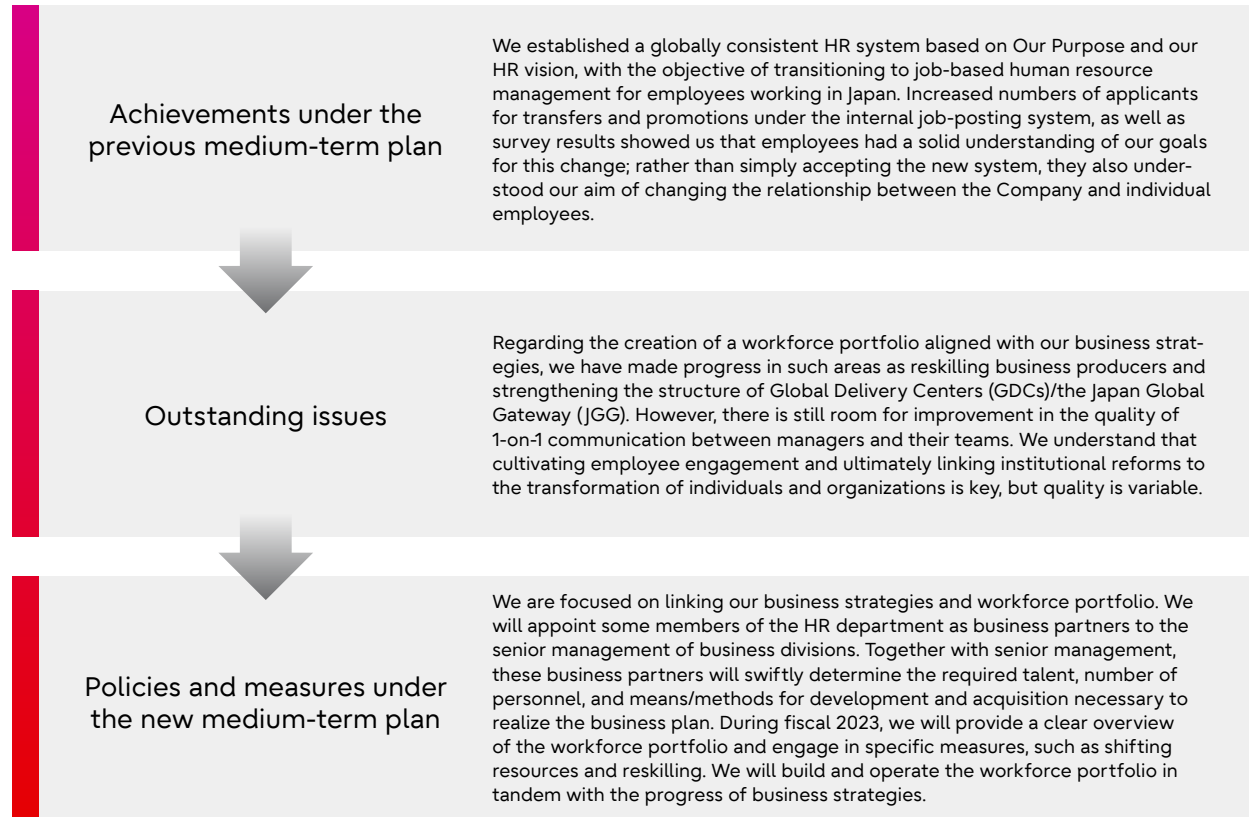
For details  (CHRO Roundtable Report)

The human resource management trajectory

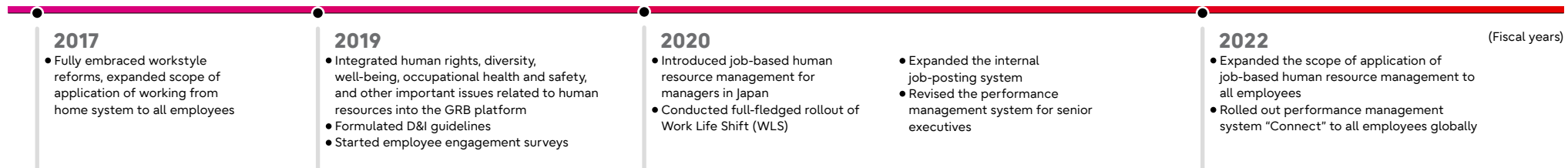
For the Fujitsu Group, the turning point in human resource management came in 2019, when we started to shift from being an IT company to a DX company. Since then, we have taken a wide range of initiatives to transform human resource management, including the adoption of a job-based human resource management system to drive innovation and promote DX.

Under our 2020–2022 Medium-Term Management Plan (the previous medium-term plan), we identified employee engagement as one of the non-financial indicators to measure the progress of transformation for our business and ourselves. We accelerated the transformation of individuals and organizations to promote employees' autonomous career development. The outbreak of COVID-19 coincided with the start of our previous medium-term plan, prompting us to reevaluate employees' work-styles and attitudes toward work, and we reaffirmed the importance of employee engagement.

As employee engagement is an ongoing theme, we have set our target for employee engagement at 75. This level is a benchmark for global companies, and we aspire to achieve competitiveness on a par with those companies. We will gather data by conducting global surveys twice a year and reflect the results of this analysis in our human resource management strategies.

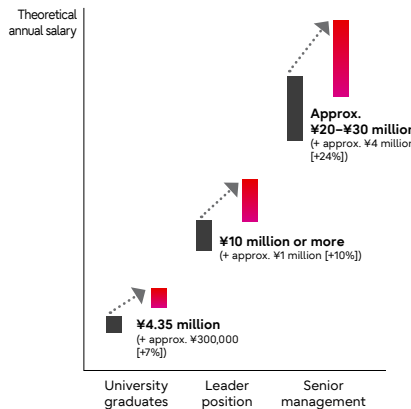


Chronological overview of our human resource management transformation



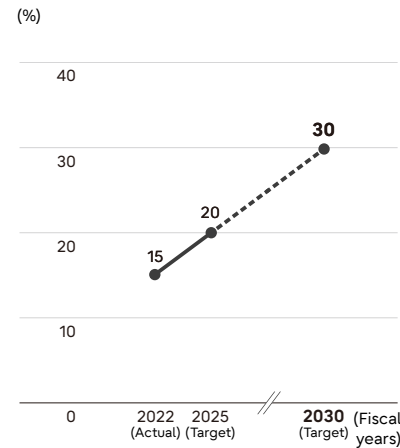
Major human resource management initiatives and progress

Revision of the compensation system



In fiscal 2023, we reviewed our compensation system to further enhance our global competitiveness over the medium to long term. Specifically, we raised annual salaries of employees in Japan by an all-employee average of 7%, with maximum increases of 24%. Annual salaries for employees in leader positions rose to around ¥10 million, and those for senior management reached around ¥20 million to ¥30 million. Going forward, we will continue to step up our investment in human capital, aiming to recruit and retain talent that will help to increase our corporate value.

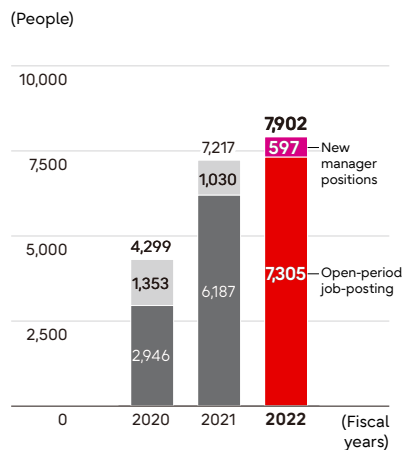
DE&I (ratio of female managers)



To realize a corporate culture in which diverse human resources can leverage their capabilities and express their values, in fiscal 2023 we set the percentage of female managers as one of our non-financial indicators, targeting a rate of 30% by the end of fiscal 2030. As a milestone toward that goal, we aim to achieve a 20% ratio of female managers by the end of fiscal 2025.

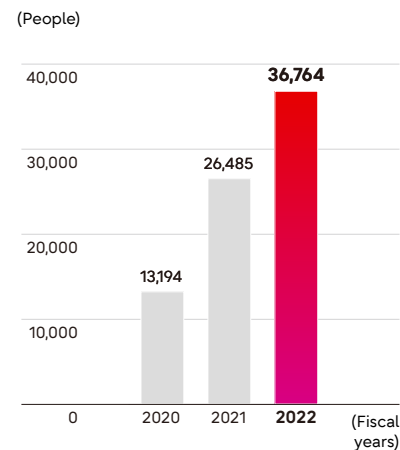
In addition to these efforts, we will continue to promote various other initiatives, such as "mindset shift," "positive action," and "improving the working environment through Work Life Shift."

Mobility (number of applicants for the internal job-posting system)



Together with the job-based human resource management system that we introduced in fiscal 2020, we significantly expanded our internal job-posting system with the aim of optimizing allocation of our talent to realize our business strategy and promote talent mobility and diversity. Over the course of three years, we received more than 19,000 applicants, and more than 7,500 employees have actually been transferred, demonstrating the willingness of employees to take ownership of their own careers. Moving forward, we will continue to provide opportunities for employees to realize their desired careers.

Reskilling (people enrolled in on-demand courses on Udemy)



Over a three-year period, the number of people in the Fujitsu Group in Japan participating in on-demand training through a partnership with Udemy, one of the world's largest online video learning platforms, has grown by 2.8 times.

The number of participants increased across all age groups. Participation among people aged 50 and older grew by 3.6 times, marking the highest increase in comparison to other groups.

Over the same period, total training hours also increased by 3.2 times. Across the three years, people have tended to take courses related to their current position and job type, and we have noted a meaningful change in awareness and behavior toward autonomous learning.

Employee opinions

Internal job-posting system



Misako Shimazaki
Cross Industry Solution
Business Unit

After joining the Company, I worked as a system engineer on a public-sector account. However, I had a strong desire to contribute to the resolution of customer issues from upstream processes and to venture into new areas. I believed that the challenge of supporting the entire process, from identifying customers' challenges to developing and implementing strategies, aligned with my own

aspirations. For that reason, I applied for a position in my current department through the internal job-posting system. Transitioning from a system engineer to a consultant position presented challenges in terms of my job responsibilities and ways of working. However, being closer to customers and working together to address their business challenges brings me a sense of fulfillment on a daily basis. The introduction of the internal job-posting system provided a good opportunity for me to reevaluate the type of work I wanted to do and the way I wanted to work. Additionally, I realized that I could explore new areas within the Company while leveraging my previous experience, which was a big advantage for me. What I found attractive about the internal job-posting system is that it gave me the chance to proactively reassess and take action toward my own career development.

About the internal job-posting system

The internal job-posting system allows employees to choose opportunities for reassignment or take on positions at the management level based on their desired career plans. Group employees can access a dedicated website on the intranet to view and apply for open positions and check the requirements. Fujitsu also offers a global job opportunities system to recruit talent for cross-border assignments.

1-on-1 meetings



Takeshi Nagasawa
Consumer Products/Service
and Retail Business Unit

Regular 1-on-1 meetings have made it easier to consult with my manager and has improved the psychological safety at the workplace. When 1-on-1 meetings were first introduced, we first saw them as an opportunity to discuss work issues and personal matters with our managers. However, I now also use them as a platform to discuss and debate themes including our organizational vision, priority themes,

medium-term achievements, and individual growth visions. The greatest benefit of 1-on-1 meetings is ease of communication. It has become commonplace to have 1-on-1 meetings, regardless of position, and these days we set up meetings whenever we have something we want to discuss, regardless of our regular interactions. Using the 1-on-1 meeting support tool further allows us to look back on past meetings in chronological order. It helps us confirm what we discussed and what we noted down when we had doubts about continuing to work in our current department, and it also helps us reaffirm our career aspirations.

About 1-on-1 meetings

1-on-1 meetings provide a forum for dialogue between managers and their teams, helping to align departmental and organizational visions with an individual employee's career direction. They provide an opportunity for reporting and consulting on daily business tasks, sharing medium- to long-term departmental policies, and confirming team members' challenges and growth, thereby enhancing employees' awareness of autonomous career development. All employees are engaging in 1-on-1 meetings at least once a month.

Reskilling



Maki Orita
Japan Global Gateway

I participated in reskilling to become a SAP consultant, which is one of our most important offerings in our DX business, as I wanted to drive this business forward. While I had been responsible for making estimates in Japan in my role as a system engineer, I also wanted to gain experience in global work, acquire skills in enterprise resource planning (ERP), as well as in a wide range of business

domains and consulting.

As part of this reskilling initiative, I completed an internal program called SAP Practical Training Program (SPTP), which consisted of a six-month curriculum including foundational education (collective and behavioral change program) and practical on-the-job training. Through the SPTP, I was able to systematically learn the principles and fundamentals of SAP, and I am currently leveraging the knowledge I gained in the project I am involved in, striving daily to make the most of my new skills.

I believe that the reskilling program as part of initiatives to expand my career perspectives enabled me to better adapt to a society that continues to change.

About reskilling

Reskilling refers to acquiring and relearning skills in preparation for future jobs and roles. The Fujitsu Group provides specific training programs that enable systematic learning of essential content for business strategies. We also promote autonomous learning in line with employees' individual career plans. To support the latter, Fujitsu has introduced an on-demand education platform to facilitate learning.

Message from the CDXO (Chief Digital Transformation Officer), CIO (Chief Information Officer)

We will promote Groupwide transformation while building a corps of people willing to break the status quo to realize DX that will directly boost corporate value.

Yuzuru Fukuda


Corporate Executive Officer
EVP, CDXO, CIO
* Digital Transformation * Information



Fujitsu better. DX officers participate from all of the main divisions and regions of the Group, and the team therefore has an inherently strong ability to take on cross-divisional initiatives. This is because transformation requires the breaking down of organizational barriers.

Fujitsu Uvance is a case in point. To provide cross-industry digital services, offerings and delivery formats naturally have to go beyond the existing concepts. But that is not all. It is also essential to consider product development processes and revenue models that are suitable for co-creation with customers, as well as the conditions of contracts with customers. We also need to revise various operational systems related to rules for recording sales and expenses. To change to an optimal arrangement across divisions requires an approach that addresses multiple aspects, such as the budgeting system, personnel systems, and internal communications. Fujitra works with a view to optimizing the entire Group by addressing these issues between organizations.

Challenging an unchanging corporate culture

The period of the 2020–2022 medium-term plan was a trial-and-error phase for the Fujitsu Group. Out of numerous discussions led by President Tokita, we elicited Our Purpose and Vision, which are our reason for existence, our so-called “Why,” along with our “What,” which took the form of growth through digital services centered on [Fujitsu Uvance](#) . In April 2023, I took on the role of CDXO from President Tokita. My mission is to thoroughly implement and actualize the “Why” and the “What” during the 2023–2025 Medium-Term Management Plan (new medium-term plan) and to contribute to growth and the creation of corporate value.

The most important task for progressing on implementation and accomplishment is ensuring that a transformative mindset is promoted throughout the Company. To put it in stronger terms, employees who just watch from the sidelines and do not get involved in the reform of their own organization cannot be DX partners for our customers. This challenge to the unchanging stance and corporate culture has been led by our Groupwide DX project, Fujitsu Transformation, known as “Fujitra.”

Fujitra tackles issues across divisions

At the core of Fujitra is a team around 60 DX officers, who are united by a mission and aspiration to make

Supporting employees who take on challenges


The transformative mindset is steadily spreading. Around 80% of the entire Group’s employees, or 100,000 people, actively use our internal social media and this is evidenced by their communication across organizations, ranks, and roles, as well as countries. There are now examples of the Company’s own active DX initiatives linking directly to its initiatives as a DX partner of customers. We will support employees who are working to break the status quo and speed up our transformation.

Fujitsu Group's DX

Fujitsu Group's DX and Fujitra

The true value of DX lies not only in the use of digital technology (D) in operations, but the transformation (X) that goes beyond this. Fujitra is a Groupwide DX project that aims to achieve a true transformation by employing a top-down approach from the management leadership in tandem with promoting the spread of bottom-up initiatives with employee participation, and sharing the transformative mindset throughout the entire Group.

With Fujitra, we are encouraging any employee to promote a transformation theme that the Group should address, gather a team together, and take action. Up until fiscal 2022, over 150 transformation themes were established, and the number of people participating in cross-organizational communities grew to around 9,000. The initiative is now becoming even more diverse, from the planning and operation of a program that aims to develop 1,000 in-house entrepreneurs over three years to create new businesses, to the holding of DX events targeting the involvement of several hundred customers.

The Fujitsu Group set DX Promotion Indices  as one of the non-financial indicators under the previous medium-term plan. Along with progress on the preparation of infrastructure for achieving data-driven management, such as OneCRM, we also monitored the change in organizational culture and employee mindset toward realizing Our Purpose. There is little doubt that the continuous improvement of our performance on the DX Promotion Indices throughout the previous medium-term plan period has contributed meaningfully to DX integrating the whole organization, symbolized by Fujitra. Under the new medium-term plan, we will set indices suitable for a new management phase that succeed and further develop the DX Promotion Indices. We will work to provide quantitative clarification of which initiatives accelerate transformation and contribute to financial growth.

Main internal DX activities implemented up to fiscal 2022

Theme	Overview
Purpose Carving	A dialogue program for putting individual employees' personal purposes into words. While carving out their own purpose, individuals explore the overlap with Fujitsu's Purpose, which provides motivation for future transformation.
exPractice	Provision of practical methods and study tools combining data science, design thinking, and agile development in a framework to support self-generated transformation inspired by one's purpose.
VOICE program	This program is designed to sustainably enhance the Company's competitive advantages by visually presenting the opinions ("voice") of customers and employees and using them to speed up decision-making, change behavior, and uncover new insights.
Data Analytics Center	A specialist organization established in 2021, the Data Analytics Center is leading a shift to optimal Companywide data-driven management, including preparation of a data foundation, systems, human resources and skills, and organizational culture.
Utilization of internal social media	Internal social media functions as a starting point for transforming workstyles and behavior patterns, with members in over 10,000 cross-organizational communities disseminating information and sharing knowledge and expertise.
Internal DX events	Events held every three months to share DX promotion themes and frontline initiatives, with a focus on two-way communication through activities such as discussions and questionnaire voting.
Fujitsu Innovation Circuit	A program that seeks to nurture entrepreneurs and create businesses through taking up new business challenges. The program aims to foster an organizational culture that welcomes challenges.

