

2020 Fujitsu General Group Sustainability Report



Corporate Mission

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 we want 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 Group to follow in everything they do at work.

By fulfilling Our Mission 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 Mission and the Code of Conduct.



FUJITSU GENERAL Way

Our Mission

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

—Living together for our future—

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

Corporate Mission

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 protect and respect intellectual property.
- We comply with all laws and regulations.
- We maintain confidentiality.
- We act with fairness in our business dealings.
- 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.

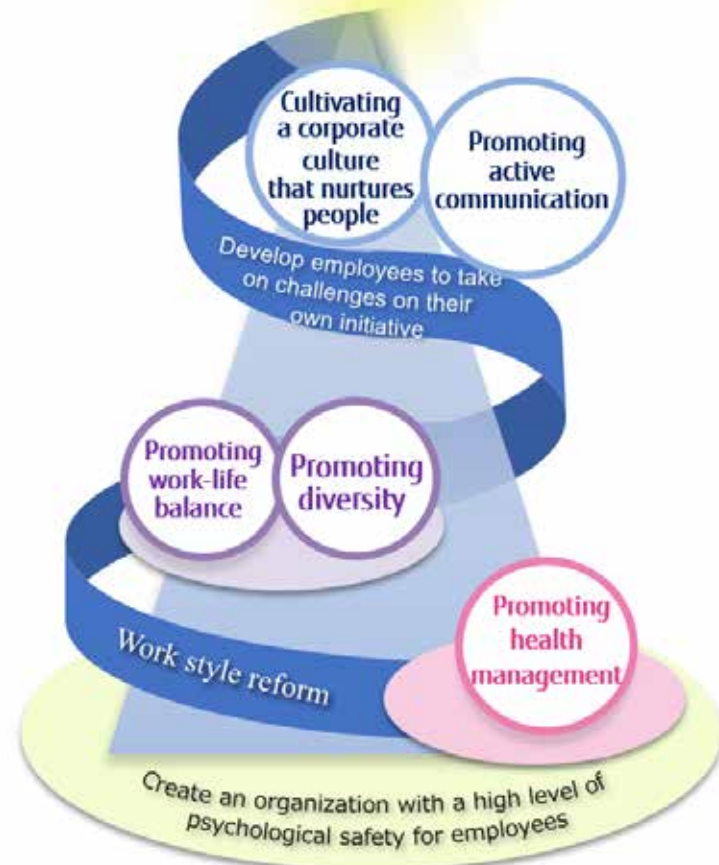
Approach to achieving the mission

Leverage innovation and technology to resolve social issues

Approaches to resolving social issues

Sustained growth of the Fujitsu General Group

Creation of innovation



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.

Management foundation on which to create innovation and technology

Message from the President



Our Corporate 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.

The Fujitsu General Group, under Our Mission of —Living together for our future—, strives to deliver a brighter future with the peace of mind to our customers and societies around the world through innovation and technology. The Group is also committed to playing an instrumental role in helping achieve a sustainable society.

Our air conditioners and ATW(air to water) systems that use a heat pump technology to extract ambient heat from the air are widely recognized as equipment that works on renewable energy sources. Governments in EU countries are encouraging consumers and businesses to switch their natural-gas- and oil-powered boilers and heaters to ones that use a heat pump technology.

Developing and marketing products that incorporate a heat pump technology is part of our efforts to make society less dependent on fossil fuels as well as to achieve greater energy efficiency and resource saving. We are also committed to pursuing ESG (environmental, social, and governance) agendas, environmental management, better managing our supply chain, and conducting a recycling business. Making greater use of energy-efficient air conditioners will go a long way toward mitigating global warming. In our information and communication systems and electronic devices business, we offer fire and disaster response systems and in-car cameras to make communities safer and more secure.

In order to address surging global demand for air conditioning and electricity, we need to forgo a conventional approach and innovate those designed to complement ordinary air conditioners. More specifically, we are considering offering solutions for greater convenience and energy saving, as well as providing novel products and services.

In pursuit of Our Mission, we will step up our efforts to develop innovative technologies, products, and services designed to reduce greenhouse gas emissions significantly and help achieve a sustainable society.

"Innovation and technology" is driven by employees committed to taking on challenges on their own initiative without fear of failure. We consider our employees to be one of the most important stakeholder groups, and make it one of our key management objectives to value and invest in them. Through "valuing and investing in our people," we intend not only to motivate and inspire our employees but also to help them weather challenging times and grow personally and professionally. When these highly motivated and committed employees work together to demonstrate creativity and insight, they can create innovative products and services that will resolve social issues and help achieve a sustainable society.

