

COMPLIANCE

Compliance Promotion

The Risk Management & Compliance Committee supervises compliance matters globally for the entire Fujitsu Group. The committee appoints a Chief Risk Compliance Officer who is tasked with executing policies and decisions concerning compliance, together with maintaining the Global Compliance Program (GCP) and coordinating with the Regional Risk Management & Compliance Committees. This works to raise awareness of our Fujitsu Way Code of Conduct, and to its adherence, throughout the Group.

The Fujitsu Way Code of Conduct

The Fujitsu Way* includes a Code of Conduct, with which all Fujitsu Group employees must comply.

Fujitsu has also rolled out Global Business Standards (GBS), which provide further guidance on how to apply the Fujitsu Way Code of Conduct and to ensure compliance with laws and regulations. These standards, available in 20 languages, are applied uniformly across the Fujitsu Group.

* See pages 2-3 for details of the Fujitsu Way.



The Fujitsu Way Code of Conduct

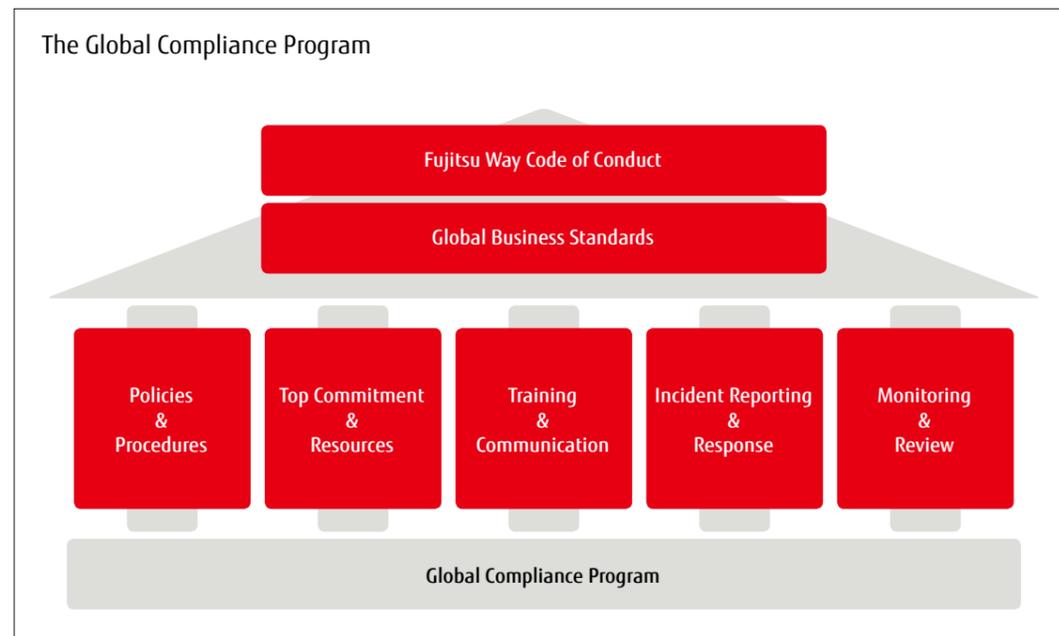


Global Business Standards

The Global Compliance Program

In order to promote and implement the Fujitsu Way Code of Conduct and the GBS, Fujitsu has established the Global Compliance Program (GCP) and is working to maintain, review, and improve its global structure for legal compliance across the Fujitsu Group.

The GCP systematically organizes our activities concerning compliance into five pillars, clarifies items that Fujitsu should continuously work on, and seeks to promote understanding of our compliance structure and activities. Various measures and approaches are taken in each region based on the GCP as well as local laws and government guidelines.



