



# Governance

# Corporate Governance

## Basic Approach to Corporate Governance

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Through a decision by the Board of Directors in December 2015, Fujitsu formulated a basic policy that sets out its approach to corporate governance (the "Corporate Governance Policy"). This Policy has been deliberated and established to best fit the present company conditions. However, considering the objective of corporate governance—that is, to conduct a better management—the company is working to continuously review the Policy so that it does not become too rigid or lose substance, as well as holding periodic discussions on the Policy in the Board of Directors Meeting to maintain the best corporate governance structure.

The company recognizes that corporate governance is an indispensable mechanism to manage the company under our Purpose (from the Fujitsu Way). This is not merely to pursue short-term profits, but to ensure the trust of customers and business partners, to encourage employees to engage in activities vibrantly and proudly, and to contribute to society. For these reasons, the company designed a governance structure based on the following approach.

- Basic Approach  
[https://www.fujitsu.com/global/documents/about/csr/governance/approach-e/pdf/approach\\_e.pdf](https://www.fujitsu.com/global/documents/about/csr/governance/approach-e/pdf/approach_e.pdf)

The latest version, revised in June 2020, can be downloaded from the URL below.

- Corporate Governance Policy  
<https://www.fujitsu.com/global/documents/about/ir/library/governance/governancereport-b-en.pdf>

## Corporate Governance Structure (as of June 22, 2020)

In accordance with its Corporate Governance Policy, the company outlines the following rules to ensure effective oversight and advice, given from the diverse perspectives of Non-Executive Directors (hereinafter, the term used for a combination of Independent Directors and Non-Executive Directors appointed from within the company), to Executive Directors on their business execution as part of the Board of Directors function while taking advantage of the company through the Audit & Supervisory Board system.

<Board of Directors>

The Company has a Board of Directors to serve as a body for making important decisions and overseeing management. The Board of Directors mainly acts in an oversight and advisory role and delegates the decision-making authority over business execution to the Representative Directors and subordinate Corporate Executive Officers to the broadest extent that is permitted by law and the Articles of Incorporation of the company and is considered to be reasonable. Moreover, the oversight function of the Board of Directors has been strengthened by actively appointing External Directors with a high degree of independence and diverse perspectives. Furthermore, in order to better define the management responsibility of the Directors, their terms were reduced from two years to one year in accordance with a resolution at the June 23, 2006 Annual Shareholders' Meeting. As of June 22, 2020, the Board of Directors consists of nine members in total, comprising three Executive Directors and six Non-Executive Directors (including five External Directors).

The Company held 13 meetings of the Board of Directors in FY2019 (including one extraordinary Board of Directors meeting) to discuss the formulation of the Management Direction and measures for its implementation as well as to decide a new management system based on reports from the Executive Nomination Committee.

<Audit & Supervisory Board>

The Company has an Audit & Supervisory Board that performs the auditing and oversight functions. The auditing and oversight functions are carried out by Audit & Supervisory Board Members, who review the Board of Directors as well as business execution functions and attend important meetings, including meetings of the Board of Directors. As of June 22, 2020, the Audit & Supervisory Board has four members, comprising two full-time Audit & Supervisory Board Members and two External Audit & Supervisory Board Members. The Audit & Supervisory Board held nine meetings in FY2019, focusing primarily on reviewing the audit policy and audit plan, the audit methods used by the accounting auditor, and the appropriateness of the results. They also listened to reports from the internal auditing departments and reported key matters from the full-time Audit & Supervisory Board members to the External Audit & Supervisory Board members.

<Independent Directors & Auditors Council>

As an initiative aimed at enhancing "positive governance" that will help to boost its medium- and long-term profitability, the Company has established an Independent Directors & Auditors Council, made up entirely of independent officers (five Independent Directors and two Independent Auditors).

To stimulate discussions by the Board of Directors on the Company's medium- and long-term orientation, it is considered essential that there be an ongoing mechanism by which independent officers, who are necessarily distanced from the actual workings of the business, are able to more closely understand the Company's business. This Council is designed to enable the independent officers to exchange information and share views in the process of forming their opinions.

In FY2019, the Independent Directors and Auditors Council met eight times to exchange views based on the sharing of information and opinions with independent directors, addressing issues that included management policy, human resource development and the scope of business of the Company and the Fujitsu Group.

<Executive Nomination Committee & Compensation Committee>

The Company has established the Executive Nomination Committee and the Compensation Committee as advisory bodies for its Board of Directors to ensure the transparency and objectivity of its process for nominating Directors and Audit & Supervisory Board Members and its process for determining executive compensation as well as to ensure the fairness of the method and the level of executive compensation.

The Executive Nomination Committee deliberates on candidates for Director and Audit & Supervisory Board Member positions in accordance with the Framework of Corporate Governance Structure and the Procedures and Policy for nomination/dismissal of Directors and Auditors stipulated in the Company's Corporate Governance Policy and provides its recommendations to the Board of Directors. In addition, the Compensation Committee provides its recommendations about the level of base compensation and the method for calculating performance-based compensation to the Board of Directors in accordance with the Procedures and Policy for Determining Directors and Auditors Compensation stipulated in the Company's Corporate Governance Policy.

Conditional upon the approval of the Compensation Committee, the CEO determines the performance targets and the individual amounts for the base compensation and performance-based stock compensation for each Director.

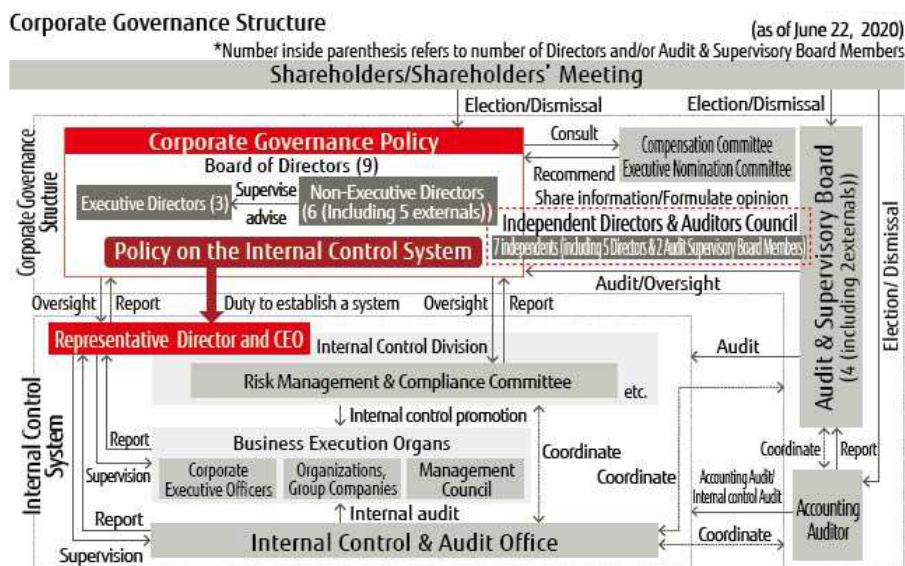
The members of each committee appointed in July 2020 are as follows, and consist of three Independent Directors. Additionally, the secretariats of both committees are operated by the Company's HR and legal departments.

