

- About the cover page -

The image of our global business activities bringing smiles to the faces of children around the world.

Fujitsu General Group

Sustainability Report 2021



Living together for our future

FUJITSU GENERAL LIMITED

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www.fujitsu-general.com/

FUJITSU GENERAL LIMITED

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

Corporate Philosophy

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.

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.

How We Achieve Our Mission

Our Mission 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.

Approach to achieving the mission

Sustainable Corporate Growth

Innovation



Leverage innovation and technology to resolve social issues

Under our Corporate Philosophy, Fujitsu General Group is committed to solving social issues by innovation and technology through breakthroughs in order to realize Our Mission "Living together for our future."

To this end, we will continue to value "Spontaneous challenge" to new frontiers, "Maximize potential based on respect," "Integrity and high ethical standards," and contribute to the sustainable growth of the company and realization of sustainable society through the promotion of "Sustainable Management."

Our Approach to Solutions

Sustainable management



Care for Employees

- Build a healthy workplace
- Develop human resources to act spontaneously
- A workplace to develop our team



Social Contribution

- Urban development to live securely
- Responsible procurement
- Contribution to local communities

S
Social



Harmonious Coexistence with Our Planet

- Measures for climate change
- Environmental protection
- Sustainable consumption

E
Environment



Governance

- Respect for human rights
- Business activities with integrity and high ethical standards

G
Governance

Living for our together future

Management foundation on which to create innovation and technology

Our philosophy



- **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.

Message from the President



Under the Corporate Philosophy, rather than pursuing short-term profits, we will fulfill our responsibilities to our customers, society, and our employees, and together with our employees, we will work to increase our corporate value through medium- to long-term growth and contribute to the realization of a sustainable society.

FUJITSU GENERAL LIMITED

President & Representative Director

Etsuro Saito

Fujitsu General's Role in the Changing World Under the Pandemic of COVID-19

The pandemic of COVID-19 is having an unprecedented impact on people's lives and economic activities around the world. The situation in many parts of the world is still chaotic, and the direction and timing of economic recovery are uncertain, and it must be said that we will not be able to return to the life and business environment as before even if the infection ceases.

In such a drastically changing world, each and every one of us is determined to manage flexibly and strive to realize Our Mission "Living together for our future," which is the direction we should aim for.

In the future, the presence of values such as comfort, security and safety will increase, and we feel that the air conditioner business, which is the mainstay of the Fujitsu General Group, as well as the information communication and electronic device businesses will be providing indispensable values in the new normal era.

We also see this as an opportunity to establish a new business style and dramatically improve operational efficiency by providing non-contact and location-independent services through the use of IT, such as enhanced cleanliness and sanitization functions, remote monitoring, energy management, and maintenance support to meet the needs of the new era.

In this age of unpredictability, we would like to discuss with our employees and other stakeholders what the Group can do for society and people around the world, and what the Group should do to contribute to society, and put these discussions into action with a sense of speed.

Promotion of "Sustainable Management"

"Corporate Philosophy" is equivalent to "dreams and aspirations" for a company. Employees of the company should agree with the mission, gather together as trusted comrades to achieve it, and think and act in accordance with the mission. When faced with a problem, they should return to the mission to find a solution, and the results should be measured by the mission. In other words, the Mission is at the core of management, and the Fujitsu General Group, in accordance with Our Mission, "Living together for our future" believes that we should make ourselves happy through self-realization and continued growth, and that this will lead to the action of "creating happiness for society and customers."

In March 2021, the Group formulated the Sustainable Management basic policy. The promise of the Sustainable Development Goals (SDGs), which are specific goals of sustainability, is "Leave no one behind." This is the very essence of Our Mission "Living together for our future" in which we are determined to stay close not only to our current customers but also to our future customers and society. We believe that promotion of Sustainable Management is a way to promise the realization of a sustainable society to future children and society from a medium- to long-term perspective, and to pursue the growth of our business by accelerating the process.

Therefore, the promotion of Sustainable Management is same as the implementation of our Corporate Philosophy. The Group will continue to promote initiatives based on the three pillars of Sustainable Management: Harmonious coexistence with our planet, Social contribution, and Care for employees.

Executive Message

We will contribute to the planet and society through innovation and technology together with our spontaneous employees.

Corporate Senior Vice President
Executive Manager, Office of Sustainability Promotion
General Manager, CSR Promotion Division
Vice in Charge of Quality Assurance

Masataka Eto



Act Spontaneously to Solve Social Issues

With the expansion of COVID-19, lifestyles have changed drastically, and I believe that everyone has realized the value of "normal everyday life." The concept of sustainability as defined by the United Nations is "development that satisfies the needs of future generations while at the same time satisfying the needs of the present generation," and we recognize that the realization of sustainability means that our generation can pass on "our normal everyday life" to the next generation.

With the emergence of the Sustainable Development Goals (SDGs), the direction that society should aim to take in order to realize sustainability has been clearly indicated, and this is leading to a change in awareness from "someone else will do it for us" to "we must do something ourselves."

The Fujitsu General Group's "Our Mission—Living together for our future—" upheld in the Corporate Philosophy, is synonymous with the promise of SDGs "Leave No One Behind." The realization of our Corporate Philosophy is the mission of the Fujitsu General Group, and we believe that the promotion of Sustainable Management set forth by Fujitsu General in March 2021 is precisely our contribution to the achievement of the SDGs and our efforts to realize our Corporate Philosophy. We believe that Sustainable Management can achieve its true value only when it is integrated with management. In FY2020, the Group appointed the President and Representative Director as the Chief Sustainability Officer (CSO), and is building a system to promote Sustainable Management that is integrated with management.

In addition to creating a system to promote Sustainable Management, we also believe that it is extremely important for each and every employee to think, act, and realize Sustainable Management spontaneously, without being bound by preconceptions, even in this era of rapid change. Our Group has introduced and is actively promoting two systems that allow employees to spontaneously generate and implement ideas to solve social issues. The first is the "Future of Innovation Challenge (FIC)," a program to create new businesses that will lead to solutions to social issues. In the FIC program, employees create business ideas that contribute to solving social issues as the Group, and work to commercialize them.

Second, we have introduced a proposal system (SDGs Proposal) to solicit ideas that lead to solutions to social issues other than products and services, and we will promote the realization of excellent proposals.

See P.15

In addition, our Group considers its employees to be the most important stakeholders, and is striving to further promote and strengthen various existing measures, including health management, in order to create a workplace where productivity and motivation can be enhanced. We will make steady progress as a company that contributes to solving social issues through healthy and energetic employees who think and act spontaneously and create innovation.

Action against Climate Change by Fujitsu General Group

In promoting Sustainable Management, Fujitsu General Group is organizing and identifying social issues with higher priority and setting them as priority themes. Among the various issues, one of the themes with particularly high priority is measures against climate change. As a manufacturer, our Group emits greenhouse gases in the course of our own business activities, as well as in our supply chain and during the use of our products. In March 2021, we revised our Mid-term Environmental Action Plan to set higher and more ambitious goals in order to strengthen our Group's response to climate change, which is becoming more serious every day due to greenhouse gases. Under the new plan, we aim to achieve completely eliminate greenhouse gas emissions from our Group's business activities by FY 2030, and by 2025, we will switch all electricity used in our Group's business activities to renewable energy sources.

See P.71

In addition, in light of the impact of climate change on our business activities, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in FY 2020. In FY2021, we will assess the impact of climate change scenarios on our business, identify risks and opportunities, disclose information, and deepen discussions both internally and externally in order to strengthen our countermeasures and ensure the sustainable growth of our Group.

See P.85

By promoting Sustainable Management, the Fujitsu General Group will continue to grow as a company by flexibly responding to risks and opportunities in this era of rapid change, and by contributing to the planet and society through "innovation and technology" for the future by "employees who think and act spontaneously" in a workplace where productivity and motivation are enhanced.

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Forward-looking Statement

This report presents not only the past and current facts about the Fujitsu General Group but also its projections, forecasts, and plans. Such projections, forecasts, and plans are based on the information available to us at the time we prepared this report. All readers are advised to note that results of the Group's business activities and developments may differ from those projections, forecasts, and plans, depending on unforeseeable changes in business environments and other relevant factors.

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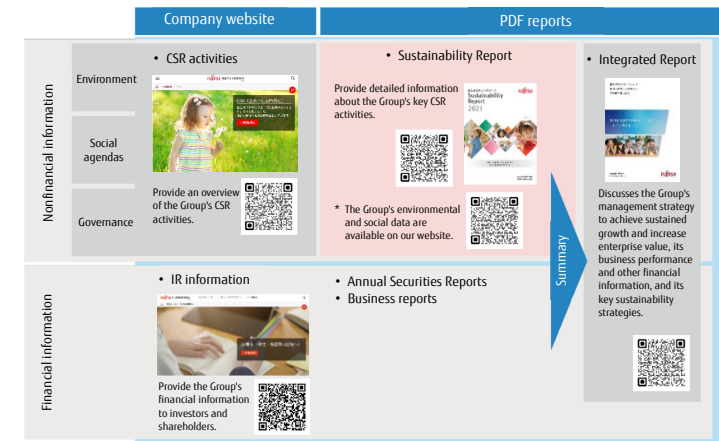
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Editorial Policy

This report outlines the Fujitsu General Group's policy and approaches to CSR activities to help achieve a sustainable society and reports initiatives that the Group undertook and their results for FY2020.

- Reporting Period
FY2020 (April 1, 2020 – March 31, 2021)
Please note that this report also contains some events that took place before and after this period.
- Scope of Reporting
This reports covers activities and achievements by Fujitsu General Limited as well as its consolidated subsidiaries and affiliated companies accounted for by the equity method, which collectively constitute the Fujitsu General Group.
- Reference Guidelines Used for the Preparation of This Report
 - GRI Standards, published by Global Reporting Initiative (GRI)
 - ISO 26000: 2010, published by the International Organization for Standardization (ISO)
 - Environmental Reporting Guidelines 2018, published by the Ministry of Environment of Japan
 - UN Global Compact
 - Recommendations by Task Force on Climate-related Financial Disclosures (TCFD)
- Scope of Information Disclosure
The Fujitsu General Group discloses to its stakeholders a wide range of information regarding its business activities. This report provides a summary of the Group's policy and approaches related to CSR and other non-financial information. For detailed information about the Group's activities and results, visit our corporate website.



- Published
October 2021 (next report to be published in October 2022)
- For inquiries, contact
CSR Promotion Division under the Office of Sustainability Promotion

* Fractions less than the indicated units in this report are rounded down to the nearest whole number (however, amounts in the unit of 100 million yen are rounded to the nearest unit), and various ratios are rounded to the nearest whole number.

- "nocria" is a registered trademark of Fujitsu General Limited.

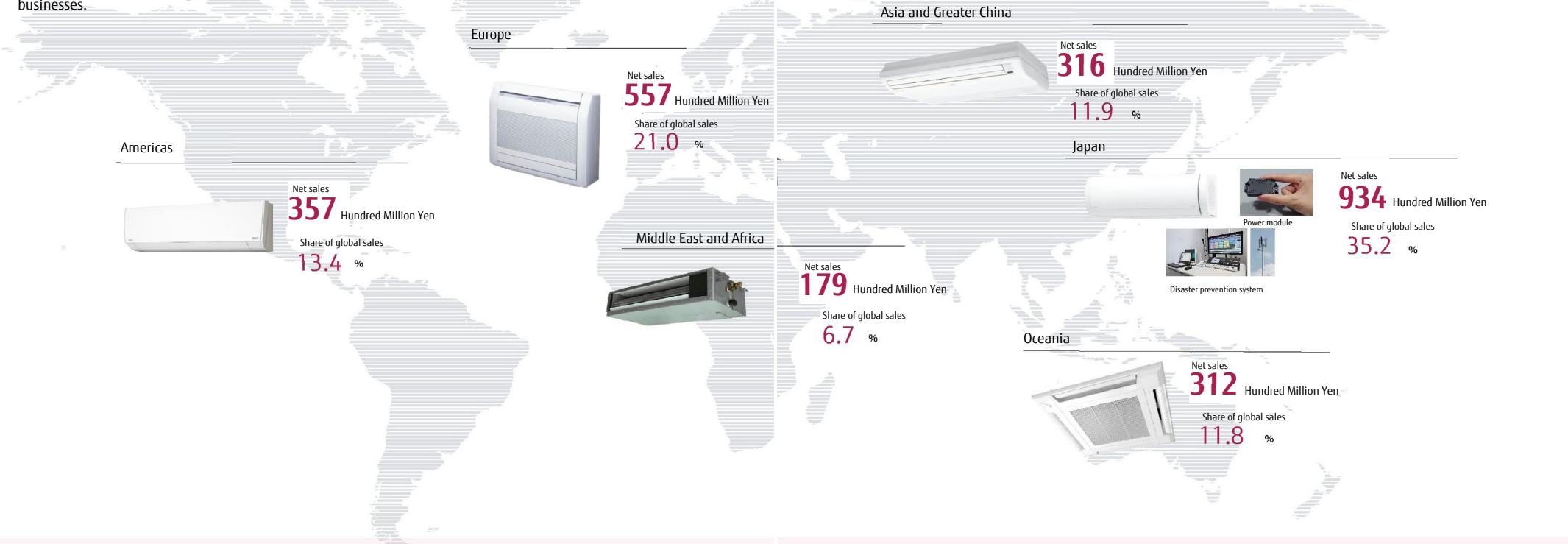
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Fujitsu General Group at a Glance

Toward realization of a comfortable, safe and secure society

The Fujitsu General Group provides comfortable space, safety and security to people in more than 100 countries around the world through its Air Conditioner, Information & Communication System, and Electronic Devices businesses.

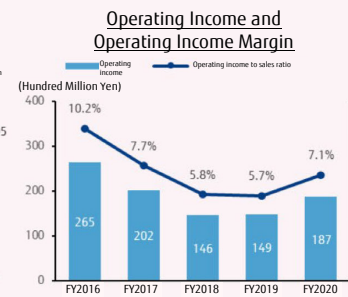
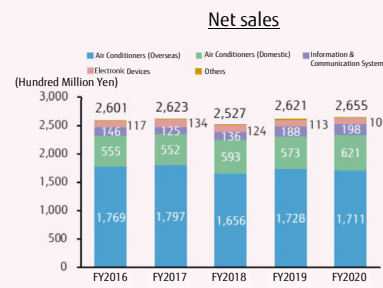
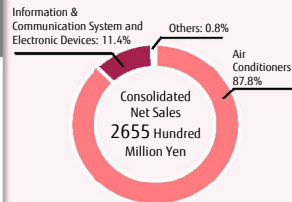
*Figures are actual results for FY2020



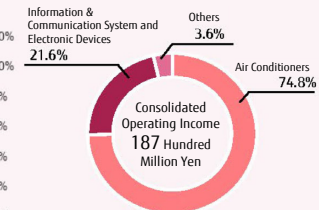
Our Group's Business

<p>Air Conditioner Business</p> <p>"Delivering Life-Refreshing Air"</p> <p>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.</p>	<p>Information & Communication System Business</p> <p>"Creating a safe and secure future together"</p> <p>Communication devices business has continued since our founding. Fujitsu General's Information & Communication System business will continue to deliver safety and security for our future society.</p>	<p>Electronic Devices Business</p> <p>"World-class advanced technology and proposal capability"</p> <p>We deliver precise and highly accurate quality and reliability.</p>
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Sales Composition Ratio by Segment



Operating Income Composition Ratio by Segment



Special Feature

Promotion of Sustainable Management



In order to realize Our Corporate Philosophy "Living together for our future", we at the Fujitsu General Group are promoting "Sustainable Management" as the core of our future business activities.

Basic Policy and Key Themes of Sustainable Management

• Basic Policy

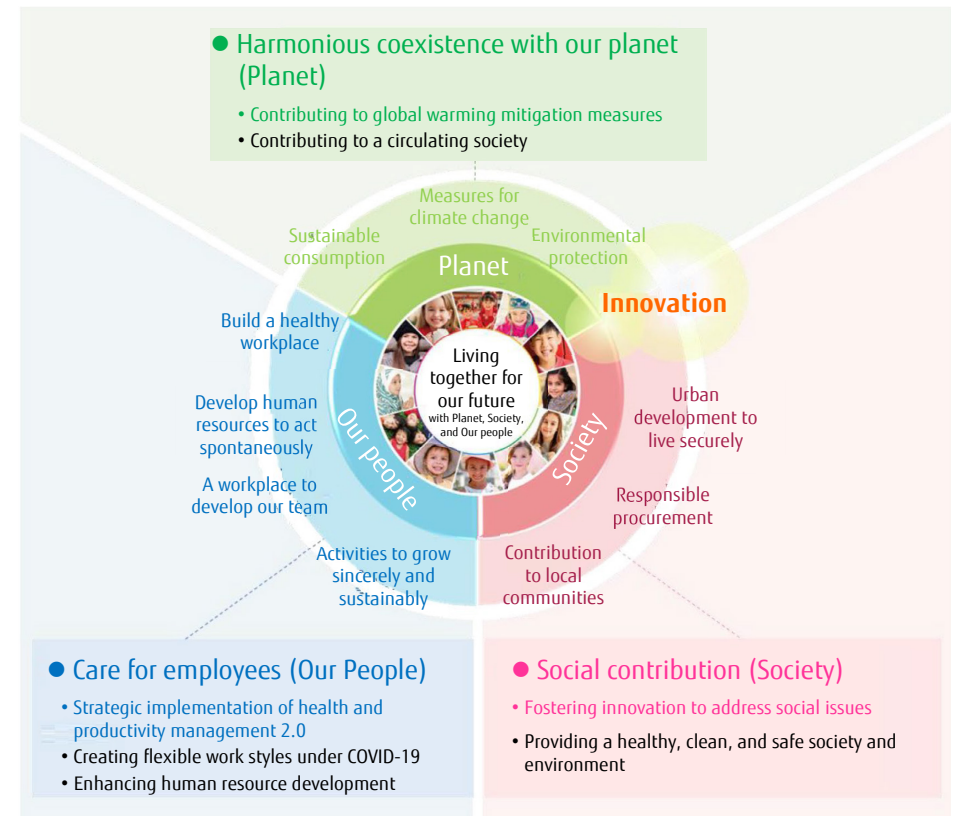
In order to promote "Sustainable Management," the Fujitsu General Group formulated and announced the Sustainable Management Basic Policy in March 2021.

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 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 Key Themes

In order to promote Sustainable Management, we are implementing measures based on three key themes: Harmonious coexistence with our planet (Planet), Social contribution (Society), and Care for employees (Our People).



• Harmonious coexistence with our planet (Planet)

- Contributing to global warming mitigation measures
- Contributing to a circulating society

• Care for employees (Our People)

- Strategic implementation of health and productivity management 2.0
- Creating flexible work styles under COVID-19
- Enhancing human resource development

• Social contribution (Society)

- Fostering innovation to address social issues
- Providing a healthy, clean, and safe society and environment

Priority Themes and Key Measures

Promotion of Sustainable Management



Harmonious coexistence with our planet (Planet)

See pp. 69–86

Challenge toward carbon neutrality

Aiming to achieve carbon neutrality (completely eliminate greenhouse gas emissions) in the Fujitsu General Group's business activities by FY2030

In the midst of the global demand for action against climate change, we aim to achieve virtually zero emissions of greenhouse gases in the Fujitsu General Group's business activities by FY2030. We aim to achieve this by gradually converting our Group's electricity use to renewable energy sources (e.g., introduction of solar power generation) and by taking the same action for gasoline, etc.

We will also take the same measures in our Group's supply chain, while developing products with high energy efficiency and switch from non-inverter to high-efficiency inverter air conditioners in order to contribute to curbing climate change.

Helping to solve social issues by introducing a Sustainable Product system

Fujitsu General Group has set out a design concept conducive to solving important social issues, and internally certifies products and services that contribute to Sustainable Management and our Group's Growth Strategies as Sustainable Products.

Products and services certified as Sustainable Products and are recognized as contributing to sustainable development to a certain degree and are capable of aiding our Group's business growth are internally certified as Sustainable Products Gold.

By investing intensively in these products and services, we aim to have 30% or more of our consolidated net sales ratio of Sustainable Products certified products and services by FY2030, and will actively promote integration into our Group's Growth Strategies in our contribution to sustainable society.



Social contribution (Society)

See pp. 31–50

Promoting innovation and technology that leads to solving social issues through FIC*

The Future of Innovation Challenge (FIC), a new program launched in FY2020 as an initiative of the Fujitsu General Group, aims to create businesses that solve social issues based on the ideas of individuals, while building a corporate culture that encourages spontaneous challenges. Following the launch of the wearable air conditioner *Cómodo gear*TM in 2020, we are promoting innovation and technology that will help solve social issues.

Contributing to society by introducing the SDGs Proposal system

In May 2021, we launched a new SDGs Proposal System, inviting all employees in Japan and overseas to submit ideas that contribute to society outside of our products (such as promoting and supporting the development of the next generation and coexistence with local communities) and promote excellent ideas toward implementation.

* Abbreviation of "The Future of Innovation Challenge" (activities to create new businesses by soliciting ideas)

Topics

Introduction of Sustainable Product System

Fujitsu General's Sustainable Product System establishes standards, and evaluates and certifies the social issues that are highly relevant to our business and that we recognize as important.

