Governance

Corporate Governance

Basic Approach to Corporate Governance

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 latest version, revised in December 2021, can be downloaded from the URL below.

- Corporate Governance Policy
  https://www.fujitsu.com/global/about/ir/library/governance/governancereport-b-en-20211223.pdf

Corporate Governance Structure (as of June 27, 2022)

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 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 and will mainly perform as oversight and advisory function. Moreover, the Board of Directors has been formed with Non-Executive Directors at its core so as to enable correction and remediation of errors, insufficiencies, and recklessness in business execution. And by ensuring that External Directors, who are highly independent and hold diverse perspectives, constitute the majority of the members of the Board of Directors, the oversight and advisory function of the Board of Directors is strengthened. 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 27, 2022, 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 Board of Directors meetings in FY2021 (including two extraordinary Board of Directors meetings) to discuss matters including formulation of the Management Direction and measures for implementing them, as well as to decide a new management system based on the recommendation of 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 27, 2022, the Audit & Supervisory Board has five members, comprising two full-time Audit & Supervisory Board Members and three External Audit & Supervisory Board Members. The Company held nine Audit & Supervisory Board meetings in FY2021, mainly to discuss audit policy and plans, the audit method of Accounting Auditors and the properness 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.

＜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 and Auditors (five Independent Directors and three Independent Auditors), and discusses the medium- to long-term direction of the Company, shares information, and exchanges viewpoints so that each can formulate their own opinions.

In FY2021, the Independent Directors and Auditors Council met 12 times. The members shared information and exchanged views on important management matters including 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 for the process of nominating Directors and Audit & Supervisory Board Members, for ensuring the transparency and objectivity of its process for determining executive compensation, to enable efficient and substantial discussions, as well as to ensure the fairness in the structure and level of executive compensation.

The Executive Nomination Committee deliberates on the candidates for Director and Audit & Supervisory Board Member positions in accordance with the Framework of Corporate Governance Structure and the Procedures and Policy for the nomination and dismissal of Directors and Auditors stipulated in the Policy, and it provides its recommendations or proposal to the Board of Directors. In addition, the Compensation Committee provides its recommendations or proposal on 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 of Determining Directors and Auditors Compensation, as stipulated in the Policy.

In FY 2022, the Executive Nomination Committee consists of four Non-Executive Directors (including three Independent Directors) and the Compensation Committee consists of four Independent Directors. Members of the two committees 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 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)

In FY2021, the Executive Nomination Committee met seven times to discuss the election of Representative Directors including the CEO, the nomination of candidates for Director, and the skill matrix of Directors and Auditors, etc. and provided its recommendations to the Board of Directors. The Compensation Committee met six times to discuss revision of executive compensation details and change in the process for determining individual compensation, and provided its 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-en20220713.pdf

The diagram below illustrates the Company's corporate governance structure.

Corporate Governance Structure
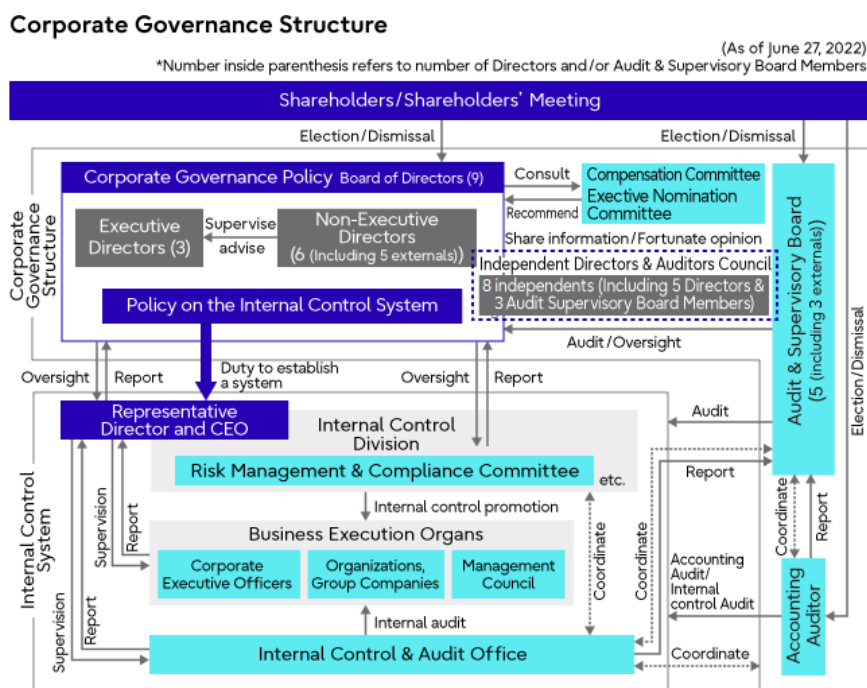
Reasons for Adoption of Current Corporate Governance System

We believe that both direct oversight to business execution by the Non-Executive Directors and the oversight by Audit & Supervisory Board Members that stays distant from the decision making and operation of business execution should work jointly to ensure highly effective oversight performance. The company adopts "the company with Audit & Supervisory Board system" that establishes the Audit & Supervisory Board, which is composed of the Audit & Supervisory Board Members appointed as an independent agent.