- Executive Nomination Committee  
Chairperson: Jun Yokota (Independent Director)  
Members: Chiaki Mukai, Yoshiko Kojo (Independent Directors)
  
- Compensation Committee  
Chairperson: Chiaki Mukai (Independent Director)  
Members: Jun Yokota, Yoshiko Kojo (Independent Directors)

In July 2019, following the appointment of members to the two committees, the Executive Nomination Committee met twice to discuss the election of Representative Directors (including the CEO) and the nomination of candidates for Director, etc. The Compensation Committee met three times to discuss compensation for Directors and Auditors, bonuses, etc. Both committees provided recommendations to the Board of Directors.

- Corporate Governance Report  
Matters on Functions such as Business Execution, Auditing, Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)  
<https://www.fujitsu.com/global/documents/about/ir/library/governance/governancereport-en.pdf>

The chart below provides an overview of the Company's corporate governance structure. (As of June 22, 2020)



## Reasons for Adoption of Current Corporate Governance System

We believe that both direct oversight of business execution by Non-Executive Directors and oversight by Audit & Supervisory Board Members who remain distant from the decision making and operation of business execution should work jointly to ensure highly effective oversight performance. The company has adopted the "company with Audit & Supervisory Board" model where an Audit & Supervisory Board, composed of the Audit & Supervisory Board Members, is established and appointed as an independent agent.

The Board of Directors is composed of at least as many Non-Executive Directors as Executive Directors to ensure its capacity to correct faulty, insufficient, or excessive business executions. While External Directors should be the core of Non-Executive Directors on account of their high degree of independence, at least one Non-Executive Director is appointed from within the company to complement the External Directors' knowledge in business fields and the corporate culture of the company so that the efficiency of oversight performance by the Non-Executive Directors is enhanced.

## Policy for Determining Executive Compensation

Compensation paid to Directors and members of the Audit & Supervisory Board is determined based on the Executive Compensation Policy established by the Board of Directors, subject to approval by the Compensation Committee.

- Executive Compensation Policy (A-18)  
<https://www.fujitsu.com/global/documents/about/ir/library/reports/Report120.pdf>

## Basic Approach to the Internal Control System

To continuously increase the corporate value of the Fujitsu Group, it is necessary to pursue management efficiency and control risks arising from business activities. Recognizing this, the Board of Directors have formulated the "Policy on the Internal Control System", which provides guidelines on: a) how to practice and promote the Fujitsu Way, the principles that underlie the Fujitsu Group's conduct; and b) what systems and rules are used to pursue management efficiency and control the risks arising from the Company's business activities.

See below for the full text of the Policy on the Internal Control System and an overview of the operating status of the systems tasked with ensuring appropriate business practices

- Internet releases of selected business reports and financial documents

<https://www.fujitsu.com/global/Images/notice120b.pdf>

## Disclosures Relating to Corporate Governance

Board of Directors (as of June 22, 2020)

	Name	Position and Responsibilities	Representation Authority	Independent Officer
Business executed	Takahito Tokita	CEO, CDXO, Chairman of the Risk Management & Compliance Committee	○	
	Hidenori Furuta	COO, CTO	○	
	Takeshi Isobe	Corporate Executive Officer, SEVP, CFO		
Non-executive	Masami Yamamoto	Senior Advisor		
	Jun Yokota			○
	Chiaki Mukai			○
	Atsushi Abe	Chairman of the Board of Directors		○
	Yoshiko Kojo			○
	Scott Callon			○

FY2019 Attendance at Meetings of the Board of Directors or Audit & Supervisory Board

Meeting	Times Present	Attendance Rate
Board of Directors	13	100%
Audit & Supervisory Board	9	97.8%

\* Of the five members of the Audit & Supervisory Board in FY2019, four attended every meeting, with only Koji Hatsukawa missing one of the nine meetings.

# Risk Management

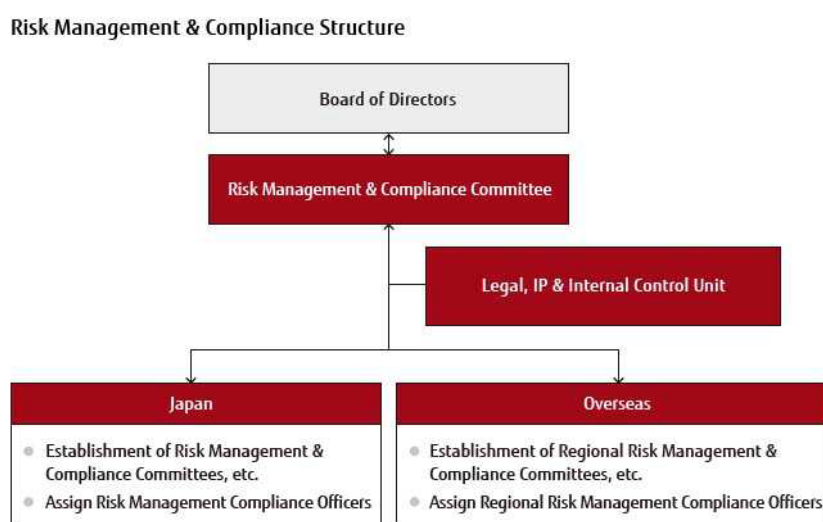
## Risk Management Guidelines

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

## Risk Management & Compliance Structure

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To prevent potential risks of business-related loss from transforming into actual risks, and to respond appropriately to and prevent the recurrence of any risks, the Fujitsu Group has established a Risk Management & Compliance Committee. This committee is under the direct control of the Board of Directors and acts as the highest-level decision-making body on matters involving risk management and compliance.