Compliance Activities

1. Policies & Procedures	<ul style="list-style-type: none"> Fujitsu and Group companies in Japan have established the Compliance Policy to enforce compliance and enact sustainable improvement in our corporate value. We established more specific and detailed regulations and guidelines based on the Policy for issues with significant impact on business: antitrust, anti-corruption, and antisocial forces. In overseas entities, we issued the General Compliance Guidelines, corresponding to the Compliance Policy in Japan, as above, along with global guidelines on competition law, and other guidelines concerning the prevention of bribery. In addition, we have developed an online third-party due diligence process that is being used by major overseas Group companies.
2. Top Commitment & Resources	<ul style="list-style-type: none"> Fujitsu promotes top management's commitment to compliance through messages to employees and other communications. We have also assigned compliance officers to each region and have formed a global network with local risk and compliance officers, in order to secure a structure to execute our GCP. The compliance officers from overseas Group companies meet annually at the Global Compliance Forum to share and discuss headquarters' policies concerning the execution of GCP, as well as share their experiences in risk management and compliance. Also, the risk and compliance officers at Fujitsu and domestic Group companies meet annually at the Risk and Compliance Seminar to share updates and know-how related to risk management and compliance.
3. Training & Communication	<ul style="list-style-type: none"> The Fujitsu Group continually conducts various training and awareness-raising activities including an annual e-learning program for executives and employees. In fiscal 2016, Fujitsu and domestic Group companies provided an e-learning course with a documentary drama introducing Fujitsu's antitrust case referenced below in order to increase the effectiveness of the training. We also conducted a series of face-to-face training for over 3,700 employees of the public sector business and other sales divisions. For overseas Group companies, we provide e-learning courses on antitrust/anti-competition and on the GBS in 20 languages to 51 overseas Group companies, while taking into consideration the laws, customs, and business conditions within each country. We also conducted anti-bribery training in South Korea following the enactment of a significant anti-bribery law in September 2016. We conduct face-to-face training for high-risk entities and divisions as required.
4. Incident Reporting & Response	<ul style="list-style-type: none"> The Fujitsu Group operates the Compliance Line/Fujitsu Alert for both internal and external reports. The Compliance Line/Fujitsu Alert handles reports and provides consultations for all employees in the Fujitsu Group (including retired, seconded, contracted, part-time or other short-term employees as well as temporary staff). Both domestic Group companies and overseas Group companies operate internal reporting systems. Reports to Fujitsu Alert are accepted in 20 languages, at any time, on any day. Moreover, we opened a Compliance Line for Suppliers in Japan to handle reports and inquiries from the employees of companies that directly supply Fujitsu and domestic Group companies with their products, services, or software, etc. Our whistleblowing system forbids any and all retaliation against any individual or supplier who reports an incident or violation, and meticulous care is taken in handling the information so as to preserve their anonymity. If the issue raised is substantiated, the relevant practice or issue is corrected and measures are taken to prevent recurrence. The status of key compliance issues is reported regularly to the Risk Management & Compliance Committee and the Board of Directors.
5. Monitoring & Review	<ul style="list-style-type: none"> Through risk assessments and audits, we periodically check the efficacy of the GCP and work to continually improve it. Fujitsu has started reviewing audit plans to confirm observance of the Antimonopoly Act, and we will implement a more effective audit program by incorporating opinions from external experts. Outside Japan, Fujitsu headquarters' compliance team conducts risk assessments by visiting Group companies in countries and regions with a high risk of corruption. Through interviews with executives and employees, as well as checks on internal policies and processes, the compliance team analyzes the potential compliance risks in local business and provides proposals and supports to mitigate these risks.

Responses to Compliance Matters

In July 2016, Fujitsu Limited was found to have violated the Antimonopoly Act with regard to order coordination for communication equipment for electric power systems from Tokyo Electric Power Co., Ltd. (TEPCO), and received a cease-and-desist order and a surcharge payment order. Following the detection of the TEPCO case, Fujitsu swiftly conducted an internal investigation and found that similar coordination had been conducted for orders from Chubu Electric Power Co., Inc. Subsequently, having received approval by the Board of Directors, Fujitsu swiftly applied for immunity or a reduction in the surcharge. As a result, Fujitsu was fully exempted from payment of the surcharge and was not subject to a cease-and-desist order. In February 2017, it was, however, found to have violated the Antimonopoly Act regarding transactions with Chubu Electric Power.

Fujitsu deeply apologizes for all the concern that it has caused by letting this regretful incident occur.

Fujitsu took disciplinary action against the employees who

took part in the violations, and reduced the salaries (10%–30% of monthly salaries for 3 months) of 7 executives including the chairman and the president, based on a resolution of the Board of Directors.

Immediately following the detection of the TEPCO case, the president swiftly declared that all bid rigging and cartel behavior would not be tolerated, and has sent repeated messages to all executives and employees. Fujitsu also conducted compliance training, as mentioned above.

Furthermore, in Japan, Fujitsu has established a domestic compliance program based on the Japan Fair Trade Commission's "Compliance Program for Companies to Comply with the Antimonopoly Act" in order to secure effectiveness of the GCP, and is working on creating an environment that fosters zero tolerance for bid rigging.

Going forward, Fujitsu will continue to strengthen the compliance activities based on this program and strive to prevent recurrence in order to quickly win back trust.