

ESG Briefing

April 16, 2021

FUJITSU

shaping tomorrow with you

Initiatives in the Fujitsu Way, Global Responsible Business, and the Environment

Fujitsu Limited

Corporate Executive Officer, Chief Sustainability Officer

Yumiko Kajiwara

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Good Morning.

My name is Yumiko Kajiwara, and I am the Chief Sustainability Officer at Fujitsu.

Thank you for taking time out of your busy schedules to join our briefing today on Fujitsu's ESG initiatives.

I will start by talking about the Fujitsu Way, and then I will describe our Global Responsible Business and environmental initiatives.

Presentation Contents



1. Our Purpose - Fujitsu Way

Management Direction (Non-Financial Targets and Global Responsible Business)

2. Environmental Initiatives

- Medium/Long-term Environmental Vision

- SBT 1.5°C Certification - Energy Conservation Measures and Promoting Renewable Energy

- Environmental Action Plan


3. Contributing to Our Customers

- Business Case Studies

This is an outline of my presentation today.

I will mainly focus on Fujitsu's Purpose and the environmental component of ESG.

Why does Fujitsu exist?
For that purpose, what actions should each of our employees
take?

A pair of hands in a white shirt is shown from the bottom, cupping a glowing globe. The globe is composed of a network of white dots connected by thin white lines, representing a digital or global network. The background is a soft, out-of-focus blue and white.

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

I will start with Fujitsu's Purpose.

Last year we defined Fujitsu's Purpose, and many of you have probably seen this before.

On the occasion of the 85th anniversary of our founding, we asked ourselves the reason why Fujitsu exists in society, and, based on that, in what direction should we head. What should be the compass that guides us?

We looked at these issues from many angles. We examined international trends, including the Paris Agreement and the Sustainable Development Goals. We looked at trends among our stakeholders. And we also considered the DNA that has been at the core of Fujitsu from the start.

As a result of this process, we formulated the following purpose: Our Purpose is to make the world more sustainable by building trust in society through innovation.

As stated in the phrase "to make the world more sustainable," Fujitsu's Purpose aligns with contributions to the Sustainable Development Goals.

Fujitsu Way (Revision)



Our Purpose	Our purpose is to make the world more sustainable by building trust in society through innovation.
Our Values	Aspiration <ul style="list-style-type: none"> • Set ambitious targets and act with agility. • Embrace diversity and create original ideas. • Stay curious and learn from failures and experiences. • Deliver positive impact through human centric innovation.
	Trust <ul style="list-style-type: none"> • Honor promises and exceed expectations. • Act with ethics, transparency and integrity. • Work autonomously and unite for common goals. • Contribute to a trusted society using technology.
	Empathy <ul style="list-style-type: none"> • Strive for customers' success and their sustainable growth. • Listen to all people and act for the needs of our planet. • Work together to solve global challenges. • Generate shared value for our people, customers, partners, community and shareholders.
Code of Conduct	<ul style="list-style-type: none"> • We respect human rights. • We comply with all laws and regulations. • We act with fairness in our business dealings. • We protect and respect intellectual property. • We maintain confidentiality. • We do not use our position in our organization for personal gain.

In conjunction with the definition of our Purpose, for the first time in 12 years we created an updated version of the Fujitsu Way, which represents the principles that underlie all of the decisions and actions of Fujitsu employees around the world.

Using Fujitsu's values of aspiration, trust, and empathy as a starting point, the Fujitsu Way seeks to create a virtuous circle through the individual actions of Fujitsu employees in order to achieve our purpose. Today, Fujitsu is conducting its business activities based on this new Fujitsu Way, which is the same across the world.

Our Values are the values that should be held by each employee, and the Code of Conduct defines what employees should comply with.

Management Direction: Non-Financial Targets and Global Responsible Business

Setting financial and non-financial management targets to achieve our Purpose

Fujitsu's Sustainable Growth



I will now talk about our Management Direction.

To achieve our purpose, Fujitsu's own sustainable growth is essential.

And, to achieve sustainable growth, it is essential that we build relationships of trust with all of our stakeholders.

From that perspective, in addition to financial targets, we newly established targets that evaluate our activities from a non-financial standpoint, taking into consideration society, customers, and employees.

As a responsible global company, Fujitsu has defined seven priority issues on which it will focus in its Global Responsible Business initiative, including human rights, diversity and inclusion, wellbeing, and the environment.