Data-driven management

One of the objectives of DX is to pivot from management based on past achievements and experience value to management based on predicting the future using data. This will enable flexible and rapid responses to changes in the business environment as well as rational decision-making. To attain this objective, the Fujitsu Group will promote infrastructure upgrades under the OneFujitsu Program to facilitate data-driven management.

Specifically, we are currently promoting the global introduction of the OneERP+ system for presenting tangible and intangible management resources visually in the form of data. Moreover, during the previous medium-term plan we already brought OneCRM into operation in 31 countries, where it is now used by 20,000 Group employees. The system enables all movements to be followed in real time, from the initial contact between the customers in every region and the customer-contact divisions, to the progression of business deals, receiving of orders, service provision, and the acquisition of new business opportunities through follow-up actions.

The key to introducing and utilizing these systems is the standardization of business operations. If customer-contact divisions in two different countries have completely different operating methods and data management practices, the systems will not function. Therefore, it is essential that global operational standards are determined and implemented before introducing the systems.

Through our efforts to achieve our own DX, we are accumulating a wide range of practical knowledge, including issues involved with standardizing operations and methods for resolving them. We plan to use this knowledge as a reference for making proposals to customers and leading their DX.

Message from the CSuO (Chief Sustainability Officer)

We will encourage all employees to take ownership of sustainability and accelerate the sustainability transformation of the Fujitsu Group and its customers.

Yumiko Kajiwara

Corporate Executive Officer
EVP, CSuO
* Sustainability



Materiality that reflects Fujitsu's unique character

In 2020, the Fujitsu Group revamped the Fujitsu Way centered on Our Purpose. Since then, we have been promoting GRB (Global Responsible Business) and initiatives in non-financial areas guided by the Sustainability Management Committee. Through these initiatives, the Group has fulfilled its responsibilities as a global company, while employees have experienced a stronger sense of belonging and job satisfaction.

We have been actively promoting sustainability management through these measures, and to make sustainability even more central to business growth in the future—while making use of our activities to date—we also defined the Group's material issues ("Materiality"). In the process, we conducted surveys and interviews with a wide range of stakeholders, including customers, institutional investors, and employees. Looking ahead to the society of 2030, we sought out the intersections between the issues that the Group should focus on to achieve its own sustainable growth and the role that stakeholders expect the Group to play. In addition, we

emphasized the perspective of Fujitsu's unique character, reflecting the discussions held at management level.

I think that defining our Materiality has clarified key issues that we need to focus on and has made the path to realizing Our Purpose clearer for employees. In addition, we have had feedback from our external directors and auditors indicating the need for each employee to take ownership of Materiality, so as we promote initiatives across the Company, we will take measures to foster their awareness of how Materiality relates closely to their work.

Sharing a recognition of issues with customers

Taking ownership of sustainability and the link between sustainability and business are issues that we have in common with our customers. This means that our own in-house practices can serve as a reference model for making proposals to customers. I myself have experienced an increase in opportunities to visit customers, together with business producers (BPs), to talk about the Fujitsu Group's implementation of know-how for data-driven management in the area of sustainability, including initiatives to reduce greenhouse gas (GHG) emissions and the correlation between financial and non-financial aspects of business. The knowledge of our BPs regarding sustainability is increasing, along with their ability to understand and empathize with customers' business issues.

As a company that conducts business globally, and as a partner working together with our customers, we will accelerate our initiatives to drive sustainability transformations.

Overview of our sustainability management

As a member of international society, the Fujitsu Group is working earnestly to resolve societal issues through responsible business activities, from the perspectives of the environment, society, and the economy. We aim to grow over the long term while generating a positive impact on society. To realize this goal, we are promoting sustainability management under the guidance of our senior management team.

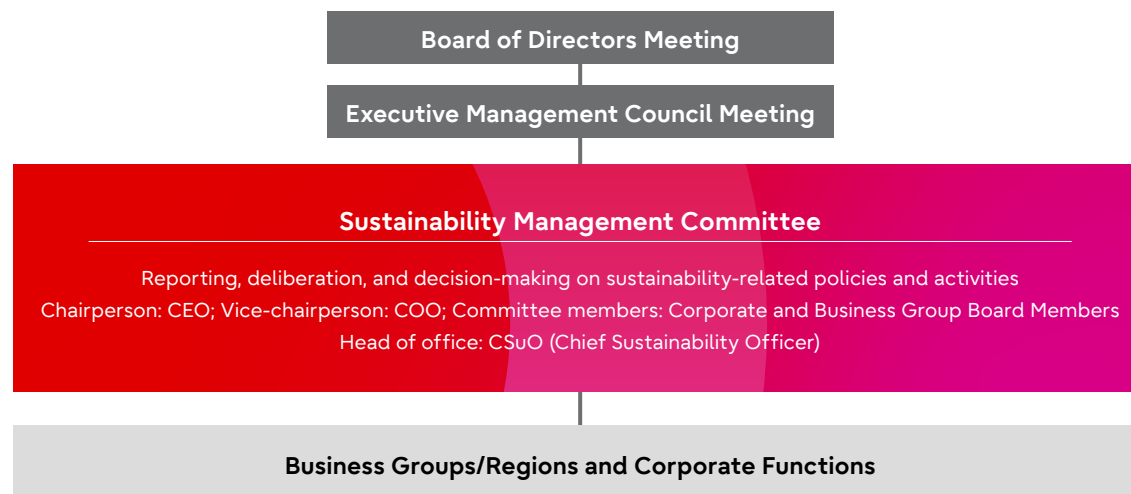
Sustainability Management Committee

The Fujitsu Group has established the Sustainability Management Committee, which will drive a sustainability-focused management approach under the supervision and direction of the Board of Directors Meeting and the Executive Management Council Meeting. The committee is tasked with discussing how a responsible global company should conduct sustainability management in order to realize long-term growth and transformation, while taking into consideration environmental, social, and economic impacts, as well as all of the Group's stakeholders.

The committee is chaired by the CEO and comprises executives appointed by the chairperson. As of June 2023, the committee had 13 members, including the chairperson. Meeting once every six months, the committee expanded its meeting duration from fiscal 2022 from one day to two, in order to allow more active exchange of opinions and a fuller discussion of the agenda items.

Based on Our Purpose and Our Values as set out in the Fujitsu Way, we identified priority issues that are deeply connected to the sources of the Fujitsu Group's value creation. These included respect for human rights, acceptance of diversity and equity, human resource development, maintenance of the global environment, and contributing to the development of regional communities. We refer to such matters as GRB (Global Responsible Business), and our activities in these areas have been reported and discussed in the committee since fiscal 2020. Moreover, having defined our Materiality in 2023, we will now strengthen our activities and discussion in areas where we contribute to customers and society through our business activities. In this way, we aim to increase the Fujitsu Group's corporate value sustainably over the long term.

Sustainability management promotional framework




Agenda items for committee meetings held in fiscal 2022

- Activity reports on GRB priority issues and setting of new KPIs for fiscal 2025
- Materiality
- Correlational analysis of non-financial and financial indicators
- Information disclosure on sustainability

For details  The Fujitsu Group's sustainability management

Overview of GRB progress

The Fujitsu Group has designated the priority issues under GRB (Global Responsible Business) that it must address as a responsible global company. Since fiscal 2020, we have defined what Fujitsu aspires to be, and its related goals, for each priority issue and have managed these globally. In fiscal 2023, we embarked on the new medium-term management plan, which ends in fiscal 2025. Together with this plan, we updated our existing statement of what Fujitsu aspires to be based on social trends and the challenges facing the Company, and set new goals to be reached by the end of fiscal 2025. To reach those goals, we will build an effective management structure and take specific actions to enable us to implement activities on a higher level globally, while taking into account the different laws and cultures of each country.

For details  Goals of GRB for fiscal 2025

Priority issue	What Fujitsu aspires to be and goals for fiscal 2022	Major achievements in fiscal 2022	What Fujitsu aspires to be for fiscal 2023 onward
Human Rights and DE&I	<p>► Human Rights [What Fujitsu aspires to be] 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.” [Goals for fiscal 2022] Embedding “respect for human rights” within the Fujitsu Group • Completion rates for global human rights training: 80%</p> <p>► Diversity, Equity & Inclusion (DE&I) [What Fujitsu aspires to be] 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. [Goals for fiscal 2022] Cultivation of inclusive corporate culture • 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>	<p>► Human Rights • Conducted e-learning on business and human rights for all Group employees in 16 languages worldwide Attendance rate: 92%</p> <p>► Diversity, Equity & Inclusion (DE&I) • Favorable answers rate of engagement survey related to “Diversity, Equity and Inclusion” question Consolidated 73% / non-consolidated 69% • Female leadership rate Consolidated 10.8%* / non-consolidated 91% * In the past, standards for leadership rates were set by region, but from fiscal 2023 a unified global standard has been set at 15% on a consolidated basis.</p>	<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 & Inclusion (DE&I) 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>
Well-being	<p>[What Fujitsu aspires to be] 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. [Goals for fiscal 2022] Providing a positive work environment • An average score of 71 globally for “Work Life Balance” and “Well-being”^{*1} in the engagement survey Provide opportunities for employees to develop personally and display their abilities to the fullest extent • An average score of 70 globally for “Growth Opportunities” in the engagement survey</p>	<p>• Global average score for “Work Life Balance” and “Well-being”^{*1}: 67 • Global average score for “Growth Opportunities”: 71</p>	<p>Achieve a state in which each individual can realize their work and private life as they envision, and they have the discretion and decision-making power to achieve self-realization.</p>

^{*1} “Work Environment” has been changed to “Well-being” from fiscal 2022.

Overview of GRB progress

Priority issue	What Fujitsu aspires to be and goals for fiscal 2022	Major achievements in fiscal 2022	What Fujitsu aspires to be for fiscal 2023 onward
Environment	<p>[What Fujitsu aspires to be] 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>[Goals for fiscal 2022] 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"> Actual 47.5%; 403,000 tons-CO₂ against a target of 37.8% or more reduction; down to 478,000 tons-CO₂ or less (reduced by 4.2% each year compared with fiscal 2013) Renewable energy usage ratio: actual 30.0% against a target of 16% or more <p>Avoid risks and minimize our impact on the environment: [Business sites]</p> <ul style="list-style-type: none"> Improve power usage effectiveness (PUE) at datacenters: actual 1.57 against a target of 1.54 Water usage: actual 87,645 m³-reduction from the previous year against a target of 30,000 m³ or more Promoted eco design for resource savings and circulation and increased resource efficiency of newly developed products: actual 11.2% against a target of 10% or more (compared with fiscal 2019) <p>[Supply chain]</p> <ul style="list-style-type: none"> Reduced CO₂ emissions due to power consumption during product usage: actual 25% against a target of 17% (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 Improving the professional skills of employees by conducting in-house education such as seminars, workshops and e-learning courses Support customer proposals to resolve environmental issues 	<p>Fujitsu will fulfill its social responsibilities as a global corporate SX leader. In addition to achieving our carbon neutrality goals, we will solve various environmental challenges by providing innovative solutions through co-creation with our customers.</p>
Compliance	<p>[What Fujitsu aspires to be] 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> <p>[Goals for fiscal 2022] 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) 	<ul style="list-style-type: none"> Delivered messages to all employees from the CEO, the heads of each business 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 	<p>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 becomes a trusted corporate group that is chosen by stakeholders for investment, business transactions, and employment and that fulfills its role as a model for society.</p>

Overview of GRB progress

Priority issue	What Fujitsu aspires to be and goals for fiscal 2022	Major achievements in fiscal 2022	What Fujitsu aspires to be for fiscal 2023 onward
Supply Chain	<p>[What Fujitsu aspires to be] 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> <p>[Goals for fiscal 2022] 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"> A platinum or gold level of site recognition under the RBA*2 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. 	<p>Availability of any of the following documents: 100%</p> <ul style="list-style-type: none"> A platinum or gold level of site recognition under the RBA Audit Recognition program Written consent with the Fujitsu Group CSR Procurement Guideline <p>Achievement: 100% obtained</p> <p>Achieved procurement KPIs from enterprises with diverse attributes, such as SMEs, women's management, and minority enterprises in the UK, the Americas, and Oceania</p> <p>Achievements:</p> <ul style="list-style-type: none"> Achieved key targets in each region/country Determined women's empowerment as the perspective and target for diversity in Japan <p>Completed to request 293 companies to participate in our briefing for target setting</p> <p>Achievement: Understood the situation with suppliers, requested responses and provided support in line with targets</p>	<p>The Fujitsu Group will realize a responsible supply chain that takes into consideration human rights, health and safety, and the environment and also ensures diversity.</p>
Occupational Health and Safety	<p>[What Fujitsu aspires to be] 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>[Goals for fiscal 2022] 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"> One serious accident Replaced management reviews in each country/region with meeting structures (such as the Central Safety and Health Committee and the Europe, GD and Americas OH&S Leadership Forum) 	<p>Note: From fiscal 2023, "Occupational Health and Safety" has been integrated into "Well-being"</p>
Community	<p>[What Fujitsu aspires to be] 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> <p>[Goals for fiscal 2022] 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 	<ul style="list-style-type: none"> Increase of 38% compared with fiscal 2019 	<p>Every employee is increasing their empathy for social issues and engaging in activities through collaboration and co-creation with a wide range of stakeholders, making a significant and positive impact on society, thereby creating growth opportunities for Fujitsu and contributing to the realization of Our Purpose.</p>

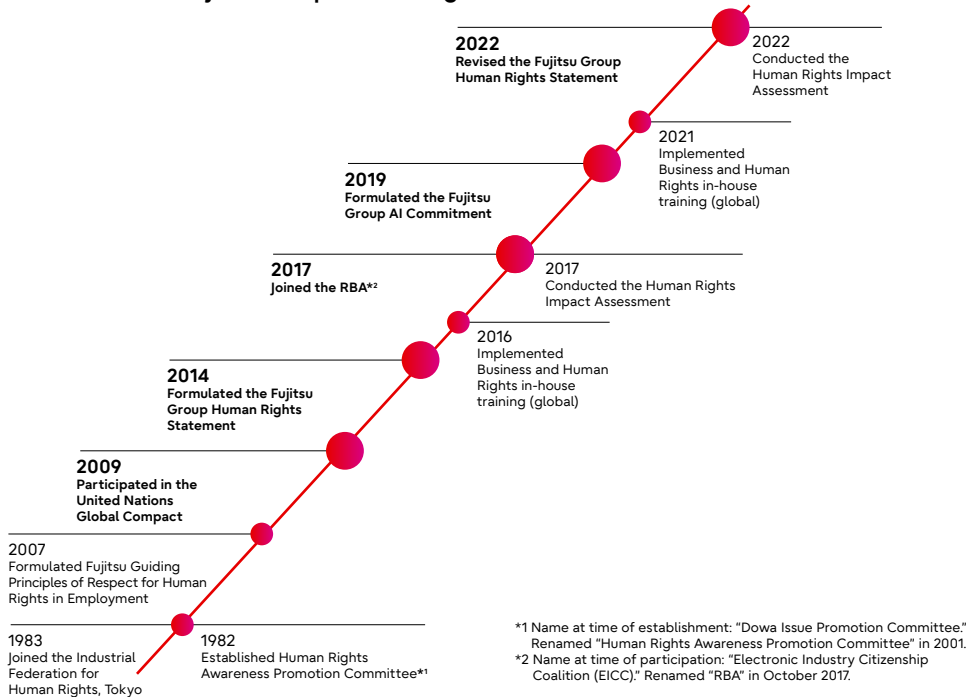
*2 Responsible Business Alliance
Fujitsu Joins EICC, a Global Corporate Social Responsibility Coalition (renamed as the Responsible Business Alliance (RBA) in October 2017)

Human Rights

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 "supply chain," "employees," and "customers and end-users" as three areas where human rights are particularly affected by our business activities, and are implementing activities to resolve human rights issues in these areas. Within the framework of "Human Rights, Diversity, Equity & Inclusion," one of the priority issues of GRB (Global Responsible Business), we have also established a system in which human rights officers from each overseas region meet regularly to promote initiatives globally and to implement activities to address human rights issues throughout the supply chain, in collaboration with each region, business division, and corporate division.

Timeline of the Fujitsu Group's human rights initiatives

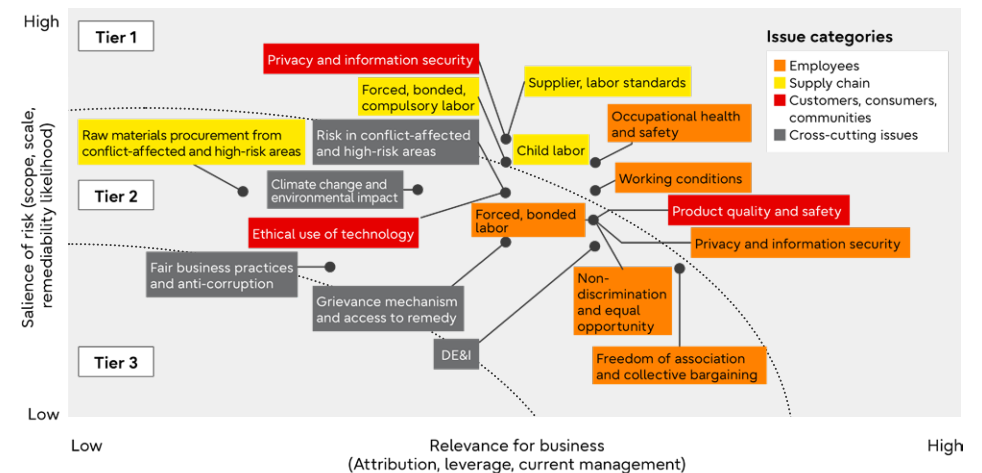


Greater importance of business and human rights, and the Fujitsu Group's initiatives

In international society, there is a growing movement toward mandating respect for human rights, as seen in the establishment of "The Act on Corporate Due Diligence Obligations in Supply Chains" (Germany) and the announcement of the EU proposal for a "Corporate Sustainability Due Diligence Directive." We will respond by taking measures such as establishing a due diligence system and conducting regular risk analysis, including in our supply chains.

