



With Our Stakeholders

As a good corporate citizen, Fujitsu undertakes corporate activities to identify stakeholders' (customers, shareholders and investors, clients and business partners, regional communities, etc.) diverse expectations and needs.

With Our Customers

To Increase Customer Satisfaction

Fast-changing social and economic environments make it difficult to see far ahead, what is demanded of us is to quickly and accurately grasp customers' wishes and change ourselves while thinking and acting from the customer's point of view. We are aiming for management innovation by using the "Program to Improve the Quality of Management,"^{*1} and taking a number of initiatives to form an innovative corporate culture that can keep pace with customer changes.

^{*1} Program to Improve the Quality of Management:

A framework for customer-centric management excellence modeled on the Malcolm Baldrige National Quality Award of the United States, the de facto global standard for management innovation.

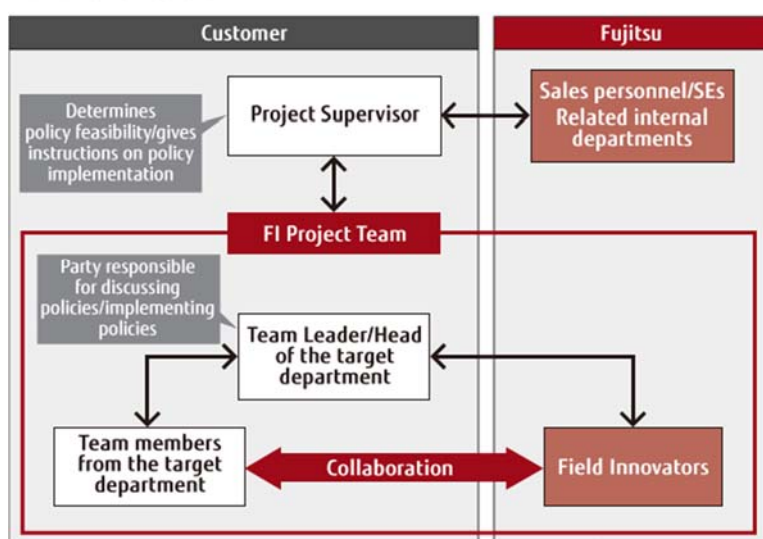
Promoting Field Innovation with the Customer

Field Innovation closely visualizes the actions and the awareness of people at customers' workplaces to uncover waste in processes and hints for effecting reforms. It seeks to maximize the value of ICT while contributing to the evolution and expansion of customers' business.

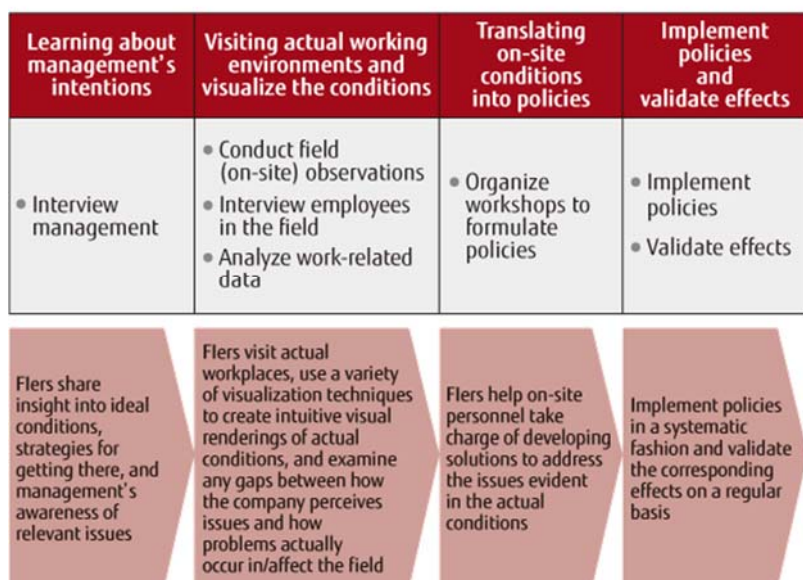
Fujitsu launched Field Innovation activities in 2007, working together with a wide variety of customers in a diverse mix of industries. In FY2016, the Field Innovation activities implemented 384 projects.

Collaborating with customers and spearheading the Field Innovation initiative are "Field Innovators" (Flers)—a select group of managers who boast extensive experience in Fujitsu's various business areas and a skill set that includes a capacity for driving reform, a mastery of visualization techniques, and an ability to achieve consensus. Teams of Flers head to customer business locations to learn about top management's intentions, interview employees in the field, and visualize conditions to help pinpoint issues to address. After identifying problems, the Flers collaborate with customers on possible solutions from a third-party perspective.

Promotion Structure



The Field Innovation Process



- Examples of Field Innovation

<http://www.fujitsu.com/jp/about/businesspolicy/fieldinnovation/en/case-studies/>

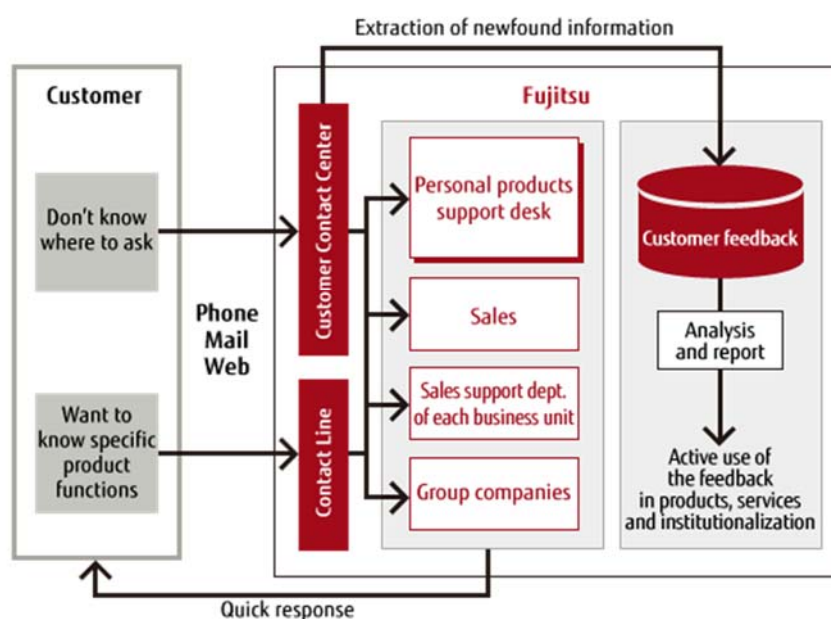
Operation of the Fujitsu Customer Contact Center and the Fujitsu Contact Line

We established the Fujitsu Customer Contact Center in 2003 to handle inquiries concerning products and services from customers who are not sure where to address their issues together with other general complaints. Also, in order to respond quickly to corporate customers concerning the functions and prices of products and services before they make their purchases, we established the Fujitsu Contact Line in 2005 as a single contact point for all pre-purchase telephone inquiries, listing one sole telephone number on our corporate website and in brochures, press releases, and advertisements. The Contact Line provides a convenient, one-stop contact to help Fujitsu boost customer satisfaction.

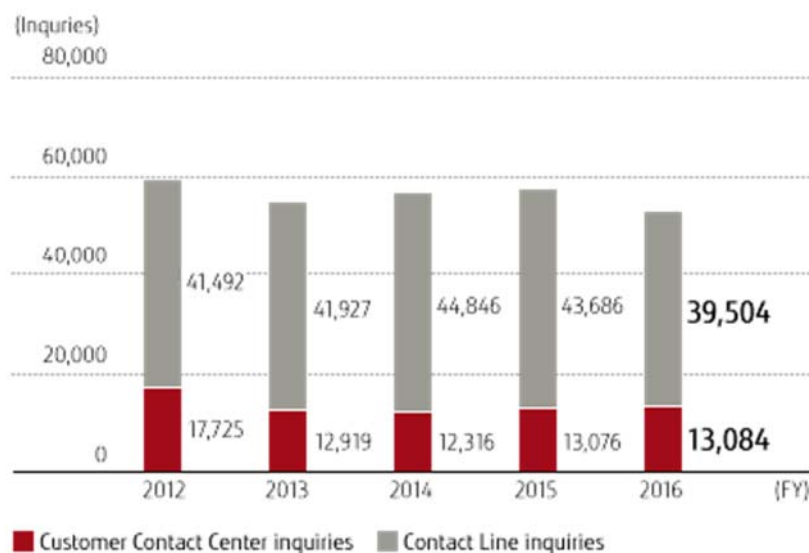
Operating Framework

The role of the Fujitsu Customer Contact Center and the Fujitsu Contact Line is to quickly connect the customer to the department best suited to answer his/her inquiry and monitor the status of inquiries to prevent delayed or unresolved responses. The organizations not only increase customer satisfaction through accelerated responses but also analyze what customers say, using that valuable input for product and system development and quality improvement.