- Sustainable Product

Products and services that are expected to solve social issues and contribute to a sustainable society that meet any of the following conditions are certified as Sustainable Products.

- Strategic products and services recognized by a third party as contributing to a sustainable society through awards, etc.
- Strategic products and services that contribute to a sustainable society by solving social issues through development and marketing

- Sustainable Product Gold

Sustainable products and services certified by our company and recognized as contributing to sustainable development to a certain degree (products and services that meet any of the following conditions) are recognized as Sustainable Products Gold.

Greenhouse Gases

- Industry's first technology that contributes to the reducing greenhouse gas emissions
- Industry's leading energy-saving performance
- Products and services that reduced greenhouse gas emissions by 30% or more compared to our conventional products
- Products and services that reduced greenhouse gas emissions by 30% or more due to the effect of replacing existing products and services

*Other criteria will be added in a timely manner.

▼ For more information on the Sustainable Product System and the list of certified products, please visit our website.

Sustainable Product System
<https://www.fujitsu-general.com/jp/csr/sustainable-products-certification.html>



List of products accredited as Sustainable Products
<https://www.fujitsu-general.com/jp/csr/sustainable-products/index.html>



Sustainable



Product

Sustainable Product Mark

Sustainable Product



Sustainable Product Gold Mark



Care for employees (Our People)

See pp. 51–68

Promoting Health and Productivity Management 2.0 to create a workplace with enhanced productivity and motivation

In order to create a workplace where employees can stay healthy and energetic, and enhance their productivity and motivation, we will strive to strengthen our existing health management initiatives. We are promoting initiatives that contribute to the improvement of employee health, including the strengthening of our industrial medical system and the implementation of health promotion events.

In the future, we will not only work to ensure the health of our employees, but also pursue well-being by providing support to families who support the health of our employees, and to companies and organizations that aim to introduce the Health Management system.

Our Approaches to CSR



- Topics
- CSR Policy
- CSR Activity Policy
- Organization Structure to Promote CSR
- Materiality
- Key CSR Themes
- Supplier Relations
- Stakeholder Engagement
- External Recognition and Participating Initiatives

Topics

Topic 1

Addressing Human Rights Issues Respect for Human Rights in All Corporate Activities

Policy

The FUJITSU GENERAL Way, which represents the common values of the Fujitsu General Group, states "We respect human rights" at the opening line of the Code of Conduct. This statement clearly shows the company's position that "its activities will be based on respect for human rights, that diversity is to be embraced, and that 'no one shall be discriminated against on the basis of race, religion, disability, gender or sexual orientation, nor shall harassment' be tolerated. We strive to ensure that all employees of the Group demonstrate this spirit in action".

In addition to respecting human rights by defining the Human Rights Policy, we ask our supply chain to operate in accordance with our CSR procurement policy and guidelines, and to eliminate forced labor and child labor.

Action

The Fujitsu General Group strives to raise awareness of human rights among employees through regular human rights educational activities. As an opportunity for human rights education, we provide employees with e-learning on the prevention of harassment during Human Rights Week every year. In addition, human rights enlightenment is promoted through human rights education for newly appointed managers and new employees.

Training is also conducted at overseas plants to raise awareness of human rights. In FY2020, Fujitsu General (Shanghai) Co., Ltd. (a production company in China) conducted workplace harassment training by lawyers for local managers.

Next Approach

Full-scale implementation of due diligence on human rights will start in FY2021. We will identify negative impacts on human rights and work to prevent or mitigate such impacts. In addition, the frequency of due diligence on human rights will be set at about once every three years for each site, and we plan to conduct due diligence on human rights for the entire Group over three years.

Human Rights Policy

The FUJITSU GENERAL Way, which represents the common values of the Fujitsu General Group, states "We respect human rights" in the opening line of the Code of Conduct. This statement clearly sets out the company's position that its activities will be based on respect for human rights, that diversity is to be embraced, and that no one shall be discriminated against on the basis of race, religion, disability, gender or sexual orientation, nor shall harassment be tolerated.

We strive to ensure that all employees of the Group demonstrate this spirit in action. We believe that it is important to properly recognize human rights issues to cultivate a spirit of respect and a sense of the true meaning of human rights, and to act in a way that does not tolerate discrimination or other human rights violations. It is the fundamental principle of our group that each employee of the Group should be conscious of the need to protect human rights and act accordingly.

In addition, the Group supports and respects international norms related to human rights, including the United Nations International Bill of Rights, the Guiding Principles on Business and Human Rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and will continue to promote its human rights-oriented management.

Application of Our Human Rights Policy

It is incumbent upon all executives and employees of the Group to adhere to this policy. Furthermore, we will encourage all business partners connected to the Group's products and services to both respect as well as not to violate human rights.

Our Commitment as Expressed in the Human Rights Policy

- We support and respect international norms on human rights, including "the United Nations' International Bill of Rights", "the Guiding Principles on Business and Human Rights", and "the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work".
- In order to exercise due diligence in the area of protecting human rights, we will establish the process and means to identify and prevent or mitigate any potential violation of human rights.
- If we are found to have caused or been involved in a possible violation of human rights, we will work to redress the matter through appropriate procedures.
- We will provide education and training to our executives and employees to ensure that this policy is implemented throughout all of our business activities.
- We will communicate and consult with relevant external stakeholders on how to respond to potential and actual violations of human rights.
- We will be transparent with regard to our efforts to protect human rights, using our website and other platforms to keep the public informed.

Established: October 4, 2019
Fujitsu General Limited
President & Representative Director
Etsuro Saito

Fujitsu General Group Human Rights Policy

See P.89

Topic 2

Education for Next Generation Passing on Joy of Manufacturing to Next Generation

See P.48

Policy

The Fujitsu General Group wishes to convey the excitement of product creation and manufacturing to children who will lead the next generation, and by nurture of human resources who will be involved in manufacturing in the future.

Action

Our Kawasaki Headquarters accepts children from nearby elementary schools for social studies field trips and conducts lecture-on-demand programs as an opportunity for them to learn about the joy of manufacturing.

In addition, with the pandemic of COVID-19 in FY2020, the use of public transportation and buses has been banned at nearby elementary schools, making it impossible to conduct the planned factory tours, etc. In order to provide children with opportunities to learn as much as possible, we accepted new field trips in addition to the existing trips and lectures on demand.

Measures were taken to prevent infection (wearing masks, deploying disinfectant solution, disinfecting chairs and desks, etc.) in accepting students.

Career education for sixth grade elementary school children: "Look into Yourself, See the Future"

In February 2021, Fujitsu General employees visited nearby elementary schools to give lectures to sixth graders as part of their career education to think about work.

On the day, the lecture focused on stories behind the development of the industry's first heat-exchanger heating sterilization function and the TV commercial production of Fujitsu General. We received comments from the children such as, "It looks like hard work, but gives a lot of joy," and "I look forward to seeing the commercials back home."

Next Approach

In addition to teaching the children as next-generation leaders about the joy of manufacturing through field trips and lectures on demand, we will also dispatch employees from various departments and age groups to help our employees rediscover the joy of manufacturing and promote understanding of social contribution through our core business.



▲ Career education



■ Harassment training at Fujitsu General (Shanghai) Co., Ltd. (a production company in China)

Please visit our website for more information.
Human Rights Policy
<https://www.fujitsu-general.com/jp/csr/human-rights-policy.html>



CSR Policy

In the spirit of Our Mission –Living together for our future–, the Fujitsu General Group has positioned the Sustainable Management Basic Policy as a superordinate concept and established the "CSR Policy" as guidance for employees on which to base their decisions in promoting CSR activities. Through our business, we will meet the expectations of all stakeholders, respect all human rights, contribute to a sustainable society, and achieve sustainable growth for the Group.

CSR Policy

In the belief that the Fujitsu General Group can realize its Corporate Philosophy by promoting CSR activities, we have established the "CSR Policy."

Our Group's mission "our existence" is to use innovation and technology to address social issues and deliver a brighter future to customers and societies around the world.

To resolve social issues, we will continue to embrace new challenges through our spirit of "continuous creativity with a spontaneous attitude." that has spread since the founding of the Fujitsu General Group. This approach is driven by employees who are not afraid to take on challenges that others may not acknowledge. That is why we "Develop our Team" considering our employees to be one of the most important stakeholder. To build a solid foundation of the company, employees uphold a high standard of ethics and carry out corporate activities with the "emphasis on integrity."

- Fujitsu General Group CSR Policy
 - **"Act spontaneously" to address social issues**
We use ingenuity and foresight to develop and deliver market-leading products and services, help resolve issues facing people and society, and preserve the environment.
 - **"Maximize potential based on respect" for human rights**
We play our role in helping achieve a sustainable society by respecting human rights, embracing diversity in people and cultures, and working and communicating with our stakeholders.
 - **"Value integrity" and follow the right way**
We uphold a high standard of ethics and conduct business activities in good faith by adhering to laws and regulations, following fair business practices, and disclosing company information in a timely and appropriate manner.

CSR Activity Policy

Fujitsu General Group Policy on CSR Activities

The Fujitsu General Group undertakes CSR activities based on the seven core subjects defined in the ISO 26000 guidance on organizational social responsibility: organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development. We have established a policy on CSR activities under these seven core subjects.

- **Organizational governance**

We achieve greater management efficiency by becoming more agile in our decision-making. We enhance our business-continuity capabilities by achieving greater transparency in our decision-making processes and enhancing internal controls, including physical on-site audits, over our business operations.

- **Human Rights**

We ensure that "all our employees respect human rights, 'no one shall be discriminated against on the basis of race, religion, disability, gender or sexual orientation, nor shall harassment' be tolerated," and that we demonstrate this spirit in action.

- **Labor practices**

The Group is committed to its employees, who are the foundation of the company, and has set "management that maximizes their potential" as the cornerstone of its business operations. We create a workplace that promotes employee wellness and in which diverse employees can thrive and succeed in a flexible manner, and we develop employees to take on challenges spontaneously.

- **Environment**

The Fujitsu General Group recognizes that protecting the global environment is one of the most important management objectives. We continue to contribute to the sustainable development of society by helping create a safe, comfortable society and delivering a prosperous and bright future to people around the world. In addition, while observing all environmental regulations in our business operations, we are actively pursuing environmental protection activities on our own initiative. Through our individual and collective actions, we will strive to safeguard a rich natural environment for future generations.

- **Fair operating practices**

We consider the management of our global supply chain part of our CSR activities. As part of our efforts to fulfill social expectations and achieve Our Mission—Living together for our future—we work with our suppliers to minimize the impact of our business operations on the environment and society.

- **Consumer issues**

We deliver products and services that constantly offer new social value to customers to meet their diverse needs in markets around the world and to increase the level of their satisfaction.

- **Community engagement and development**

We make it our top priority in community involvement to provide educational assistance for children and carry out community outreach programs. We enlighten children, who are the leaders of tomorrow, on exciting aspects of product development and manufacturing in the hope that some of them will grow up wanting to be in manufacturing. In addition, we hold public events for local residents to play a role in community development.



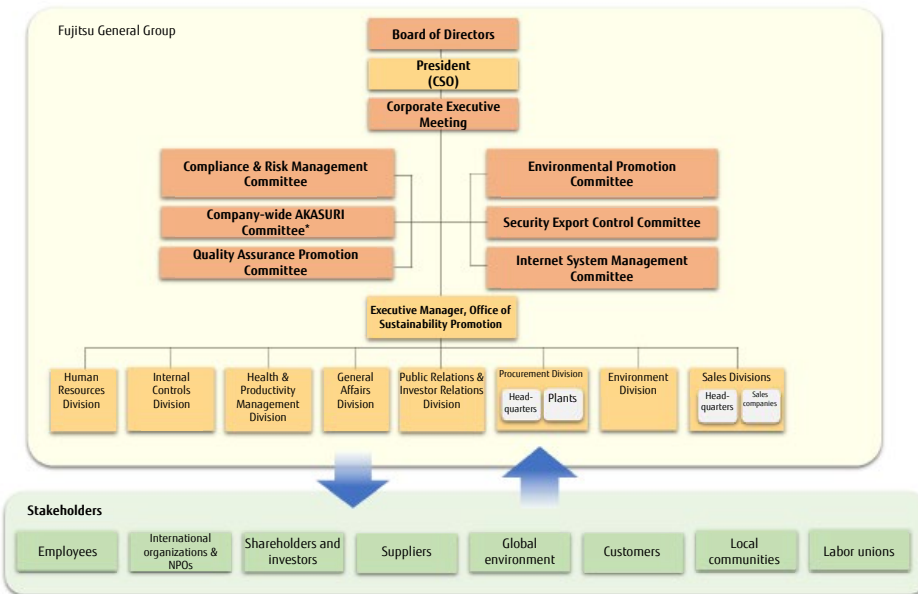
Organization Structure to Promote CSR

Organization Structure to Promote CSR

In Fujitsu General Group, our President is appointed as Chief Sustainability Officer (CSO) and the Office of Sustainability Promotion is involved in promoting CSR activities across the entire company.

The Office of Sustainability Promotion consists of not only personnel dedicated to CSR but also general managers of procurement, public relations, general affairs and human resources divisions as Office members, and the requests from each stakeholder and the results of activities are grasped and reflected in planning.

Under this management system, we are working to contribute to the resolution of social issues and to achieve sustainable growth for the company.



* Company-wide activities to build a foundation that helps reduce environmental impact and increase profitability.

Materiality

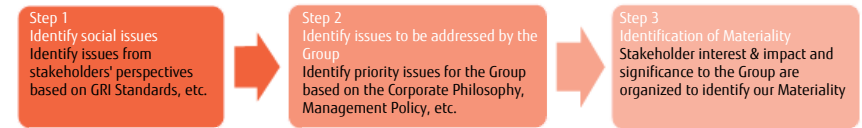
Identification of Materiality

The Fujitsu General Group identifies Materiality to promote Sustainable Management in its business operations.

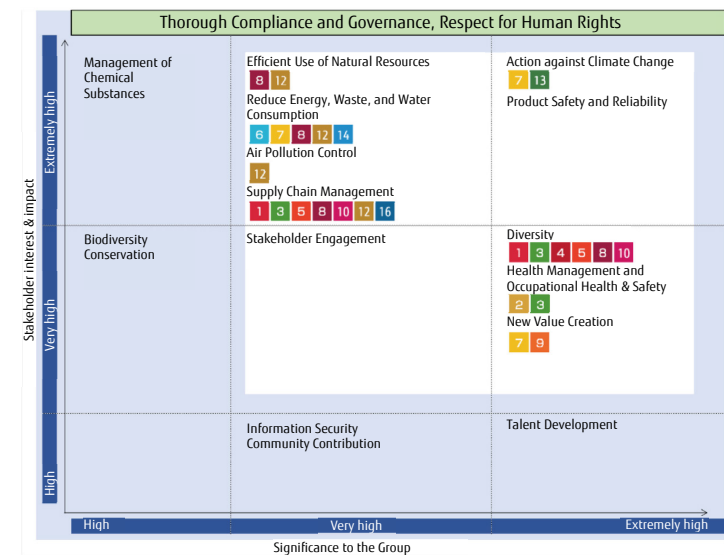
In identifying Materiality, we use international guidelines, such as the Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI) Standards, as well as reports published by independent research institutions. We use them in light of the Group's Corporate Philosophy and management policy to select issues for the Group to address.

The extracted issues are classified and organized into two categories: "Stakeholder interest & impact" and "Significance to the Group," and the more important issues are designated as the Key CSR Themes.

Materiality identification process



Materiality matrix*



* The numbers placed under each item correspond to the SDG number our Company addresses through its CSR activities.

Key CSR Themes

Key CSR Themes

The Fujitsu General Group identifies Materiality (key issues) and promotes activities on high-priority issues as the Key CSR Themes. We aim to play our part in helping achieve SDGs by implementing these Key CSR Themes.

List of key CSR themes

Classification		Key Initiatives	
Harmonious Coexistence with Our Planet	Action against Climate Change, Reduce Energy	Reduce CO ₂ emissions from products during their use	
		Reduce CO ₂ emissions across business activities	
	Efficient Use of Natural Resources	Promoting Resource-saving Design	
	Air Pollution Control	Reduce material waste from production	
Reduce Water Usage and Waste	Reduce air pollutant emissions		
	Reduce water usage		
	Reduce waste disposal		
Social Contribution	Customer Relations	New Value Creation	
		Conduct research and development projects that address social issues	
	Delivering Products that Meet Customers' Expectations	Offer products that address social issues	
		Improve the quality of products and services	
	Improve Customer Communication	Initiatives to boost overall quality of the call center operation	
		Community Relations	Coexistence with the Local Communities
Supplier Relations	Approach to Our Suppliers		
Investor Relations	Promotion of CSR procurement		
Care for Employees	Dialogues with Shareholders and Investors		Dialogues with shareholders and investors
	Share company information with shareholders and investors		
	Develop Employees to Take on Challenges on Their own Initiative		Introduce a system that encourages employees to take on challenges spontaneously
Creating a Workplace that Promotes Healthy Lifestyles Among Employees to Achieve the "Good Life"	Train employees		
	Promoting mental health		
	Measures to prevent lifestyle-related illness		
Creating a Workplace in which Diverse Employees Can Thrive and Succeed in a Flexible Manner	Reducing second-hand smoke exposure and encouraging smokers to quit		
	Help employees maintain a balanced diet		
	Raise awareness of women's health among all employees		
Governance Agendas	Help employees continue to work while receiving medical treatment		
	Promote diversity & inclusion in the workplace		
	Help employees to maintain a good work-life balance		
Respect for Human Rights	Dialogues with the labor union		
	Promote human rights awareness		
Adherence to Compliance and Governance Guidelines	Action against human rights violations		
	Provide compliance training to employees		

Management Indicator (KPI)	SDGs*	Reference
Greenhouse gas emissions	7 13	pp.71,78-79
Greenhouse gas emissions		
-	8 12	pp.80-81
Waste loss ratio to purchase volume		
-	12	
Water use reduction rate	6 7 8 12 14	P.82
Reduction rate of total waste generated		
-	7 9	pp.33,35-38
-		pp.39-41
-	8 11	pp.46-50
Number of local audit firms	1 3 5 8 10 12 16	pp.27-28
-		P.45
-	4	pp.53-58
-	2 3	pp.59-61
Number of newly promoted female managers and leaders	1 3 4 5 8 10	pp.63-68
Percentage and number of days of childcare leave taken by full-time male employees		
-	1 5 8	pp.19,89-90
Number of cases of due diligence on human rights conducted		
-	8 16	pp. 91-96

* The numbers in this column correspond to the SDG number our Company addresses through its CSR activities

Supplier Relations

Topic 3

★ Key Initiatives

Supply Chain Management Promotion of CSR Procurement

Policy

The Fujitsu General Group feels it must manage its entire global supply chain, both in Japan and throughout the world, in line with fulfilling its overall social responsibilities. By closely working together with our suppliers and business partners, we can minimize the negative impact on the environment and meet the expectations of society, thus actualizing a tenet of Our Mission—Living together for our future—.

Action

On-site supplier survey

The Fujitsu General Group conducts surveys and checks the status of compliance with the CSR Procurement Guidelines for suppliers.

Before undertaking an actual survey, we request our business partners to complete a questionnaire (self-audit). During the field survey, we measure the degree of compliance with our CSR guidelines against the parameters of human rights, health and safety levels, and the level of measures which have been taken to protect the environment.

In FY2020, due to the pandemic of COVID-19, we were unable to conduct CSR audits and other on-site surveys, but we did conduct self-checks using the self-assessment questionnaire for seven companies in Japan, four in China, and five in Thailand. In the survey conducted in FY2020, no CSR issues were found among our suppliers.

CSR Procurement Guidelines Check List

Nine items (41 subitems) are checked.

Check Items

- Management system
- Human rights
- Labor
- Occupational safety & health
- Environment
- Fair corporate activities
- Quality and safety
- Information security
- Coexistence with local communities

Check Results (conceptual image)



Next Approach

In order to strengthen CSR procurement, we will explain to new suppliers the importance of adhering to the CSR Procurement Guidelines, and will continue to confirm compliance with the CSR Procurement Guidelines by conducting CSR on-site surveys through direct visits to suppliers' plants.

Approach to our Suppliers

Key Initiatives

Sharing the CSR Procurement Policy

In procuring products, materials and raw materials, Fujitsu General Group has formulated the CSR Procurement Policy and Guidelines with the aim of fulfilling social responsibility in the entire supply chain. It will do this by adding required items in light of the progress in measures taken for the environment, labor environment, human rights, etc. to the existing items such as quality, performance, price and delivery.

We share our CSR Procurement Policies and Guidelines with our suppliers and ask them to practice them within their companies.

CSR Procurement Policy

1. Coexistence and co-prosperity with our suppliers
2. Fair and impartial evaluation and selection of suppliers
3. Promotion of CSR-conscious procurement activities

Key CSR activities to be requested from suppliers

1. Labor initiatives (freedom of employment, humane treatment, elimination of discrimination, etc.)
2. Health and safety initiatives (e.g., occupational safety, sanitation facilities)
3. Environmental initiatives (e.g., pollution prevention and resource reduction, water management, reduction of energy consumption and greenhouse gas emissions)
4. Ethical initiatives (e.g., responsible mineral sourcing, information disclosure)
5. Management systems (management accountability, risk assessment and management, auditing and evaluation, etc.)