We think initiatives in this area will lead to greater trust from customers and employees. As our non-financial targets, we are using Net Promoter Score, which is an indicator of customer trust, and, for employees, Employee Engagement.

By working to improve both financial and non-financial indicators, Fujitsu's management seeks to create a positive loop in which stable, long-term contributions to society and customers lead back again to Fujitsu's own growth.

Global Responsible Business



The global environment is the foundation of a sustainable society, which is the aim of our Purpose. Limiting CO₂ emissions and the use of resources to within what the earth permits is necessary for sustainability. We will work on both of the following:

- Our own zero CO₂ emissions and reducing our burden on the environment
- The decarbonization of our customers and society and the reduction of the burden on the environment through our business

The global environment is the foundation of a sustainable society, which is the aim of our Purpose.

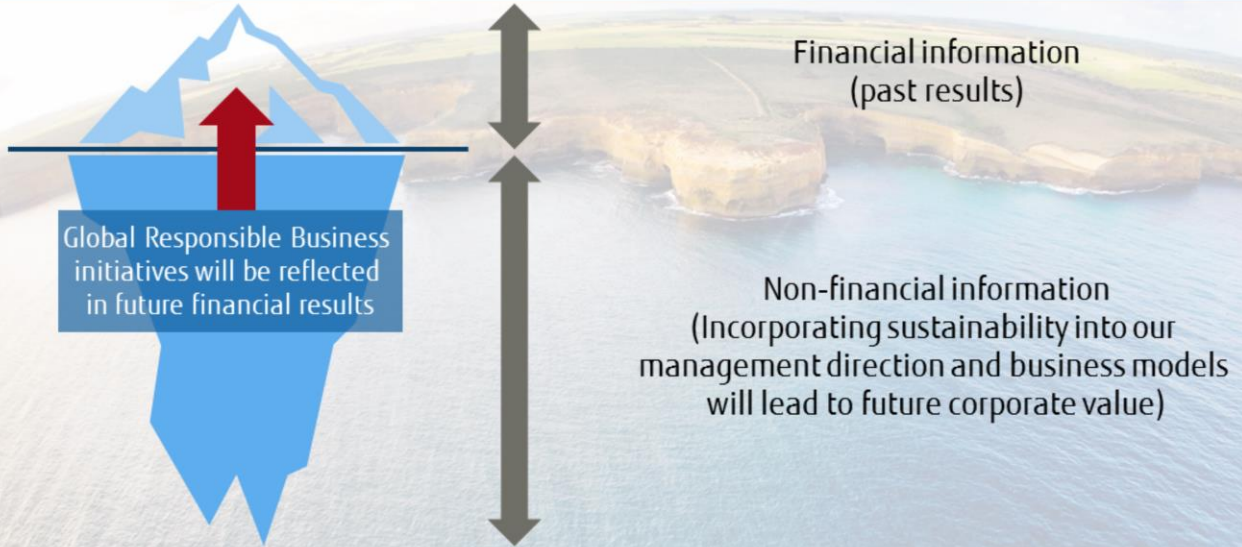
Contributions toward limiting CO₂ emissions and the use of resources to within what the earth permits will bring sustainability to society.

We will contribute in both of the following fundamental ways: 1) reducing the impact on the natural environment in our own business activities; and 2) through our business activities, helping our customers and society to decarbonize and reduce their burden on the environment.

Through Fujitsu's initiatives we will amass technologies and know-how, and they will also lead to the generation of opportunities for Fujitsu to deliver value to customers.

Non-Financial Targets Leading to Future Value Creation

Relationship between financial and non-financial information



With respect to non-financial indicators, already many companies have recognized how essential they are in company management, and are working to improve them.

While they do not appear on any traditional balance sheet, Fujitsu believes that focusing on the assets and liabilities of the environment and society will lead to improvements in corporate value in the future, and Fujitsu is promoting these initiatives.

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-Business Case Studies

Next, I will focus my comments on Fujitsu's environmental initiatives.

