Hello. I am Hiroki Hiramatsu, Fujitsu’s Chief Human Resources Officer.
I would like to talk to you about Fujitsu’s human resources strategy.
Our Purpose
Make the world more sustainable by building trust in society through innovation.

This is Fujitsu’s Purpose, which CSO Kajiwara also spoke to you about earlier. This is the common direction for all of Fujitsu’s 130,000 employees around the world. It is also the compass guiding self-directed decision-making and actions at Fujitsu. Our Purpose also constitutes the basis of our human resources strategy, which I will talk about today.
Based on our Purpose, we first formulated our “HR Vision.”
This is the vision that we seek to achieve through the transformation of our HR system and policies.
Fujitsu seeks to be a company where diverse talent gathers to create innovation everywhere in society.
Our aim is to nurture human resources and an organization able to achieve this.
Our people are our greatest management resource and the source of customer value.
Accordingly, the mission of the human resources unit is to attract diverse people, develop their talents, and retain them.
We also want to mobilize their capabilities to the greatest extent possible.
In addition, to create innovation everywhere in society, we need to be an organization where employees with diverse strengths share a common purpose and work together with agility.
We also think that it is important to focus on the well-being of each individual to raise the level of creativity and engagement of each employee.
These were the thoughts and ideas we based our vision on.
Today I will talk about the following three topics.

- Position-based Human Resources Management
- Evolving toward DX personnel
- Initiatives to reform organizational structures
First, I will talk about our job-based human resources management system.
Implementing a job-based human resources management system is not an end unto itself.
The goal is to transform Fujitsu in the three areas highlighted here to achieve our HR vision.
Our human resources management system is a tool for achieving that goal.
We want to provide opportunities to all employees to engage in attractive work, offer chances to all employees to learn and grow at all times, and enable diverse and talented employees to collaborate across borders and organizations.
In order to proactively promote Challenges, Learning & Growth, and Collaboration, we are building a group-wide global human resources platform with a job-based human resources management system at its core.
The first point within Fujitsu's transformation of its human resources system is what we call a fully remodeled human resources management system. If we were to make only partial changes, these challenges would soon become mere formalities without substance. We believe that we will not get the results we seek to achieve without a consistent strategy. We will design the organization based on our business strategy and clarify the roles and responsibilities of each position. We will also clarify our performance evaluation process and direction. On top of that, we will conduct human resources management, including hiring and internal job postings from the perspective of our business units, and employees will pursue self-directed learning so that they can take on the challenge of pursuing positions with clear and attractive roles and responsibilities. In this way, we want to achieve consistency in the initiatives of our human resources system.
As a first step, we will revise our organization and position design based on our business strategy.

Under the old so-called “membership-based system for human resources management” in Japan, new college graduates were all hired at the same time with the expectation of long-term employment.

In terms of the allocation of existing personnel, positions in organizations were often created based on the qualifications and work abilities of the people assigned to a unit.

As a result, the layers of hierarchy increased, and it cannot be denied that there was also a tendency to create positions whose responsibilities and authorities were ill-defined.

Within our job-based human resources management system, we first design the optimal organization and positions based on our business strategy, clarify the roles and responsibilities of positions by job description, and then assign the optimal human resources.

If we cannot find the optimal talent internally, we will hire new people from outside, which is a shift from the old process of finding “an appropriate position for a given person” to the new strategy of finding “the right person for the right position.”

Significant changes in the direction of a business or company can create a gap between the ideals and realities of the organization and people who can implement the company’s strategy, and mismatches of skills or shortages of people or overstaffing become particularly apparent and visible.

As we are now seeking to transform into a DX company, the demand of our business units for resource shifts, reskilling, and new talent from outside has largely increased, and our human resources management has to respond quickly to these demands.
Next is our compensation system that is based on the "level of contribution to the company" and the "level of results achieved."

Before we shifted to the job-based system, we compensated employees based on their manager-class category.

With the implementation of the job-based system, we standardized compensation based on the so-called “Fujitsu Level” which takes into account the employees’ responsibilities based on globally uniform standards.

As a result, compensation will no longer increase if a person stays in the same position and the position’s responsibilities do not change.

In this way we aim to spur the employee’s desire to take on the challenge of reaching for positions with even greater responsibilities.

This system further creates competition toward a limited number of positions, and employees will have to check the job description of the position they are planning to apply for and build the required skills and experience at their own initiative.
I will now speak about executive performance management.

