

**Fujitsu Frontech Group
Environmental
Report 2023**



Our Environmental Priority Themes

Based on “Fujitsu Frontech Group Environmental Policy”, we pursue rich, beautiful nature and sustainable social development, cooperating with society.

We, Fujitsu Frontech Group, decide on “Fujitsu Frontech Group Environmental Policy” based on the trend for global environmental issues around companies such as global warming issue and biodiversity conservation, Fujitsu Group Environmental Policy and Medium- to Long-term Environmental Vision, and establish “Fujitsu Frontech Group Environmental Action Plan” based on the policy, and practice it.

In “Environmental Action Plan XI” (FY2023 – 2025), we have established environmental targets relevant to “Climate”, “Resource circulation” and “SDGs”. To hit them, we have begun taking actions.

Fujitsu Frontech Group Environmental Policy

Philosophy

We, Fujitsu Frontech Group, follow Fujitsu Group Environmental Policy and define “eco-friendly business activity” as our basic philosophy. We also promote our efforts for the earth environmental protection, recognizing it as one of the most important business issues.

By utilizing our own technology and creativity as an ICT company, we contribute to the sustainable development of society. In addition, we not only comply with the environmental laws, regulations and standards applicable to our business activities, but also make efforts for the earth environmental protection activities by ourselves.

Moreover, we continuously pursue our advanced efforts by all groups and employees, in order to save a rich nature for future generations.


(President and Representative Director)

Principles

1. We reduce the environmental burden at every stage through the life-cycle of our products and service.
2. Through our ICT products and solutions, we help our customers and society to reduce their environmental burden and to enhance their environmental efficiency.
3. We create our top-runner products reinforcing the energy efficiency, resource saving and 3Rs (reduce, reuse and recycle).
4. We always recognize the impact on the environment by our activities, products and service, and comply with the applicable environmental laws, regulations, other requirements and our internal guidelines and so on, in order to fulfill our CSR (Corporate Social Responsibility).
5. Based on the results of the environmental impact assessments related to our activities, products and services, we implement pollution prevention and continuous improvement.
6. We set up and review our environmental objectives and targets on “Our Society” and “Our Business”, and each of us make efforts for the earth environmental protection including measures against climate change and protection of biodiversity with participation of all employees.

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Scope:

This report applies to facilities and Group companies in and outside Japan, which are included in our consolidated statement and we pick up information mainly on the sites whose environmental impacts are significant, taking into account stipulating relevant site(s) to the information in each page.

Report Period:

This report discloses mainly the activities in FY2022 (‘22/4 – ‘23/3), and the indicated data are the final actual values. However, this report also includes some data from the period other than FY2022.

Referred Guideline:

We refer to “Environmental Reporting Guidelines ‘18” for our information, that Ministry of the Environment issued. (See the page 21.)

How to Report:

Only PDF version is available on our Group Website, in terms of “paper-less” that we push forward with.

Issue: **September 2023.**

Representative of Issue:

Hiroshi Watabe, President and Representative Director.

Representative of Planning & Editing:

Takashi Fukui, General Manager of Environmental Management Center.

Top Statement

Following Fujitsu Frontech Purpose, we are contributing to achievement of SDGs, through our businesses.

Fujitsu Frontech Purpose

In 1940, the company, a predecessor of Fujitsu Frontech Limited, was founded in present Tsubame-shi, Niigata Prefecture, Japan, under the name of "Kanaiwa Kosakusho Co., Limited" as a manufacturer of western style metal tableware. Since then, while expanding our business into solutions & services based on reliability cultivated by hardware and manufacture, we have supported innovation at front area of customers' businesses in the wide range of businesses such as in financial, retail, public, medical and manufacturing fields, globally.

COVID-19, which had thrown the world into turmoil, has calmed down and international traffic has returned. However, historic inflation has no sign of its end, and global economic prospects are still unstable.

Like this, in the era of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) which has high uncertainty and unclear future, in other words where the meaning of our existence as a company is tested, Fujitsu Frontech Group conduct our business activities under Fujitsu Frontech Purpose: "To create a tomorrow with new connections between people and companies, people and society" as well as comply with Fujitsu Way as a member of Fujitsu Group.

We have long cherished the technical capability and excellence of our hardware, software and services while enhancing the customer experience based on industry knowledge and know-how. These are our DNA (enduring strengths and values) and based on these strengths and values, we aim to become a DX (Digital Transformation) company at the forefront of our customers.

When people touch "MONO (product)" and interact "KOTO (service-oriented way of thinking)", we create new connections between people and companies, people and society. We strive to change the world to a place where people can enjoy entirely new services, by connecting human interaction and digital technologies. We will "challenge" to realize this vision, and as a result, we will continue to "provide value" that exceeds expectations to all stakeholders. Moreover, we will push forward with efforts to achieve SDGs, global common goals.

Actions on Environmental Issues in "Environmental Action Plan XI"

We evaluate not only environmentally negative aspects such as energy use and waste generations, but environmentally positive aspects, to identify priority themes whose environmental impacts are significant. After that, we establish "Fujitsu Frontech Group Environmental Action Plan" and practice it, to address global environmental issues.

In the "Environmental Action Plan XI" (FY2023 – 2025), we are taking actions on 3 kinds of themes which are "Climate", "Resource Circulation" and "SDGs".

In "Climate", we establish targets of "Reduce GHG emissions in our business facilities by 30% or more compared to FY2020", "Increase renewable energy use to 37.2% of total electricity" and "Curb CO₂ emissions derived from product use to the level equal to or less than conventional models".

In "Resource Circulation", we are going to reduce plastic waste as well as to developing products and services conducive to circular economy business models.

In "SDGs", we will push forward with activities to hit both targets of "Development and delivery of SDGs Contribution Solutions" and "Corporate Good Citizenship".

Moreover, in order to hit a target of "Fujitsu Climate and Energy Vision", which is "Reduce GHG emissions from the Group's business activities to Net-Zero by FY2030", we will proceed with increase of adopting renewable energy faster than before, which we have been addressing since FY2021.

On the other hand, in Japan, 2 important laws were revised and enforced in April 2023. One was "revised Energy Conservation Law" which non-fossil energy was added in its scope, and another was "New Chemical Substances Regulation in Labor Safety Law". Outside Japan, PFAS regulations are being enacted in some areas. Like this, environment-related laws are now being reinforced.

Following such a trend, we will continue to make efforts on the environmental compliance, including enlightenment of our employees.



Hiroshi Watabe
President and Representative Director

Corporate Profile

<p>■ Name FUJITSU FRONTECH LIMITED</p> <p>■ Corporate Headquarters 1776 Yanokuchi, Inagi-shi, Tokyo 206-8555 Japan TEL: +81-42-377-5111</p> <p>■ Established November 9, 1940</p> <p>■ Capital 8,457 million yen (as of March 31, 2023)</p> <p>■ Employees 4,478 (Consolidated) 1,535 (Non-consolidated) (as of March 31, 2023)</p> <p>■ History</p>	<p>■ Management Representative Director Hiroshi Watabe Director Yasunobu Nogami Director Naoki Yoshida Audit & Supervisory Board Member Yoshitaka Fujioka</p> <p>■ List of Certificates of ISO14001</p> <p>Fujitsu Frontech Limited Certificate #: EC98J2005-D050</p> <p>Totalizator Engineering Limited Certificate #: EC07J0072</p> <p>FUJITSU DIE-TECH CORPORATION OF THE PHILIPPINES Certificate #: 10000352049-MSC-JAS-ANZ-PHL</p> <p>Fujitsu Frontech North America Inc. Certificate #: 10000332136-MSC-ANAB-USA</p>
<p>1940 Finds in Tsubame-machi, Nishikambara-gun (current Tsubame-shi), Niigata prefecture, under the name of Kanaiwa Kousakusho Co., Limited.</p> <p>1944 Fuji Tsushinki Manufacturing Corporation (current Fujitsu Limited.) undertakes all shares and changes the company name to Kambara Kikai Kogyo Limited.</p> <p>1962 Establishes the Yoshida Plant (current Niigata Plant) in Yoshida-machi, Nishikanbara-gun (current Yoshida Higashi Sakae-cho, Tsubame-shi), Niigata prefecture.</p> <p>1963 Establishes the Yanokuchi Plant (current Headquarters/Tokyo Plant) in Inagi-machi, Minamitama-gun (current Inagi-shi), Tokyo.</p> <p>1974 Begins development, manufacture and sales of financial terminal systems.</p> <p>1980 Begins development, manufacture and sales of retail terminal systems.</p> <p>1984 Begins development and manufacture of bill recycling unit for financial terminal systems.</p> <p>1988 Qualifies for listing in the 2nd section of the Tokyo Stock Exchange.</p> <p>1996 Establishes a subsidiary FUJITSU DIE-TECH CORPORATION OF THE PHILIPPINES.</p> <p>2001 Transfers the manufacture of electronic equipment from Fujitsu Kumagaya Plant.</p> <p>2002 Changes the company name to Fujitsu Frontech Limited.</p> <p>2004 Begins development, manufacture and sales of palm vein authentications and related software.</p> <p>2005 Begins development, manufacture and sales of UHF RFID tags.</p> <p>2009 Establishes Fujitsu Frontech North America Inc. (Fujitsu Frontech Limited purchases 100% shares of Fujitsu Transaction Solutions Inc. and institutes it as a subsidiary company.)</p> <p>2020 Becomes a wholly-owned subsidiary of Fujitsu Limited.</p>	

Business Profile

We develop business at the point of contact (front) where our customers and consumers meet, in business fields such as financial, retail and industrial and public sector.

We offer new value from the idea of "KOTO" (service oriented way of thinking) to enhance customers business in area such as "transformation of the front-end of customer business", "labor saving and automation" and "safety and security", making use of our advantages, our unique technologies (Palm vein authentication, RFID, etc., which are leading the era) and customer experience and systems engineering skills based on industry knowledge and know-how, perfectionism in manufacturing, and a union of hardware, software, and services, in addition to our core technologies grounded in many years of practice, such as cash handling and safe and secure settlement methods.