Environmental Initiatives



Creating a society in which over 9 billion people can live well by overcoming the constraints in such areas as energy, water, and food resources

2050

2030

Year for achieving the SDGs

- 2019 Issued support for TCFD
- 2018 Joined RE 100
- 2017 Formulated Fujitsu Climate and Energy Vision and received SBT 2.0°C certification
- 2015 Started published integrated reports

2020's

- 2021 Established Chief Sustainability Officer
Received SBT 1.5°C certification, started Environmental Action Plan Stage X
- 2020 Established Sustainability Management Committee
- 2020 Established non-financial targets, began Global Responsible Business activities

2010's

- 1996 Started to issue Environment Report
- 1994 Introduced ISO14001 Environmental Management System
- 1993 Started Environmental Action Plan

2000's

- 2008 Formulated Green Policy 2020 medium-term environmental vision
- 2008 Formulated Biodiversity Action Principles
- 2007 Started Green Policy Innovation project for green IT
- 2004 Established methodology for evaluating the environmental impact of IT solutions

1990's

- 1989 Established Environment Committee

Evolution of initiatives and targets

In each era, Fujitsu has pioneered initiatives to address environmental issues, and our approach continues to evolve.

While we have already been positioning the environment as an important management priority, this fiscal year we are shifting gears as we seek to contribute toward achieving on schedule, in 2030, the Sustainable Development Goals, and, in 2050, the creation of a society in which over 9 billion people can live well by overcoming constraints in such areas as energy, water, and food resources.

Medium/Long-term Environmental Vision

FUJITSU Climate and Energy Vision



- While **contributing to the creation of a decarbonized society** through **technologies and services underpinned by digital transformation**, we aim to achieve **our own zero CO₂ emissions** by 2050

Achieving our own zero CO₂ emissions



Through innovations in energy conservation from advanced technologies and the strategic use of renewable energy and carbon credits, we seek for its operations to achieve zero CO₂ emissions by 2050

Contributing to a decarbonized society



We will generate innovations through ecosystems in a variety of areas, including mobility and manufacturing, to contribute to the optimal use of energy and decarbonization throughout society

Contributing to measures for society to cope with climate change



Through the use of such technologies as HPC and AI, we will contribute to building resilient societal infrastructure and the stable supplies of agricultural products in order to minimize the damage from climate change

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I would like to take you back to 2017.

That is the year Fujitsu issued its Fujitsu Climate and Energy Vision.

It specifically consisted of three pillars.

1. (Through the development and deployment of cutting-edge technologies and the strategic use of renewable energy), we seek to achieve zero CO₂ emissions by 2050;
2. To achieve optimal use of energy as an overall societal system, and thereby contribute to the creation of a decarbonized society;
3. To use such sophisticated technologies as AI and HPC (high performance computing) to contribute to minimizing damage from climate change, such as building societal infrastructure that is more resilient and has a high recovery capacity, and providing a stable supply of agricultural products.

That was our vision then, and we are still promoting these initiatives today.

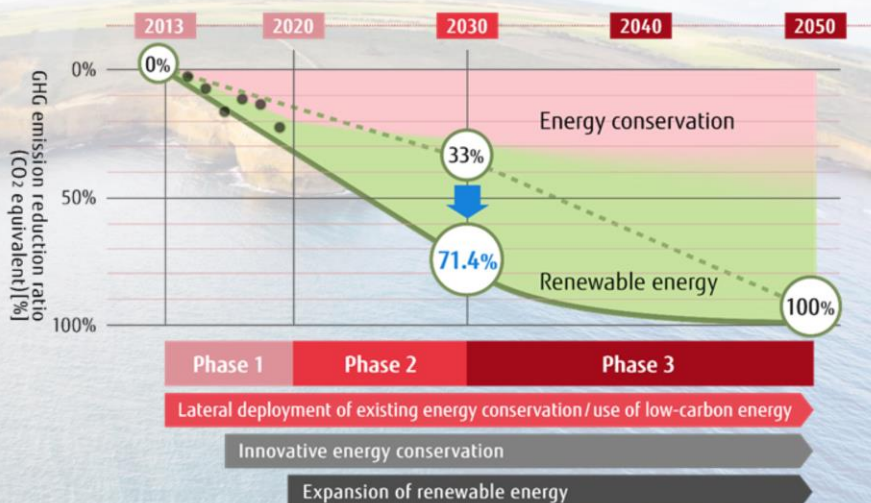
Registered for SBT 1.5°C Certification (Announced today, 4/16)

NEW!



Improving our reduction targets, from SBT 2.0°C certification in 2017 to SBT 1.5°C

By accelerating comprehensive energy conservation and the use of renewable energy, seeking a reduction of 71.4% of greenhouse gas by 2030 (compared to 2013)



※ 1. SBT (Science Based Targets):
A global initiative to set greenhouse gas reduction targets for corporations based on scientific evidence

Relating to our environmental targets, I would like to explain about our Science Based Targets (SBT) certifications.

