Human Resources Strategy at Fujitsu

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

Hiroki Hiramatsu
Our Purpose
Make the world more sustainable by building trust in society through innovation.
Fujitsu Our HR Vision

DX company where diverse talents gather to create innovation everywhere in the society
Human Resource Strategy and Specific Policy Measures for Medium- to Long-Term Growth

- Position-based Human Resources Management
- Evolving toward DX personnel
- Initiatives to reform organizational structures
Position-based Human Resources Management
Achieving the state we desire

- Provide opportunities to all employees to engage in attractive work
- Enable diverse and talented employees to collaborate across borders and organizations
- Provide opportunities to all employees to learn and grow at all times

Global Human Resources Platform
Full model Change to Position-based Human Resources Management

Organizational design based on business strategy
1. Design organization & positions based on the business strategy
2. Clarifying the scope of responsibility and requirements

Position-based Compensation Plan to support employees' aspiration
1. Position-based Compensation Plan
2. HR management for Highly Skilled Professionals
3. Reform performance management process

Human Resources Management empowered to business unit
1. Reform of personnel planning
2. Implementing discharging from their position and downgrades
3. Enhance internal job-posting

Support proactive learning & growth
1. Reform of Human Resources Development Policy (introduce on-demand learning)
2. Promoting 1on1 meetings

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Designing units based on the business strategy and assigning personnel accordingly Switching from seniority-based HR to globally uniform job-based HR management
Position-based Compensation Plan

Based on Professional Ability

<table>
<thead>
<tr>
<th>Managerial Class</th>
<th>Compensation</th>
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</thead>
<tbody>
<tr>
<td>GP</td>
<td></td>
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<tr>
<td>GM</td>
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Based on Position’s Responsibility

<table>
<thead>
<tr>
<th>FUJITSU Level</th>
<th>Compensation</th>
</tr>
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<tbody>
<tr>
<td>SVP</td>
<td>XX JPY</td>
</tr>
<tr>
<td>VP</td>
<td>XX JPY</td>
</tr>
<tr>
<td>15</td>
<td>XX JPY</td>
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<tr>
<td>14</td>
<td>XX JPY</td>
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<tr>
<td>13</td>
<td>XX JPY</td>
</tr>
<tr>
<td>12</td>
<td>XX JPY</td>
</tr>
<tr>
<td>11</td>
<td>XX JPY</td>
</tr>
</tbody>
</table>

- Position’s responsibilities classified on a globally standardized leveling method (FUJITSU Level)
- Monthly pay is a single rate for each FUJITSU Level and reviewed by the raise or decrease of FUJITSU Level
- Compensation levels will be revised in the future in accordance with market-based benchmarks
- Revision to rule for leaving managerial positions, implementing discharging from their position and downgrades

Individual position responsibilities immediately reflected in compensation
Driving desire to take on the challenge of larger position responsibilities
Apply Balanced Scorecard (BSC) method.
Three elements: Financial metrics, Prioritized metrics, Behaviours metrics linked to organizational vision.
Ensure a globally common, fair and transparent structure that drive behavioral transformation.

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
<th>Example for evaluation targets</th>
<th>How to evaluate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial metrics</td>
<td>Digitally set and evaluate tangible results for a single fiscal year.</td>
<td>OPPL for each organization Revenue Global Offering Revenue</td>
<td>Evaluate digitally.</td>
</tr>
<tr>
<td>Prioritized metrics</td>
<td>From the viewpoint of realizing the vision, metrics shall be numerical values derived from the back-cast / roadmap indicating the desired state for the fiscal year, and metrics that are difficult to evaluate simply or digitally.</td>
<td>Non-financial metrics - Customer NPS - Employee Engagement - DX Promotion Indices Organization / Business specific metrics including KFA/Uvance related</td>
<td>Quantitative evaluation methods such as target achievement rate and improvement rate table. In case affected by uncontrollable external situation taking these circumstances into consideration.</td>
</tr>
<tr>
<td>Behaviours metrics</td>
<td>Evaluate all behaviours, including efforts and process to achieve the targets, from the perspective of “Aspiration”, “Trust”, and “Empathy”.</td>
<td>Specific behaviours to achieve targets</td>
<td>Qualitative evaluation of “Aspiration”, “Trust” and “Empathy” in light of their definitions.</td>
</tr>
</tbody>
</table>
"Connect" is the communication tool focusing on consistency to realize Fujitsu's purpose.

