

RISK MANAGEMENT

Our Approach to Risk Management

Through its global activities in the information technology sector, the Fujitsu Group continually seeks to increase its corporate value and contribute to all stakeholders. Management places a high priority on properly assessing and dealing with any risks that threaten the achievement of our objectives. These include preventing the occurrence of these risk events, minimizing the impact of any such events that do occur, and preventing recurrence. We have also built a risk management and compliance structure for the entire Group, and we are committed to its ongoing implementation and improvement.

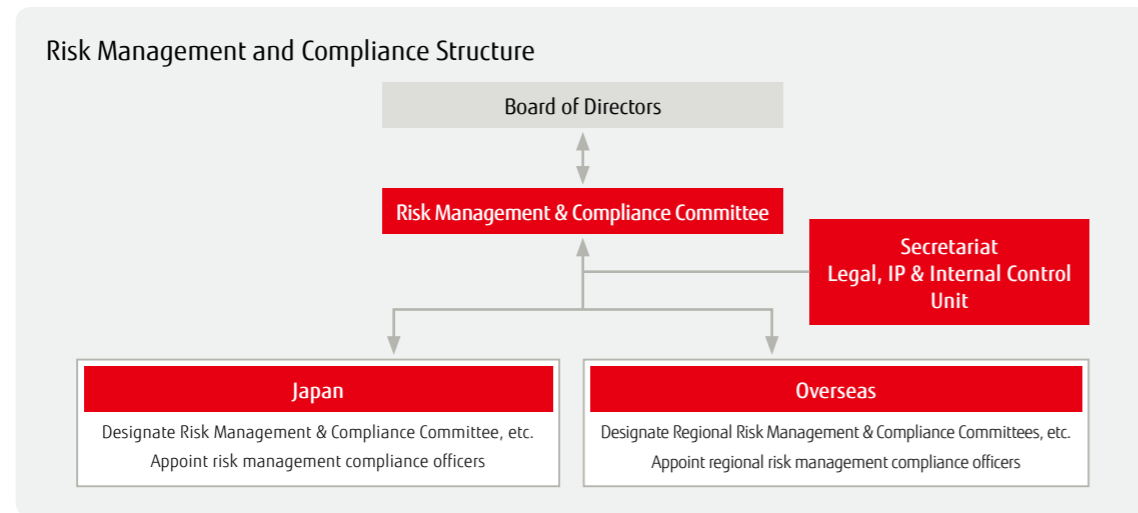
Development of Our Risk Management and Compliance Structure

To prevent potential risks of business-related loss from developing into actual risks, and to respond appropriately to and prevent the recurrence of any risks, the Fujitsu Group has established the Risk Management & Compliance Committee. This committee acts as the highest-level

decision-making body on matters involving risk management and compliance.

The Committee also assigns risk management compliance officers to each of Fujitsu's divisions and Group companies in Japan and overseas. In April 2016, we established Regional Risk Management & Compliance Committees. These organizations collaborate to build a risk management and compliance structure for the entire Fujitsu Group, thereby guarding against potential risks and mitigating risks that have already materialized.

The Risk Management & Compliance Committee is responsible for monitoring the progress of risk management and compliance in all Fujitsu business divisions and Group companies in Japan and other countries. This committee is tasked with establishing the appropriate policies and processes, as well as implementing and continually improving them. In practical terms, it determines risk management regulations and guidelines, and then applies and reviews them on an ongoing basis.



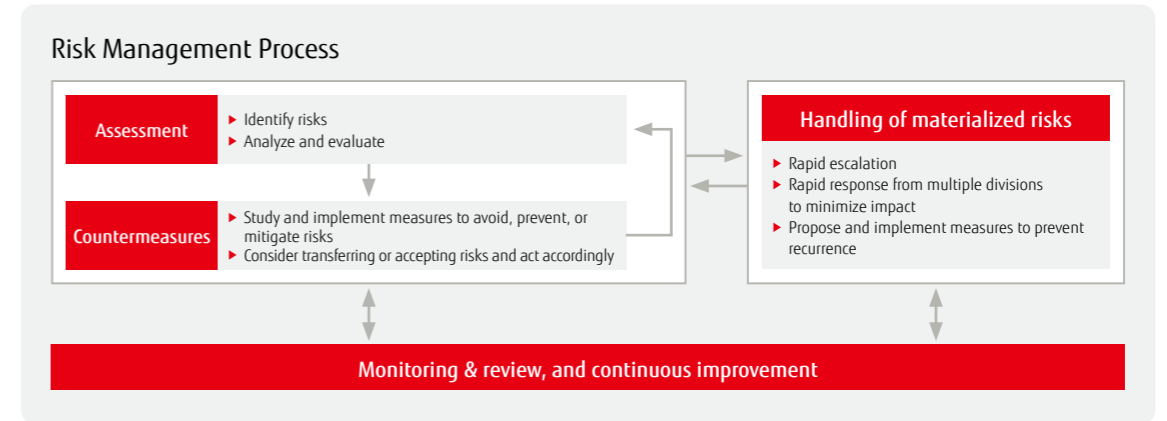
Risk Management Process

The Risk Management & Compliance Committee, which maintains regular communication with risk management compliance officers, identifies, analyzes and assesses the risks associated with business activities. It also monitors the progress of measures designed to avoid, mitigate, transfer or accept major risks, and then formulates new measures or reviews existing measures. The Committee reports regularly to the Board of Directors regarding major risks that have been identified, analyzed and assessed.