Since 2014, we have also been operating a framework in coordination with group companies outside Japan to provide quick responses to cross-border inquiries.



Trends in Inquiries



PC Support Center for Individual Customers

To handle the diversifying needs and environments of our individual customers, we have put in place the "personal products support desk" to provide consultation concerning Fujitsu personal computers. Through this support desk, we are building a system for handling a wide range of questions on matters regarding the use, troubleshooting, and servicing of Fujitsu personal computers.

Examples of Improvements Based on Customer Feedback

[Example 1]

A customer let us know that a product's official "Product name" and "Serial number"—two items that customers need to get help over the phone or submit an application for repair—were too far away from each other on the product itself and in a very small font, making the information both hard to locate and difficult to read. In response, we decided to print both items on the same label and in a larger font size beginning with models released in January 2016.

[Example 2]

A customer provided valuable input on the protective film covering the built-in webcam on a Fujitsu personal computer. Noting that the sticker was transparent and hard to notice, the customer explained that he forgot to take the film off—which ended up creating a blurry, cloudy webcam image. Starting with the January 2017 models, we began attaching a blue "tab" (tape) to the protective film to make it easier for users to see and remove.

[Example 3]

Another customer told us about a problem she experienced when she put her tablet in a keyboard cover, which ended up concealing the microSD card slot and preventing her from inserting any microSD cards. In response, we came up with a structure that keeps the external-connection ports on the side accessible and rolled the new design out with the January 2017 lineup.

Qfinity

Since FY2001, the Fujitsu Group has engaged in Qfinity, an activity that inspires improvement and innovation. Qfinity encourages team activities to create higher customer value by improving various work processes, making products, providing services, enhancing office management, and addressing all our other day-to-day operations. "Qfinity" comes from the words "Quality" and "Infinity," expressing the pursuit of "Quality to Infinity." The Qfinity concept reflects the Fujitsu Group's DNA and embodies our inner brand.

The various improvement and innovation activities in the Fujitsu Group are practiced and shared under Qfinity, and are inherited as a part of the company's DNA. Qfinity encourages all employees to act according to the principles of the Fujitsu Way: Global Citizenship, a Customer-Centric Perspective, Firsthand Understanding, the Spirit of Challenge, Speed and Agility, and Teamwork. The Qfinity Program provides e-learning and workshops on Kaizen, reports on case studies, holds conventions for sharing experiences, and gives out awards to recognize excellent projects.

• Education Programs

In addition to the basic and technical education on improvements and innovations through e-Learning and group classes, we are enhancing our practical skills through organization-oriented individual instructions and workshops. We provide employees with handbooks and educational materials containing topics including how to advance Qfinity and how to resolve problems.

In FY2016, we launched a basic education program in Asia to help Qfinity take root overseas.

• Information Communication and Sharing of Good Activities

We centrally manage examples of activities using the Qfinity System and share these activities across the company. We also utilize e-mail newsletters and our website to introduce good activities and communicate information on a regular basis.

• Awards and Events

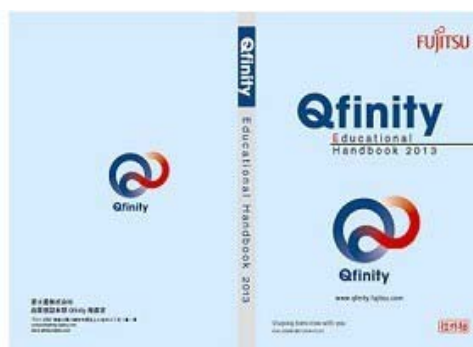
Outstanding activities across the Group are given awards for excellence on the anniversary of the company's foundation. The award-winning activities are also announced and shared at the Qfinity Company-wide Convention where Group employees come together.

Although Qfinity had a primarily domestic scope through FY2014, the initiative then began to spread overseas. Since FY2015, overseas Group companies have been eligible for Qfinity Awards and making presentations at Qfinity Company-wide Convention.

Through such Qfinity activities, we are receiving more and more award entries from Group companies in Japan (from 51 companies in FY2014 to 55 companies in FY2015 and 63 companies in FY2016) and abroad (from 2 companies in FY2014 to 13 companies in FY2015 and 17 companies in FY2016). The Qfinity initiative will continue to encourage every employee to pursue quality in work, enhance the power of the Fujitsu Group, and pass down the company's DNA.



Qfinity Company-wide Convention



The Qfinity handbook

Placing Importance on Connecting with Our Customers

The User Association 'Fujitsu Family Association'

The Fujitsu Family Association works to help resolve issues at member companies by making it easier to share ICT-related perspectives and value systems. The Family Association operates as an independent, member-driven organization, with Fujitsu providing operational assistance for various activities. As Japan's largest ICT user coalition, boasting a membership of approximately 3,800 companies and organizations, the Family Association makes significant contributions in helping member firms and Fujitsu exchange valuable information, interact, and forge lasting relationships.

The Family Association's branch office activities, which represent the organization's primary initiatives, include more than 400 ICT seminars, human resource development, community-rooted exchange projects, and other events per year. Another key component of the Family Association is the LS Research Committee, a special committee that concentrates on propelling the activities of research sub-committees. The Committee facilitates friendly, mutually beneficial competition between member companies and Fujitsu, fosters cross-industry collaborative research on the future of planning and information systems divisions, and shares the outcomes of those research initiatives to help all the member companies make forward progress.

In FY2016, the Committee conducted high-level studies into the latest ICT via united efforts that included 227 research sub-committee members from 100 companies and technical advisors from Fujitsu (SEs and business unit personnel). Through the organization's various activities, the fruits of these projects have a far-reaching impact on the management and business operations of member companies and Fujitsu by shaping new product development, solution proposals, and more. User firms from across the market have high praise for the Committee and the branch office activities of the Family Association, which continues to attract more and more members.

Directions in Advertising

In all advertising and publicity activities in the Fujitsu Group, we strive to observe all laws and internal corporate regulations and to use only fair and appropriate expressions and graphic symbols. In FY2016, the Fujitsu Group did not violate the Act against Unjustifiable Premiums and Misleading Representations. We are focusing on branding in FY2017, aiming to build awareness of our efforts in digital transformation.

To evaluate our advertising policies and cost performance levels, we set objectives, repeat the PDCA cycle, and measure and validate the effects of our advertising initiatives.

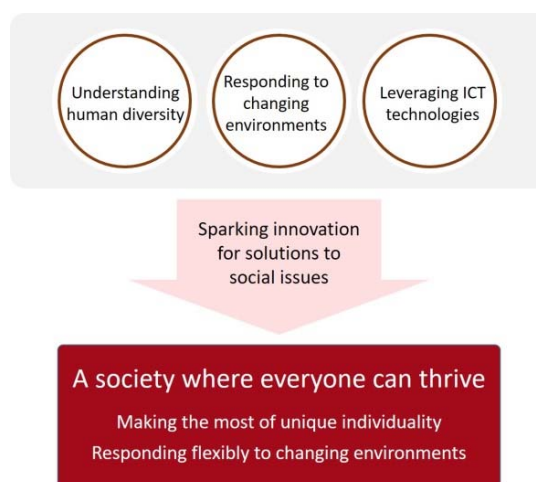
In addition, we use our company-wide Inquiry Response System to gather feedback from the general public on our advertising efforts. Using that important input, which we take very seriously, we address any emerging issues and work to enrich our communication initiatives.

Universal Design

The Fujitsu Group strives to create through “ICT Universal Design” a society where people can live safely, securely, comfortably, and prosperously.