Moreover, the Board of Directors has been formed with Non-Executive Directors at its core so as to enable correction and remediation of errors, insufficiencies, and recklessness in business execution. And External Directors constitute the majority of the members of the Board of Directors. The core of Non-Executive Directors shall be External Directors with a high degree of independence and diverse perspectives. Moreover, at least one Non-Executive Director is appointed from within the Company to complement the External Directors' knowledge in the business fields and the 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.

Based on the resolutions of the Board of Directors Meeting on April 28, 2022, and the Annual Shareholders' Meeting on June 27, 2022, the Company revised the compensation for Directors and Audit & Supervisory Board Members for FY2022 and subsequent years.

- Corporate Governance Report
  Incentive Policies for Directors (page 17); Policy on Determining Remuneration Amounts and Calculation Methods (Page 20)
  https://www.fujitsu.com/global/about/ir/library/governance/governancereport-en20220713.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/imagesgig5/notice122b.pdf

Disclosures Relating to Corporate Governance

Board of Directors (as of June 27, 2022)

	Name	Position and Responsibilities	Representation Authority	Independent Officer
Business executed	Takahito Tokita	CEO, CDXO, Chairman of the Risk Management & Compliance Committee	○	
	Hidenori Furuta	COO, CDPO	○	
	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			○

FY2021 Attendance at Meetings of the Board of Directors or Audit & Supervisory Board

Meeting	Number of Meetings	Attendance Rate
Board of Directors	14	99.2%*
Audit & Supervisory Board	9	100%

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

Risk Management

Guidelines & Structure

Risk Management & Compliance 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 the divisions and 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, which reports directly to the CEO and is independent of the business divisions. This body has assumed the secretariat functions of the Risk Management & Compliance Committee and, under the leadership of the Chief Risk Management Officer (CRMO), is responsible for interpreting risk-related information and spearheading rapid, appropriate responses where required. In addition, to strengthen functions related to information management and information security, in October 2021 we appointed a dedicated Chief Information Security Officer (CISO), and we are promoting group-wide information security initiatives by broadening the scope and clarifying the authority of the CISO.

Main Business Risks (*1)	
· Economic and financial market trends · Customers · Competitors and the industry · Investment decisions and business restructuring · Suppliers, alliances, etc. · Public regulations, public policy and tax matters · Natural disasters and unforeseen incidents · Finance	· Deficiencies or flaws in products and services · Compliance issues · Intellectual property · Security · Human resources · Fujitsu Group facilities and systems · Environment

(*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 business divisions and group companies in Japan and overseas. (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 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 Education

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 others, 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 "FY2021 Performance" section at the end of this document for information on education outcomes for FY2021.

Group-Wide Disaster Management

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 and review and implement measures to address those issues, thereby allowing us to 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 FY2021 in the "FY2021 Performance" section at the end of this document.

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

Business Continuity Management

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.

Regarding the COVID-19 pandemic, 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.

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 FY2021 in the "FY2021 Performance" section at the end of this document.

› BCM activities, infectious disease countermeasures, supply chain BCM

FY2021 Performance

Risk Management Education

— **Fujitsu Group new executive training: 34 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: 841 people**

An e-learning course that covers areas such as the basic approach to risk management and the role of managers regarding risk management.

- **Disaster Management Forum: Approximately 400 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: 101 people**

