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Corporate Philosophy

■ FUJITSU GENERAL Way

The FUJITSU GENERAL Way represents the Fujitsu General Group's core purpose that defines, as a basis for achieving sustainable growth, where our company wants to be, the mission we must fulfill to support customers and society, and the value we offer.

It also serves as a guidepost for every employee of the Fujitsu General Group to follow in everything they do at work.

By fulfilling Our Mission in the Corporate Philosophy through our businesses, we will bring comfort, wellness, confidence, and safety to society and pave the way for a brighter future for generations to come.

■ Structure of the FUJITSU GENERAL Way

The FUJITSU GENERAL Way encompasses the Corporate Philosophy and the Code of Conduct.

FUJITSU GENERAL Way

Our Mission

It is a declaration of what we, at the Fujitsu General Group, will endeavor to achieve.

Living together for our future

Through innovation and technology, we deliver a brighter future with the peace of mind to our customers and societies around the world.

Corporate Philosophy

Our Philosophy

It indicates the way we should think and act in order to realize "Our Mission."

Act Spontaneously

We embrace new challenges by investing in ourselves for personal growth, and through continuous creativity with a spontaneous attitude.

Develop Our Team

We respect and value our people, and optimize their abilities through fostering culture and diversity, and utilizing a collaborative effort focused on communication.

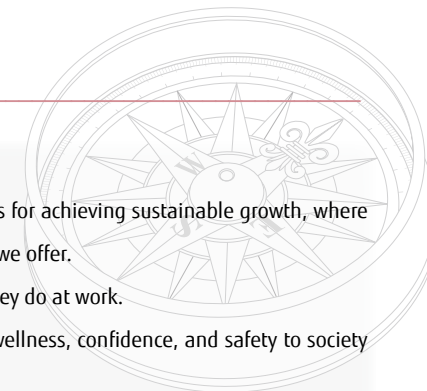
Value Integrity

To achieve our goals, we always act with integrity and shared ethics.

Code of Conduct

It defines how every employee of the Fujitsu General Group should act at work.

- We respect human rights.
- We comply with all laws and regulations.
- We act with fairness in our business dealings.
- We protect and respect intellectual property.
- We maintain confidentiality.
- We do not use our position in our organization for personal gain.



Corporate Profile (As of March 31, 2023)



FUJITSU GENERAL LIMITED

- Headquarters: 3-3-17 Suenaga, Takatsu-ku, Kawasaki-shi, Kanagawa, Japan
- Representative
Etsuro Saito
President & CEO (from June 23, 2015)
- Established: January 15, 1936
- Capital stock: 18,172 million yen
- Number of employees:
Fujitsu General Group: 8,335
Fujitsu General Limited: 1,729
- Number of Directors (as of June 28, 2023):
11 (including 5 External Directors)
- Number of consolidated subsidiaries: 39
Number of affiliates accounted for by the equity method: 3
- Stock exchange listing:
The Prime Market of the Tokyo Stock Exchange

Group Profile (As of March 31, 2023)

■ Air Conditioners

【Manufacturing and Development Subsidiaries】

Fujitsu General (Thailand) Co., Ltd.
 FGA (Thailand) Co., Ltd.
 Fujitsu General Air Conditioning R&D (Thailand) Co., Ltd.
 Fujitsu General (Shanghai) Co., Ltd.
 Fujitsu General Central Air-Conditioner (WUXI) Co., Ltd.
 F.G.L.S. Electric Co., Ltd.
 FGAHP 1 other subsidiary

【Sales Subsidiaries】

Aeroshield Co., Ltd.
 Fujitsu General America, Inc.
 Fujitsu General do Brasil Ltda.
 Fujitsu General Air Conditioning (UK) Ltd.
 Fujitsu General (Euro) GmbH
 Fujitsu General (Italia) S.p.A.
 Fujitsu General (Middle East) Fze
 Fujitsu General (Asia) Pte. Ltd.
 Fujitsu General (India) Private Ltd.
 Fujitsu General (Aust.) Pty Ltd.
 Fujitsu General New Zealand Ltd.
 Fujitsu General Sales & Trading (Shanghai) Co., Ltd.
 Fujitsu General (Taiwan) Co., Ltd. 1 other subsidiary