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

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

## Risk Management Reviews

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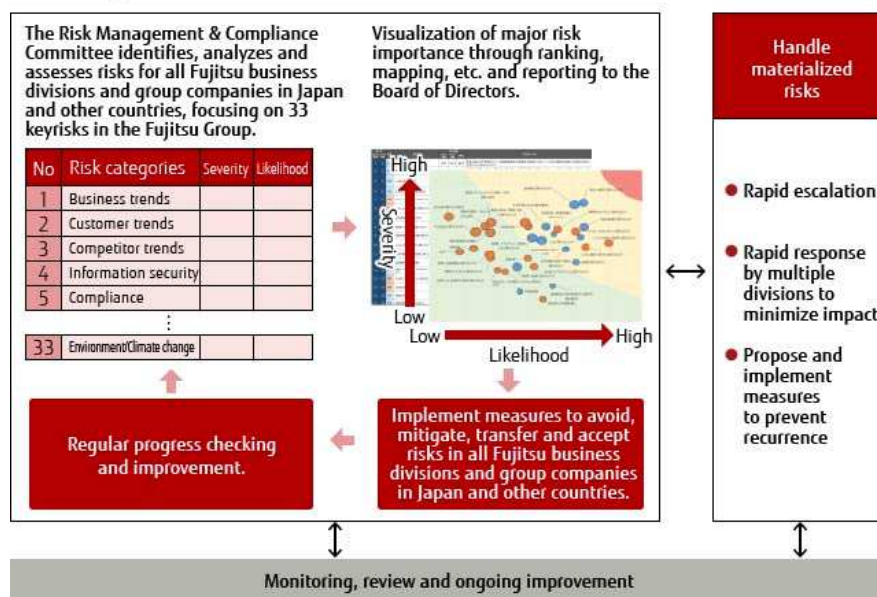
The Risk Management & Compliance Committee, identifies, analyzes and assesses the key risks associated with business activities in all Fujitsu business divisions and group companies in Japan and other countries. (Among the group companies,

implementation is focused on 33 risks identified as particularly important.) It also checks the progress of measures designed to avoid, mitigate, transfer and accept such risks, and then formulates new measures or reviews existing measures. The committee reports regularly to the Board of Directors regarding major risks that have been identified, analyzed and assessed, presenting the risks in a visually accessible format by ranking and mapping them.

The committee also prepares processes for dealing with risks that have eventuated despite implementation of the various preventive measures. If a critical risk arises, such as a natural disaster, product fault or defect, system or service problem, compliance violation, information security breach or environmental problem, then the department or group company concerned reports immediately to the Risk Management & Compliance Committee.

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

**Risk Management Process**



## Business Risks

The Fujitsu Group identifies, analyzes and assesses the risks associated with business activities and works on measures to avoid or mitigate their impact and to deal promptly with any issues that do occur.

Major Business Risks (*1)	
<ul style="list-style-type: none"> <li>• Economic and financial market trends</li> <li>• Customers</li> <li>• Competitors and the industry</li> <li>• Investment decisions and business restructuring</li> <li>• Suppliers, alliances, etc.</li> <li>• Public regulations, public policy, and tax matters</li> <li>• Natural disasters and unforeseen incidents</li> <li>• Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Deficiencies or flaws in products and services</li> <li>• Compliance issues</li> <li>• Intellectual property</li> <li>• Security</li> <li>• Human resources</li> <li>• Fujitsu Group facilities and systems</li> <li>• Environment</li> </ul>

\*1 These are just some examples of the risks associated with doing business. More detailed risk-related information can be found in our securities and other reports.

<https://www.fujitsu.com/global/about/ir/policy/risks/>

<https://pr.fujitsu.com/jp/ir/secreports/> (Japanese only)

Please refer to the web page below for detailed risk information in accordance with our Task Force on Climate-related Financial Disclosures (TCFD) declaration.

“Response to Environmental Risks”

<https://www.fujitsu.com/global/about/environment/risk/>

## Risk Management Education

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To enforce risk management across the entire Fujitsu Group, we conduct education and training at every level.

These programs are targeted at newly appointed executives and managers, as well as Risk Management Compliance Officers, to educate them on our basic approach to risk management and our rules for promptly escalating issues to the Risk Management & Compliance Committee. The programs present specific instances of problems with products, services, and information security, with the aim of continually improving participants’ awareness of risk management and enhancing their capacity to respond to risks.

Refer to the “FY2019 Performance” section at the end of this document for information on education outcomes for FY2019.

## Group-Wide Disaster Management

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The basic policy of Fujitsu and its group companies in Japan is to ensure the safety of staff and facilities when disasters occur, to minimize harm and to prevent secondary disasters. We also aim to ensure that business operations resume quickly, and that we can assist in disaster recovery for our customers and suppliers. To this end, we are building robust collaborative structures in our internal organizations and strengthening our business continuity capabilities.

In particular, we are working to build “area-based disaster management systems” that enable the Group offices in each region to cooperate effectively and to promote responses via the management structures in each business unit and group company.

To verify the efficacy of our disaster management systems and enhance our response capabilities, we conduct drills tailored to every level, from the entire company through to task forces, workplaces and even individuals. We also implement voluntary inspections and verification activities to prevent accidents and minimize the level of harm in each of our facilities. These efforts enable us to accurately identify existing issues, review and implement measures to address those issues, and work toward continually improving our capacity to prepare for disasters and sustain our business operations.

For more information on our Group-wide disaster management, joint disaster response drills and verification activities, refer to the PDF listed below in the activity outcomes for FY2019 in the “FY2019 Performance” section at the end of this document.

- Group-wide disaster management, joint disaster response drills, verification activities

<https://www.fujitsu.com/global/documents/about/csr/riskmanagement/Group Wide Disaster Management 20190628v1.pdf>

## Business Continuity Management

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Recent years have seen a significant increase in the risk of unforeseen events that threaten continued economic and social activity. Such events include earthquakes, floods and other large-scale natural disasters, disruptive incidents or accidents, and pandemics involving infectious diseases. To ensure that the Fujitsu and its group companies in Japan can continue to provide a stable supply of products and services offering the high levels of performance and quality that customers require, even when such unforeseen circumstances occur, we have formulated a Business Continuity Plan (BCP). We are also promoting Business Continuity Management (BCM) as a way of continually reviewing and improving our BCP.

Since January 2020, COVID-19 has spread throughout the world with devastating consequences. To maintain the safety of its



customers, suppliers and employees, the Fujitsu Group has placed the highest priority on preventing the spread of the infection. It is also promoting initiatives to sustain the supply of products and services to customers and to help resolve the many societal issues that have arisen due to the spread of the infection. Specific initiatives include recommending that employees work from home or stagger their working hours, switching internal company meetings and events to videoconference format or other web-based sessions, and putting in place a set of countermeasures in cooperation with customers and government agencies in Japan and elsewhere. Through such measures, our goal is to maintain key business operations and meet our social responsibilities even while the infection remains uncontained.