For executives, whose Fujitsu Level is VP or above, we are evaluating performance based on a globally uniform framework utilizing a “balanced scorecard” system, where performance is reflected in short-term incentives of bonuses.

Financial indicators include the revenue and operating profit of the executive’s area of responsibility.

Further important indicators are non-financial indicators including the Net Promoter Score (NPS), the DX Promotion Indices, and innovative projects in each executive’s area of responsibility.

Executives are further evaluated based on indicators of how to live and act in accordance with the values “Aspiration,” “Trust,” and “Empathy” stated in the Fujitsu Way.

In this way, performance evaluation for all executives globally is tied to their commitment to the current fiscal year’s financial and non-financial indicators, efforts on innovation themes for the medium-term growth of the business, and behavior indices for organizational transformation.

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### Executive Performance Management Overall

- 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><strong>Financial metrics</strong></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><strong>Prioritized metrics</strong></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><strong>Behaviours metrics</strong></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>
This slide is about “Connect,” the new performance evaluation system for employees in non-management positions with a Fujitsu Level 15 and below. We use this system to evaluate employees’ autonomous efforts to achieve not only their individual purpose, but also the organization’s purpose, the vision of the employee’s unit and how large the employee’s impact was in those areas.

In this way, we moved away from a system that only focuses on achieving short-term targets.

In our new evaluation system it is important that the growth of the individual employees is aligned with the unit’s vision, and that employees are encouraged to take initiative.

In the so-called “VUCA” era, an era of volatility, uncertainty, complexity, and ambiguity, we cannot respond to changes simply by achieving the goals set at the beginning of the year.

Employees need to grasp changes in the environment on their own, adjust their own priorities and targets, and seek to maximize their impact.

To realize this approach, we are focusing on 1-on-1 communication between supervisors and employees to confirm the direction of the unit and provide timely feedback.
The second point within Fujitsu’s transformation of its human resources system is the expansion of its internal job posting system.

We believe that it is important to raise the mobility and diversity of our talent and to offer employees the opportunity to take on new challenges and apply for internal jobs they are interested in to find the right person for the right position.

We have worked to increase internal job postings since the start of our job-based human resources system for manager-class employees in 2020.
These are the results of our job posting system in fiscal 2021. This system includes two categories, open-period recruitment and set-period recruitment.

The set-period recruitment system is used for new managerial positions where applicants raised their hands to apply. In this category, there were 1,030 applicants for 660 positions, and 578 applications were successful.

For open-period recruitments, we received 3,471 applications for 2,254 job openings, including non-management positions. Compared to fiscal 2019, this represents an increase of roughly seven times. With regard to the expansion of the internal job posting system, we believe that we still need to further expand this number and that we need to further increase employees' job mobility as this will foster a greater sense of career ownership.

For employees who have changed jobs through the job posting system, engagement has significantly increased. Through employee engagement surveys, we were able to confirm that there has been a particularly large increase in the categories of sense of fulfillment in employees' work and equality of opportunities.
This shows Fujitsu’s executive structure as of April 1, 2022.

At the executive level, we have taken the lead in implementing measures to increase the mobility and diversity of our talent and to identify the right people for the right positions.

We believe that, in the past two years, we have significantly raised the number of outside hires and made great strides in terms of gender diversity and diversity of nationality.
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</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>SEVP 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. CEO, Ridgelinez Ltd.</td>
<td>PwC</td>
</tr>
<tr>
<td>Taeko Yamamoto</td>
<td>April 2020</td>
<td>EVP CMO</td>
<td>Microsoft</td>
</tr>
<tr>
<td>Katsuhiko Uramoto</td>
<td>May 2020</td>
<td>EVP 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 Initiatives (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>EVP Head of Infrastructure and Solution Sales</td>
<td>Kyriba</td>
</tr>
<tr>
<td>Hiroyuki Tsutsumi</td>
<td>April 2022</td>
<td>SEVP CEO, Japan Region</td>
<td>Philips</td>
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Over the past two years, we recruited people from outside to fill important positions. These are people who joined the company because they empathized with Fujitsu's Purpose and our attitude towards transformation.

I feel that they add new perspectives and experiences to Fujitsu, invigorated management team discussions, and through information sharing with employees, they have had an extremely positive impact on our company-wide cultural transformation.
Next, I will introduce our personnel development policies to nurture talent for digital transformation.
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

Within the job-based human resources system, we are clarifying the requirements for each job.

