



Global Responsible Business

- Wellbeing -

The Fujitsu Group aims to enrich and continuously improve our positive health culture where our employees can work to their full potential, both in mind and body. We value the importance of our people, and will strive to enable them to succeed in their own personal development and growth.

Performance Evaluation and Compensation / Work Environment

Goal

Long-term Goal to be achieved by FY2030

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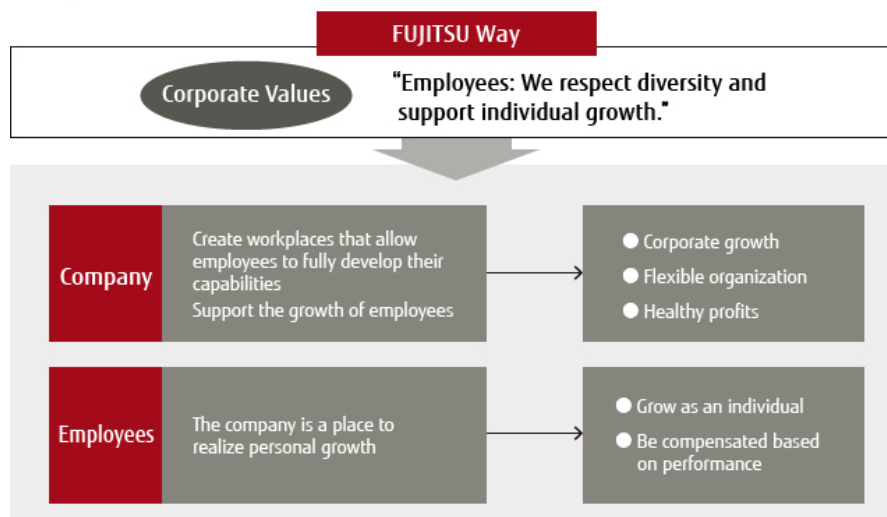
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Performance Evaluation and Compensation

Our Approach

The Fujitsu Way corporate philosophy emphasizes that employees are one of the key factors we value and states "We respect diversity and support individual growth". As a company, we will create workplaces that support the personal growth of employees, allowing them to fully develop their skills and capabilities and receive compensation according to their performance. Fujitsu manages its human resources based on this approach.

Our Approach to Performance Evaluation and Compensation



Our Policy

Fujitsu emphasizes "qualitative" fairness in its human resources system, with decisions on employee compensation based on the "level of contribution to the Company" and the "level of results achieved".

For this reason, we disclose information related to human resources.

1. Show employees how they can be rewarded with higher compensation ⇒ Openly disclose rules of the human resources system
2. Show how the company evaluates staff ⇒ Provide individual evaluation feedback and compensate according to contribution
3. Show opportunities for challenge ⇒ Human resource development, internal postings, Free Agent program

In Japan, Fujitsu and the group companies have introduced a "human resources system based on functional division and competency grade". Under this system, which forms the basis for human resources compensation, we define "functional division" as the function the employee should be fulfilling and "competency grade" as the ability to achieve a specific performance that can be linked to a business outcome.

Under this human resources system, we clarify the competency grade requirements of employees in a job description for each functional division. Through periodical reviews of the competencies that each person demonstrates, we aim to support the growth of all employees over the medium and long terms.

Responsibility

The Global Human Resources Unit operates this system, under the direction of the executive responsible for human resources.

Detailed Activities

The Global Human Resources Unit operates this system, under the direction of the executive responsible for human resources. We conduct evaluations of "initiatives aimed at medium-to-long-term growth" and "maximizing results in the current financial period". To reflect these in compensation, we use a two-pronged evaluation mechanism based on competency evaluations and performance evaluations. The results of the competency evaluations are reflected in salary increases and grade changes, and the results of performance evaluations are reflected in bonuses.

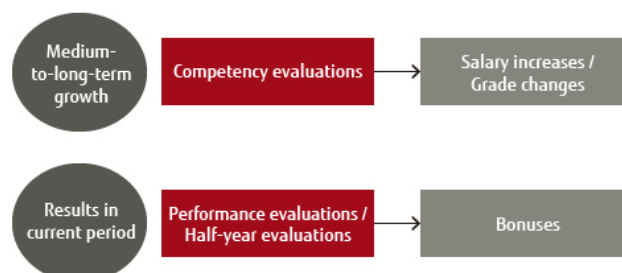
We conduct activity-based evaluations of the degree to which employees demonstrate "appropriate mindset", "business execution ability" and "specialist expertise", and then take into account the relative gap to upper-level grades before determining the overall evaluation.