In fiscal 2022, the Fujitsu Group revised the "Fujitsu Group Human Rights Statement" for the first time in the eight years since its formulation in fiscal 2014. The statement clearly explains the Group's approach and initiatives on respecting human rights to customers and society. We also asked the international non-profit organization Business for Social Responsibility (BSR) to assist us with conducting an independent human rights impact assessment of the Group's management and business from a third-party standpoint. The assessment enabled us to identify priority areas such as the working environment and health and safety of employees, forced labor and child labor in supply chains, and data privacy and data security in business operations.

Human rights issues identified through a human rights impact assessment conducted in fiscal 2022



Human Rights

Fujitsu conducted e-learning in fiscal 2021 on “Business and Human Rights” in 16 languages to raise each employee’s awareness of human rights issues, with 92% of all employees completing the course. We also run periodic webinars on human rights. In fiscal 2022, we also conducted e-learning on the topic of “AI Ethics and Business” for all Group employees in Japan, with a 94% participation rate.

Supporting human rights promotion activities through donations to the International Rescue Committee

In fiscal 2022 the Fujitsu Group made strategic community investments aimed at contributing to solutions for social issues through support for NGOs and NPOs. One of these was an investment of US\$50,000 to the International Rescue Committee (IRC), to support the development and implementation of a digital literacy curriculum for women and girls, which aims to improve their access to information to increase their autonomy and confidence. The initial pilot program was implemented in August 2023 for a group of women in Yemen aged between 22 and 35. Once it is established, the curriculum is to be expanded to other countries supported by the IRC.



IRC staff also work as healthcare staff for women supported by the program
© Gabreez Productions for the IRC

For details  Human Rights

Supply Chain

Supply chain strategy encompassing financial and non-financial aspects

Supply chains are vital for the Fujitsu Group to supply products and services to its customers. We drive our supply chain strategies from both financial and non-financial viewpoints.

On the financial side, the Company is promoting collaboration with strategic partners based on its seven Key Focus Areas. To prepare a foundation to support business growth, we are working to standardize and automate operations when procuring other companies' services, and taking steps to deal with IT personnel shortages by using IT personnel databases that we share with our partners. This system ensures that we can secure the necessary personnel when needed.

On the non-financial side, aiming to realize responsible procurement in our own supply chain, we have established a global coordination structure and we are working together with each region in planning and operations. Moreover, we promote 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, we coordinate closely with relevant business units to promote initiatives.

Building responsible supply chains

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. We are promoting sustainable procurement activities as part of what Fujitsu aspires to be. In 2005, we formulated the Fujitsu Group CSR Procurement Guideline, and in 2018 we adopted the Code of Conduct of the RBA, a global industry initiative, as part of the guideline, and have clarified the items that our suppliers are required to comply with. For major suppliers, we obtain platinum or gold level site recognition under the RBA Audit Recognition program, or a written statement of agreement with the Fujitsu Group CSR Procurement Guideline. We are also working with our suppliers to reduce greenhouse gas (GHG) emissions in the supply chain by holding briefing sessions with major suppliers and requesting that they set numerical targets in line with international standards. Furthermore, to ensure supply chain diversity, in each region and country we are promoting procurement from companies with diverse characteristics, such as small and medium-sized enterprises (SMEs) and companies headed by women or operated by ethnic minorities. In addition, in selecting suppliers, we conduct due diligence and provide training on information security and compliance.

For details  Supply Chain

Compliance

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) 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.

Fujitsu Way Code of Conduct




For details  Global Business Standards (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  Our approach to tax matters

Communication from management regarding compliance

The Fujitsu Group aims to have the management team take the lead in fostering a corporate culture where no employee tolerates any kind of misconduct (Zero Tolerance). We have set a KPI of having the management team at head office, including the CEO, and the heads of Group companies in each country send out annual messages on the importance of compliance.

Message from President Tokita during the Fujitsu Compliance Week (December 2022, excerpt)

Our purpose is to make the world more sustainable by building trust in society through innovation. Throughout the year, not just during Compliance Week, I have emphasized the importance of compliance in business management. In order to accomplish that, building trust in relationships not only with business partners, but also various stakeholders are crucial, and it is necessary for us to take a proactive action along with awareness of compliance more than ever.

I would like everyone to not only follow the code of conduct outlined in the Fujitsu way, but also to maintain a high level of compliance awareness and maintain a fair, impartial and open attitude in all aspects of our business.

If you have a concern in business, please do not hesitate to consult anything to your supervisor and colleagues. All the supervisors should try to create an environment in which it is easy to converse and concern about team member's actions and to listen to them. Also, please report issues as soon as they are discovered. Each of you is responsible for prevention and early detection.

Compliance training

We provide compliance e-learning for all Fujitsu Group executives and employees every year (for approximately 120,000 people in 14 languages). The participation rate is high, at over 95% annually. In fiscal 2022, we also conducted training on fair business practices for employees and around 1,300 partner companies. We plan to continue these programs every year.

Participation in compliance e-learning by all executives and employees

Fiscal 2022	98.1%
Fiscal 2021	97.6%
Fiscal 2020	98.1%

For details  Compliance

The Environment

The Fujitsu Group has positioned its response to the environment as one of its highest management priorities since its founding, and we are promoting environmental activities with the commitment of the senior management. From fiscal 2023, we have been promoting activities under “The Fujitsu Group Environmental Action Plan (Stage XI)” (fiscal 2023 to 2025), and we are working to achieve a reimagined environmental vision in light of expanding social demands and roles expected of companies with respect to the environment. As a global company, we are making efforts to fulfill our responsibilities, and to provide solutions and services to help resolve the environmental issues confronting our customers and society.





Environmental Action Plan

Environmental Action Plan Stage X (fiscal 2021–2022)

The overall Group achieved its GHG emissions reduction targets and delivered results from initiatives for resource circulation and living in harmony with nature. These were achieved through measures such as using advanced ICT to save energy at datacenters and introducing and expanding renewable energy for cloud computing services in Japan.

		Targets	Fiscal 2022 achievements
Climate change (Decarbonization)	1	Reduce greenhouse gas (GHG) emissions from business sites each year by 4.2% or more, compared with the base year of fiscal 2013	Target: 37.8% or more reduction (478,000 tonnes or less per year) ⇒Achieved: 47.5% reduction (403,000 tonnes/year)
	2	Improve PUE (Power Usage Effectiveness) of our datacenters by 3%, compared with fiscal 2017	Target: PUE 1.54 or less ⇒Result: PUE 1.57
	3	Increase renewable energy usage to 16% of total electricity	Target: 16% ⇒Achieved: 30.0%
	4	Reduce CO ₂ emissions due to power consumption during product usage by 17% or more, compared with fiscal 2013	Target: Reduction of 17% or more ⇒Result: 25% reduction expected
	5	Drive activities to reduce CO ₂ emissions in the upstream supply chain	Requests to key partners to undertake reduction activities
Resource circulation	6	Promote eco design for resource saving and circulation, and increase resource efficiency of newly developed products by 10% or more, compared with fiscal 2019	Target: Increase 10% or more ⇒Achieved: 11.2% improvement
	7	Reduce water consumption by 30,000 m ³ or more by implementing water resource conservation measures	Target: 30,000 m ³ or more ⇒Achieved: 87,645 m ³
	8	Reinforce awareness of the need to conserve water resources in the upstream supply chain	Requests to key partners to undertake reduction activities
Living in harmony with nature (Conservation of biodiversity)	9	Visualize and reduce the impact of corporate activities on ecosystems and on biodiversity	Established a calculation method using the Ecological Footprint as an index to visualize the impact of corporate activities on ecosystems and on biodiversity

Environmental Action Plan Stage XI (fiscal 2023–2025)

	Customers and society	Fujitsu and supply chain		
	Business field	Upstream business	Fujitsu's business areas	Downstream business
				
Climate change	• Development and provision of solutions that contribute to SX	• Suppliers' GHG reduction (well below 2°C target)	• Reduction of GHG emissions at business sites (1.5°C target) • Increase in the use ratio of renewable energy	• Reduction of GHG emissions by reducing power consumption during product use
Resource circulation		• Enhancing suppliers' awareness of water resource conservation	• Reduction of water consumption	• Reduction of resource consumption, improvement of resource recycling, and improvement of efficiency
Living in harmony with nature (Conservation of biodiversity)		• Reduction of negative impacts of corporate activities on biodiversity		

Environmental Action Plan Stage XI (fiscal 2023–2025)

			Goal	Base line	Targets for fiscal 2025
Customers and society			<ul style="list-style-type: none"> Fiscal 2023: Environmental contribution metrics will be developed. Fiscal 2024 to fiscal 2025: The amount of contribution will be measured and disclosed. To earn the objective recognition of global customers and society as an SX leader. 	—	Deliver SX offerings to customers
Fujitsu and supply chain	Climate change*1	Scope 1 and 2	<ul style="list-style-type: none"> Reduce GHG emissions at business sites by half of the base year by the end of fiscal 2025 Increase use of renewable energy to 50% or more by 2025 	Fiscal 2020	Reduction of at least 50%
		Scope 3 (Category 11)	Reduce CO ₂ emissions from power consumption during product use by 12.5% or more	Fiscal 2020	Reduction of at least 12.5%
		Scope 3 (Category 1)	<ul style="list-style-type: none"> Reduce GHG emissions in the supply chain Major business partners should set emissions reduction targets (equivalent to SBT well below 2°C target) Collection of GHG reduction data, construction and deployment of mechanisms 	—	To complete target setting
	Resource circulation		Development of products and services that contribute to a circular economy business model	—	Circular economy business products and service development
			<ul style="list-style-type: none"> Reduce water consumption by 57,000 m³ or more by implementing continuous water reduction measures Strengthen awareness of water resource conservation in the upstream supply chain Requesting our major suppliers to make efforts to raise their awareness of the importance of water resources 	—	57,000 m ³ or more To complete the request
	Living in harmony with nature (Conservation of biodiversity)		Reducing negative impacts on biodiversity in the areas of our corporate activities, including supply chains, by at least 12.5%. In addition, promote activities that increase positive impacts on biodiversity.	Fiscal 2020	Reduction of at least 12.5%

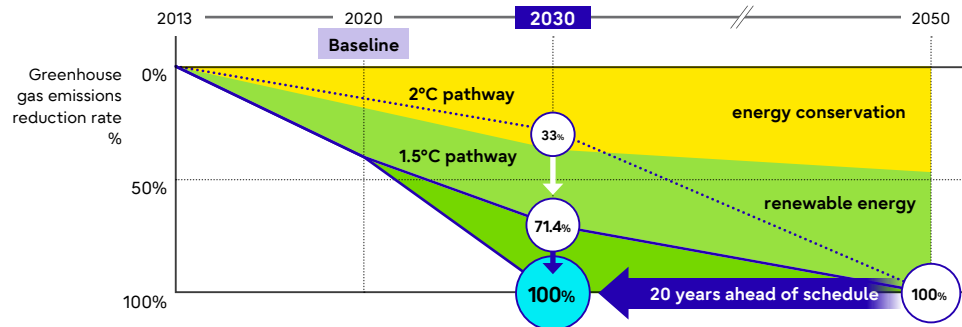
*1 Scope 1, 2, and 3 adjusted for acquisitions and divestitures

The Environment

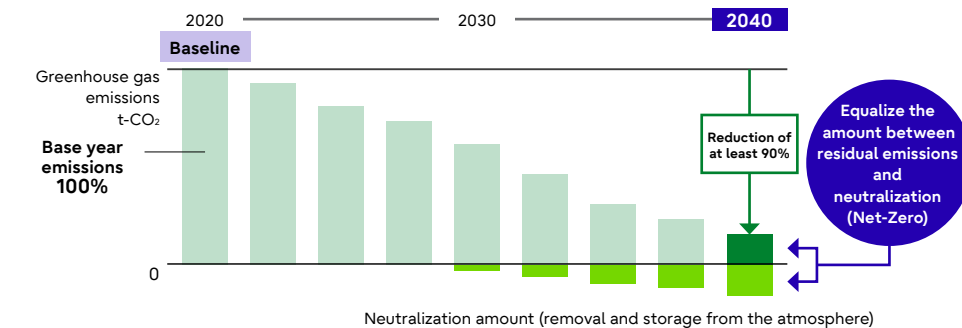
Roadmap to zero emissions

The Fujitsu Group has been working toward carbon neutrality, revising its fiscal 2030 target for reducing GHG emissions from business activities (Scope 1 and 2) from a 33% to a 71.4% reduction compared with fiscal 2013 levels. Now, we have decided to aim for Net-Zero GHG emissions*2 from business activities by fiscal 2030 and Net-Zero GHG emissions*2 across the entire value chain (Scope 1, 2, and 3) by fiscal 2040 (validated by SBTi).

Reduction of GHG emissions from business activities (Scope 1 and 2)



Reduction of GHG emissions across the entire value chain (Scope 1, 2, and 3)



*2 Refers to reducing GHG emissions by at least 90% from the emissions in the base fiscal year by the target fiscal year, then removing 10% of lower residual emissions by absorbing atmospheric CO₂ through the use of Direct Air Capture (DAC) technology and afforestation

Greening datacenters (strategic introduction of renewable energy and innovative energy conservation)

The Fujitsu Group is strategically procuring renewable energy to help promote its spread. Ahead of Companywide adoption of renewables, in fiscal 2022 we realized 100% renewable energy to supply all of the electricity needs for operating “FUJITSU Hybrid IT Service Fjcloud,” a cloud service provided by datacenters in Japan. Going further, we aim to convert all Fujitsu datacenters to 100% renewable energy by fiscal 2025, which will contribute to the decarbonization of the Fujitsu Group, as well as the decarbonization and climate-change response of our customers and society. We will also continue to implement energy conservation measures, aiming to reduce power consumption by 15% to 20% per year by optimizing cooling efficiency through air conditioner control utilizing outside air cooling and AI. Looking forward, we will continue to promote activities aimed at realizing a sustainable society, such as the popularization of renewable energy and innovative energy conservation.

Initiatives for living in harmony with nature (preservation of biodiversity)


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 Kunming-Montreal Global Diversity Framework was adopted.

In line with these international initiatives, the Fujitsu Group has established what it aspires to be in 2050 as “realizing a world in harmony with nature by using digital technology to fully restore the foundation of a sustainable society, which is nature and biodiversity.” Moreover, we have formulated our medium-term target for 2030 as “Reduce negative impacts on biodiversity in the areas of our corporate activities, including supply chains, by at least 25% (compared to 2020), and increase positive impacts.” We have also set a short-term target for fiscal 2025 in the Environmental Action Plan (Stage XI). The “Ecological Footprint” was selected as the assessment indicator to establish a method for assessing the negative impacts. In our activities to increase positive impacts, we will work on using digital technology for the conservation of tropical rainforests and protection of endangered species.

The Fujitsu Group will provide disclosure in accordance with the Taskforce on Nature-related Financial Disclosures (TNFD) Framework going forward. In addition to our Ecological Footprint, we will also assess regional characteristics, starting with assessments of the land use and water resource use of our own sites, and plan to expand the assessment target to include other company activities and the value chain. We will disclose the assessment results appropriately.

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  TCFD-based information disclosure

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 CSuO (chief sustainability officer) proposes reforms to directors and the executive team and executes business related to sustainability. The Company introduced 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: 65 kt-CO₂ Scope 2: 476 kt-CO₂ (Location based), 341 kt-CO₂ (Market based) Scope 3: 1,361 kt-CO₂ (Category 1: Purchased Goods and Services), 3,693 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"> Set new targets to achieve net zero GHG emissions in the Company's own business activities by fiscal 2030 and across the entire value chain by fiscal 2040 Scope 1 and 2 (compared with fiscal 2020): 34% reduction in fiscal 2022 versus a target of 100% reduction by fiscal 2030 Scope 1 to 3 (compared with fiscal 2020): 4% reduction in fiscal 2022 versus a target of 90% reduction by fiscal 2040

TCFD-based information disclosure

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.

In Sustainable Manufacturing, we have announced "Carbon Neutrality" and "Resilient Supply Chain" as the pillars/areas for our ongoing initiatives, while those for Trusted Society are "Sustainable Energy & Environment" and "Sustainable Transportation." These themes will guide the development of our offerings going forward.

TCFD-based information disclosure

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)

TCFD-based information disclosure

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  TCFD-based information disclosure

Collaboration with stakeholders

Participation in external organizations

World Economic Forum

In January 2023, the Annual Meeting of the World Economic Forum was held in Davos. The meeting was held under the theme of “Cooperation in a Fragmented World,” and included discussions on economic issues including inflation and price increases, geopolitical risks, issues with resources such as energy and food, and social vulnerabilities.

CEO Takahito Tokita and COO Hidenori Furuta shared the global agenda on sustainability, DX, increasing resilience, and the digital divide with other leaders from the government and financial sectors, and all participants exchanged opinions from their respective standpoints on specific actions to be taken for resolving issues.

Furthermore, we opened our own booth at the venue, “Fujitsu Uvance House,” in a first for the Group and as the only Japanese company to do so. At the booth, CRO Shunsuke Onishi, SEVP Hiroyuki Tsutsumi, CMO Taeko Yamamoto, EVP Paul Patterson, and EVP Graeme Beardsell used the occasion to establish networks with government personnel and corporate leaders from various countries. They also forged connections with the management of important business partners through a roundtable discussion held in conjunction with the Financial Times.

As a World Economic Forum Partner, the Fujitsu Group will work toward realizing the themes of this year's annual meeting by linking its global agenda with the Group's Materiality, and leading the formation of a global consensus as a technology company working to achieve a net positive outcome.