For more information on our BCM activities, infectious disease countermeasures and BCM in our supply chain, please refer to the PDF listed below in the activity outcomes for FY2019 in the "FY2019 Performance" section at the end of this document.

- BCM activities, infectious disease countermeasures, supply chain BCM  
[https://www.fujitsu.com/global/documents/about/csr/riskmanagement/2020\\_RiskManagement\\_BCM\\_en.pdf](https://www.fujitsu.com/global/documents/about/csr/riskmanagement/2020_RiskManagement_BCM_en.pdf)

## FY2019 Performance

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### Risk Management Education

- Fujitsu Group new executive training: 64 people  
Uses specific examples to illustrate key points that new executives need to take note of, including internal regulatory systems and issues relating to risk management and compliance.
- Fujitsu Group new manager training: Approx. 700 people  
An e-learning course that covers areas such as the basic approach to risk management and the role of managers regarding risk management.
- Risk Management & Compliance seminars: 193 people  
These seminars aim to share the latest updates from the Risk Management & Compliance Committee with the Risk Management Compliance officers and their assistants. The objective is for the information to be used for education and in other measures implemented by Fujitsu business divisions and group companies.
- Disaster Management Forum: 227 people  
These forums are targeted at Fujitsu Group staff responsible for disaster management and business continuity in Japan. They offer an opportunity for participants to share knowledge with the aim of improving our on-site responses to large-scale disasters.
- Training for Japan-based Fujitsu and group company staff prior to assignment outside Japan: 10 sessions  
Provides employees assigned to roles outside Japan with information and training in advance on Fujitsu's risk management systems, and the key points of overseas-specific risks and how to deal with those risks.

### Disaster Management & BCM Training

- Joint disaster response drills: Theme for FY2019: "Tokyo Inland Earthquake"  
During Japan's annual Disaster Preparedness Week, held every September, we conduct nationwide disaster response drills that incorporate mock disaster exercises. These drills are used to ensure and to verify that Fujitsu and its group companies in Japan are fully versed in the essentials of dealing collaboratively with major disasters. (Proposed scenarios include "Tokyo Inland Earthquake" and "Nankai Trough Megathrust Earthquake".)

# Information Security

## Policy

The Fujitsu Group places ICT as our core business. Our corporate vision is to contribute to creating a safe, pleasant, networked society, we work to ensure and improve the level of information security throughout the Group.

In April 2016, we established the Fujitsu Group Information Security Policy(\*1) in order to share this vision and encourage action by each employee. Based on this policy, we are implementing information security measures, along with establishing internal rules related to information management and ICT security at Group companies in Japan and overseas.

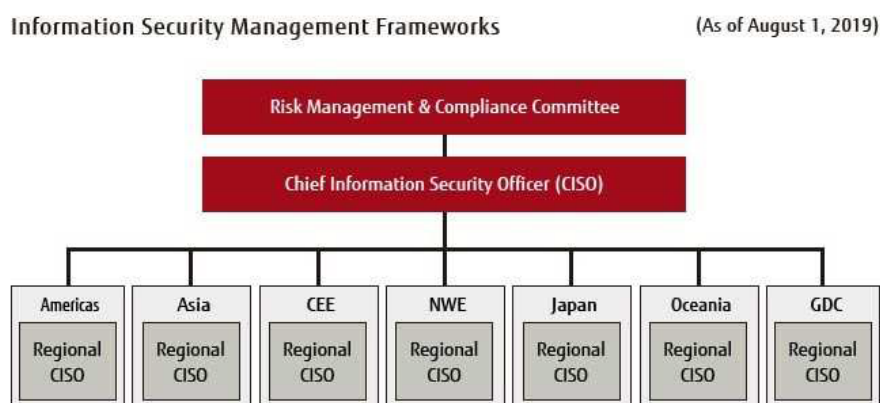
\*1 Complete text of the Fujitsu Group Information Security Policy (Global Security Policy)  
[https://www.fujitsu.com/global/imagesgig5/InformationSecurityPolicy\\_en.pdf](https://www.fujitsu.com/global/imagesgig5/InformationSecurityPolicy_en.pdf)

KEIDANREN, otherwise known as the Japan Business Federation, announced its Declaration of Cyber Security Management in March 2018. The Fujitsu Group supports KEIDANREN’s declaration as being consistent with principles set forth in the Fujitsu Cyber Security Declaration (November 2016).

- KEIDANREN’s DECLARATION OF CYBER SECURITY MANAGEMENT  
<https://www.keidanren.or.jp/en/policy/2018/018.pdf>
- The Fujitsu Declaration on Cybersecurity  
[https://www.fujitsu.com/global/documents/about/csr/security/Cybersecurity\\_declaration.pdf](https://www.fujitsu.com/global/documents/about/csr/security/Cybersecurity_declaration.pdf)

## Management Structure

Given the recent increase in cyberattacks, the Fujitsu Group appointed a Chief Information Security Officer (CISO) under the authority of the Risk Management and Compliance Committee(\*2) in order to further strengthen security measures in the Group. Moreover, in aiming to strengthen our global information security governance we have appointed Regional CISOs around the world.



\*2 Message from the Fujitsu Group Chief Information Security Officer (CISO) (page 2)  
<https://www.fujitsu.com/global/about/resources/reports/securityreport/>

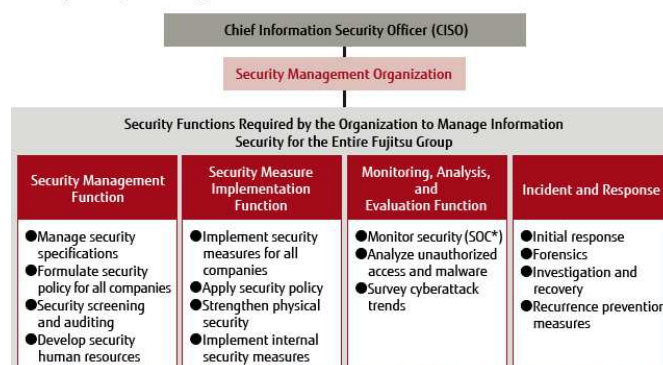
Regional CISOs report to the CISO on information security measures implemented by security teams at each group company. The CISO periodically reports to the Risk Management and Compliance Committee on the status of information security measures, and also makes additional reports whenever necessary.

