



**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/about/ir/library/governance/governancereport-b-en.pdf>

## **Corporate Governance Structure (as of June 28, 2021)**

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 28, 2021, 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 14 meetings of the Board of Directors in FY2020 (including two extraordinary Board of Directors meetings) 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 28, 2021, 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 eight meetings in FY2020, mainly to discuss audit policy and plans, the audit method of the Accounting Auditors and the appropriateness of the audit results, and the key audit matters. Internal Audit Departments made reports and full-time members of the Audit & Supervisory Board reported matters of importance to External Audit & Supervisory Board Members, which were discussed at Audit & Supervisory Board meetings. The activities of Audit & Supervisory Board Members during FY 2020 included attending, and expressing opinions at, meetings of the Board of Directors, meetings of Independent Directors and other important meetings, inspecting important approval documents, exchanging opinions with Representative Directors, auditing operations of the head office and subsidiaries, exchanging information with auditors of subsidiaries, hearing reports from Accounting Auditors, hearing the status and results of an audit from the Internal Audit Department, and hearing the status of whistle-blowing activities from the Compliance Department.

In addition, with respect to the key audit matters that were adopted in FY 2019, we continued to hold a suitable number of discussions and deliberations with Accounting Auditors in FY 2020. The discussion topics were potential risks of material misstatements in the consolidated financial statements and impacts of, and developments in, material events, etc. that occurred in FY 2020.

#### <Independent Directors & Auditors Council>

In response to the requirements of Japan's Corporate Governance Code, which facilitates the activities of Independent Directors and Auditors, and in order to invigorate discussions on the medium- to long-term direction of the Company at its Board of Directors Meetings, the Company believes it essential to establish a system that enables Independent Directors and Auditors, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of the Company's business. Based on this recognition, the Company established the Independent Directors and Auditors Council, which consists of all Independent Directors (five Independent Directors and two Independent Auditors). The members of the Council discuss the medium- to long-term direction of the Company, share information, and exchange views so that each can formulate their own opinions.

In FY2020, the Independent Directors and Auditors Council met nine times. The members shared information and exchanged views on the Company's management direction, the scope of business of the Company and of the Fujitsu Group, etc. Based on the knowledge gained through the Council, each Independent Director and Auditor provided advice to the Board of Directors.

#### <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.

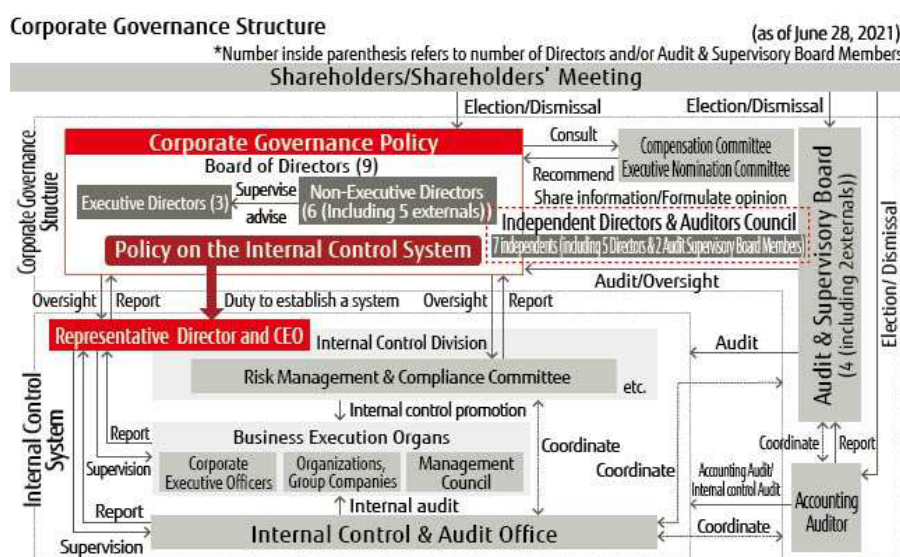
The members of each committee appointed in July 2021 are as follows. Additionally, the secretariats of both committees are operated by the Company's HR and legal departments.