By separating medium-to-long-term factors from the process, we are able to conduct more clear-cut evaluations based on the scale of half-year results.

In addition, we continue to support efforts aimed at the medium-to-long-term growth of each employee. With a focus on career goals, we also encourage interactive communication between employees and their managers that covers the areas of behavioural change and medium-to-long-term growth. Review meetings are conducted annually at the beginning of each year.

Furthermore, we have started formulating a globally unified role framework, as well as evaluation standards and evaluation cycles.

Overview of Evaluation System and Objectives



Work Environment

Fujitsu Telework System

In April 2017, Fujitsu formally introduced a telework system that allows for flexible ways of working that are not tied to a specific location. This system is available to all 32,000 Fujitsu parent company employees in Japan and includes working from home or a satellite office as well as working during business trips.

The introduction of the system was preceded by a series of explanatory briefings.

Telework System

Applicable workers/ workplaces	Applies to entire organizations and targets employees looking to work autonomously or in a planned way.
Frequency	There is no limit on how many times this option can be used. However, full-day teleworking is limited to twice per week.
Rules of use	Strict adherence to prior notification of the immediate supervisor/manager. Reporting on a work plan with start/end times and targets achieved.
Rules outside working hours	Teleworking is generally not permitted on holidays or during the night. Full-day teleworking shall be no more than 8 hours.

Goals of the System

- To boost individual productivity and maximize the benefits of team work
- To build an environment that supports continued participation by a diverse range of staff
- To ensure business continuity and rapid responses to disasters

Initiatives Aimed at Reducing Long Working Hours

The Fujitsu Group aims to improve the work-life balance and the productivity of every employee through a variety of initiatives aimed at reducing long working hours. As an example, at Fujitsu Headquarters, every Wednesday is designated as a day for leaving work on time. On these days, the company turns off the lights in the office at 6:00 p.m. to encourage employees to return home. We are also enhancing our systems that support diverse ways of working, allowing employees to make use of flexible working arrangements, such as flex time and exempt labor systems (*1). In addition to promoting varied ways of working, Fujitsu wants its staff to radically reconsider their approach to taking leave. To ensure that employees enjoy ample leisure time, we are encouraging them to take five continuous days of paid leave at any time during the year – not only in the key public holiday periods in Japan.

*1 Exempt labor system: A system in which the employee mostly determines the number of hours for the work to be performed.

Examples of specific initiatives aimed at reducing long working hours:

- Adopting flex time, a exempt labor system for professional work, and a exempt labor system for management-related work
- Sending alert e-mails regarding overtime work
- Ensuring meetings are not scheduled outside of regular working hours
- Specifying the recommended days for taking annual leave
- Enforcing that staff leave work on time one day a week
- Encouraging staff to leave work one hour earlier every day
- Enforcing the concept of working hours management during management training
- Promoting a telework system aimed at diverse work practices
- Adjusting work patterns and leisure patterns according to fluctuations in workload

Employee Benefits Program

The Fujitsu Group has programs in place that are suited to the lifestyles of employees and that enable them and their families to lead healthy, prosperous lives.

To respond to the advancing trends of globalization and diversity, and to the changing needs of employees, in October 2014 Fujitsu introduced the “F Life+” cafeteria plan (*2) as a new employee benefits program.

Furthermore, in line with the belief that active work and personal growth for every employee leads to growth and development for the company, we have established various initiatives to support employees' own efforts to prepare for the future. These include savings/property accumulation programs, an employee shareholding association, group insurance benefits, housing support, medical support, health support, and childcare support.

*2 Cafeteria plan:

A system under which employees select the employee benefits they want or need from a diverse menu prepared by the company, taking advantage of the chosen options by using "employee benefits points" awarded by the company.

Measures to Enhance Communication

Labor Relations

Based on labor-management agreements with the Fujitsu Labor Union, Fujitsu holds discussions about various employment conditions and explains management policies and business conditions, along with business reorganization and other matters, to its employees through regular and ad hoc meetings such as the Labor Council or Productivity Council. Furthermore, these agreements stipulate the collective bargaining rights of the union. Fujitsu adopts a union shop system, so all non-managerial employees are members of the Fujitsu Labor Union.