  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 FY2021 theme for Japan's annual nationwide disaster response drills that incorporate mock disaster exercises was the "Tokyo Inland 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".)
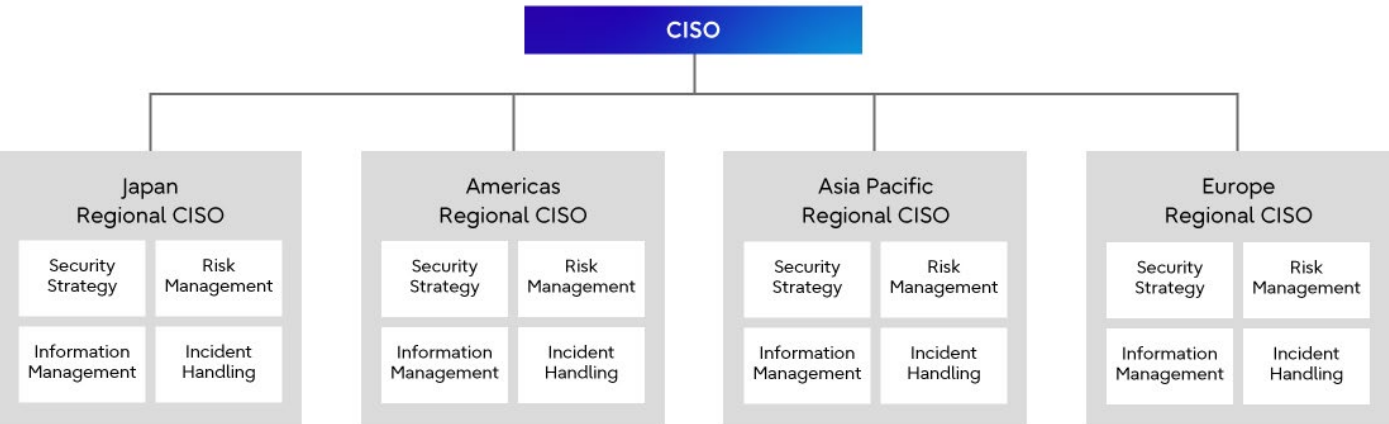
Information Security

Policy

Fujitsu Group appointed dedicated Chief Information Security Officer (CISO) in October 2021. Under the new information security regime, we are striving to secure and improve information security for our customers through our products and services, while also ensuring the information security of the entire Fujitsu Group.

Management Structure

Fujitsu Group is working on strengthening its global information security governance. We appointed Regional CISOs in each 4 Regions (Japan, Americas, Europe, and Asia Pacific) who report to Fujitsu Group CISO. In addition to strengthening the CISO's governance of internal organization related to the form of information management and reestablishing the overall management structure, we have reallocated the resources for leadership of each unit in regards to information security to an organization under the direct control of the CISO.
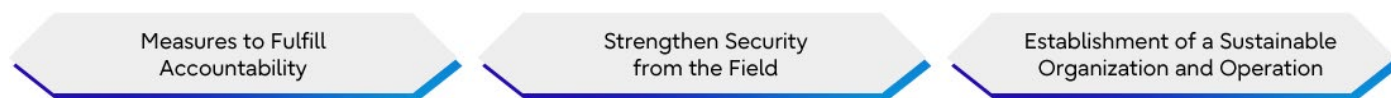
Information Security Management Structure

We have four functions to drive information security initiatives; "Security Strategy," "Information Management," "Risk Management," and "Incident Handling." We reorganized each region to hold these four functions to enable cross-region activities.

Each of the four functions is explained below.

Security Strategy

Fujitsu supports our customers' businesses by developing and executing security strategies that foster trust with stakeholders and appropriately control security threats that may hinder the business and social activities of our group and each region. Additionally, through a security framework based on global regulation, we foster processes and an organizational culture that continuously creates an organizational structure, measures, and operations that will serve as a reference model in the global market. Moving forward, we will embrace challenges in fields where we are unexperienced or have yet to enter.

The CISO Principles

| Measures to Fulfill Accountability | Strengthen Security from the Field | Establishment of a Sustainable Organization and Operation |

Security Framework

We will develop series of frameworks & guidelines in 2022 which allow organizations to review their approach to the ideal form starting from the current state of cyber security measures, taking in consideration current business environment, risk tolerance, and available resources. We also strengthen our activities to enhance maturity of our organization.

In addition, by expanding the above documents to each region, we are working to unify information security activity policies, objectives, ways of thinking, and processes for which awareness is required from all members involved in security. We will be also strengthening our sustainable structure on a global scale.