【Design & Construction and Service-Maintenance Subsidiaries】

ABS Fujitsu General Private Ltd.
 Precise Air Group (Holdings) Pty Ltd. 7 other subsidiaries

■ Information & Communication System and Electronic Devices

Fujitsu General Electronics Limited
 Fujitsu General OS Technology Limited 1 other subsidiary

■ Other Subsidiaries

Fuji Eco Cycle Co., Ltd.
 Fujitsu General EMC Laboratory Limited 3 other subsidiaries

Business Overview

■ Air Conditioner Business

Air is always around us. Fujitsu General offers air conditioners designed to make room air clean and refreshing and bring ultimate comfort to customers anytime, anywhere.



■ Information & Communication System Business

We offer total solution system services, in which we propose, manufacture, sell, and maintain firefighting systems to protect the lives and property of residents, as well as disaster prevention systems to ensure the safety and security of people's day-to-day lives, as part of the creation of frameworks for firefighting and disaster prevention.



■ Electronic Devices Business

We have developed a solutions business focused mainly on cameras, electronic parts, and semi-assembled components in our Electronic Devices Business. We have received high praise in various industrial fields for solving issues our customers have with the likes of technology, quality, and cost.



Message from the CEO

■ Achieving our corporate philosophy through “Sustainable management”

Under the Corporate Philosophy of the Fujitsu General Group, the “FUJITSU GENERAL Way,” we have defined “–Living together for our future–” as Our Mission, which we aim to achieve for our customers and society. This embodies the same aim as the philosophy behind “Sustainable Development Goals (SDGs),” “Leave No One Behind.” This serves as a guidepost for every employee of the Fujitsu General Group aimed at contributing to the creation of a comfortable, secure, and safe society through the provision of new value. To achieve our Corporate Philosophy, we have also set “Sustainable Management” as the basis of all our business activities. Under “Sustainable Management,” we aim to contribute to the creation of a sustainable society through medium- and long-term business growth and development based on the following three pillars: Harmonious Coexistence with Our Planet (Planet), Social Contribution (Society), and Care for Employees (Our People).

The business activities of the Fujitsu General Group contribute to the creation of a sustainable society. Air Conditioners from our mainstay business are used around the world as clean products that offer excellent energy efficiency, comfort, and safety. These products, which utilize heat pump technology, are anticipated to contribute to limiting climate change as alternative products for appliances that burn fossil fuels for heating and hot water. The Fujitsu General Group aims to contribute to the creation of a sustainable society by providing products that solve social issues, including air conditioners, for which there is a growing global need as essential items for day-to-day life, and Air to Water (ATW) systems (heat pump-type hot water heating systems), which do not emit any greenhouse gases (GHGs) when operating. In the Information & Communication System Business, we provide disaster prevention and firefighting systems that support security and safety and that have become increasingly necessary as climate change has led to an increase in natural disasters. In the Electronic Devices Business, we provide high-efficiency power modules that contribute to cutting greenhouse gas emissions by enhancing the energy efficiency of industrial devices, etc. Through these business activities, the Fujitsu General Group will contribute to solving social

issues while strengthening our business foundations.

In this way, by certifying strategic products and services that are expected to solve social issues and contribute to a sustainable society as *Sustainable Products* and actively investing in new product development and market development, we aim to expand sales to more than 30% of consolidated sales by FY2030.

As an initiative of our “Harmonious Coexistence with Our Planet (Planet),” we achieved the conversion to 100% renewable energy for electricity in our business activities in April 2022, earlier than originally planned. In the future, we will convert energy other than the electricity we use to renewable energy sources, further improve the energy-saving performance of the products we sell, enhance the power-saving effects with the use of digital technology, and improve the efficiency of product transportation. Through these efforts, our entire value chain aims to reduce GHG emissions by 55% by FY2035 (compared to FY2021) and to “achieve carbon neutrality” with net-zero GHG emissions by FY2050.