Fujitsu's Vision of Universal Design

Fujitsu is committed to understanding human diversity, responding to changing environments, and leveraging its ICT technologies to spark innovation that can drive solutions to social issues and open the doors to a new future. We want to use our ICT prowess to build a society where everyone, regardless of nationality, age, gender, or disability, can flourish through their own unique traits and skills. To spread our universal design vision across a broader scope, we have created a dedicated organization that serves to create universal design guidelines for systems development and promote compliance.



Examples of Universal Design Activities in FY2016

IAUD Award 2016

The International Association for Universal Design (IAUD), aiming to lay the “foundations of a society in which more people will feel comfortable to live,” presents the IAUD Award to recognize groups and individuals who have conducted or proposed particularly noteworthy activities. The IAUD Award 2016 recognized the four Fujitsu initiatives below.

- **Grand Award:** FUJITSU GUI Next Plus (FGNP) - A new GUI*¹ design platform for creating a society where everyone has equal, fair access to software
- **Gold Award:** The spiral of diversity that links community, company, and employee to empower people
- **Silver Award:** Raku-Raku Smartphone, part of the Raku-Raku Phone Series
- **Silver Award:** Agricultural production management SaaS, a food/agriculture cloud service for revitalizing Japanese agriculture

*1 GUI: Graphical User Interface



At the award ceremony



Grand Award: FUJITSU GUI Next Plus

The Grand Award-winning FUJITSU GUI Next Plus (FGNP) is a GUI design platform for developing software that ensures accessibility for a broader range of users, spanning a wide variety of different cultures, physical abilities, genders, and work styles. By working to enhance software quality across the board, Fujitsu not only aims to propel and stabilize systems and infrastructures across the social landscape but also cultivate a society where everyone has fair, safe, and secure access to software.

2016 Good Design Award

• Good Design Special Award (Design for the Future): Antenna

Antenna is a new user interface that allows users to experience sound through strands of hair. Worn like a hair pin, the device detects sounds via a built-in sensor and transmits the features of the aural input to the user through vibrations and light. Aiming to help users "sense sound through hair, just like the whiskers of a cat sense movements in the air," the Antenna team are collaborating with hearing-impaired individuals in a joint-development effort.



Efforts to Cultivate a Diverse Society

Fujitsu actively engages in efforts to build a harmonious society through a variety of open events and support activities. The wide array of events, which include the Spring Festival at the Kawasaki Plant, the Kawasaki Ball Sports Festival, and IMAGINE "Diversity" 2020, build closer bonds between Fujitsu and local communities in open settings. We also offer our assistance with other activities, ranging from "DO-IT" initiatives that support students with disabilities to 24-hour design marathons that bring disabled individuals and students into close collaboration on design projects.



Wheelchair basketball workshop at the Fujitsu Spring Festival



IMAGINE "Diversity" 2020: An open event for discussion on diversity and ICT
Tokyo Organising Committee of the Olympic and Paralympic Games
Tokyo 2020 Participating Program

Spreading Expertise from the Inside Out

In addition to incorporating universal design and diversity insights into our internal work styles and product/service development, we are also working to spread our expertise outside the company organization.

The All Japan Business Committee is one of the many organizations aiming to create connections across the business world in the run-up to the 2020 Tokyo Olympic and Paralympic Games. As part of its efforts to "create a society where everyone can live in comfort," the Committee created "Barrier-Free Minds" pamphlets that draw on Fujitsu's expertise to offer guidance on fostering communication in diverse workplaces and other issues.

See "Creating Social Value through the Tokyo 2020 Olympics & Paralympics" for more information on "Barrier-Free Minds."

• Fujitsu Universal Design

<http://www.fujitsu.com/global/about/businesspolicy/tech/design/policy/ud/>



Quality Initiatives

Philosophy on Quality and Product Safety

The commitment "We enhance the reputation of our customers and the reliability of social infrastructure" stated in the Fujitsu Way is one of the corporate values on which all Fujitsu Group employees must place importance. In order to put this into concrete practice, across the Group in Japan and overseas we have rolled out the Global Quality Policy of Fujitsu Group, which expresses the Fujitsu Group's shared philosophy on quality. We view quality as fundamental to our business activities, and are committed to continuous quality improvement.

Fujitsu Global Quality Policy

1. We pursue quality from the customer's perspective.
2. We ensure quality to support safety and security.
3. We engage in quality improvements together with our business partners.
4. We have constructed a quality management and quality assurance system and we continuously engage in quality improvement activities.

• Quality efforts: "Fujitsu Quality: Your Safety and Security"

<http://www.fujitsu.com/jp/about/activities/quality/index.html>

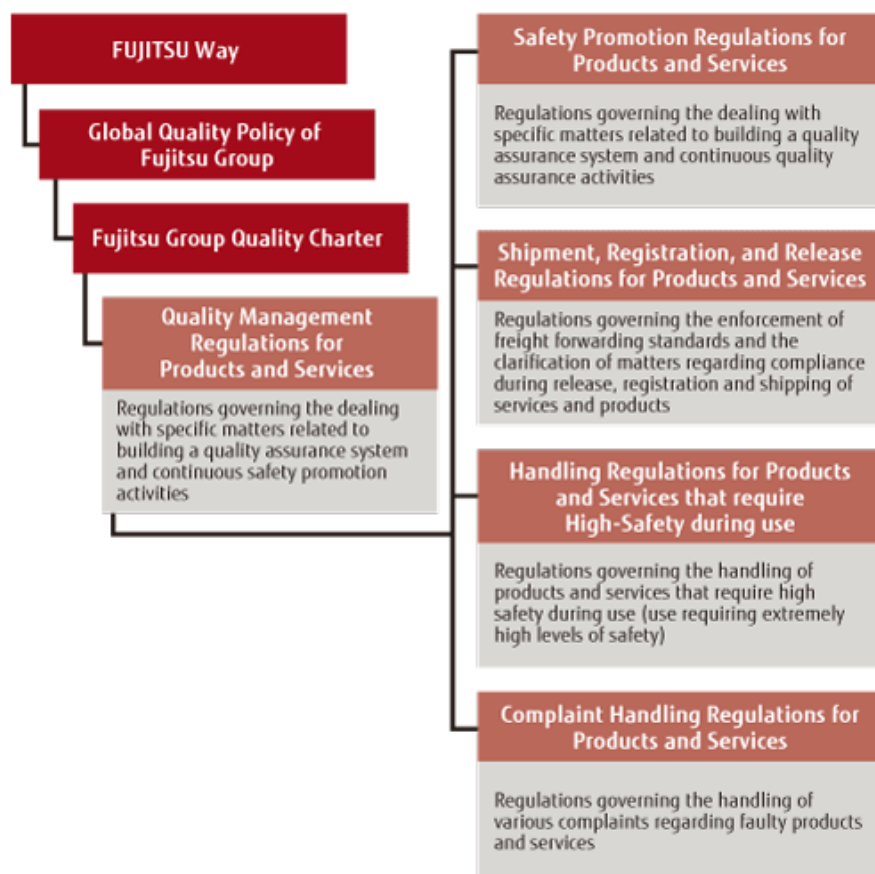
Quality Assurances Activities Based on the Fujitsu Group Quality Charter

Quality is the basis of brand value for the Fujitsu Group. Products and services that customers can safely use is the essence of the Fujitsu Group's business. Based on this philosophy, in June 1994, ahead of the implementation of Japan's Product Liability Law (effective from July 1, 1995), Fujitsu formulated the "Fujitsu Product Safety Charter," the predecessor of the "Fujitsu Group Quality Charter."

Today, Fujitsu has formulated the Fujitsu Group Quality Charter based on the idea that safety is one part of quality, it is revising and creating various regulations and technical standards related to product quality, and it is thoroughly engaged in educating through new employee training, engineering department group training and quality meetings

To continue offering products and services that anticipate changes affecting our customers and their business environments, at every stage from design to evaluation, production, sales and support, we perform our quality improvement activities in line with the following principles laid out in the Fujitsu Group Quality Charter.