CEO Takahito Tokita (right) and COO Hidenori Furuta (left) at the annual meeting



The Fujitsu Uvance House booth

World Business Council for Sustainable Development

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

In 2022, the annual meeting of the council was held in Tokyo on the theme of “The era of sustainability: how to lead the transformation and thrive,” attended by leaders of approximately 170 companies from around the world. CEO Tokita was on the podium for the opening address as a member of the board of directors, and we also hosted a meeting for managers inside Japan.

We also hosted part of the WBCSD's activities, including inviting participants at the meeting to the executive briefing center, Fujitsu Uvance Rooftop, at our head office.

The Fujitsu Group will continue to engage actively in cooperation with the WBCSD, which shares a common direction with the Group's Purpose, as part of contributing to a sustainable future.

Stakeholder dialogue: Advancing business management through dialogue with external experts

We invited President and CEO Akimoto Uchikawa of Teijin Limited, a company operating global businesses in materials, health-care, and high-performance fibers, and Ms. Shihoko Aoki, representative of Wholeness Lab, a company providing environmental impact quantification (life-cycle assessments) and creating next-generation lifestyles, to participate in a dialogue with Fujitsu Group management on the theme of “What should a company that has sustainability at the heart of its business strategy be like?” Our two experts offered many insights regarding co-creative businesses for societal issues, the Fujitsu Group's Materiality, and other topics. We will reflect and implement their valuable opinions in the Group's sustainability management.



For details  Stakeholder dialogue

 Stakeholder engagement

Corporate governance



(Back row
from left)

Megumi Yamamuro
Audit & Supervisory
Board Member

Catherine O'Connell
Audit & Supervisory
Board Member*

Takeshi Isobe
Director and Corporate
Executive Officer
SEVP, CFO

Takahito Tokita
Representative Director
CEO

Hidenori Furuta
Representative Director
COO

Yoshiko Kojo
Director*

Byron Gill
Director*

Youichi Hirose
Audit & Supervisory Board
Member

(Front row
from left)

Hideo Makuta
Audit & Supervisory
Board Member*

Masami Yamamoto
Director
Senior Advisor

Atsushi Abe
Director*

Chiaki Mukai
Director*

Kenichiro Sasae
Director*

Koji Hatsukawa
Audit & Supervisory
Board Member*

* Independent directors and Audit & Supervisory Board members

Interview with the Chairman of the Board of Directors



Atsushi Abe

Director
Managing Partner,
Advanced Solutions, Inc.

We asked Atsushi Abe, Chairman of Fujitsu's Board of Directors, and Chairperson of Fujitsu's Executive Nomination Committee, about discussion points at the Board of Directors meetings with regard to the formulation of the 2023–2025 Medium-Term Management Plan (new medium-term plan) and the activities of the Executive Nomination Committee in fiscal 2022.

Q Please describe the key activities of the Board of Directors in the year to June 2023.

A We prioritized our allocation of time according to three strategic themes. The first theme—which took up the most time during the Board of Directors meetings—was related to the new medium-term plan [▶](#). Over the course of nearly a year, we held in-depth discussions to define our ideal state for 2030, the management strategies to achieve this, a three-year business plan, and financial and non-financial targets for fiscal 2025 that we created by backcasting from our ideal state. We pursued these deliberations with the aim of announcing the plan in May 2023. We also considered our revised [Materiality](#) [▶](#) in conjunction with the medium-term plan, taking into account global information disclosure requirements and other developments.

The second theme was improving our compensation system for executives and employees. We had already revised our basic policy on executive compensation for executive directors in fiscal 2022, but we continued our discourse as we realized that we still needed to make changes, particularly to the level of compensation of employees in Japan.

The third theme involved the supervision of our system quality and information security management. In this category, we monitored the progress of the third-party verification committee that was set up in response to an information security incident that occurred in fiscal 2021. We sought to determine whether the committee's improvement proposals had resulted in specific remedial actions.

Q What were the main points of discussion regarding the new medium-term plan?

A The key to achieving growth lies in how we go about it. Our current source of earnings as a system integrator that develops and operates on-premises systems is essentially built on our legacy. In our new medium-term plan, we place significant emphasis on businesses that leverage the foundational legacy we have cultivated, particularly by supporting modernization. We also focused on discussing how we can further expand Fujitsu Uvance, especially in Vertical areas, as a growth business, and how we can capitalize on our competitive advantages. In line with this, we decided to make changes to our business segments to clearly indicate the businesses we are concentrating on and their growth prospects to internal and external stakeholders.

The conversation about strategy during the Board of Directors meetings did not end with the announcement of the new medium-term plan. We intend to continue this discussion, monitoring the progress and results of our initiatives, to determine how much growth we can achieve during the period of the plan and how we should accelerate that growth.

Q What sort of discussions did you have about [Materiality](#)?

A The Group has been promoting sustainable management through our [GRB \(Global Responsible Business\)](#) [▶](#) framework. Now, we have further clarified the

Interview with the Chairman of the Board of Directors

value we provide to society through digital services as “solving global environmental issues,” “developing a digital society,” and “improving people’s well-being.” We have identified specific initiatives to achieve these goals and organized them as our Materiality.

In our Board of Directors discussions, we zeroed in on embracing the values of our employees. In 10 years, Millennials and Generation Z will make up the majority of the workforce. Many people from these generations have made it clear through various surveys that they believe contributing to society is the purpose and mission of a company, and they do not want to work for a company that does not align with their values. In other words, companies that do not reflect their values may struggle to attract talent and achieve sustainable growth.

In establishing our Materiality, we focused on going beyond the superficial message that the Fujitsu Group is necessary and good for society. Going forward, we will monitor the incorporation of specific initiatives to create social value through our business activities and translate that into corporate value.

Q Could you provide some details and describe the objective of your revisions to the compensation system for executives and employees?

A As part of our investment in human capital, we decided to increase the monthly salaries of employees in Japan by an average of 10%, up to a maximum of 29%, starting in April 2023. This decision was driven by the need to compete globally and to attract top talent in the highly competitive global IT services industry. We recognized that low compensation levels for our employees in Japan were an issue and that it was crucial to address this concern.

To bring the perspective of directors into alignment with that of shareholders and investors, we resolved to introduce a system to pay part of the independent directors’ remuneration under a post-delivery type stock remuneration plan, as restricted stock units rather than cash, without changing the compensation level. This proposal was approved at the Annual Shareholders’ Meeting in June 2023. Following a recommendation by the Compensation Committee, in July 2023 we updated the basic policy on executive compensation in accordance with the financial and non-financial targets set forth in the new medium-term plan.

Q What progress has been made with the supervision of the system quality and information security management?

A The Board of Directors takes the recent recurrence of system quality issues very seriously, especially in light of our ongoing efforts to strengthen our system quality and information security management measures following major system failures and information security incidents. System quality and information security are fundamental to the Group’s business. We will continue to monitor the status of improvement measures to prevent further occurrences under the reorganized structure led by the CISO (Chief Information Security Officer) and the CQO (Chief Quality Officer).

Q Please also describe the activities of the Executive Nomination Committee.

A Scott Callon, who served as a director from 2020, asked to retire at the expiration of his term in June 2023 due to increased commitments outside of our Company. Our search for an equally qualified candidate who could

convey the voice of the capital markets directly to the Board of Directors was successful, and we welcomed Byron Gill as a director, following approval at the Annual Shareholders’ Meeting. Mr. Gill is a seasoned executive from an asset management firm, with extensive knowledge and practical experience in finance and investing. He also possesses a deep understanding of Japanese companies, making him a perfect fit for our company.

I think our management succession planning, with a focus on the CEO and CFO, is appropriate. In its regular assessments, the Executive Nomination Committee confirms candidates’ suitability and readiness, including aptitude and experience, for future expected roles. The committee also creates opportunities for communication with candidates, getting to know them personally, to foster ongoing development of the management team.

Q In closing, please describe the tasks you plan to tackle in your role as Chairman of the Board of Directors during the year to June 2024.

A I understand that although shareholders and investors are acknowledging the growth potential of our digital services, centered on Fujitsu Uvance, some have expressed skepticism about us reaching the financial targets outlined in the new medium-term plan. To address these concerns, we need to demonstrate numerical results, in terms of revenue and operating profit margin. At the same time, we need to increase the “granularity” of our communication to provide a more concrete roadmap for growth. I intend to discuss with the Board of Directors how to disclose information in a way that will aid communication with shareholders and investors, as well as to supervise the progress of our growth strategy.

Management

(As of October 1, 2023)

Executive Directors



Takahito Tokita

Representative Director
CEO
Number of years as director: 4
Number of Fujitsu shares held:
5,923*¹

Born: September 2, 1962
Apr. 1988 Joined the Company
Jun. 2014 Head of Financial Systems Unit
Apr. 2015 Corporate Executive Officer
Jan. 2019 Corporate Executive Officer, EVP*²
Head of Global Delivery Group
Mar. 2019 Corporate Executive Officer, SEVP
Jun. 2019 Representative Director and CEO
(Chief Executive Officer)*³
Chairman of the Risk Management &
Compliance Committee*³
Oct. 2019 CDXO (Chief Digital Transformation
Officer) (until March 2023)



Hidenori Furuta

Representative Director
COO
Number of years as director: 4
Number of Fujitsu shares held:
5,933*¹

Born: December 13, 1958
Apr. 1982 Joined the Company
May 2009 Head of Manufacturing Industry Solutions
Business Unit
Apr. 2012 Corporate Executive Officer
Apr. 2014 Corporate Executive Officer, EVP*²
Head of Global Delivery
Apr. 2018 Corporate Executive Officer, SEVP*²
Head of Digital Services Business
Jan. 2019 SEVP, Head of Technology Solutions
Business
CTO (Chief Technology Officer)
(until June 2021)
Jun. 2019 Representative Director and COO
(Chief Operating Officer)*³
Apr. 2020 SEVP, Head of Global Solutions Business
Oct. 2021 CDPO (Chief Data & Process Officer)
(until March 2023)



Takeshi Isobe

Director
CFO
Number of years as director: 3
Number of Fujitsu shares held:
2,441*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
Head of Corporate Finance Unit
(until March 2021)
Jun. 2019 Corporate Executive Officer, EVP*²
CFO (Chief Financial Officer)*³
Apr. 2020 Corporate Executive Officer, SEVP*²
Jun. 2020 Director and Corporate Executive Officer,
SEVP*³

Non-Executive Directors



Masami Yamamoto

Director
Senior Advisor
Number of years as director: 13
Number of Fujitsu shares held:
10,182*¹

Born: January 11, 1954
Apr. 1976 Joined the Company
Jun. 2004 Vice Head of 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 and President
Jun. 2015 Representative Director and Chairman
(until June 2017)
Chairman of the Board of Directors
(until June 2019)
Jul. 2015 Member of the Executive Nomination
Committee (until June 2019)
Member of the 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



Chiaki Mukai

Director
Specially Appointed
Vice President of Tokyo
University of Science
Number of years as director: 8
Number of Fujitsu shares held:
3,526*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



Atsushi Abe

Director
Managing Partner,
Advanced Solutions, Inc.
Number of years as director: 8
Number of Fujitsu shares held:
3,134*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.*⁶
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

Management

Non-Executive Directors



Yoshiko Kojo

Director
Professor of Department of International Politics,
Aoyama Gakuin University
School of International Politics,
Economics and Communication
Number of years as director: 5
Number of Fujitsu shares held:
1,081*

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*³
Apr. 2020 Member of the Compensation Committee (until June 2023)
Professor of Department of International Politics, Aoyama Gakuin University
School of International Politics,
Economics and Communication*³



Kenichiro Sasae

Director
President, The Japan Institute of International Affairs
Number of years as director: 2
Number of Fujitsu shares held:
139*¹

Born: September 25, 1951
Apr. 1974 Joined 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
Dec. 2020 Outside Director, MITSUBISHI MOTORS CORPORATION*³
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



Byron Gill

Director
Managing Partner, Indus Capital Partners, LLC.
Number of years as director:
Newly appointed
Number of Fujitsu shares held:
0*¹

Born: December 29, 1968
Sep. 1991 Joined Saison Corporation
Jul. 1997 Vice President, Nikko Salomon Smith Barney Limited *⁹
Aug. 1999 Chief Representative, Japan Branch, Soros Global Advisors, LLC
Aug. 2000 Founding Partner, Indus Capital Partners, LLC.
Jul. 2016 Japan Representative, Indus Capital Advisors, Inc.
Jun. 2023 Managing Partner, Indus Capital Partners, LLC.*³
Jun. 2023 Director*³
Member of the Compensation Committee*³

Audit & Supervisory Board Members



Youichi Hirose

Audit & Supervisory Board Member
Number of years as Audit & Supervisory Board Member: 6
Number of Fujitsu shares held:
3,209*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: 3
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 Registered as lawyer
Oct. 2004 Participated in CAST Law P.C.*¹⁰ *³
Professor, The 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 (until July 2016)
Jun. 2020 Member of the Compensation Committee (until July 2016)
Audit & Supervisory Board Member*³



Koji Hatsukawa

Audit & Supervisory Board Member
CPA
Number of years as Audit & Supervisory Board Member: 10
Number of Fujitsu shares held:
1,954*¹

Born: September 25, 1951
Mar. 1974 Joined Price Waterhouse Accounting Office
Jul. 1991 Representative Partner, Aoyama Audit Corporation
Apr. 2000 Representative Partner, ChuoAoyama PricewaterhouseCoopers
Oct. 2005 Director and Manager of International Operations, ChuoAoyama PricewaterhouseCoopers
May 2009 CEO, PricewaterhouseCoopers Aarata*¹¹ (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

Management

Audit & Supervisory Board Members



Hideo Makuta

Audit & Supervisory Board Member
Lawyer, GINZA CHUO LAW OFFICE
Number of years as Audit & Supervisory Board Member: 3
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 (until February 2023)
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}
Mar. 2023 Lawyer, GINZA CHUO LAW OFFICE^{*3}



Catherine O'Connell

Audit & Supervisory Board Member
Principal, Catherine O'Connell Law
Number of years as Audit & Supervisory Board Member: 1
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}
Jun. 2023 External Audit & Supervisory Board Member, Toyota Motor Corporation^{*3}

- *1 Number of shares held as of March 31, 2023
- *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, Citigroup Global Markets Japan Inc.
- *10 Currently, URYU & ITOGA
- *11 Currently, PricewaterhouseCoopers Aarata LLC

Representative Directors / Corporate Executive Officers

Representative Director
CEO

Takahito Tokita

Representative Director
COO

Hiddenori Furuta

Director and Corporate Executive Officer
SEVP, CFO

Takeshi Isobe

Corporate Executive Officers

Taizo Takahashi

Vivek Mahajan

Shunsuke Onishi

Yoshihiko Oishi

Ryuji Kushida

Megumi Shimazu

Yoshinami Takahashi

Hiroyuki Tsutsumi

Tim White

Yuzuru Fukuda

Shunsuke Baba

Yumiko Kajiwar

Tomoko Tsukahara

Masahiro Ohta

Hiroki Hiramatsu

Kyoko Mizuguchi

Taeko Yamamoto

Nicholas Fraser

Junichi Saito

Yuuichi Koseki

Takashi Yamanishi

Seishi Okamoto

Shingo Mizuno

Rupert Lehner

Kazushi Koga

Masaru Yagi

Masuo Yasuda

Tsuneo Hayashi

Ryuichi Kubota

Paul Patterson

Mikihito Saito

Graeme Beardsell

Status of corporate governance

Basic approach to corporate governance

We regard 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.

Corporate governance as a foundation for sustainable development

In our recently formulated Materiality, we have identified governance and compliance as key elements forming the foundation for sustainable development. We are committed to continuously reviewing our corporate governance, enhancing disclosure to facilitate collaboration with shareholders and all other stakeholders, and promoting constructive dialogue with shareholders. Through these efforts, we aim to uphold the trust placed in us by our shareholders.



Reasons for adopting our current corporate governance system

We believe that we can ensure a more robust supervisory function by having non-executive directors supervise business execution, with independent oversight provided by Audit & Supervisory Board members who do not participate in decision-making. In line with this thinking, we have adopted the form of a company with an Audit & Supervisory Board system, composed of independently appointed members.

The Board of Directors consists mostly of non-executive directors (the term used for the combination of independent directors and non-executive directors appointed from within the Company), as we believe this arrangement is ideally suited to the correction and remediation of errors, insufficiencies, and recklessness in business execution. Independent directors constitute a majority on the Board of Directors. At the core of our non-executive directors are external directors who have a high degree of independence and diverse perspectives. In addition, we appoint at least one non-executive director from within the Company to complement any lack of knowledge about or understanding of our business areas, corporate culture, or other aspects of the Company. This arrangement enhances the effectiveness of supervision and advice provided by non-executive directors.