Our Business Fields	Main Business
<p><u>Finance & Retail</u> Provide the optimum solutions for customer needs to support driving efficiency in field works and promoting DX</p>	<ul style="list-style-type: none"> •Financial Solutions (Including ATMs and banking terminals, etc.) •Financial Services (Including ATM total outsourcing services, etc.) •Industrial & Public Solutions (Including cash deposit machines and payment kiosk, etc.)
<p><u>Services</u> Secure safety and security of customers with total services and comprehensive support systems</p>	<ul style="list-style-type: none"> •Cash management services •Total Services
<p><u>Frontline Solution</u> Provide solutions that increase the corporate value of customers based on unique technologies</p>	<ul style="list-style-type: none"> •TeamManage*1 •TeamDX*2 •Palm Vein Authentications •RFID Solutions •Payment Solutions •Mobile Systems <p><small>*1: Subscription services that support customer's business transformation with a variety of devices and solutions from various companies. *2: Data management platform for device management and operation monitoring, and utilization of various collected data.</small></p>
<p><u>Totalizator & Amusement</u> Support innovation of customers, from public racecourses to amusement park</p>	<ul style="list-style-type: none"> •Solutions for public racing (Including automatic vending and refunding machines and cashless totalizator terminals, etc.) •Comprehensive operation services
<p><u>Global</u> "Automation, No downtime, Long-lasting, Recycling" Provide various solutions which meet customer needs finely in global markets</p>	<ul style="list-style-type: none"> •Bill Recycling Units •Self-service solutions for retail stores outside Japan •Airline Printers •RFID solutions for linen rental and laundry •Multimodal biometrics authentication solutions

•Financial Services



•Cash management services



•RFID Solutions



•Airline Printer



Environmental Management System

We establish and operate Environmental Management System (EMS) based on ISO14001, to enhance our environmental performance.

Environmental Management System in Fujitsu Frontech Group

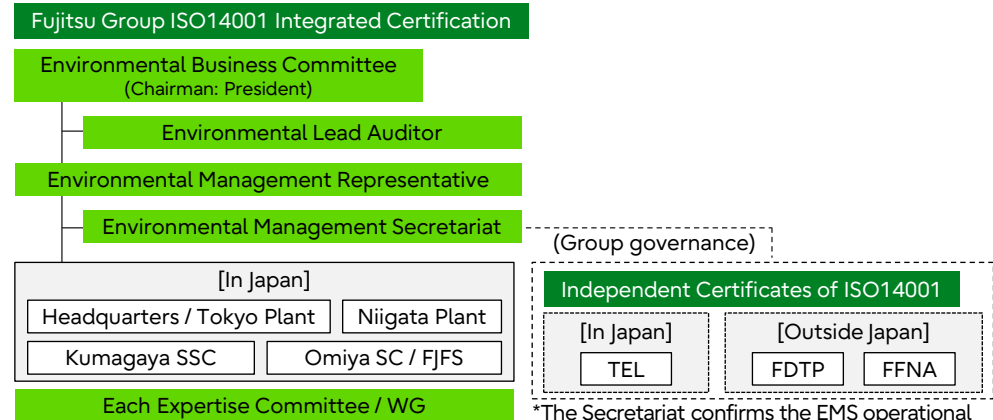
We obtained the certification of ISO14001 for the first time in 1998, recognizing the importance of actions on the environment issues as one of the main responsibilities of businesses. After that, we transited to "Fujitsu Group Integrated Certification" in 2005, so as to realize aims such as "Further reinforcement of Group governance", that Fujitsu Group had set.

Environmental Organization

We organize "Environmental Business Committee", whose chairman is a president, with the approval of our "Business Committee", composed of directors and executive officers involved in our business execution, to discuss comprehensive issues relevant to our environmental business. In this committee, we, for example, review medium- to long-terms issues, make policies, share risks and opportunities in business derived from climate change, and consider the countermeasures, in the purpose of enhancing the environmental business and reinforcing the governance.

In addition, we also organize "Environmental Management Committee" whose chairman is Site Controller (assuming the level of executives) at each EMS site. In this committee, we, for instance, discuss the whole environmental activities, review issues at a site level, make policies, share risks and opportunities, and consider the countermeasures.

Fujitsu Frontech Group Environmental Organization Chart (As of September 2023)



*The Secretariat confirms the EMS operational status of each Group company acquiring independent certificate periodically, and reports on the results at our management review.

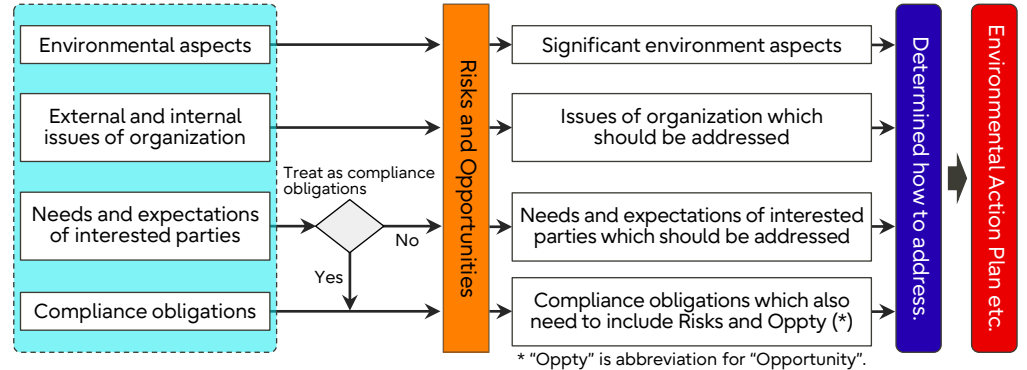
[Official names of our bases in and outside Japan]

Kumagaya SSC: Kumagaya Service Solution Center
 Omiya SC: Omiya Solution Center
 FJFS: Fujitsu Frontech Systems Limited
 FDTP: FUJITSU DIE-TECH CORPORATION OF THE PHILIPPINES
 FFNA: Fujitsu Frontech North America Inc.

Method to Identify and Address Environmental Risks and Opportunities

We, through the EMS established on the basis of ISO14001, identify and evaluate material environmental risks and opportunities, to be determined how to address these issues. In addition, we, based on ISO14001:2015, establish and operate processes to identify risks and opportunities having impacts on our business, which include factors besides "Environment" like "External and internal issues of organization" and "Needs and expectations of interested parties".

[Processes of Identifying and Evaluating Risks and Opportunities]



* "Oppty" is abbreviation for "Opportunity".

[Major Risks and Opportunities Determined to Address as EMS Issues (FY2023)]

Risks & Opportunities Determined to Address as EMS Issues		Items in "Action Plan"	
> Significant environmental aspects			
1	Some kinds of energy including electricity	Risk	"Climate"
2	Waste	Risk	"Resource Circulation"
> Issue of organization (external and internal)			
1	Climate change	Risk	"Climate"
2	Sustainable resource use	Risk	"Resource Circulation"
3	Preservation of biodiversity and ecosystem	Risk	"SDGs"
4	Contribution to SDGs & Gain of business chances	Oppty	"Resource Circulation" and "SDGs"
> Needs and expectations of interested parties			
1	ESG (Environment, Social and Governance)	Oppty	"SDGs"
2	Fujitsu Climate and Energy Vision	Oppty	"Climate"
3	TCFD, CDP, SBTi, RE100, etc.	Oppty	"Climate"

Environmental Action Plan

In “Environmental Action Plan X”, we established 7 kinds of KPIs and tackled them. As a result, we were able to hit all the targets.

Environmental Action Plan X (FY2021 – 2022)

Categories	Targets	Scope	KPIs	Results	Judge
Actions on Climate (Decarbonization)	To reduce GHG emissions Reduce greenhouse gas emissions in our business facilities to 24% or more compared to FY2013 by the end of FY2022	Headquarters / Tokyo Plant Niigata Plant Kumagaya SSC	Under 6,057 tons-CO ₂ (-24% or more)	4,876 tons-CO ₂ (-38%)	Met
	To introduce renewable energy Increase renewable energy use to 8% of total electricity by the end of FY2022	Headquarters / Tokyo Plant Niigata Plant Kumagaya SSC FDTP FFNA	8%	9.1% (26.7%) *	Met
	To reduce CO₂ emissions derived from product use Reduce CO ₂ emissions derived from product use to 15% or more compared to FY2013 by the end of FY2022	Headquarters / Tokyo Plant	No less than 15%	15.4%	Met
Promotion of Resource Circulation	To promote resource efficiency of products Enhance resource efficiency of products newly developed to 10% or more compared to FY2019 by the end of FY2022	Headquarters / Tokyo Plant	No less than 10%	11.8%	Met
Original Themes	To reduce waste generations Reduce the amount of waste to 27% or more compared to average level of FY2012–FY2014 by the end of FY2022	Headquarters / Tokyo Plant Niigata Plant Kumagaya SSC	Under 299 tons (-27% or more)	227 tons (-45%)	Met
	To develop and deliver SDGs Contribution Solutions Develop no less than 10 SDGs Contribution Solutions in total by the end of FY2022	Headquarters / Tokyo Plant Kumagaya SSC Omiya SC / FJFS	No less than 10 solutions in total	16 solutions in total	Met
	Social activities as good corporate citizenship Promote broad social activities	Headquarters / Tokyo Plant Niigata Plant Kumagaya SSC Omiya SC / FJFS	No less than 40 cases	71 cases	Met

* The percentage is a result reflecting RE only in Japan. The percentage inside () is a result including RE outside Japan.

In “Environmental Action Plan XI”, we have established KPIs relevant to material issues such as climate and resource circulation. To achieve them, we are going to take actions.

Environmental Action Plan XI (FY2023 – 2025)

Categories	Targets	Scope	FY2023	FY2024	FY2025
			KPIs		
Climate	To reduce GHG emissions <ul style="list-style-type: none"> Reduce greenhouse gas emissions in our business facilities to 30% or more compared to FY2020 by the end of FY2025 	Headquarters / Tokyo Plant Niigata Plant Kumagaya SSC	Under 5,244 tons-CO ₂ (-10% or more)	Under 4,662 tons-CO ₂ (-20% or more)	Under 4,079 tons-CO ₂ (-30% or more)
	To increase the adoption of renewable energy <ul style="list-style-type: none"> Increase renewable energy use to 37.2% of total electricity by the end of FY2025 	Headquarters / Tokyo Plant Niigata Plant Kumagaya SSC FDTP FFNA	12%	24.6%	37.2%
	To reduce CO₂ emissions derived from product use <ul style="list-style-type: none"> Curb CO₂ emissions derived from product use to the level equal to or less than conventional models 	Headquarters / Tokyo Plant	Equal to or less than conventional models		
Resource Circulation	To develop products and services conducive to circular economy business models <ul style="list-style-type: none"> Develop products and services aimed to improve resource efficiency and resource circulation 	Headquarters / Tokyo Plant Kumagaya SSC	Development of products and services aimed to improve resource efficiency and resource circulation (*)		
	To reduce plastic waste generations <ul style="list-style-type: none"> Reduce the amount of plastic waste to 3% or more compared to FY2019 by the end of FY2025 	Headquarters / Tokyo Plant Niigata Plant Kumagaya SSC	Under 77,000 kg (-1% or more)	Under 76,300 kg (-2% or more)	Under 75,500 kg (-3% or more)
SDGs	To develop and deliver SDGs Contribution Solutions <ul style="list-style-type: none"> Develop no less than 15 SDGs Contribution Solutions in total by the end of FY2025 	Headquarters / Tokyo Plant Kumagaya SSC Omiya SC / FJFS	No less than 5 solutions	No less than 10 solutions in total	No less than 15 solutions in total
	Social activities as good corporate citizenship <ul style="list-style-type: none"> Promote broad social activities 	Headquarters / Tokyo Plant Niigata Plant Kumagaya SSC Omiya SC / FJFS	No less than 40	No less than 40	No less than 40

* We will strive to develop products and services aimed to improve resource efficiency and resource circulation, without setting a uniform KPI. After this target term is over, we will evaluate the concrete outcomes.