Measures for Conflict Minerals

The Fujitsu General Group, in cooperation with its business partners, promotes responsible procurement to prevent the sourcing of conflict minerals connected with the use of forced labor, human rights violations, and civil unrest/war.

Basic Policy on Responsible Mineral Procurement

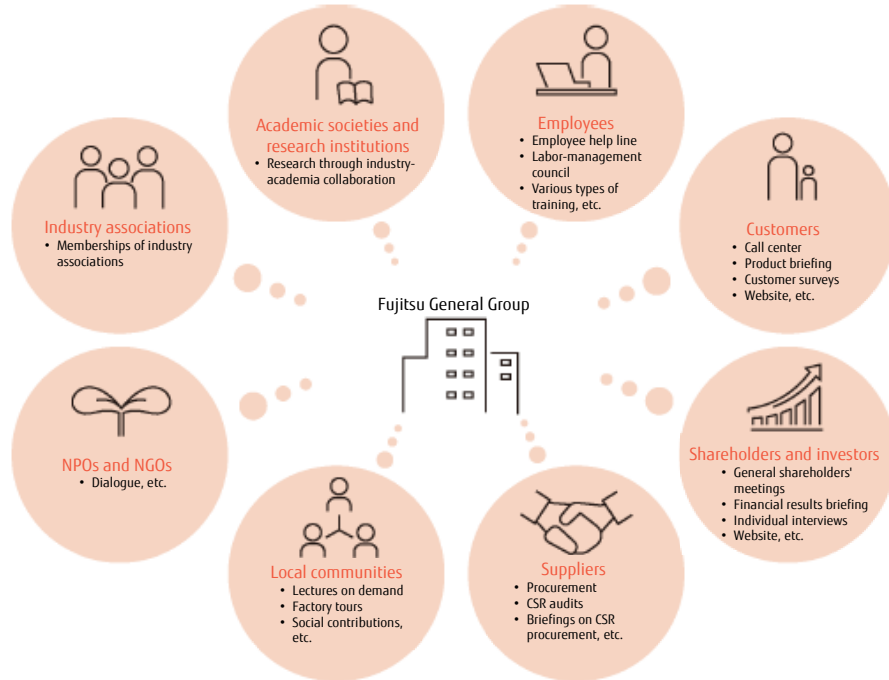
It is the policy of the Fujitsu General Group to exclude from its products, parts and supply chain those minerals with a high risk of contributing to conflict or being associated with forced labor or human rights violation.

Please visit our website for more information.
Key points of the CSR Procurement Guidelines
<https://www.fujitsu-general.com/jp/csr/fair/guideline.html>



Stakeholder Engagement

The Fujitsu General Group, true to the FUJITSU GENERAL Way, Our Mission and Our Philosophy, operates businesses to meet the expectations of its diverse stakeholders, including employees shareholders, investors and suppliers, and contribute to society.



Dialogues with shareholders and investors

In Our Philosophy, which is part of the Group's Corporate Philosophy, we define "collaborative effort focused on communication" and "integrity" as a means to achieve Our Mission.

We maintain a constructive dialogue with our shareholders and investors as often as we can, and disclose company information in a timely and appropriate manner that serves as a basis for such dialogue.

Dialogues with government agencies, local businesses, and community-based organizations (example of initiatives in Takatsu-Ko, Kawasaki City, Kanagawa Prefecture, where the headquarters is located)

We have been participating since FY2014 in the Eco City Takatsu Project, organized by Takatsu Ward of Kawasaki City, and have been working with the Ward Office and local businesses as well as citizen groups to exchange ideas on how to achieve the sustainable development of the city over the next 100 years.

External Recognition and Participating Initiatives

External Recognition

- Accredited "Certified Health and Productivity Management Outstanding Organization 2021: White 500"
- Selected as a brand for "S&P/JPX Carbon Efficient Index"
- Rated 3-star Nikkei Smart Work Management Survey
- Received "Japan's Personnel Department HR Award"
- Rated 3.5-stars in the "Second Nikkei SDGs Management Survey"
- Received "Gan-Ally-Bu Award 2020 (Gold)"
- Accredited "Sports Yell Company 2021" by Kanagawa Prefecture
- Acquired Next-Generation Certification Mark "Kurumin"
- Registered as "Business promoting CHO Initiative"

Participating Initiatives

- Japan Climate Initiative (JCI)
- United Nations Global Compact (UNGC)
- Task Force on Climate-related Financial Disclosures (TCFD)

○ Keidanren Biodiversity Declaration Initiative

Social Contribution



- Customer Relations
 - New Value Creation
 - Delivering Products that Meet Customer Expectations
 - Improving Customer Communication
- Partnership
- Investor Relations
- Community Relations

Customer Relations

New Value Creation

Topic
1

★ Key Initiatives

Research & Development that Address Social Issues

Promotion of New Business Creation Activities

See P.35

Policy

The Fujitsu General Group, since it began its role as a manufacturer, has always grown through technological progress and innovation, being the first in the industry to introduce leading-edge products to the global market. With an eye on the next 10 to 20 years, we are working to create new value through innovation and technology to realize a society where future generations can live with joy and hope.

Action

Promotion of the Future of Innovation Challenge (FIC) activities

In FY2020, the Fujitsu General Group launched the Future of Innovation Challenge (FIC) initiative to create new value with the aim of realizing a society where children can live with joy and hope. In order to gather ideas from a broader range of perspectives, all employees of the Group are invited to participate in the FIC, a new business creation activity that solicits ideas from individuals to start and scale up businesses that solve social issues. FIC solicits ideas internally and selects the best ones through multiple rounds of screening. The presentation pitch (second round) was held on December 23, 2020 at the Center Court on the fifth floor of the ICC building*, after which the ideas that passed the final selection moved on to the phase where they will be considered for concrete commercialization.

Promotion of Being Innovative Group (BIG)

In 2016, we launched the Being Innovative Group (BIG) organization dedicated to embodying the idea of "creating and delivering new value to the world," working on innovation through small-group activities. The wearable air conditioner "Comodo gear™," created as a result of BIG activities, has been available since June 2020.

Next Approach

We will accelerate creation and commercialization of innovation via FIC and BIG to create products that contribute to solving social issues.

FIC Second round of selection



* Abbreviation of Innovation & Communication Center

Topic
2

★ Key Initiatives

Offer Products that Address Social Issues

Improving Energy Efficiency of Air Conditioners

See P.78

Policy

Fujitsu General Group is working on the development of air conditioners with excellent energy-saving performance as a measure against climate change in order to realize a sustainable society where customers, society and children can live with peace of mind.

Action

HM Series "nocria" wins the FY2020 Energy Conservation Grand Prize

Fujitsu General's HM series of unidirectional ceiling-mounted cassette type ("One-way Ceiling Cassette") air conditioners for home use "nocria" ("HM Series") won the "Chairman's Award of the Energy Conservation Center, Japan" in the product and business model category of the FY2020 Energy Conservation Grand Prize sponsored by the Energy Conservation Center, Japan.

The Energy Conservation Grand Prize aims to help raise awareness of energy conservation, spread activities and initiatives, and promote energy-saving products.

Features of the HM Series

Taking advantage of the industry's first^{*1} three independent air outlets, the multi-flow technology that can control the airflow direction of the left and right air outlets individually enables comfortable and highly efficient operation in line with the location of installation. In addition, a new conceptual internal structure significantly reduces airflow loss, achieving No.1 energy saving^{*2}. Furthermore, our original "heat exchanger with heating sterilization" function is installed to keep the inside of the indoor unit clean.



Next Approach

Fujitsu General Group will continue working to develop air conditioners with improved energy efficiency and contribute to the reduction of greenhouse gas emissions by promoting product development from new perspectives such as the development of products powered by natural energy and exhaust heat.

*1 For One-way Ceiling Cassette air conditioners in Japan. Launched on January 31, 2020. According to our research.
*2 AU-HM 560 K2. For 5.6 kW-class One-way Ceiling Cassette air conditioners in Japan. As of December 15, 2020. Periodic energy consumption of 2,077 kWh. Based on JIS C 9612: 2013.

Customer Relations

New Value Creation (continued)

Basic Approach

The Fujitsu General Group's business concentrates on the Air Conditioners, Information & Communication System, and Electronic Devices sectors, and has made great progress. And, we will continue to promote sustainable management with an eye to the future, 10 years, 20 years, and beyond, without pursuing only short-term results, and aim to become a corporate group that contributes to the realization of a comfortable, safe, and secure society through the creation of new value.

Key Initiatives

Offer products that address social issues

Air conditioners



- Conversion to renewable energy (hot water central heating ATW - air to water)

In Europe, room heating is based on radiator and floor heating which runs off of a central hot water supply, with approximately 80% of the domestic energy consumption represented by room and water heating.

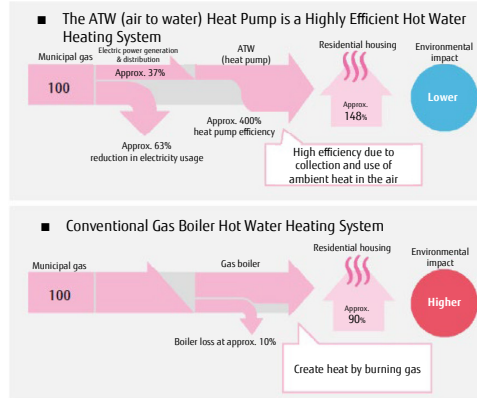
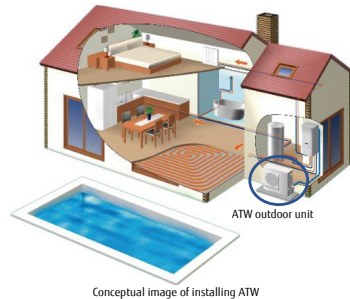
In recent years, with the support of the French government in refunding the cost of equipment and installation, there has been a shift from combustion heating equipment using fossil fuels (oil, coal, etc.) to high-efficiency heating equipment [ATW (heat pump type² hot water heating system)] that does not emit CO₂ during heating and is environmentally friendly and energy efficient in order to counter climate change³.

The Fujitsu General Group's ATW uses heat pump technology, which results in zero CO₂ emissions during operation, and is also a safe, comfortable, and efficient hot water system.

In 2009, we began joint development with a local French manufacturer (ATLANTIC Group) of the high-efficiency heat pump ATW "

WATERSTAGE" based on DC inverter technology for air

conditioners. The aim is to expand our product lineup, based on the expectation that demand for ATW will grow significantly in the heating market as the shift from combustion heating equipment using fossil fuels continues.



*1 The numbers next to the title correspond to the SDG numbers to which we believe our activities can contribute.
 *2 Heat pump technology effectively utilizes the renewable energy of air heat derived from solar energy by collecting the ambient heat in the air and supplying it indoors, and it is expected to become more and more popular in the future.
 *3 In Europe, heat pump technology is already approved as a renewable energy⁴ to facilitate room and hot water heating.
 *4 The advantage of renewable energy is that even if it is used once, it is regenerated in a short time, so that it can be used again and again to achieve an energy reduction.

- Introducing air conditioners with excellent energy-saving properties to the world—using refrigerants with minimal contribution to global warming

We have developed an inverter air conditioner with a high energy-saving performance, and introduced it to the world.

We are keen on promoting the development and popularization of products that use refrigerants with ability to reduce GWP (Global Warming Potential) and achieve zero ODP (Ozone Depletion Potential). As part of the product development process, we not only focus on the greenhouse emissions released by the product itself, but also work to reduce greenhouse gas emissions associated with all aspects of production, from raw materials to final disposal of the unit.



"nocria" X

- Promoting the efficient use of resources (air conditioner)

Through the deployment of a design which saves and efficiently utilizes precious resources, we will contribute to a sustainable society. Multi (multi-unit) air conditioners for stores and offices in Europe

"AIRSTAGE" J-III L series has realized a compact outdoor unit by changing the heat exhaust port of the outdoor unit and optimizing the component parts (compared with the conventional model, reduction in depth of 285 mm, installation space 45%, product weight 58 kg). The structure and capacity of the outdoor unit's heat exchanger were also reviewed with the result being an approximate 18% reduction in refrigerant as compared with conventional models.



"AIRSTAGE" J-III L



Wearable air conditioner

- Developing product that helps combat the extreme heat caused by global warming: "CÓmodo gear"

The extreme heat caused by global warming is a social issue without political boundaries. Our new product "CÓmodo gear" is a wearable air conditioner that efficiently cools the body and was rolled out to Japanese customers in June 2020.

"CÓmodo gear" is effective even on extremely hot days when the temperature exceeds 35°C. It functions by cooling the blood which flows through the wearer's carotid artery. It can be used by simply attaching it to the neck (cooling part) and the waist (radiator and battery), and can be expected to prevent a decrease in work efficiency even in high temperature.

In the future, we will continue to work on adding new features in order to make "CÓmodo gear" even better, both in terms of comfort and performance.



2021 Model CÓmodo gear™ i2

* Cooling performance may depend on environmental conditions

Customer Relations

New Value Creation (continued)

Information & Communication System



Our fire response system supports activities to protect the lives and property of residents by providing and managing information comprehensively to ensure the right decision is reached in the minimum amount of time. Furthermore, our disaster response system enables reliable digital transmission of critical information. This system is operated in municipalities around the country as part of advanced disaster response systems. Keeping in mind the large-scale natural disasters that have frequently occurred in recent years, we will continue to contribute to the creation of a safe and secure future through further strengthening the maintenance services critical to the stable operation of these systems.



High-Performance Firefighting Command Center

Fujitsu General OS Technology Limited



- Managing the shortage in human resources against the need to achieve a work-life balance
Fujitsu General OS Technology is working to help solve the current shortage of human resources in Japan while taking into account the need for achieving a work-life balance in the food service industry.

- Take-out solution**

- e-Order*: Self-order solution for the food service industry
 - Helps solve the labor shortage problem while improving customer satisfaction
 - Increases sales by making additional orders more manageable
 - Pre-orders available for smooth take-out operations
 - Supports international customers with multiple language options



Conceptual image of e-ORDER

We have been providing our e-Order service free of charge to companies and businesses that have been greatly impacted by the pandemic of COVID-19. This solution helps to promote business continuity and provide improved service by increasing the possibility of receiving orders for the food and beverage industry.

* Advance order/payment services for restaurants that offer take-out service.

- "Business Support BPO"¹⁾ Service**

After streamlining and standardizing non-core operations (that do not produce profits directly) throughout the customer's business, we create a standard manual which allows our staff to carry out these operations on behalf of the customer. As a result, the customer becomes able to shift their in-house resources to focus on corporate growth or core business while outsourcing non-core activities.



Case Study: Providing Support to Non-core Activities (Food Service Business)

We provide an outsourced solution for the information system department of a food service company. The scope of work included managing the master data registration process, responding to system-related inquiries from the field staff, and providing recovery support in the event of equipment failure. As a result of our taking over these non-core activities, the customer's personnel, who were previously responsible for these functions, have become able to focus on corporate IT direction and BPR²⁾ activities.

Conduct research and development projects that address social issues (industry-academia collaboration)

Fujitsu General Laboratories Limited



- Creation of indoor environment for health maintenance and promotion (Participation in OPERA Project)

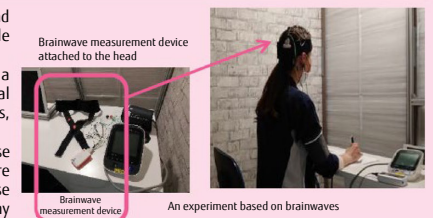
The OPERA Project is the outcome of an industry-academia collaboration policy aimed at full-scale Open Innovation, led by the Japan Science and Technology Agency. Fujitsu General Group participates in a project led by the Center for Preventive Medical Sciences, Chiba University, and works on WACo (Well Active Community: creation of healthy and active community) based on "Primordial Prevention"³⁾ with related researchers and companies.

Example: Quantifying "comfort" using brainwaves

"The comfort" that people feel has both psychological and physiological aspects, which do not necessarily coincide with each other.

For example, if a person feels comfortable at a psychological level but uncomfortable at a physiological level, it will affect their physical condition such as stress, biological rhythms, and sleep.

In order to clarify the impact of discrepancy between these two aspects on the physical condition, experiments are conducted to quantify "comfort" using brainwaves. These experiments aim to create indoor spaces that are healthy for both body and mind.



¹⁾ A service that uses the system to outsource the very work customers used to do.
²⁾ Abbreviation for Business Process Re-engineering Analyzing and optimizing the flow of corporate activities and operations.
³⁾ A new concept advocated by the World Health Organization that refers to a living space/community that makes people healthy and active without conscious effort.

Customer Relations

Delivering Products that Meet Customer Expectations

Topic 3

★ Key Initiatives

Meet Customer Expectations Toward Reliable Manufacturing

Policy

Under Fujitsu General Group's Corporate Philosophy, "—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." we aim to contribute to the realization of a comfortable, safe and secure society by providing new value to our customers and societies.

Action

Quality compliance education (Implementation of Engineer Ethics Education)



Fujitsu General Group has been conducting Engineer Ethics Education for engineers. In FY2019, we implemented the "Ethics for Engineers" for approximately 1,000 engineering executives, managers and general employees of the Fujitsu General Group including domestic and overseas bases, and in FY2020, expanded the scope of the education to 265 non-engineering employees of the Kawasaki Headquarters divisions via the web. The purpose of the program was to understand the causes of the problems of "quality data falsification" and "improper inspection" and to prevent problems from occurring in the Group. Through the case method of problem solving, the participants are encouraged to think about what actions they should take in their actual work, which is expected to lead to further improvement in quality compliance.

Next Approach

At the Fujitsu General Group, we will continue to develop these activities to meet the expectations of our customers and provide higher quality products.

▲ Ethics Education conducted with local engineers at Fujitsu General (Shanghai) Co., Ltd. (a production company in China)

Policy

The Fujitsu General Group-wide quality assurance policy

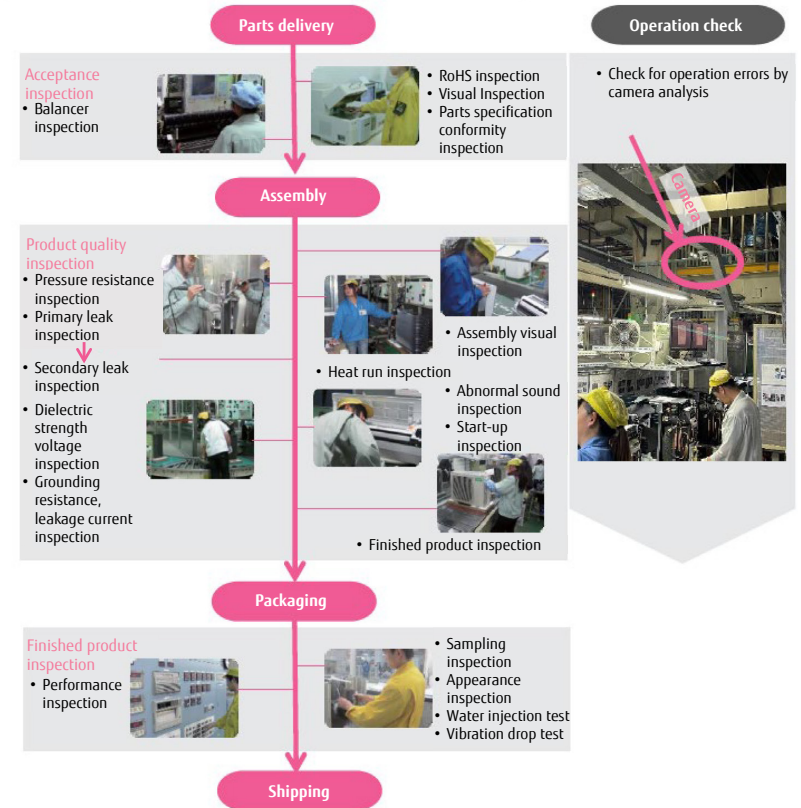
The Fujitsu General Group will continue to provide safe, high-quality products to ensure repeat purchase and increased customer loyalty.

1. We will always put quality first and foremost.
2. We will continue to produce products using advanced technology, which are both high quality and safe, to achieve customer satisfaction.
3. We will comply with all government laws and regulations.
4. We will proactively canvass our customers for feedback on product quality and safety issues. We will also undertake to promptly share any relevant information with our customer base.
5. We will continue to support both the global and local communities through ongoing quality improvement.

Key Initiatives

Thorough quality control system for providing high-quality products

In Fujitsu General Group, strict quality control is implemented in the manufacturing process to ship high-quality products.



Inspection in manufacturing process (conceptual image)

Customer Relations

Improving Customer Communication

Mini Topics

Launch of an environment in which operators can work from home by using Cloud Telephone Switchboard System

The "Cloud Telephone Switchboard System" was introduced with the aim of building a system that will not affect our response to customers even in unforeseeable events, and to promote a change in the working style of our operators. In May 2021, a virtual office environment was established in some workplaces to enable employees to respond to customers from home as if they were in the office. We will continue to conduct detailed tests to solve problems and increase the number of home-based operators so that services can continue to be provided even in the event of a pandemic or natural disaster.