In Europe, the Fujitsu European Labor Relations Council Annual General Meeting has taken place every year since 2000, with the overall financial conditions of the Fujitsu Group and other issues shared with the employee representatives from Fujitsu Group companies.

Fujitsu has established a consultation service as a contact point for email and phone queries to the Human Resources and Administration Units. This is part of a structure that is designed to make it easy for employees to seek guidance on human resource and administrative programs.

Employee Engagement Survey

In order to continue as "an organization wherein all employees are strongly motivated, have ample opportunities for advancement and work with pride and confidence" in accordance with the Fujitsu Way, the Fujitsu Group conducts employee satisfaction surveys that provide opportunities for serious consideration about ways in which the management in each organization can improve employees' motivation.

We have been gradually introducing this survey in Japan since FY2002, and outside Japan we began conducting an Employee Engagement Survey across all overseas Group companies in FY2011. We use this survey to compare regions within the Fujitsu Group and also to benchmark ourselves against our competitors in each country and region. Based on analysis of the results, we have identified issues specific to countries and regions, and to divisions and occupations, and we are now working toward management improvements and reform of our organizational culture.

FY2018 Performance

Initiatives Aimed at Reducing Long Working Hours

The discretionary working system applies to 17% of employees, and the flex time system applies to 64% of employees (in Fujitsu and group companies in Japan).

Work-style Reforms

Held Telework Days and Telework Month (at Fujitsu)

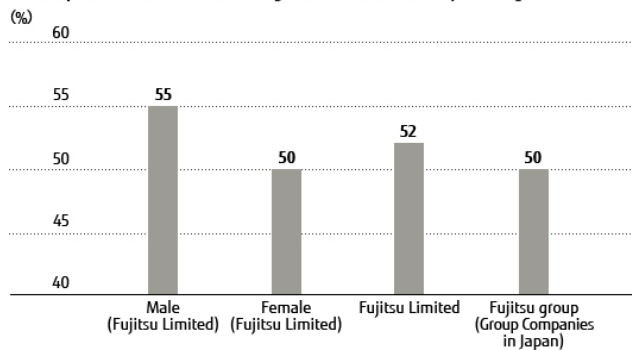
To encourage further uptake of the telework system by employees, we implemented an initiative where we asked all employees to participate in telework days (July 23-27). Around 40% of employees (15,000 people) teleworked on one or more days that week. In conjunction with these designated teleworking days, we also held online seminars on effective teleworking methods and workstyle reforms. During "Telework Month (November 1-30)" we again called for all employees to telework and we continue to proactively strive for diversified, flexible working practices.

Unionization Rate

The Fujitsu Labor Union membership rate is 77.9% (Fujitsu).

Employee Engagement Survey

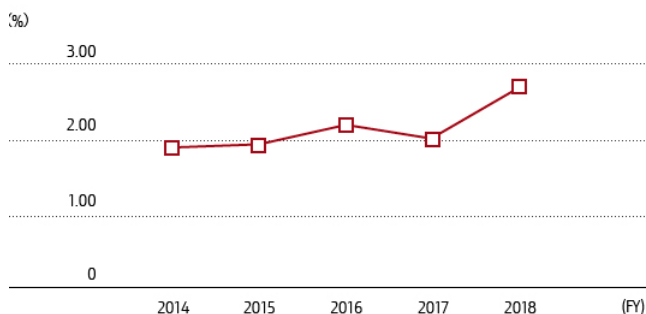
Positive Response Rate:
"I feel proud to work for the organization I currently belong to"



- Number of employees targeted in the survey (as of Oct. 2018):
Total 126,000 employees.
84,000 : Employees in Fujitsu Limited and 79 Group companies in Japan.
42,000 : Overseas Employees.
- Survey response rate:
81% globally (82% in Japan; 77% overseas)
- Positive response rate: 52% (Fujitsu Limited)

Trend in Turnover Rate

Turnover Rate (Fujitsu)



Health Management

Goal

Long-term Goal to be achieved by FY2030

The Fujitsu Group aims to enrich and continuously improve our positive health culture where our employees can work to their full potential, both in mind and body. We value the importance of our people, and will strive to enable them to succeed in their own personal development and growth.