**Global Security Governance**
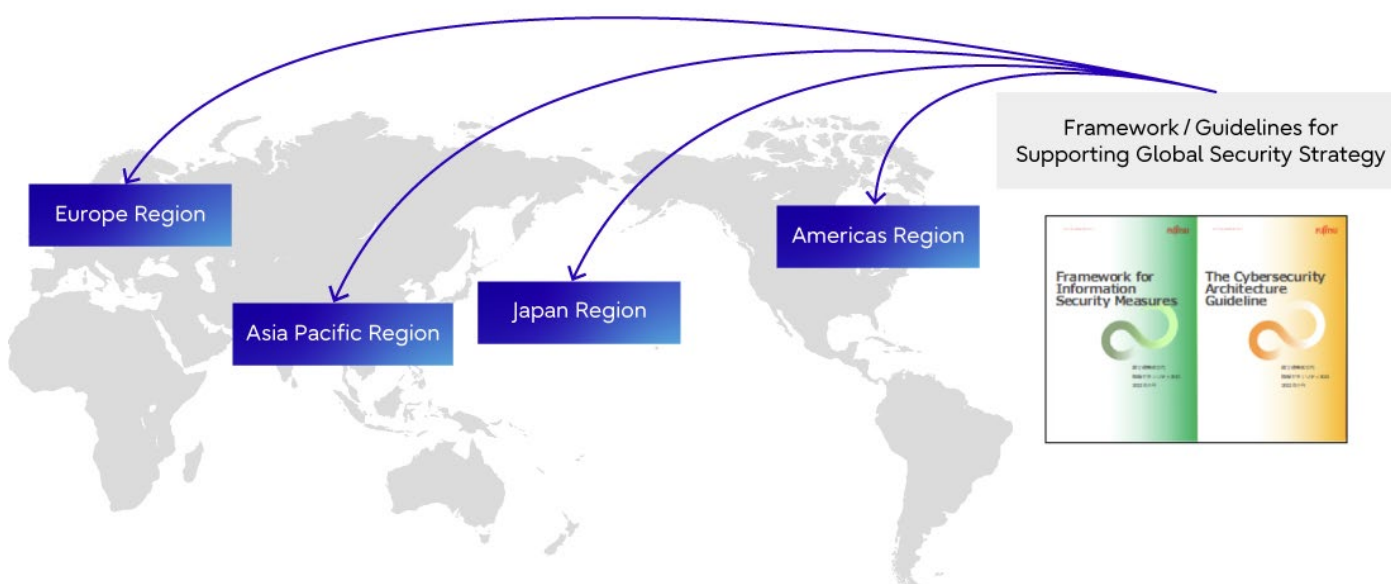
Initiatives and Structures for Continued Trust from Society

In order to protect customers who use our services and products, we are strengthening the collection and accumulation of information such as vulnerability information, visualization of information assets, and bill of material (BOM) information. We are also utilizing a new technology infrastructure to construct data relations for statistical analysis and decision making by data scientists.

Based on this system, we estimate risks to products/services and examine countermeasures for threats/vulnerabilities to products/services based on those risks. This enables us to respond quickly and proactively, and to minimize the impact on the business continuity of our customers.

Vulnerability Response Framework
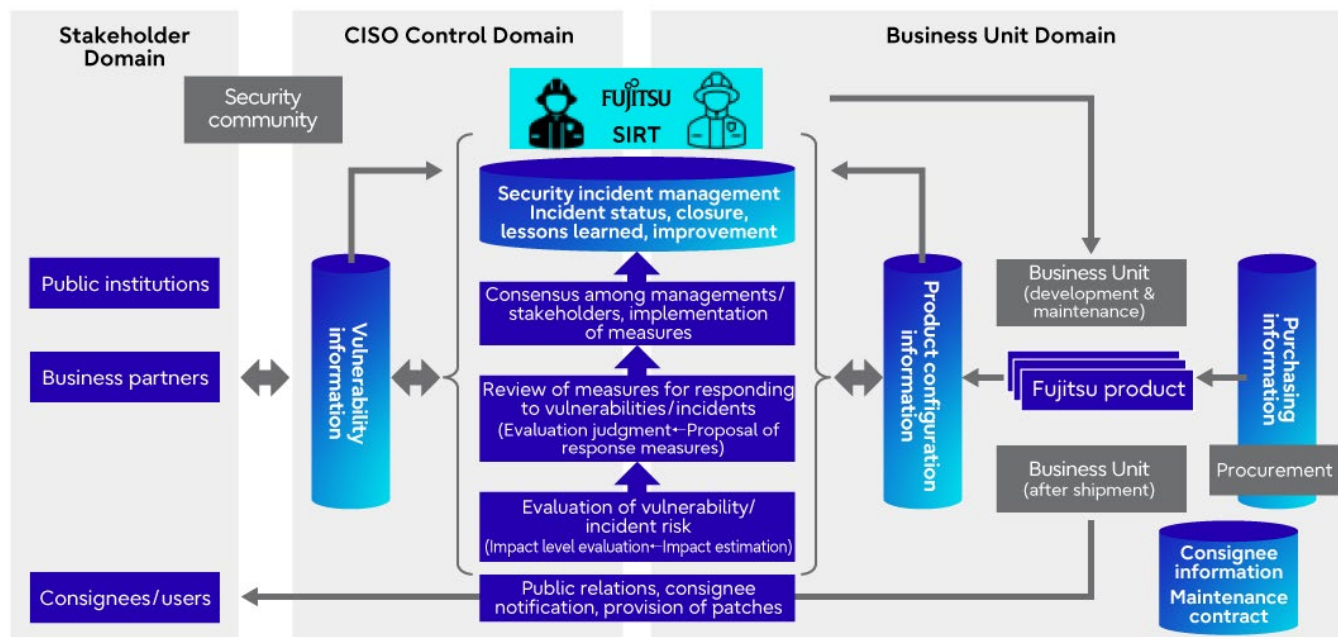
Security Strategy