- Executive Nomination Committee  
Chairperson: Atsushi Abe (Independent Director and Chairman of the Board of Directors)  
Members: Yoshiko Kojo, Scott Callon (Independent Directors), Masami Yamamoto (Director and Senior Advisor)
- Compensation Committee  
Chairperson: Chiaki Mukai (Independent Director)  
Members: Yoshiko Kojo, Scott Callon, Kenichiro Sasae (Independent Directors)

Following the July 2020 appointment of members to the two committees, up to the end of FY2020 the Executive Nomination Committee met three times to discuss the election of Representative Directors (including the CEO) and the nomination of candidates for Director, etc. The Compensation Committee met twice to discuss the level of compensation for Directors and Auditors, the composition ratio, 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/about/ir/library/governance/governancereport-en.pdf>

The diagram below illustrates the Company's corporate governance structure. (As of June 28, 2021)



## 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 policy on the determination of the details of compensation, etc. for individual Directors established by the Board of Directors, subject to approval by the Compensation Committee.

- The policy on the determination of the details of compensation, etc. for individual Directors (page A-17)  
<https://www.fujitsu.com/global/documents/about/ir/library/reports/Report121.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/gig5/notice121b.pdf>

## Disclosures Relating to Corporate Governance

Board of Directors (as of June 28, 2021)

|                   | 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  |                          |                     |
|                   | Chiaki Mukai    |   |                          | ○                   |
|                   | Atsushi Abe     | Chairman of the Board of Directors                                |                          | ○                   |
|                   | Yoshiko Kojo    |   |                          | ○                   |
|                   | Scott Callon    |   |                          | ○                   |
|                   | Kenichiro Sasae |   |                          | ○                   |

FY2020 Attendance at Meetings of the Board of Directors or Audit & Supervisory Board

| Meeting                   | Times Present | Attendance Rate |
|---------------------------|---------------|-----------------|
| Board of Directors        | 14            | 99.2%*          |
| Audit & Supervisory Board | 8             | 97.9%**         |

\* Of the nine members of the Board of Directors, eight attended every meeting, with only Yoshiko Kojo missing one of the 14 meetings.

\*\* With the exception of Koji Hatsukawa (who attended seven of the eight meetings), the other members of the Audit & Supervisory Board attended every meeting.

# Risk Management

## Guidelines & Structure

The Fujitsu Group considers it an important management issue to appropriately identify and respond to risks in the Group's business operations and other activities. Accordingly, the Board of Directors determined a Policy on the Internal Control System. Based on this policy, the Fujitsu Group established a Risk Management & Compliance Committee under the direct control of the Board of Directors, which 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. These organizations collaborate to build a risk management & compliance structure for the entire group, thereby guarding against potential risks and mitigating risks that have already materialized. Furthermore, we created the Corporate Risk Management Division in November 2020, reporting directly to the CEO. This new body is responsible for risk management across the entire Fujitsu Group and will be better placed to interpret risk-related information and to spearhead rapid, appropriate responses where required.

**Risk Management & Compliance Structure**



### Main 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/>

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/>

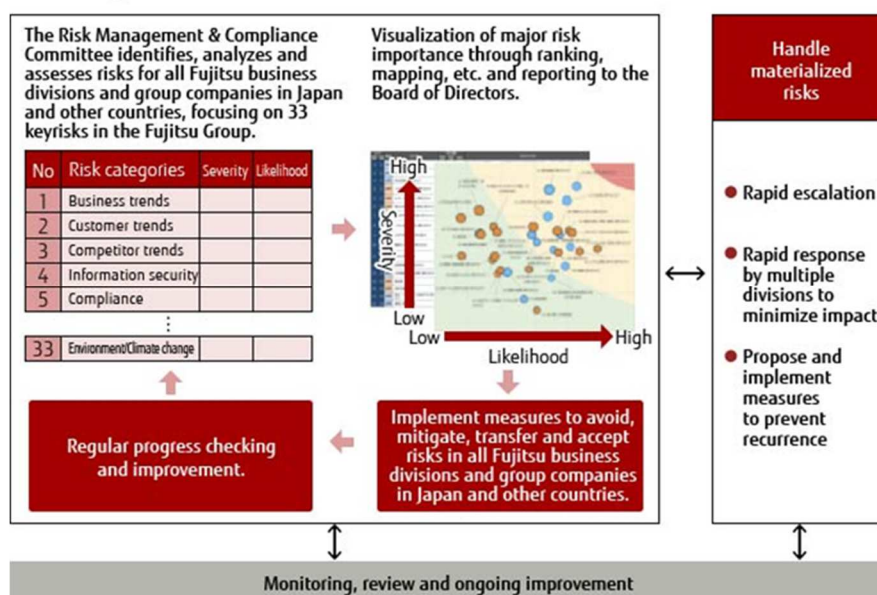
## Processes

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





## 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 "FY2020 Performance" section at the end of this document for information on education outcomes for FY2020.