It is responsible for connecting Personnel Policy to the Purpose / Vision of Fujitsu organization and individuals.
Significantly expand the Job-posting Policy in order to increase the mobility and diversity of our employees, realize the “right person in the right position” and creating an open corporate culture.

Expansion of the Job-posting Policy

~FY2019

Organization plans and implement assignment, rotation and promotion, considering business conditions and personal growth.

Expansion of the Job-postings

Transfer or promotion by self-application based on the individual’s career plan.
Record of Job-postings in FY2021
(totals include group companies)

<table>
<thead>
<tr>
<th>Open-Period Recruitment</th>
<th>Set-Period Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment Positions</td>
<td>Recruitment Positions</td>
</tr>
<tr>
<td>2,254</td>
<td>660</td>
</tr>
<tr>
<td>Candidates Applying</td>
<td>Candidates Applying</td>
</tr>
<tr>
<td>3,471</td>
<td>1,030</td>
</tr>
<tr>
<td>Successful Applicants</td>
<td>Successful Applicants</td>
</tr>
<tr>
<td>1,192</td>
<td>578</td>
</tr>
</tbody>
</table>

(increase of 7x vs. FY2019)

(increase of 12x vs. FY2019)

Taking ownership for one’s career

Transferring positions through postings increases employee engagement, particularly improving responses in the categories of “motivation” and “equality of opportunity.”
Company Organizational Structure

Takahito Tokita
CEO & CDXO

Hidenori Furuta
COO & CDPO

Board of Directors (5 outside directors out of 9 directors)

CxOs, Corporate Functions

- CFO
- CTO
- CMO
- CIO/Deputy CDXO
- Deputy COO (Europe, Americas, APAC)
- Deputy CISO

Corporate Functions

- SEVP Toshiyuki Kitaoka
- SEVP Toshiyuki Kitaoka
- SEVP Toshiyuki Kitaoka
- SEVP Toshiyuki Kitaoka
- SEVP Toshiyuki Kitaoka
- EVP Toshiyuki Kitaoka
- EVP Toshiyuki Kitaoka
- EVP Toshiyuki Kitaoka
- EVP Toshiyuki Kitaoka

System Platform

- Network Business Platform Business

Global Solution

- DX Solutions and Services
- Infrastructure and Software Services
- Global Delivery, Japan Global Gateway

Global Customer Success

- Enterprise Business
- Finance Business

Japan Region

- Public and Telecom Business
- National Security and Social Systems Business

Europe Region

- Uvance

Americas Region

Asia Pacific Region

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Fujitsu continues to recruit outside talent into its executive ranks to increase diversity and its competitiveness in order to achieve its purpose.