The System of Quality Safety Regulations



Quality Principles

- We pursue quality from the customer's perspective.
- We build in quality that anticipates changes.
- We achieve quality consistent with our social responsibilities.
- We use first-hand feedback based on the actual situation.
- We work with our business partners to improve quality.
- We seek to make public quality-related information transparently.
- We foster employees who think about quality.

Based on the policy of emphasizing safety in all aspects of our business activities, we strive for assured safety in product designs, collection and the publication of information on product-related problems, and rapid response to such problems.

Implementation Policy Related to the Safety of Products and Services

The Fujitsu Group recognizes its social responsibility to build a safe and secure society. The Fujitsu Group always considers and endeavors to improve the safety of products and services in every aspect of the group's business activities.

1. Observation of laws and regulations

We observe laws and regulations concerning product and service safety.

2. Efforts to secure safety

We try to ensure that products and services are safe in a variety of use situations and take measures as necessary to secure the safety of the products and services. In addition to legally specified safety standards, we develop and observe voluntary safety standards in our endeavors to improve products and services continuously.

3. Prevention of incidents caused by improper use, etc.

For the safe use of products and services by customers, we properly display notices and warnings in handbooks or on the body of the products in order to prevent incidents caused by improper use or carelessness.

4. Collection of incident information, etc.

We actively collect safety-related information from customers, including information on product and service incidents and what might lead to such an incident.

5. Handling of incidents

We immediately check the facts of any occurring incident related to a product or service, investigate the cause, and handle it properly. If the product or service has a safety problem, we provide that information to customers and take proper measures, such as product recall, service recovery, and prevention of further damage and other damage from occurring. We quickly report the occurrence of major product incidents to the proper authorities in accordance with laws.

ISO 9001/ISO 20000 Certification Status

Fujitsu is continually striving to improve its processes in line with Quality Management Systems. As of the end of FY2016, 25 Business Units have acquired ISO 9001 certification, while 6 Business Units have received ISO 20000 certification.

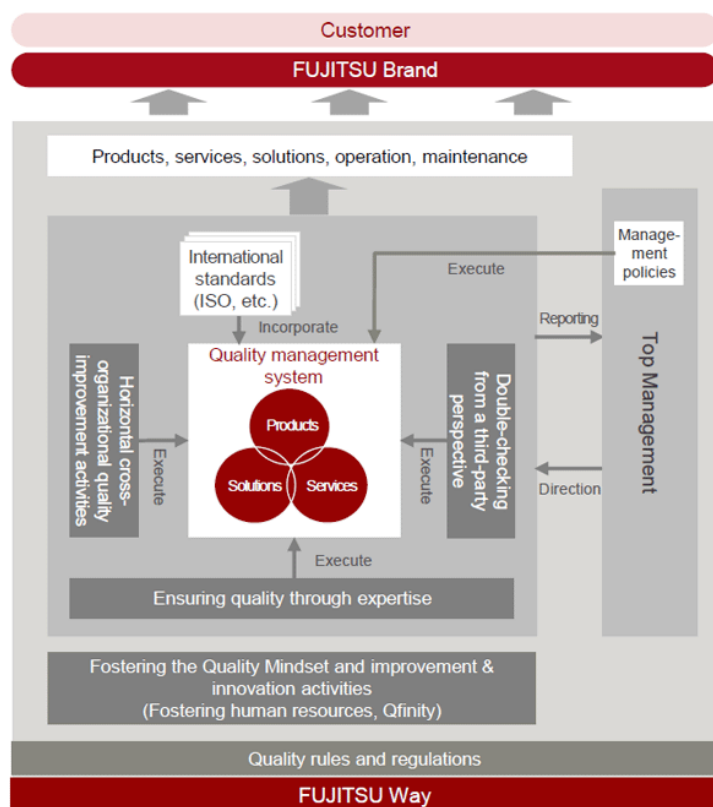
Establishing a Quality Assurance System

Quality Management System

To consistently provide products and services with quality that meets customer needs and expectations, it is essential to coordinate both internally (among the business units involved in product/service projects, planning, development, production, and testing; the field business units involved in operation and maintenance; and the various common business units that support them) and externally (business partners, sales units, and sales bases). It is also essential to have a platform to unify these systems and mechanisms.

This is why we build and operate our Quality Management System (QMS): to coordinate among these business units as appropriate for the corresponding products and services. QMS periodically verifies the progress of the PDCA cycle in light of international certification standards such as the ISO in the aim of achieving process improvements to realize even higher quality.

Our quality support framework



Our Approach to Promoting Quality Assurance

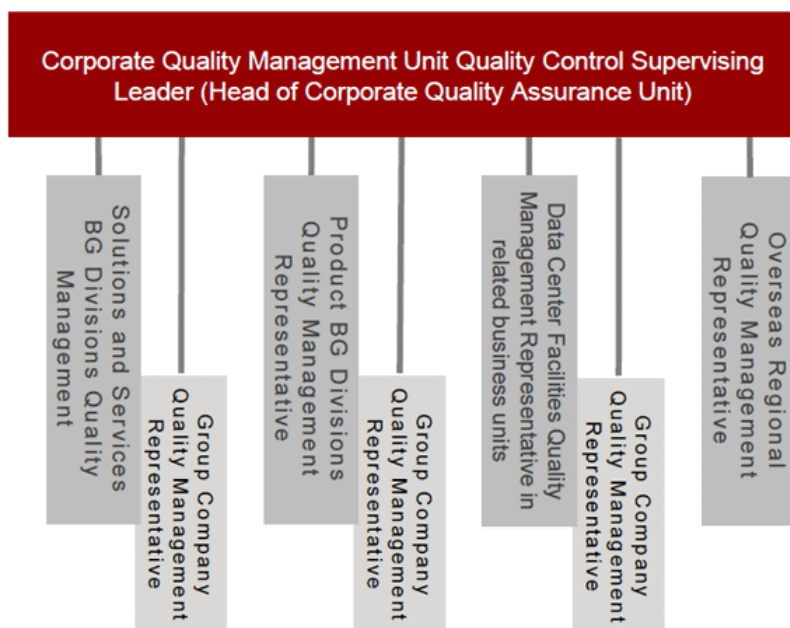
We conduct quality assurance activities on the level of individual business units and regions as well as on a company-wide basis, sharing know-how and information, promoting utilization approaches, and resolving common issues across organizational borders.

Not only do we prevent problems and recurrence by effectively sharing quality improvement activities, but we also raise our level of quality and work to consistently provide the highest-quality products and services to customers around the world.

The purpose of the Corporate Quality Management Unit, an organization that operates independently of our business units, is to promote these activities and drive them forward. It is made up of official Quality Management Representatives from related departments in Japan and overseas who have been selected to participate regularly in company-wide coordinated activities.

The Corporate Quality Management Unit formulates quality policies and company-wide common quality rules based on Fujitsu Global Quality Policy. It is also in charge of initiatives for double-checking from a third-party perspective, escalation for compliance and problems, fostering human resources, QMS construction support in each division, and the horizontal deployment of common know-how and measures.

Promotion Framework under Quality Management Representatives



System for Addressing Major Quality Problems with Products and Services

In the event of a major quality problem concerning a product or service, executive officers and employees immediately report to the Risk Management & Compliance Committee in accordance with risk management regulations, which then reports to the Head of Business Unit according to the pre-defined reporting structure. The department manager reports the response status to the risk compliance committee as the occasion demands, and responds to any instructions. When a solution comes to light, the Head of Business Unit informs the committee of the history leading up to the risk and measures to prevent recurrence. The committee can instruct the Head of Business Unit to also report this information to the Board of Directors and Management Council.

Disclosure of Information Related to Product Safety

In situations where a problem has occurred in product safety, Fujitsu discloses such information under "Important Notices Regarding Product Safety" on the Fujitsu website to notify customers of the information immediately. In FY2016, two major product incidents (a possible cause of electric shock) occurred with a Fujitsu product. With regards to this accident, Fujitsu has followed the relevant laws and regulations (Consumer Product Safety Act) appropriately, and reported to the Consumer Affairs Agency, as well as posted the contents on its website.

Marking and Labeling of Products and Services Regarding Quality and Safety

Fujitsu is dedicated to observing all laws and internal regulations related to marking and labeling of products and services regarding quality and safety. During FY2016, we experienced no marking or labeling violations related to products or safety.

