

Risk Management and Compliance

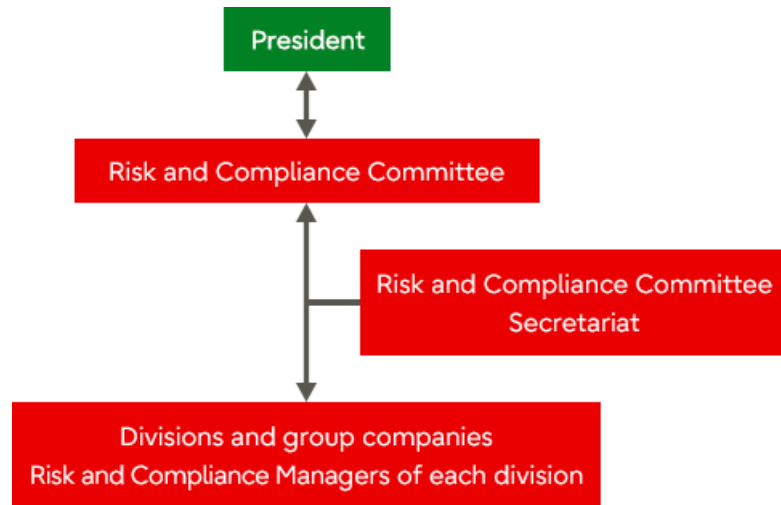
Risk Management and Compliance Promotion System

Fujitsu Frontech Group established Risk and Compliance Committee directly under the President as the highest organ that presides over the risk management and compliance and determines policies and measures. The committee is chaired by the company President and mainly comprised of executive officers. It assesses, verifies, and controls potential risks in its business activities in and outside Japan, responds to manifested risks to minimize losses for the entire group and prevents its recurrence.

In addition, the committee assigns managers who are responsible for risk and compliance to each division and each group company and builds a system to promote risk management and compliance across the group from the perspective of responding to manifested risks and preventing the occurrence of potential risks.

In case where significance risks are manifested, such as natural disasters and accidents, product defects and malfunctions, system and service problems, accidents involving information security, environmental problems, and compliance violations, each division and each group company report to the committee, investigate the cause and resolve quickly by taking appropriate steps, such as establishing a task force in cooperation with related departments, and plan and take measures to prevent a reoccurrence. In addition, it reports serious risks to the company President as needed.

Risk Management and Compliance Promotion Structure



Risk Management

● Risks Associated with Business Activities

Risk factors that may affect the business performance and financial position of Fujitsu Frontech group, are as below. Based on extraction, analysis and evaluation of risks associated with the business activities, Fujitsu Frontech group is taking measures to avoid or reduce the impact and in the unlikely event, we respond promptly.

- market trend
- exchange rate fluctuations
- compliance risk
- dependence on specific customers
- intellectual property rights
- risk of other unforeseen events
- manufacturing base
- information management

● Risk Assessment

Fujitsu Frontech Group conducts a risk assessment regularly under the guidance of the Risk and Compliance Committee, chaired by the company President. We identify, analyze and evaluate various risks that affect its business activities, and report back to the Risk and Compliance Committee.

By planning and implementing measures for the identified risks, we prevent risk materialization and minimization of the impact in case where risks become apparent, and we aim to achieve sustainable growth of Fujitsu Frontech Group and increase its corporate value.

- **Approach to BCP**

In recent years, unforeseen risks that threaten the continuation of economic and social activities have increased, including large-scale natural disasters such as earthquakes and floods, incidents and accidents, and the spread of various infectious diseases. Fujitsu Frontech group has formulated a BCP (Business Continuity Plan) to ensure a stable supply of high-performance and high-quality products and services required by customers also in the unforeseen circumstances.

Besides, Fujitsu Frontech Group promotes education and training, and evaluation and improvement continuously through BCM (Business Continuity Management) to enhance the effectiveness of the BCP.

Compliance

● Goal

● **WHAT FUJITSU FRONTECH ASPIRES TO BE**

Ensure that all officers and employees within the Fujitsu Frontech Group conduct their business activities with a high level of compliance awareness and through those activities, the Fujitsu Frontech Group fulfills our social responsibilities and earns the trust of our stakeholders.

● **GOALS FOR FY2025**

To further disseminate compliance-related part of the Fujitsu Way Code of Conduct throughout the entire organization, compliance education is rolled out for the entire Fujitsu Frontech Group, thereby instilling a high level of compliance awareness in the organization, and the management is to take the lead in fostering a corporate culture where each employee does not tolerate any wrongdoings (Zero Tolerance).

- Achievement of 100% of employees attending e-learning courses for compliance education held every year

● Education on Compliance

Fujitsu Frontech Group regularly provides education to all employees (including transferred employees, contract employees, and temporary employees) to instill and put into practice the [Fujitsu Way](#) and [Fujitsu Frontech Purpose](#). Besides, it also provides various compliance educations to new employees and newly promoted managers.

● **Achievements in FY2024**

- Compliance education at Fujitsu Frontech Group (e-Learning): Achieved 100% attendance
- Implementation of internal training for newly promoted manager

● Internal Reporting System

The standard of conduct that employees should take as a member of society and a company has been clarified in [Fujitsu Way](#). To provide a consultation service that can be safely used in case of doubt or uncertainty through daily work, Fujitsu Frontech Group has set up internal and external contact points to receive internal reports and consultations (anonymous available) from all group employees (including transferred employees, contract employees, and temporary employees), and operates them as "Compliance Line/FTEC Alert". In Japan, it has also set "Supplier Compliance Line" and received reports from suppliers with whom Fujitsu Frontech and domestic group companies have directly procured components, services, and software. Outside Japan, via "Fujitsu Alert" it receives reports 24 hours a day, 7 days a week from third parties such as customers and suppliers in a batch.

Fujitsu Frontech Group informs these contact points to employees through the education on compliance and web site.

In addition, the internal reporting rules prohibit any prejudicial treatment of whistleblowers because of their reporting, and it pays close attention to the handling of information to ensure that whistleblowers are not identified.

When a report is received, it conducts an appropriate investigation, and if any problem is found in light of [Fujitsu Way](#) as a result of the investigation, the problem is corrected (including disciplinary action), and measures are taken to prevent its recurrence.