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of joining Fujitsu</th>
<th>Position and responsibility (As of April 1, 2022)</th>
<th>Previous Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shunsuke Onishi</td>
<td>August 2019</td>
<td>SEVP Head of Global Customer Success</td>
<td>Infosys</td>
</tr>
<tr>
<td>Nicholas Fraser</td>
<td>March 2020</td>
<td>SVP Head of M&amp;A Strategy and Execution</td>
<td>McKinsey</td>
</tr>
<tr>
<td>Yuzuru Fukuda</td>
<td>April 2020</td>
<td>EVP CIO/Deputy CDXO</td>
<td>SAP</td>
</tr>
<tr>
<td>Toshiya Imai</td>
<td>April 2020</td>
<td>CEO, Ridgelinez Ltd. Head of Global Customer Success</td>
<td>PwC</td>
</tr>
<tr>
<td>Taeko Yamamoto</td>
<td>April 2020</td>
<td>EVP CMO</td>
<td>Microsoft</td>
</tr>
<tr>
<td>Katsuhiro Uramoto</td>
<td>May 2020</td>
<td>SVP Japan Global Gateway</td>
<td>Rakuten</td>
</tr>
<tr>
<td>Graeme Beardsell</td>
<td>November 2020</td>
<td>EVP CEO, Asia Pacific Region</td>
<td>Akamai Technologies</td>
</tr>
<tr>
<td>Yoshinami Takahashi</td>
<td>June 2021</td>
<td>EVP Vice Head of Global Solutions (in charge of DX Solutions &amp; Services)</td>
<td>Microsoft</td>
</tr>
<tr>
<td>Vivek Mahajan</td>
<td>July 2021</td>
<td>SEVP CTO</td>
<td>IBM</td>
</tr>
<tr>
<td>Shintaro Komatsu</td>
<td>October 2021</td>
<td>SVP Head of Infrastructure and Solution Sales</td>
<td>Kyriaba</td>
</tr>
<tr>
<td>Hiroyuki Tsutsumi</td>
<td>April 2022</td>
<td>SEVP CEO, Japan Region</td>
<td>Philips</td>
</tr>
</tbody>
</table>
Evolving toward DX personnel

Developing New Talents in Employees to Create a Sustainable Society
Autonomous Career Development Support
- Evolving toward DX personnel

Career Ownership

Shift to on-demand learning tailored for individual aptitude or target job, from mandatory learning for respective layer
(Support for proactive learning and growth)

Platform for People Growth

Providing a platform “Fujitsu Learning EXperience” for anytime anywhere learning

DX personnel Development

Learning opportunity for DX literacy and skills based on each role, aiming to corporate transformation which enables DX

Career Design Support

Promotion on career advice enabled by 1on1 platform along with expansion of group-wide job posting scheme for all Fujitsu employees
“exPractice” is a **Practical attitude** rooted in “Purpose” that draws out, nurtures, and utilizes each other’s strengths and enables us to continuously transform ourselves in order to **provide the best experience**.

From various skills and frameworks **“Purpose”, “Design Thinking”, “Agile” and “Data Science”** has been identified as critical elements for “exPractice for DX” and complied to an **“exPractice Program”** that aims at reframing your everyday as an opportunity for practicing.
Implementing On-Demand Learning

- On-demand education which enable each employee to set their own goal based on their career orientation and to learn autonomously
- Providing a platform where employees can learn what they want anytime and anywhere
- Providing a forum where a diversity of employees can tell stories about their experiences, knowledge, and thoughts (Edge Talk)

A New Learning Platform

Fujitsu Learning Experience

- Accessible from smartphone
- “Like” and “Comment” functions
- Provides learning recommendations

Transform organizational culture into one in which diverse individuals study hard and share their thoughts and knowledge

Internal practical knowledge video (Edge Talk)

Providing all employees with business skills training (Without expense burden and supervisor approval)

Udemy for Business
World’s largest educational video content

Autonomous learning
History, recommendations, and analysis to support

FY2019
As of Feb 2022
2,500 courses
9,600 courses
Number of participants: 36,847

- Overlook Stage: 60 exhibits (37 from Japan, 23 overseas)
- Exhibition Pyramid: 9 exhibits (6 from Japan; 3 overseas)
- Communication Ground: 20 exhibits (2 from Japan, 18 overseas)
Aspiring to Transform into Business Producers

- Evolving into DX personnel and raising productivity to transform into the point of connection partner to customers and society

ICT company
(system integrator)

DX company
(ecosystem-driven, social issue-resolving company)

Business Producer Co-Creating Social Value

Evolving into DX personnel and raising productivity to transform into the point of connection partner to customers and society

Customers
ICT Systems

Salespeople grasping customers’ requirements and selling contract development work and hardware