The Process for Improving Quality Efforts

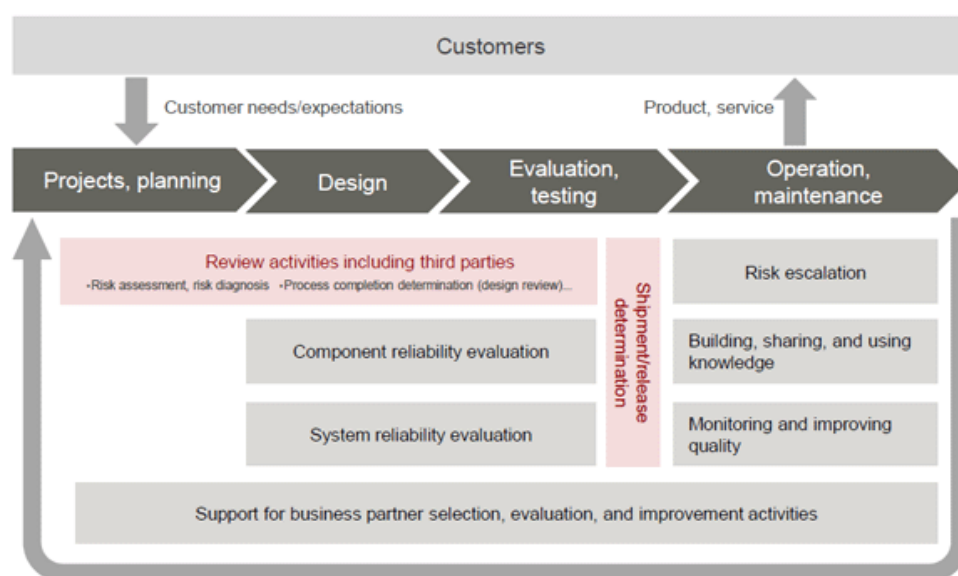
Customer-Centric Quality Assurance Activities for Products and Services

In providing products and services, we adopt the customer-centric perspective and work to improve quality by requiring and performing reviews and examinations with the involvement of third parties from the planning/design stage, to verify whether the products and services meet customer needs and expectations.

At the final stage before a product or service is delivered to the customer, Fujitsu judges whether the product/service is to be delivered and released. Operating from a broad perspective and drawing on input from third parties, we use our skills and know-how to double-check that we have addressed the potential risks identified during development or through process judgments. This allows to determine whether the quality is suitable for application or use by customers.

Through this process, we work from an objective standpoint to bring products and services that provide the value that customers expect.

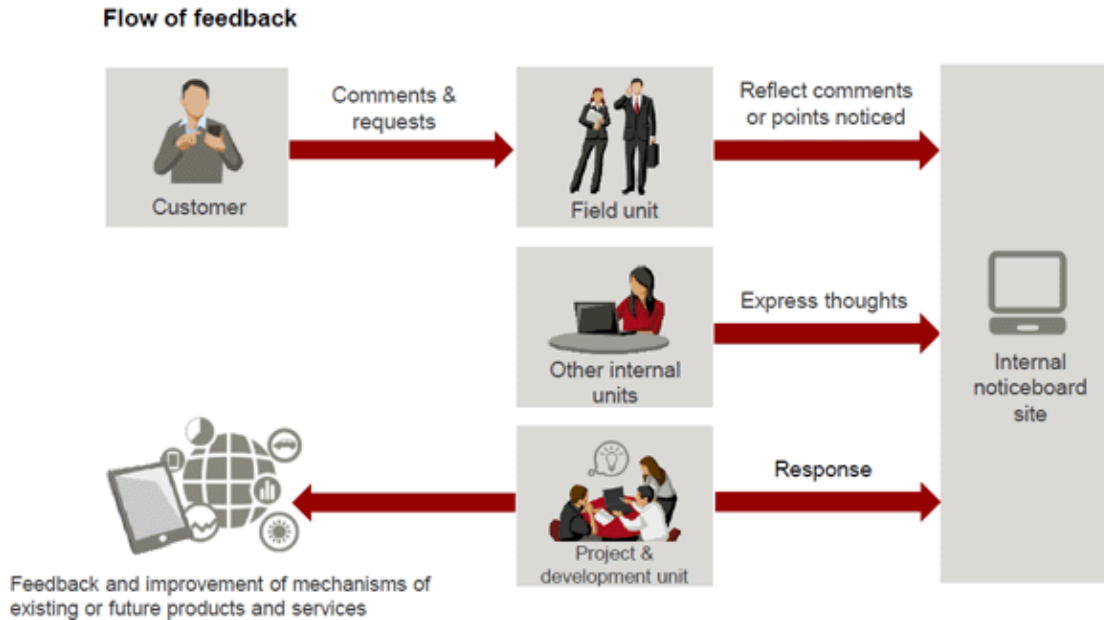
Fujitsu product and service life-cycle



Feedback Activities

Fujitsu develops products and services in light of research and direct interviews on customer needs by the product/service planning and development units. In addition, we build structures that enable the planning and development units to get customer feedback from sales personnel, sales engineers (SEs), customer engineers (CEs), and other professionals from business units that make frequent contact with customers (field business units). We also use our internal website to post customer opinions, allowing others to make comments on and show their support for various ideas.

In addition to fielding input and requests directly from customers, we collect information on problems that employees encounter, gather ideas for making improvements, and use our findings to provide input for future product/service planning and enhance existing products/services.



Initiatives to Improve Quality in Emerging Countries

In accordance with the expansion of the integration services in China and the Asian region, Fujitsu is making efforts to enhance local quality control and human resource development to further improve quality of services. For example, in China whereby, a project was carried out to operate and maintain a system, periodic maintenance related to SE contracts and work processes were carried out; workshops were also conducted to increase awareness of quality for local employees. In future, Fujitsu plans to extend such measures to all group companies in Asia.

Safe Production

As part of our effort to ensure product safety, we not only conform to international safety regulations but also enforce our own safety design standards, which incorporate past experience and information on accidents in the market. We also implement our own certification programs for Product Safety Experts and Product Safety Risk Assessors, training qualified personnel with a thorough command of the safety design standards. Under a system in which people who complete the programs are certified by the product safety management team in the Corporate Quality Management Unit, the programs certified 205 Product Safety Experts and 194 Product Safety Risk Assessors at the end of FY2016.

Product Safety Experts get involved early on, participating in the design review stage, and work to check product safety along the way. If a qualified Expert cannot confirm the safety of a product, the product does not receive final approval to ship.

In order to ensure that customers can use our products safely, we also take united, company-wide action in the event of any injury, fire, or bodily harm attributable to a given product. If that type of problem occurs, we assemble a team of members from the relevant business organization and experts from across the Group to work on resolving the issue and preventing recurrence. We also require that information on any major accidents be immediately escalated to top-level executives and published on the company website.

Fujitsu's top-level executives see safety as an important management issue and take responsibility for steering safety-related initiatives by instructing personnel to conduct root-cause analyses in the field and take measures to prevent the occurrence and recurrence of the relevant issues. The Corporate Quality Management Unit evaluates and validates these activities from a third-party standpoint and reports to the executives, driving the PDCA cycle in an effort to help Fujitsu provide safer products.



Product Safety Experts in training

With Our Suppliers

Socially Responsible Procurement Initiatives

In recognition of its growing responsibility to its corporate supply chain, the Fujitsu Group, together with its suppliers, undertakes socially responsible procurement practices with a view to promoting corporate social responsibility throughout the supply chain.

CSR Procurement Policy

The Fujitsu Group proposes "Co-existence with Suppliers", "Fair and Proper Evaluation and Selection of Suppliers" and "Promotion of CSR-Conscious Procurement Activities" as the procurement guidelines for its global procurement activities.