For “Social Contribution (Society),” we will provide a comfortable, safe, and secure society and space by strengthening our Air Conditioner, Information & Communication Systems, and Electronic Devices Businesses. We also aim to provide new value to solve social issues through internal measures such as new business creation programs. In parallel with these activities, we will strengthen our systems for responsible procurement activities and promote regional networking activities as we further focus on social contribution as a member of society.

For “Care for Employees (Our People),” we will continue promoting health and productivity management to create workplaces that help employees maintain health and vitality while boosting their productivity and motivation. At the same time, we will strengthen our initiatives to support “spontaneous career development and learning” based on the fact that it is essential for sustainable growth that each and every employee thinks proactively about their career and engages in self-growth.

By continuing these endeavors, we will further solidify our business foundation and the trust placed in us by our customers and society, and always pursue self-innovation as we target sustainable growth for the Fujitsu General Group.

Living together for our future

Through innovation and technology, we deliver a brighter future with peace of mind to our customers and societies around the world.



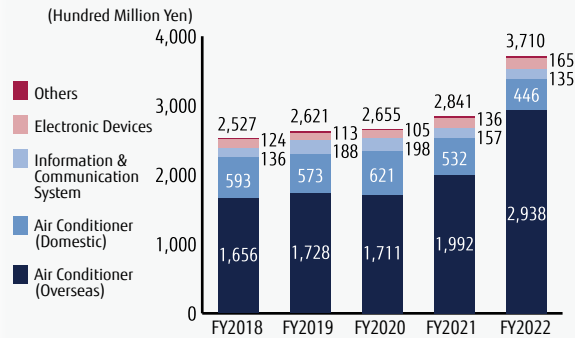
FUJITSU GENERAL LIMITED
President & CEO

Etsuro Saito

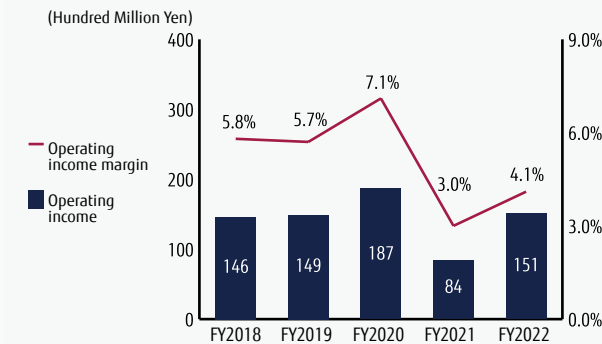
齋藤 悦郎

Financial Data

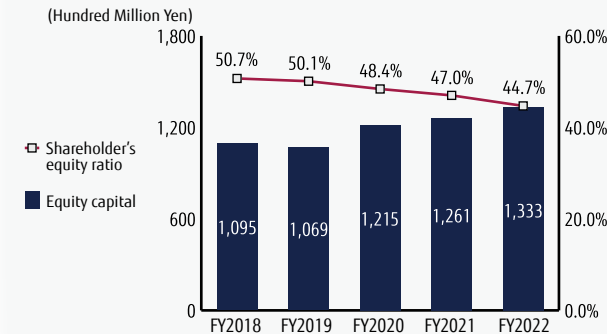
Net sales



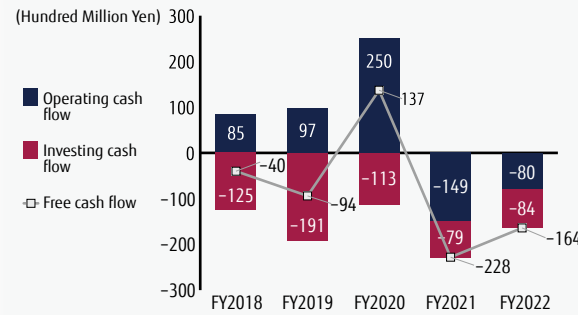
Operating income and operating income margin