Policy & Implementation

Customer information protection policy

The Fujitsu General Group is fully aware of its responsibility to protect sensitive data, including customers' personally identifiable information (personal information) such as their name, address, and e-mail address. We make every effort possible to properly manage and protect the data we hold, including personal information, and are strengthening our IT security protocols using the services provided by an in-house division which specializes in this field to prevent any security breach which could compromise our data security and allow unauthorized access.

■ Response to foreign regulations

Fujitsu General Group bases around the world have established an information management system that conforms to the personal information protection system in each region. Each base appropriately collects, uses and manages customer information.

Key Initiatives

Initiatives to boost overall quality of the call center operation

At our call center, various initiatives are being advanced to improve our telephone operators' skills, including how to handle the initial call, so as to ensure a smooth operation aimed at increasing customer satisfaction.

■ Call Center Concierge (C-C-C) competition

—Our goal is for every operator to act as if they were a concierge

Every month, we hold this competition at the call center. The winner is judged on the basis of the number of calls handled (both incoming and outgoing), the number of registered customer comments, the number of customer compliments received, and whether the Group's Corporate Philosophy was followed. Winners are decided on the basis of internal recommendations among colleagues.

Partnership

Topic 4

Building Partnerships

Promotion of Joint Development with Overseas Companies

Policy

At the Fujitsu General Group, we have set "Expansion of air conditioner business" as one of our key themes to achieve the Medium-Term Management Plan. We will create new innovations through partnerships with other companies, expand product lineups, and lead to business expansion.

Action

■ Joint development with Rheem, a U.S. manufacturer of air conditioners and water heaters

Fujitsu General and Rheem, a U.S. manufacturer of air conditioners and water heaters, began mutual OEM (Original Equipment Manufacturer) supply in 2017 based on a strategic partnership, and have been expanding and complementing the product lineups of both companies.

In August 2020, as the first step of the joint development, a multi-position type* whole-house air-conditioning system was developed, integrating the technologies of both companies, and launched in North America.

The U.S. air-conditioning market is dominated by duct-based, whole-house air-conditioning systems, but energy regulations are becoming stricter in response to climate change, especially those related to air conditioners. In recent years, ductless split air conditioners with individual air conditioning systems, which are superior in comfort and energy efficiency and in which Japanese manufacturers excel, have begun to be highly rated, and the market scale is expanding. In the home air-conditioning market in North America, demand for air conditioners using individual air-conditioning systems, which is one of our core products, has been growing at a high rate of approximately 16% per year for the past five years.

The model jointly developed this time is a hybrid product, in which we developed the outdoor unit and Rheem developed the indoor one. It is a compact, single-fan type that is very quiet, and it has a maximum cooling capacity of 4 tons (13.6 kW). It has also achieved the best in industry with a rating of SEER 17 for energy efficiency.

In addition, a newly developed control system has been introduced to enhance comfort by constantly blowing the appropriate amount of air into the room.

We aim to further expand sales in the North American market by adding to our product lineup, new products that combine the technologies of the two companies and excel in energy efficiency, quietness, and comfort.



Compact outdoor unit of single-fan type with horizontal blowing (left 2/2.5 tons, center 3/4 tons) and multi-position type indoor unit (right 3/4 tons)

* Indoor units that can be installed tailored to North American housing structures.

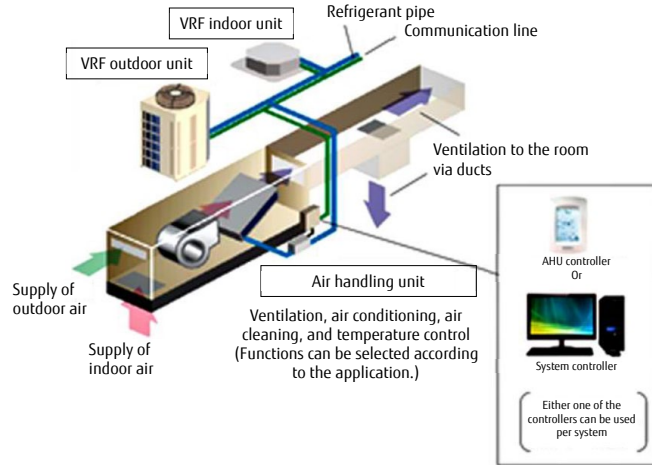


Partnership

Topic 4

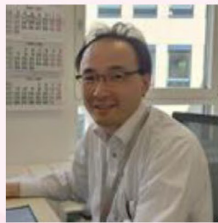
Building Partnerships (continued) Promotion of Joint Development with Overseas Companies

Joint development with G.I. Holding, an Italian HVAC^{*1} manufacturer
 In 2017, Fujitsu General reached a basic agreement on a comprehensive alliance with G.I. Holding, an Italian HVAC manufacturer, including joint development with the aim of expanding the commercial air conditioning business in Europe. In the European commercial air conditioning market, it is important to have not only the multi air conditioners for buildings that we already have in our lineup, but also a lineup of large air handling units (AHU^{*2}) and chillers^{*3} for the commercial market. Currently, our European R&D Center is playing a central role in the development of AHU's and compact inverter chillers. Combining our inverter-controlled heat pump technology with G.I. Holding's air conditioners makes it possible to connect G.I. Holding's AHU with our VRF outdoor unit as a heat source, resulting in a commercial air conditioning system with excellent energy efficiency.



Voice

FG (EURO) Europe R&D Center Director
Nobutaka Nakahen



As we proceeded with the joint development, we were often perplexed at first and had many honest discussions about, for example, differences in the way we thought about design and evaluation and the process for mass production. We learned much from G.I. Holding's different method of developing applied products for business use (products that are tailored to meet customer needs), while our company's design and development was based on "mass production design." To facilitate communication with G.I. Holding, materials and presentations were prepared in advance to ensure our intentions were communicated and understood. We will continue to develop products that meet market needs by mutually leveraging our strengths.

*1 Abbreviation of Heating, Ventilation, and Air Conditioning.
 *2 Air conditioners that use cold water, hot water, steam, etc. supplied from external heat source equipment.
 *3 Machines for air conditioning via water

Partnership with Overseas Distributors

Voice-1 Eurofred S.A. (Spain)

Eurofred S.A
 Strategic Corporate Director
Mr. Jaume Santacana Senpau



Fujitsu General air conditioners are highly reliable in the market and are also recognized for their excellent energy saving and quiet technology. Fujitsu General air conditioners are also recognized as a famous brand originating from Japan with excellent cost performance. In Spain, in particular, Fujitsu General brand air conditioners have been highly rated by consumers and experts and have become the most recognized products in the country as a result of our active sales activities for more than 20 years. As a company that promotes sustainability management, we are very positive about the fact that Fujitsu General's products are environmentally friendly. Furthermore, due to the global pandemic situation, clean air, free of viruses and bacteria, is becoming increasingly important. That is why we are looking forward to Fujitsu General's equipment incorporating air purification functions and future innovations in cleanliness and sanitization technologies. We expect Fujitsu General to continue commercializing competitive products in the future.

Klima-Therm Group's business goal is to become the most trusted HVAC distributor in the air conditioning systems industry in Poland and the Nordic countries of Sweden, Finland and Estonia. According to the BSRIA report^{*}, Fujitsu General products sold for the 2020 season achieved the fourth-largest share of the RAC/PAC market in Poland and Sweden, and the second-largest share of the VRF market in Poland. This success is the result of our sales strategy of building long-term partnerships with our customers, combined with the attractiveness of our products. To strengthen sales of Fujitsu General products in large properties, we have provided attractive sales support and marketing to consultants in the HVAC industry. Another important factor that has contributed significantly to the sales of Fujitsu General products is the strength of the Fujitsu General brand. Fujitsu General products are positioned as ones with advanced technology, an attractive design, and high performance. To further enhance this brand image, we are actively advertising on the Internet, social media, television, and radio. In June 2021, we established a new training center "Klima-Therm Academy" in our office in Finland. This training center will be our fifth training center for Fujitsu General products. We are now preparing ourselves to meet growing demand for renewable energy products. By 2040, home heating equipment in Poland should be shifting to decarbonized products, or products with lower CO₂ emissions. Therefore, we expect Fujitsu General to continue to develop environmentally friendly and highly competitive air conditioning products in the future.

Voice-2 Klima-Therm Group (Poland)

President of the Management Board of Klima-Therm Group
Mr. Daniel Jaskiewicz



* Regularly released reports on the global heat pump market

Shareholder & Investor Relations

The Fujitsu General Group considers it one of our most important management tasks to help shareholders and investors understand the Group's business through timely and appropriate information disclosure. In order to meet the expectations of our shareholders and investors, we will strive to disclose information and engage in dialogue that will help them deepen their understanding of our management policies and measures for future growth as well as ensure our business performance.

Dialogue with Shareholders and Investors

Basic Approach

In the Corporate Philosophy of Fujitsu General Group, "Collaborative effort focused on communication" and "Integrity" are set forth in "Our Philosophy" to realize "Our Mission" which we should aim for. We ensure that there are as many opportunities as possible for constructive dialogue with our shareholders and investors, and disclose information that serves as a basis for such dialogue in a timely and appropriate manner.

Key Initiatives

Dialogue with shareholders and investors

■ The Company's General Meeting of Shareholders

The Fujitsu General Group considers the Company's General Meeting of Shareholders to be a valuable opportunity for communicating with shareholders. As a rule, these meetings are held on days that allow us to avoid the shareholders' meetings of other companies as much as possible. A notice of convocation is sent out approximately 3 weeks prior to the date of the meeting. In addition, to enable shareholders to exercise their voting rights appropriately and smoothly, we support the exercise of voting rights via the Internet, participation in the electronic voting platform for institutional investors, and provision of the convocation notice (narrowly defined convocation notice and reference document for general meeting of shareholders) in English.

■ IR activities for analysts and institutional investors

The Fujitsu General Group strives to deepen investors' understanding of our business through timely and appropriate information disclosure. We hold briefings on financial results and medium-term management policies for analysts and institutional investors twice a year (in principle, in April and October), conduct individual interviews as appropriate, and also visit overseas investors as needed. We also hold a press conference when we announce our quarterly financial results so that the information can be conveyed through the media.

Key IR activities

	As needed	Per quarter	Per six months	Per year
Individual interviews and telephone interviews with domestic and international institutional investors	○			
Press conference after announcing financial results		○		
Financial results briefing for analysts and institutional investors (including briefing by the representative director)			○	
International financial roadshows by top management				*
Participation in IR conferences hosted by securities companies	○			

* In FY2020, due to the impact of the COVID-19 pandemic, we canceled our participation in international financial roadshows, and used teleconferencing tools instead to perform IR activities.

Please visit our website for more information.
IR Information (for shareholders and investors)
<https://www.fujitsu-general.com/global/ir/index.html>



Community Relations

Coexistence with Local Communities

Topic 5

★ Key Initiatives

Promoting Social Contribution Coexistence with Local Communities

America



Part of a video clip created and released by an American distributor for "World Autism Day"



Part of a video clip created and released by an American distributor for "Breast Cancer Awareness"

Asia



Volunteer participation in PCR testing in China

See P.50



Participation in afforestation activities in Thailand

See P.49



Participation in coastal clean-up activities in Thailand

See P.49



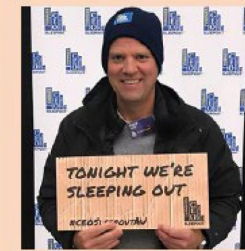
Participating in environmental protection walking activities in China

Oceania



Participation in the charity event in New Zealand

See P.50



Participation in sleep out in Australia*

* An activity event to support people who are homeless due to poverty. The CEOs of each company share their experiences of sleeping out in winter and raise funds for the cause.

Community Relations

Coexistence with Local Communities (continued)

Topic
5

★ Key Initiatives

Promoting Social Contribution Coexistence with Local Communities

Policy

The Fujitsu General Group considers the "Promotion of next-generation education" and "Promotion of community coexistence" to be key issues for community involvement. We wish to convey the excitement of product creation and manufacturing to children who will lead the next generation, and by nurture of human resources who will be involved in manufacturing in the future. In addition, by holding various events for local residents, we aim to play a role in the development of local communities.

Action

Promotion of Education for Next Generation

As a manufacturer, Fujitsu General Group conveys the joy of manufacturing and develops human resources who will lead the future of manufacturing.

The Kawasaki Headquarters accepts interview requests from high school students who are interested in the electrical and electronics industry to convey views on job and work, and provides them with an opportunity to think about how to live life and what to become in the future.

Promotion of Coexistence with Local Communities

Fujitsu General Group is promoting coexistence with local communities through exchanges. Our manufacturer in Thailand, Fujitsu General (Thailand) Co., Ltd. participates in tree-planting activities organized by the industrial park. The CEO of our distributor in Australia, Fujitsu General (Australia) Pty Ltd. participated in the event to support people who are homeless due to poverty, where the CEOs of local distributors slept out in winter and raised funds for the cause.

Welfare and Support

A sales representative of our manufacturer and distributor in China, Fujitsu General Central Air Conditioning (Wuxi) Co., Ltd. volunteered to work at the COVID-19 PCR testing site in the Jianling Community on Huaidi Subdistrict, Shijiazhuang City.

Since FY2020, our U.S. distributor, Fujitsu General America, Inc. has been supporting the cause of the Wounded Warrior Project (WWP), a support program for veterans who have suffered not only physical injuries but also psychological disorders such as PTSD.



Sponsored by our U.S. distributor
Wounded Warrior Project (WWP)

Next Approach

We will continue to expand the scope of our contributions to develop global human resources involved in manufacturing and promote coexistence with local communities.

See below for details.
Community engagement and development
<https://www.fujitsu-general.com/jp/csr/community/index.html>



Promotion of Education for Next Generation

Our Kawasaki Headquarters holds various events for children from nearby elementary schools to give them an opportunity to learn about the excitement of product creation and manufacturing.

Examples of Key Initiatives

■ School Field Trip "Exploring our Town" (Kawasaki Headquarters)

In January 2021, we conducted a school field trip for 2nd graders of the neighboring elementary school, which included introducing Fujitsu General's outdoor advertisement, observing the scenery from the Kawasaki Headquarters rooftop, visiting the *Jihatsu* (meaning spontaneous) Hall* where they could learn about our company's history, and going on a tour of air conditioners sold around the world in the showroom. We received opinions from children such as "I want to come back for another tour" and "It was fun to see air conditioners sold overseas."

■ Career education "Look into Yourself, See the Future" (Kawasaki Headquarters)

In February 2021, Fujitsu General Group employees visited the neighboring elementary school to give lectures to 6th graders as part of their career education to think about work.

On the day, the lecture focused on the stories behind the development of the industry's first "heating sterilization of heat exchanger" function and the "TV commercial production" of our Company.

We received comments from the children such as, "It looks like hard work, but gives a lot of joy," and "I look forward to seeing the commercials back home."



Career education in elementary school classroom



Exchange with neighboring elementary school

We are deepening exchange with the elementary school located directly across the street from Fujitsu General Kawasaki Headquarters by placing messages such as "Congratulations on your graduation" and "Good luck with your work" on the window panes.



(Top) Message from our company to the neighboring elementary school
(Bottom) Message from the elementary school to our company

* The hall, which opened on February 1, 2018 at Kawasaki Headquarters, displays the history of the Company since its founding and the innovative products introduced.

Community Relations

Coexistence with Local Communities (continued)

Promotion of Coexistence with Local Communities

Examples of Key Initiatives

■ Local cleanup activity See P.46

Fujitsu General plants (Kawasaki Headquarters, Matsubara, Hamamatsu, and Aomori plants) and Fujitsu General Electronics Co., Ltd. regularly conduct cleaning activities to contribute to the community by promoting aesthetic awareness of the surrounding areas. Our manufacturer in Thailand, Fujitsu General (Thailand) Co., Ltd. conducted in January 2021 a coastal cleanup activity near the plant with about 100 employees.



Cleanup activities at the Aomori Plants



Beach cleanup in Thailand

■ Protecting and nurturing rare species (Kawasaki Headquarters and Hamamatsu Plant)

With the guidance of a local university, Fujitsu General Hamamatsu Plant opened a 3,000 m² biotope on its premises in 2014 and has been conducting conservation activities for the rare species of *Tanakia lanceolata* (a freshwater fish) and *Pronodularia japonensis* (a mollusc), which are designated as endangered by the Ministry of the Environment and Class IA in the Shizuoka Red Data Book.

With the guidance of an NPO, our Kawasaki Headquarters is also involved in the conservation and propagation of Calanthe discolor Calanthe, a rare plant designated as a quasi-endangered species by the Ministry of the Environment and as an endangered species II by Kanagawa Prefecture. In FY2020, the number of their pots were increased to ten from five.



Dividing calanthe at Kawasaki Headquarters

■ Afforestation (Fujitsu General (Thailand) Co., Ltd.) See P.46

Our manufacturer in Thailand, Fujitsu General (Thailand) Co., Ltd. had nine employees participate in a tree-planting activity organized by the industrial park in which the company is located in September 2020.

The participants planted seedlings with elementary school students on the day.



Tree planting in Thailand

Welfare and Support Initiatives

Examples of Key Initiatives

[Donation Activities]

- Donations and volunteer activities via Sporting Chance Cancer Foundation, a charitable organization that supports hospitals for pediatric cancer patients (Fujitsu General (Australia) Pty Ltd.)
Our Australian distributor Fujitsu General (Australia) Pty Ltd. donates to Sporting Chance Cancer Foundation, a charitable organization that supports hospitals for pediatric cancer patients. In the past 14 years, over 9 million AUD has been donated.



- Sponsorship of New Zealand's largest charity event, Special Children's Christmas Parties, and support for two patient support groups (Fujitsu General New Zealand Ltd.) See P.46
Our distributor in New Zealand, Fujitsu General New Zealand Ltd. is a major sponsor of the Special Children's Christmas Parties, which is New Zealand's largest charity event for children (with illness, intellectual disorder, etc.) and families in need of support, held in major cities across the country each year. In addition, as New Zealand has the second-highest number of asthma patients in the world, as a HVAC manufacturer, support is provided for two patient support groups, AsthmaNZ¹ and Sensitive Choice Program².



Charity event in New Zealand in December 2020

- Volunteer participation in the COVID-19 PCR testing site See P.46
(Fujitsu General Central Air Conditioning (Wuxi) Co.)

Mr. Chen Xu, a sales representative of our manufacturer and distributor in China, Fujitsu General Central Air Conditioning (Wuxi) Co., Ltd. volunteered to work on January 12, 2021 at the COVID-19 PCR testing site in the Jianling Community on Huaidi Subdistrict, Shijiazhuang City. A call was made for people to wear masks, register their IDs, and be quiet in order to ensure that people in line at the site could undergo the inspection smoothly. Mr. Chen Xu's guidance helped people to line up, and by having them keep their social distance, the risk of COVID-19 spreading was reduced and the inspection time was shortened.



PCR testing site in China
(Mr. Chen Xu is on the far left)

See below for details.
Community engagement and development
<https://www.fujitsu-general.com/jp/csr/community/index.html>



¹ The largest non-profit organization in New Zealand working to reduce hospital admissions and improve the lives of patients with asthma and chronic obstructive pulmonary disease.
² A program operated by the Asthma Respiratory Foundation NZ to assist in the selection of asthma- and allergy-friendly products.

Care for Employees



- Develop Talented Personnel Willing to Take on New Challenge
- Raise Health Awareness and Create Workplace for Good Life
- Occupational Safety and Health
- Create Workplace Where Employees Can Work Flexibly with Diversity

Develop Talented Personnel Willing to Take on New Challenges

Topic
1

★ Key Initiatives

Engineer Training

Systematic Education to Become a Professional Engineer and Establishment of the Technical Academy of Air Conditioner



Action

As the main training method for new engineering employees in the Air Conditioner Division, OJT* was conducted at each workplace, and this has led to variations in the strengths of engineers. In order to improve this situation, we established the Technical Academy of Air Conditioner in August 2019 with the aim of "cultivating engineers who can broaden their horizons and look at the entire product" and "expanding development resources by quickly making new employees capable of joining the workforce."

In order to further improve the level of our engineers, we are promoting education by setting up education themes for each job level (first year of employment, second year of employment, junior class, manager class, and general manager class).

Voice of Executive Fellow from Technical Academy of Air Conditioner



Executive Fellow
Advanced Development and Technical Academy Director, Technical Academy of Air Conditioner Representative Director and President, Fujitsu General Laboratories Limited
Hideji Kawashima

When I joined the company in 1980, the number of engineers in the Air Conditioner Division was about 20, and it was normal for one engineer to be involved in all aspects of development.

Since then, the number of models developed by the division has increased as the business expanded.

As the organization grew with the expansion of business, engineers tended to specialize and divide their work among various fields, limiting the scope of their knowledge and experience and narrowing their perspective. If they lose interest in areas other than their area of responsibility and fail to consider the entire product, defects and rework may occur.

In addition, training of new employees was mainly conducted through OJT (on-the-job training) at each workplace, resulting in inconsistent results.

It is obviously not the time, where new employees are expected to "learn by watching the back" of their superiors and seniors, as was the case in my time. The Technical Academy of Air Conditioner was established with a sense of crisis over the education of new employees, which was left to the workplace, and with a desire to create a place that fosters a culture where engineers can continue to learn and act spontaneously with a sense of crisis and awareness of problems.

New employee training lasts for two years, and the last four months are spent doing actual design work. The first design may fail. But that's okay. I would rather have them gain experience to learn from their mistakes.