Fujitsu Group in Japan implemented the Information Protection Management System in order to appropriately protect third-party confidential information (including personal information) and our confidential information. We also apply a PDCA cycle from the "Define Roles" to "Revise." In order to clarify information assets that must be protected, we establish appropriate management according to the status of our customers and suppliers, and take initiatives for protecting information. These steps are taken for the autonomous information protection activities (regulations by industry, business type, etc.) conducted by each division while unifying the classification of information on a global scale.

Furthermore, we provide various automation support tools that utilize information management dashboards to support appropriate information management. We make improvements as necessary to realize operations that are both effective and safe.

The main activities of the Information Protection Management System are described below.

Information Protection Management Systems (7 Points)

<Information Protection Management System>

(1) Define Roles

Under the CEO, we are building a system to manage and protect information through a global network that is centered on the CISO and overseen by the CEO. We appoint management staff for each department, clarify roles, and promote the appropriate handling of information.

(2) Guidelines/Rules

In order to handle information correctly, we have formulated necessary rules, procedures, and an annual activity plan. We also periodically review our policies and rules, including responding to legal amendments.

(3) Educate and Fostering Security Mindset

In order to improve the awareness and skills of each employee, we provide necessary information according to employees' positions and roles. We also hold various training sessions and disseminate information in response to changes in the work environment (for example, telecommuting, etc.).

Every year, we carry out information management education (e-Learning) for all employees including executives, and publish internal information management learning materials that can be studied at any time.

Information Protection Management System and Roles

(4) On-site Inspection

We identify and classify our information assets, conduct risk analysis, and carry out periodic inventory check.

(5) Respond to Information Management Incidents

We have established a system for fast and appropriate response to information management incidents. We have also set up escalation routes, procedures, etc., on a global scale.
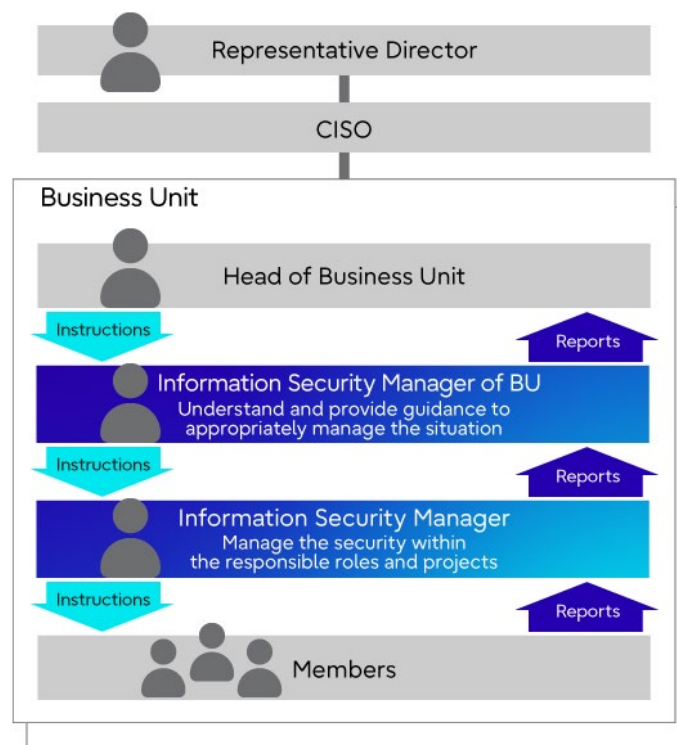
(6) Audit

The Information Management Promotion Division confirms the status of information management for each division from a third-party perspective. It also gives instructions and suggestions for corrections and improvements.

Information Management Education for all employees
(FY2021 version)

(7) Revise

We are working to improve and review our Information Protection Management System by considering external opinions (including audit results, incidents, and complaints), law revisions, and changes in the environment.