## Security Controls

### Functions

In order to strengthen information security measures, the Fujitsu Group has established a Security Management Organization under the direct control of the CISO. The Security Management Organization implements controls by fulfilling the following functions: Security Management, Security Measure Implementation, Monitoring, Analysis, and Evaluation, and Incident and Response.

Security Management Organization Functions



\*SOC: Security Operations Center

### Information Management Training

To prevent information leaks, instead of simply informing our employees of the various rules and regulations, it is important to raise the security awareness and skill level of each individual employee. The Fujitsu Group holds information management training for employees. Specifically, we hold e-Learning for all employees (including executives) every year. We also provide information security education during training for new employees and employees being promoted. At overseas Group companies, we hold information security training for employees every year. We also provide information security managers with special security training for managers.



e-Learning

## Security Measures

### Three Important Measures Incorporating the Concept of Defense in Depth

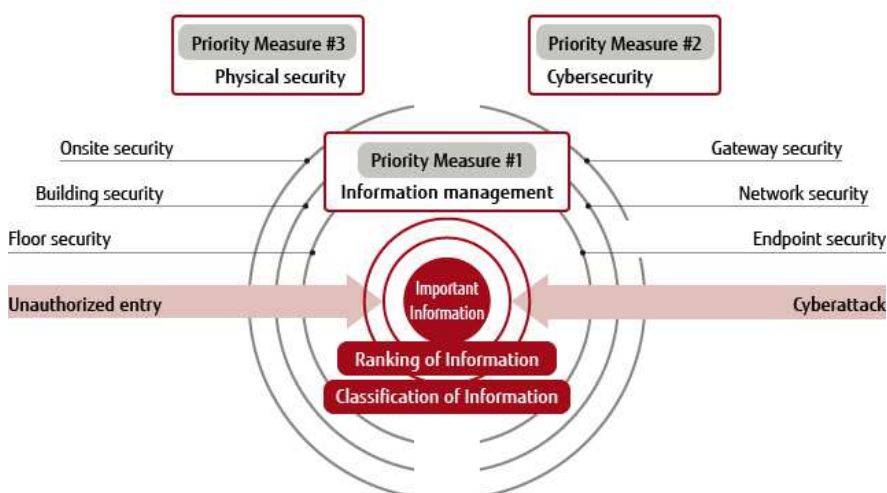
The cyberattacks in recent years are prime examples of targeted attacks. These attacks have an unprecedented level of sophistication, diversity, and complexity. It is no longer possible to achieve comprehensive defense by using single types of conventional security measures.

The basic concept of information security measures at the Fujitsu Group incorporates defense in depth. This refers to implementing multilayer protection via multiple measures, instead of seeking protection through a single measure. Defense in depth has three objectives: 1) to prevent attacks by establishing a multilayer defense wall, 2) to discover attacks at an early stage by establishing a multilayer detection function, and 3) to minimize damage in the event of infiltration.

Appropriate implementation of these objectives makes it possible to prevent attacks and minimize damage.

The Fujitsu Group implements the following three priority internal information security measures: 1) information management for protecting information, 2) cybersecurity which focuses on measures for protecting systems against cyberattacks, and 3) physical security which prevents unauthorized access to facilities such as offices and plants.

Conceptual image of "Defense in depth"

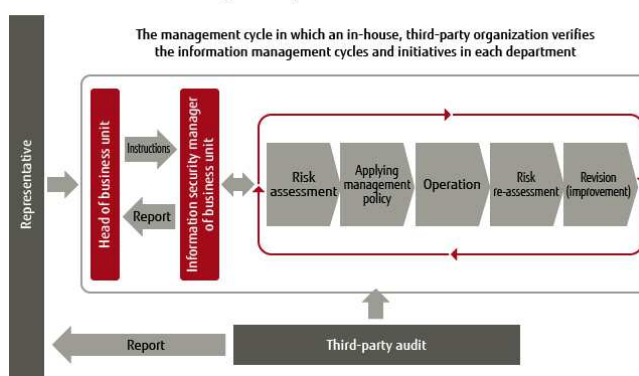


## Information Management

### Safeguarding Information Through Information Protection Management Systems

Fujitsu and its domestic Group companies implement autonomous activities at work sites to properly safeguard third-party confidential information and our confidential information. Specifically, these include establishing appropriate management and taking action to protect information. Activities are designed to match circumstances at different customers and clients; for example, we consider rules for different industries and business categories. We also conduct audits by in-house, third-party organizations. In this way, we work to build information protection management systems to confirm the status of initiatives and improve protection of information.

### Information Protection Management Systems



## Safeguarding Personal Information

As part of our efforts to protect personal information, Fujitsu acquired the PrivacyMark (\*3) from JIPDEC in August 2007. We are also working to continually enhance our personal information protection, including annual training and audits on personal information handling. Domestic Group companies also acquire the PrivacyMark as needed and implement through personal information management. Privacy policies based on the laws and social demands of each country are posted on the websites of overseas Group companies.



\*3 The PrivacyMark is granted to business operators that appropriately handle personal information under personal information management systems that conform to JIS Q 15001:2017.

## GDPR (\*4) Response

Fujitsu has constructed a global personal information protection structure and is working to strengthen protection of personal data. Under the guidance of the CISO organization and legal business units, we have cooperated with entities such as our European subsidiaries to develop guidelines and internal rules related to protection of individual rights in response to GDPR. We have also designed check sheets for the formulation, design, and initial setting of rules. Furthermore, we have updated the

operation process with the rules and held employee training.

In response to regulations on transfer of personal data outside of the EU, we applied to the Dutch Data Protection Authority (DPA) in December 2017 for our Binding Corporate Rules for Processors (BCR-P), which are common rules established across the Fujitsu Group related to the handling of personal data that customers have entrusted to the Group for processing.

In addition, the European Commission and Japan have mutually recognized each other's data protection laws, which went into effect on January 23, 2019, as providing an adequate level of protection. Based on this recognition, Fujitsu has established internal rules related to the handling of personal information moved between regions, and spread awareness regarding those rules.

\*4 General Data Protection Regulation (GDPR): The GDPR (EU regulations requiring companies, organizations, and groups to protect personal information) was enacted on May 25, 2018. It includes regulations on transferring personal data out of the European Economic Area and the obligation to report data leaks within 72 hours.

For details on other security measures, please refer to the Fujitsu Group Information Security Report 2018 (pages 8 to 13).