[Our Health Management Policy](#)
[Health Management Promotion Structure and Regular Checkups](#)
[Major Initiatives](#)
[Assessments from Outside the Company](#)
[FY2018 Performance](#)

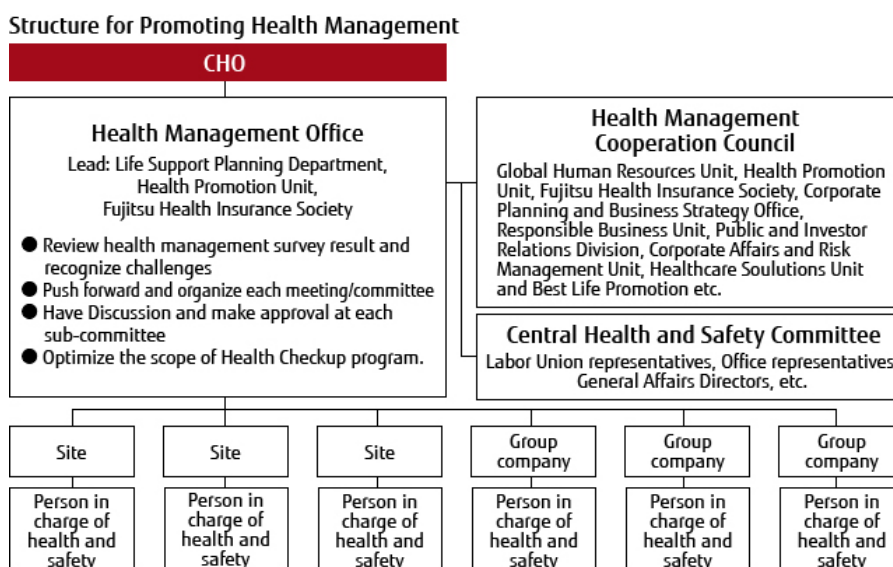
Our Health Management Policy

In order to make the corporate philosophy of the Fujitsu Way a reality, and to tackle health management while simultaneously addressing work-style reform and diversity management, the Fujitsu Group has developed the Fujitsu Group Health Statement to make it clear that we will situate the health of our employees as the cornerstone of our operations. Furthermore, taking our internal company accomplishments up to this point into account, we are strategically implementing health maintenance and improvement or our employees and their families.


[Fujitsu Group Health Statement and Key Measures](#)

Health Management Promotion Structure and Regular Checkups

The structure for promoting health management is led by the Chief Health Officer, in coordination with the Human Resources Unit, the Health Promotion Dept., and the Fujitsu Health Insurance Society. Together, the team works to enforce, enhance and expand health promotion measures at offices and Group companies. The team regularly holds meetings with related divisions within the Group, including those related to health care, and implements company-wide data-based initiatives that follow the PDCA cycle.



Major Initiatives

Health Checkups

Fujitsu and domestic Group companies conduct regular health checkups which include stomach examinations, fecal occult blood tests and other examinations for each age group, in accordance with legally mandated health examination items. Through feedback from occupational physicians and occupational welfare staff about the results, we strive to have employees understand the test results correctly and improve their health awareness, while also consistently encouraging them to undergo specialized tests and outpatient consultations at medical institutions. Furthermore, as a preventative measure against major illnesses, after employee checkups, we coordinate with health insurance societies to monitor the medical prescriptions of employees who have been diagnosed as requiring medical treatment due to their test results. We contribute to appropriate medical treatment by once again encouraging employees who have not undergone treatment to go for outpatient consultations.

Furthermore, through coordination with the Fujitsu Health Insurance Society, we help to detect cancer in its early stages by offering free gynecological examinations and subsidies to offset the costs of brain and lung checkups.



A system that allows employees to view health checkup results on their PC or smartphone

Health Education

Fujitsu and domestic Group companies conduct health education to boost employees' awareness of their health, which is tailored to the workplace environment of each business office. Please consult the "FY 2018 Accomplishments" column for information about health education achievements in FY 2018.

Mental Health Care

Fujitsu has established in-house mental health support facilities, and full-time psychiatrists and counselors support employees and workplaces by providing consultations, counseling, employment assistance for mental health patients, relapse prevention measures and all sorts of mental health education.