Based on the Vision I just described, in 2017 Fujitsu received SBT 2°C Certification.

Just recently, by greatly increasing our greenhouse gas reduction targets, we received SBT 1.5°C Certification.

In light of global trends, we decided to accelerate the targets we want to achieve by 2030.

Compared to fiscal 2013, we are targeting a reduction of 71.4%, and we are targeting zero emissions in 2050.

For that purpose, we will apply the latest technologies within Fujitsu to thoroughly promote energy conservation, while also accelerating the use of renewable energy.

Energy Conservation Measures: Example of Data Center Initiatives

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Use of AI air conditioning control to reduce data center power consumption, which will increase further in the future

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First, for promoting energy conservation, the biggest need is in data centers.

Through the use of AI and Just in Time modeling, from data on the outside environment and data on heat, humidity, and power consumption inside the servers, we are able to predict heat and humidity one hour into the future, and by controlling, by switching on and off, the use of cooling with outside air, we are reducing the power consumed by air conditioning by 29%.

We will continue to expand the scope of controls to further promote energy conservation.

Promoting Renewable Energy

Joining the RE 100 Initiative

Participating as Japan's first gold member (2018)



RE100

■ Aims

- Collect information to expand the use of renewable energy
- **Deploy renewable energy based on uniform global rules**
- **Make suggestions to governments on government policies**



■ Fujitsu's Targets

Electric power used in business (Ratio of renewable energy)	
2030	40%
2050	100%



I would now like to talk about renewable energy.

After formulating our Fujitsu Climate and Energy Vision, we joined the organization RE 100, and are now working to expand our use of renewable energy.

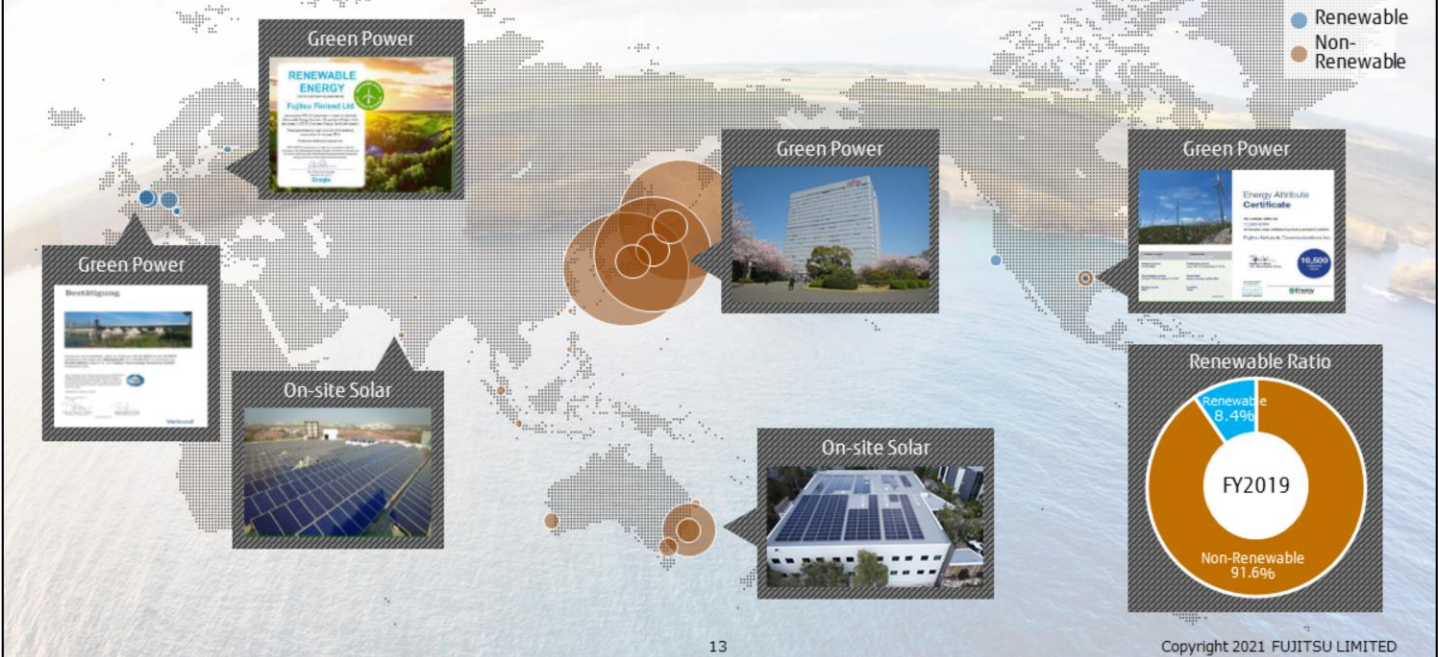
Based on globally standardized rules, we are setting targets and deploying renewable energy.