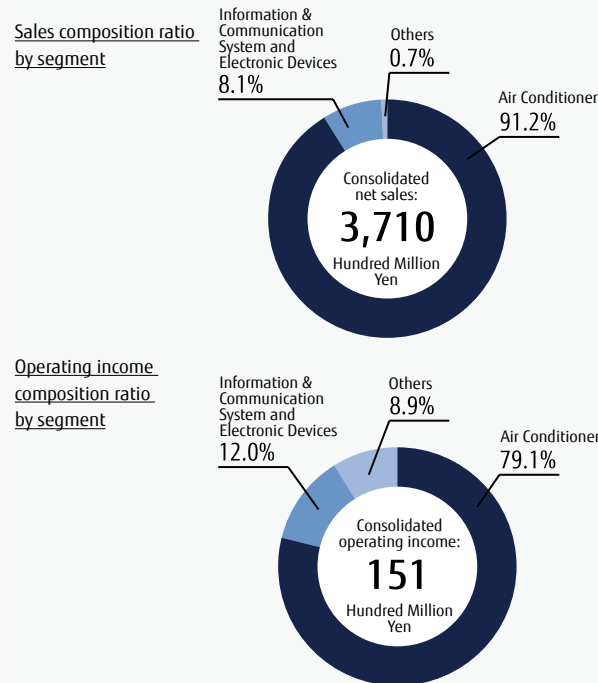
Equity capital and shareholder's equity ratio



Operating cash flow, investing cash flow, free cash flow



"Net sales and operating income" composition ratio by segment



Regional Composition

Japan
Net sales: 743 Hundred Million Yen
Share of global sales: 20.0%

Asia and Greater China
Net sales: 584 Hundred Million Yen
Share of global sales: 15.8%

Europe
Net sales: 903 Hundred Million Yen
Share of global sales: 24.3%

Americas
Net sales: 675 Hundred Million Yen
Share of global sales: 18.2%

Middle East and Africa
Net sales: 453 Hundred Million Yen
Share of global sales: 12.2%

Oceania
Net sales: 352 Hundred Million Yen
Share of global sales: 9.5%

* Figures are actual results for FY2022

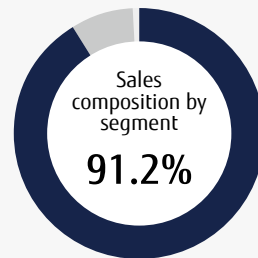
Financial Data (Segment)

■ Air Conditioner Segment



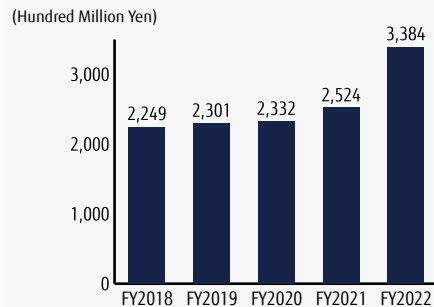
Sales ratio of Air Conditioner Business

Net sales
3,384 Hundred Million Yen

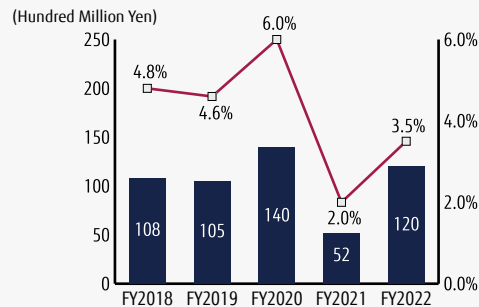


Net sales of the Air Conditioner Segment increased to 3,384 hundred million yen (+34.1% YoY) due to overseas sales benefiting from steady progress in normalizing procurement, production, and shipment operation, steady shipments of high backlog orders, and the depreciation of the yen against each foreign currency, although domestic sales could not fully recover from the impact of the lockdown in Shanghai. Operating income in the Air Conditioner Segment was 120 hundred million yen (+131.9% YoY) mainly due to the effect of improved selling prices and increased sales volume to overseas customers, although it was significantly affected by soaring prices of materials and parts and ocean freight rates, increased upfront investment costs to strengthen the business, and cost increases due to the depreciation of the yen.