Response to TCFD

We strive to disclose for all stakeholders, based on the Framework of “The Task Force on Climate-Related Financial Disclosures (TCFD)”, with the assessment and management of the risks.

Information Disclosure Based on TCFD’s Framework

Items	Status of our Response	Relevant Information
Governance The organization’s governance around climate-related risks and opportunities	<ul style="list-style-type: none"> Review climate-related risks and opportunities and countermeasures at Environmental Business Committee (chairman: President and Representative Director), which is organized with the approval of our “Business Committee” Make plans for climate-related countermeasures and practice them at Expertise Committee of each site, etc. Discuss the action plan to achieve Medium/Long-term Environmental Vision “Fujitsu Climate and Energy Vision”, with Fujitsu Limited at Environment WG 	<ul style="list-style-type: none"> > Fujitsu Way > Fujitsu Frontech Purpose
Strategy The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	<ul style="list-style-type: none"> Make strategies aimed at realization of Net-Zero, based on “Fujitsu Climate and Energy Vision” Contribute to low-carbon society, by developing and delivering “Green Products” and “SDGs Contribution Solutions”, whose energy efficiency is excellent Let “low-carbon business” come true, through the expansion of renewable energy etc. 	<ul style="list-style-type: none"> > Actions on Climate Change > Green and Super Green Products > SDGs Contribution Solutions
Risk Management The processes used by the organization to identify, assess, and manage climate-related risks	<ul style="list-style-type: none"> Assess climate-related risks across the company Review medium- and long-term risks related to climate change identified through EMS at Environmental Business Committee etc., so as to draw up plans of sustainable development of our business Respond to climate-related risks in the whole Fujitsu Group, cooperating with Fujitsu Limited 	<ul style="list-style-type: none"> > Environmental Policy > Environmental Management System > Response to Environmental Risks and Opportunities
Metrics and Targets The metrics and targets used to assess and manage relevant climate-related risks and opportunities	<ul style="list-style-type: none"> Establish the environmental targets of “Climate”, as one of the items in “Fujitsu Frontech Group Environmental Action Plan” Take actions toward the realization of “Reduce GHG emissions from the Group’s business activities to Net-Zero by FY2030”, declared in “Fujitsu Climate and Energy Vision” 	<ul style="list-style-type: none"> > Environmental Action Plan > Value Chain Emissions (Scope 1,2,3) > Fujitsu Climate and Energy Vision > Environmental Report > Sustainability

[About TCFD]

TCFD stands for “The Task Force on Climate-Related Financial Disclosures”, which was established by Financial Stability Board (FSB) at the request of G20 with the objective to reduce the risk of instability in the financial market due to climate change. It recommends companies to disclose information on 4 themes relevant to climate-related risks and opportunities, which consist of “Governance”, “Strategy”, “Risk Management” and “Metrics and Targets”.

[Response to TCFD in Fujitsu Group]

The Fujitsu Group announced its support for the TCFD recommendations in April 2019 and strives to disclose information in line with the recommendations, including the response to CDP. (Linked: <https://www.fujitsu.com/global/about/environment/tcfd/>)

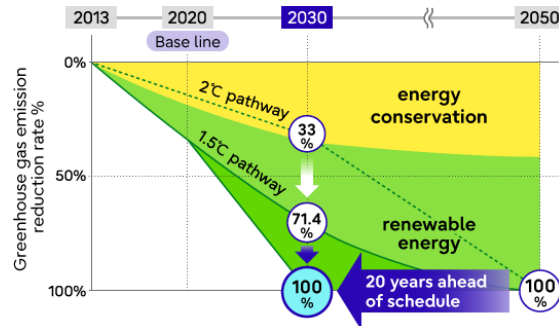
Fujitsu Climate and Energy Vision

We, based on The Fujitsu Group Medium/Long-term Environmental Vision “Fujitsu Climate and Energy Vision”, establish the target to reduce GHG emissions, and take actions on climate change.

Fujitsu Climate and Energy Vision

The Fujitsu Group has reassessed its social role in light of the escalating global commitment to achieving carbon neutrality. The Group has elected to fast-track its previous commitment to achieve “zero CO₂ emissions within the Group by FY2050”, instead bringing forward its Vision by 20 years to FY2030. The Group has set the additional target of reaching net-zero greenhouse gas emissions ^(*) throughout the value chain by 2040. (Detail: [Linked to the website of Fujitsu Climate and Energy Vision](#))

Roadmap to Net-Zero



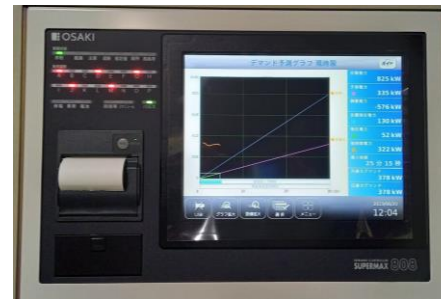
In April 2021, the Group obtained certification for its 1.5°C ambition level which increased the target from “33% reduction” in emissions to “71.4%” throughout its business sites by FY2030, against a baseline of FY2013. Moreover, the Group set a new target to achieve “net-zero business emissions from the Group’s business activities by FY2030 (versus FY2020)”.

Actions in Fujitsu Frontech Group

In order to realize “Fujitsu Climate and Energy Vision”, we establish the target of “Reduce GHG emissions in our business facilities” as a theme of “Fujitsu Frontech Group Environmental Action Plan”, which includes both 1-year and mid-term KPIs, and tackle it.

As countermeasures, for example, we made efforts to increase adoption of renewable energy (RE), to replace facilities with energy-efficient ones such as LED lightings. In addition, we strived to implement operational improvements which include discussion in a joint energy saving committee across sites, implementation of energy saving patrol, visualization of electricity consumptions. As a result, in FY2022, we have reduced 3,565 tons-CO₂ (-32.3%) compared to FY2013.

(Detail: <https://www.fujitsu.com/jp/group/frontech/en/about/sustainability/environment/climate-action/index.html>)



Visualization of electricity consumptions



Energy saving patrol

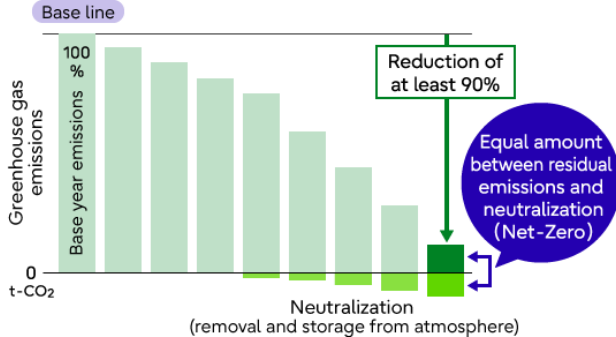
Toward hitting the target of reducing GHG emissions

In “Fujitsu Frontech Group Environmental Action Plan XI”, we, with an eye toward the realization of Roadmap to FY2030 in “Fujitsu Climate and Energy Vision”, have established “Reduce GHG emissions in our business facilities to 30% or more compared to FY2020 by the end of FY2025” as a KPI, and are now taking actions as a team.

Especially, we strive to increase the adoption of RE which we have begun adopting in and outside Japan since FY2021. We plan to acquire FIT Non-Fossil Certificate equivalent to 37.2% of electricity consumptions in the whole Group by the end of FY2025.

Furthermore, FDTP continuously builds up energy management structure within the plants through activities such as establishment of EnMS (energy management system), appointment of energy managers and operation of an energy saving committee, following legal requirements of Republic Act No. 11285 named “An Act Institutionalizing Energy Efficiency And Conservation, Enhancing The Efficient Use Of Energy, And Granting Incentives To Energy Efficiency And Conservation Projects” put into force in November 2019 in Philippines.

Emission reduction of Fujitsu Group (Scope 1 and 2)



The Group are going to let GHG emissions both from the Group’s business activities and from the entire value chain be net-zero ⁽²⁾.

Emission reduction throughout the value chain (Scope 3)

*1 SBTi: An initiative jointly established by the United Nations Global Compact, the World Resources Institute (WRI), and other organizations in 2015. It encourages companies to set GHG emission reduction targets consistent with science-based evidence to the level required by the Paris Agreement, validating targets that comply with criteria including indirect emissions not only within the company but also in the supply chain.

*2 Net-zero greenhouse gas emissions: Reducing GHG emissions by at least 90% in the target year in comparison to the base year, and re-absorbing remaining emissions (of 10% or less) from the atmosphere through direct air capture (DAC) technologies or by planting trees

Efforts on Resource Circulation

Recognizing “Resource Circulation” as one of the material environmental issues, we take resource circulation into consideration in both business and office activities.

Efforts on Resource Circulation in Fujitsu Frontech Group

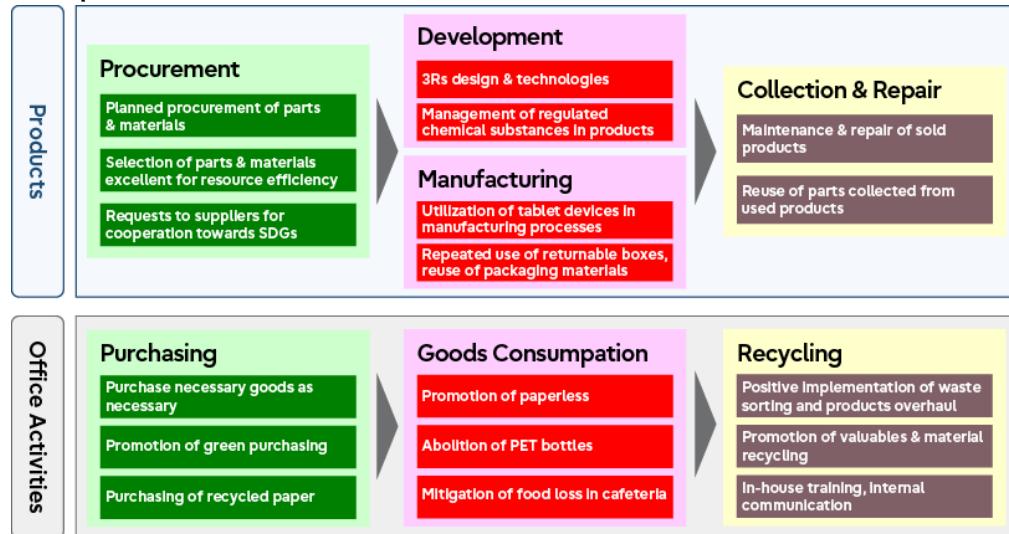
In our businesses, especially our products, we promote activities conducive to resource circulation in the whole lifecycle, not only by taking measures in each phase which is “Procurement”, “Development” and “Manufacture”, but by implementing “Collect and Repair” after delivering products to customers.