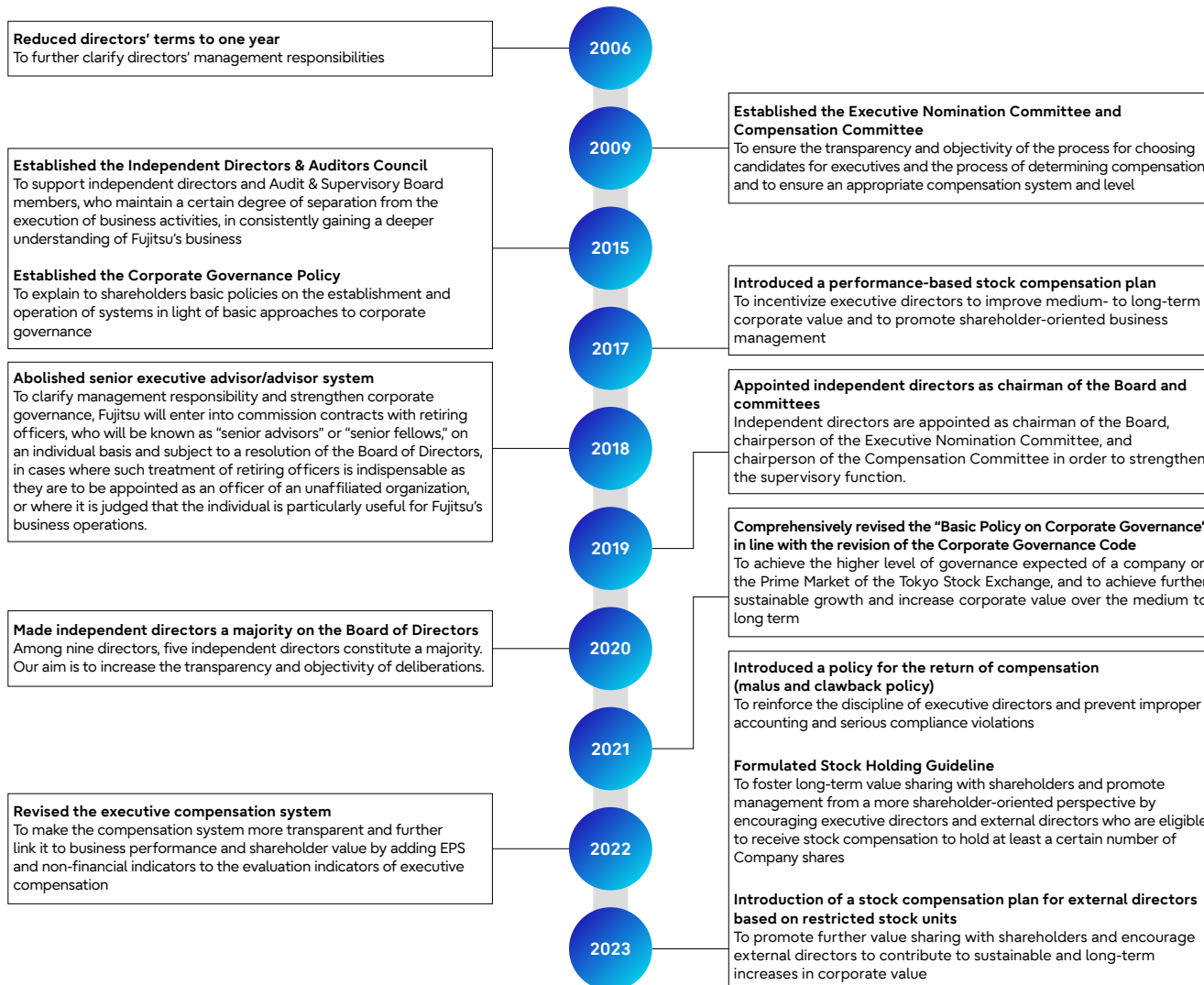
Structural framework

We endeavor to ensure that the oversight and advice from the diverse perspectives of non-executive directors 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, we have established a basic policy, "Corporate Governance Policy," summarizing our approach to corporate governance. We updated the policy in September 2023, and 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.

For details  Corporate Governance Policy
 Corporate Governance

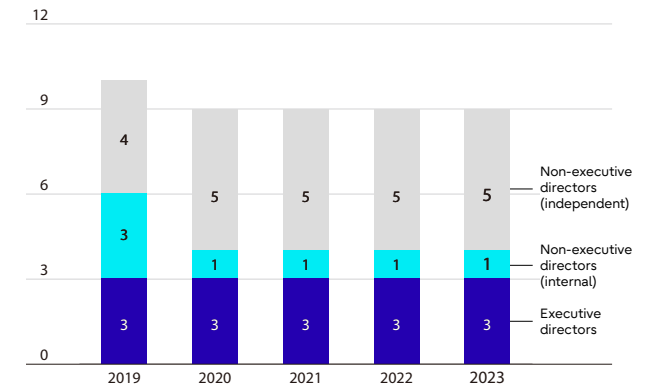
Status of corporate governance

Initiatives taken to strengthen corporate governance



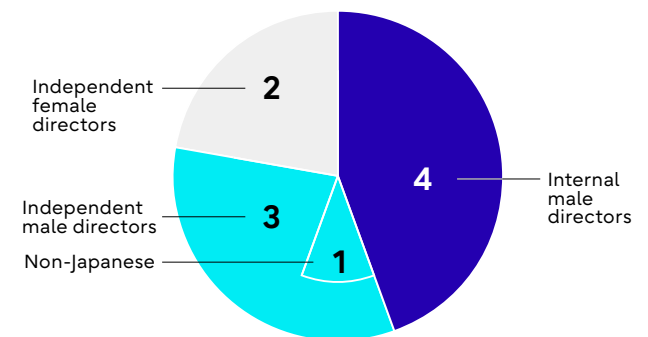
Composition of the Board of Directors

Executive directors, non-executive directors (internal), and non-executive directors (independent) (As of June 30)
(People)



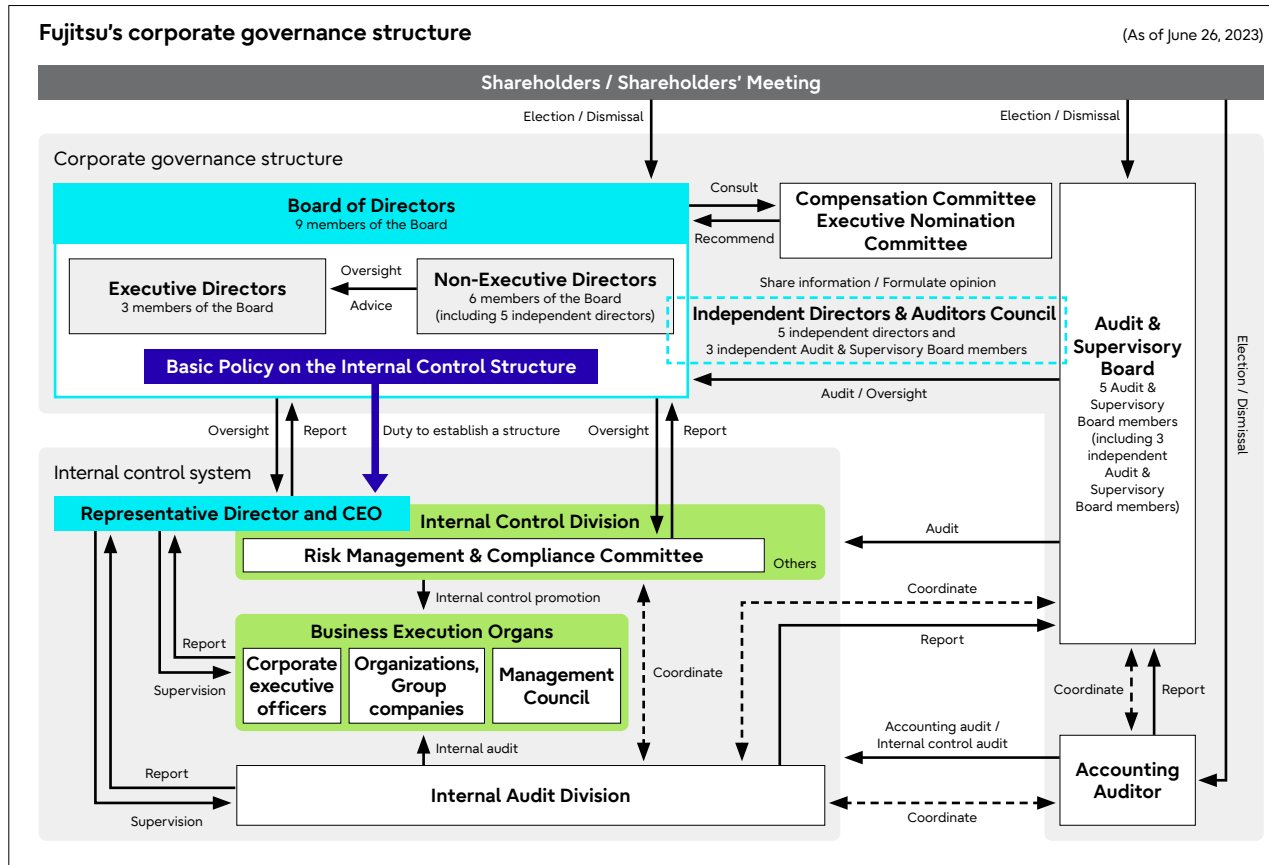
Diversity of the Board of Directors

(As of June 26, 2023)



Status of corporate governance

1. Overview of corporate governance structure



Roles and composition of key boards, committees, and councils

Board of Directors	<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 26, 2023, 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.
Audit & Supervisory Board	<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 26, 2023, 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.
Executive Nomination Committee and Compensation Committee	<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 June 26, 2023, the Executive Nomination Committee comprises two independent directors and one non-executive director; the Compensation Committee comprises three independent directors. (For details on committee members, please see "Members of the Board of Directors and Audit & Supervisory Board" on page 81.) As of June 26, 2023, both committees are chaired by independent directors.
Independent Directors & Auditors Council	<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

Status of corporate governance

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 [Corporate Governance Policy](#)

















Skills of directors and Audit & Supervisory Board members

As a global company with the purpose “to make the world more sustainable by building trust in society through innovation,” Fujitsu Limited 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 26, 2023)

	Name	Nationality	Independent	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	Kenichiro Sasae	Japan	○			○		○
Independent Director	Byron Gill	United States	○		○	○		

	Name	Nationality	Independent	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 26, 2023)	Nine members of the Board of Directors									Five members of the Audit & Supervisory Board				
	Executive directors			Non-executive						Non-executive				
	Internal			Independent						Internal/Full-time		Independent		
	 Male  Female	 Chairperson  Member	 Representative director	 Representative director			 Chairman of the Board of Directors							
	Takahito Tokita	Hidenori Furuta	Takeshi Isobe	Masami Yamamoto	Chiaki Mukai	Atsushi Abe	Yoshiko Kojo	Kenichiro Sasae	Byron Gill	Youichi Hirose	Megumi Yamamuro	Koji Hatsukawa	Hideo Makuta	Catherine O'Connell
Executive Nomination Committee				○		●	○							
Compensation Committee					●			○	○					
Independent Directors & Auditors Council					○	○	○	○	○			○	○	○

Status of corporate governance





Appointment of external directors and auditors

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

We determine 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 we are listed in Japan.

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

External directors

 Chiaki Mukai	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, as well as her 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 2022 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.
 Atsushi Abe	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, such as through management succession planning, 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 2022 amounting to approximately ¥160,000. 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.
 Yoshiko Kojo	Dr. Yoshiko Kojo has served in several important positions, including as 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 ESG management 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.
 Kenichiro Sasae	Mr. Kenichiro Sasae has served in several important positions, including as Vice-Minister for Foreign Affairs, Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America, and currently as president of The Japan Institute of International Affairs (JIIA). 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. JIIA, 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.
 Byron Gill	Mr. Byron Gill, who formerly worked at a non-Japanese securities company, currently serves as managing partner at Indus Capital Partners, LLC, an institutional investor specializing in Asian markets. As an institutional investor, Mr. Gill has extensive experience in engaging in dialogue with investees, as well as knowledge about finance and investment. In view of his experience, the Company expects that he will be able to provide oversight and advice from a fair and objective perspective, as well as offer the Company's management useful feedback on shareholder and investor opinions. Accordingly, the Company believes he will be able to fulfill the oversight function and role of an external director. Indus Capital Partners, where Mr. Gill serves as managing partner, and the Company have no business dealings, nor is it a major shareholder as defined by the Company's independence standards. Moreover, Mr. Gill has not held an executive management position with a major business partner of the Company. Therefore, Fujitsu considers Mr. Gill to be independent.

External Audit & Supervisory Board members

Koji Hatsukawa	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. At the close of the 123rd Annual Shareholders' Meeting, held on June 26, 2023, Mr. Hatsukawa had served as an Audit & Supervisory Board member for 10 years. By continuing to serve as an Audit & Supervisory Board member, we believe he will help to balance out the relatively short tenure of other independent Audit & Supervisory Board members. Mr. Hatsukawa satisfies the Company's independence standards and, with his outstanding personality, deep knowledge and insight, we believe he will help ensure the effectiveness of audits at the Company. Accordingly, we expect that he will continue to be able to fulfill the oversight function and the role as an external Audit & Supervisory Board member. 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 2022 amounting to approximately ¥340,000. 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 Mr. Hatsukawa to be independent.
Hideo Makuta	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.
Catherine O'Connell	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 the Company's Audit & Supervisory Board members. 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.

Status of corporate governance

Systems for ensuring the effectiveness of the Board of Directors

In enhancing the effectiveness of the Board of Directors, we have focused on creating a system under which non-executive directors function efficiently. Specifically, we believe that it is 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 2022), and its members share information and exchange viewpoints so that each member can formulate their own opinions. In fiscal 2022, the members shared information and exchanged views on important management matters, including the Company's management direction and Group business restructuring through M&As and other activities. Moreover, to facilitate the operation of the Independent Directors & Auditors Council, we 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, we 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 fiscal 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 ("revised policy") after changes in accordance with said review.

[Review of executive compensation for fiscal 2023 and thereafter]

At a meeting on May 11, 2023, the Board of Directors resolved to revise executive compensation from fiscal 2023, based on a recommendation from the Compensation Committee. One of the revisions, the introduction of restricted stock units for external directors, was passed as a resolution at the 123rd Annual Shareholders' Meeting held on June 26, 2023. In July 2023, we also revised the performance indicators used as a basis for calculating bonuses for executive directors. The table below describes the revised executive compensation from fiscal 2023.

Topic	Objective, description
1. Introduction of restricted stock units as a stock compensation plan for external directors	Our aim is to promote further value sharing with shareholders and encourage external directors to contribute to sustainable and long-term increases in corporate value. External directors are selected for this program on the basis of fulfilling their role in overseeing and advising management from an objective standpoint. Accordingly, the program is designed as a non-performance-based stock compensation plan.
2. Formulation of Stock Holding Guideline	This guideline is intended to foster long-term value sharing with shareholders and promote management from a more shareholder-oriented perspective by encouraging executive directors and external directors who are eligible to receive stock compensation to hold at least a certain number of Company shares.
3. Introduction of a policy for the return of compensation (malus and clawback policy)	This policy's objective is to allow the Company to reduce executive directors' performance-linked compensation or request the return of this compensation in the event of improper accounting or serious compliance violations.
4. Revision of evaluation indicators used as a basis for calculating the bonus portion of performance-linked compensation	The purpose is to enhance executive directors' commitment to achieving management targets by setting evaluation indicators for bonuses based on the performance indicators listed as management targets.

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.

I. 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 "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, and 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.

Status of corporate governance

- The ratio of performance-based compensation (bonuses and performance-linked stock 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.

(Reference) Executive compensation items and payment recipients

Recipient	Base compensation		Bonuses	Stock compensation	
	For management oversight	For management execution		Performance-based stock compensation	Restricted stock units
Executive directors	○	○	○	○	—
Independent directors	○	—	—	—	○
Other directors	○	—	—	—	—
Audit & Supervisory Board members	○		—	—	—

II. Our perspectives on each portion of executive compensation

[Base compensation]

Base compensation is paid to all executives (directors and Audit & Supervisory Board members). All executives are paid a fixed monthly amount in accordance with their position and responsibilities.

[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, consolidated operating profit, and core free cash flow,*¹ which are our financial management target indicators, growth from the previous fiscal year in Customer NPS®,*² employee engagement,*³ and diversity leadership (ratio of female managers), which are our non-financial management target indicators, and acquisition of the highest evaluation from a third-party assessment organization on ESG initiatives.

*¹ Free cash flow excluding special items, such as from sales of businesses, acquisitions, and business model transformation expenses

*² Net Promoter ScoreSM, 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 An indicator to measure employees' willingness and attachment to work voluntarily and independently, and to contribute to their company, with empathy for the company's direction and purpose

$$\begin{array}{|c|} \hline \text{Base amount} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Coefficient of financial indicators} \\ \text{Consolidated revenue, consolidated operating profit, and core free cash flow} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Coefficient of non-financial indicators} \\ \text{Customer NPS, employee engagement, and diversity leadership (ratio of female managers)} \\ \text{Third-party assessment organization on ESG initiatives} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Cash payments} \\ \hline \end{array}$$

[Stock compensation]

(1) 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.

$$\begin{array}{|c|} \hline \text{Base number of shares} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Coefficient of financial indicators} \\ \text{Consolidated revenue, consolidated operating profit, and EPS} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Cash payments and allotments of shares} \\ \hline \end{array}$$

(2) Restricted stock units

- Restricted stock units (under a post-delivery type incentive plan that grants shares as compensation after confirming the right to receive these units, which is subject to a certain period of continuous service) shall be granted to external directors, in order to share profits with shareholders and encourage their contribution to the sustainable enhancement of corporate value.
- Each fiscal year, the Company shall set in advance a number of stock units corresponding to an external director's position. After the period of continuous service (three years), the external director will be paid in cash for a portion of the shares, based on market value, with the remainder allocated in shares of the Company.

[Benchmark composition ratio for compensation]

The benchmark ratio for base compensation (only for the portion for management execution, excluding the portion for management oversight), bonuses, and performance-based stock compensation shall be 1:1:3 for the representative director and CEO, with the percentage for performance-based compensation set higher than that for other executive directors. The benchmark ratio for base compensation (excluding allowances) and restricted stock units for external directors shall be 7:3.

Status of corporate governance

[Stock Holding Guideline]

The Company has established Stock Holding Guideline with the aim of promoting long-term value sharing with shareholders. During their terms of office, directors who are eligible to receive stock compensation shall make an effort to hold at least the number of Company shares determined as corresponding to their position. The representative director and CEO shall endeavor to hold shares equivalent to twice their annual base compensation within four years after taking office and continue to hold them during their term of office.

[Return of compensation (malus and clawback policy)]

In the event of inappropriate accounting, including material ex-post adjustments to past-year financial results or serious misconduct or compliance violations during the term of office, the Company may demand a reduction in or return of performance-based compensation (bonuses and performance-based stock compensation) from an executive director (including executive directors who have retired less than two years ago), based on a decision of the Board of Directors after deliberation by the Compensation Committee.

As resolved at the Annual Shareholders' Meeting, the total amount of base compensation and bonuses to directors shall not exceed ¥1,200 million per year (of which, the portion for external directors shall not exceed ¥150 million per year). The amount of performance-based stock compensation for executive directors shall not exceed ¥1,200 million per year, with the total number of shares to be allocated not exceeding 75,000 shares per year. The amount of restricted stock units for external directors shall not exceed ¥100 million per year, with the total number of shares to be allocated not exceeding 6,000 shares per year, as resolved at the 123rd Annual Shareholders' Meeting. The amount of base compensation for Audit & Supervisory Board members shall not exceed ¥150 million per year.