□ Net sales



□ Operating income and operating income margin

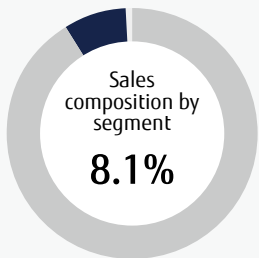


■ Information & Communication System and Electronic Devices Segments



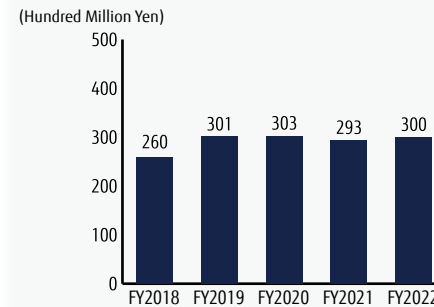
Sales ratio of Information & Communication System and Electronic Devices Businesses

Net sales
300 Hundred Million Yen

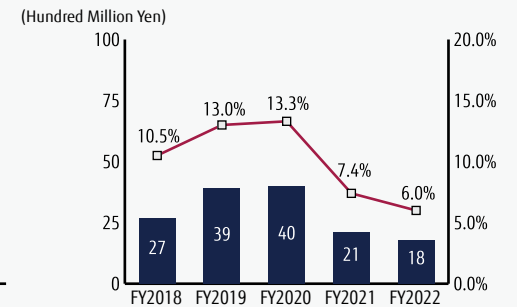


In the Information & Communication System and Electronic Devices Segments, net sales amounted to 300 hundred million yen (+2.5% YoY) thanks to sales growth in Electronic Devices. However, operating income was 18 hundred million yen (-16.7% YoY), as performance was significantly impacted by lower Information & Communication System sales.

□ Net sales



□ Operating income and operating income margin



Message from the Executive Officer

■ Contribution to mitigation of climate change

In recent years, natural disasters that appear to be caused by climate change have been trending upward worldwide, and countermeasures are urgently required.

Our core business of “air conditioners that utilize heat pump technology (air conditioners and heat pump-type water heating systems)” are not just essential items for a comfortable day-to-day life but are also essential products for contributing to cutting greenhouse gas emissions by replacing heating devices that use fossil fuels. We will provide products that solve these social issues and, in doing so, contribute to limiting climate change and achieving a sustainable society.

■ Respect human rights

The opening line of the Fujitsu General Group Code of Conduct is “We respect human rights.” This expresses our position that our corporate activities will primarily be based on the spirit of respect for human rights. In order to achieve this, we think it is essential that all employees correctly understand human rights issues and take action to combat them. In addition to repeated education and development activities, we will also utilize our consultation and relief desk to endeavor to rectify and prevent the recurrence of any issues as part of our efforts to nurture a spirit of respect for human rights across our supply chain as a whole.

■ Initiatives to strengthen governance

In order to act with integrity and fulfill the responsibility entrusted to us by our stakeholders with shared ethics, we promote initiatives to strengthen governance. Through focusing on highly transparent business activities, the thorough enforcement of compliance with laws and regulations, fair commercial transactions, appropriate information management, the prevention of corruption, and so forth, we will endeavor to manage risk and enact measures based on the spirit set forth in our Corporate Philosophy, and will build and strengthen an effective framework for governance.