<https://www.fujitsu.com/global/about/resources/reports/securityreport/>

## Cybersecurity

The Fujitsu Group implements separate measures at multiple layers based on network characteristics to prepare for cyberattacks. We are working to protect against increasingly sophisticated, diverse, and complex cyberattacks by combining gateway security measures, including firewalls and targeted attack measures; network security measures, such as unauthorized access detection; and endpoint security measures, including malware measures and security patch management.

## Physical Security

Fujitsu has built a physical security environment which combines manned guarding and mechanical security on three levels: sites, buildings and floors. Furthermore, in order to create an even more advanced physical security environment, we have internally deployed security gates in combination with a vein authentication device that can prevent identity theft.

## Information System Certification

The Fujitsu Group is actively working to acquire third-party evaluations and certifications in its information security initiatives.

- Third-Party Evaluation and Certification

[https://www.fujitsu.com/global/documents/about/csr/security/InfoSecurity\\_third\\_party\\_certification\\_en.pdf](https://www.fujitsu.com/global/documents/about/csr/security/InfoSecurity_third_party_certification_en.pdf)

## FY 2019 Performance

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### Information management education

- Company-wide e-learning education for information management (targeted Fujitsu employees: 35,400)
- E-learning for newly-appointed managers (Fujitsu): 640 managers
- Introductory education and e-learning for new employees (Fujitsu): 1,200 new employees

Please refer to the following URLs for details on information security in the Fujitsu Group.

- Fujitsu Group Information Security Report 2019

<https://www.fujitsu.com/global/about/resources/reports/securityreport/>

- Cyber Security

<https://www.fujitsu.com/global/themes/security/>

# Quality Initiatives

## Quality Policy

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In addition to establishing a corporate philosophy and charter that applies to all products/services, we have also established regulations and standards to uphold customer requests and the various features of our products/services. These are all based on the Fujitsu Way.

The Fujitsu Global Quality Policy represents a way of thinking, shared across the entire Group, for implementing a value system which holds the Fujitsu Way in high regard, "Trust: We contribute to a trusted society using technology."

This quality policy was established in order to continue providing our customers with products/services that they can feel secure using, but also to define quality as a foundational part of our business, and come to a shared understanding of the policy worldwide.

### 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.

Fujitsu has established the Fujitsu Group Quality Charter, as well as five quality-related regulations (Shipment, Registration, and Release Regulations, Safety Promotion Regulations, etc.), in order to implement the Fujitsu Global Quality Policy.

All of our measures, from planning to design to evaluation, production, sales, and even follow-up support, are based on this charter and these regulations. This is necessary in order to continue providing products/services that stay one step ahead of our customers and any changes in their business landscapes.

### System of Policy Rules and Regulations



## Implementation Policy for the Safety of Our Products and Services

The Fujitsu Group recognizes its social responsibility to contribute to building 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.

## Our Approach to Promoting Quality Assurance

In addition to working with individual divisions and regions with regards to their quality assurance efforts, we also coordinate across the entire Group to share knowledge and information that transcend organizational boundaries. This helps us make better use of these efforts, and allows us to solve quality assurance issues that are shared across organizations.

This sharing of effective quality assurance efforts increases

the overall quality of Fujitsu's products/services, helps to prevent issues from occurring and reoccurring, and allows us to work toward consistent, optimal quality for our customers all over the world.

In order to ensure the promotion of these efforts Group-wide, we have selected Quality Management Representatives from relevant divisions both in Japan and overseas, through official HR announcements. These representatives will act as leaders, always participating in and helping implement Group-wide quality assurance efforts. They are led by the Global Quality Assurance Unit, an organization that operates independently of our divisions.

### Promotion Framework under Quality Management Representative



## System for Addressing Major Quality Issues

In the event of major quality issues with our products and services at Fujitsu, our executives and employees act in accordance with risk management regulations and report the issues immediately to the Risk Management and Compliance Committee. Under the direction of the Committee, the relevant departments work together to consider how to respond to the quality issues, and how to prevent the issues from reoccurring. We also roll out the proposed measures for preventing reoccurrences to other departments through our Quality Management Representatives, and strive to prevent quality issues from reoccurring company-wide.

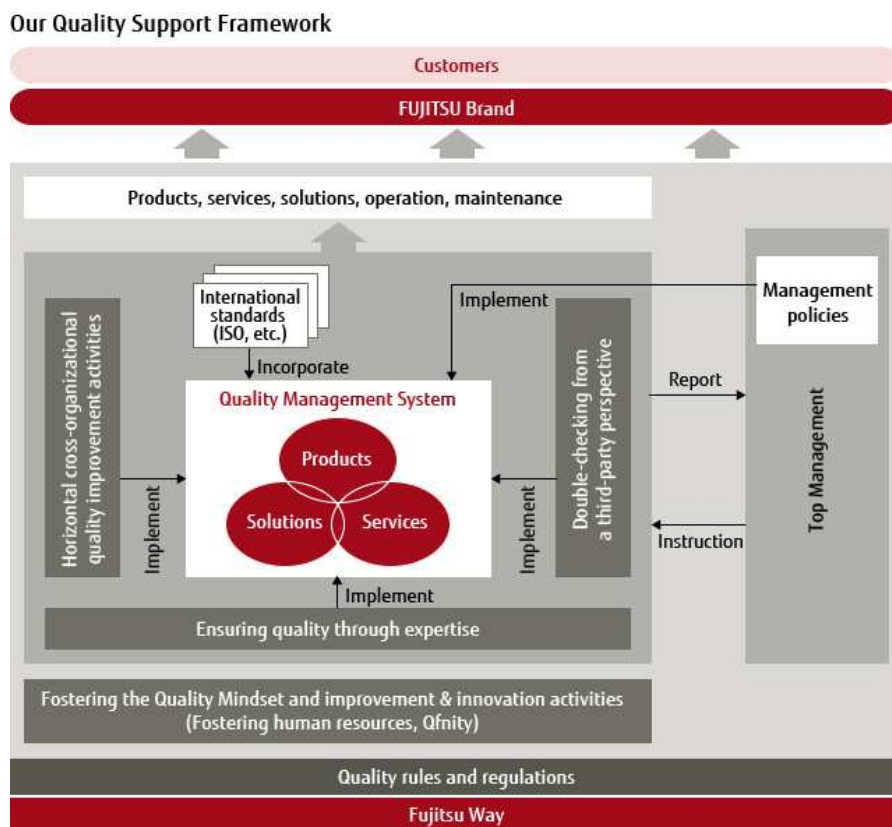
## Marking and Labeling of Products and Services Regarding Quality and Safety

Fujitsu is dedicated to observing all relevant laws, regulations, systems and internal policies related to marking and labeling of products and services regarding quality and safety.