We support employee self-care by providing stress diagnostic tools, while integrating analyses of group results with ES surveys and other internal company surveys and providing feedback to management. By offering stress management education and holding workshops to build healthy and enthusiastic workplaces, Fujitsu reduces employee stress and provides support to energize the places where they work.



A stress diagnostic tool and individual results

Health Promotion Events

Fujitsu and domestic Group companies conduct walking events, strength measurement tests, lunch seminars, “stop smoking” events, and other activities to promote exercise, nutrition education and abstaining from tobacco use. We are also moving forward with looking into activities like providing healthy menu offerings at employee cafeterias and taking steps to prevent secondhand smoke, in coordination with other divisions. In addition, we are leveraging various opportunities to tackle primary prevention through measures to promote physical and mental health, such as running female employee-targeted health seminars and distributing email newsletters.

“Let’s Walk Together,” A Walking Event for All Companies

In this event, held twice a year in the spring and fall, participants use smartphone apps and other tools to compete based on their average number of steps. Participants can join as individuals or as teams to compete, and the top walkers in each division receive awards.

“Let’s Stop Smoking Together” Challenge

In this event, two to five people form a team with one smoker, who attempts to quit smoking with the support of the team. Teams who successfully get their smoking member to quit are awarded incentives from the company.

Support for Balancing Work with Medical Treatment

Fujitsu and domestic Group companies provide support for early detection and treatment of diseases, beginning with disease prevention through various kinds of stratified health education, in addition to measures such as offering brain and lung checkups during health checkups. We also provide health support that is specially adapted to the disease of each individual, from care while they are absent up until they return to work, so that they can receive the appropriate medical treatment and work with enthusiasm during treatment.

Infectious Disease Countermeasures

Fujitsu and domestic Group companies work proactively to keep employees safe from various infectious diseases by establishing health consultation services and dispensing information, among other initiatives. As preventative measures against infectious diseases, we give seasonal influenza vaccinations at companies, in addition to giving vaccinations to employees stationed overseas which are recommended in each place they will be staying (at company expense). With regard to the issue of rubella, which has been growing in recent years, we are cooperating with local governments to conduct education and public awareness campaigns.

Assessments from Outside the Company

Certified as One of the White 500 Health and Productivity Enterprises

The Health and Productivity Enterprises (White 500) certification system recognizes companies that work to strategically improve employee health management from the perspective of management. Fujitsu, which has been lauded for its systematic approach to health maintenance and improvement, was certified in FY 2019 for the third year in a row. Furthermore, in 2019, 10 domestic Group companies in the large-scale enterprise category and four companies in the small to medium-scale enterprise category were certified.

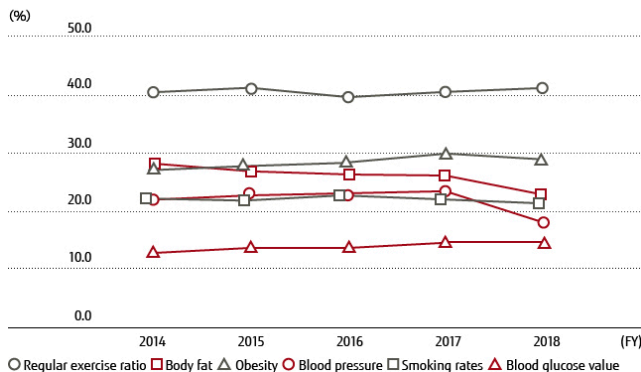
- Large-scale enterprise category: Fujitsu FIP, Fujitsu FSAS, Fujitsu Kyushu Systems, Shimane Fujitsu, Shinko Electric Industries, Fujitsu General, Fujitsu Software Technologies, Fujitsu Social Science Laboratory, Fujitsu Marketing, PFU
- Small to medium-scale enterprise category: Best Life Promotion, Fujitsu Aprico, Mobile Techno, G-Search