Customers
Fujitsu BP
Co-creating social value

DX company
Material
Energy
Mobility
Distribution
Finance
Manufacturing
Entertainment
Food
Healthcare
Education
Public services
Customer
Life Sciences
Manufacturing
Energy
Mobility
Distribution
Finance
Manufacturing
Entertainment
Food
Healthcare
Education
Public services
Customer

Life Sciences
Manufacturing
Energy
Mobility
Distribution
Finance
Manufacturing
Entertainment
Food
Healthcare
Education
Public services
Customer

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Program to Transform Talent into "Business Producers"

- Conducted for all 8,000 sales personnel in Japan
Online-based global learning programs to resolve DX talent shortage and to acquire cutting-edge digital technologies and know-how

Collaborating with strategic partners (ServiceNow, SAP, Microsoft) to provide internal and external opportunities to practice acquired skills, as well as training that centers on best practices from each company and adds content to reinforce Fujitsu's strengths.

As a part of global HR development, accelerating strategic HR development/resource reinforcement based on our global resource plan.
Global Fujitsu Distinguished Engineer (Global FDE)

- Designation of a uniform global standard for top-notch engineers who are contributing to business, enabling Fujitsu to maintain exceptional engineering capabilities in technical areas that are important to its strategy for business growth.

- 32 FDEs designated worldwide within Fujitsu.

- Accelerates global strategies in the areas of business, technology, and human resources, contributing to the development of employees, society, and the economy.

While improving the retention and engagement of exceptionally talented engineers, it enables Fujitsu to retain its core talent and recruit talented outside engineers.
Initiatives for Organizational Transformation
Baseline for HR and Organizational Transformation: Well-being

Career & Growth Well-being
- Proactive learning and continued growth for employees to achieve their desired careers
  - Global Job-postings, internal internships
  - Platform for proactive learning: Udemy
  - Career ownership support programs

Financial Well-being
- Appropriate and fair compensation based on roles and contributions (including psychological compensation)
  - Switch to Position-based HR management
  - New Performance Management Process “Connect” to promote purpose-driven management

Social Well-being
- Building and maintaining good, trusted interpersonal relationships with colleagues, family members and friends
  - Work Life Shift – Changing the ways we work, our offices, and management
  - 1on1 meetings (coaching, feedback)

Health Well-being
- Maintaining and promoting the mental and physical health of employees and their families
  - Continually advancing management policies to promote health
  - Ensuring the safety and health of employees

Well-being
Achieving the state we desire
Work Life Shift

Smart Working
realizing optimal working styles

- Expansion of flextime without core time
- Equipment subsidies for working from home
- Elimination of job transfer without family, allow remote work for family circumstances
- Agreements with local governments aimed at regional revitalization
- Implementation of 'workations'

Borderless Office
reassessment of the ideal office environment

Renovating work environments in which employees can freely choose according to their business objectives
- Hub Office
- Satellite Office
- Shared Office

Culture Change
transforming corporate culture

- Implementing 1on1 meetings
- Company-wide communication tools
- Provided globally as a services
- Policies to support mental and physical health
- Coordinated with company-wide Fujitra activities

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Enriching Communication: 1on1 Meetings

1on1 Theatre
Distributing a 4-panel comic strip depicting some of the difficulties of 1on1 meetings and presenting points that are easy to understand.

Launch of the KAKEAI 1on1 Tool
Tips for supervisors from managers around the world
Subordinate sets expectations in advance for the supervisor and the topics to be discussed
Because both the supervisor and subordinate can prepare prior to the meeting, they will be on the same page, and the time spent in the meeting will be more meaningful.

Fujitsu Management Discovery
Can analyze and bring visibility to the specific way it is conducted
Brings visibility to the management behavior of excellent managers and enables advice to be given based on the social styles of each individual
Career & Growth Well-being
Career Ownership Program

What Career Ownership is

Instead of leaving it to the organization, it is the mindset and actions in which one thinks of one’s own ways of living and working, taking the main role in shaping one’s career.