We feel it is important for the company to support employees in proactively thinking about their own careers and in obtaining the skills and experience necessary to achieve their career goals.

Moreover, we are creating an environment where employees can systematically gain the fundamental skills and mindset needed to become DX personnel.

I would like to cover a few examples.
### exPractice – makes transformation “my own business”

“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**.

<table>
<thead>
<tr>
<th>exPractice</th>
<th>experience Practice (実践)</th>
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<tr>
<td></td>
<td>exP</td>
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<td></td>
<td>Scrum Practice (Agile)</td>
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<td></td>
<td>Data Science</td>
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<td></td>
<td>Purpose Carving</td>
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<td></td>
<td>Design Practice</td>
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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.

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First is our initiative to encourage employees to take ownership of transformation through the exPractice program.

exPractice is an internal term to refer to a program to nurture and utilize every individual’s distinctive strengths to provide our customers and society with the best “experience.” exPractice begins with Purpose Carving.

Purpose Carving is a program to help employees understand their own purpose within society and to identify with Fujitsu’s Purpose.

This purpose also serves as a starting point for developing design thinking, agile development, and data science skills, which are skills that we want to spread throughout the whole Fujitsu Group.
Next is our deployment of on-demand online learning. We have shifted from company-directed uniform training based on job levels to a system that supports employees in autonomous learning and growth. We, as a company, are supporting individual employees in designing their career based on their strengths and potentials for growth, help them in setting their goals and support autonomous learning. As the first step in this process, in April 2020 we opened the Fujitsu Learning Experience platform for on-demand learning.

On this platform, we are providing a variety of contents, and have created an environment where employees can study at any time at any place. Through Udemy, the world’s largest library of practical learning video content, our employees are able to learn without any additional individual costs. “Edge Talk,” a kind of internal TED Talk forum where diverse personnel within the company shares their own experiences and knowledge through stories is another popular platform that we offer.
Next, I would like to talk about the Fujitsu Learning Festival.

This is a global online event first launched in FY2021 with the purpose to encourage participants to learn from each other.

The first festival last year on the topic “SDGs” had 36,847 participants from around the world.

The event featured presentations by external experts and Fujitsu executives, seminars on different topics and workshops in which employees could participate.

Participants from around the world were highly satisfied with this event, and we feel it also helped us to create a sense of global unity.

This year we are working together with our global human resource development departments to attract even more participants from all over the world to our event.
Next, I would like to talk about our "Business Producer" transformation program. At Fujitsu, we are focusing on the re- and upskilling of sales personnel to become business producers. Business producers shall be able to co-create social value, create new businesses and services through our relationship with customers and vendors and realize DX together with our customers. At this end we have trained about 8,000 people in sales positions in Japan to become business producers.
This is a structural diagram of our business producer transformation program. This program consists of three main programs. During the first program about “Business Conceptions,” prospective business producers learn consultant methods for observation and research, envisioning, and planning. The second program, “Creative Mindset,” teaches how to ask questions and generate ideas with design thinking and user storytelling. During the third program, which focuses on “Technology Skills,” future business producers learn about topics including the latest trends in digital technology. As a next step, participants will focus on improving their skills as business producers to put their abilities as business producers into practice.
Next, I will talk about our Global Strategic Partner Academy Program. This initiative addresses increasingly critical skills shortages of digital talent by providing global online education programs on the latest digital technologies and know-how. Fujitsu promotes this program in collaboration with the strategic partners ServiceNow, SAP, and Microsoft. This global program offers participants the opportunity to learn the latest digital technologies and know-how, including knowledge and skills related to services from our three technology partners and contents leveraging Fujitsu’s strengths.
Next, I will talk about our Global Fujitsu Distinguished Engineer (FDE) Program. This is a certification program for high-skilled technical personnel. The program, which is based on a common global standard, awards titles to top-tier engineers that possess exceptional technical capabilities and are important to our business growth strategy including AI, computing, cybersecurity, data, and networks. Currently, 32 employees have received Global FDE certification. Global FDE employees, the figureheads of Fujitsu, will contribute to a variety of projects inside and outside the company and we will continue to support their various activities.
Next are our initiatives for organizational transformation.
During our transformation process to achieve our Purpose, it is important for us to think about how each employee can contribute to resolving issues in society through our business and to take on that challenge.
Each employee needs to be aware of the issues surrounding us and take concrete actions to address these issues.
Our corporate culture needs to actively supports this.
In transforming our organizational culture, it is important to increase the well-being of each employee.