<Protection of Personal Information>

Fujitsu has established a global Personal Information Protection System to strengthen the protection of personal data. Under the leadership of the CISO organization and the Legal Division, we work with each region and Group company to comply with the laws and regulations of each country, including the GDPR (*1). In

regard to the handling of personal information, we post and announce privacy policies on public sites in each country.

(*1) Acronym for General Data Protection Regulation. A European regulation that was put into effect on May 25, 2018 and that requires companies, organizations, and groups to protect personal data. Includes rules on the transfer of personal data outside the European Economic Area (EEA), the obligation to report within 72 hours of a data leakage, etc.

In Japan, with the objective of protecting personal information, Fujitsu Group obtained certification for the PrivacyMark (*2) by the Japan Information Processing and Development Center (JIPDEC) in August 2007. We are continually working to strengthen our Personal Information Protection System. Our domestic Group companies also obtain the PrivacyMark as necessary and work to thoroughly manage personal information.

(*2) The PrivacyMark is granted to businesses that handle personal information appropriately under a personal information protection management system that is in compliance with JIS Q 15001:2017.

<Acquisition of Information System Certification>

Fujitsu Group is actively promoting the acquisition of third-party evaluation and certification in our information security efforts.

> Third-party evaluation/certification audit results (link)

Risk Management

<Centralized Management of IT Assets>

In order to support safe, secure and sustainable business activities by our customers, Fujitsu Group centralizes and visualizes the IT asset management of global customer IT systems and in-house IT systems. By doing so, we quickly identify and correct security risks in the entire Group. In addition to strengthening risk management during normal times, we will visualize the results of risk audits by the CISO organization, to enable appropriate understanding of current conditions and trigger autonomous correction in each project division.

Global IT Asset Management

<Security Awareness>
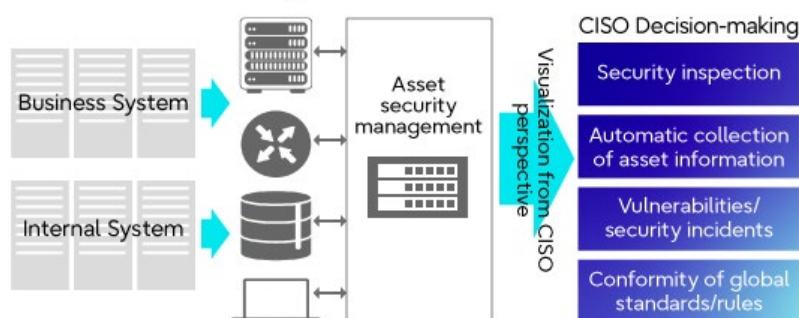
In order to maintain healthy IT systems for our customers, in addition to systematic system management, it is also important to improve the security awareness and skills of each employee. Therefore, in addition to strengthening the company-wide education that Fujitsu Group has periodically conducted, we are working on the following initiatives with the aim of thoroughly raising awareness among employees by periodically disseminating information within the company through methods such as CISO notifications.

(1) Security Education

- We raise security awareness among employees by sharing the latest security threat trends and incident cases.

(2) Security Consultation Portal

- We provide close-to-site support for various security-related consultation items.
- We support security measures from the system design stage. (security by design)

(3) Provide Information

- We will provide security information via our website so that our employees can easily acquire updated vulnerability information and FAQ.

Cybersecurity Incident Handling

In order to respond promptly to cybersecurity incidents, knowledge in various specialized fields such as log analysis, malware analysis, and forensics is required. Furthermore, as the method of cyberattacks is becoming more sophisticated and complex, it is necessary to enhance various aspects of incident handling measures including improvement of knowledge, periodical training, strengthening of security monitoring, improvement of incident response procedure, accumulating and utilizing know-how from past incident handling records etc.

Components of Incident Handling

People	• Log analysis • Cause investigation • Impact identification etc.	Process	• Response flow • Incident level definitio • Escalation etc.
Data	• Security sensor log • Configuration information • Threat information etc.	System	• Information collection/ saving • Information processing/ store • Automation etc.

Fujitsu Group is strengthening the key functions of incident handling such as people, data, processes and systems and continuously improving these functions.

<People: Case Study and Training>

Since it is becoming more difficult to completely prevent incidents, we shifted our incident response initiatives from "preventing security incidents" to "preparing for incidents", and we are working to strengthen our capability of incident response in all Fujitsu Group. As one of the initiatives for "preparing for incidents", we conduct incident response training for all employees.