In “Development”, we make efforts on such as reduction of mass and volume of products, reduction of the number of parts loaded onto products and partial adoption of bioplastic materials. In “Manufacture”, we, for instance, implement reduction of paper use in process control by using tablets, utilization of returnable boxes and reuse of packaging materials. In “Collection and Repair”, we promote mainly long-term use of products by maintenance and repair, as well as collection and reuse of parts loaded onto end-of-life products.

On the other hand, in our office activities, we take contributable actions to enhancing resource circulation, from viewpoints of “Purchase of goods” and “Use of goods” as well as “Recycling” in time of waste disposal.

(Detail: <https://www.fujitsu.com/jp/group/frontech/en/about/sustainability/environment/resource-use/>)

Examples of our actions toward sustainable resource use



Response to Plastic Waste Issues

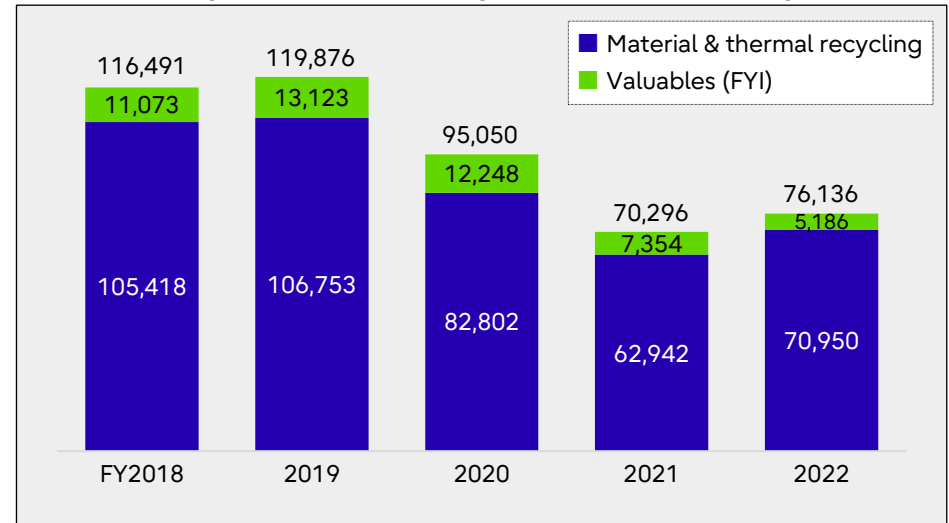
We strive to reduce plastic waste which has negative impacts on environmental issues such as marine pollution and climate change. Up to now, we have taken actions such as recycling mainly of plastic parts and packaging materials as well as discontinuance of selling PET soft drinks.

In “Fujitsu Frontech Group Environmental Action Plan XI” (FY2023 – 2025), we have newly established a target of “Reduce plastic waste generations” based on the philosophy of “the Act on Promotion of Resource Circulation for Plastics” put into forced in April 2022 in Japan, and begun taking actions. (See its KPIs in page 06.)

Toward hitting the KPIs, we are going to reduce plastic waste, not only by pushing forward with reinforcement of cooperation between each site in Waste Committee which is an in-house expertise committee and in-house training and communication or the like, but by coming up with effective ideas and carrying them out as needed.

Incidentally, we, Fujitsu Frontech Limited, have all the plastic waste of ours treated as material or thermal recycling. And, our total generations of plastic waste have had a tendency to decrease since FY2019.

Progress of plastic recycling based on the Act (Unit: kg)



Includes: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC and Construction Administration Dept.







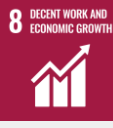








Actions on SDGs

Through our products, solutions and services connecting people to ICT with cutting-edge technologies, we make contributions to SDGs.

Actions on SDGs in Fujitsu Frontech Group

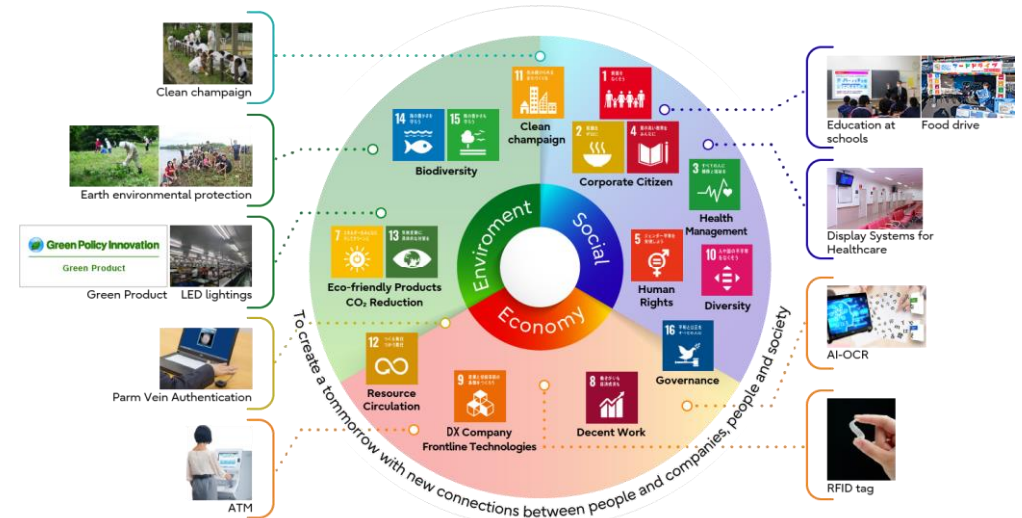
Contribution to the achievement of SDGs in a forward-looking manner is the social responsibility of all companies, because they will not be able to run own businesses continuously unless Environment, Social and Economy are kept sustainable. We have been taking broad actions on SDGs to resolve not only environmental issues such as climate change but social and economic ones, since we noticed the importance of SDGs at an early stage. The following is introduction of our actions on SDGs.

[Our Actions on SDGs]

Themes	Major Actions	Related SDGs
<u>Climate Change</u>	<ul style="list-style-type: none"> Reduction of GHG emissions Introduction of RE Increase of products energy efficiency 	  
<u>Sustainable Resource Use</u>	<ul style="list-style-type: none"> Actions on plastic waste issues Promotion of waste recycling Resource savings & improvement of resource circulation in products development 	  
<u>Resolution of Social & Economic Issues</u>	<ul style="list-style-type: none"> SDGs Contribution Solutions 	  
<u>Good Corporate Citizenship</u>	<ul style="list-style-type: none"> Social activities in cooperation with local community Sponsorship of charity work and group 	  
<u>Human health, Diversity and Human Rights</u>	<ul style="list-style-type: none"> Promotion of health management Promotion of active women participation Efforts to hire people with disabilities Education on human rights CSR procurement 	  

Contributable Areas to SDGs by Fujitsu Frontech Group

In each category of Environment, Social and Economy and 17 goals of SDGs, we take actions, being aware of what's areas we can contribute to.



Contributable areas to SDGs by Fujitsu Frontech Group

External Reputation

Nikkei SDGs Management Survey

Fujitsu Frontech were certified as the 3-star class for 4 years in a row in Nikkei SDGs Management Survey 2022 (the 4th time), which Nikkei Inc. has implemented since 2019 targeting listed companies and influential privately-owned companies in Japan, as a result of total evaluation of our activities. This survey evaluates leading enterprises which strive for "SDGs management" positively to enhance their corporate brands, from 4 perspectives, "SDGs strategy and economic value", "social value", "environmental value" and "governance".



Summary of "SDGs Contribution Solutions"

We develop and deliver solutions combining hardware with software, which include cutting-edge technologies such as palm vein authentication, UHF RFID tags (linen tags) and beacon sensors. These solutions meet a variety of needs and expectations from customer in the markets like finance, retail, public facilities, health care, logistics and mobility as well as support various scenes in society including financial institutions, health care facilities and shopping centers.

"SDGs Contribution Solutions" that we develop, are in order to contribute not only to solving the environmental issues like climate change focused by SDGs, but to sustainable development of society and economy. We have established the scheme by making rules including the criterion of the solutions in our original guideline, and we push forward with this activity now.

Special webpage of SDGs Contribution Solutions:

<https://www.fujitsu.com/jp/group/frontech/en/about/sustainability/environment/sdgs/>

Results of "SDGs Contribution Solutions" in FY2022

In FY2022, we could register total of 8 solutions in actual, as the matrix below:

["SDGs Contribution Solutions" in FY2022]

#	Names of Solutions	Environmental Improvement rate*
1	Patients Guiding System	-25.1%
2	LINE Connecting Mobile System	-33.3%
3	AI Chatbot Services "TeamConnect"	-66.6%
4	Digital Image Scoring System	-29.4%
5	Remote Operational Services in ATM Service Instructure	-45.9%
6	Booking System for a certain industry	-30.0%
7	QR Vote System for public racing	-16.2%
8	FACT-X "Function to Reduce Receipt Printing"	-28.6%

*"Environmental improvement rate" indicates the "reduced rate" after the introduction of solutions versus before it, that is, the comparison with "before-and-after" related to CO₂ emissions derived from travel, logistics, working time, electricity consumption of equipment and so on.

Case Study of "SDGs Contribution Solutions"

LINE Connecting Mobile System

■ System summary

"LINE Connecting Mobile System" is a solution to realize a comfortable waiting space, by providing patients with information including their turns of medical examinations and their booking by using LINE app on their cell phones.

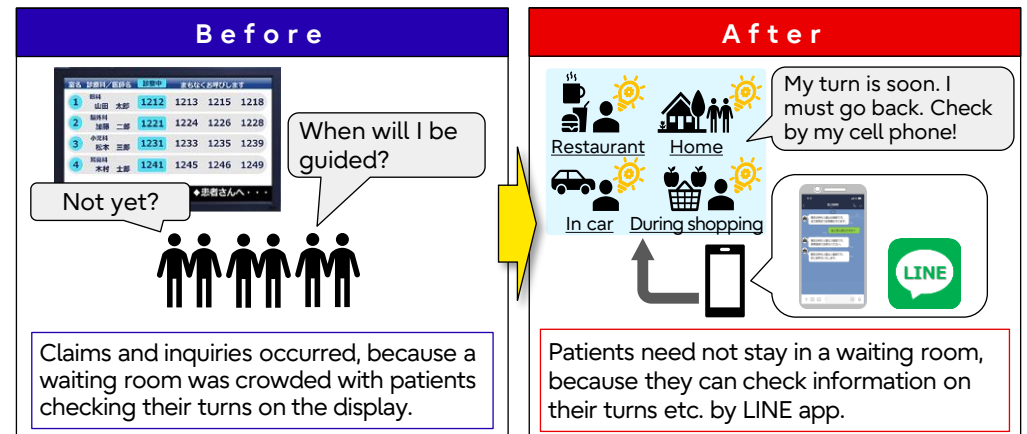
This solution enables a hospital to send patients waiting at another place a message that their turns are coming up, and to automatically reply to their inquiries about the current number of patients waiting for their medical examinations, without letting them stay in a waiting room.