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 each fiscal year, the Company has selected consolidated revenue, consolidated operating profit, and core free cash flow, which are the financial management target indicators for the Company, as evaluation indicators. In addition, the Company has selected Customer NPS®, employee engagement, and diversity leadership (ratio of female managers), which are the non-financial management target indicators for the Company, and third-party assessment, the "third-party assessment on ESG initiatives (DJSI,*4 CDP Climate Change*5)," as evaluation indicators to enhance the commitment of executive directors to achieving their performance targets.

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

*5 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, consolidated operating profit, and core free cash flow; growth from the previous fiscal year in Customer NPS, employee engagement, and diversity leadership (ratio of female managers), 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. At the end of the relevant fiscal year, the bonus amount to be paid will be calculated by multiplying the base bonus amount by a coefficient that reflects the following indicators: the degree of achievement of the performance targets for the respective fiscal year based on the Company's consolidated revenue, consolidated operating profit, and core free cash flow; and growth from the previous fiscal year in Customer NPS, employee engagement, and diversity leadership (ratio of female managers). Another indicator is whether the Company receives the highest ranking on an ESG evaluation, as provided by a third-party assessor. 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.

Status of corporate governance

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 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, and to enable efficient and substantial discussions, as well as to ensure fairness in the structure and level of executive compensation.

The Compensation Committee provides its recommendations or proposals 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. An individual director's compensation shall be determined by the Board of Directors following deliberation by the Compensation Committee to ensure objectivity, transparency, and fairness.

The Corporate Governance Policy stipulates that the Compensation Committee shall consist of non-executive officers, the majority of whom shall be independent directors, and that this committee shall be chaired by an independent director. The members of this committee, appointed in June 2022, are as follows and consist of four independent directors.

Chairperson: Chiaki Mukai

Members: Yoshiko Kojo, Scott Callon, Kenichiro Sasae

From the appointment of the above committee members in June 2022 through to March 31, 2023, which is the end of fiscal 2022, the Compensation Committee met six times to discuss such matters as the revision of executive compensation details to provide its recommendations to the Board of Directors and considered the introduction of a stock compensation plan for external 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 26, 2023; for the committee members appointed on June 26, 2023, 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 meetings examine 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 meetings 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 2022, the Company sold seven issues, and at the Board of Directors meeting, held on June 22, 2023, the Board discussed the continuation of the remaining strategic shareholdings held by the Company at the end of fiscal 2022.

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 Limited 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.

Status of corporate governance

Measures to ensure the effectiveness of corporate governance

Fujitsu Limited 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 2022.

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. As a judge, full-time Audit & Supervisory Board member Mr. Megumi Yamamuro has experience in handling numerous economic cases. He also has considerable knowledge of finance and accounting. (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 Corporate Auditors, the Audit & Supervisory Board, and the accounting auditor on auditing plans for and results of internal audits, including matters relating to Group companies.

The Internal Control & Audit Office includes 24 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 2022

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 2022.

Number of meetings of key boards and committees

Board of Directors meetings (including extraordinary meetings) 13 (1)	Audit & Supervisory Board meetings 10 (1)	Attendance of external directors at Board of Directors meetings 98.5% Chiaki Mukai: 100%; Atsushi Abe: 100%; Yoshiko Kojo: 100%; Scott Callon: 100%; Kenichiro Sasae: 92.3%
Attendance of external Audit & Supervisory Board members at Board of Directors meetings 100% Koji Hatsukawa: 100%; Hideo Makuta: 100%; Catherine O'Connell: 100%	Attendance of external Audit & Supervisory Board members at Audit & Supervisory Board meetings 100% Koji Hatsukawa: 100%; Hideo Makuta: 100%; Catherine O'Connell: 100%	

The list above includes executives who retired on June 26, 2023.

Status of corporate governance

Major activities of the Independent Directors & Auditors Council

The Independent Directors & Auditors Council met 12 times in fiscal 2022. The members shared information and exchanged viewpoints on the Company's management direction and important management matters associated with business restructuring, including M&As by the Company and the Fujitsu Group.

Major activities of the Executive Nomination Committee


In fiscal 2022, the Executive Nomination Committee met eight times to consider proposals for the nomination of representative directors, including the CEO, as well as for director and Audit & Supervisory Board member candidates, and provided its findings to the Board of Directors at the end of the fiscal year.

Major activities of the Compensation Committee

The Compensation Committee met six times in fiscal 2022 to discuss such matters as the revision to executive compensation, and provided its findings to the Board of Directors at the end of the fiscal year.

Policy for determining executive compensation for fiscal 2022

The remuneration for directors and Audit & Supervisory Board members for fiscal 2022, as presented in the table below, was determined based on the policy decided in fiscal 2022, prior to the fiscal 2023 revision to 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.

For details  Fujitsu Integrated Report 2022

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	¥124 million	¥277 million	¥647 million
External directors	5	¥79 million	—	—	¥79 million
Audit & Supervisory Board members (Internal)	2	¥72 million	—	—	¥72 million
External Audit & Supervisory Board members	3	¥41 million	—	—	¥41 million

Notes: 1. The above includes directors and Audit & Supervisory Board members who resigned in fiscal 2022.
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, 2023.

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 2022 based on the evaluation of fiscal 2021

In fiscal 2022, the Company continued with the following activities, aimed at sharing information in advance with independent directors and auditors to facilitate the review of high-priority items at Board of Directors meetings, and to enhance vital communication among the Board members. (1) The Independent Directors & Auditors Council met to facilitate the exchange of information and formulate opinions among the members. (2) The Company held private sessions for relevant non-executive directors, providing a platform to enhance communication among them. In addition, the Company concentrated on providing sufficient information to the Board of Directors and the Independent Directors & Auditors Council, such as providing overviews of the Company's business and major initiatives, and sharing materials and proceedings from meetings of the Management Council, which is made up of representative directors and corporate executive officers.

Fiscal 2022 evaluation method

The fiscal 2022 evaluation included an evaluation of the chairman and self-evaluations by directors and Audit & Supervisory Board members. As in fiscal 2021 and previous years, an anonymous questionnaire was conducted, in which executives were asked to evaluate performance with items ranked from one to five. In addition, this fiscal year, we conducted interviews based on the questionnaire responses for each respondent to clarify the reasons behind the responses and the direction of countermeasures. The results of the Board of Directors effectiveness evaluation were reported and discussed at regular Board of Directors meetings. Results of an evaluation by a proxy advisory firm of the Company's Board of Directors was also reported.

Fiscal 2022 evaluation

Where possible, we compared this year's results with the responses to questionnaires over the past four years and made the following evaluations:

- In the questionnaire responses, the average overall number of evaluation points was up compared to the previous fiscal year. In particular, we saw increases in (1) additional internal terminology and technical terminology used in Board of Directors materials, (2) the number of proposals handled by the Board of Directors, and (3) the duration of Board of Directors meetings.
- To further strengthen the oversight function of the Board of Directors, we will improve meeting efficiency to ensure sufficient time for discussion of important proposals by streamlining meeting proceedings. We will also simplify proposal materials and make sure they are distributed well in advance of meetings. In addition, we will strive to elevate the quality of discussions by expanding opportunities to provide information, including with the Independent Directors & Auditors Council.
- Moreover, we will continue to improve on the careful deliberations and processes leading up to resolutions on important proposals by the Board of Directors, as well as the selection of business activities in which the Board of Directors is required to demonstrate its oversight function.

Risk management

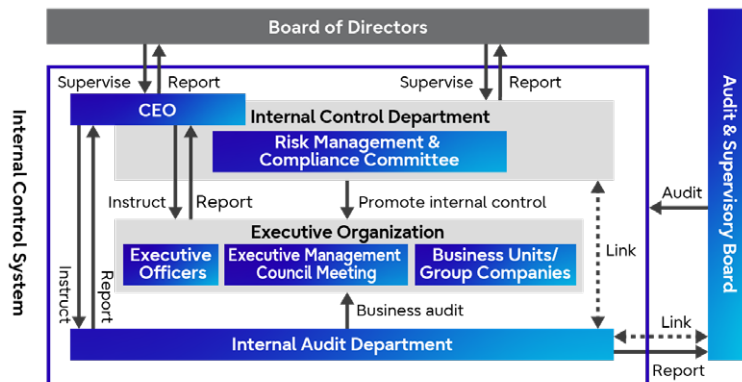
Guidelines & structure

The Fujitsu Group aims to achieve business continuity, enhanced corporate value, and the sustainable development of corporate activities. Uncertainties that might affect the achievement of these objectives are considered to be risks. To address these risks, the Fujitsu Group established a Risk Management & Compliance Committee based on the Policy on the Internal Control System determined by the Board of Directors. The committee reports directly to the Board of Directors and oversees risk management and compliance for the entire Fujitsu Group.

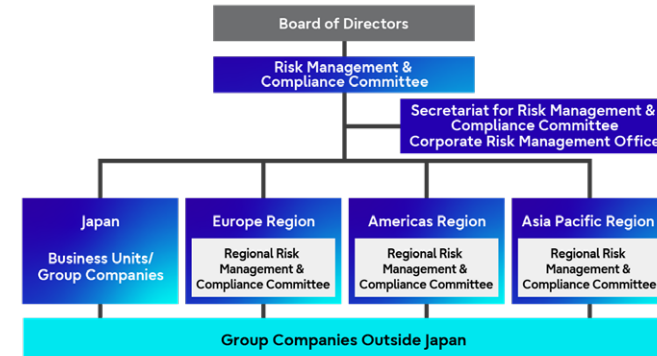
Chaired by the CEO and composed of Board Members, the Risk Management & Compliance Committee continually assesses and verifies risks that could result in losses to the Fujitsu Group, and implements risk control measures such as formulating preventive measures for materialized risks in business execution. To minimize losses arising from the materialization of risks, and in an effort to prevent their recurrence, the committee regularly analyzes the risks that have materialized and reports to the Board of Directors.

In addition, the Risk Management & Compliance Committee has established a Regional Risk Management & Compliance Committee in each region outside of Japan to operate as subordinate committees in a global structure. The committee also assigns risk management & compliance officers to the business units, Group companies and regions for both Japan and overseas. These organizations collaborate to build a risk management and compliance structure for the entire Group.

Positioning of the Risk Management & Compliance Committee in the internal control system



Risk management & compliance structure



Furthermore, to strengthen the risk management functions of the Group, we created the Corporate Risk Management Office, which reports directly to the CEO and is independent of the business units. This body carries out the secretariat functions of the Risk Management & Compliance Committee and, under the leadership of the CRMO (Chief Risk Management Officer), is responsible for interpreting risk-related information and spearheading rapid, appropriate responses where required.

Based on the initiatives taken to date, we have appointed a CQO (Chief Quality Officer) as the person responsible for quality for the entire Group, as we believe that Companywide and cross-organizational measures led by top management are more essential than ever to further strengthen measures and ensure effectiveness. Furthermore, we have enhanced the structure and functions of our Risk Management & Compliance Committee, chaired by the CEO, and have strengthened this framework to ensure constant and thorough Companywide responses.

Specifically, the CQO will be included as a member of this committee, which has been the venue for deliberations on important risk compliance issues related to the Group. This framework was established in which concrete measures are determined and promptly implemented, including Companywide measures related to information security and system quality, as well as responses to individual events. By establishing such a framework, we could thoroughly implement risk management led by the CEO, assigning more strengthened authority than ever to the CISO (Chief Information Security Officer) and CQO to supervise the process, including different CxO areas such as personnel systems and investment resources. Additionally, to ensure the rapid and effective implementation of measures, the committee is held every month.

Risk management

Risk management process

After identifying and reviewing the key risks associated with business activities from among the various risks around the Group's operations, every year we investigate, analyze, assess, and visualize the possibility of key risks occurring, the potential impact, the status of measures, and so on.

Based on the assessment outcomes, the Risk Management & Compliance Committee confirms the key risks, issues instructions on further measures, and reports to the Board of Directors. The policies and measures determined by the committee are fed back to the entire Group, and the risk management departments established for each key risk then appropriately manage the measures across the Group as part of efforts to minimize risks.

Information obtained through the potential risk management process is disclosed to stakeholders via documents including securities reports and the *Fujitsu Group Sustainability Data Book*.

In addition, when a risk materializes, the committee has established mandatory rules such as rapid escalation to the Risk Management & Compliance Committee in accordance with risk management regulations, and ensures that all employees are aware of these regulations to raise awareness of risk management.

By implementing such a process and confirming it by the risk management department on a quarterly basis, we aim to reduce risks across the Group and to minimize the impact when risks become apparent.

Risk management process

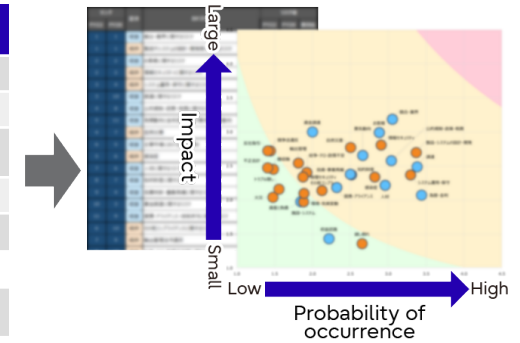


Visualization of key risks

Key risk assessment sheet

No.	Risk Category	Impact	Probability
1	Economic trends		
2	Customer trends		
3	Competition/ Industry trends		
4	Information security		
5	Compliance		
:			
32	Environment/ Climate change		

Key risk ranking table and map



Business risks of the Fujitsu Group

For details on the Fujitsu Group's business and other risks, please see the risk management section, disclosed on the following website.

For details [Risk management](#)

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 (including human rights risks)
- Intellectual property
- Security
- Human resources
- Fujitsu Group facilities and systems
- Environment and climate change

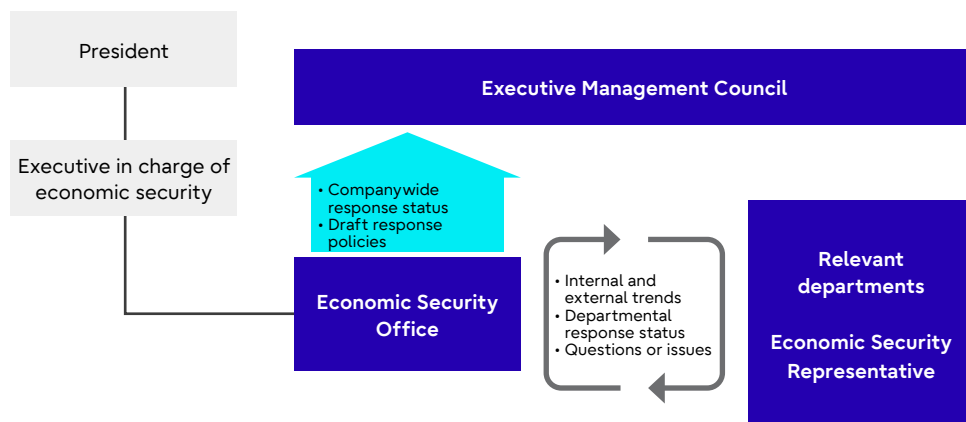
Economic security initiatives

Management structure

Due to the increasing complexity of the international situation and changes in the social and economic structure, various challenges related to economic security have become apparent. Our Group has established a management structure to address these challenges. We have appointed an Economic Security Representative in each relevant department to identify potential risks in response to environmental changes and promote comprehensive collaborative activities to ensure business continuity.

In December 2021, we established the Economic Security Office. As part of these collaborative activities, this office is responsible for formulating Companywide response strategies, as well as regularly monitoring the operational status of these strategies in relevant departments.

Management structure related to economic security



Management process

The Group has established a management process for economic security based on the management structure outlined above. We gather and analyze information on the international situation, as well as trends in the policies and legal systems of various countries and regions to assess their impact on our business. In accordance with this assessment, we take applicable measures and closely monitor the situation to prevent potential risks from manifesting.

These measures include compliance with export controls, investment management, and intellectual property management, as well as adaptation to new regulations in various countries and regions. Being a technology company, we also ensure proper management of emerging technologies, engaging actively with relevant departments to attend to these matters appropriately.

Responding to the challenges we face

In recent years, various countries and regions have introduced new legal frameworks to enhance the resilience of supply chains for critical supplies and to foster the development of essential technologies through public-private partnerships. These frameworks have the potential to impact the Group's business. We strive to build trust and relationships with governments and industries, gather and analyze information, and respond appropriately to the legal frameworks in each country and region based on such information. By doing so, we aim to create innovative solutions that inspire trust in society and guarantee stable business operations.

In light of various international situations, we are working to optimize our service delivery locations to provide ongoing, stable services to our customers. To address the situation in Ukraine, we have transferred various services we previously provided from our service delivery location in Russia to other regions. Moving forward, we will continue to minimize the impact on our customers based on our business continuity plan and respond pertinently as the situation develops.

Information security

Policy

The Fujitsu Group appointed a dedicated CISO (Chief Information Security Officer) 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

We are implementing a consistent global security policy and measures. We have appointed regional CISOs in each of the four regions (Japan, the Americas, Asia Pacific, and Europe) who report to the Fujitsu Group CISO. The regional CISOs help align corporate policy with the specific security requirements of each country and region, strengthening information security through a global framework.

To reach our ideal state of information security, we have established a structure to strengthen the CISO's control over relevant departments in Fujitsu headquarters and its Group companies in each region by assigning security managers in charge of autonomous information security enhancement of each department.

Information security management system run by the CISO and information security managers



*1 Product Security Incident Response Team

Our goals for information security

With the rapid increase in more skillful and sophisticated cyberattacks, enhancing information security has become an urgent issue for national economic security and for corporate economic activities. We have established our goals for information security as described below. To achieve these goals, we respond to cyberattacks with ever-evolving advanced information security, and by continuing to heighten the awareness of each employee and reform our organizational culture as this is the key to success. Together with relevant departments and employees, we are developing processes, rules, and systems to promote cybersecurity and are working to strengthen information security for the entire Fujitsu Group, as well as a safer business environment for our customers and partners.