For us, contributing toward a sustainable society is not doing something new, but is stepping up and accelerating what we have been doing all along in our businesses. We take the ESG agendas and SDGs (sustainable development goals) seriously not because they are social demands, but because they are an integral part of operating our businesses.

In other words, contributing toward a sustainable society is part of achieving Our Mission of —Living together for our future—.

The Fujitsu General Group is committed to playing an instrumental role in helping achieve a sustainable society by continuing to support our customers and society around the world through a wide range of activities tailored to each country and region.

FUJITSU GENERAL LIMITED
President & Representative Director

斎藤 隆郎



Our sustainability-driven corporate management is about addressing social issues through "Innovation and technology".

The Fujitsu General Group pursues its mission of "Through innovation and technology, we deliver a brighter future with the peace of mind to our customers and societies around the world." Since its founding in 1936, the Group has been at the forefront of technological innovation to deliver new value to customers and increase its enterprise value.

In the global arena, amid mounting concerns over threats to the sustainability of the Earth, which provides the basis for our social and economic systems, nations have joined forces in adopting the Paris Agreement, an international framework for mitigating greenhouse gas emissions, and SDGs (sustainable development goals). These agreements and goals urge businesses to employ innovation to address diverse issues facing the global community.

The Group believes that employees drive innovation at work, and values and invests in them. We promote employee wellness and have created a workplace in which diverse employees can thrive and succeed in a flexible manner and feel motivated to take on new challenges on their own initiative without fear of failure. These approaches provide the Group with a basis for sustainability-driven corporate management that fosters innovation to address social issues.

Valuing and Investing in Our People

In its sustainability-driven corporate management, the Fujitsu General Group places a high priority on "valuing and investing in our people." First, we make sure that they stay healthy and happy at work so that they can achieve their full potential with a healthy mind and body. Second, as part of our efforts to promote a better work-life balance and greater diversity in the workplace, we provide more flexible working arrangements to employees so that they can improve the quality and productivity of their work. We also offer talent and career development programs to help employees to take on challenges on their own initiative.

By promoting health management, providing more flexible working arrangements to employees, and developing employees to take on challenges on their own initiative, we can create an organization with a high level of psychological safety, in which employees are motivated to explore the unconventional and pursue innovation.

Leveraging "innovation and technology" to address social issues

An organization with a high level of psychological safety, which "valuing and investing in our people," provides a basis for fostering innovation that will address social issues. For instance, our air conditioners can mitigate risks associated with global warming caused by climate change. Our ATW systems that use a heat pump technology do not generate carbon dioxide during heating operation, and are more environmentally friendly than heaters and boilers powered by fossil fuels. We believe that developing and marketing these products will go a long way toward addressing social issues.

Employees who take on challenges on their own initiative have played a central role in developing the innovative *Cómodo gear™*, which is a wearable personal cooling device. This product is designed to keep workers comfortable and help them maintain a high level of productivity under the scorching sun or in a non-air-conditioned environment.

We will step up our efforts to foster innovation to better address social issues by making greater use of our proprietary heat pump technology and continuing to develop self-driven talent among employees.

The Fujitsu General Group is committed to playing an instrumental role in helping achieve a sustainable society by undertaking a wide range of CSR activities and proactively communicating our CSR strategies and achievements to the public.

Corporate senior vice president
Executive Manager, Office of Sustainability Promotion
General Manager, CSR Promotion Division
Vice in Charge of Quality
General Manager, Quality Assurance Promotion Division

Masataka Eto

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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.

Please 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.

Editorial Policy

The Fujitsu General Group Sustainability Report 2020 outlines the 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 the fiscal year ended March 31, 2020 (FY2019).

Reporting Period

April 1, 2019 through March 31, 2020

Please note that this report refers to some events that took place before and after this period.