Up until now
The company basically gave opportunities for advancement, transfers, and training

Retirement
Executive
Promotion
Entry

From now on
For a variety of work (including promotions, transfers, and training), one raises one’s hand and takes on new challenges

A tendency to take a passive attitude toward one’s career

One designs one’s own career

Variety of Initiatives to Support Employee Growth

Career Ownership
1-on-1 meetings
Communication to support growth

2020

Providing Learning Opportunities
Fujitsu Learning EXPERIENCE
Variety of learning options

Expansion of posting system
Opportunities to take on the challenges of new work

Supporting Self-directed Ways of Working
Work Life Shift
Options for ways of working

Providing Opportunities for New Challenges

Career café
Opportunities to think about one’s career

2021

ex Practice
A program for gaining the thinking required to be DX personnel

Job Challenge!!
Opportunity to experience work outside of one’s current unit

Management Transformation
Management that draws out empathy of each employee and encourages employees to actively take on challenges

Reskilling, Upskilling
Learning for keeping pace with business changes
Goals

What Fujitsu Aspires to Be

Be a responsible business that reflects the diversity of our world and build an inclusive culture where everyone can be completely themselves. We will celebrate difference and ensure that people can succeed regardless of their personal identity, especially their gender, sexual orientation, gender identity, race, ethnicity, health, disability, and age.

Goals for FY2022

Cultivation of inclusive corporate culture.
1. Favorable answers to Diversity and Inclusion question of Engagement Survey
2. Increase the ratio of women in leadership levels

KPI

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2022 Target</th>
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<tbody>
<tr>
<td>Non-Consolidated</td>
<td>59%</td>
<td>63%</td>
</tr>
<tr>
<td>Consolidated</td>
<td>66%</td>
<td>69%</td>
</tr>
<tr>
<td>Non-Consolidated</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Consolidated</td>
<td>8%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Overview of our Diversity and Inclusion Activities

- EQUITY-focused activities to equalize access to opportunities
  *Equity: getting necessary support based on specific need or positioning*
- Awareness of D&I activities focusing on respect for diversity, building a sense of satisfaction, and changing awareness, not only for women and minorities, but also for the majority

### Mindset Change
- **Unconscious Bias Training**
  Creates an organization in which individual can demonstrate his or her abilities by recognizing unconscious bias and thinking about it as his or her own business
- **Inclusive Leader Training**
  Skills development aimed at entrenching, sustaining and developing inclusive behavior
- **Utilizing Engagement Survey**
  Analyzes free comments and responses to items related to the state of being able to play an active role in their own way and uses them in actions

### Positive Actions
- **Community Expansion**
  Creating a culture that supports diverse careers through an environment in which employees can consult with appropriate people when they have problems
- **Mentoring**
  Supporting high-potential talents with the support of mentors to think about their careers autonomously and encourage them to take on the challenge for higher positions
- **Career Support**
  Facilitating and accepting diverse growth opportunities through Job-Positing, Inhouse-internship program, enhanced public relations and D&I-aware interviewer training

### Work Life Shift
- **Synergy on Work and Life**
  Utilizing flexible working styles and practicing working/side work, etc., to gain new insight, improve creativity, and build new relationships
- **100% male participation in childcare**
  Expanding options for male employees to participate in childcare, including allowing up to two months of paid leave of up to 100% before and after a spouse gives birth
- **Expanding benefits to support Life**
  Improved engagement and performance through enhanced leave and benefit services to support pregnancy, childbirth, childcare, nursing care, etc.
○ For Fujitsu to deliver new value to society and customers as a DX company, we need to raise the level of engagement of each employee.

○ As a target for FY2022, we have set, as one management target, raising employee engagement to the same level as other global companies (75)

**Trend of Fujitsu’s overall engagement score**

- FY2019: 63 (Prior to initiative)
- FY2021: 67 (After starting initiative)
- Goal for FY2022: 75 (global average for technology companies)

**Engagement**
A condition in which an employee shares the company’s vision and purpose, feels a bond with the organization, and approaches work with a high degree of enthusiasm.
Thank you