Promoting Renewable Energy

Joining the RE 100 Initiative



Deployed to date in accordance with regional characteristics, now focusing on Japan (Asia) and Australia



This slide shows our current initiatives in renewable energy.

Up until now, in accordance with each region's characteristics, we have used a variety of methods to promote the deployment of renewable energy.

In Europe, we are nearly at 100%. In North America, we are over 60% in terms of our use of renewable energy. In these regions, there are many options for deploying renewable energy and supply is abundant, making deployment comparatively easy.

In Japan, there are many obstacles, such as the level of supply in the market, and little progress has been made to date on any large-scale deployments.

In light of the fact that Japan represents the largest proportion of electricity used overall by the Fujitsu Group, we will work to deploy renewable energy at all of our locations in Japan.

Promoting Renewable Energy Initiatives in Japan and Australia



Japan

- Since FY2020, 100% renewable energy at 3 locations: Aomori, Kumamoto, Oita
 - From FY2021, 100% renewable energy at Fujitsu Kawasaki Main Office
- Aomori Systems Laboratory ■ Kumamoto Systems Laboratory ■ Oita Systems Laboratory



■ Fujitsu Kawasaki Main Office



Australia

- Built solar power generator for the Brisbane data center in FY2020
- Considering starting power purchase agreements in 2023 for 1/3rd of the total power used at 6 data center locations

■ Brisbane Data Center



■ Western Sydney Data Center



Here are some specific examples.

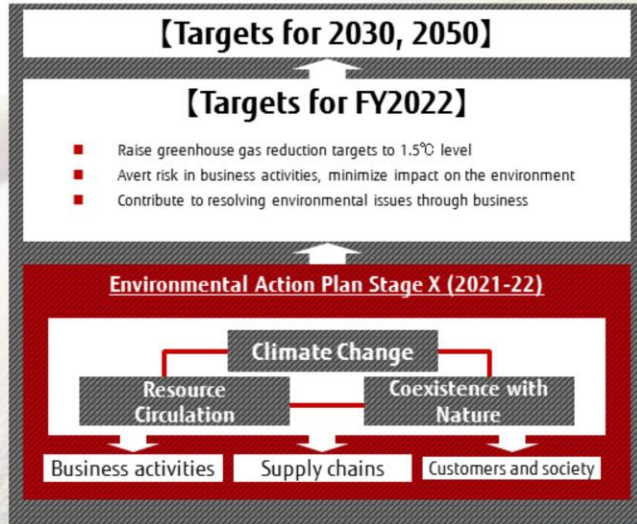
In Japan, since last fiscal year three of our System Laboratories have converted to 100% renewable energy, and this fiscal year our Kawasaki Main Office in the Nakahara ward will convert to 100% renewable energy.

In Australia, we built a solar power generator at our Brisbane data center.

Implementation Plan for the Environmental Action Plan (FY2021-22)



- Formulated 2-year implementation plan based on long-term targets
Contributing to transforming management and improvement of the global environment to achieve our Purpose



- Climate change
 - Reduce greenhouse gas emissions in line with SBT 1.5°C target
(energy conservation and deployment of renewable energy)
- Resource circulation
 - Further promote eco design to conserve resource with aim of reducing plastic in products and packaging
 - Reduce amount of water used across supply chains, strengthen water risk evaluations
- Coexistence with nature
 - Implement evaluations of corporate impact on biodiversity

Once again, I would like to explain our plans for the next two years.

At Fujitsu, we have been formulating Environmental Action Plans for multiple-year periods since 1993, and promoting them across all Group companies.

This fiscal year we started our 10th Action Plan, with activities centered around the three pillars of climate change, resource circulation, and coexistence with nature.

For climate change, our plan is in line with the SBT's goal of no more than 1.5° C above pre-industrial levels.

For resource circulation, our plan further promotes resource-saving designs, with a focus on reducing plastic in products and packaging, as well as reducing water usage across supply chains and strengthening water risk evaluations.