Scope of Reporting

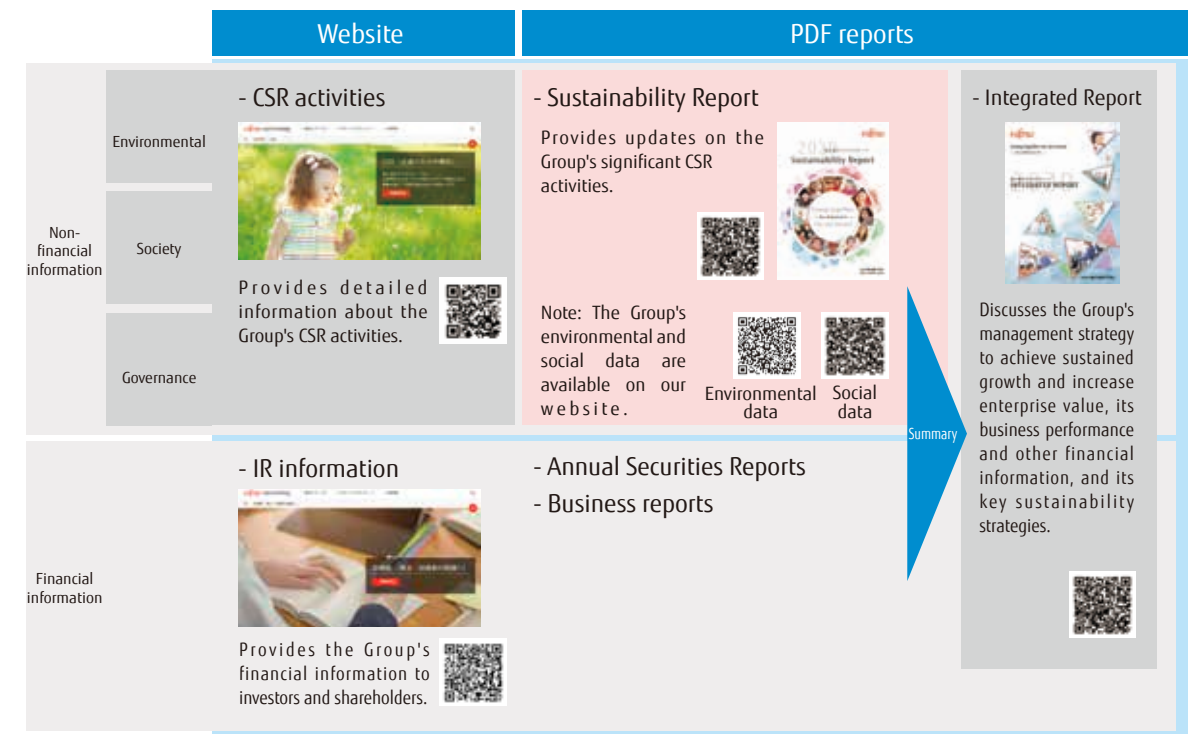
This reports covers activities and achievements by Fujitsu General Limited as well as its consolidated subsidiaries and affiliated companies accounted for by the equity method, which collectively constitute the Fujitsu General Group.

Reference Guidelines Used for the Preparation of This Report

- The GRI Standards, published by the Global Reporting Initiative (GRI)
- ISO 26000, published by the International Organization for Standardization (ISO)
- Environmental Reporting Guidelines 2018, published by the Ministry of Environment of Japan
- Environmental Accounting Guidelines 2005, published by the Ministry of Environment of Japan

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.



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For inquiries, contact

The Office of CSR Promotion under the Office of Sustainability Promotion of Fujitsu General Limited

- nocria is a registered trademark of Fujitsu General Limited.

The Fujitsu General Group at a Glance

Description of businesses

Development, production, sales, and servicing of products and parts in the air conditioner business as well as the information and communication system and electronic device business.

Note: Net sales are for the fiscal year ended March 31, 2020.

Europe

Net sales 62,365 million yen

◆ Share of global sales 23.8 %



Americas

Net sales 36,518 million yen

◆ Share of global sales 13.9 %



Electronic components



Fireproofing command center

Asia and Greater China

Net sales 25,623 million yen

◆ Share of global sales 9.8 %



Japan

Net sales 88,514 million yen

◆ Share of global sales 33.8 %



Middle East and Africa

Net sales 20,091 million yen

◆ Share of global sales 7.6 %



Oceania

Net sales 29,004 million yen

◆ Share of global sales 11.1 %

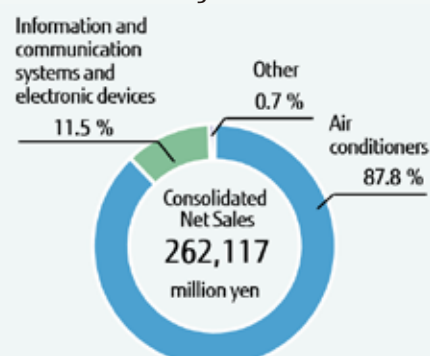
For further details, please visit our website.