## 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 FY2020 in the "FY2020 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/2021\\_Disaster\\_Management\\_en.pdf](https://www.fujitsu.com/global/documents/about/csr/riskmanagement/2021_Disaster_Management_en.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, and their families, 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 FY2020 in the “FY2020 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/2021\\_RiskManagement BCM\\_en.pdf](https://www.fujitsu.com/global/documents/about/csr/riskmanagement/2021_RiskManagement BCM_en.pdf)

## FY2020 Performance

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### Risk Management Education

- Fujitsu Group new executive training: 66 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. 950 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: 644 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: 506 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: 9 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: The FY2020 theme for Japan’s annual nationwide disaster response drills that incorporate mock disaster exercises was the “Nankai Trough Megathrust Earthquake”. 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 regulations 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/>

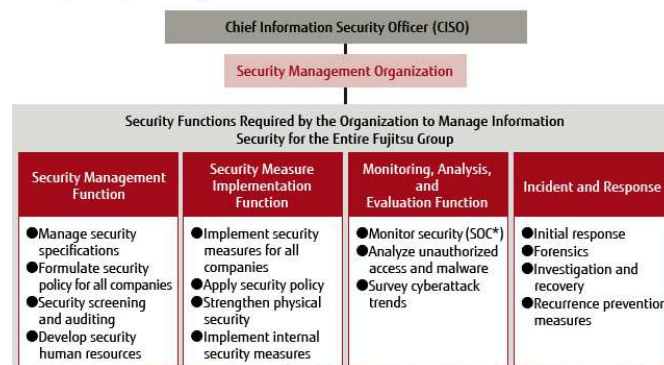
Regional CISOs report to the CISO on information security measures implemented by security teams at each group company. The CISO periodically reports to the Risk Management and Compliance Committee on the status of information security measures, and also makes additional reports whenever necessary.

## Security Controls

### Functions

In order to strengthen information security measures, the Fujitsu Group has established a Security Management Organization directly controlled by 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



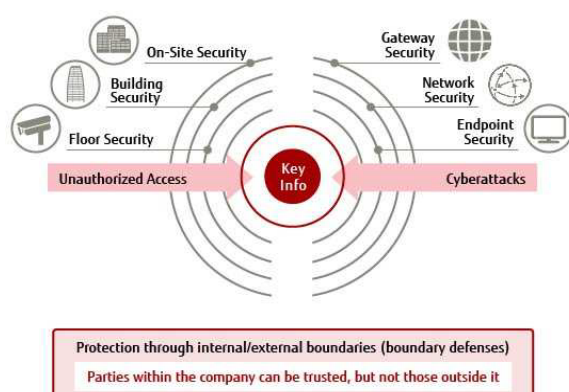
\*SOC: Security Operations Center

## Security Measures

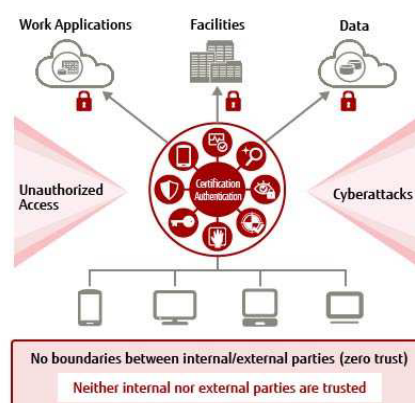
### Security Measures Which Incorporate "Zero Trust"

The number of cyberattacks is rapidly increasing, and their methods are becoming more sophisticated and complex. In addition, changes to how people work are also causing security defense initiatives to be revamped to keep up with the times. The Fujitsu Group has adopted the idea of multi-layered defense as the basic concept of its information security measures, using multiple different measures to defend against cyberattacks, which are typified by targeted attacks that cannot be protected against by a single security measure. As IT environments change from being on on-site to being on the cloud, we are making the shift from the concept of multi-layered defense to a "zero trust" concept which trusts nothing, operating under the premise that all networks, devices, users and applications will be attacked. We apply "zero trust" to the three axes of cybersecurity, physical security, and information management, and ensure internal information security by authorizing access to information assets after authenticating the legitimacy of the user.