FY2018 Performance

Percentage of Employees with Health Concerns

Ratio of employees diagnosed with health concern

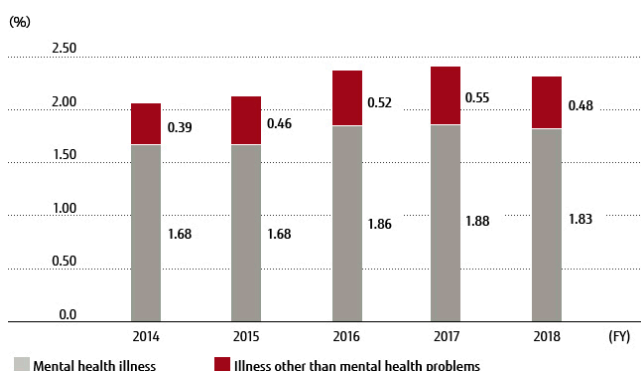


Target: Full-time employees of Fujitsu Ltd. at the end of the fiscal year
 Respondents who exercise regularly: Percentage of those who said they exercise regularly when they underwent health checkups

- Body fat: Neutral fats of 150mg/dl or higher and HDL cholesterol below 40
- Obesity: BMI of 25 or higher
- Blood pressure: Systolic blood pressure of 130mmHg or higher and diastolic blood pressure of 85mmHg or higher
- Percentage of smokers: Those who said that they smoke when they underwent health checkups
- Blood sugar level: People with a blood sugar level over 110mg/dl or an Hba1c level over 6.0% who are receiving treatment for that particular item

Percentage of Employees Who Took a Long-Term Leave of Absence or Medical Leave

Ratio of long-term absence due to illness/ Leave of absence due to illness



Target: Full-time employees of Fujitsu Ltd. at the end of the fiscal year

Percentage of people who had taken a leave of absence or taken medical leave for a continuous period in excess of one month by the end of the fiscal year

Health Promotion Accomplishments

- "Let's Walk Together," A Walking Event for All Companies: Roughly 1,500 teams and 15,000 participants (Fujitsu and domestic Group companies)
- "Let's Stop Smoking Together" Challenge: Roughly 1,490 participants (Fujitsu and domestic Group companies)

Education and Training Accomplishments

- Mental health education targeted at employees receiving promotions: 1,300 learners a year (Fujitsu)
- Online mental health seminars: Roughly 3,000 learners a year (Fujitsu and domestic Group companies)
- Workplace management training targeted at managers: Roughly 1,800 participants, once every three years (Fujitsu)

Percentage of Employees Who Underwent Health Checkups

- Percentage of employees who underwent health checkups in 2018: 99.9% (Fujitsu)

Human Resource Development and Career Design

Goal

Long-term Goal to be achieved by FY2030

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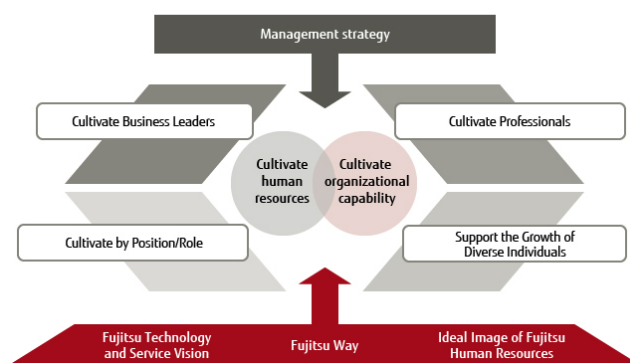
[↓ Policy](#)
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[↓ Efforts to Develop Human Resources in Accordance with the Management Strategy](#)
[↓ Professional Certification System](#)
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Policy

Fujitsu emphasizes the following four themes in the development of human resources. While collaborating with each business group and the Human Resources unit, the Human Resources Development Unit works to strengthen our Group from both perspectives of cultivating human resources and strengthening organizational capability.

- **Cultivate Business Leaders:** Cultivation of core human resources and global human resources from a long-term perspective
- **Cultivate by Position/Role:** From new employees to executives, enable each person to acquire the knowledge and skills required for their position and role
- **Cultivate Professionals:** Cultivate professionals in each specialized field and enable them to acquire knowledge of advanced technology and the latest skills
- **Support the Growth of Diverse Individuals:** Support the performance of diverse individuals through measures such as promoting diversity and inclusion, supporting career development, and providing education on human right