Fujitsu has formulated the "Fujitsu CSR Procurement Guideline" for its suppliers, setting out the key requirements in areas such as respect for human rights, labor, health and welfare, and fair trading, and requires that suppliers adhere to those guidelines. The content of the guidelines respects internationally recognized standards, including the ten principles in the UN Global Compact. To further promulgate an awareness of compliance with these guidelines among suppliers, Fujitsu has also drawn up the "Fujitsu Group Supply Chain CSR Guidebook", which provides further details of the guidelines. In the areas of human rights and labor, the guidelines are based on sources including ILO conventions and recommendations, with content that addresses CSR issues seen as international priorities, including explicit provisions in the fair trading section pertaining to the prevention of bribery. The Guideline and Guidebook apply to all suppliers who provide the Fujitsu Group with products and services used in its own products, including components, materials, construction work, equipment and software.

"Fujitsu Group CSR Procurement Guideline" formulation and revisions

FY	Policy/Measures
2005	<ul style="list-style-type: none"> Fujitsu CSR Procurement Guideline formulated Guidebook formulated
2007	CSR surveys of suppliers begin
2011	Fujitsu CSR Procurement Guideline revised (addition of measures for conflict minerals)
2015	<ul style="list-style-type: none"> Fujitsu Group CSR Procurement Policy formulated Fujitsu Group Supply Chain CSR Guidebook formulated

- Fujitsu Group Procurement Policy and CSR Procurement Guideline
<http://www.fujitsu.com/global/about/procurement/policy/>
- Fujitsu Group Supply Chain CSR Guidebook
<http://www.fujitsu.com/global/documents/about/procurement/policy/FJ%20CSR%20Guidebook%20v2.0%20En.pdf>

The Fujitsu Group considers that the dissemination of CSR activities among its suppliers in the supply chain, as well as within Fujitsu, is essential to ensuring stable product supply and greater corporate competitiveness. Through close communication between Fujitsu and our suppliers at the management level, we require an understanding of the importance and necessity of CSR, working toward our goal of raising the level of CSR throughout the supply chain.

Promoting Actives and Participation in Industry-standard Initiatives (Joining in EICC)

In March 2017, the Fujitsu Group became a member of the Electronic Industry Citizenship Coalition (EICC), a global CSR alliance centered on the electronics industry. The EICC is a non-profit organization established in 2004 with the aim of supporting the rights and wellbeing of workers and communities worldwide affected by the global electronics industry supply chain. It currently has a membership of over 110 global companies, primarily made up of electronic device manufacturers and other ICT companies but also including retail, automotive and toy industry-related enterprises. The EICC's Code of Conduct stipulates standards to be observed with regard to labor, health and safety, the environment, ethical issues and management systems in the supply chain. The Fujitsu Group is engaged in group-wide CSR activities through the implementation of its own policy and principles in the FUJITSU Way. In future, Fujitsu will also respect the EICC Code of Conduct, redoubling its CSR efforts in its own supply chain and in those of its suppliers.

Within Japan, we also take an active role in the programs and initiatives of organizations such as the Japan Electronics and Information Technology Industries Association (JEITA) and work to promote socially responsible procurement throughout the industry.

- PRESS RELEASE: Fujitsu Joins EICC, a Global Corporate Social Responsibility Coalition
<http://www.fujitsu.com/global/about/resources/news/press-releases/2017/0329-01.html>

Structures for Promoting CSR Procurement

Within the Fujitsu Group, relevant departments such as Human Resources and Labor Relations, Environment, Corporate Quality Management and Corporate Affairs all promote CSR activities under the company-wide guidelines established by the Head Office CSR Promotion Office. The CSR Promotion Department in the Corporate Purchasing Unit works with these and other relevant departments on CSR procurement to advance the cause of fair dealings with suppliers and CSR procurement along the supply chain. Through these promotional activities, we are integrating purchasing practices by our Fujitsu group companies both in Japan and overseas, driving socially responsible behavior back up the supply chain.

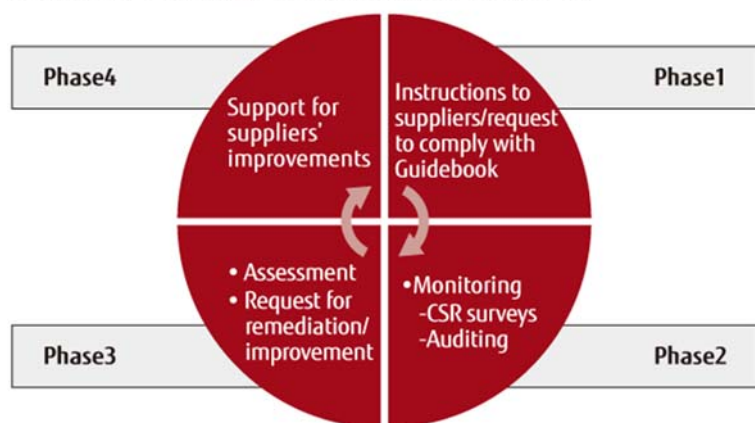
Processes for Promoting and Improving CSR Procurement

The Fujitsu Group is promoting CSR procurement among its suppliers to improve the implementation of CSR in its supply chain.

This begins with Fujitsu clarifying the compliance items through its CSR Procurement Guideline and the Supply Chain CSR Guidebook, and then requiring CSR activities of its suppliers. Subsequently, in order to confirm that CSR activities are being fully implemented by suppliers, they are asked to respond to a range of surveys on topics such as green procurement, information security and BCM.

The content of the returned CSR surveys is also subjected to diagnostic analysis. Fujitsu's Suppliers' Performance Review system then returns the results of the analysis, together with other evaluation items, to the supplier as feedback. If the supplier fails to meet Fujitsu's standards, they undertake to make improvements. Suppliers who are identified as having

Processes for Promoting and Improving CSR Procurement



particularly serious problems undergo a CSR audit. Such suppliers are then required to submit a remediation plan for the items identified by the audit and Fujitsu works with the suppliers to make the necessary improvements. Fujitsu is engaged in ongoing improvement processes and promotion of CSR procurement with the goal that ultimately CSR activities will be properly undertaken by suppliers and will become firmly entrenched.]

CSR Surveys and Audits

In order to check the status of suppliers' CSR-related programs, we conduct annual CSR surveys. In FY2016, we surveyed approximately 500 major suppliers in Japan and overseas using the CSR survey forms that were also used for overseas Group companies. Analysis of the responses revealed that 90% or more of our major suppliers are actively engaged in CSR activities. To further increase our familiarity with the CSR activities of our suppliers and boost the level of implementation, we are also surveying suppliers' factories and requesting corrective action by any suppliers whose programs are lacking. A total of 12 suppliers were surveyed in FY2016.



Supplier audit in progress

Evaluation and Remediation/Improvement Requests

In 1997, The Fujitsu Group introduced its Suppliers' Performance Review (SPR) system, a program that comprehensively assesses the procurement performance and basic profile of major suppliers as companies in terms of quality, technology, price, supply and CSR. The results of the assessments are fed back to suppliers at venues, such as management meetings between both parties, in an effort to both remedy any issues and strengthen the partnerships.

This assessment program also acts as a channel for clear feedback on any issues identified during CSR surveys and audits, and for requests for corrective action or improvements.

Supporting Suppliers Activities' improvements

As one form of assistance, Fujitsu invites its suppliers to CSR briefings to discuss the outcomes of CSR surveys. In FY2016, 14 staff from nine suppliers attended the briefings, where the importance of addressing CSR was explained and actual instances of CSR initiatives were examined. Feedback from participating suppliers included, "I came to appreciate our obligations to CSR procurement as a supplier" and "I'll be passing along the information provided in the briefing in my company right away", indicating their deeper appreciation of CSR activities.



Briefing for suppliers

Approaches against Conflict Minerals

The Fujitsu Group regards corporate responsibility with respect to conflict materials^(*1) as an important CSR issue. Together with our customers and suppliers, we are implementing measures in our procurement activities to ensure that our supply chain is transparent and that we act responsibly in our minerals procurement. In FY2016, Fujitsu's activities in this area included surveying its suppliers and responding to inquiries from new customers, taking part in information exchanges with researchers studying the issue of conflict resources in the Congo, and gathering information through our participation in the JEITA "Responsible Minerals Trade Working Group".