Adopting this system can not only lead to service improvement in a hospital, but realize the efficiency of work to call patients. In addition, it can be expected to prevent patients from infecting thanks to relief of a crowded condition in a waiting room. Moreover, it can help reduce CO₂ emissions as a result of improvement of work efficiency.

■ Before-and-after of system introduction

By informing patients of their turns etc. on chat messages, the following things can be expected:

- 1) Make fewer, claims from patients who don't know their turns.
- 2) Make fewer, inquiries from patients about their turns.



Examples of contributable factors to SDGs:



Realize access to quality essential health-care services, by improving service quality to outpatients.



Reduce CO₂ emissions of customer, by the improvement of productivity and work performance etc. through ICT.

Efforts in Solutions and Services

We offer customers one-stop solutions for their now and future.

Activity in Solution & Service Business

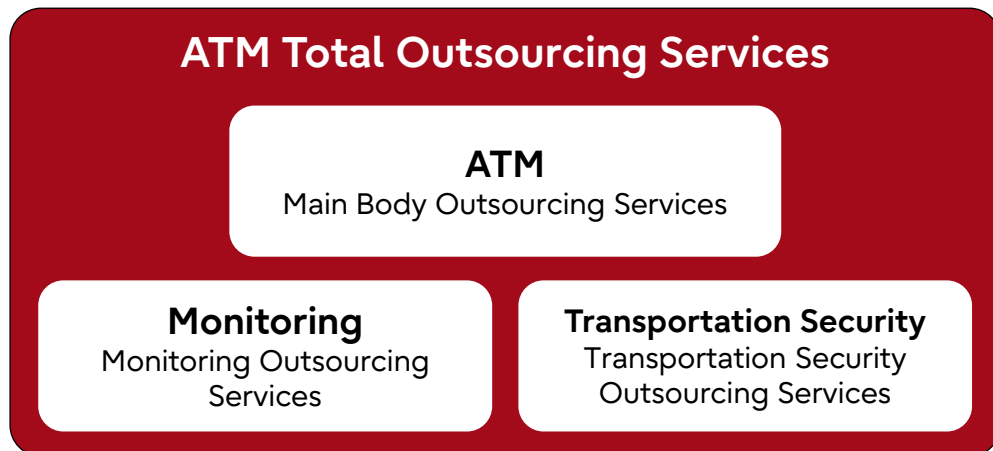
We, Fujitsu Frontech, live up to customer's expectations by one-stop solutions combining with hardware, software and services, based on experiences we have had through products development and manufacture in mission-critical areas such as financial, retail, industrial and public.

Moreover, we define cutting-edge technologies such as "Palm Vein Authentication" and "UHF band RFID" as "core technologies" bringing digital reformation to the front-end of customers. And, by aspiring to develop more advanced technologies, we will offer solutions and services creating new values for customer's business.

Introduction: ATM Total Outsourcing Services

ATM Total Outsourcing Services are our package services that instead of customers Fujitsu Frontech undertakes tasks including introduction, maintenance and monitoring of ATMs as well as transportation security. Previously, customers had not only to purchase, manage and monitor ATMs by themselves but to directly contract with security companies concerning security matters. The services enable customers to entrust Fujitsu Frontech to do these tasks collectively and change ATM operation to a way which operates ATMs of some customers jointly.

Furthermore, the services are able to reduce the number of spare parts and parts storage space as well as to optimize the frequency of secure transportations. As a result, this leads to the mitigation of the environmental burden such as CO₂ emissions.



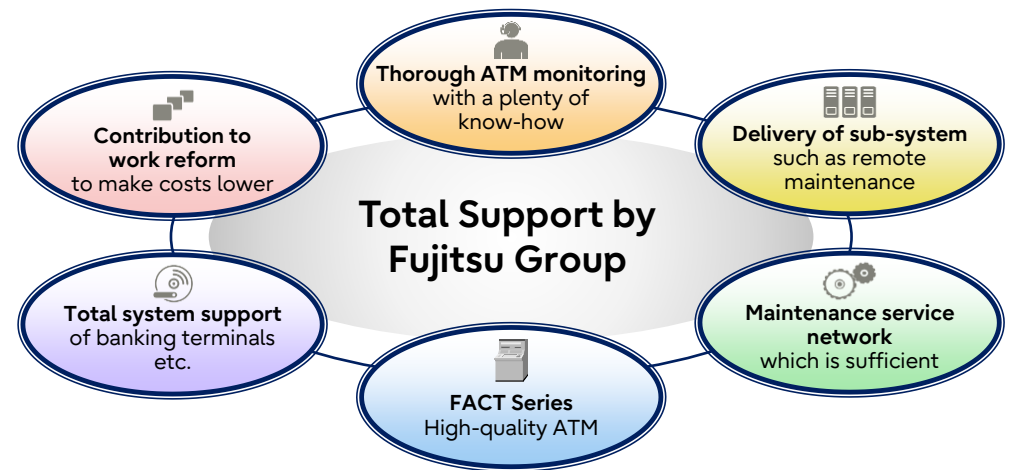
Case Study: Monitoring Outsourcing Services

Monitoring Outsourcing Services totally support the ATM-related tasks which are monitoring and operations of ATMs as well as maintenance of hardware and software of ATMs and banking terminals.

In addition, through collection and analysis of data on ATM monitoring and inquiries to a call center, we can provide our customers with not only data to improve their CS (Customer Satisfaction), but data which is effective for their marketing activities.

[Effectiveness of Introducing the Services]

- Improve service quality and convenience for customers who use ATMs
- Promote rationalization and optimization of tasks pertaining to ATMs, to reduce costs
- Reduce the number of cases of long downtime, through close alignment between ATM joint monitoring center and maintenance department
- In advance, prevent damage by fraud by detecting "bank transfer fraud" based on the status of a call with a helpline user
- Offer each optional service at a minimum cost, by utilizing an existing structure



Examples of contributable factors to SDGs:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Contribute to resource circulation, through repair and continuous use of ATMs.

13 CLIMATE ACTION

Reduce CO₂ emissions of customer, by the improvement of productivity and work performance etc. through ICT.

Efforts in Products Development

To offer eco-friendly products and services to customers, we promote green procurement in cooperation with suppliers.

Actions in "Environmental Action Plan"

Pursuit of improving energy and resource efficiency

In "Environmental Action Plan X", we strived to develop products which are top-level in energy efficiency, because it is necessary for manufacturers to improve energy efficiency to reduce CO₂ emissions derived from products use under the circumstance that energy efficiency regulations related to ICT products are being reinforced in many countries and areas. As a result, we could achieve the KPI.

Furthermore, it is important to efficiently use natural resources under the situation that we face risks threatening sustainability of society and enterprises, including depletion of natural resources, soaring prices of raw materials and unstable supply of rare metals. Therefore, we also took actions on 3Rs (Reduce, Reuse and Recycling) design of products, and hit the KPI in the end.

Product Introduction

FACT-X, Next generation ATM with concept called "Live up to all the people"

FACT-X, a next generation ATM in the era of cashless, can handle operations by itself, which bank tellers had done before. By using this ATM as a new touchpoint, it is possible to improve customer services and to enhance customer channel.

In development of FACT-X, we enhanced its function and parts, such as full transition from paper journal to digital one and adoption of SSD, in order to improve energy efficiency. In addition, we continued to adopt a function named "Super eco-mode" which can turn off in time of no user. Toward improving resource efficiency, we strived to mitigate the environmental burden by reducing both the number of parts loaded onto products and thickness of its sheet metal and so on.



Examples of contributable factors to SDGs:



Improvement of resource efficiency, through reduction of the number of parts loaded onto products and reduction of thickness of sheet metal etc.



Pursuit of energy efficiency, through adoption of "Super eco-mode" and improvement relevant to functions and parts.

Green Procurement

Fujitsu Group have established "Fujitsu Group Green Procurement Standard" which frames the basic concepts of procuring eco-friendly parts, materials and products, so that suppliers both in and outside Japan can promote the green procurement.

In FY2022, we continued "Responsible minerals procurement" after the previous year. For instance, we asked suppliers to report on whether or not they procure minerals relevant to local conflicts, and obtained the answers of "No procurement" from them.

Moreover, to reinforce CSR procurement and to practice "Environmental Action Plan X", we conducted a large-scale inquiry which Fujitsu Limited sponsored, so that suppliers can recognize more than ever that they need to promote their procurement following SDGs and legal requirements together with Fujitsu Group.

Management of Chemical Substances in Products

Establishment of Chemical substances Management System

We are asking our parts suppliers to establish the CMS^{*1} based on "Guidelines for the management of chemical substances in products" which are defined as industrial standard made by JAMP^{*2}, in order to enhance the management of the restricted chemical substances contained in the parts and products in the whole supply chain.

*1: CMS--Chemical substances Management System

*2: JAMP--Joint Article Management Promotion-consortium

Acquisition of the information on chemical substances in products

Fujitsu Group, in cooperation with our suppliers, survey for the information on chemical substances contained in products, and shares obtained information within internal system, by using such chemSHERPA^{*3} provided by the JAMP, to comply with relevant regulations, and to prevent regulated chemical substances contained in products from affecting human health negatively and from contaminating the environment.

*3: It stands for "Chemical information Sharing and Exchange under Reporting Partnership in supply chain", which is a common scheme to communicate the information on chemicals contained in products.

Communication with Suppliers

InFY2022, we held an on-line "Business Briefing" to explain our business and procurement policy to suppliers due to the prevention of expanding COVID-19 infection as with FY2021, instead of annual "Business Party" which had been held face to face before FY2019.

In addition, we presented letters of thanks and souvenirs to the suppliers who made significant contributions to our business.

Stakeholder Engagement

We, one by one, promote CSR together with stakeholders, as "Corporate Citizenship" at each site and Group company in and outside Japan.

Social Activities

Forest preservation (FJFS: Maebashi-shi, Gunma Prefecture)

FJFS implements the forest conservation activities at the foot of Akagi Mountain, twice a year continuously from FY2008, when they concluded the Agreement of Activities for Forest Conservation, etc. with Gunma Prefecture and Maebashi-shi.