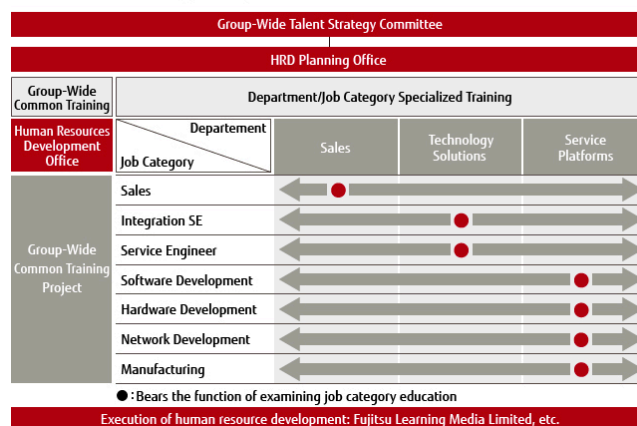
Fujitsu's Human Resource Cultivation Concept



Promotion Framework and Periodic Review

Fujitsu has established a Group-Wide Talent Strategy Committee comprised mainly of executives at the management level and above. The committee meets twice a year to discuss the Fujitsu vision and human resources strategy for achieving our business strategy. Under the policies of this Group-Wide Talent Strategy Committee, the Human Resources Development Planning Office reviews priority measures and frameworks for implementing measures, and designs education initiatives shared by the entire company. Furthermore, each unit has a Human Resources Development Division which oversees education for the unit, position-specific training, and specialized training. The division conducts human resource training across the entire division for each position, including

Human Resource Development System



for domestic group companies.

Education is mainly conducted by the group company Fujitsu Learning Media Limited, which specializes in education.