(*1) Conflict minerals::

Conflict minerals are minerals whose mining or trading finances armed groups and fosters conflict, or that are closely related to such issues as human rights abuses or labor issues.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act requires companies listed on U.S. stock exchanges to report the use of conflict minerals to the U.S. Securities and Exchange Commission (SEC). This applies to conflict minerals such as tantalum, tin, tungsten, gold and any other minerals determined to be conflict minerals by the U.S. State Department where those minerals are mined in the Democratic Republic of the Congo or neighboring countries.

Green Procurement, Information Security and BCM

Promoting Green Procurement

The Fujitsu Group has set out its basic approach to the environmentally sound procurement of components, materials and products in the Fujitsu Group Green Procurement Direction, and we are working with our suppliers to promote green procurement activities. We are also engaged in an initiative to reduce CO2 emissions in the supply chain. Specifically, the Fujitsu Group requests that all of its suppliers call on their own suppliers (companies at two removes from the Fujitsu Group) to reduce their CO2 emissions. The goal of the Fujitsu Group is to promote activities that reduce environmental impacts throughout the supply chain.

- Promotion of the Fujitsu Group Green Procurement Direction and our initiatives to reduce CO2 emissions in the supply chain
<http://www.fujitsu.com/global/about/procurement/green/>

Promoting Information Security Measures

Based on the "Cybersecurity Management Guidelines" issued in December 2015 by Japan's Ministry of Economy, Trade and Industry and the Information-Technology Promotion Agency (IPA), the Fujitsu Group, along with its suppliers, has set the goal of "eliminating information security incidents", and is continuously implementing measures to prevent such incidents or recurrences thereof. These measures include education, awareness raising, auditing, and information sharing.

In recent years, there has been a significant increase in the commercial use of external services such as cloud computing and social networking services (SNS). There has also been a rapid increase in opportunities for the use of smart devices such as smartphones and tablet PCs. It is necessary to prevent not only emails sent by mistake and the theft or loss of PCs and smart devices, but also new kinds of risks involving information leaks such as internal crimes and cyber terrorism. In this context, when Fujitsu consigns work to suppliers, including offshore development work entrusted to overseas suppliers, it promotes education and awareness by requiring the same standards for information security management and the handling of personal information as it applies to itself. If any serious problem in information security comes to light at a supplier, or if the supplier fails to immediately implement corrective measures and no improvement is observed, Fujitsu will take steps such as reviewing its business relationship with that supplier.

Main Initiatives in FY2016

Initiatives	No. of participating/implementing companies
Information security briefings (Oct.-Nov. 2016) (Locations: Sendai, Tokyo, Kawasaki, Chiba, Nagoya, Osaka, Takamatsu, Fukuoka, Okinawa)	Approx. 1,200 staff from around 900 companies
Written survey on the state of information security measures (Feb.-Mar. 2017)	Approx. 1,600 companies
Audit of the state of information security measures (on-site checking) (Apr. 2016-Mar. 2017)	Approx. 190 companies

* Repeated status surveys, education and auditing of suppliers are fundamental to the maintenance of trouble-free operations.

Enhancing Supply Chain BCM

Fujitsu sees the enhancement of Business Continuity Management (BCM) throughout its supply chain as essential to ensuring a stable supply of products and services in the event of major disasters or other unexpected contingencies. Accordingly, since FY2007 Fujitsu has provided its suppliers with ongoing support to improve their BCM capabilities.

Each year, Fujitsu conducts a questionnaire-based survey of its suppliers on how they address BCM. In FY2016, we surveyed around 854 suppliers (approx. 2,203 sites), including some Group companies. We analyzed the results from around 2,194 sites (as of September 30) and provided feedback to the suppliers. Initially, Fujitsu formulated its own survey form, but in FY2013, an investigation subcommittee was established under the umbrella of the Japan Electronics and Information Technology Industries Association (JEITA) Materials Committee. This led assembled product and component manufacturers to commence efforts aimed at standardization as an industry. Fujitsu also proactively participated in the planning of the subcommittee, progressing the formulation of a survey form that covered risk management items from the perspective of procurement with the focus on the supply obligations incumbent on suppliers. The completed form was made publicly available in September 2014 and has been used by Fujitsu since FY2014.

Fujitsu also conducts annual surveys of around 250 major solutions-related suppliers, analyzing the responses and providing feedback.

Communication with Suppliers

Business Meetings

Under the Suppliers' Performance Review (SPR) system discussed above, the Fujitsu Group holds management-level business meetings targeting around 200 of its major suppliers. These meetings provide both direct feedback on the assessment results in an interactive format as well as an explanation of Fujitsu's business outlook and procurement strategy. FY2016 marked the 51st such meeting. The feedback provided at these meetings also addresses CSR topics, and suppliers whose efforts do not meet Fujitsu's standards are asked to make improvements.

The assessment system for solutions-related suppliers established in 2004 was partially revised in FY2013 and is now used to evaluate around 1,300 companies. Of the companies surveyed, feedback on the results is provided to around 250 major suppliers.

Fujitsu Suppliers' Reception

The Fujitsu Group has been holding receptions for its suppliers since 1997. These receptions provide an opportunity for Fujitsu's President to summarize the progress of Fujitsu's business ventures and for the VP in charge of purchasing to explain Fujitsu's purchasing strategy. The gatherings are also used to present letters of appreciation to those suppliers who have made exceptional contributions to our business, and to strengthen our partnerships with suppliers.

The FY2016 reception was held in January 2017 and was attended by approximately 630 representatives from around 340 domestic and overseas suppliers. This year's event was also used to request that suppliers expand their CSR activities to their own upstream suppliers.



Fujitsu Suppliers' Reception

Procurement Compliance among All Suppliers

Education of Procurement Divisions

The Fujitsu Group is promulgating and promoting awareness of socially responsible procurement among its procurement division managers through initiatives such as education and training. In FY2016, in addition to CSR procurement and green procurement, education was also provided in the areas of risk management (BCM activities) and compliance with legislation such as the Subcontracting Law and Worker Dispatching Business Law. These educational programs will continue in FY2017 with the aim of further increasing the awareness of CSR among procurement managers.

Supplier Compliance Line

In August 2009, the Fujitsu Group established the Supplier Compliance Line as a channel for receiving reports from suppliers regarding any actions that are potential or actual instances of non-compliance in our purchasing activities. Channels were set up both internally and externally through which we can verify and investigate the facts of each report and respond quickly.

Fujitsu's own internal reporting standards prohibit any adverse treatment of its own staff receiving such reports or those of suppliers making the reports.

Our agreements with suppliers also include explicit provisions on the elimination of anti-social forces and other such groups with the aim of preventing harmful actions by such anti-social forces (and avoiding any encouragement of their activities). The Fujitsu Group, including its suppliers, will have no relationship whatsoever with anti-social forces.

With Our Shareholders and Investors

Our Basic Stance

Based on the statement "We strive to continuously increase our corporate value" in the Corporate Values of the Fujitsu Way, in order to raise corporate value and meet the expectations of shareholders and investors, we aim to achieve long-term sustainable expansion of profit, and pursue strategic business expansion and focused management, while maintaining a sound financial standing.

We also provide timely and accurate disclosure of our corporate activities and financial information, improving management transparency so that shareholders and investors can better understand how well we perform in increasing corporate value.

Basic Policy on Information Disclosure

Fujitsu emphasizes fairness and continuity in disclosure of information, in accordance with the Financial Instruments and Exchange Act and other laws and regulations, as well as the rules of the exchanges on which its shares are listed.

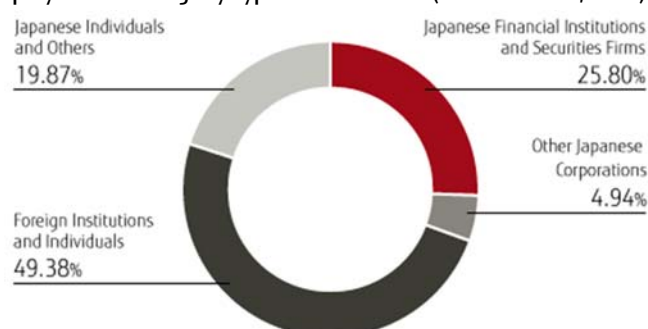
Moreover, our policy is to be proactive in disclosing any information that we judge to be effective for helping shareholders, investors and other stakeholders to deepen their understanding of Fujitsu, even if such disclosure is not required by laws, regulations or other rules.