As an example, we are conducting training for system engineers and business producers assigned in the field and involved in internal operations. This training envisions a real incident situation and is carried for our practical reviews. Furthermore, in order to prepare our response to an incident with social impact, we carry out training involving corporate executives and related departments with the aim of responding promptly and minimizing impact.

<Data: Sophistication of Security Monitoring>

The environment surrounding cybersecurity is constantly changing, and cyberattack methods are becoming increasingly complex and clever. Fujitsu Group is working to improve security monitoring operations to provide safe and secure business environment for our stakeholders, even under such environment. We improve the quality of data by using advanced technologies to keep up with the latest attacks and continuously optimize and improve our entire security operations, so that we will be able to respond to any changes in the environment.

<Process: Standardization of Incident Response Process>

In order to react to the current cybersecurity environment, it is necessary to shift from the traditional passive approach in network protection to an approach based on the assumption that unauthorized access always occurs. In preparation for responding to incidents, it is important that the relevant department should function properly when incidents occur by documenting a series of response procedures such as attack detection, response, recovery, etc. Based on the incident response process, we provide a globally unified response and

will continue to make improvements based on feedback from incident response evaluations in order to promptly respond to incidents and to minimize impact.

<System: Accumulating and Utilizing Know-how from Incident Handling>

In addition to storing records of daily incident response activities, we are also taking initiatives to convert those records into database and use them as knowledge. In regard to creating database, we link incident response information together with other information such as internal configuration management and external tools. This enables investigation and deep analysis from various perspectives, as well as the creation of education/training. We are making continuous improvements with the aim of improving our capability to respond to incidents with preparedness.

The information obtained from incident response includes a variety of useful information, such as the tools, processes, and access methods used by the attackers as well as the actions taken by the incident response staff. Therefore, we look back on the information obtained with a multifaceted view of actions in order to derive valuable lessons. These lessons show how experienced incident response staff is conducting analysis and responding when incidents occur, and they would be training material to enhance our incident response capabilities by effectively utilizing such knowledge information.

We apologize for any inconvenience to our customers and other related parties caused by the unauthorized access to our project information sharing tool "ProjectWEB". Fujitsu will work to prevent the recurrence of similar incidents and strengthen our information security management, based on the recommendations received from the external committee established directly under the Board of Directors.

Quality Initiatives

Quality Policy

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.

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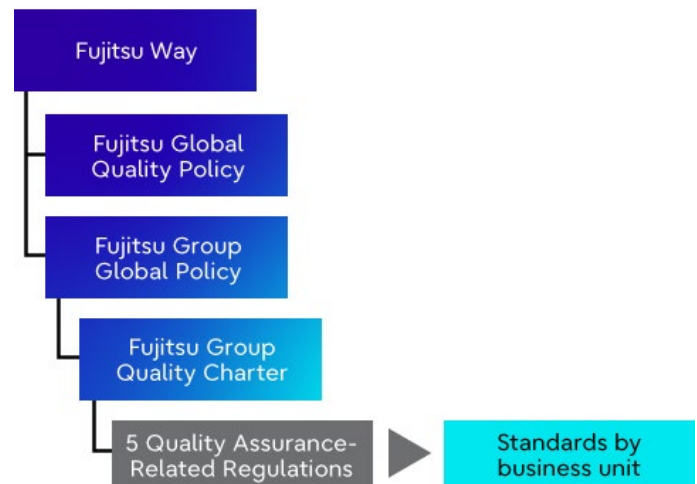
Fujitsu Global Quality Policy
1. We pursue quality from the customer's perspective.
2. We ensure quality to support safety and security.
3. We engage in quality improvements together with our business partners.
4. We have constructed a quality management and quality assurance system and we continuously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

Fujitsu has established the Fujitsu Group Quality Charter under the Fujitsu Group Global Policy, 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 verification, 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.

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.

Promotion Framework under Quality Management Representative

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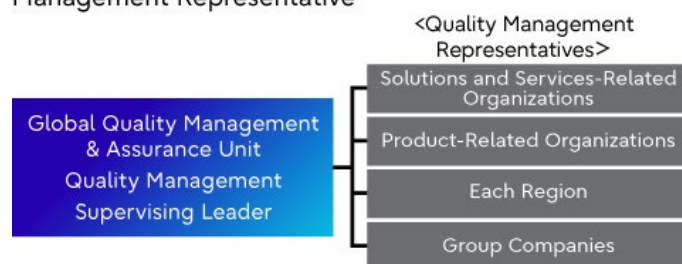
In order to ensure the promotion of these efforts Group-wide, we have selected Quality Management Representatives from relevant divisions, through official HR announcements. These representatives will act as leaders, always participating in and helping implement Group-wide quality assurance efforts.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

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.