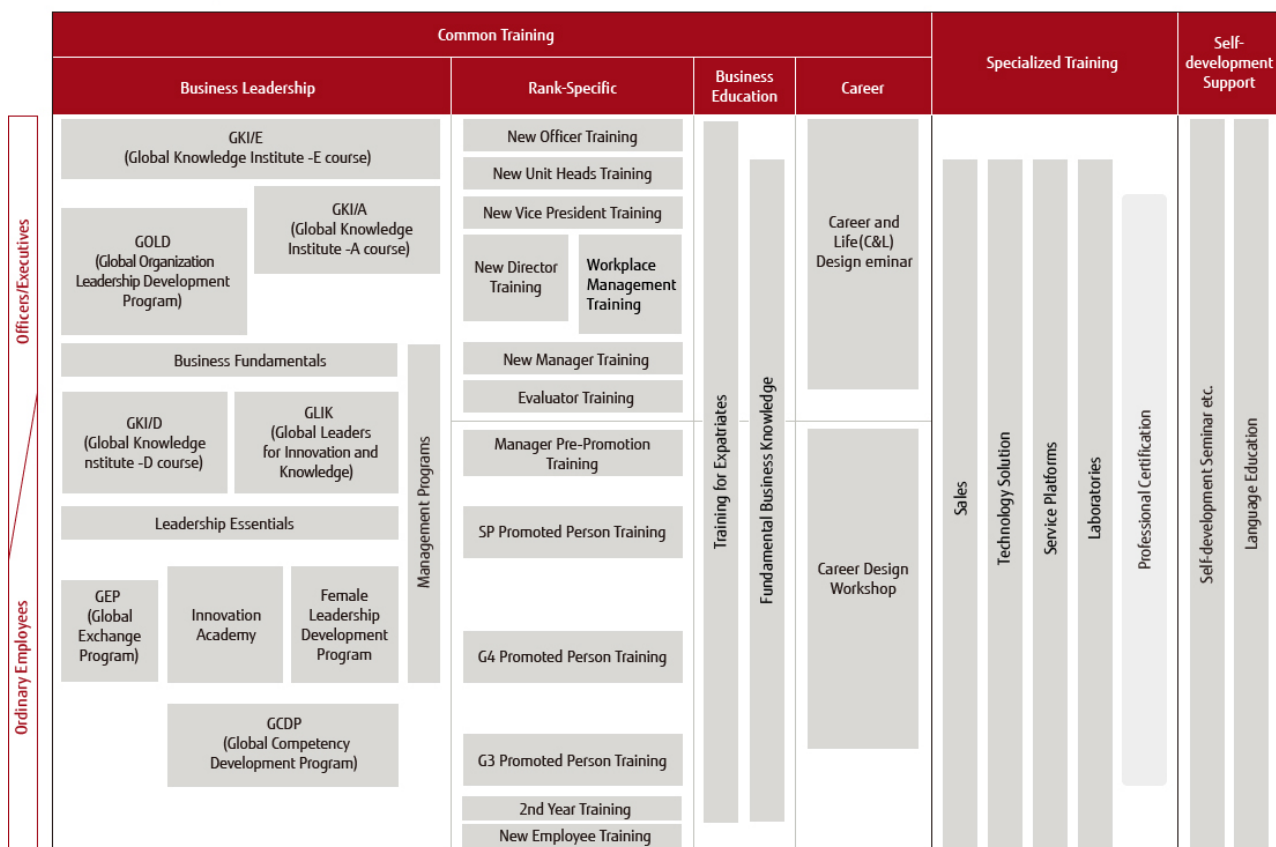
Human Resource Educational System

For all employees at Fujitsu and domestic Group companies, we provide shared education and specialized education. The latter improves the specialization of various departments and job types. We also provide various forms of self-development support to assist employees engaged in personal study.

Our rank-specific training programs are positioned as an important part of shared education. In addition to inputting necessary items across all ranks, the training includes shared items which require improvement across all ranks; for example, leadership, financial accounting, and facilitation.

Units implementing human resources development constantly work to improve training for individuals by utilizing various information such as training questionnaires and the latest educational methods.

Human Resource Development Structure



Cultivate Business Leaders

With the aim of long-term cultivation, Fujitsu selects personnel with high potential from among young to mid-range employees, and then provides opportunities for growth through action learning based on actual work. Additionally, to expand its business in the field of innovation, Fujitsu is strengthening its organizational framework and human resource to better collaborate with diverse people, to generate business opportunities. At the core of cultivating global business leaders is the Global Knowledge Institute (GKI), which started in 2000. As of FY 2018, a total of over 1,200 GKI graduates are performing in Japan and overseas. Fujitsu revises the



GKI-A President Sessions

curriculum of the GKI as occasion demands, to keep up with changes in business and managerial environment.

Efforts to Develop Human Resources in Accordance with the Management Strategy

Fujitsu and domestic Group companies are carrying out human resources development at each department with an emphasis on specialization closer to their respective fields.

For details on human resources development at each department, please refer to the following URL.

- Efforts to Develop Human Resources in Accordance with the Management Strategy
<https://www.fujitsu.com/global/documents/about/csr/employees/education/jinkai.pdf>

Professional Certification System

Fujitsu and domestic Group companies have established a professional certification system for cultivating professional in various specialized fields. Every year, new certifications are issued through a screening process consisting of essays and interview. For employees who are already certified, we hold periodic screenings for certificate renewals to assist with continued skill retention. Furthermore, certified employees engage in community activities in various categories to further enhance their own skills, distribute information, and mentor their successors.

Professional Certification Categories (FY 2018, including 38 domestic group companies)

- Sales:
Strategy, Account Management, Solutions
- System Engineers:
Consulting, Project Management, Business Architecture, IT Architecture, Service Management, Quality Management, Product Architecture, IP Management
- Engineers:
Product Planning, Architecture Development, Software Development, Hardware and Firmware Development, Quality Assurance Skills, Manufacturing and Production Skills

Support the Growth of Diverse Individuals

Fujitsu works to energize its organizations and human resources by building a rewarding workplace culture that values career development and by providing various forms of support that encourage each employee to pursue self-initiated career formation. To facilitate these efforts, we have created specialized organizations for career design support. Specifically, we implement measures such as career seminars, career counseling, the Internal Posting Program, the Internal Recruiting Program, the Free Agent (FA) Program, and support activities for senior employees. These activities are in compliance with the revisions to the Human Resources Development Promotion Act in effect since April 2016. For details, please refer to the following URL.

- Career Design Support
<https://www.fujitsu.com/global/documents/about/csr/employees/education/career.pdf>

FY2018 Performance

- Professional Certification Categories (FY 2018, including 38 domestic group companies)
 - Sales: 578 certified employees
 - System Engineers: 2,720 certified employees
 - Engineers: 571 certified employees
- Career Design
 - Career seminars: 1,645 employees
 - Internal Posting Program: 86 employees
- Average Annual Hours Spent Studying and Annual Cost of Education Per Employee
(FY 2017; tabulated in October every year)

	Managers	Regular Employees	Total Average
Average Annual Hours Spent Studying	34.8 hours	49.4 hours	45.3 hours
Annual Cost of Education	61,100 yen	91,300 yen	82,300 yen