For coexistence with nature, we plan to conduct evaluations of our corporate impact on biodiversity.

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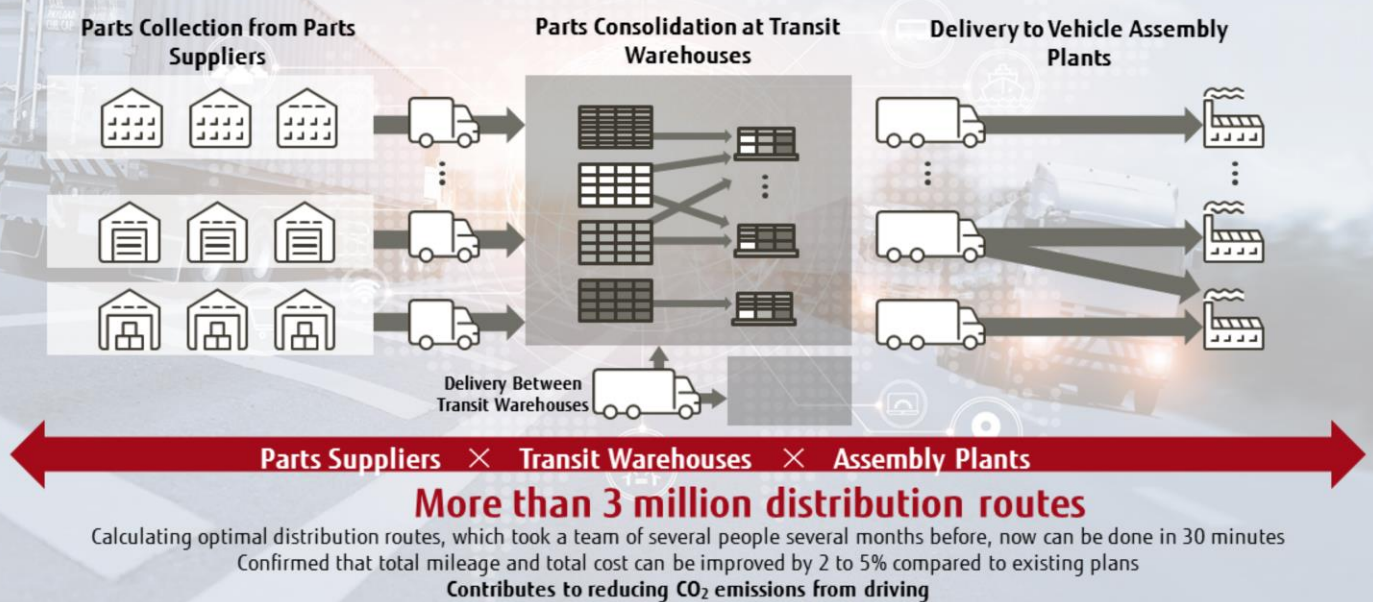
-Business Case Studies

Next, I would like to introduce a few case studies of how we contribute to our customers through business.

(Mitigating Climate Change)

Optimizing Logistics Using the Digital Annealer Toyota Systems Corporation

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This is a case study in which we resolved issues in logistics and reduced CO₂ emissions.

Logistics is part of the infrastructure that supports society, and during the coronavirus pandemic, its importance has only increased, yet the sector faces a number of issues, including a lack of drivers, traffic congestion, and increasing CO₂ emissions.

The Digital Annealer is a technology developed by Fujitsu which uses digital circuits inspired by quantum phenomena to quickly solve combinatorial optimization problems. In this case study with Toyota Systems, we were able to confirm that the use of the Digital Annealer could contribute to optimizing logistics.

Toyota Systems had previously had a team of dozens of people spending months formulating delivery plans for its logistics network, choosing from among over three million candidate routes for delivering various components to automobile manufacturing plants. With the Digital Annealer, we were able to shorten the total distance traveled, and calculate the route that would minimize logistics costs in thirty minutes. This led to a 2-5% increase in logistics efficiency, and also contributed to reducing CO₂ emissions.