## Improving Quality Assurance: Quality Management

In order to provide a level of quality for our products and services which meets the needs and expectations of our customers in a consistent way, it is essential for us to coordinate with various organizations inside and outside Fujitsu—including business units, sales units, business partners, and common business units—from planning and design through development, manufacturing, testing, sales, operations, and up until maintenance. Frameworks and mechanisms to integrate these organizations are essential as a foundation for our efforts.

This is why we built our Quality Management System (QMS): to coordinate among these business units as appropriate for the product or service. 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.



### Qfinity

Since FY 2001, the Fujitsu Group has worked on Qfinity (\*1), improvement and innovation activities where each employee plays a central role in continuing to improve the quality of our products and services, as well as the quality of every job, in order to achieve greater customer value (CV).

As our business model in recent years has undergone reform, we have made changes towards becoming a digital transformation (DX) company, and the “quality” that our customers demand has expanded to include several factors. On the other hand, in light of the current situation, where we are inconveniencing our customers due to issues relating to the quality of our products and services, we will return to the starting point of our improvement activities—the quality of our products and services—for Qfinity in FY 2020. As for our initiatives that relate to “the quality of every job,” which includes a variety of quality factors, we will continue with our efforts in each organization so as to be able to respond in a flexible manner.

\*1 Qfinity, an internal branding term which combines the words “quality” and “infinity,” represents the DNA of the Fujitsu Group: the “infinite pursuit of quality by each and every employee.”



## FY 2019 Performance

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### Disclosure of Information Related to Product Safety

- Number of disclosed issues: No major product incidents (laptop battery ignition)\*

\*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.

- Prevention Measures for Laptop Battery Ignition Incidents

On three previous occasions, Fujitsu has asked customers to exchange and return battery packs in order to prevent the spread of ignition incidents due to the possibility that foreign matter had contaminated the interior of the battery during the battery pack manufacturing process.

At the same time, however, although extremely rare, there have been cases of ignition occurring in battery packs outside those covered by the returns and exchanges.

It has been found that limiting the phenomena that increase the internal pressure of batteries is an effective measure in preventing these types of ignition incidents.

Since February 9, 2017, Fujitsu has been offering a "Battery Charging Control Update Tool" through its website for its laptop PCs launched between 2010 and 2016. In addition, since November 2018, Fujitsu has been distributing the Battery Charging Control Update Tool via Microsoft's Windows Update service to the laptop PCs of all those affected in order to ensure all customers using the affected laptop PCs apply the update.

### Marking and Labeling of Products and Services Regarding Quality and Safety

We experienced no marking or labeling violations related to products or safety.

### ISO9001 / ISO20000 Certification Status

Fujitsu is continuously working to improve processes under the QMS.

- ISO9001: 36 divisions certified
- ISO20000: 14 divisions certified

# Working With Our Customers

## Improving Customer Satisfaction

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Our current era is characterized by dizzying levels of social and economic change, and it seems impossible to predict what will come about in the future. In this kind of landscape, it is vital that we maintain an accurate understanding of our customers' various needs and adapt quickly to changes as they arise. In order to accomplish this, we must think and behave from the customer perspective, and engage continuously in reform.

### Working with the Customer to Drive Field Innovation

Field Innovation is utilizing sensors, videos and other cutting-edge digital technology to observe and analyze people's behaviors and mentalities in the places where our customers actually are, and discovering wasteful parts of processes, as well as possible hints for making improvements, which were heretofore unnoticed. We optimize Fujitsu's advanced technology in order to maximize value for our customers and provide support for their efforts to evolve and grow their businesses.

This process happens through our Field Innovators (Flers), and their work with the customers. These are individuals who have built up their careers in various business areas, and who are skilled at advancing reform, utilizing visualization technologies, and consensus building. Flers delve into customers' actual places of business to confirm the intentions of top-level management, and identify challenges by conducting on-site interviews and visualization processes. Working in conjunction with customers, Flers provide support for resolving customer issues from a third-party perspective.

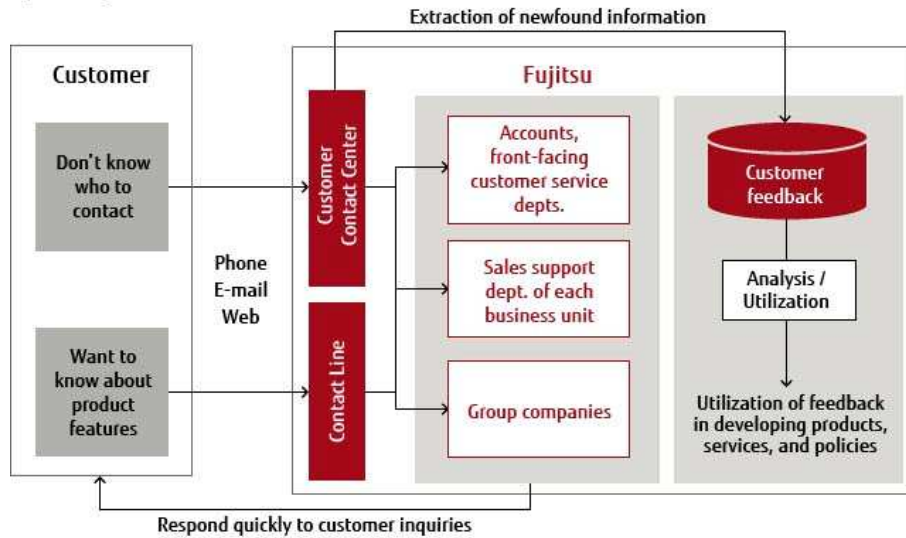
- FY 2019 Field Innovation Performance: 315 cases
- Field Innovation  
<https://www.fujitsu.com/jp/about/businesspolicy/fieldinnovation/en/>
- Field Innovation Case Studies  
<https://www.fujitsu.com/jp/about/businesspolicy/fieldinnovation/en/case-studies/>