The Committee also prepares processes for dealing with risks that have eventuated despite implementation of the various preventive measures. If a critical risk, such as a natural disaster, or a product flaw or defect, a system or service

problem, a compliance violation, an information security breach, or an environmental problem arises, the department or Group company concerned reports the problem to the Risk Management & Compliance Committee immediately.

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



Business Risks and Other Risks of the Fujitsu Group
The Fujitsu Group identifies, analyzes and assesses the risks associated with business activities and works on measures

to avoid or mitigate their impact, and also to promptly deal with any issues that do occur.

Principal Risks	
1. Economic and Financial Market Trends	<ul style="list-style-type: none"> Risk associated with changes in the economic trends of mainstay markets Risk associated with fluctuations in exchange rates and interest rates and changes in trends in capital markets
2. Customers	<ul style="list-style-type: none"> Risk associated with changes in ICT investment trends among customers Risk associated with the inability to continue trust-based, transactional, or contractual relationships with customers
3. Competitors and the Industry	<ul style="list-style-type: none"> Risk associated with loss of competitiveness due to changes in market or competitive conditions Risk associated with a decrease in competitive advantages with respect to R&D
4. Investment Decisions and Business Restructuring	<ul style="list-style-type: none"> Risk that investments in R&D or necessary measures in such areas as capital expenditure, business acquisitions and sales, and business restructuring are unable to generate adequate returns
5. Suppliers, Alliances, etc.	<ul style="list-style-type: none"> Risk associated with tight component supply due to natural disasters or other unpredictable events Risk associated with impediments resulting from the procurement of inferior quality products Risk associated with the inability to continue cooperative relationships with respect to partnerships, alliances, or licensing and risk associated with the inability to gain from such cooperation
6. Public Regulations, Public Policy, and Tax Matters	<ul style="list-style-type: none"> Risk associated with increased adaptive costs and business opportunity losses arising from the strengthening of, or changes in, statutory regulations or government policies in countries where the Group has businesses
7. Natural Disasters and Unforeseen Incidents	<ul style="list-style-type: none"> Risk associated with the inability to continue businesses due to natural disasters or accidents, including earthquakes, typhoons, and water damage, or the spread of infectious diseases (including the increased frequency or effect of the above-mentioned due to climate change) Risk associated with the effect on businesses of conflicts, terrorism, demonstrations, strikes, or political instability in the countries or regions where the Group has business
8. Finance	<ul style="list-style-type: none"> Risk associated with a lowering of the credit rating of the Fujitsu Group as a result of its failure to reach earnings targets or deterioration in its financial position Risk related to credit administration
9. Deficiencies or Flaws in Products and Services	<ul style="list-style-type: none"> Risk associated with defective products and services Risk associated with delivery delays or unprofitable projects
10. Compliance Issues	<ul style="list-style-type: none"> Risk associated with the infringement of related laws and regulations in Japan and overseas
11. Intellectual Property	<ul style="list-style-type: none"> Risk associated with the manufacture and sale of similar products developed by third parties using the Group's own intellectual property Risk of infringing on other companies' intellectual property and of the need to pay for usage rights and other charges
12. Security	<ul style="list-style-type: none"> Risk of leakage of the personal and confidential information of customers, business partners, and the Fujitsu Group itself Risk of in-house networks being impacted by computer viruses or unauthorized access, including cyberattacks, thereby impeding operations and leaking information Risk of business interruption or data breaches caused by physical damage to the Group's facilities
13. Human Resources	<ul style="list-style-type: none"> Risk associated with the inability to employ or develop required personnel, such as managers and engineers, and risk associated with the inability to prevent a loss of personnel
14. Fujitsu Group Facilities and Systems	<ul style="list-style-type: none"> Risk of the operations of Fujitsu Group facilities, including production lines or systems, needing to be discontinued in the event of natural disasters, unexpected incidents, faulty construction quality, or the occurrence of operational errors, with adverse impact on the Group's business
15. Environment	<ul style="list-style-type: none"> Risk of environmental pollution accompanying business activities occurring or being identified Risk of increased frequency and severity of natural disasters caused by climate change having a negative impact on the Group's business Risk of the Group incurring increased costs for providing products and services and in other areas in order to comply with policies to reduce greenhouse gas emissions