Corporate Vice President
 General Manager, Corporate Communications Division
 General Manager, Sustainability Promotion Division
 Toshio Kano

Promoting Sustainable Management

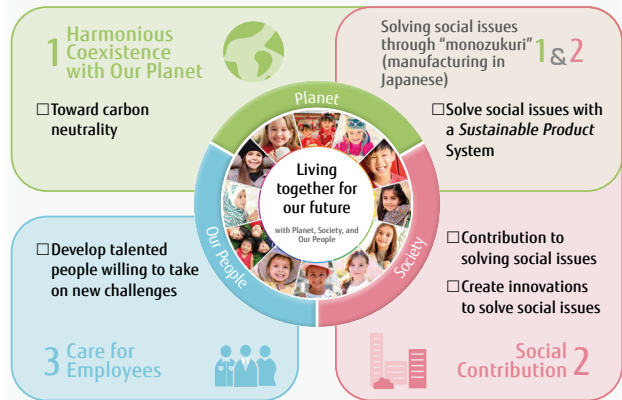
■ Basic Policy

In order to promote Sustainable Management, the Fujitsu General Group formulated and announced its Sustainable Management Basic Policy in March 2021.

The Sustainable Development Goals (SDGs) are intended to drive future business creation, and their core principle of “Leave No One Behind” is synonymous with our own Corporate Philosophy of “Living together for our future.” Fujitsu General takes a medium- and long-term approach to the promotion of sustainable management. Fujitsu General promises the children and society of the future to create a sustainable society, and pursues its own business growth by accelerating these sustainability efforts.

■ Three Core Strategic Themes

In order to promote Sustainable Management, we are implementing measures based on three pillars: Harmonious Coexistence with Our Planet (Planet), Social Contribution (Society), and Care for Employees (Our People).

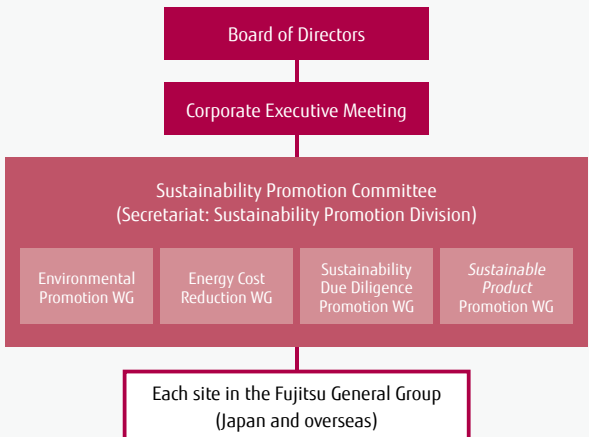


■ Promotion framework of Sustainable Management

In Fujitsu General Group, the President is appointed Chief Sustainability Officer (CSO), and we promote company-wide activities based on “Sustainable Management.”

In addition, the Sustainability Promotion Committee deliberates plans, progress, and issues related to sustainability with a particular focus on Sustainable Management.

□ Promotion structure



Sustainable Product

Start of Sustainable Product System

Fujitsu General Group internally certifies each of the Group's strategic products and services that are expected to solve social issues and contribute to a sustainable society as a *Sustainable Product*. We also internally certify each such product that is recognized as contributing to sustainable development to a certain degree through innovative technologies and services and that allow our Group to pursue business growth as a *Sustainable Product Gold*. By concentrating investment in these products and services in our aim to have our *Sustainable Product* series account for at least 30% of company-wide net sales in FY2030, we will aggressively promote the integration of sustainability and growth strategies.

Sustainable Product

A product or service that helps solve social issues and can be expected to contribute to a sustainable society is certified by us as a *Sustainable Product*.



Sustainable Product Gold

A product or service certified by us as a *Sustainable Product* that is recognized as contributing to sustainable development to a certain degree is certified as a *Sustainable Product Gold*.



Products Certified as Sustainable Product

<p>nocria ZN series air conditioners for cold regions</p> 	<p>Cold climate air conditioners for North America</p> 	<p>ATW (Air-to-water)</p> 	<p>Small GaN (Gallium Nitride) power modules</p> 
<p>Tropical cooling only inverter air conditioners for India</p> 	<p>Tropical cooling only inverter air conditioners for the Middle East</p> 	<p>Cómodo gear</p> 	<p>AEROSHIELD</p> 

Materiality

Materiality

The Fujitsu General Group identifies materiality to promote Sustainable Management and pursues business activities to realize a sustainable society.