In January 2022, FJFS received the distinctive achievement award in environmental activities from Gunma Prefecture because this activity of long years was evaluated.



Cutting grasses by a handy sickle



Commemorative photo



Tree planting (FDTP: Philippines)

FDTP takes part in the support of local schools, environmental conservation activities and so on, together with other companies in Laguna Technopark where FDTP runs businesses.

In FY2022, as part of these activities, they participated in tree planting to restore nature which is being lost, in Caliraya-Lumot Watershed where the issue of forest degradation is pointed out.



Announcement before the activity



A scene of tree planting



Communication

SDGs training for new employees

We focus on enhancement of employee's awareness related to SDGs, mainly by implementing environmental e-learning annually, which is applied to all the employees.

In FY2023, we also conducted SDGs training as one of the curriculum of trainings for new employees, so that from the beginning they are able to do their work, thinking of SDGs as their own things.

At the training session, our person in charge of SDGs played a role of the teacher. He explained from a summary of SDGs through relation between our activities and SDGs to new employees, by using a unique material. At the end, he finished his lecture after pointing out the importance of how they can contribute to SDGs through their own work.

Example of training materials (1)

Example of training materials (2)

Industry-academia collaboration training with Sanjo City University

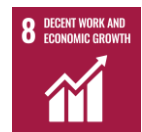
We have concluded an agreement on industry-academia collaboration with Sanjo City University (Sanjo City, Niigata Prefecture). As part of this agreement, we invited students from the university for on-site practical exercise at Niigata Plant.

This exercise is to let students go to the workplace of a company in the Tsubame Sanjo area and learn practical engineering knowledge, technologies and ethics by combining hands-on and experience-based learning in the company with the learning of theory in the university.

At Niigata Plant, students experienced quality assurance activities, lectures on product internal structures and manufacturing processes, and verification work using actual products.

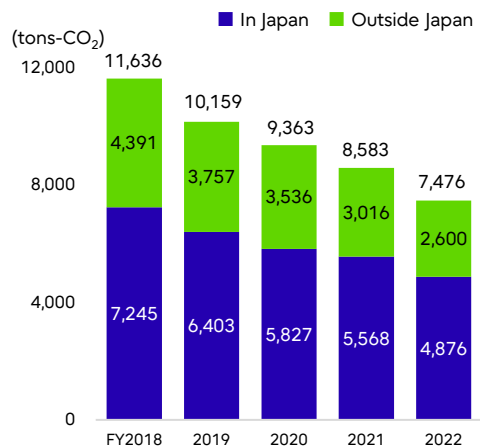


A scene of the training



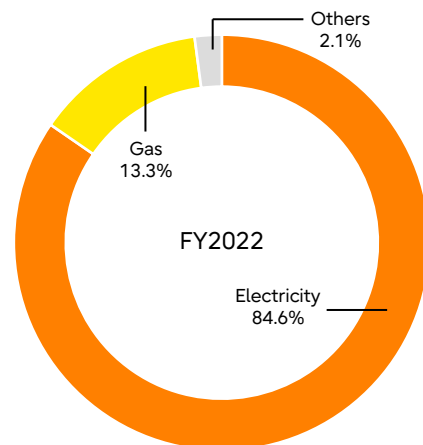
Environmental Data -Climate Change-

(1) Total GHG emissions



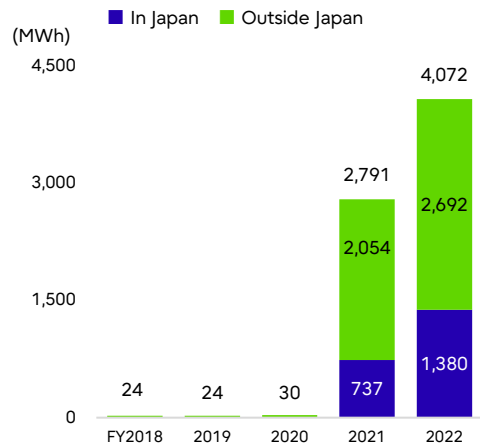
In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC
Outside Japan: FDTP, FFNA

(2) Ratio of energy use (except RE)



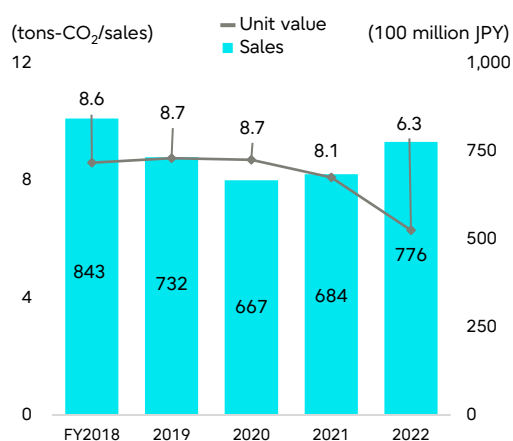
In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC
Outside Japan: FDTP, FFNA

(3) Renewable energy use



In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC
Outside Japan: FDTP, FFNA

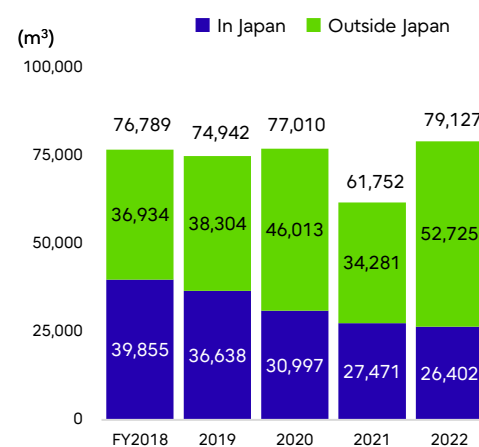
(4) Unit value of GHG emissions / sales (in Japan)



In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC

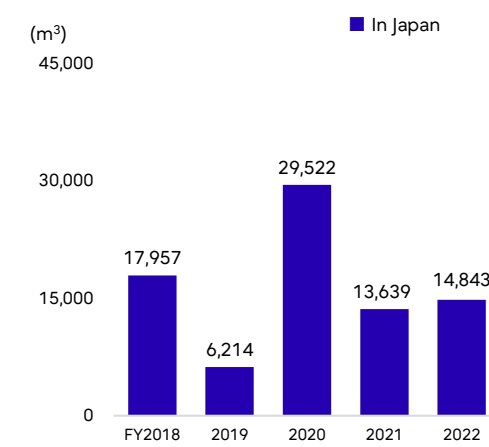
-Water Resources-

(1) Tap water



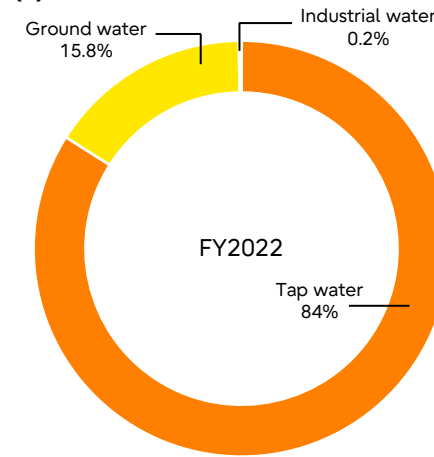
In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC
Outside Japan: FDTP, FFNA

(2) Ground water (in Japan)



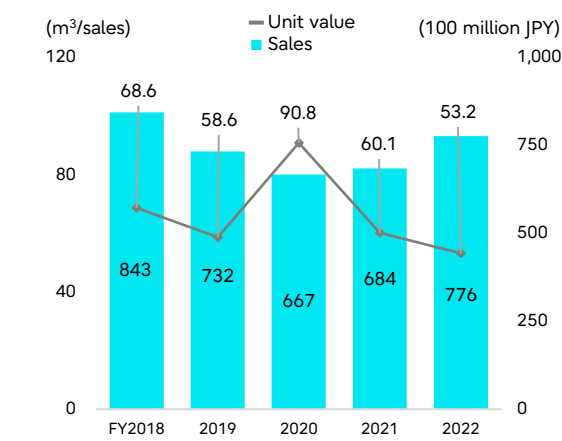
In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC

(3) Ratio of used water



In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC
Outside Japan: FDTP, FFNA

(4) Unit value of used water / sales (in Japan)



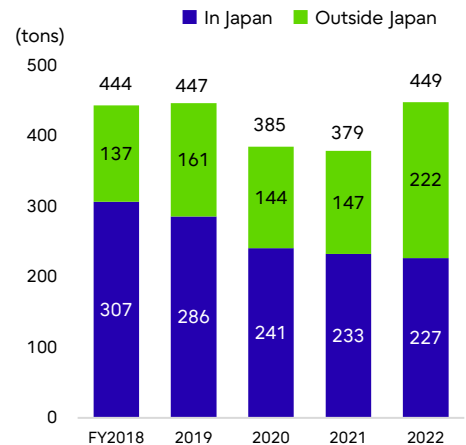
In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC

[Status of water stress in countries where we run business (as of September 2023)]

West coast of U.S. has broad areas of "High" and "Extremely high". Japan and Philippines almost have areas of below "Medium-high". (Reference: Data by WRI)

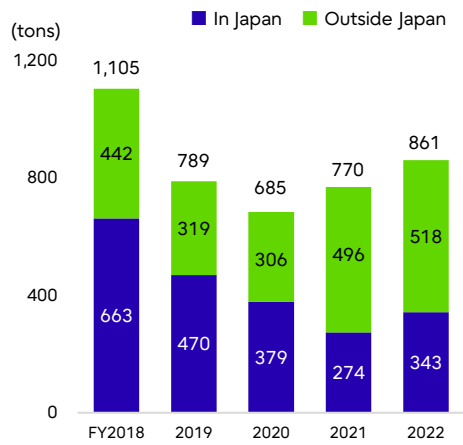
-Resource Circulation-

(1) Waste generations



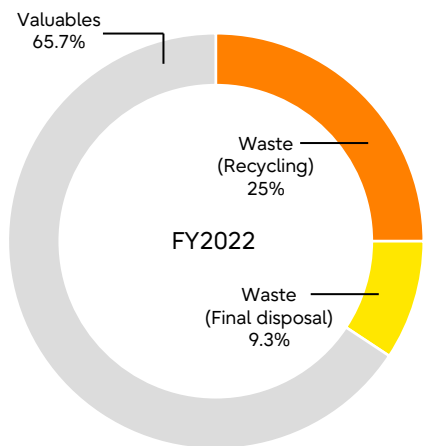
In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC
Outside Japan: FDTP, FFNA