Policy on Dividends and Dividends Forecast

Article 40 of Fujitsu Limited's Articles of Incorporation grants the Board of Directors the authority to distribute retained earnings. As part of Fujitsu's basic policy on the exercise of this authority, a portion of retained earnings is paid to shareholders to provide a stable return, and a portion is retained by the Company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance. In addition, while taking into consideration its level of profit, when a sufficient volume of internal reserves is secured, including through the acquisition of its own shares, Fujitsu aims to more proactively distribute profits to shareholders.

Our consolidated results in FY2016 yielded an increase in profits relative to the previous fiscal year due to several factors, including the effects of the business model transformations that we implemented in FY2015 and the solid performance of our service business in Japan. Having considered our performance levels, financial standing, and projections of business environment conditions from a comprehensive standpoint, we will raise our year-end dividends from 4 yen per share to 5 yen per share and set the annual dividend value to 9 yen per share. As we look ahead to FY2017, we aim to reap the benefits of our business model transformations over the last two years, make a major shift toward growth, and put ourselves on track to reach our Management Direction goal: achieving a consolidated operating profit margin of at least 10%. In terms of dividends for FY2017, we plan to increase our interim dividends from 4 yen per share to 5 yen per share, raise our year-end dividends from 5 yen per share to 6 yen per share, and set our annual dividend value to 11 yen per share.

Equity Shareholdings by Type of Shareholder (as of March 31, 2017)



Communicating with Shareholders and Investors

We are actively involved in IR activities in Japan and abroad, including holding briefing sessions for institutional investors and securities analysts, responding to requests for one-on-one meetings from investors, meeting with Japanese and international institutional investors, and posting information on the Fujitsu website as part of our efforts to improve communications with all investors.

We also disseminate press releases, providing information through the media to individual investors and the public at large as part of our active efforts to ensure fair disclosure policy.

For the Annual Shareholders' Meeting, we try to create an environment in which all shareholders feel comfortable asking questions. Moreover, the company president directly explains the company's management direction in his own words to all the shareholders. At the meeting, Fujitsu products are on display and expert staffs are on hand to explain Fujitsu's technologies and services. In addition, shareholders in other regions of Japan can observe the Annual Shareholders' Meeting, where it is relayed to four regional meeting places throughout Japan with approximately 1,000 shareholders participating. The video-streaming of the Annual Shareholders' Meeting is made publicly available on the Fujitsu website a couple of days after the meeting.

A Variety of Meetings for the Investment Community, both in and outside Japan

Fujitsu provides a variety of briefing meetings on financial results, management direction, and business with institutional investors and securities analysts in Japan.

For institutional investors outside Japan, we hold IR road shows by management regularly in Europe, North America, and Asia, and IR staff members in overseas locations also have meetings with institutional investors individually. In FY2016, we held 899 meetings for institutional investors and securities analysts (642 of them from foreign investors and 257 from domestic investors).

Communicating with Individual Shareholders and Investors

In addition to sending out interim and year-end financial reports for individual shareholders and investors, we promptly disclose financial results documents and presentation materials used at briefing sessions for investors and analysts and publish video on website related to presentations of financial results.

Publication on IR websites

Fujitsu publishes information that we would like our shareholders and investors to know on our Japanese and global IR websites. English versions of presentations and financial results reports used at briefings held in Japan are posted on our global IR site.

We also have been striving to utilize our IR websites for information disclosure and communication to deepen people's understanding of Fujitsu through IR activities, such as early public release of proposals submitted at shareholders' meetings.

Main Results of IR Activities in FY 2016

		Apr. 2016	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan. 2017	Feb.	Mar.
In Japan	Annual Shareholders' Meeting			● Annual Shareholders' Meeting									
	Management Direction Briefing								● Management Direction Briefing ● Nomura Investment Forum				
	Financial Results Briefings		● Full-Year Financial Results		● 1Q Financial Results			● 2Q Financial Results			● 3Q Financial Results		
	Business Briefings			● Security ● MetaArc					● R&D	● Supercomputer ● Debt IR		● AI	● ESG
Outside Japan	Roadshow		● North America	● Europe				● Asia	● Asia ● Europe	● North America			● Asia

Collaboration with External Parties

Fujitsu collaborates with organizations such as Japanese and overseas industry groups and forums as well as governments and international agencies, considering specific proposals aimed at resolving social issues and then implementing those proposals. In this context, we also pursue activities that relate to public policy and to the formulation and revision of legislation.

Creating Social Value through the Tokyo 2020 Olympics & Paralympics

Japan will host the Rugby World Cup in 2019, the Tokyo Olympic & Paralympic Games (the Tokyo 2020 Games) in 2020 and the Kansai World Masters Games in 2021. Successive years of planning for these massive sporting events has sparked efforts across the industry, government and academic sectors aimed at ensuring that they are a success.

Fujitsu's involvement includes becoming, in February 2015, a "Tokyo 2020 Gold Partner" -- the highest domestic level in the Tokyo 2020 Sponsorship Program. In this role, Fujitsu will be supporting the success of the Tokyo 2020 Games as a datacenter hardware partner.

By bringing together ICT and sport with the focus on people, Fujitsu's goal is to help build communities in which everyone can live full and happy lives. Fujitsu understands the true power of sport as a vehicle for promoting the broader adoption of ICT by society through its customers, suppliers and regional residents. By resolving social issues in this way, we believe that we are stimulating growth toward a better future for Japan, and in turn, helping to create new business for ourselves and improve our corporate value.



Building a Society where Everyone Can Live in Comfort – based on the Concept of “Barrier-Free Minds”

At the Tokyo 2020 Games, the keys to success will be the work of the 100,000 volunteers planned for the event and the role of the Paralympics in promoting community participation by disabled people. Fujitsu is boosting its social contribution programs with the aims of cultivating a corporate volunteer culture and promoting diversity, working toward practical implementation at the Games.

To build a society that is welcoming to elderly and disabled citizens, we need to do more than simply provide the infrastructure (hardware). It is crucial that we also eliminate attitudinal barriers and actively encourage participation in society by the elderly and disabled through the concept of “Barrier-Free Minds”.

In cooperation with the Business Community Conference for the Tokyo 2020 Olympic and Paralympic Games, Fujitsu is engaged in a range of volunteer programs, including trial sessions for wheelchair basketball and wheelchair assistance as well as cooperation with junior-high-school and high-school students in the drafting of accessibility maps. These maps indicate features such as steps in roads and pathways and the angle of incline on slopes, so that these elements can be taken into consideration by people pushing baby buggies or moving around in wheelchairs. These sorts of universal design initiatives are also examples of activities aimed at encouraging “Barrier-Free Minds”.



Creating accessibility maps

Participation in the World Business Council for Sustainable Development (WBCSD)

The World Business Council for Sustainable Development (WBCSD) is a body headed by the CEOs of around 200 global corporations that aims to build sustainable communities through business activities. Fujitsu has become a member of this initiative and is active as a corporate board member for the Social Impact Cluster and the Sustainable Cities Leadership Project. In the Social Impact Cluster, we are progressing initiatives relating to business and human rights, while the Sustainable Cities Leadership Project provides the impetus behind the Sustainable Mobility Project, which is a sub-project targeting the concepts and designs for sustainable urban transport systems. Through these initiatives, Fujitsu is working to resolve a range of issues in communities worldwide.

- WBCSD

<http://www.wbcd.org/>

WBCSD Sustainable Development Goals (SDGs) Workshop

In July 2016, the WBCSD and Fujitsu co-hosted a workshop in Tokyo with the theme "Business Risk and Opportunities in the Era of SDGs". The workshop provided an overview of areas such as the knowledge accumulated by the WBCSD and its programs. It also provided a venue for discussions with experts on a range of topics, including approaches that will lead to ongoing enhancements to corporate competitiveness as businesses work to resolve social issues, as well as specific methodologies and issues.

- WBCSD Sustainable Development Goals (SDGs) Workshop

"Business Risk and Opportunities in the Era of SDGs"

<http://www.fujitsu.com/jp/group/fri/en/resources/events/2016/160714.html>



The workshop in progress