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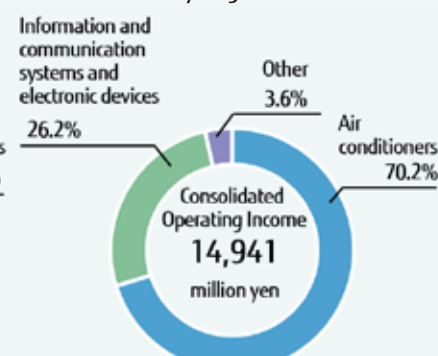
<https://www.fujitsu-general.com/global/corporate/locations/index.html>



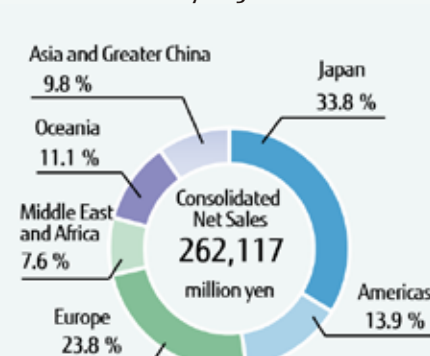
Sales Composition Ratio by Segment



Operating Income Composition Ratio by Segment

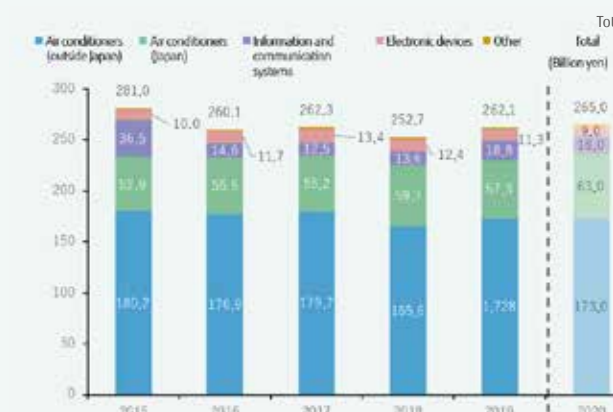


Sales Composition Ratio by Region



Net sales: Consolidated 262,117 million yen; Non-consolidated 201,607 million yen

Net Sales



Operating Income and Operating Income Margin



Interview with the President



Our contribution toward achieving a sustainable society

Today's world is facing increasingly serious social issues, such as growing antiglobalism and nationalism movements, economic disparities among people and nations, and global warming and other environmental problems. Worse yet, people are affected by the COVID-19 pandemic around the globe. We are living in a VUCA (volatility, uncertainty, complexity, and ambiguity) world. To address these issues, more and more governments and private businesses have embraced SDGs around the globe. The Fujitsu General Group incorporates increasingly important sustainability agendas into its business operations, which include the air conditioner business as well as the information and communication systems and electronic devices business.

Valuing and Investing in Our People

We consider our employees to be one of the most important stakeholder groups. Our redefined Philosophy encourages employees to act spontaneously, value integrity, and develop the team as the guiding principles for everything they do at work. In the belief that employees are the foundation of a successful company, we respect, value, and develop our employees and provide them with more flexible working arrangements, which include health management2.0, reducing overtime, increasing productivity, achieving a better work-life balance, and fostering better communication in the workplace. To keep our employees and their families safe and healthy amid the COVID-19 crisis, we encourage employees to switch to flexible work hours and teleworking and make greater use of online video conferencing powered by Microsoft Teams, and grant special childcare leave to employees with children who have difficulty coming to work due to school closures. When highly motivated, self-driven employees respect, value, and develop each other, they can collectively foster innovation at work. This innovation in turn will go a long way toward addressing social issues and helping achieve a sustainable society.

Why we have redefined the Group's Corporate Mission

Our Corporate Mission serves as a guidepost for every employee of the Fujitsu General Group to follow to make it through an increasingly challenging business environment. In the medium-term management policy announced in February 2017, we stated our intention to place valuing and investing in our people at the center of transforming our corporate culture and to redefine and update the Group's Corporate Mission. We set up a project to redefine our Corporate Mission, in which a broad range of employees from various departments participated. The project team spent a year and in November 2018 announced the FUJITSU GENERAL Way. It represents the Group's core purpose that defines, as a basis for achieving sustainable growth, where we want to be, the mission we must fulfill to support our customers and society, and the value we offer. All of us in the Fujitsu General Group strive to deliver a brighter future under Our Mission of –Living together for our future–.

However, the Group's Corporate Mission does not mean much unless everyone in the organization embraces and acts upon it. I understand it will take time for the spirit of the FUJITSU GENERAL Way to take root and spread throughout the organization, and I will take the lead in acting upon it for executives, managers, and employees to follow.

–Living together for our future–with customers and society

Amid the grave health crisis caused by COVID-19 and an increasing number of natural disasters around the globe, the Fujitsu General Group acknowledges the importance of having a humble attitude toward the natural environment that sustains the lives of all of us. True to Our Mission of –Living together for our future–, we have a renewed commitment to playing an instrumental role in supporting the well-being of people and society around the world. Instead of pursuing short-term gains, we will continue to pursue innovation from a long-term perspective with the goal of delivering a brighter future.