(2) Sold valuables



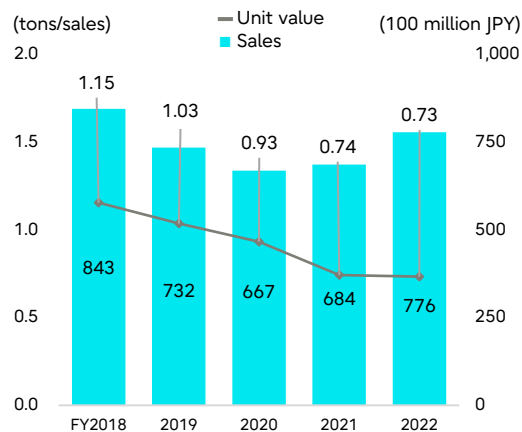
In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC
Outside Japan: FDTP

(3) Ratio of waste & valuables



In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC
Outside Japan: FDTP, FFNA

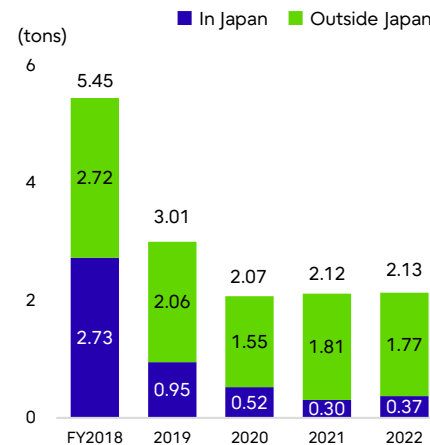
(4) Unit value of waste & valuables (in Japan)



In Japan: HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC

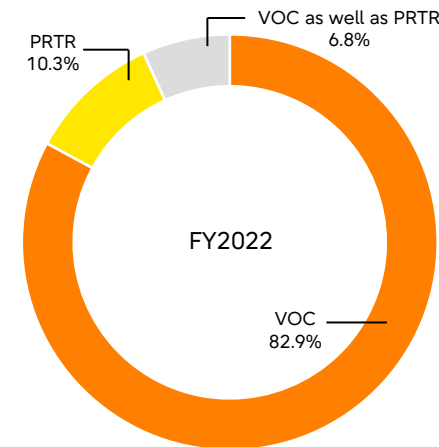
-Chemical Substances-

(1) Treated chemicals



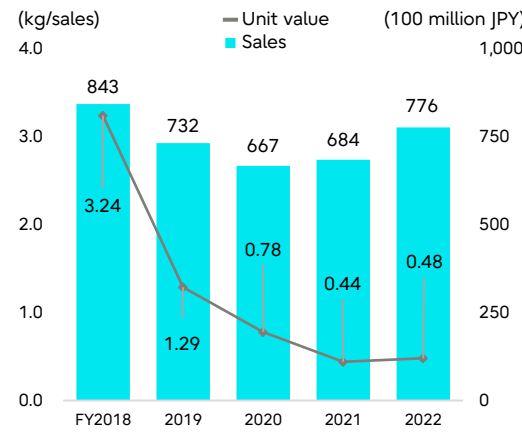
In Japan: Niigata Plant, Kumagaya SSC
Outside Japan: FDTP

(2) Ratio of treated chemicals



In Japan: Niigata Plant
Outside Japan: FDTP

(3) Unit value of treated chemicals / sales (in Japan)



In Japan: Niigata Plant, Kumagaya SSC

(4) Main chemicals treated (FY2022)

Names of chemicals	Types	Volume (Unit: kg)
In Japan (Niigata Plant)		
Ethanol	VOC	109
Xylene	VOC	60
N-hexane	VOC	28
Toluene	VOC	74
Outside Japan (FDTP)		
Isopropyl Alcohol	VOC	1,739
Acetone	VOC	26

[About chemicals within the bar and circle graphs]

They are total values of chemicals (VOC, PRTR) whose treated volume is over 100kg per year. Kumagaya SSC was excluded from FY2019.

-Value Chain Emissions-

We strive to mitigate a wide range of the environmental burden, by grasping total GHG emissions from upstream through downstream and reducing them.

Value Chain Emissions (Scope 1 – 3)

Unit: tons-CO₂

Items			FY2018	FY2019	FY2020	FY2021	FY2022	
Scope 3 (Upstream)	CAT 01	Purchased goods and services	139,263	104,240	100,628	121,440	137,495	
	CAT 02	Capital goods	13	380	0	0	122	
	CAT 03	Fuel and energy-related activities not included in Scopes 1 and 2	601	1,254	1,218	1,127	1,001	
	CAT 04	Transportation and distribution (Upstream)	2,769	2,133	1,651	2,101	2,835	
	CAT 05	Waste generated in operations	202	150	127	123	138	
	CAT 06	Business travel	1,512	2,807	475	424	878	
	CAT 07	Employee commuting	1,094	942	82	104	89	
	CAT 08	Leased assets (Upstream)	726	656	586	516	521	
Scope 1 (Reporting company)		Direct emissions	581	534	1,086	1,095	1,152	
Scope 2 (Reporting company) *2		Indirect emissions from energy sources	Location-based	11,055	9,625	8,277	7,488	6,324
			Market-based	10,637	9,204	7,843	7,437	6,091
Scope 3 (Downstream)	CAT 09	Transportation and distribution (Downstream)	N/A *1	N/A	N/A	N/A	N/A	
	CAT 10	Processing of sold products	--*1	--	--	--	--*1	
	CAT 11	Use of sold products	110,902	68,042	74,071	95,613	93,086	
	CAT 12	End-of-life treatment of sold products	N/A	N/A	N/A	1,423	1,368	
	CAT 13	Leased assets (Downstream)	N/A	N/A	N/A	N/A	N/A	
	CAT 14	Franchises	N/A	N/A	N/A	N/A	N/A	
	CAT 15	Investment	N/A	N/A	N/A	N/A	N/A	

*1: "N/A" means items which we regarded as not applicable to our Group. "--" means item which was decided not to calculate because it is practically difficult to calculate and its assumed emission volume is relatively small, although the CAT is applicable to our Group.

*2: GWP (global-warming potential) of "Location-based" is all "0.57 tons-CO₂/MWh". GWPs of "Market-based" are mainly based on data provided by each local electric power company in the territories where our Group Sites are located. The GWPs exclude electricity as RE.

-Supplements-

Page 15 – 16 (Climate Change, Water Resources, Resource Circulation and Chemical Substances)

Items of Environmental Data	Explanation (Scope, background of data etc.)
Climate Change (Left of page 15)	Applied to sites which are included in SBTi etc. that Fujitsu Group discloses to. And, conversion factor from purchased electricity consumptions to CO ₂ is all "0.57 tons / MWh" except RE.
(1) Total GHG emissions	Data of FY2018 includes data on former Fujitsu Kumagaya Plant.
(2) Ratio of used energy (FY2022)	"Others" are some kinds of fuel such as gasoline.
(3) Renewable energy use	From FY2021, we started introducing RE in Japan and FDTP.
(4) Unit value of GHG emissions / sales	Divided total GHG emissions by non-consolidated sales.
Water Resources (Right of page 15)	Applied to sites which are included in CDP, DJSI (Dow Jones Sustainability World Index) etc. that Fujitsu Group discloses to.
(1) Tap water	Data of FY2018 includes data on former Fujitsu Kumagaya Plant.
(2) Ground water	Increase in FY2020 was due to the use to melt much snow in Niigata Plant.
(3) Ratio of used water (FY2022)	"Industrial water" is used only in FDTP (Philippines).
(4) Unit value of used water / sales	Divided the total volume of used water by non-consolidated sales.
Resource Circulation (Left of page 16)	Applied to sites which are included in CDP, DJSI etc. that Fujitsu Group discloses to.
(1) Waste generations	Data of FY2018 includes data on former Fujitsu Kumagaya Plant.
(2) Sold valuables	Sold mainly metal scrap and used paper.
(3) Ratio of waste & valuables (FY2022)	"Final disposal" means landfill of the unrecyclable sludge etc.
(4) Unit value of waste & valuables / sales	Divided the total volume of waste and valuables by non-consolidated sales.
Chemical Substances (Right of page 16)	Applied to sites which are included in CDP, DJSI etc. that Fujitsu Group discloses to. Treated chemicals include "emissions to air", "consumptions", "removed / reprocessed" and "recycling".
(1) Treated chemicals	Data of FY2018 includes data on former Fujitsu Kumagaya Plant.
(2) Ratio of treated chemicals (FY2022)	"VOC as well as PRTR" is a chemical subject to both VOC and PRTR.
(3) Unit value of treated chemicals / sales	Divided the volume of treated chemicals by non-consolidated sales.
(4) Main chemicals treated (FY2022)	Used mainly for cleansing.

[Terms of definition]

- SBTi : An initiative jointly established by the United Nations Global Compact, WRI (World Resources Institute), and other organizations in 2015. It encourages companies to set GHG emission reduction targets consistent with science-based evidence to the level required by the Paris Agreement, validating targets that comply with criteria.
- GHG Protocol : It provides standards, guidance, tools and training for business and government to measure and manage climate-warming emissions.
- CDP : A not-for-profit charity running the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
- DJSI : Stock market indices jointly launched by S&P Dow Jones and RobecoSAM. They select enterprises excellent for sustainable business, by assessing from the viewpoint of 3 core elements, which are Economy, Environmental and Social.
- VOC : Acronyms for "Volatile Organic Compounds".
- PRTR : Acronyms for "Pollutant Release and Transfer Register", governed by METI, Japan.

Page 17 (Value Chain Emissions – Scope 3)

CATs	Scope	Calculation Methods
1	In Japan	Components purchased during the fiscal year x Emissions per unit of purchase*2
2	In Japan	Total amounts of acceptance inspection of construction objects in the fiscal year x Emission intensity*7
3	Main 5 Sites*1	Annual amounts of fuel oil and gas, electricity and heat purchased (consumed) at mainly business sites owned by Fujitsu Frontech Group x Emissions per unit*7
4	- Niigata Plant - FFNA	In Japan : CO ₂ emissions related to transportation of goods in Japan by Fujitsu Frontech Limited*4, 5 Outside Japan: Transportation ton-kilometer x Emissions per unit*6
5	Main 5 Sites	Annual amounts of waste (discharged mainly by business sites owned by Fujitsu Frontech Group) processed or recycled by type and processing method x Emission per unit of annual amounts of waste processed or recycled*7
6	In Japan	(By means of transportation) Σ (Transportation expense payment x Emission per unit)*3, 7
7	In Japan	(By means of transportation) Σ (Transportation expense payment x Emission per unit)*3, 7
8	Global	Annual amounts of fuel oil and gas, electricity and heat consumed mainly at leased business sites x Emissions per unit of fuel oil and gas, electricity and heat consumed*8, 9
9	N/A	N/A
10	--	--
11	Global	Electricity consumption during product use x emissions per unit of electricity*10
12	Global	Σ {Tonnage of each products sold during the fiscal year x rate by type of waste and processing method x Emissions unit value for the type of waste and processing method (tCO ₂ e/t)}*7
13	N/A	N/A
14	N/A	N/A
15	N/A	N/A

*1: 3 Sites in Japan (HQs / Tokyo Plant, Niigata Plant, Kumagaya SSC) and 2 Sites outside Japan (FDTP, FFNA)

*2: Source - Embodied Energy and Emissions Intensity Data (3EID) published by the National Institute for Environmental Studies Center for Global Environmental Research

*3: Source - Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain published by Ministry of the Environment and Ministry of Economy, Trade and Industry

*4: Source - CO₂ emissions related to domestic transportation by Fujitsu Frontech Limited, based on the Act on the Rational Use of Energy.