I am looking forward to seeing what kind of designs the newcomers who have experienced the Technical Academy of Air Conditioner will create in the future.

Voice of employee who participated in Year 1 "Finite Design" training

In June of my first year with the company, I made a straw bridge as part of my training at the Technical Academy of Air Conditioner. During training, we were divided into four groups and made straw bridges twice in total, competing in terms of strength, workmanship, and design.

What I felt during training was the importance of continuous improvement in manufacturing. When we made the bridge the first time, all the groups' models were not strong enough to support the weight that was aimed for. However, by making continuous improvements, most of the groups were able to build a bridge that could support more weight than the first one in the second challenge. If we had tried a third time, I think we would have been able to make a better bridge.

It was a meaningful time for us as we learned the importance of making the most of the mistakes we made the first time, identifying issues and thinking of ways to improve. At the Technical Academy of Air Conditioner, in addition to this type of training, we can learn so much through problem-solving skills courses and other training programs, and I am learning more every day.



Products Development Department II, Motor Division
Natsumi Oshima

Next Approach

As part of education by the Technical Academy of Air Conditioner for the first year of employment, Fujitsu General engineers are scheduled to conduct training such as manufacturing site tours and practical training at manufacturers in Kanagawa Prefecture, where the Headquarters are located. In FY2021, we plan to conduct on-site training while thoroughly implementing COVID-19-prevention measures.

* Abbreviation of On-the-Job Training

Develop Talented Personnel Willing to Take on New Challenges

Basic Approach

We believe that the development and education of human resources will play an extremely important role in maximizing the potential of our people—our most valuable management resource—because the sustainable growth of Fujitsu General Group is possible only through them.

The new personnel system introduced in FY2020 clarifies the roles played by each rank of employee more than ever before. This system is designed to encourage employees to voluntarily take on challenges for higher positions within the company and greater responsibility, making it possible for them to succeed in their own personal development and growth.

Through rank-based training, each employee's growth and career are managed by the personnel system to raise awareness of the roles required at each rank in the organization, to ensure the skills necessary to fulfill the roles are acquired, and to encourage employees to willingly take on new challenges. The Fujitsu General Group will support the formation, provide opportunities for challenges, and foster an awareness of aspirations, visions, and dreams (what you want it to be and what you want to achieve) as it relates to work and career potential. Three aims of the new personnel system are to 1) Instill, practice, and realize our Corporate Philosophy and Personnel Philosophy; 2) Maximize the potential of our most important management resources—people—for the sustainable growth of the Group; 3) Create an organization that is able to face up to changes by keeping employees motivated and helping them to grow individually. Under the Corporate Philosophy, we ask our employees to practice and realize Our Philosophy, "Act Spontaneously," "Develop Our Team," and "Value Integrity." n

Key Initiatives

A Mechanism for the Development of Talented Personnel Willing to Take on New Challenges

In order to develop human resources willing to take on new challenges, the new personnel system, which was revamped in FY2020, shows more clearly than ever the roles that each level of the organization is responsible for, and provides a framework that encourages employees to voluntarily take on more advanced roles and make contributions. Through rank-based training, each employee's growth and career are managed by the personnel system to raise awareness of the roles required at each rank in the organization, to ensure the skills necessary to fulfill the roles are acquired, and to encourage employees to willingly take on new challenges. The Fujitsu General Group will support the formation, provide opportunities for challenges, and foster an awareness of aspirations, visions, and dreams (what you want it to be and what you want to achieve) as it relates to work and career potential.

Active participation of our senior human resources

Currently, Career & Life Seminars are annually conducted, organized by labor and management, for employees who are 50 years old. Themes include how to prepare for the future, touching upon such subjects as the aging process and its impact and how to manage financial resources after retirement. Career Seminars provide support for participants to consider their own career direction from the three perspectives of what they should do, what they can do, and what they aspire to do, while Life Seminars provide information on how to build a prosperous and happy life plan.

In-house recruitment

As one of the measures to revitalize the organization by mobilizing internal human resources, and with the aim of fostering a culture that encourages both employees and the workplace to take on new challenges by supporting employees' autonomous career development, we restarted the internal recruitment system in FY2017 for the first time in 14 years. Since the resumption of the system, 94 employees have been internally recruited in the four years up to FY2020.

10% rule

The 10% rule has been implemented with the aim of improving employee autonomy. The 10% rule allows up to 10% of the prescribed working hours per month (approximately 45 minutes per day, 16 hours per a month, or two days equivalent in standard working day terms) to be used freely for an activity applied by the employee, directly or indirectly related to work. As of the end of FY2020, 166 employees have been involved in this program, allowing employees to use the time generated by the work style reform to learn and grow with their own internal motivation.

Voice of 10% rule users



(Left) Intellectual Property Division, Kensaku Igarashi

(Right) Domestic Service Support Division, Katsumi Takei

There are two reasons why I used the 10% rule.

The first was in October 2019, when I saw President Saito's comment on our company's social networking service saying that he was concerned about the amount of CO₂ emissions generated when using air conditioners, and I started to vaguely think about the impact of CO₂ emissions on the global environment.

Another reason was this. By chance, I had a conversation with Mr. Takei of the Service and Support Division during an exchange of opinions with my peers. And we learned that we shared the same feelings, so we decided to work together under the theme of "Creating a sustainable environmental business to improve the global environment" from April 2020, utilizing the 10% rule.

The good thing about using the 10% rule was that we could broaden our human networks with people outside of our daily work, and the voluntary activities have given us a sense of fulfillment in our daily lives.

In the future, by passing through and commercializing the devised theme for the FY2020 FIC* final selection, we will expand our environmental activity support services and shatter what was perceived as common sense in environmental activities, which are generally perceived as difficult to tackle, in order to realize our Corporate Philosophy "—Living together for our future—."

* New Business Creation Program

Develop Talented Personnel Willing to Take on New Challenges

Key Initiatives (continued)

Development of engineers

The Fujitsu General Group promotes development of engineers as successors of manufacturing.

Overseas engineer training

Local engineers working at the overseas locations (Shanghai and Thailand) of the Fujitsu General Group underwent training at our Kawasaki Headquarters in Japan for two to three years. Not only did they learn about manufacturing but also were prepared to act as a leader of their subsidiary upon returning home.

Voice of overseas trainee engineer

It has been two years since I started working in Japan as a trainee engineer from Thailand. I have spent the past two years trying to learn both the Japanese language and my job. The first problem I had in Japan was the language. The Japanese language was not as easy as I thought it would be, and I was sometimes confused because the Japanese I used for work was different from the one I used for study. In the beginning, I couldn't understand what everyone in the group was talking about, and I felt pressured because I thought that if my Japanese level remained the same, I would have problems; however, my outlook became positive as I thought that if I could overcome these problems, it would be a very good experience.



Products Development Department 1,
Air Conditioner Electronics Development
Division
Phetcharin Khammong

As for my work, I had the chance to join the project from its kick-off, learning about the content and technology of the development I am in charge of as I go along. Learning the process and way of thinking about work and problem-solving, I prepared for and presented at the judging event. And since last year, I have had the opportunity to participate in Impact Method^{*1} activities and do *Dancomi*^{*2}, which I found to be extremely useful. By using the *Dancomi* time to discuss things from various aspects, I was able to get my work done as planned. In my two years in Japan, I have learned how to work and also I feel that my Japanese has improved. I am grateful to the managers and leaders who taught me and to all the members of my group who helped me. I will do my best in the remaining one year of training, and in my personal life, I would like to enjoy the four seasons and travel in Japan.

Air conditioner engineer-manufacturing training^{*3}

Engineers in their second year of employment in the Air Conditioner Division are dispersed in five Fujitsu General Group plants in Thailand and China for two-week manufacturing training. In the training, participants experienced manufacturing in the field and on-site issues are identified and measures for improvement are considered; at the end of the training, an optimization proposal must be presented by the trainee.

This training is aimed at giving our Japanese engineers experience in the field outside of Japan in addition to promoting self-reliance and confidence to work under their own initiative.

* In FY2020, it was postponed due to the spread of COVID-19.

*1 Communication improvement activities to strengthen workplace management capabilities

*2 *Arangements (dandori)*, including coordination and consensus-building to facilitate communication in the course of work

*3 In FY2020, it was postponed due to COVID-19.

Rank-based training

Rank-based training	General training (e-learning training, etc.)
Managers	Corporate Philosophy training Human rights Harassment prevention Ethics SDGs training, etc.
Mid-level employees & general employees	OJT, self-training for promotion to manager, leadership training
New recruits	Onboarding, technical training, practical training in manufacturing

■ Training for new recruits

Basic training for new recruits is conducted for approximately two weeks upon joining the company. The areas covered include an overview of the company organization and proper business etiquette including societal expectations. After completing the basic training and being assigned to a specific business unit, additional departmental training is provided.

■ Training for new managers

The training is designed to develop managers who will be self-reliant. Revisited areas include the proper attitude a manager should maintain, managerial skills, and business strategy formulation.

■ Management training

The program is designed for managers at general manager level and higher to acquire the management skills and knowledge necessary to be responsible for business execution.

■ Various types of e-learning training

E-learning training is conducted as appropriate. The necessary course materials are created by division and provided on the intranet for both executives and employees at all levels. Mainly, the following courses were conducted in FY2020:

	Number of courses	Number of participants (aggregate)	Main subjects covered
Company-wide	9	24,245	FUJITSU GENERAL Way, Code of Conduct, Anti-Monopoly Law, Anti-Bribery Guidelines, Harassment, etc.
Individual divisions	30	12,113	Subcontractor Act, appropriate attendance management for general employees, education for EMS promotion managers and promoters, safe driving course, etc.
Total	39	36,358	—

Raise Health Awareness and Create Workplace for Good Life

Topic

2

★ Key Initiatives

Promotion of Health Management Creating Vibrant Workplace

Policy

The Fujitsu General Group is promoting health management in the workplace, believing that unless the workplace is healthy, it is not possible to develop human resources who will work willingly and energetically.

The Group regards health management as the strategic implementation of health measures that will support the realization of sustainable business growth. The Group also strives to achieve an approach to "valuing and investing in our people," as stated in our Corporate Philosophy and medium-term management plan. To strengthen our efforts in this area, we have stressed that the mental and physical health of our employees is a valuable asset. We also have made clear the importance of creating a workplace that is both easy to work in and rewarding, which in turn is expected to increase overall motivation and combined energy.

Fujitsu General Group Declaration of Employee Wellness

Healthy employees and their healthy families are our most valuable assets. As a company that delivers comfort and safety to customers around the world, it is our responsibility to ensure that every employee stays healthy and happy in a vibrant workplace.

Action

Opening a cross-divisional World Café

Based on the Corporate Philosophy, Environmental Policy, and Declaration of Employee Wellness, we held a cross-divisional World Café as one of the measures for employees. Through this event, we aim to promote communication among employees and help them to maintain job satisfaction. In FY2020, we discussed the significance of our company's purpose with the SDGs as the starting point under the theme of "Future of Fujitsu General - Our Activities with SDGs and Future Beyond." The participants said that it was a great opportunity to exchange opinions with employees outside their own departments, and the event was a good way to promote communication.



▲ Cross-divisional World Café at Kawasaki Headquarters

Next Approach

We will continue to actively promote health management through a variety of initiatives to create "a comfortable and rewarding workplace" and to improve the "motivation and overall strengths of all employees".

Key Initiatives

[Health Management Initiative-1] Mental health measures

- Health consulting service available to all employees
The primary purpose is to provide health education to all employees while helping to establish connections with medical professionals. All employees enjoy a medical consultation with an industrial physician or public health nurse for approximately 15 minutes (single consultation). New recruits undergo the consultation during initial training with the rest of employees being able to receive a medical consultation during working hours on a rotational basis.



Benefits and Effectiveness of Health Consultation for Employees of the Fujitsu General Group

[Health Management Initiative-2] Measures to prevent lifestyle-related diseases

Population approach

We will continue our efforts to conduct health-related events, working to increase employee participation and therefore raise awareness of health maintenance measures throughout the company.

- Health education for new recruits
Public health nurses provided education on eating breakfast, sleeping, drinking, and coping with stress.
- Anti-cancer seminars
A cancer education seminar provided by Action for Companies Promoting Cancer Control initiative (supported by the Ministry of Health, Labor and Welfare) was distributed to employees via video.

High-risk approach

Our goal is to provide a program which is effective in reducing health risk for those employees diagnosed with a high-risk health condition.

- Continuous support provided by industrial physicians and nurses
Support the continuation of treatment by monthly confirmation of treatment. For FY2020, this support was provided to 22 employees.
- Specific Health Guidance
Health guidance is provided to those whose health checkup results fall outside the standard values and who are at risk of developing lifestyle-related diseases. Appointments can be made either outside or during working hours, so that as many employees as possible can receive the guidance. For FY2020, active support was provided to 139 employees, and moral support was provided to 98 employees.

Raise Health Awareness and Create Workplace for Good Life

Key Initiatives

- Health checkups and prevention via health insurance association in addition to legal health checkups for employees

Cancer screening	<ul style="list-style-type: none"> Additional examinations not required by law (gastric cancer, colorectal cancer (35+ years old), prostate cancer (males aged 50+), breast cancer, and uterine cancer(females aged 20+), abdomen (liver, gallbladder, pancreas, kidney, and spleen (at the ages of 40, 45, 50, 55))
Health checkup for dependents	<ul style="list-style-type: none"> Specific medical examinations for dependents aged 40 to 74 (20+ for spouse) and post-retirement voluntary insured An optional cancer screening similar to that for the insured is available
Dental checkup	<ul style="list-style-type: none"> Maintenance of dental health and early detection of abnormalities
Assistance for comprehensive medical examination	<ul style="list-style-type: none"> Support the cost of brain scans and other medical examinations for recipient once every three years Support the cost of chest CT (lung cancer, tuberculosis, pneumonia, etc.) for recipient Support the cost of gastric endoscopy for recipient

- Influenza vaccination

The Fujitsu General Health Insurance Association supports the cost of influenza vaccination for insured persons and their dependents. In FY2020, 1,474 people received the vaccination.

[Health Management Initiative-3] Prevent passive smoking and help people quit smoking

We are working to reduce health risks by supporting smoking cessation and to promote the prevention of passive smoking.

- Smoking cessation support

We are giving support for smokers to help them quit smoking. Since February 2018, our Kawasaki Headquarters has been sponsoring an in-house outpatient clinic. Medical specialists visit the company on a monthly basis so that employees who are trying to quit can receive medical support during working hours. To date, this program has enabled 50 employees to quit smoking. Bringing technology to the forefront, we have also provided access to a remote outpatient rehab clinic via a smartphone app, which supports virtual examinations and medical assistance even at night or during a holiday. For those who have successfully quit smoking, the cost of the examinations is waived. Furthermore, to celebrate your effort on behalf of society, a tree is planted in your honor in Indonesia at the expense of the company.

- Prevention of second-hand tobacco smoke inhalation

We are taking steps to reduce the level of second-hand smoke inhalation in the workplace. Both at our Kawasaki Headquarters and Aomori Plant, smoking indoors has been prohibited since 2018. At our Hamamatsu and Matsubara plants, newly established outdoor smoking areas have helped to greatly reduce exposure to second-hand tobacco smoke.

* To effectively implement policies and programs designed to improve the health of employees and their families through a collaborative effort between Fujitsu General and its Health Insurance Association.

Occupational Safety and Health

Mini Topics

FGA (Thailand) won the Silver Award of "Zero Accident Campaign" of the Ministry of Labor, Kingdom of Thailand for two consecutive years

At FGA (Thailand) Co., Ltd., our motor manufacturer in Thailand has achieved zero accidents accompanied/not accompanied by lost worktime, and received the Silver Award in the Zero Accident Campaign of the Ministry of Labor of Thailand for the second consecutive year. Silver Award of the Zero Accident Campaign is given to companies with 3 million hours or more but less than 10 million hours with no accidents accompanied by lost work time. At FGA (Thailand) Co., Ltd., where the number of employees changes and shifts greatly due to seasonal fluctuations in production, safety patrols are conducted by the Safety and Health Committee in addition to measures against the cause of danger through hazard prediction activities and reducing waste and workload through route countermeasures and 2S* activities.



Drill assuming emergency (chemical substance leak)

Other Key Initiatives

- Prevention of occupational accidents & disaster preparedness

The Fujitsu General Group conducts a monthly Safety & Health Committee meeting to achieve zero occupational accidents. The main areas of focus include root cause analysis of any occupational accidents, discussion to prevent recurrence of such accidents, report of vehicular accidents involving company-owned vehicles operated by the sales/service staff, and consideration of recommended corrective actions. The meeting minutes are distributed throughout the company intranet to provide visibility and awareness for all employees. The company conducts health & safety training for new recruits, with refresher courses given whenever an employee is given a new assignment within the company. As part of an annual campaign to raise employee health & safety awareness, a billboard is set up each year in September at our Kawasaki Headquarters. The purpose of this billboard is to announce the coming of National Occupational Health Week, which starts on the first of October. During November, evacuation drills are conducted in order to strengthen our initial response readiness in the event of a natural disaster. The exercise is also undertaken to increase employee awareness of the disaster-prevention measures which are in place. In previous years, all employees at the Headquarters participated in this event, but in FY2020, 170 representatives from each workplace took part in this event as a measure against COVID-19. This time, the participants learned how to set up sandbags assuming the flooding of buildings.

A system utilizing mobile devices has been put in place to enable each employee to quickly report their status, including whether their physical safety has been compromised. In the event of a natural disaster, it is now possible to assess the overall situation. In FY2020, training on the system was conducted twice.

For FY2020, we are able to report there were no work-related fatalities nor were there any serious accidents.

- Promoting safe driving

E-learning is utilized to promote safer driving, focusing on the prevention of accidents, raising safety awareness, and the rules of the road for employees who use company cars during working hours, and those who commute by private car, motorcycle, or bicycle.

* Organization and Tidying

Create Workplace where Employees Can Work Flexibly with Diversity

Topic 3

★ Key Initiatives

Environment Where Employees Can Play an Active Role Aiming to Create Environment Employees Can Utilize and Challenge Themselves

Policy

At the Fujitsu General Group, we have made the promotion of both diversity and inclusion a cornerstone of our management strategy to achieve sustainable growth. We will continue to strive to create a working environment in which diverse employees can play an active role, developing these same human resources in line with our Corporate Philosophy, with an eye to improving our competitive position.

Each initiative is undertaken in order to achieve balance between the requirements of the company and the needs of the employee, such as needing to provide childcare to your children, medical care for yourself, or long-term care for an elderly relative. The goal is to create a working environment in which women, foreign nationals, those with disabilities, and more senior staff, without being singled out in any way, can fully participate and play an active part in the organization.

In line with actualizing our Corporate Philosophy, we will continue to promote diversity and inclusion, creating an environment in which all employees can contribute, take on challenges, and be able to demonstrate their unique values.

Action

Promoting women in the company

The Fujitsu General Group is working on reforming the organizational culture in which women can play an active role through system changes and awareness-raising.

Voice of female employee



CAE Engineering Department, New Technology Development Division, Manager of Office of Air Conditioner Engineering Project
Risa Shida

My job is to develop CAE* to support design and development. When I joined the company, there were very few women in the air conditioning engineering field, and almost none in the CAE Engineering Department to which I was assigned. Now, four women out of 21 including myself are working on this project, and the number is increasing in the entire air-conditioner engineering division. In the workplace, there are opportunities for both men and women. I owe this to my superiors who are seriously considering how to maximize the potential of people based on respect. Now that I am in a manager position myself, I have begun to think hard about how to help my staff grow and fully demonstrate their capabilities. As the CAE Engineering Department was newly established in recent years, it tends to have a high ratio of young people and a low number of middle-aged people. In order to promote the use of CAE in design and development, all members of the department, from the youngest to the most senior, will work together to expand the opportunities for everyone to play an active role while utilizing the attentiveness that women are able to provide.

* Abbreviation of Computer Aided Engineering. A technology that simulates and analyzes the research and development process by using a prototype on a computer.

Re-employment after retirement

In Fujitsu General Group (Japan), the mandatory retirement age is 60 years old, but we provide a place where those who wish to continue working after the age of 60 can work until the age of 65.

Voice of employee rehired after retirement

It has been 40 years since I joined the company. I have worked in a wide range of fields, starting from designing refrigeration cycles for air conditioners, to quality control at a manufacturer in China, to quality assurance work in overseas markets, including a 13-month business trip for market research. Through these things, I was able to acquire extensive knowledge and valuable experience.

Starting from FY2019, I have been working as an Engineering Coach at the Academy, where I can make use of my past experiences. During the past year, I was often bewildered and concerned about the new training system for new air-conditioner engineers, which was the first of its kind in our company, but I managed to accomplish it while consulting with other Engineering Coaches. It brings me great joy to watch the newcomers grasp the intention [of engineering] and gradually grow. Rather than teaching them, I hope to guide them to research and learning for themselves.

I would like to work together with the new employees who will join us in FY2021, and based on the reflections on FY2020, I will work to mutually learn and grow further.



Technical Academy of Air Conditioner Engineering Coach
Masanori Ohashi

Key Initiatives

Diversity & inclusion

■ Promoting women in the company

The Fujitsu General Group is working on reforming the organizational culture in which women can play an active role through system changes and awareness-raising. In accordance with the new "Act on the Promotion of Female Participation and Career Advancement in the Workplace" enacted on April 1, 2016, we have set the following two numerical targets and have been working to raise awareness: 1) increase the ratio of women in regular recruitment to 20% or more by FY2021; 2) Appoint at least 10 new women managers by FY2021.