(Contribution to Decarbonization) FJcloud Operating on 100% Renewable Energy



- By FY2022, all of the electrical power required to operate the Fujitsu Hybrid IT Service FJcloud cloud service will be 100% from renewable energy sources

<Flagship Data Centers>



Tatebayashi

- Through the Digital enhanced EXchange (DEX) network, connects to FJcloud within the data center and also seamlessly connects to other companies' cloud services
- Large-scale data center with 4,000-rack capacity
- Customer engineers in place 24/7 + has a parts warehouse
- Record of providing strong support for large-scale systems, such as for financial institutions



Yokohama

- Near Tokyo metropolitan area, enabling quick access from Tokyo
- More than 10,000 servers for multi-vendor accommodation
- Other manufacturer's maintenance site within 30-minute access
- Customer engineers in place 24/7
- Through the DEX network, connects to FJcloud within the data center and also seamlessly connects to other companies' cloud services



Akashi

- Among the largest facilities in Western Japan
- Customer engineers in place 24/7 + has a parts warehouse
- Through the DEX network, connects to FJcloud within the data center and also seamlessly connects to other companies' cloud services
- Meeting disaster recovery needs in East Japan

Our next case study is about contributing to decarbonization.

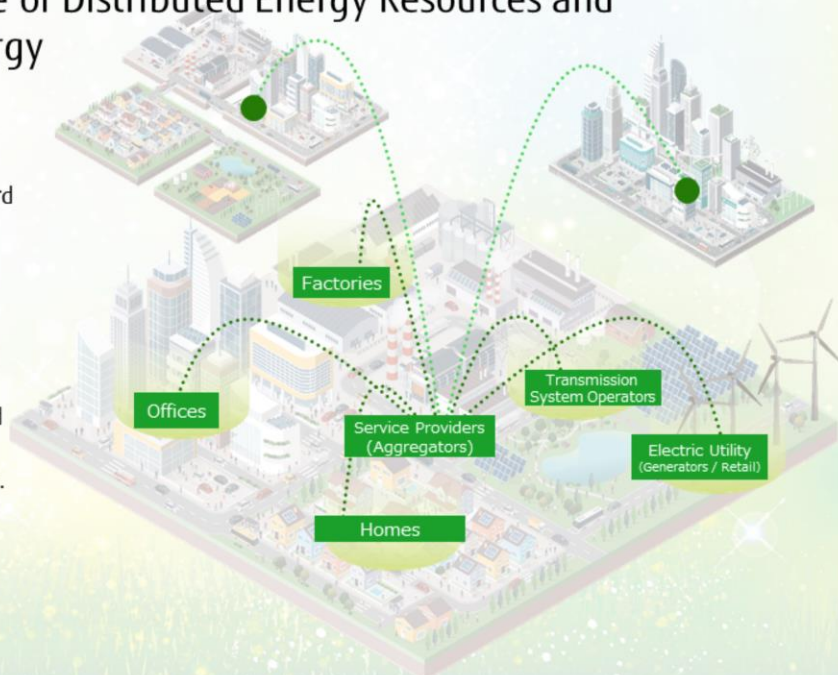
In addition to implementing energy-saving measures in our datacenters, for Fujitsu's datacenters in Japan, we will be switching over to 100% renewable energy for all of the electrical power necessary for cloud service operations. Customers using this cloud service will enjoy completely green services, with zero CO₂ emissions for all tasks done in the cloud.

With this initiative, we will also accelerate our efforts to achieve Fujitsu's own renewable energy goals, contributing the Fujitsu Group going carbon neutral and of our customers and society as a whole, as laid out in our Fujitsu Climate and Energy Vision.

(Contribution to Decarbonization) Contribution to the Maximum Use of Distributed Energy Resources and the Expansion of Renewable Energy

FUJITSU

- From April, providing virtual power plant (VPP) solution to energy providers and aggregators
- Collaboration with AutoGrid, which has a track record with more than 50 of the world's largest electric companies, with Fujitsu starting exclusive sales in Japan
- Basic features of the VPP use AutoGrid's solution Fujitsu provides added value with its proprietary technology (high-speed data processing platform)
- The supply and demand adjustment market opened in April 2021 and the use of distributed energy resources including renewable energy is expanding. Fujitsu will contribute to the maximization of renewable energy use by providing VPP solutions.



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I would like to share another initiative that is contributing to going carbon neutral.

In order to strengthen our resiliency against natural disasters and achieve our goal of carbon neutrality by 2050, experts say that we will need to deploy distributed energy resources, including renewable energy sources like solar and energy storage systems. Moreover, the Internet of Things is making it possible to control these distributed energy resources at high speed and with high precision.