Concept Illustration of Multi-Layered Defense



Concept Illustration of Zero Trust



## Cybersecurity

The Fujitsu Group has taken measures according to its IT infrastructure characteristics, in order to achieve zero trust. As a measure against targeted cyberattacks, we have built an authorization and authentication based infrastructure, in addition to taking

measures against unauthorized access and malware, in combination with measures against device management, ID management and data breaches. We are introducing measures to fight ever more sophisticated, varied and complex cyberattacks.

## 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. In addition, we are considering linkage for applications other than security gates (such as multifunctional printers) with the vein authentication device to improve the user-friendliness of internal services.

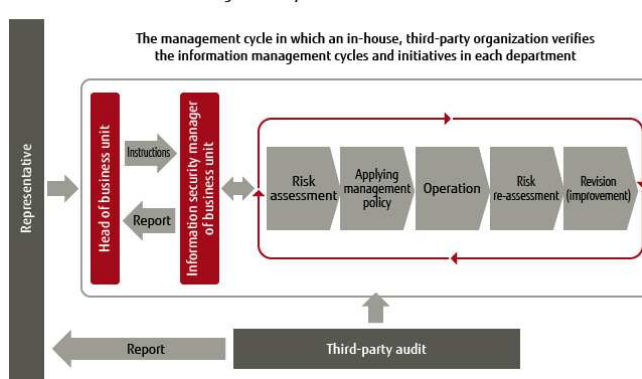
## Information Management

### < 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, depending on the client, 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.

In addition, we have also unified the classification of information on a global basis, which includes overseas Group companies, to enable the exchange of information that is not affected by regional characteristics, business practices, or culture, and to enhance the security of information management across the entire group.

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 thorough 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 regulations 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 restrictions on transfer of personal data outside of the EU, we provide appropriate contractual and technical support in accordance with legal requirements.

In addition, 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/>

## 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.

In addition, we have made the Fujitsu Learning Experience, which has seminars on basic skills for Fujitsu employees that can be taken at any time, and teaching materials on information management, entitled "Basic Principles of Information Management," newly available internally. We are also implementing guidance on how to properly handle information so that the employees can adapt to new environments such as teleworking.



## 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 2020 Performance

### Information management education

- Company-wide e-learning education for information management (targeted Fujitsu employees: 36,000)
- E-learning for newly-appointed managers (Fujitsu): 530 managers
- Introductory education and e-learning for new employees (Fujitsu): 912 new employees

## 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, various features of our products/services, and laws and restrictions. 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 assurance-related regulations (such as Shipment, Registration, and Release Regulations, as well as Safety Promotion Regulations), in order to implement the Fujitsu Global Quality Policy in Japan.

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 Quality 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 at the head office. 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 are also rolling out the proposed measures for preventing reoccurrences to other departments through our Quality Management Representatives, and striving to prevent quality issues from reoccurring company-wide.



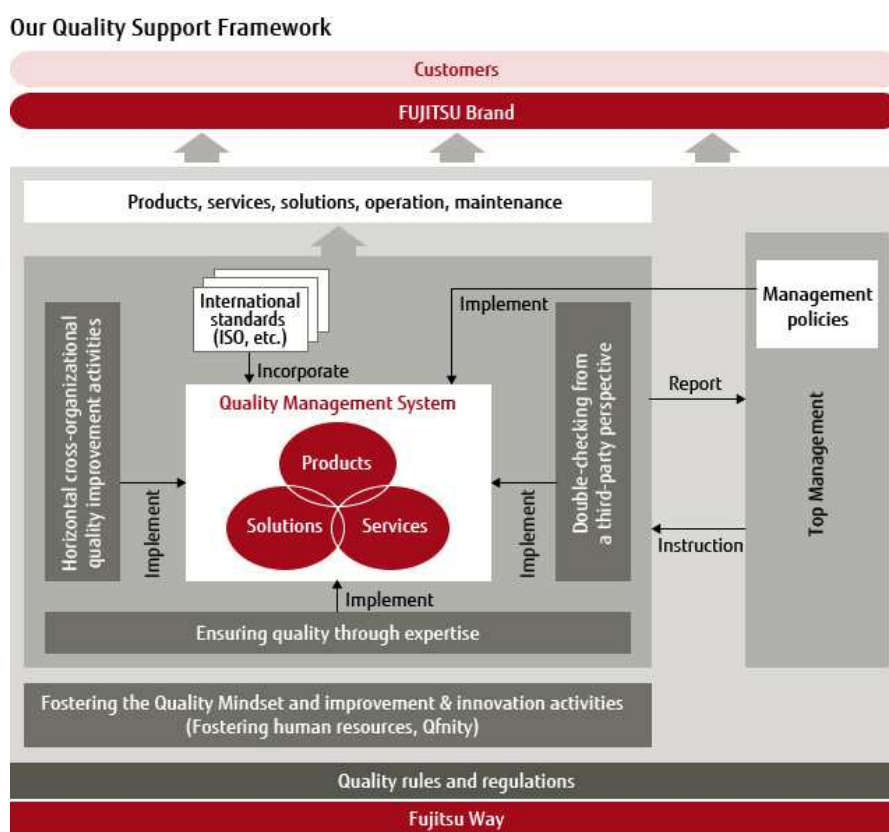
## Marking and Labeling of Products and Services Regarding Quality and Safety