In identifying materiality, we extracted issues in light of our Group's Corporate Philosophy and Management Policies, considering international guidelines such as SDGs and the GRI Standards as well as the results of various surveys conducted by external research organizations.

The extracted issues are then classified and organized into two Categories: "Stakeholder interest & impact" and "Significance to the Group." More material issues are designated as Core Strategic Themes.

Materiality Identification Process

Step 1 Extract social issues

Extract issues from stakeholders' perspectives based on GRI Standards, etc.



Step 2 Extract issues to be addressed by the Group

Identify priority issues for the Group based on the Corporate Philosophy, Management Policy, etc.



Step 3 Identify materiality


































Sort out stakeholder interest & impact and significance to the Group are organized to identify our Materiality.

Materiality Matrix

Thorough Compliance and Governance, Respect for Human Rights		
Necessary	Extremely high	<ul style="list-style-type: none"> ◇ Management of Chemical Substances ◇ Efficient Use of Natural Resources ◇ Reduction of Energy, Waste, and Water Consumption ◇ Air Pollution Control ◇ Supply Chain Management
Very high	High	<ul style="list-style-type: none"> ◇ Biodiversity Conservation ◇ Stakeholder Engagement ◇ Diversity ◇ Health and Productivity Management & Occupational Health and Safety ◇ New Value Creation
High	High	<ul style="list-style-type: none"> ◇ Information Security ◇ Community Contribution ◇ Talent Development
		High Very high Extremely high
		Significance to the Group

Core Strategic Themes

* The SDGs icons listed here are SDG targets that the Company believes it can contribute to through its activities.

Classification		Key Initiatives	KPI	SDGs
Harmonious Coexistence with Our Planet	Action Against Climate Change, Reduction of Energy	Reduce CO ₂ emissions from products during their use	Greenhouse gas emissions	 
		Reduce CO ₂ emissions across business activities	Greenhouse gas emissions	
	Efficient Use of Natural Resources	Promote resource-saving design	—	 
		Reduce material waste from production	Ratio of waste loss ratio to purchase volume	
Air Pollution Control	Reduce air pollutant emissions	—		
Reduction of Water and Waste	Reduce water usage Reduce waste generation	Water use reduction rate Reduction rate of total waste generated	    	
Social Contribution	Customer Relations	New Value Creation Conduct research and development projects that address social issues Offer products that address social issues	—	 
			Percentage of products certified as <i>Sustainable Products</i> in consolidated net sales	
	Delivery of Products that Meet Customers' Expectations	Endeavor to improve quality	—	
		Improve the satisfaction of customers served by the call center	—	
	Community Relations	Coexistence with Local Communities Provide educational assistance for children Promote community coexistence Make charitable donations	—	 
			—	
Supplier Relations	Approach to Our Suppliers Promote CSR procurement	Number of local audit firms	      	
		—		
Care for Employees	Development of Employees Who Take on New Challenges on Their Own Initiative Introduce a system that encourages employees to take on new challenges spontaneously Train employees	—		
		—		
	Creation of a Workplace that Promotes Healthy Lifestyles Among Employees to Achieve a "Good Life" Promote mental health Implement measures to prevent lifestyle-related illness Reduce second-hand smoke exposure and encourage smokers to quit Help employees maintain a healthy diet Raise awareness of women's health among all employees Help employees continue to work while receiving medical treatment	—	 	
		—		
		—		
		—		
	Creation of a Workplace in which Diverse Employees Can Thrive and Succeed in a Flexible Manner Promote diversity & inclusion in the workplace Number of newly promoted female managers and leaders Percentage and number of days of childcare leave taken by full-time male employees	—	     	
—				
Help employees maintain a good work-life balance Hold dialogue with the labor union	—			
	—			
Governance Agendas	Respect for Human Rights Promote human rights awareness Take action against human rights violations	—	  	
		Number of cases of due diligence on human rights conducted		
Compliance and Governance	Provide compliance training to employees	—	