As you know, because the amount of energy generated by renewable energy sources depends on the weather, it is difficult to predict and adjust supply volumes. For this reason, there is a need to bundle together distributed energy resources owned by businesses or households and manage and control them as a group, creating a virtual power plant (VPP) that can provide the same functionality as existing power plants.

Fujitsu has concluded a partnership agreement with US-based AutoGrid, which has a proven track record as a provider of VPP solutions around the globe. Starting in April, we will begin offering this solution to energy providers and aggregators.

By providing highly accurate control and monitoring for large scale, real-time management and optimization of the supply and demand status of distributed energy resources, we are enabling efficient operations for customer energy equipment. Taking into account features such as support for energy trading markets, which are expected to expand going forward, this solution will also contribute to the expansion of renewable energy throughout society as a whole.

(Coping with Climate Change)
Strengthening Damage Mitigation with Water Level Prediction using AI

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Rainfall and water level data

Weather data

Flood prediction simulator

Machine learning

Insights from hydraulics

River water level

AI technology enables predictions of river water levels with small amount of past rainfall and water level data



Next, I would like to introduce a case study in which we contributed to disaster prevention measures, as part of an effort to adapt to climate change.

In recent years, damage from typhoons and sudden rainstorms has been increasing. Fujitsu has developed technology that can predict water levels using AI, even for medium-sized and small rivers that lack sufficient measurement data, and for areas where accumulated rainfall data is limited. Even when river improvements have been conducted, by retraining the model on small amounts of rainfall and water level data, it is possible to create sustainable disaster prevention measures.

This technology not only enables a local government, for example, to make rapid and accurate decisions about dispatching people to affected areas or issuing evacuation orders, it also enables companies to significantly enhance their efforts to prevent or mitigate flooding-based natural disasters, using it in their internal flooding prevention activities.

(Contribution to Resources Issue: Making Transactions More Efficient) Making Rice Trading More Efficient Using Blockchain Rice Exchange (Ricex) (Singapore)



- Trading in rice lacks transparency, the process is not automated, and it is extremely complex
- With Fujitsu as a partner, Ricex is building a completely integrated global digital platform based on blockchain technology that connects buyers and producers
- By matching producers and buyers, we have reduced the intermediate waste of rice and improved the efficiency of transactions.
- Providing safety and security to consumers by distributing certification information on production area and sustainable cultivation



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I would like to share a case study about our contributions to resource problems. This is a case in which we provided a platform that utilized blockchain technology for Singapore's rice trading market.

Before the deployment of the platform, rice transactions were conducted through a system so complex and so lacking in transparency that it would be unimaginable in Japan. As an IT partner for Rice Exchange (Ricex Pte. Ltd.), we contributed to creating a platform based on blockchain technology that matches producers with purchasers. This has enabled even small-scale farmers, as producers, to conduct speedy, efficient, and highly transparent transactions.

Moreover, because producers are less likely to lose opportunities due to the matching, this has also led to a reduction in rice being stored in inferior conditions which would previously result in it ultimately being wasted.

By distributing information such as production locations and sustainable cultivation certifications through this platform as well, it not only provides security and peace of mind for consumers, it also enables transactions that provide a premium for producers, ensuring profitability.

In this way, by having direct and indirect impacts on both the business itself and its customers, we are contributing to reducing society's burden on the environment.

Fujitsu is being evaluated by the world
We will continue to evolve and push ahead to achieve our Purpose

FUJITSU

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Dow Jones Sustainability World Index
for 21st time

Selected to be included in the Dow Jones Sustainability
World Index 21 times*
(*most of any Japanese company)



CDP Climate Change, Water Security
Supplier Engagement Rating
A List 2020

Received top evaluations in CDP's surveys in Climate
Change and Water Security
Climate Change: 4th consecutive year
Water Security: 2nd consecutive year

Finally, I would like to introduce some evaluations of Fujitsu by third party institutions.

Fujitsu has been selected for inclusion in the Dow Jones Sustainability World Indexes (DJSI World), a global socially responsible investing index, a total of 21 times.

In addition, in evaluations conducted by the CDP, an international NPO, Fujitsu has been selected for the highest evaluation in the three categories of climate change, water security, and supply chain management.

We hope to continue to provide new value through technology and innovation, contributing to resolving issues for our customers and society going forward, especially in the response to climate change, which is not only a pressing issue, but is expected to have severe, long-term impacts.

This concludes my presentation. Thank you for your time.

The Fujitsu logo consists of a red infinity symbol positioned above the word "FUJITSU" in a bold, red, serif typeface.

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