Our goals for information security

Proactive information security

- Continuous evolution of information security to support diverse workstyles in the age of digital transformation (DX)
- Autonomous information security response by employees and organizations

Defensive information security

- Cyberattack prevention by addressing vulnerabilities
- Enhanced monitoring to minimize cyber risks in case of emergency

To prepare processes and rules for information security measures, we referred to global standards, including the NIST's^{*2} Cybersecurity Framework, SP800-53,^{*3} SP800-37,^{*4} and ISO/IEC 27002 on Information security, cybersecurity, and privacy protection. We established the Fujitsu Group Standards for Information Security Measures as our standard security measures and the Risk Management Framework as our framework for security risk management. We apply management measures based on the Fujitsu Group Standards for Information Security Measures to each organization and information system by executing the processes outlined in the Risk Management Framework. We strive to implement security measures effectively and realize "security by design" through a process of continuous improvement.

^{*2} National Institute of Standards and Technology

^{*3} NIST's SP800-53 Rev. 5 Security and Privacy Controls for Information Systems and Organizations

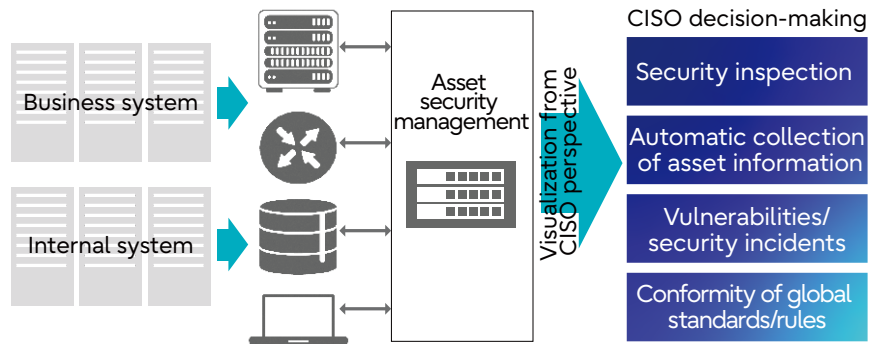
^{*4} NIST's SP800-37 Rev. 2 Risk Management Framework for Information Systems and Organizations

Information security

Autonomous correction through centralized and visualized IT asset management

To support our customers' safe, secure, and sustainable business activities, we have centralized and visualized the IT asset management of our global IT systems for our customers around the world, as well as our internal IT systems. This helps us promptly identify and correct any security risks throughout the Group. We have been strengthening routine risk management, visualizing risk audits conducted by an organization under the direct control of the CISOs and their results, and promoting a proper understanding of the actual situation in relevant departments and their autonomous corrective actions.

Global IT asset management



Vulnerability scanning of systems exposed to the Internet

Based on our IT asset management information, we provide a vulnerability scanning mechanism for systems exposed to the Internet. This system enables the departments managing those systems to conduct periodic scans and allows us to mitigate vulnerabilities through prompt corrective action.

Information management

The Company and the Fujitsu Group in Japan implemented the Information Protection Management System in order to appropriately protect third-party confidential information, including personal information, as well as our own confidential information, applying a PDCA cycle to information management. In order to clarify information assets that must be protected, we establish suitable management actions according to the circumstances of our customers and suppliers, and take stringent measures to protect 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.

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 local laws and regulations, including the GDPR.*⁵ We post our privacy policy on public websites in individual countries, describing our handling of personal information.

*⁵ General Data Protection Regulation

For details [Information security](#)

[Fujitsu's efforts to strengthen information security measures and system quality in Japan](#)

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 fiscal 2016.

Fiscal years	JGAAP	(Billions of yen)										(%)
	2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Year-on-year change (%) ^{*1}
Financial data												
Net sales (revenue)	¥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	¥3,713.7	3.5
Net sales (revenue) outside Japan	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	1,423.4	8.1
Percentage of sales outside Japan (%)	37.8	37.8	39.6	40.0	35.4	36.8	36.3	31.8	32.7	36.7	38.3	
Operating profit	142.5	147.2	178.6	120.6	117.4	182.4	130.2	211.4	266.3	219.2	335.6	53.1
Operating profit margin (%)	3.0	3.1	3.8	2.5	2.8	4.5	3.3	5.5	7.4	6.1	9.0	
Net profit (Profit attributable to owners of the parent)	48.6	113.2	140.0	86.7	88.4	169.3	104.5	160.0	202.7	182.6	215.1	17.8
Cash flows from operating activities	¥ 175.5	¥ 176.5	¥ 280.1	¥ 253.0	¥ 250.3	¥ 200.4	¥ 99.4	¥ 347.2	¥ 307.9	¥ 248.3	¥ 220.3	(11.3)
Cash flows from investing activities	(128.8)	(128.9)	(200.5)	(164.3)	(145.4)	(22.5)	4.1	(114.2)	(71.5)	(59.2)	(42.8)	—
Free cash flow	46.6	47.5	79.6	88.7	104.8	177.8	103.5	233.0	236.3	189.0	177.5	(6.1)
Cash flows from financing activities	(44.7)	(46.2)	(17.3)	(67.7)	(98.8)	(112.4)	(136.6)	(193.1)	(219.6)	(193.6)	(313.5)	—
Inventories	¥ 330.2	¥ 330.2	¥ 313.8	¥ 298.8	¥ 293.1	¥ 241.6	¥ 226.0	¥ 238.0	¥ 237.0	¥ 309.8	¥ 337.0	8.8
Monthly inventory turnover rate (times)	1.07	1.07	1.11	1.12	1.15	1.21	1.22	1.13	1.16	0.98	0.83	
Total assets	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	3,265.5	(2.0)
Owners' equity (Equity attributable to owners of the parent)	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	1,586.8	(0.2)

Point
1

Operating profit margin

In fiscal 2022, excluding one-time profit of ¥14.7 billion associated with business restructuring and business transfers, operating profit on an actual business basis was ¥320.8 billion, with an operating profit margin on an actual business basis of 8.6%, improving 0.9 of a percentage point year on year. As a special item, the result for the fiscal year included profit from business transfers, while the previous fiscal year's result included expenses from conducting measures to accelerate our transition into a DX company.

Point
2

Free cash flow

In fiscal 2022, base cash flow, which is free cash flow before growth investments plus lease obligation payments, was positive ¥250.0 billion, an increase in cash inflows of ¥38.2 billion compared with the previous fiscal year. Base cash flow is cash flow generated from the business and optimization of asset holdings, and is the source of cash for funding growth investments and the distribution of shareholder returns.

^{*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.

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 fiscal 2016.

Fiscal years	JGAAP	IFRS										(%)
	2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Year-on-year change (%) ^{*1}
Financial data												
Return on equity (ROE) (%)	8.1	23.2	20.6	11.0	10.6	17.2	9.4	13.5	15.1	12.0	13.5	
Owners' equity ratio (Equity attributable to owners of the parent ratio) (%)	18.6	18.2	24.2	24.3	27.6	34.8	36.5	38.9	45.5	47.7	48.6	
Return on assets (ROA) (%)	1.6	3.7	4.4	2.7	2.8	5.4	3.4	5.1	6.4	5.6	6.5	
Interest-bearing loans (billions of yen)	519.6	560.2	578.4	534.9	486.7	402.2	316.2	405.5	316.3	285.3	211.1	(26.0)
D/E ratio (times)	0.91	0.99	0.73	0.68	0.55	0.37	0.28	0.33	0.22	0.18	0.13	
Net D/E ratio (times)	0.38	0.46	0.27	0.20	0.12	-0.05	-0.09	-0.04	-0.11	-0.12	-0.09	
R&D expenses (billions of yen)	221.3	222.5	202.7	179.8	170.0	158.6	134.9	123.3	113.8	105.3	109.5	4.0
Capital expenditure ^{*2} (billions of yen)	122.2	122.8	140.6	156.0	120.6	94.0	83.5	96.4	87.5	88.9	121.0	36.1
Depreciation ^{*2} (billions of yen)	115.1	115.9	121.2	119.8	108.6	107.0	96.9	84.5	76.0	89.5	89.6	0.1
Amounts per share of common stock (yen)^{*3}												
Net profit attributable to owners of the parent (EPS) ^{*4}	¥ 23.49	¥ 54.71	¥ 67.68	¥ 41.94	¥ 42.83	¥ 82.53	¥512.50	¥791.20	¥1,013.78	¥ 924.21	¥1,107.63	19.8
Dividends	4	4	8	8	9	11	150	180	200	220	240	9.1
Equity attributable to owners of the parent ^{*5}	277.03	273.79	381.88	378.37	429.80	528.38	5,585.35	6,197.11	7,287.15	8,094.70	8,425.37	4.1

Point 3

ROE

ROE, calculated by dividing profit for the year attributable to owners of the parent by total equity attributable to owners of the parent (owners' equity), was 13.5% in fiscal 2022, compared with 12.0% in the previous fiscal year.

Point 4

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

EPS was ¥1,107.63 for fiscal 2022, an advancement from ¥924.21 in the previous fiscal year. The CAGR from fiscal 2019 to fiscal 2022 was 12%, in line with the financial target.

^{*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 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 fiscal 2018 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	(%)
											2022/2021 year-on-year change (%)
Non-financial data (ESG indicators)											
Environmental											
Greenhouse gas emissions (Scope 1) (thousand tons)* ⁶	219	197	189	208	198	147	87	75	70	65	-8.6
Greenhouse gas emissions (Scope 2 [Location-based]) (thousand tons)* ⁶	1,105	700	686	1,021	939	808	715	583	530	476	-10.6
Greenhouse gas emissions (Scope 2 [Market-based]) (thousand tons)* ⁶	—	—	—	—	912	771	663	540	427	341	-20.8
Greenhouse gas emissions (Scope 3) (thousand tons)	8,499	8,124	7,290	7,800	6,271	6,105	5,884	5,390	7,157	5,367	-25.0
Energy usage (thousand GJ)	19,700	18,780	18,370	20,380	19,250	17,350	16,300	137,80	13,000	5,080	-60.9
Ratio of renewable energy to total electricity consumption (%)	—	—	—	5.2	7.3	8.6	8.4	10.1	20.7	30.0	
Water usage (thousand m ³)	18,620	16,600	15,830	16,870	15,540	13,830	9,910	6,770	6,890	6,150	-10.7
Social											
Number of employees	162,393	158,846	156,515	155,069	140,365	132,138	129,071	126,371	124,216	124,055	
Outside Japan	61,357	59,491	57,610	56,622	47,889	46,791	46,839	44,946	47,371	51,414	
Percentage of female managers (%)	—	—	—	—	—	—	—	—	—	15.0	
Employee engagement* ⁷	—	—	—	—	—	—	63	68	67	69	
Governance											
Percentage of independent directors (non-consolidated) (%)	27.3	36.4	40.0	40.0	40.0	40.0	55.6	55.6	55.6	55.6	
Percentage of female directors (non-consolidated) (%)	9.1	16.7	20.0	20.0	20.0	20.0	22.2	22.2	22.2	22.2	

Point
5

Point
5

Percentage of independent directors (non-consolidated)

As of the Annual Shareholders' Meeting convened in June 2023, 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.

*⁶ Includes emissions from Group companies that were present for only part of the relevant fiscal year. (Consolidated Group data has been used from fiscal 2023.)

*⁷ 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 fiscal 2020

		Market environment	Fiscal 2022 highlights	Revenue (Fiscal years)	Operating profit / Operating profit margin (Fiscal years)																							
Technology Solutions	Solutions / Services	<p>The Solutions / Services market expanded in fiscal 2022, with a gradual recovery in the second half of the fiscal year, despite supply chain disruptions, as well as the modernization of legacy IT systems and buoyant demand for shifting to the cloud. For fiscal 2023, the outlook is for macro-economic uncertainty; however, we expect solid performance atop continued lively demand for DX, including modernization.</p>	<p>Revenue</p> <p>Revenue in Solutions / Services was ¥1,819.3 billion, down 11% year on year. However, revenue from the actual business, excluding the impact of business restructuring, increased 2.5%. Despite the impact of component shortages on the hardware-related business, strong overall investment demand continued across each business type, and SI / Services recorded solid revenues, mainly due to renewal of core systems and business deals regarding modernization in industries such as manufacturing and distribution, and the DX business.</p> <p>Operating profit</p> <p>Operating profit was ¥233.7 billion, up ¥44.9 billion year on year. The increase reflected improved profits due to the effect of higher sales in SI/ Services in Japan, as well as the clear results of initiatives undertaken to date, such as standardization of development utilizing the Global Delivery Centers and increased efficiency in expenses.</p>	<p>(Billions of yen)</p> <table><thead><tr><th>Fiscal Year</th><th>Revenue</th></tr></thead><tbody><tr><td>2020</td><td>1,883.6</td></tr><tr><td>2021</td><td>1,840.5</td></tr><tr><td>2022</td><td>1,819.3</td></tr></tbody></table> <p>Note: Includes intersegment sales</p>	Fiscal Year	Revenue	2020	1,883.6	2021	1,840.5	2022	1,819.3	<p>(Billions of yen) (%)</p> <table><thead><tr><th>Fiscal Year</th><th>Operating profit (left scale)</th><th>Operating profit margin (right scale)</th></tr></thead><tbody><tr><td>2020</td><td>190.7</td><td>10.1</td></tr><tr><td>2021</td><td>188.7</td><td>10.3</td></tr><tr><td>2022</td><td>233.7</td><td>12.8</td></tr></tbody></table> <p>■ Operating profit (left scale) — Operating profit margin (right scale)</p>	Fiscal Year	Operating profit (left scale)	Operating profit margin (right scale)	2020	190.7	10.1	2021	188.7	10.3	2022	233.7	12.8			
	Fiscal Year	Revenue																										
2020	1,883.6																											
2021	1,840.5																											
2022	1,819.3																											
Fiscal Year	Operating profit (left scale)	Operating profit margin (right scale)																										
2020	190.7	10.1																										
2021	188.7	10.3																										
2022	233.7	12.8																										
System Platforms	<p>In fiscal 2022, the domestic System Products market grew as supply chain disruptions and other factors gradually resolved from the second half of the fiscal year and companies made progress on clearing their order backlogs. In fiscal 2023, the market is expected to expand with the further clearing of order backlogs and the restarting of delayed projects. The mobile infrastructure markets in fiscal 2022 saw continued high levels of investment in 5G in Japan and North America. Meanwhile, the optical transmission market contracted sharply in Japan, partly reflecting a downshift in 5G network construction activity, but expanded in North America as investment continued to be stimulated by growth in demand for optical fiber backbones.</p>	<p>Revenue</p> <p>Revenue in System Platforms was ¥678.1 billion, up 9.8% year on year. From the second half of the fiscal year onward, revenue and profit and loss steadily recovered from the impact of the delayed supply of components caused by semiconductor shortages, while System Products sales were higher year on year, mainly for servers and storage systems. In addition, in Network Products, sales of photonics systems for North America increased.</p> <p>Operating profit</p> <p>Operating profit was ¥68.9 billion, an increase of ¥12.2 billion year on year. This increase reflected the recovery from the delayed supply of components, as well as the higher sales of network products for North America.</p>	<p>(Billions of yen)</p> <table><thead><tr><th>Fiscal Year</th><th>System Products</th><th>Network Products</th></tr></thead><tbody><tr><td>2020</td><td>432.6</td><td>201.1</td></tr><tr><td>2021</td><td>384.7</td><td>232.8</td></tr><tr><td>2022</td><td>409.6</td><td>268.5</td></tr></tbody></table> <p>Note: Includes intersegment sales</p>	Fiscal Year	System Products	Network Products	2020	432.6	201.1	2021	384.7	232.8	2022	409.6	268.5	<p>(Billions of yen) (%)</p> <table><thead><tr><th>Fiscal Year</th><th>Operating profit (left scale)</th><th>Operating profit margin (right scale)</th></tr></thead><tbody><tr><td>2020</td><td>38.8</td><td>6.1</td></tr><tr><td>2021</td><td>56.6</td><td>9.2</td></tr><tr><td>2022</td><td>68.9</td><td>10.2</td></tr></tbody></table> <p>■ Operating profit (left scale) — Operating profit margin (right scale)</p>	Fiscal Year	Operating profit (left scale)	Operating profit margin (right scale)	2020	38.8	6.1	2021	56.6	9.2	2022	68.9	10.2
Fiscal Year	System Products	Network Products																										
2020	432.6	201.1																										
2021	384.7	232.8																										
2022	409.6	268.5																										
Fiscal Year	Operating profit (left scale)	Operating profit margin (right scale)																										
2020	38.8	6.1																										
2021	56.6	9.2																										
2022	68.9	10.2																										

Note: From fiscal 2023, the Company's segments have changed; however, as this report deals with fiscal 2022, the information is presented with the segments prior to the change.