Product Information and Labeling

Fujitsu is thoroughly dedicated to compliance with relevant laws, regulations, systems, and internal policies related to product information and labeling.

Improving Quality Processes: 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.

Our Quality Support Framework
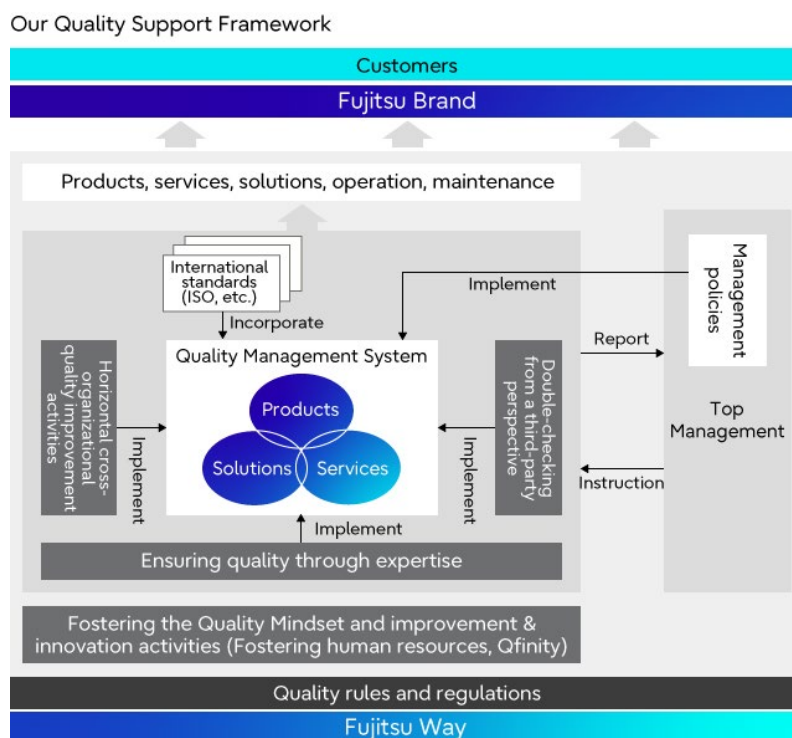
Qfinity

Qfinity (*1) is an improvement and innovation activity launched throughout the Fujitsu Group in FY 2001 to continuously improve the quality of products and services, with each and every employee taking a central role. Through Qfinity, we promote quality improvement activities in each workplace and engage in quality management of products and services.

In addition, activities that produce outstanding results are commended and horizontally deployed throughout the company to improve quality throughout the Fujitsu Group.

(*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 2021 Performance

Violation of Laws and Regulations Concerning Product Safety

- Violation of laws and regulations concerning product safety: 0

Disclosure of Information Related to Product Safety

- Number of disclosed issues: 0 major product incidents.
- 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.

Product Information and Labeling

- Product information and labeling violations: 0.

ISO9001 / ISO20000 Certification Status

Fujitsu is continuously working to improve processes under the QMS.
- ISO9001: 34 divisions certified
- ISO20000: 9 divisions certified

Working With Our Customers

Improving Customer Satisfaction

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.

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.
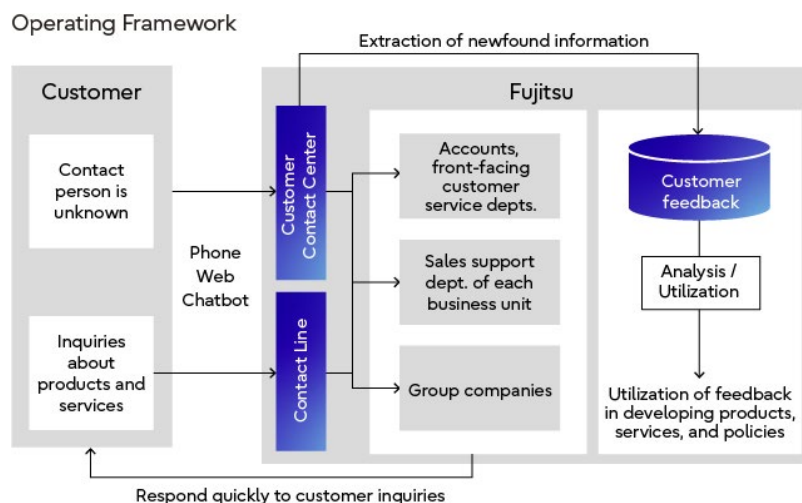
> Customer Contact Center / Fujitsu Contact Line (Japanese only)

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 2022, 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)