### The Fujitsu Customer Contact Center and Fujitsu Contact Line

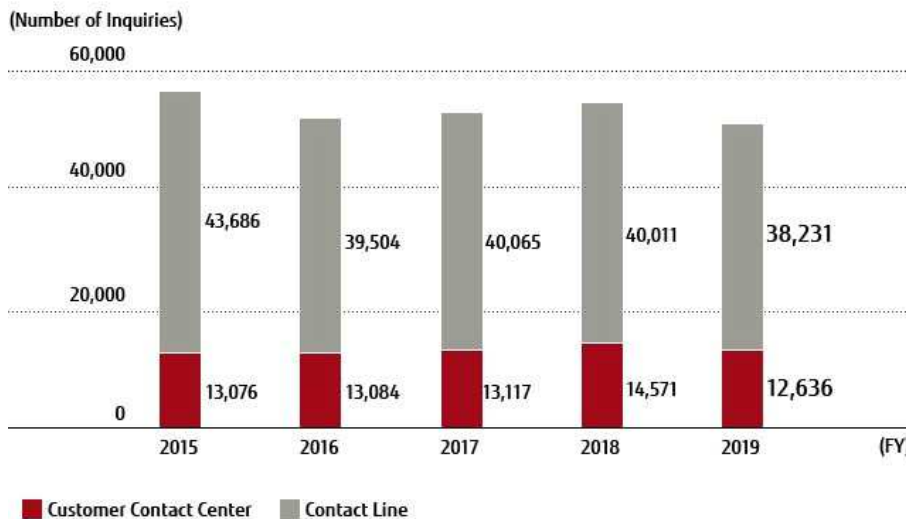
Both the Fujitsu Customer Contact Center and the Fujitsu Contact Line allow us to gain an accurate understanding of customer inquiries, and quickly transfer customer inquiries to the relevant division. They also work as a form of surveillance, helping prevent missed and late responses. These improve customer satisfaction by facilitating quick responses, and also allow us to analyze customer inquiries so that we can improve the development and quality of our products and services. We also have an international coordination system in place for these points of contact, in order to facilitate smooth communication both domestically and internationally.

- Customer Contact Center / Fujitsu Contact Line (Japanese only)  
<https://www.fujitsu.com/jp/about/resources/contact/others/customer/>

Operating Framework



Trends in Inquiries



## The Fujitsu Family Association

As Japan's largest ICT user coalition, the Fujitsu Family Association (hereafter, the Family Association), which is made up of approximately 4,250 companies and organizations that have adopted Fujitsu products and services, offers opportunities to socialize and exchange information that are mutually beneficial for both Family Association members and Fujitsu. The Family Association has made significant contributions to the building of long-lasting relationships among its members. The purpose of the association is to provide a place for each member company to solve the issues they face based on the pillars of human resources development, information gathering, and cross-industry cooperation, and for sharing their thoughts and values related to ICT.

The activities of the Family Association are supported by the efforts of its 11 branches nationwide, from Hokkaido to Okinawa. Each branch has devised its own way to organize events such as ICT-related seminars, personnel development, and locally oriented social events, for a total of roughly 500 events and approximately 30,000 participants each year.

- Fujitsu Family Association (Japanese only)  
<https://jp.fujitsu.com/family/>

## Advertising and Promotion Policy

At Fujitsu, we work to make sure that our advertising makes use of fair and appropriate language and symbols, and are in adherence to laws, regulations, and in-house rules. In FY 2020, we will engender the trust of society through innovation, and promote our initiatives to make the world a more sustainable place, so that those efforts will be more widely recognized. In FY 2019, we plan to promote the efforts we have made to collaborate with customer businesses using our strength in digital technologies, and make these efforts more widely known to the public. We also set goals (KPIs) and monitor these indices via the PDCA cycle to see if they have been achieved, in order to determine whether our advertising policies have been effective and cost-effective.

Due to changes in the Fujitsu business model, we have also not had products and/or services that would fall under the regulation of the Act Against Unjustifiable Premiums and Misleading Representations.

Fujitsu offer contact lines where the general public can voice their opinions about our advertisements. We take all of these opinions to heart, respond in a measured way with regard to matters that require a response, and do our best to engage in further communication.

- Advertising and Promotion (Japanese only)  
<https://jad.fujitsu.com/>

## Universal Design

Fujitsu promotes universal design for products and services, with the aim of helping to create a safe, comfortable, and plentiful society where each person can fully demonstrate their own abilities.

### Fujitsu's Role

There is a globally shared awareness that the Sustainable Development Goals (SDGs) established by the United Nations, which aim to make a sustainable world a reality, are common challenges. Ideas about diversity and inclusion are part of the context for these SDGs. By offering products and services that anyone can use, as well as technology and ICT infrastructure to support them, Fujitsu contributes to the creation of this sustainable, diverse, and plentiful society.

#### 1. Aiding the five senses

We aid the five senses and offer diverse usage methods, so that differences in senses such as vision and hearing do not restrict the use of products and services.

#### 2. Reducing physical stress

We design dimensions, layouts, and operation methods to allow low-strain usage for all, regardless of physical abilities such as stature, strength, mobility, posture, and wheelchair use.

#### 3. Caring about experience and culture

We present information using expressions that can be clearly understood by users of diverse personal experiences and cultural backgrounds.

#### 4. Ensuring availability

We consider time and place, weather, the individual user, surrounding conditions, and other aspects, and adapt to changing conditions.

#### 5. Maximizing usability

We pursue greater usability, to raise levels of safety, sense of security, effectiveness, sufficiency, and satisfaction.

- Fujitsu Universal Design  
<https://www.fujitsu.com/global/about/businesspolicy/tech/design/ud/>
- FY 2019 Examples of Efforts Toward Universal Design  
We received five International Design Award 2019 awards (including a Grand Prize and Gold Award) from the International Association for Universal Design (IAUD). This award is given to individuals/organizations who have achieved particularly outstanding ideas or results, towards the realization of a UD society that is secure and comfortable for as many people as possible.  
<https://www.fujitsu.com/global/about/businesspolicy/tech/design/ud/>
- IAUD International Design Award 2019 (Award Details)  
<https://www.fujitsu.com/global/about/businesspolicy/tech/design/awards/#2019-05>
- Customer Workshops to Implement More Inclusive DX  
By co-creating with customers, Fujitsu aspires to create services, organizations, and a society that is inclusive and better enriches our lives. We offer co-creation workshops where we forge visions and ideas created from diverse perspectives, as well as sustainable solutions. In FY 2019, we conducted workshops with customers in order to implement diversity and inclusion, centered around the theme of improving the user experience on public transportation for wheelchair users. We are currently working on implementing the solutions that were brought up during the workshop.  
<https://www.fujitsu.com/cocreating-program/>