Fujitsu is thoroughly dedicated to compliance with 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, common business units, and business partners—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, starting in FY 2020, we have returned to the starting point of our improvement activities—the quality of our products and services—for Qfinity, and are taking action. 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 2020 Performance

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### Disclosure of Information Related to Product Safety

- Number of disclosed issues: 2 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.

We also established the "Dedicated Consultation Service for FMV Battery Charging Control Updates" to provide support for customers' applications, and continue to maintain it.

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

Marking or labeling violations related to products or safety: 1 violation

### ISO9001 / ISO20000 Certification Status

Fujitsu is continuously working to improve processes under the QMS.

- ISO9001: 28 divisions certified
- ISO20000: 9 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 using a third-party perspective to uncover issues which customers have become unable to perceive, because they are inured to their conventional methods or routines, and assisting them with operational reform. We stay in contact with our customers workplace, draw closer to them, and leverage the latest digital technologies to observe people, as well as processes, to discover hints for reform.

Field Innovators (Flers), who conduct Field Innovation, possess in-depth knowledge of industries and businesses. They are specialists who are skilled at advancing reform, utilizing visualization technologies, and consensus building.

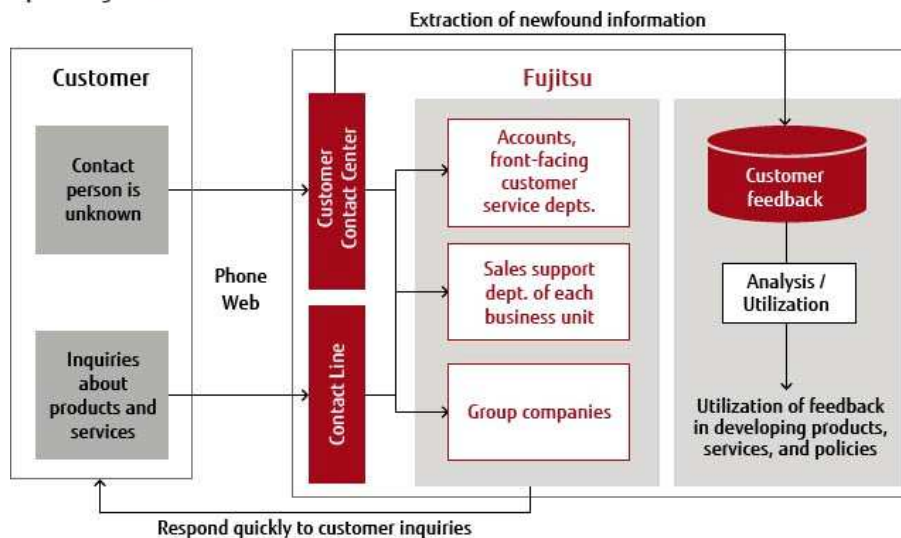
We support further evolution and innovation for our customers' businesses by offering high-value ICT across the entire Fujitsu Group.

- FY 2020 Field Innovation Performance: 254 cases (of that number, 180 were new cases in FY 2020)
- 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

To be able to address roughly 40,000 annual customer inquiries quickly and accurately, the Fujitsu Customer Contact Center and the Fujitsu Contact Line collaborate with multiple departments and utilize AI and chatbots to respond. Furthermore, they also act as a form of surveillance, helping prevent missed and late responses. Not only do they increase customer satisfaction by facilitating quick answers, but they also allow us to analyze information about customer inquiries so that we can improve the development and quality of our products and services.

### Operating Framework



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

## 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 and internal regulations. In FY 2021, 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. 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/>