We are thus promoting various initiatives to improve employee well-being, particularly in the four areas of “Career & Growth,” “Financial,” “Social,” and “Health.”

We believe that an increase in employee well-being leads to an increase in employee engagement.

Ultimately, the growth of the company is connected to the growth of its employees. I would now like to introduce some examples of our initiatives.
The first is our Work Life Shift Initiative, the transformation in the ways we work. This initiative was announced in July 2020, and it is composed of three concepts: Smart Working, Borderless Office, and Culture Change.

This way of working allows employees to choose the best time and place to work for themselves.

As online work had become the obvious choice, we reexamined the need to gather at our offices and renovated our offices to optimize them as spaces for communication and collaboration.

At the same time, we reduced our office space by half throughout Japan, and we are working to transform our culture to promote these initiatives.

Even now, the ratio of work done online is about 80%.

In addition, we feel that these initiatives had a positive effect on productivity and engagement as 75% of our employees feel that their productivity has remained the same or improved compared to before the COVID pandemic.
Social Well-being

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

Brings visibility to the management behavior of excellent managers and enables advice to be given based on the social styles of each individual.

Fujitsu Management Discovery

One-on-one meetings remain a central part of our management and communication transformations process.

This was an initiative that we also starting in July 2020.

All employees, at every layer, from the CEO to new employees, have one-on-one meetings with their supervisor and with their subordinates once a month.

Data shows that these one-on-one meetings have a high correlation with employee engagement and their degree of satisfaction.

We are working to make these one-on-one meetings even more effective using a variety of methods, including ongoing training, sharing of positive examples, and analysis of the management styles of manager-level employees.
In order to promote autonomous career design, we are conducting career ownership training for all employees.

Before we shifted to our job-based HR system, we provided career training when employees were newly hired, and then again when they reached their 50s.

We have now changed our perception of career design, and now offer employees of all age groups career ownership training as necessary.

Previously, employees had a tendency to become passive with regard to their own careers, but we are working to support employees in autonomously designing their own careers.
Diversity and Inclusion in the Fujitsu Group

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>
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<tr>
<th></th>
<th>FY2018</th>
<th>FY2022 Target</th>
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</thead>
<tbody>
<tr>
<td>Non-Consolidated</td>
<td>59%</td>
<td>63%</td>
</tr>
<tr>
<td>Consolidated</td>
<td>66%</td>
<td>69%</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2022 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Consolidated</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Consolidated</td>
<td>8%</td>
<td>10%</td>
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</table>

Next, I would like to touch on diversity and inclusion within the Fujitsu Group. Our aim is to foster a corporate culture in which everyone can play an active role in his or her own way through responsible business activities that respect diversity. As for our KPIs, we are planning to include an increase in the rate of positive responses to D&I-related questions in our employee awareness survey and an increase in the ratio of women at the leadership level.
When it comes to diversity and inclusion, I feel it is important to transform our behaviors and mindsets to provide equal access to opportunities by promoting initiatives that emphasize fairness.

For executives we offer initiatives including training about unconscious bias and inclusive leadership training to transform mindsets.

Especially for female employees we offer initiatives for community enhancement, mentor systems, and career support.

By promoting the Work Life Shift initiative that I mentioned earlier, we aim to achieve synergy between work and life and have created an environment in which we can respond more flexibly to diverse work styles and values.

This also includes our initiative to support 100% participation in childcare by male employees.
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).

Lastly, I will talk about employee engagement. Fujitsu has set employee engagement as one of its non-financial indicators. As a benchmark target, we are aiming to achieve the global average score for the technology industry of 75.

From 2019 to 2021, we raised our score from 63 to 67, but there is still some way to go to reach our benchmark of 75.

We have undertaken a variety of initiatives up to this point, but we have once again recognized that there is no silver bullet for easily increasing employee engagement. We feel it is important that we approach every single employee, understand their diverse values, support them in their growth and help them to find meaning in their work.

In this way we can balance the growth of the company and the growth of our employees.

In that sense, employee engagement is a highly important indicator within the transformation of our human resource system, and we will continue to work on it tenaciously.
Thank you

This concludes my presentation.
Thank you for your attention.