Specifically, we have discussed with female Outside Directors and conducted training programs for mid-career female employees. As a result, the ratio of women employees to the total number of regular hires in FY2020 was 31%, and the total number of newly appointed women managers as of April 2021 was 10, suggesting that workplace awareness of women's activities is steadily changing.

Starting in FY2021, the following new five-year numerical targets are set to further raise awareness: 1) By FY2026, a total of at least 15 female employees will be promoted to newly appointed managers and leadership positions; 2) By FY2026, the rate of male regular employees taking childcare leave will be 30% or more, and the average period of leave taken will be 10 days or more.

Create Workplace where Employees Can Work Flexibly with Diversity

Key Initiatives (continued)

■ Re-employment after retirement

In Fujitsu General Group (Japan), the mandatory retirement age is 60 years old, but we provide a place where those who wish to continue working after the age of 60 can work until the age of 65. Their wisdom and expertise can be deployed to ensure that the organization continues to run smoothly, by providing adjunct support to managers and operations within the scope of normal operations. Furthermore, for the handling of unusual or irregular situations, not to mention the mentoring of younger employees, their support is invaluable. Even after passing the official retirement age, these employees continue to contribute by sharing their specialized skills and business connections with more junior members of the company.

■ Recruiting international employees

In Japan, the Fujitsu General Headquarters also recruits foreign nationals.

Voice of foreign national (China) employee



ERP Promotion,
IT Management Division
Zhang Yan Yuan (China)

In the ERP Promotion of IT Management Division to which I am affiliated, we aim to provide a better IT business environment and services to the company for sound and continuous business development.

Since I joined the company, I have been involved in a robotic process automation (RPA) tool project and found my work fascinating because it allows to effectively advance our business by providing services that automate business operations with robots.

Currently, I am involved in a project to build a global information management infrastructure, and I find it very rewarding to be able to provide prompt management information and support through system development and business application of cloud computing.

In addition, as this is a global project, I can make use of my English and Chinese language skills and contribute to facilitating cooperation with overseas divisions.

In the workplace, I am lucky enough to have my seniors and superiors who understand and are receptive to different cultures and diversity listen to my thoughts and concerns seriously. It is a good, open workplace where we can always get advice and concrete support on issues related to actual work.

■ Employing people with disability

Since 1970, the Fujitsu General Group has been recruiting graduates of special needs schools. In 2004, Fujitsu General Heartware Ltd., a special-purpose subsidiary, was established to better enable those employees with disabilities to work with a sense of purpose and genuinely feel they are contributing to society.

The primary business activities of Heartware include 1) in-house maintenance (cleaning, collection and separation of garbage, garden maintenance); 2) logistical support (packing and shipping of promotional materials, processing and packing of warranty parts, inventory picking, receiving and sorting mail, receiving and intra-company notification of courier packages); 3) recycling (disassembly of air conditioner prototypes, confidential document shredding); and 4) in-house services for employees (bicycle tire repair for bicycles used for commuting). Employees with disabilities represent 2.87% of our total employees in Japan (2020), which is greater than the 2.3% level required by law.

■ Promoting foreign nationals as managers at overseas locations

Fujitsu General Group has been appointing human resources with management responsibilities from local employees at overseas bases.

Voice of overseas executive (U.S.)



VP of Marketing
Fujitsu General America, Inc.
Ms. Erin Mezle

I joined Fujitsu General America, Inc. in 1999 as a marketer for the Plasma display Panel Division. At that time, the recognition of ductless air conditioners (HVAC), our current core business, was not so high.

After joining the company, I learned various aspects of marketing in the field while continuing my studies to acquire an MBA. With the experience gained through basic studies and practice, I was appointed as the marketing manager of both the PDP and HVAC divisions in 2003.

As the company experienced tremendous growth in the HVAC market around 2008, I was promoted to Marketing Director.

In 2020, I was named Marketing VP and became a member of the executive team. I am honored to have a say in important decisions that affect our company.

I will continue to work to increase the presence of our HVAC products in North America and gain market share in the HVAC field. In addition, I hope to provide innovative products that support a comfortable living space.

Work-life balance

The Fujitsu General Group has established that "valuing and investing in our people" is paramount to its pursuit of business and as such, maintaining a healthy work-life balance is a fundamental cornerstone to support team development.

As an initiative to reduce long working hours, the Kawasaki Headquarters area sets a regular leave-on-time day once a week and recommends no overtime days. As a result of regular patrols by labor and management to encourage employees to go home on time, the percentage of employees leaving work on time in the Headquarters area on regular leave-on-time day has been roughly 90% throughout FY2020. To encourage employees to use their annual paid leave, it has been recommended that each employee takes no less than two days of annual leave every six months and includes a weekend or national holiday to extend the leave time beyond two days. In addition, from FY2020, we will increase the number of annual leave days set during the summer vacation period to four days, up by one day, to promote the use of annual leave.

To further boost productivity, we have taken the step of installing timers in our in-house meeting rooms, which is part of our company-wide AKASURI Campaign*. Posters have been placed in the meeting rooms reminding employees to work toward reaching a conclusion to ensure the meeting does not drag on beyond the scheduled time and is productive.



Getting the word out about leaving work on time (Kawasaki Headquarters)

* Company-wide activities to build a foundation that helps reduce environmental impact and increase profitability.

Create Workplace where Employees Can Work Flexibly with Diversity

Key Initiatives (continued)

■ Supporting life fulfillment

The Fujitsu General Group has put in place various systems to enable our employees and families to lead healthy and fulfilling lives. In order to meet the diversified needs of our employees, in addition to our existing welfare system focusing on livelihood support (rent subsidies, company cafeteria, group insurance at preferred rates, and cash for happy occasions or condolence), we introduced a cafeteria plan in October 2016 that allows each employee to choose a menu that suits his or her lifestyle. It is now possible for employees to focus on additional support service options including childcare, long-term care, health management, and self-development which go beyond the existing standard benefit package. Furthermore, in anticipation of the era in which people will have 100 years of life, the Company reviewed its retirement benefit system, including the introduction of a defined contribution (DC) pension plan as of April 1, 2021, to prepare for a postretirement life.

Dialogue with the labor union

The Fujitsu General Group has entered into collective agreements with the Fujitsu General Workers Union (union shop system), which is headed by the Japanese Electrical Electronic & Information Union and the Federation of ALL Fujitsu Worker's Unions. In concordance with the agreement, the Central Labor Council is held twice every year, with labor council and production council meetings held as deemed necessary to explain management policy, business conditions, organizational restructuring, and other key matters to the employees. The company is also engaged in ongoing discussion centering on various working conditions as well as ways and means to improve the working environment. The Fujitsu General Group strives to maintain sound and good labor-management relations through full cooperation with the Fujitsu General Workers Union. The union is founded on democratic principles and is committed to working together with the Fujitsu General Group to contribute to society across a broad range of initiatives and help resolve global environmental concerns and both national and local issues in Japan.



Meeting of the Central Labor Council
(Union members in the foreground, officers facing)

Social contribution by the Workers Union

The Fujitsu General Workers Union fully recognizes the social roles and responsibilities of the labor union. The union is committed to the principle of peaceful coexistence, working to support "environmental protection" and provide "educational support to developing nations," in addition to a myriad of activities undertaken to contribute to the well-being of society and local communities.

■ Initiatives to protect the natural environment

The 19th China Afforestation Volunteers scheduled to be dispatched from May 11 (Tuesday) to 16 (Sunday), 2021, in line with the Federation of ALL Fujitsu Worker's Unions 4th China Desert Greening Project "Greening Project in Daoshan, Wuchuan County, Hohhot City, Inner Mongolia Autonomous Region," was cancelled due to the impact of COVID-19.

■ Education support in developing countries

The "14th Cambodia Terakoya Cooperation Volunteers" of the Federation of ALL Fujitsu Worker's Unions, scheduled to be dispatched from November 15 (Sunday) to 20 (Friday), 2020, was cancelled due to the impact of COVID-19. Since infection-prevention measures are essential for the operation of Terakoya (originally educational institutions of the Edo period in Japan; here, it refers to a literacy program for South East Asia), the Federation of ALL Fujitsu Worker's Unions sent 650,000 yen to the National Federation of UNESCO Associations in Japan to purchase locally and present masks, soap, alcohol disinfectant, etc.

■ Great East Japan Earthquake Reconstruction Support Activities

Volunteers were scheduled to plant trees and take measures against undergrowth for the Federation of ALL Fujitsu Worker's Unions "Minamisoma City Coastal Disaster Prevention Afforestation Activities" planned for October 2020 and May 2021, but these activities were cancelled due to the impact of COVID-19. We continued to collect "Earthquake Disaster Relief Donation Marks" from the Bell Mark Educational Aid Foundation as a way of providing immediate support.

■ Welfare and employment promotion activities for people with disability

The Kanagawa Regional Council of the Japanese Electrical Electronic & Information Union (hereinafter referred to as the "Kanagawa Regional Council"), under which the Kawasaki Branch of the Fujitsu General Workers Union is organized, is engaged in a wide range of support services for people with disabilities. The Denkikanagawa Center for Community Welfare, a non-profit organization, which was established by the Kanagawa Regional Council, whose first director, the late Mr. Hiroshi Asano was from the Fujitsu General Workers Union, is somewhat unusual in Japan for the labor union being its parent organization. The work it has done in providing employment opportunities for people with disability is highly regarded both within Kanagawa Prefecture and throughout the country. The Fujitsu General Workers Union continues to support the social services provided to people with disability by the Kanagawa Regional Council, which has been ongoing since 1972. To help finance these activities, a fundraising "tissue paper campaign" was set up at the Fujitsu General Kawasaki Headquarters.



The tissue paper campaign at Kawasaki Headquarters

Voice of Central Executive Committee Chair of Workers Union



Fujitsu General Workers Union
Chairperson, Central Executive Committee
Yasuyuki Morikawa

A key tenet of the philosophy of the Federation, under the auspices of which the Fujitsu General Workers Union operates, is first, "Green for the Earth, Dreams for Children." Acting on these principles, three directives have been established: 1) be committed to the principle of global coexistence, working to support environmental protection and provide educational and technical support to developing nations, 2) promote an environmentally friendly lifestyle while pursuing industrial growth, and 3) make the participation of every individual in local eco-friendly activities the basis of building society-wide participation and contribution. We take very seriously the need to both support and actively participate in this work, and by leveraging the strengths of All Fujitsu Federation of Trade Unions, we will continue in our efforts to meet the needs of society for the long term.

Harmonious Coexistence with Our Planet



- Topics
- Environmental Vision
- Environmental Management
- Activities
 - Responding to Climate Change
 - Efficient Use of Natural Resources
 - Reduce Water and Waste
 - Chemical Substances Management
 - Biodiversity Conservation
- Disclosure of Climate Change Information

Topics

Topic 1

Toward Carbon Neutrality by 2030 Formulation of New Mid-Term Environmental Action Plan

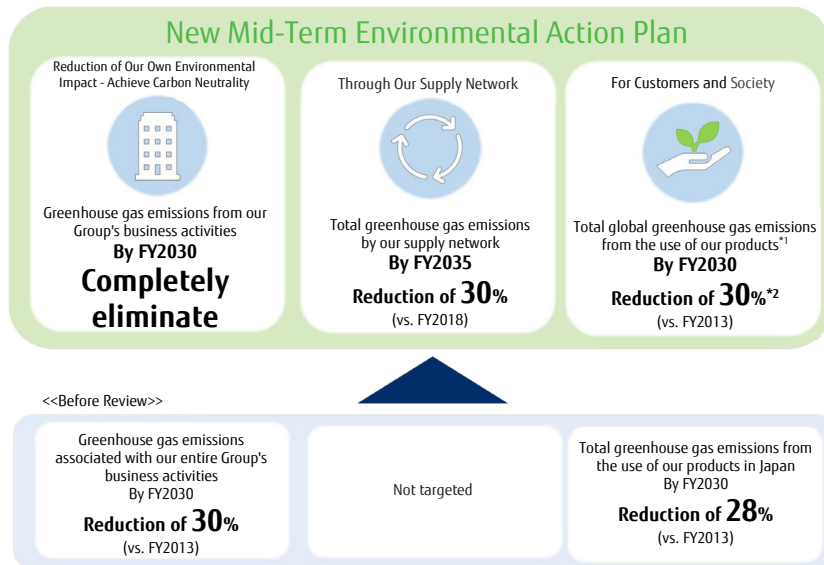
Action

In March 2021, the Fujitsu General Group formulated and announced the Basic Policy on Sustainable Management. The promotion of Sustainable Management is based on a medium- to long-term perspective and promises the realization of a sustainable society for future children and society, and we will pursue the growth of our business by accelerating the implementation of Sustainable Management.

In order to realize a sustainable society, "Harmonious Coexistence with Our Planet" is essential, and one part of that is to take Responding to Climate Change. In March 2021, the Group significantly revised its Mid-Term Environmental Action Plan, which was established in 2016, in order to proactively promote measures to deal with this issue as a Group.

Newly formulated Mid-Term Environmental Action Plan

The Fujitsu General Group formulated "Mid-Term Environmental Action Plan" in 2016 with the final target year of 2030. However, in order to further actively contribute to the realization of a sustainable society, we made a major review of the Mid-Term Environmental Action Plan in March 2021. All employees will share the goals to be achieved in the medium term and aim to realize both reduction of environmental impact and enhancement of corporate value while helping to achieve the SDGs.



* 1. Scope 3 Category 11
* 2. With air conditioners

Environmental Vision

Fujitsu General Group Environmental Policy

The Fujitsu General Group Environmental Policy was established in 2003 to frame our philosophy and guidelines regarding environmental management. It was revised in 2012 to reflect changes in the social environment.

Philosophy

The Fujitsu General Group recognizes that global environmental protection is a vitally important business issue. We promote the sustainable development of society by contributing to creating a secure and comfortable society, and by providing people around the world with a future of prosperity and dreams. In addition, while observing all environmental laws and regulations in our business operations, we are actively pursuing environmental protection activities on our own initiative. Through our individual and collective actions, we will strive to safeguard a rich natural environment for future generations.

Code of Conduct

- We help customers and society reduce the environmental impact of their business activities and improve environmental efficiency by providing thorough and secure products and services through the pursuit of advanced technologies.
- We strive to reduce the environmental impact of our products throughout their entire lifecycle.
- We are committed to conserving energy and natural resources, and practice the 3Rs approach (reduce, reuse, recycle) to create best-of-breed eco-friendly products.
- We seek to reduce risks to human health and the environment from the use of chemical substances and waste.
- We disclose environment-related information on our business activities, products and services, and we utilize the resulting feedback to critique ourselves in order to further improve our environmental programs.
- We encourage our employees to work on global environmental conservation such as tackling climate change and the preservation of biodiversity through their business and civic activities to be role models in society.

Environmental Vision

Environmental Action Plan Stage IX (FY2019–FY2022)

To ensure we meet the goals of the Mid-Term Environmental Action Plan by FY2030 the Fujitsu General Group established its Environmental Action Plan Stage IX for FY2019 to FY2022, which the Group is now actively pursuing.

	Pillar Initiative	Theme	Key Initiatives	Activity Indicator
Activities for Customers and Society	Action against global warming	Greenhouse gas emissions Expand contribution to reduction	Switch to new refrigerant	Switch to low-GWP refrigerants (Package, multi, room air conditioners)
	Resource recycling	Effective use of resources	Enhance product competitiveness	Conversion rate to standardized outdoor units
	Chemical substances management	Promote procurement of materials with low environmental impact	Strengthen supply chain management system	Establish and reinforce CSR procurement system Promote EMS at all overseas suppliers (Construction rate of Level II or higher) Promote CMS at all suppliers (Construction rate of Rank B or higher)
Activities for Reducing our own Environmental Impact	Action against global warming	Pursue energy use efficiency	Thoroughly eliminate waste	Improvement rate of electricity use efficiency at production sites (Per unit of production vs. FY2013)
				Improvement rate of gas use efficiency at production sites (Per unit of production vs. FY2013)
				Reduction rate of electricity used for evaluation and testing facilities at overseas development sites (vs. FY2018)
				Reduction rate of CO ₂ emissions in transport between warehouses
				Reduce transfer of products between warehouses (Domestic)
Reduce logistics CO ₂ emissions per unit sold				
Expand use of renewable energy	Renewable energy utilization rate			
Activities for Reducing our own Environmental Impact	Resource recycling	Rationalize resource use	Thoroughly eliminate waste	Reduce aluminum material waste loss
				Reduce copper material waste loss
				Reduce water consumption at production sites (Reduction rate of water consumption per production volume)
				Improve waste recycling rate at production sites (Recycling rate in total amount of waste generated)
				Reduction rate of total waste generated by production sites (Per unit of production vs. FY2013)
				Pursue disassembly and sorting capabilities (increase value of priced goods)
				Pursue recycling (turning waste into valuable resources)

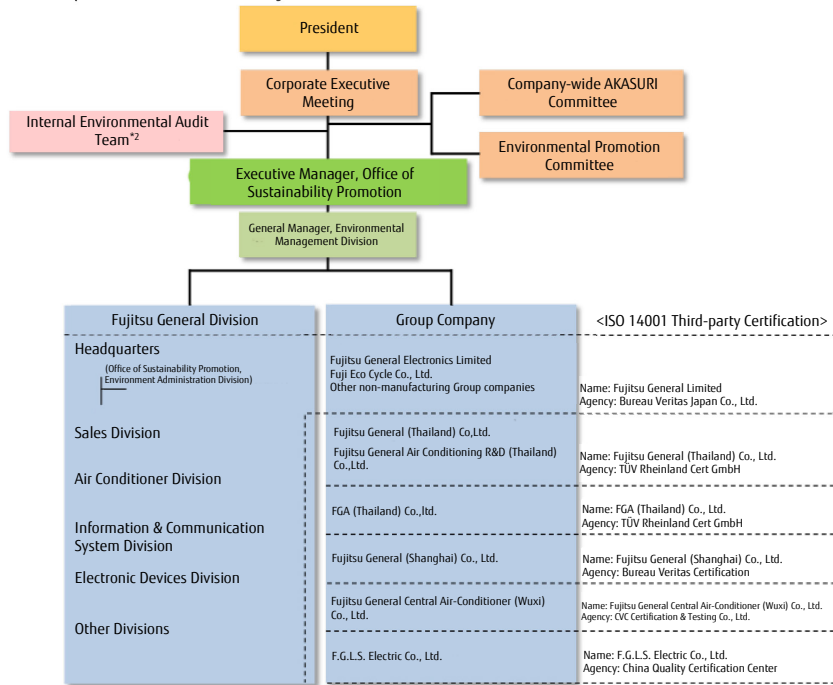
	Target by FY2022	FY2020 Performance	Related SDGs*
	Switch all targets to R-32	Completed switchover to R-32 for all 216 target	
	≥ 90%	78%	
	Formulate CSR Procurement Policy Conduct CSR audits 100% rate of obtaining written consent from all suppliers	Acquisition rate: 95%	
	≥ 90%	98%	
	100%	98%	
	≥ 15% reduction	Domestic: 2% reduction Overseas: 16% increase	
	Domestic: 60% reduction Overseas: 15% reduction	Domestic: 45% reduction Overseas: 29% increase	
	≥ 30% reduction	23% reduction	
	≥ 4% reduction	8% reduction	
	1.91 (t-CO ₂ /1,000 units)	1.86 (t-CO ₂ /1,000 units)	
	≥ 5% of power consumption	2%	
	Reduce waste to 75% of total purchased amount (vs. FY2016)	41% reduction	
	Reduce waste to 67% of total purchased amount (vs. FY2016)	61% reduction	
	Domestic: ≥ 20% reduction (vs. FY2013) Overseas: ≥ 6% reduction (vs. FY2013)	Domestic: 2% reduction Overseas: 6% reduction	
	≥ 99%	Domestic: 90% Overseas: 95%	
	≥ 20% reduction	Domestic: 13% increase Overseas: 0% reduction	
	Mixed recovery item ratio ≤ 22%	23%	
	Reduce 9 recovery items shipped as waste	Reduction of 2 items	

Environmental Management

Environmental Management Promotion Structure

The Fujitsu General Group established the Company-wide AKASURI Committee^{*1}, chaired by the President, as a forum for resolving cross-organizational issues related to environmental management. The Group also established the Environmental Promotion Committee chaired by the Executive Manager of the Office of Sustainability Promotion as a forum for discussing intra-organizational environmental issues.

Furthermore, the Group has developed an environmental management system based on ISO 14001, which is the international standard for the environment, to promote environmental management. Within the Group, companies in Japan have obtained an integrated authentication issued by third parties. The entire Group works in unison to promote environmental management. Overseas manufacturers have established environmental management systems for each plant, and each plant has acquired third-party certification to promote environmental management.



Establishment and operation of the Environmental Management System

The Environmental Management System (EMS) of Fujitsu General Group consists of the integrated authentication which our company and domestic Group companies acquired joint and individual certifications of five overseas manufacturers which acquired ISO 14001 independently. In any case, "significant environmental aspects," "compliance obligations" and "risks and opportunities" related to the activities of each organization are identified, and taking those factors into consideration, we establish environmental goals and formulate activity plans. We conduct periodical assessments to evaluate whether or not we are on track with achieving our environmental goals as the result of activities.