Highlights by segment

		Market environment	Fiscal 2022 highlights	Revenue (Fiscal years)	Operating profit (loss) / Operating profit (loss) margin (Fiscal years)
<div>Technology Solutions</div> <div>International Regions Excluding Japan</div>		Please see pages 99-100, "Technology Solutions highlights by international region."	Revenue Revenue in International Regions Excluding Japan was ¥812.4 billion, up 11.4% year on year. Sales in the service business expanded in step with the enhancement of capabilities in the digital domain due to M&As conducted in the Asia Pacific region, as well as foreign exchange effects. Operating profit Operating profit was ¥59 billion, down ¥18.0 billion year on year. The decrease mainly reflects the impact on profits of an increase in procurement costs associated with foreign exchange effects in the core business, one-time costs related to M&As, and the absence of a gain on transfer of a subsidiary that arose in the previous fiscal year.	(Billions of yen) 0 2020 2021 2022 Note: Includes intersegment sales	(Billions of yen) (%) 0 2020 2021 2022 0 ■ Operating profit (left scale) — Operating profit margin (right scale)
		In fiscal 2022, the enterprise PC market in Japan contracted year on year as the cycle of demand had passed its peak for computing environment upgrades, such as demand for PCs for the GIGA School Program in the education market and for telework. In fiscal 2023, a continued strong recovery in demand appears unlikely and the market is expected to continue contracting.	Revenue Revenue in the Ubiquitous Solutions segment was ¥232.9 billion, down 1.7% year on year. Revenue in Japan increased by 10.6% year on year, while overseas revenue declined by 16.6% year on year, reflecting a decrease in PC sales as demand shrank due to a slump in market conditions in Europe. Operating profit Operating loss was ¥6.5 billion, a decrease of ¥12.4 billion year on year, as purchasing costs increased due to foreign exchange fluctuations.	(Billions of yen) 0 2020 2021 2022 Note: Includes intersegment sales	(Billions of yen) (%) -20 2020 2021 2022 -5.0 ■ Operating profit (loss) (left scale) — Operating profit (loss) margin (right scale)
		In fiscal 2022, semiconductor market conditions worsened through the second half, mainly due to the impacts of global inflation and economic slowdown, a decline in demand for PCs and smartphones, and inventory adjustments, despite strong demand for automobiles and industrial equipment and the like. In fiscal 2023, adverse conditions are expected to continue as demand recedes further and inventory adjustments become drawn out.	Revenue Revenue in Device Solutions was ¥382.6 billion, up 1.8% year on year. Full-year results were little changed from the previous fiscal year as a strong expansion in semiconductor demand in the first half was absorbed by a sharp drop in the second half. Operating profit Operating profit was ¥79.0 billion, up ¥0.7 billion year on year, basically on a par with the previous fiscal year due to same level year-on-year sales performance.	(Billions of yen) 0 2020 2021 2022 Note: Includes intersegment sales	(Billions of yen) (%) 0 2020 2021 2022 0 ■ Operating profit (left scale) — Operating profit margin (right scale)

Note: From fiscal 2023, the Company's segments have changed; however, as this report deals with fiscal 2022, the information is presented with the segments prior to the change.

Technology Solutions highlights by international region

Fujitsu Limited and Consolidated Subsidiaries

	Market environment	Fiscal 2022 highlights	Revenue (Fiscal years)	Operating profit / Operating profit margin (Fiscal years)															
Europe	<p>In 2022, Europe's IT market expanded favorably, growing 8.2% year on year. By region, the IT market in Western Europe grew dramatically by 10.6% year on year, while the IT market in Central and Eastern Europe contracted by 7.2%. In 2023, the overall IT market in Europe is expected to slow down, growing by just 2.6% year on year. By region, Central and Eastern Europe is forecast to lose further ground, falling by 4.5% year on year, while in Western Europe the pace of growth in the market is projected to slip to 3.5%. CAGR from 2022 to 2025 for Europe overall is predicted to be 5.7% as the region continues to advance steadily. By region, the expected CAGR for Central and Eastern Europe is 1.5%, and for Western Europe 6.3%.</p>	<p>Europe includes the United Kingdom, Northern Europe, Spain, Germany, and others. Revenue was ¥578.1 billion, an increase of ¥35.8 billion year on year. Operating profit was ¥4.1 billion, a decrease of ¥10.2 billion year on year. Overall revenue increased due to higher revenue in the products business, mainly reflecting a recovery from the impact of component shortages from the second half, and the impact of the yen's depreciation, despite the impact of a fall in revenue in the services business following the conclusion of a large-scale project in the United Kingdom in the previous fiscal year. Operating profit decreased, mainly reflecting the absence of one-time gains on the transfer of subsidiaries conducted in the previous fiscal year, the negative impact of a strong US dollar and a weak euro, and a decrease in profit following the conclusion of the large-scale project in the previous fiscal year, which was only partially absorbed by a boost in earnings following the acquisition of a public sector business deal in the United Kingdom.</p>	<p>(Billions of yen)</p> <table><tr><th>Fiscal Year</th><th>Revenue (Billions of yen)</th></tr><tr><td>2021</td><td>542.2</td></tr><tr><td>2022</td><td>578.1</td></tr></table> <p>Note: Includes intersegment sales</p>	Fiscal Year	Revenue (Billions of yen)	2021	542.2	2022	578.1	<p>(Billions of yen) (%)</p> <table><tr><th>Fiscal Year</th><th>Operating profit (Billions of yen)</th><th>Operating profit margin (%)</th></tr><tr><td>2021</td><td>2.7</td><td>4.0</td></tr><tr><td>2022</td><td>4.1</td><td>0.7</td></tr></table> <p>■ Operating profit (left scale) — Operating profit margin (right scale)</p>	Fiscal Year	Operating profit (Billions of yen)	Operating profit margin (%)	2021	2.7	4.0	2022	4.1	0.7
Fiscal Year	Revenue (Billions of yen)																		
2021	542.2																		
2022	578.1																		
Fiscal Year	Operating profit (Billions of yen)	Operating profit margin (%)																	
2021	2.7	4.0																	
2022	4.1	0.7																	
Americas	<p>In 2022, the IT market in the Americas grew significantly by 9.8% year on year, and is expected to continue growing strongly in 2023, increasing by 5.0%. The market is predicted to keep expanding at a rapid pace, with a CAGR of 7.4% from 2022 to 2025.</p>	<p>The Americas includes the United States, Canada, Brazil, and others. Revenue was ¥52.6 billion, up ¥11.1 billion year on year. Operating profit was ¥2.6 billion, up ¥1.1 billion year on year. Revenue growth was mainly attributable to growth in the services business in North America. Operating profit increased chiefly as a result of an improved gross profit margin associated with revenue growth in the services business in North America and efforts to increase efficiency in expenses.</p>	<p>(Billions of yen)</p> <table><tr><th>Fiscal Year</th><th>Revenue (Billions of yen)</th></tr><tr><td>2021</td><td>41.5</td></tr><tr><td>2022</td><td>52.6</td></tr></table> <p>Note: Includes intersegment sales</p>	Fiscal Year	Revenue (Billions of yen)	2021	41.5	2022	52.6	<p>(Billions of yen) (%)</p> <table><tr><th>Fiscal Year</th><th>Operating profit (Billions of yen)</th><th>Operating profit margin (%)</th></tr><tr><td>2021</td><td>1.4</td><td>3.4</td></tr><tr><td>2022</td><td>2.6</td><td>4.9</td></tr></table> <p>■ Operating profit (left scale) — Operating profit margin (right scale)</p>	Fiscal Year	Operating profit (Billions of yen)	Operating profit margin (%)	2021	1.4	3.4	2022	2.6	4.9
Fiscal Year	Revenue (Billions of yen)																		
2021	41.5																		
2022	52.6																		
Fiscal Year	Operating profit (Billions of yen)	Operating profit margin (%)																	
2021	1.4	3.4																	
2022	2.6	4.9																	

Notes: IDC's Black Book Live Edition June 2023 is the source of IT market information.

Technology Solutions highlights by international region

	Market environment	Fiscal 2022 highlights	Revenue (Fiscal years)	Operating profit (loss) / Operating profit (loss) margin (Fiscal years)															
Asia Pacific	In 2022, Asia Pacific's IT market expanded rapidly, growing 9.2% year on year. In 2023, solid performance is expected to continue with growth of 4.0%. The market is expected to maintain its upward trend, with a CAGR of 6.3% from 2022 to 2025.	Asia Pacific includes Southeast Asian counties such as Singapore, as well as Australia and New Zealand, and others. Revenue was ¥161.8 billion, up ¥32.8 billion year on year. Operating loss was ¥2.4 billion, a deterioration of ¥7.0 billion from an operating profit of ¥4.5 billion recorded in the previous fiscal year. The main factors for the increase in revenue for the region overall were the effects of M&As conducted in Oceania and revenue growth in Thailand and Singapore, among others. Operating loss resulted from a decrease in profit mainly attributable to increased expenses associated with the aforementioned M&As.	<p>(Billions of yen)</p> <table><thead><tr><th>Fiscal Year</th><th>Revenue (Billions of yen)</th></tr></thead><tbody><tr><td>2021</td><td>128.9</td></tr><tr><td>2022</td><td>161.8</td></tr></tbody></table> <p>Note: Includes intersegment sales</p>	Fiscal Year	Revenue (Billions of yen)	2021	128.9	2022	161.8	<p>(Billions of yen) (%)</p> <table><thead><tr><th>Fiscal Year</th><th>Operating profit (loss) (Billions of yen)</th><th>Operating profit (loss) margin (%)</th></tr></thead><tbody><tr><td>2021</td><td>4.5</td><td>3.5</td></tr><tr><td>2022</td><td>-2.4</td><td>-1.5</td></tr></tbody></table> <p>■ Operating profit (loss) (left scale) — Operating profit (loss) margin (right scale)</p>	Fiscal Year	Operating profit (loss) (Billions of yen)	Operating profit (loss) margin (%)	2021	4.5	3.5	2022	-2.4	-1.5
Fiscal Year	Revenue (Billions of yen)																		
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2022	161.8																		
Fiscal Year	Operating profit (loss) (Billions of yen)	Operating profit (loss) margin (%)																	
2021	4.5	3.5																	
2022	-2.4	-1.5																	
East Asia	In 2022, the East Asian IT market saw subdued growth of 1.4% year on year. However, in 2023, it is forecast to increase by 3.5% year on year. Growth is expected to accelerate, with a CAGR of 6.6% from 2022 to 2025.	East Asia includes China, Taiwan, South Korea, and others. Revenue was ¥44.8 billion, up ¥10.5 billion year on year. Operating profit was ¥1.5 billion, up ¥1.1 billion year on year. Revenue increased mainly due to a contribution from a large-scale business deal in Taiwan and an increase in the product business in South Korea. Operating profit increased due to the effects of the large-scale business deal in Taiwan.	<p>(Billions of yen)</p> <table><thead><tr><th>Fiscal Year</th><th>Revenue (Billions of yen)</th></tr></thead><tbody><tr><td>2021</td><td>34.2</td></tr><tr><td>2022</td><td>44.8</td></tr></tbody></table> <p>Note: Includes intersegment sales</p>	Fiscal Year	Revenue (Billions of yen)	2021	34.2	2022	44.8	<p>(Billions of yen) (%)</p> <table><thead><tr><th>Fiscal Year</th><th>Operating profit (loss) (Billions of yen)</th><th>Operating profit (loss) margin (%)</th></tr></thead><tbody><tr><td>2021</td><td>1.2</td><td>0.4</td></tr><tr><td>2022</td><td>1.5</td><td>3.3</td></tr></tbody></table> <p>■ Operating profit (left scale) — Operating profit margin (right scale)</p>	Fiscal Year	Operating profit (loss) (Billions of yen)	Operating profit (loss) margin (%)	2021	1.2	0.4	2022	1.5	3.3
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Notes: IDC's Black Book Live Edition June 2023 is the source of IT market information.

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 71.



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

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

Dow Jones Sustainability
Indices (Asia Pacific)



FTSE4Good

FTSE4Good Index Series



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



MSCI World ESG Leaders Index



STOXX® Global ESG Leaders Index



EcoVadis Sustainability Rating



ISS ESG Corporate Rating

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

2023 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom
Japan Sector
Relative Index



FTSE Blossom
Japan



Editorial policy / Disclosure system

Editorial policy

This report aims to communicate Fujitsu's business activities and initiatives for creating value comprehensively and succinctly. Our aim is to provide a unified story that includes financial as well as non-financial information, such as our environmental, social, and governance activities.

In fiscal 2023, we have created the report with our strongest focus on communicating to stakeholders such issues as the relationship between the corporate value enhancement process, our management strategy, and our management capitals, based on the newly launched medium-term plan. We have also referred to stakeholder feedback on our Integrated Report 2022 in an effort to enhance the content. This includes an explanation of our reforms and progress to date, and the contribution of the Group's human resource strategy to its future growth, using both qualitative and quantitative data.

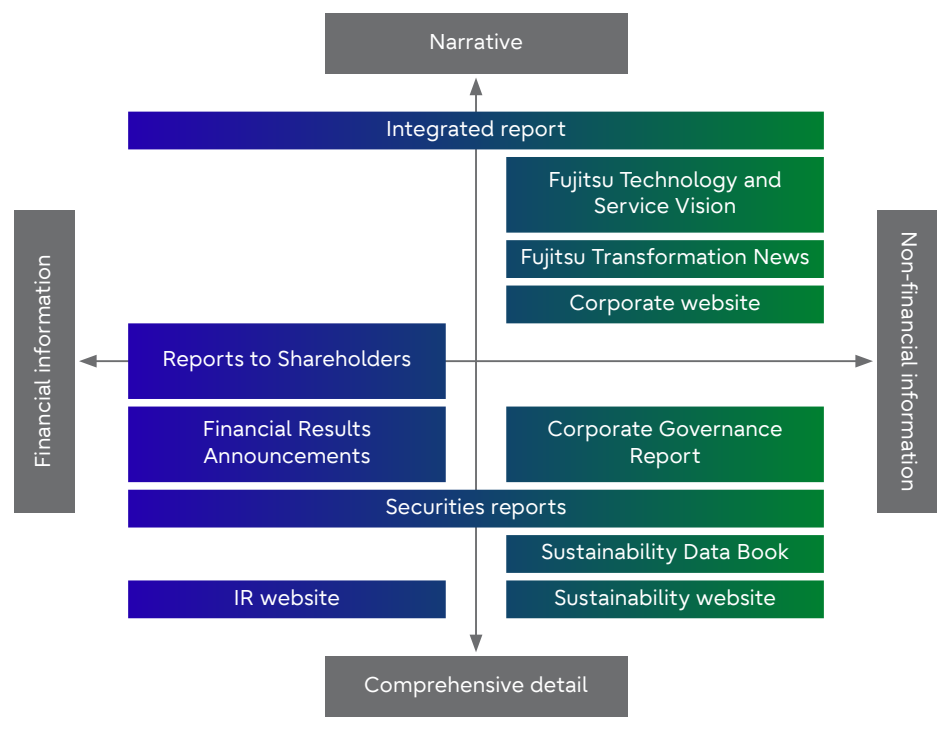
We invite stakeholders to read this Integrated Report and share your candid opinions. Looking ahead, we will place even greater emphasis on opportunities for dialogue with stakeholders. We hope that you will support the Group's efforts to increase its corporate value as we develop a deeper mutual understanding through dialogue.

Reference guidelines

In producing this report, we have referred to various guidelines such as the International Integrated Reporting Framework of the IFRS Foundation and the Guidance for Collaborative Value Creation of the Japanese Ministry of Economy, Trade and Industry.

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*.



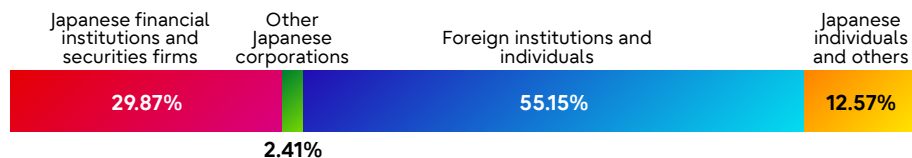
- Notes:
1. From fiscal 2014, Fujitsu has adopted the International Financial Reporting Standards (IFRS). However, some sections have presented results under the Japanese accounting standard for the purpose of year-on-year comparison. These sections are indicated in the report.
 2. All brand names and product names are trademarks and registered trademarks of their respective holders.
 3. The GRB icons represent Fujitsu's six key priority issues in sustainability management as graphic symbols.

Company overview / Shareholder data

(As of March 31, 2023)

Capital: ¥324,625,075,685
Authorized common stock: 500,000,000 shares
Issued common stock: 207,001,821 shares
Number of shareholders: 99,035

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)	33,388	17.73
Ichigo Trust Pte. Ltd.	14,899	7.91
Custody Bank of Japan, Ltd. (for trust)	11,832	6.28
GIC PRIVATE LIMITED - C	6,538	3.47
STATE STREET BANK AND TRUST COMPANY 505223	4,534	2.41
SSBTC CLIENT OMNIBUS ACCOUNT	3,825	2.03
Fujitsu Employee Shareholding Association	3,590	1.91
STATE STREET BANK WEST CLIENT - TREATY 505234	3,518	1.87
Asahi Mutual Life Insurance Company	3,518	1.87
JP MORGAN CHASE BANK 385632	3,432	1.82

Notes: 1. The investment ratio is calculated after exclusion of treasury stock holdings (18,661,673 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

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

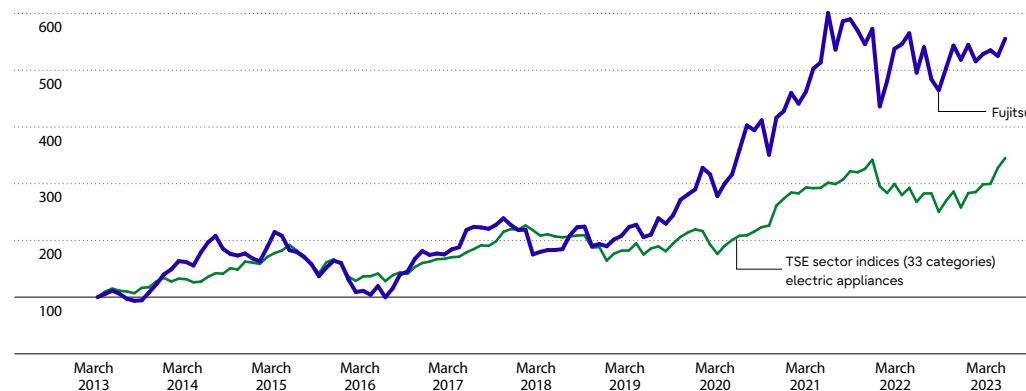
Accounting auditors: Ernst & Young ShinNihon LLC

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/>

Total shareholder return: TSR



Source: Refinitiv

Notes: 1. On October 1, 2018, Fujitsu consolidated every 10 shares of stock into one share. The figures in the graph are calculated based on the number of shares after the stock consolidation.

2. The graph displays the relative value of the stock price including dividends (dividends reinvested) at the end of each month, taking the closing value at the end of the fiscal year ended March 31, 2013, as one hundred.