*5: Source - The fuel economy method (for some vehicle) or the improved ton-kilometer method (vehicle, trail, air).

*6: Source - GHG Protocol emissions coefficient data base

*7: Source - Database of emissions unit values published by Ministry of the Environment and Ministry of Economy, Trade and Industry

*8: Source - Act on Promotion of Global Warming Countermeasures - GHG Emissions Accounting, Reporting and Disclosure System

*9: Source - IEA CO₂ Emissions from Fuel Combustion (outside Japan)

*10: Source - The Electric Power Council for a Low Carbon Society

Environmental Compliance

We respond to the environmental compliance thoroughly, like setting original criterion stricter than legal ones, to mitigate the risks such as contamination, ecosystem destruction and climate to the minimum.

Actions on Climate Change

Efforts on energy savings

We are designated as a "specified business" (which consumes energy equivalent to crude oil of no less than 1,500kl) defined by "Act on the Rationalizing Use of Energy and Shifting to Non-fossil Energy" in Japan, we take actions on the voluntary target required by this act which defines "To let energy consumption per unit be improved to 1% or more on average annually", and report to the government regularly. Incidentally, we have been awarded "S Class (an excellent enterprise)" for 8 consecutive years in "Classification and Evaluation Scheme of Enterprise" which had been established since FY2016 based on the act.

Management of Chemical Substances in Sites

We control chemicals in terms of the volume of usage and storage, which we use within our sites, mainly to mitigate the impacts on the environment and human being to the minimum. In particular, we acquire SDSs (safety data sheets) on chemicals used within our sites, and perform the risk assessments, to prevent from having negative impacts on staff using chemicals.

(Details: <https://www.fujitsu.com/jp/group/frontech/en/about/sustainability/environment/compliance/>)

Pollution Prevention

We perform environmental measurement including water quality, on a regular basis, and take corrective actions as needed. The main results in FY2022 are, as follows:

[Results of FY2022]

Measurement of "Ground water"

Unit: mg/l

Measured Item	Site	Legal Sta.	Result	Note
Arsenic	Niigata Plant	0.01	Below Sta. - 0.027	We regarded as natural origin because we have never used it before.

Measurement of "Discharged water"

Unit: per 1 liter

Measured Item	Site	Legal Sta.	Result	Note
Concentration of Hydrogen Ions (pH)	Niigata Plant (Not applicable to Water Pollution Control Act)	5.8 - 8.6	6.6 - 9.2	We concluded as no problem, because this was due to a shortage of rainfall in time of its measurement.

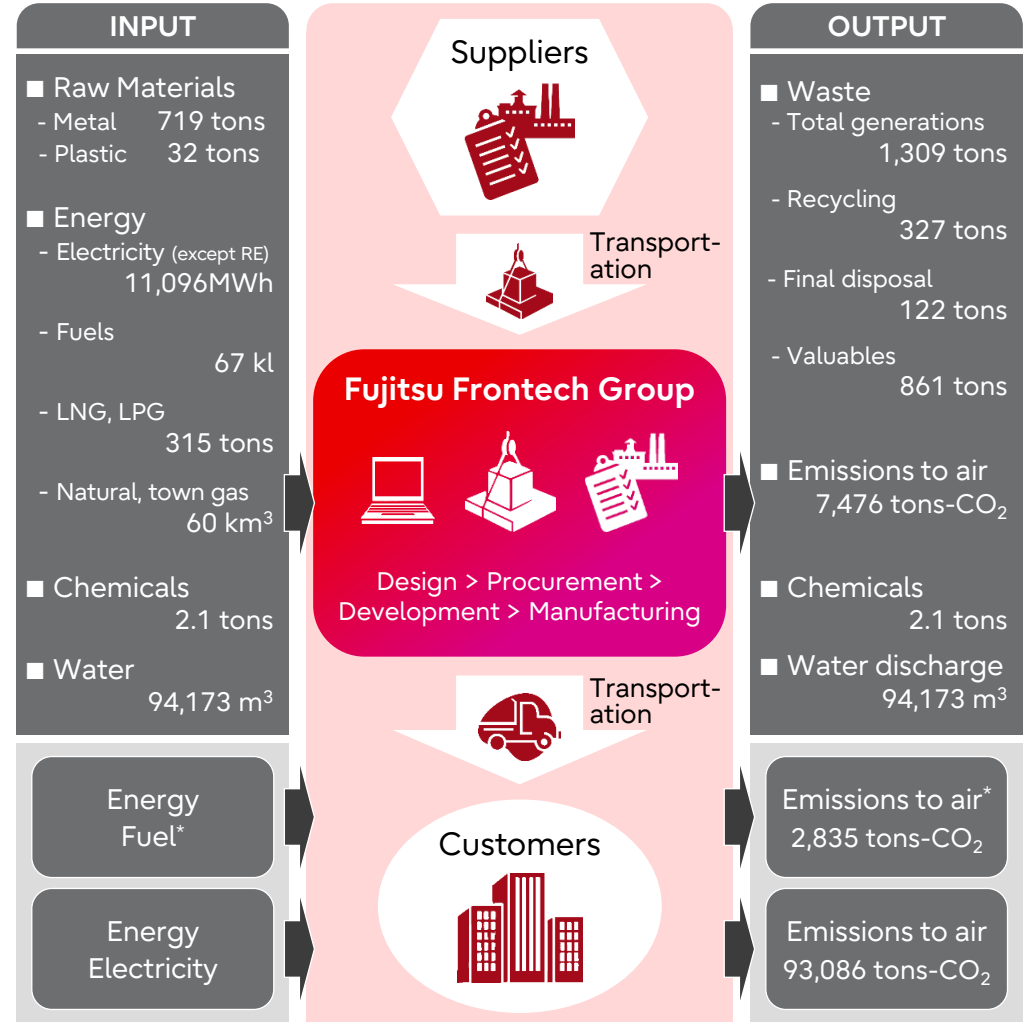
[The other measured items and results in other bases]

We had no any other deviation except the above results including HQs / Tokyo Plant and Kumagaya SSC. (Detail: <https://www.fujitsu.com/jp/group/frontech/en/about/sustainability/environment/data/#pollution>)

Material Balance

We promote our eco-friendly business as well as capture our environmental performance in the whole value-chain.

[Material Balance (FY2022)]



[Scope]

In Japan: Tokyo Plant, Niigata Plant, Kumagaya SSC Outside Japan: FDTF, FFNA
 * "Energy Fuel" of Inputs and its "Emissions to air" of Outputs are the sum of Niigata Plant and FFNA.

Response to "Environmental Reporting Guidelines 2018"

[About the Structure of This Report]

To create this report, we use the data as much as possible to disclose as of now, referring to "Environmental Reporting Guidelines 2018" issued by Ministry of the Environment. The following information is to clarify which page(s) in this report is relevant to which item(s) defined by the guideline:

#	Items	Relevant Pages
(1) Basic information of environmental reporting		
1	Basic requirements for environmental reporting	01
2	Trends in key performance indicators	15 – 17
(2) Items to be reported in environmental reporting		
1	Top management's commitments	01, 02
2	Governance	04, 07
3	Stakeholder engagement	10, 13, 14
4	Risk management	04, 07
5	Business model	02, 03, 12, 13
6	Value chain management	13, 17, 20
7	Long-term vision	08

#	Items	Relevant Pages
8	Strategy	01, 02, 05 – 13
9	Methodology for identifying material environmental issues	02, 04, 07
10	The entity's material environmental issues	01, 02, 04 – 11
[Reference] Major environmental issues and their performance indicators		
1	Climate change	05 – 08, 10, 11, 15, 17
2	Water resources	15
3	Biodiversity	14
4	Resource circulation	05, 06, 09, 16
5	Chemical substances	13, 16
6	Pollution prevention	20

* "Environmental Reporting Guidelines 2018" is uploaded on the following Website of Ministry of the Environment:

URL: https://www.env.go.jp/policy/j-hiroba/kigyo/2018Guidelines_E20190412.pdf

Main Facilities / Sales Offices / Group companies

Main Facilities

Headquarters / Tokyo Plant

1776 Yanokuchi, Inagi-shi, Tokyo 206-8555

Niigata Plant

17-8 Yoshidahigashisakae-cho, Tsubame-shi,
Niigata Prefecture 959-0294

Omiya Solution Center

Omiya JP Bldg, 1-11-20 Sakuragi-cho, Omiya-ku,
Saitama-shi, Saitama Prefecture 330-0854

Kumagaya Service Solution Center

1224 Nakanara, Kumagaya-shi, Saitama Prefecture 360-0801

Sales Offices

Headquarters / Tokyo Plant

1776 Yanokuchi, Inagi-shi, Tokyo 206-8555 [Sales headquarters]

Omori Office

East Square Omori, 6-20-14 Minamioi, Shinagawa-ku,
Tokyo 140-0013

Chubu branch

JR Gate Tower, 1-1-3 Meieki, Nakamura-ku, Nagoya-shi,
Aichi Prefecture 450-6631

Kansai branch

Osaka Tokio Marine & Nichido Building, 2-2-53 Shiromi,
Chuo-ku, Osaka-shi, Osaka Prefecture 540-0001

Kyushu branch

Higashihie Business Center II, 1-5-13 Higashihie, Hakata-ku,
Fukuoka-shi, Fukuoka Prefecture 812-0007

Group companies

In Japan

TOTALIZATOR ENGINEERING LIMITED (Shinagawa-ku, Tokyo)

Maintenance of totalizator systems, development and sales of operation services and support systems for public racecourses

FUJITSU FRONTECH SYSTEMS LIMITED (Maebashi-shi, Gunma Prefecture)

Development of software related solutions and services

LIFE CREATE LIMITED (Inagi-shi, Tokyo)

Welfare programs, facilities management and logistics services

Outside Japan

FUJITSU DIE-TECH CORPORATION OF THE PHILIPPINES (Laguna, Philippines)

Manufacturing and sales of metal molds and mechanical components

Fujitsu Frontech North America Inc. (California, U.S.A.)

Sales and repair services of mechanical components,
contract manufacturing services

Development, manufacturing and sales of self-checkout solutions

Development and sales of RFID solutions

Sales of palm vein authentication devices, etc.

Development and sales of multimodal biometrics authentication platforms

FUJITSU



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