*1 Company-wide activities to build a foundation to support the reduction of environmental impact and increased profitability
 *2 Organized for each individual environmental management system

In FY2020, in order to further deepen the EMS, we enhanced our e-learning and awareness education, and focused on firmly implementing the PDCA cycle in the activities of each organization. In addition, we have completed corrective actions for all findings as non-conformities in the results of internal and external audits of the EMS, and are working to improve the level of management by clarifying the areas to be reviewed for the observations that were pointed out as needing improvement.

Internal Audit and Results

ISO 14001 requires companies to contribute to environmental care and protection through their essential operations. In FY2020, due to the impact of COVID-19, we changed the audit method from face-to-face to remote at our sales offices. The audit results showed some nonconformities to compliance obligations (legal standards), but all of them have been satisfactorily rectified.

- Key points of audit
 - Are the activities consistent with the content of the Division Policy?
 - Are the activities targeted for continuous improvement?
 - Are the necessary competencies defined and is training provided to improve the competencies?
 - Are records of external communication regarding the environment kept?
 - Does the manager's posting match the current situation?
 - Is 4S^{*} firmly established in the field?
 - Are there any omissions in the participants of environmental awareness training?

FY2020 Internal Audit Results

Category	Number of Findings/Corrective Measures
Nonconformities in relation to the risk of deviating from environmental laws	14
Nonconformities in relation to other environmental risks	21

External Audit and Results

In August 2020, recertification audit based on ISO 14001 was conducted for the company, including the domestic Group companies that are subject to integrated authentication. As a result of the audit, "nonconformities" related to compliance obligations (laws and regulations) were pointed out at production sites and sales offices. Regarding the audit findings including nonconformities related to other environmental risks, the relevant audited divisions and the ISO secretary office worked collaboratively to review and implement corrective measures, allowing for the certification to be extended. In addition, the five overseas manufacturers, which are individually certified, have maintained their certification through external audits based on their own schedules.

FY2020 External Audit Results

Category	Number of Findings/Corrective Measures
Nonconformities in relation to the risk of deviating from environmental laws	3
Nonconformities in relation to other environmental risks	7

* Tidiness, organization, cleaning, and safety (Seiri, Seiton, Seiso, & Safety)

Environmental Management

Green Procurement

The Fujitsu General Group aims to create products that enrich the quality of life while remaining conscious of the need to protect the global environment. To this end, we are carrying out eco-friendly activities from the process of material procurement together with our suppliers.

Procurement activities based on green procurement standards

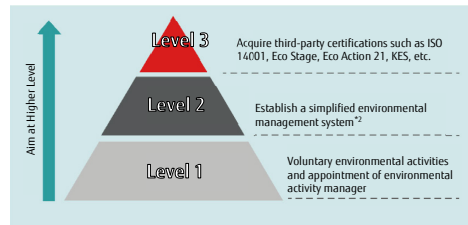
The Fujitsu General Group is promoting green procurement activities in cooperation with Fujitsu Group companies. We support procurement from those suppliers who meet our requirements of green procurement based on the "Fujitsu Group Green Procurement Standards" shared within the Fujitsu Group. We also monitor the environmental management systems, CO₂ emission reduction, water resource conservation, and biodiversity conservation efforts of our suppliers through conducting the Fujitsu Group's common environmental survey while encouraging our suppliers to promote eco-friendly initiatives.

Green Procurement Requirements for Suppliers

Category	Suppliers of Components*1	Other Suppliers
(1) Establishment of Environmental Management System (EMS)	○	○
(2) Compliance with Fujitsu Group regulations for designated chemical substances	○	—
(3) Establishment of a Chemical Substances Management System (CMS) for chemical substances contained in products	○	—
(4) CO ₂ emission control/reduction initiatives	○	○
(5) Biodiversity conservation initiatives	○	○
(6) Water resource conservation initiatives	○	○

Establishment of Environmental Management System (EMS)

The Fujitsu General Group requests its suppliers to establish an environmental management system (EMS) in order to continuously improve and support environmental conservation activities. We classify our suppliers' environmental management systems according to their level of establishment. The EMS of our suppliers is classified by the level of establishment, and in principle, Level 3 (acquisition of third-party certification such as ISO 14001) is required, but we also work with level 1 and 2 suppliers to help them in the development and operation of their EMS.



* 1. Suppliers supplying components of Fujitsu Group products or OEM/ODM (Original Design Manufacturing) products
* 2. Suppliers' environmental management system

Please visit our website for more information.
Fujitsu Group Green Procurement Standard
<https://www.fujitsu-general.com/global/environment/management/ems.html>



Responding to Climate Change

Basic Approach

The Fujitsu General Group believes that reducing greenhouse gas emissions in all business areas is important to curb climate change caused by global warming. We will promote the reduction of greenhouse gas emissions by improving the energy efficiency of products used by our customers. In addition, by expanding the use of renewable energy sources such as solar power generation, we aim to achieve completely eliminate greenhouse gas emissions from our business activities by FY2030.

Key Initiatives

Reducing greenhouse gas emissions during product use

The Fujitsu General Group believes that by developing and supplying products with improved energy efficiency, we can reduce greenhouse gas emission levels and contribute to achieving a sustainable society.

Pursuing energy efficiency

As a result of our efforts to improve the energy efficiency of newly developed products, CO₂ emissions from air conditioners developed and sold in FY2020 during product use were reduced by 47.5% compared with FY2013. We will continue to develop products with even greater energy efficiency to contribute to the reduction of greenhouse gas emissions.

[Case Study] Achieved the industry's top level* energy efficiency (3-, 4-, and 5-room multi outdoor unit air conditioners for Europe) (Models: AOYG18KBTA3, AOYG24KBTA3, AOYG30KBTA4, AOYG36KBTA5)

By adopting a high-performance refrigerant (R-32) with reduced environmental impact, and using a highly efficient compressor and fan motor optimally designed for each capacity range, we were able to achieve the industry's top energy efficiency and conservation rankings of A+++ for cooling and A++ for heating in all capacity ranges.

* First place, jointly shared first place, or narrowly behind first place (as of March 2021)

Activities

Responding to Climate Change (continued)

Initiatives to reduce greenhouse gas emissions in business activities

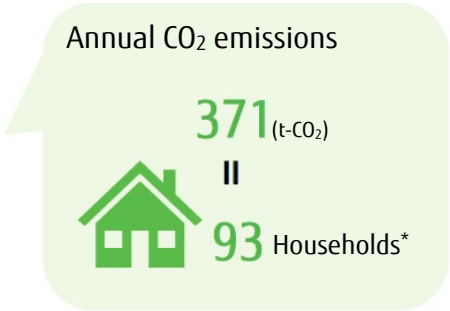
Fujitsu General Group aims to reduce the greenhouse gas emissions from the business activities of the entire Group to completely eliminate by FY2030. We are expanding the use of renewable energy, and encouraging each employee to review their daily work processes to reduce redundancies. We also share best practices across departments to achieve improvements. In FY2020, CO₂ emissions were reduced by approximately 22% compared with FY2013, thanks to the introduction of solar power generation systems by our production and sales company in China and the promotion of a production shift to models that use a refrigerant with a lower global warming potential (R-32).

Installation of solar power generation systems

The Fujitsu General Group is promoting the use of renewable energy for electricity used in its business activities. In August 2020, Fujitsu General Central Air-Conditioner (Wuxi) Co., Ltd., our production and sales company in China installed new solar panels on the roof. With the operation of the solar power generation system, we shifted about 14% of our electricity use to renewable energy by March 2021, reducing CO₂ emissions by 204 tons. For the full year, the CO₂ emissions are expected to be reduced by 371 tons, or about 25% of the electricity used. We will continue our efforts to increase the number of sites suitable for solar power generation to further promote shifts to renewable energy.



Solar panels newly installed on the roof of Fujitsu General Central Air-Conditioner (Wuxi) Co., Ltd.



Reducing electricity consumption at air conditioner evaluation/test facilities

The test room where we conduct the performance evaluation for air conditioners consumes considerable power, as we adjust the temperature conditions for the indoor and outdoor units to measure cooling and heating performance. Fujitsu General Air Conditioning R&D (Thailand) Co., Ltd., our air conditioner development base in Thailand has optimized the pre-run time in test preparation work and utilized timer operation on holidays and at night, based on the success of the Kawasaki test room. As a result, CO₂ emissions were reduced by 225 tons (23%) in FY2020 compared with FY2018.

* Calculated based on annual CO₂ emissions per household = Approx. 3,970 kg-CO₂ (National Institute for Environmental Studies Greenhouse Gas Inventory Office, FY2019 preliminary figures)

Efficient Use of Natural Resources

Key Initiatives

The Fujitsu General Group contributes to a sustainable society by effectively utilizing limited resources. Our Group is working to reduce waste loss of raw materials in the production process, reduce raw material usage for products, and recycle used products.

Recycling of used home appliances

Turning used TV back cabinets into materials

Fuji Eco Cycle, which is engaged in the home appliance recycling business in the Fujitsu General Group, has contributed to the reduction of waste as well as the reduction of selection energy when recycling them into raw materials by sorting and collecting the back cabinets of mainly LCD TVs with raw materials such as PS^{*1} and PC+ABS^{*2}.

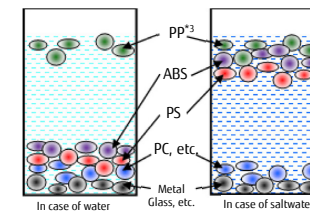


Removal of foreign substances (labels, metals, etc.) from cabinets

Crushed plastics (shipping state)

Effective use of saltwater from used washing machine

At Fuji Eco Cycle, saltwater used in the balancer of washing machines used to be disposed of after dilution and neutralization, but now it can be effectively used by creating a scheme that allows it to be used as a specific gravity liquid for sorting plastics and other materials.



Example of gravity sorting

*1 Polystyrene
*2 Polycarbonate + Mixture of acrylonitrile, butadiene and styrene
*3 Polypropylene

Activities

Efficient Use of Natural Resources (continued)

Promoting resource-saving design

The Fujitsu General Group places importance on the effective use of resources for the products the Group offers by developing a resource-saving design (including downsizing and weight reduction) and by reducing the number of parts needed, all being given consideration during the product design stage. For air conditioners, we will promote resource-saving designs and the development of standardized outdoor units with reduced weight.

[Example] Installation that saves approximately 15% of space needed compared with conventional air conditioners (AJQ615LALCH, air conditioner for China)

By increasing the capacity, the capacity range that used to be handled by two or three outdoor units in conventional air conditioners can now be handled by one or two outdoor units, thereby saving space and resources.

The main space- and resource-saving features are as follows.

- Space saving (installation space): 15% reduction compared with conventional models
 - Resource saving (weight/volume of outdoor unit): 19% reduction in weight and 14% reduction in volume compared with conventional models
- Rated capacity: 22 HP
 Conventional model: 2 units (12 HP + 10 HP) => 504 kg
 New model: 1 unit (22 HP) => 406 kg



Reduce Water and Waste

Basic Approach

Water, essential for daily living, is at risk of depletion worldwide due to climate change, deforestation, and population growth. Although there is no process that uses significant quantities of water in the Fujitsu General Group's business activities, we are still making efforts to reduce water usage in our daily activities as much as possible. In order to reduce the risk of depletion of resources, and to promote a sustainable society at large, we now regard waste as a valuable resource and pay the highest attention to its sorting, collection, and disposal.

Key Initiatives

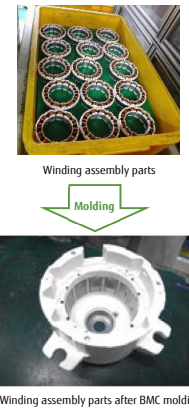
Initiatives to reduce water usage

The Fujitsu General Group is working to reduce water usage in its business activities by installing human sensors in the washbasins of toilets, recycling leaked water from lifting pumps, and making use of rainwater. In FY2020, we managed to reduce water usage per unit of production by 1.8% at domestic production sites and by 5.9% at overseas production sites, compared with FY2013. We will consider measures to reuse the cooling tower blowing water used in the development tests of air conditioners, and aim to further reduce water consumption.

Initiatives to reduce waste disposal

The Fujitsu General Group is making efforts to thoroughly sort, collect and dispose of waste in accordance with the waste disposal rules of each country and region, and is also making efforts to reduce the amount of waste as much as possible.

FGA (Thailand) Co., Ltd., our motor manufacturer in Thailand used to dispose of parts used in the initial setup of the molding machine that molds the winding assembly parts with unsaturated polyester resin (bulk molding compound, BMC). In order to reduce these disposed parts, by using winding assembly part samples for quality inspections (including destruction tests) that were discarded before, the amount of discarded parts could be reduced. As a result of these efforts, in FY2020, the amount of waste generated per unit of production output was reduced by 0.2% at overseas production sites compared with FY2013. On the other hand, the total amount of waste generated at domestic production sites decreased by 12 tons compared with FY2013, but the amount per unit of production increased by 12.5%.



Activities

Chemical Substances Management

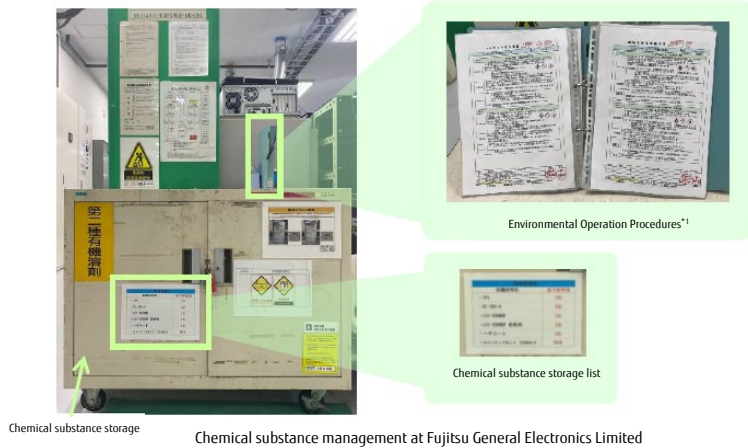
Basic Approach

The Fujitsu General Group is committed to reducing the use and emissions of chemical substances and preventing pollution associated with its products and factory operations. Furthermore, we take utmost care in the selection and management of designated chemical substances in accordance with applicable laws and regulations in order to reduce the environmental impact of the chemicals included in our products.

Key Initiatives

Thorough control of key chemical substances used in production

The Fujitsu General Group stringently manages key chemical substances used in manufacturing.



Chemical substance management at Fujitsu General Electronics Limited

Obtaining information on chemical substances contained in products

At the Fujitsu General Group, in order to prevent the inclusion of hazardous chemical substances in products and materials, we ask suppliers to provide us with information on chemical substances contained in parts and materials. The information transmission method is in accordance with "chemSHERPATM", which is the industry standard scheme. We also hold explanatory meetings with suppliers in China, Thailand, and other countries in advance for their cooperation. The obtained information on chemical substances contained in products is managed by the Intranet and shared within the Group.

*1 Environmental Operation Procedures that organized Safety Data Sheet (SDS)
 *2 Abbreviation for chemical information SHaring and Exchange under Reporting PArtnership in supply chain

Biodiversity Conservation

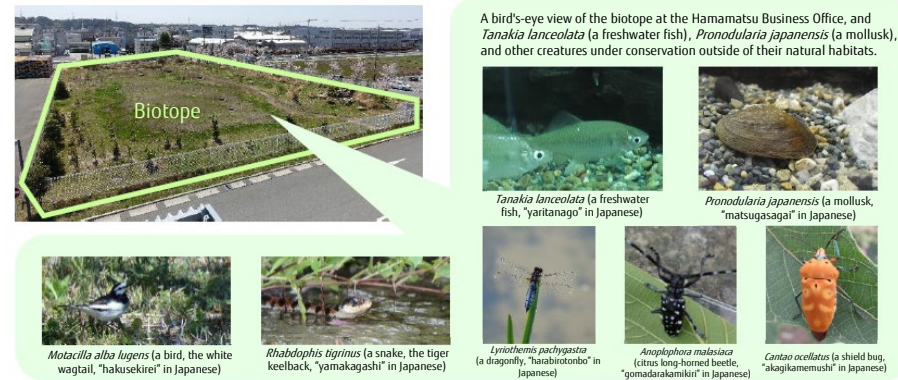
Basic Approach

At the Fujitsu General Group, we strive to conserve and make sustainable use of biodiversity, based on our idea that "our business activities both benefit from and impact biodiversity."

Key Initiatives

Creating a network of ecosystems by developing a biotope

The Hamamatsu Business Office maintains a biotope that it created in the green space on its premises in FY2012. Conservation of the rare species of *Tanakia lanceolata* (a freshwater fish) and *Pronodularia japonensis* (a mollusk), both of which are listed as Endangered Species IA* in the Red Data Book of Shizuoka Prefecture has been achieved inside the biotope, and their natural breeding has been confirmed at present. Many other species of plants and animals also live and grow here, including *Oryzias latipes* (Japanese rice fish) (Endangered Species II), *Persicaria japonica* (Japanese knotweed), and *Lycoris radiata* (red spider lily). We are also thinning out excessively abundant plants and removing invasive species to create an environment that attracts native species living in the vicinity of the location. The variety of species found in the biotope, including *Lyriothemis pachygastra* (a dragonfly) and *Rhabdophis tigrinus* (a snake, the tiger keelback), is increasing every year. In FY2020, we also saw new species such as *Anoplophora malasiaca* (citrus long-horned beetle) and *Cantao ocellatus* (a shield bug). We will continue to maintain the site to help develop a network of ecosystems around it and conserve rare species outside their habitats.



A bird's-eye view of the biotope at the Hamamatsu Business Office, and *Tanakia lanceolata* (a freshwater fish), *Pronodularia japonensis* (a mollusk), and other creatures under conservation outside of their natural habitats.

Motacilla alba lugens (a bird, the white wagtail, "hakusekirei" in Japanese) | *Rhabdophis tigrinus* (a snake, the tiger keelback, "yamakagashi" in Japanese) | *Lyriothemis pachygastra* (a dragonfly, "harabitsutonbo" in Japanese) | *Anoplophora malasiaca* (citrus long-horned beetle, "gomadarakamiki" in Japanese) | *Cantao ocellatus* (a shield bug, "akagikamemushi" in Japanese)

* Category for species with a very high risk of extinction in the wild in the very near future

Please visit our website for more information.
 Fujitsu Group Green Procurement Standard
<https://www.fujitsu-general.com/jp/corporate/procure/green.html>



Disclosure of Climate Change Information

Disclosures under TCFD [Summary version*]

In June 2017, the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB), announced recommendations for companies to understand and disclose the risks and opportunities posed by climate change. The Fujitsu General Group has endorsed the TCFD in 2020 and shall disclose key information related to climate change in line with the TCFD recommendation.

Governance Agendas

In March 2021, through discussions at the Board of Directors, we formulated and announced the basic policy and key themes of sustainable management. In addition, important management issues are discussed at the Management Committee (held twice a month in principle) attended by Corporate Vice Presidents (Corporate First Senior Vice Presidents and above), as well as at meetings of the Board of Directors, held once a month or on an ad hoc basis when necessary. Corporate Executive Meeting, which consists of all Corporate Vice Presidents, meets three times a month in principle to deliberate and decide on specific important issues related to business execution, and seek approval from the Board of Directors on particularly important matters. The Environmental Promotion Committee meets four times a year to check the progress and results of the policies and measures in the Mid-term Environmental Action Plan and the Environmental Action Plan Stage IX, and to promote further improvements and new initiatives.

Strategy

Impact and countermeasures of climate-related risks and opportunities in the air conditioner business of Fujitsu General Group

Regarding the business risks related to climate change, we examined the following two scenarios according to the TCFD classification: (1) "Risks related to the transition to a low-carbon economy" which will mainly occur in the course of the 2°C scenario, and (2) "Risks related to the physical impacts of climate change" which will occur when the 4°C scenario is reached due to the failure to reduce global CO₂ emissions.

We also consider the business opportunities and compile strategic initiatives to prepare for risks and take advantage of opportunities.

■ Risk: Business impact and probability [Examples of major risk items*]

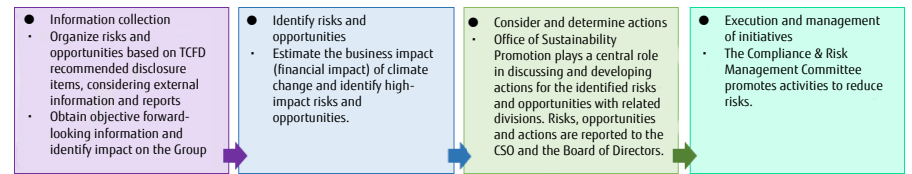
Risk Item		Risk	Probability	Financial Impact	Action
Transition	Policy and Legal Risks	Tighter refrigerant regulations	Extremely high	Extremely high impact	<ul style="list-style-type: none"> Development of air conditioners using refrigerants with low global warming potential
		Tight supply and demand for electricity	Extremely high	Fairly high impact	<ul style="list-style-type: none"> Development of air conditioners that do not use power sources derived from fossil fuels Early development of air conditioners that comply with energy conservation regulations

Risk Management

The Fujitsu General Group classifies various changes in the external environment associated with climate change into "transition risk" and "physical risk" as exemplified by the TCFD recommendations, and evaluates the financial impact and probability in three levels to identify significant risks and opportunities.

In addition, at the Group we strive to prevent and mitigate risks that could significantly impact our business by conducting risk assessments related to compliance, crisis management, human resources, labor, safety & health management, environment, IT security, and information management, amongst others. The process is overseen by the Compliance & Risk Management Committee.

Process for identification of climate-related risks and opportunities, consideration of actions, and implementation management



Risk Management System

In order to promptly identify risks that may adversely affect the Fujitsu General Group, whether at home or overseas, and to implement countermeasures in a timely manner, risk assessments are conducted to confirm appropriateness of the risk evaluation and risk management of each division of the Company as well as for the Group companies. The Compliance & Risk Management Committee selects priority issues to be addressed while promoting activities to reduce risk. The committee reports its annual activities to the Board of Directors.

Metrics and Targets

Mid-Term Environmental Action Plan

The Fujitsu General Group established the "Mid-Term Environmental Action Plan" in 2016 with FY2030 as the final target year as a concrete plan to carry out actions for the "Fujitsu General Group Environmental Policy" and for climate change which is the highest priority theme in materiality analysis. In order to more actively work to bring about a sustainable society, we conducted a major revision of our Mid-Term Environmental Action Plan in March 2021. All employees will share the goals to be achieved in the medium term and aim to both reduce environmental impact and enhance corporate value while contributing to the achievement of SDGs.

1. Achieve carbon neutrality (completely eliminate greenhouse gas emissions) by FY2030
2. Reduction of 30% compared to FY2018 for total greenhouse gas emissions by our supply network by FY2035
3. Reduction of 30% compared to FY2013^{*2} for total global greenhouse gas emissions from the use of our products^{*1} by FY2035

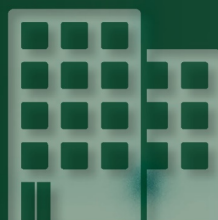
* This report provides a summary version of climate change-related disclosures.

Please visit our website for more information. Disclosure of Climate Change Information (in line with TCFD) <https://www.fujitsu-general.com/jp/csr/tcfd.html>



*1 Scope 3 Category 11
*2 For air conditioners

Governance



- Human Rights
- Corporate Governance
- Risk Management
- Compliance

Human Rights

Human Rights

Basic approach

We believe that it is important to both recognize and properly understand human rights issues, foster a spirit of respect for and sensitivity to and maintain a zero-tolerance policy towards discrimination or any other human rights violations. Each employee of the Fujitsu General Group should be conscious of the need to protect human rights while letting this fundamental principle guide their actions.

Human Rights Policy

The FUJITSU GENERAL Way, which represents the common values of the Fujitsu General Group, states "We respect human rights" in the opening line of the Code of Conduct. This statement clearly sets out the company's position that "its activities will be based on respect for human rights, that diversity is to be embraced, and that no one shall be discriminated against on the basis of race, religion, disability, gender or sexual orientation, nor shall harassments be tolerated." We strive to ensure that all employees of the Group demonstrate this spirit in action. We believe that it is important to properly recognize human rights issues to cultivate a spirit of respect and a sense of the true meaning of human rights, and to act in a way that does not tolerate discrimination or other human rights violations. It is the fundamental principle of our group that each employee of the Group should be conscious of the need to protect human rights and act accordingly. In addition, the Group supports and respects international norms related to human rights, including the United Nations International Bill of Rights, the Guiding Principles on Business and Human Rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and will continue to promote its human rights-oriented management.

Application of Our Human Rights Policy

It is incumbent upon all executives and employees of the Group to adhere to this policy. Furthermore, we will encourage all business partners connected to the Group's products and services to both respect and not violate human rights.

Our Commitment as Expressed in the Human Rights Policy

- We support and respect international norms on human rights, including the United Nations' International Bill of Rights, the Guiding Principles on Business and Human Rights, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.
- In order to exercise due diligence in the area of protecting human rights, we will establish the process and means to identify and prevent or mitigate any potential violation of human rights.
- If we are found to have caused or been involved in a possible violation of human rights, we will work to redress the matter through appropriate procedures.
- We will provide education and training to our executives and employees to ensure that this policy is implemented throughout all of our business activities.
- We will communicate and consult with relevant external stakeholders on how to respond to potential and actual violations of human rights.
- We will be transparent with regard to our efforts to protect human rights, using our website and other platforms to keep the public informed.

Established: October 4, 2019
Fujitsu General Limited
President & Representative Director

Etsuro Saito

Human Rights Policy

Key Initiatives

Status of human rights awareness activities for employees

Conducting human rights awareness training

The Fujitsu General Group strives to raise employees' consciousness of human rights issues through regularly scheduled educational programs. As an opportunity for human rights education, we provide employees with e-learning on the prevention of harassment during Human Rights Week every year. In addition, human rights enlightenment is promoted through human rights education for newly appointed managers and new employees.

Status of human rights awareness activities for business partners

In procuring products, materials and raw materials, the Fujitsu General Group has formulated the CSR Procurement Policy and Guidelines with the aim of fulfilling social responsibility in the entire supply chain. It will do this by adding required items in light of the progress in measures taken for the environment, labor environment, human rights, etc. to the existing items such as quality, performance, price and delivery.

We share our CSR Procurement Policies and Guidelines with our suppliers and ask them to practice them within their companies.

We conduct CSR audits to confirm the status of our business partners' CSR initiatives. Prior to the audit, we send a self-assessment questionnaire to our suppliers as a self-check, and based on the results of this survey, a field audit is conducted to investigate the actual situation. If we believe a business partner is not taking sufficient measures, we request the partner to take appropriate corrective action, with Fujitsu General providing support for improvement and confirming the necessary steps have been taken.

In FY2020, due to the pandemic of COVID-19, we were unable to conduct CSR audits and other on-site surveys, but we did conduct self-checks using the self-assessment questionnaire for seven companies in Japan, four in China, and five in Thailand. In the survey conducted in FY2020, no CSR issues were found among our suppliers.

Action against human rights violations

Establishment of a human rights consultation and relief office for employees

The Fujitsu General Group has set up a "Corporate Ethics Helpline" for the consultation and relief to protect employees' human rights. This hotline can be either reached through the division in charge or via an external law firm. All employees have been made aware of the helpline through the details posted on the company intranet as well as via e-learning.

The system provides a mechanism for the early detection and resolution of potential or actual violations of laws and regulations, internal rules and corporate ethics, as well as the prevention of a violation.

We have a system in place that enables an independent team of investigators to take responsibility for factual probes and, if necessary, take corrective action and prevent recurrence, whenever a report is filed or a request for consultation is received.

Corporate Governance

Corporate Governance

Basic approach

The Fujitsu General Group believes that the basis of corporate governance is to increase management efficiency, such as the expediting of the decision-making process, while at the same time ensuring transparency in the decision-making process and enhancing the internal control function over business execution.

Management

Corporate governance structure

The Fujitsu General Group has adopted the Audit & Supervisory Board Member and Corporate Vice President (executive officer) system to enhance management's oversight function and enable efficient and agile business execution. The Auditors conduct audits and provide supervision from a standpoint independent of company management. We believe that this system is effective in terms of our meeting the tenets of our corporate governance program.

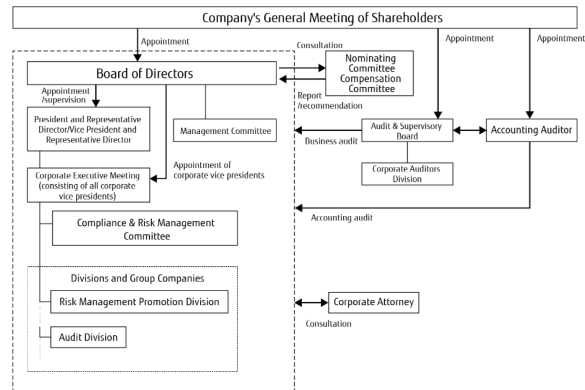
As of the end of June 2021, there were 11 Directors (including five External Directors) and three Audit & Supervisory Board Member (including two External Audit & Supervisory Board Members).

Important management issues are discussed at the Management Committee (held twice a month in principle) attended by Corporate Vice Presidents (Corporate First Senior Vice Presidents and above), as well as at meetings of the Board of Directors, held once a month or on an ad hoc basis when necessary. The Corporate Executive Meeting, which consists of all Corporate Vice Presidents, meets three times a month in principle to deliberate and decide on specific important issues related to business execution, and seek approval from the Board of Directors on particularly important matters. In FY2020, 13 meetings of the Board of Directors were held (and one other meeting with a written resolution) with a 98% attendance rate of officers.

The Audit & Supervisory Board consists of three Audit & Supervisory Board Member (including two External Audit & Supervisory Board Member) with the Office of Corporate Auditors (one personnel member) expected to assist Audit & Supervisory Board Member in fulfilling their duties. The Audit & Supervisory Board meets monthly on the same day as the Board of Directors and on an extraordinary basis when necessary. Audit & Supervisory Board Member attend Board of Directors meetings to audit the proceedings of the meetings and the content of resolutions, and express their opinion when deemed necessary. Full-time Audit & Supervisory Board Member attend important internal meetings or sit on committees, such as the Corporate Executive Meeting and the Compliance & Risk Management Committee.

They meet on a quarterly basis with the President to provide audit findings and make recommendations based on the audit activities. In addition, we conducted interviews and reports 91 times a year with Directors, Corporate Vice Presidents, senior managers in charge of each division, and conducted visits to 13 locations a year in Japan and overseas basically by remote auditing using the video conference system due to COVID-19.

In principle, the Full-time Audit & Supervisory Board Member hold quarterly meetings with the External Directors to share their views on issues identified through the auditing activities. Reports of the Full-time Audit & Supervisory Board Member' activities are made to the Audit & Supervisory Boards and appropriately shared with the Auditors.



Our Group's Corporate Governance Structure

Attendance of Directors at Board of Directors meetings and Nomination and Compensation Committee in FY2020*1

Name	Affiliation	Board of Directors	Nominating Committee	Compensation Committee
Etsuro Saito		◎ 100%(13/13)	100%(1/1)	-
Hiroshi Niwayama		100%(13/13)	-	100%(2/2)
Hisashi Sakamaki	[External] [Independent]	92%(12/13)	100%(1/1)	100%(2/2)
Fumiaki Terasaka	[External] [Independent]	85%(11/13)	◎ 100%(1/1)	◎ 100%(2/2)
Mieko Kuwayama	[External] [Independent]	100%(13/13)	100%(1/1)	100%(2/2)
Hirohisa Yamaguchi	[External]	100%(13/13)	-	-
Tsunenao Kosuda		92%(12/13)	-	-
Tadashi Hasegawa		100%(13/13)	-	-
Hiroyuki Yokoyama		100%(13/13)	-	-
Masaki Sugiyama		100%(13/13)	-	-

Areas of particular expectation for Directors and Audit & Supervisory Board Member*2

These are areas that will be important in promoting "Sustainable Management," which aims to contribute to the growth and development of the Company's business over the medium to long term and to the realization of a sustainable society.

The following list has been resolved by the Board of Directors in accordance with the resolutions of the Nomination Committee, a majority of whose members are independent External Directors.

	Name	Position	Affiliation	Area of expertise the Company expects from candidates in particular						
				Corporate Management	Global Experience	Manufacturing, Technology	Sales, Marketing	ICT, DX	Finance, Accounting, M&A	Legal affairs, Risk management
Directors	Etsuro Saito	President & Representative Director		○	○					○
	Hiroshi Niwayama	Vice President & Representative Director		○					○	○
	Hisashi Sakamaki	Director	[External] [Independent]	○	○	○				
	Fumiaki Terasaka	Director	[External] [Independent]	○			○			○
	Mieko Kuwayama	Director	[External] [Independent]				○		○	○
	Osami Maehara	Director	[External] [Independent]	○	○				○	
	Hirohisa Yamaguchi	Director	[External]	○			○	○		
	Tsunenao Kosuda	Director		○			○			
	Tadashi Hasegawa	Director			○		○			
	Hiroyuki Yokoyama	Director		○				○		
Masaki Sugiyama	Director		○					○		
Audit & Supervisory Board Members	Akira Inoue	Full-time Audit & Supervisory Board Member	[External] [Independent]						○	○
	Yoshinobu Miyajima	Full-time Audit & Supervisory Board Member							○	○
	Yoichi Hirose	Audit & Supervisory Board Member	[External]						○	○

*1 *◎ marks are Chair/Committee Chairperson

*2 Listed up to three areas in which the company has particular expectations for each person. The above list does not represent all of the knowledge and experience held by each person.



Risk Management

Risk Management

Basic approach

At the Fujitsu General Group, we strive to prevent and reduce risks that could significantly impact our business by conducting risk assessments related to compliance, crisis management, human resources, labor, safety & health management, IT security, environment and information management, amongst others. The process is overseen by the Compliance & Risk Management Committee.

Risk management system

In order to promptly identify risks that may adversely affect the Fujitsu General Group, whether at home or overseas, and to implement countermeasures in a timely manner, risk assessments are conducted to confirm appropriateness of the risk evaluation and risk management of each division of the Company as well as for the Group companies. The Compliance & Risk Management Committee selects priority issues to be addressed while promoting activities to reduce risk.

In FY2020, we addressed key themes including overseas business risks, IT security risks, environmental regulation compliance, and quality compliance. The committee reports its annual activities to the Board of Directors.

Key initiatives

Risk management

"FUJITSU GENERAL Way Code of Conduct," which sets forth the specifics to be taken into account as the basis for compliance at the Fujitsu General Group, is posted on the company intranet and disseminated through training programs for executives and employees. To raise awareness among employees, training is provided to division managers, who are responsible for risk management and internal control operations in the field. We also provide training on important laws and regulations related to each division's operations, such as the Anti-Monopoly Act and the Subcontract Act, as well as on preventing harassment, information leakage, and bribery, as necessary. We also regularly send out e-mail newsletters to employees to raise awareness of compliance in general.

Risk assessment

Each of Fujitsu General's divisions and Group companies conducts risk assessment to evaluate risks that are considered to have a significant impact if they are actualized and consider risk reduction measures.

Specifically, from the perspective of compliance, we have identified risks that may arise from the status of compliance with various laws and regulations such as the labor law, anti-monopoly law, bribery regulations, and environmental regulations applicable to our company, as well as risks that may arise from business activities such as product quality, IT security, natural disasters, and internal fraud. The Compliance and Risk Management Committee selects important themes that should be prioritized from a corporate perspective based on the degree of impact and the level of controls, and promotes activities to reduce risks.

Internal reporting system "Corporate Ethics Helpline"

Fujitsu General has established the "Corporate Ethics Helpline" system, which ensures the protection of whistleblowers, as a means of direct reporting of compliance issues in addition to the normal business reporting channels. Through the use of this system, compliance issues are detected at an early stage and appropriate measures are taken. The Corporate Ethics Helpline also covers reporting of internal fraud, bribery, and other violations of laws and regulations.

Business continuity management

The Fujitsu General Group has formulated the Business Continuity Plan (BCP) for the purpose of ensuring the safety of employees and their families while continuing and operating its business in the event of an unplanned disruption or large-scale natural disasters. Disasters include, but are not limited to, a major earthquake or the spread of new infectious diseases. In order to ensure the effectiveness of the Plan, the Fujitsu General Group regularly conducts awareness-raising activities and BCP drills covering important business operations.

Disaster initial response training

Every year we conduct initial response drills to prepare for events such as a Tokyo inland or Nankai Trough earthquake. In addition to the Human Resources Division, General Affairs Division and the IT Division, the divisions responsible for business continuity of critical business operations participate in training sessions every year, and the participants are rotated every year to increase effectiveness.

BCP training

We have formulated the BCP to ensure the continuity of important operations such as the shipment of various Fujitsu General products and the maintenance service of firefighting systems and disaster-prevention radio systems, which are social infrastructure, even in the event of a major earthquake or cyberattack. BCP drills are also conducted every year to ensure effectiveness.

Response to infectious diseases such as COVID-19

At Fujitsu General, we are committed to preventing infection as well as decreasing the rate of infection based on the following concepts, while continuing to maintain our important business operations and fulfilling our social responsibilities during periods of an outbreak.

1. Do everything possible to keep our employees and their families, customers, and community members healthy and safe
2. Work to contain the spread of COVID-19
3. Continue to deliver to customers products and services essential to their lifestyle and business needs



Compliance

Compliance

Basic approach

The Code of Conduct of the Fujitsu General Way, which sets forth the specifics to be taken into account as the basis for compliance at the Fujitsu General Group, is posted on the company intranet and also disseminated through training programs for executives and employees.

The Fujitsu General Group Code of Conduct

• We respect human rights.

We respect each individual's human rights and will not discriminate on the basis of race, color, religion, creed, sex, age, social status, family origin, physical or mental disability or sexual orientation, nor will we commit other violations of human rights. Such discrimination will not be tolerated.

We will make every endeavor to be fully aware of human rights issues and foster respect and equality for all.

• We comply with all laws and regulations.

We respect and comply with all applicable laws, treaties, government regulations and statutes, customs and social norms considered to be fair. Violating laws or regulations.

We also conform to socially accepted business practices, use common sense in our dealings, and are careful to check whether our commercial terms are in line with local requirements. Customs vary from country to country.

Therefore, in addition to understanding the laws and customs of our home territory, we also will become familiar with and respect the laws, customs and ethnicities of other territories in which we do business.

• We act with fairness in our business dealings.

We treat customers, business partners and competitors fairly and with respect.

We do not engage in practices which treat customers differently without justification.

We do not use our position to secure an unfair advantage in dealings with business partners.

We do not take advantage of competitors through unethical behavior or illegal means.

• We protect and respect intellectual property.

We are contributing to the establishment of a networked society by continuously creating new value and providing products and services on a global basis to meet customer needs.

We recognize that the knowledge and know-how held by each employee give us a competitive edge in our business activities.

We respect third-party intellectual property and utilize it only after having properly secured rights to its use.

• We maintain confidentiality.

We must have a proper understanding of the rules for handling different types of information and thoroughly comply with those rules.

In addition, we are conscious of the vital importance of data security in our daily work so as not to unintentionally leak confidential information or personal data.

• We do not use our position in our organization for personal gain.

We do not use our position, role, or corporate information, or act in any way contrary to our corporate obligations, to seek or gain benefits for ourselves, our relatives, our friends or other third parties.

We do not trade stocks or other securities using undisclosed "insider" information gathered from our organization or third parties.

Management

Compliance training for employees

To raise awareness among employees, training is provided to division managers, who are responsible for risk management and internal control operations in the field. In FY2020, we also provided training, etc. ten times on important laws and regulations related to each division's operations, such as the Anti-Monopoly Act and the Subcontract Act (Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors), as well as on preventing harassment, information leakage, and bribery, as necessary. We also regularly send out e-mail newsletters to employees to raise awareness of compliance in general.

With regard to CSR training (excluding compliance), we held three e-learning training sessions.

■ Implementation status of each training program

Training	FY2020
Compliance training	10 times
CSR training (excluding compliance)	3 times

■ Ethics training for engineers

The Fujitsu General Group has established a corporate quality policy, and the first priority is to provide safe and high-quality products. Under the policy, in order to eliminate risks such as falsification of quality data, Ethics Training for Engineers is conducted to disseminate that "Quality should be secured by the organization through reasonable procedures and approvals" and "the approach should be shared by all."

Fair trade policy

The FUJITSU GENERAL Way Code of Conduct states that "We act with fairness in our business dealings" and "We comply with all laws and regulations." We have established internal rules and conduct regular employee training in relation to legislation with high relevance to our business (e.g., the Anti-monopoly Act and the Subcontractors Act). We monitor our level of compliance as per the various regulations.

Anti-bribery policy

All members of the Fujitsu General Group follow the FUJITSU GENERAL Way Code of Conduct principles "We act with fairness in our business dealings" and "We do not use our position in our organization for personal gain." In further support of this, we have established the Anti-Bribery, Gift and Entertainment Guidelines to prevent bribery and maintain fair and equitable relationships with our business partners. Specifically, the provision of gifts or entertainment to public officials for the purpose of obtaining business favors is prohibited. In addition to prohibiting the giving of gifts or entertainment to persons other than public officials, etc., with the intention of inducing them to perform improper duties, it is also prohibited in principle to receive gifts or entertainment.

All officers and employees of the Company and its domestic affiliates have received training on this policy in FY2020 and are acting in accordance with these guidelines.

Furthermore, each of our overseas bases comply with anti-bribery regulations established based on the content of these guidelines and local laws and customs, and in FY2020, training was conducted to ensure compliance.

Preventing insider trading

Based on the FUJITSU GENERAL Way Code of Conduct principles "We comply with all laws and regulations" and "We maintain confidentiality," the Fujitsu General Group has established the Regulations for the Prevention of Insider Trading to ensure the prevention of insider trading to fulfill its corporate social responsibility. As an example, employees are required to give prior notification when buying, selling or otherwise trading the Company's specified securities. In addition, we provide internal training to our employees covering the subject of insider trading to ensure compliance with laws and regulations, and acquaint them with our internal rules regarding the proper handling of insider and confidential information.