In addition, to meet the expectations of all our stakeholders, including customers, communities, and employees, we intend to increase our enterprise value through medium- and long-term growth and help achieve a sustainable society.



Topic 1

Management Based on the FUJITSU GENERAL Way Redefining the Group's Corporate Mission

The Fujitsu General Group has been at the forefront of technological innovation. Today, we are doing business in an increasingly competitive global market. To sustain the Group's growth in this challenging and ever-changing business environment, every employee needs to be more agile and flexible in everything they do at work. That is why we have updated the Group's Corporate Mission to redefine where we want to be and provide a guidepost for every employee to follow to be agile and flexible. When all of us in the Group share and embrace the redefined Corporate Mission, we can better fulfill the Group's objectives as a team.

Project to Redefine the Group's Corporate Mission

We set up a 25-member project team (including 4 women), tasked with redefining the Group's Corporate Mission. Most of the members were from various departments, who were among those expected to put a new corporate mission into practice.

The team first looked back on the Group's accomplishments, challenges, and opportunities since its founding, and used them as a basis for defining where we wanted to be going forward. They revisited the Group's existing Corporate Mission and discussed how to update it to reflect changes in internal and external environments. Team members made sure that thousands of non-member employees, who would be asked to act upon the Group's new Corporate Mission, had an opportunity to voice their opinions. After each project session, members brought what they had discussed back to their respective departments to share it with their colleagues and listened to what they had to say; such feedback from non-members was then incorporated into a subsequent session. This process, although time-consuming, turned out to be effective in allowing non-members to take part in developing the new corporate mission.

The team's year-long work came to fruition when the redefined FUJITSU GENERAL Way—reflects its identity, founding spirit, and uniqueness—was unveiled.

A Redefined Corporate Mission That Incorporates Employee Feedback

The project team discussed among themselves and sought feedback from other employees to redefine the Group's Corporate Mission, which comprises the three criteria shown below and incorporates the culture and aspirations we all pursue. The team also incorporated into the redefined Corporate Mission the values that the Group has upheld all these years and made sure that the new Mission would unite all employees when tackling today's challenges and moving forward.

Three criteria for redefining the Group's Corporate Mission

- Must identify who we are
- Must define the Group's mission
- Must define the Group's philosophy to which employees always come back

The culture and aspirations we pursue

- Foster the spirit of challenge
- Be forgiving of minor failures
- Trust, respect, and support each other
- Do the right thing for society



Project session among members and President Saito (foreground)

The Group's Redefined FUJITSU GENERAL Way

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.

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.

■ Assisting Employees in Embracing and Acting upon the FUJITSU GENERAL Way

We have been taking actions to assist employees around the world in embracing and acting upon the FUJITSU GENERAL Way.

Action 1 Session to Share the Corporate Mission Globally

Members of the International Sales Division and representatives of the Group's 16 overseas sales subsidiaries met at the Kawasaki Headquarters in July 2019. President Saito started the session by explaining why we had redefined the Group's Corporate Mission and the ideas behind it, followed by presentations by overseas members, who talked about their initiatives and policies they had enacted based on the redefined Corporate Mission. It was a good opportunity to better understand each other in terms of business environments, priorities, and values.



Session among members engaged in international businesses

Action 2 Spreading the Group's Corporate Mission in the Workplace by the Promoters

A promoter is appointed from among employees in each department, responsible for assisting their colleagues in embracing and acting upon the redefined Corporate Mission. They regularly meet at workshops to better understand what the Group's Corporate Mission stands for and share what actions have been taken in their respective departments to achieve the mission. Promoters bring takeaways from workshop sessions back to their departments and share them with other employees. In a workplace session, employees revisit their department's as well as their individual goals and objectives to update them where necessary.

The Fujitsu General Group ensures that every employee embraces and acts upon the FUJITSU GENERAL Way. We value and invest in our employees by developing them to take on challenges on their own initiative as well as creating a workplace that promotes healthy lifestyles among employees and in which diverse employees can thrive and succeed in a flexible manner. We believe these approaches will help us address social issues and achieve Our Mission of "delivering a brighter future with the peace of mind to our customers and society around the world through innovation and technology."

Topic 2

Valuing and Investing in Our People

Employees are invaluable assets of a company. The Fujitsu General Group considers its employees to be one of the most important stakeholder groups and values and invests in them so that they can achieve their full potential and stay healthy and happy at work.

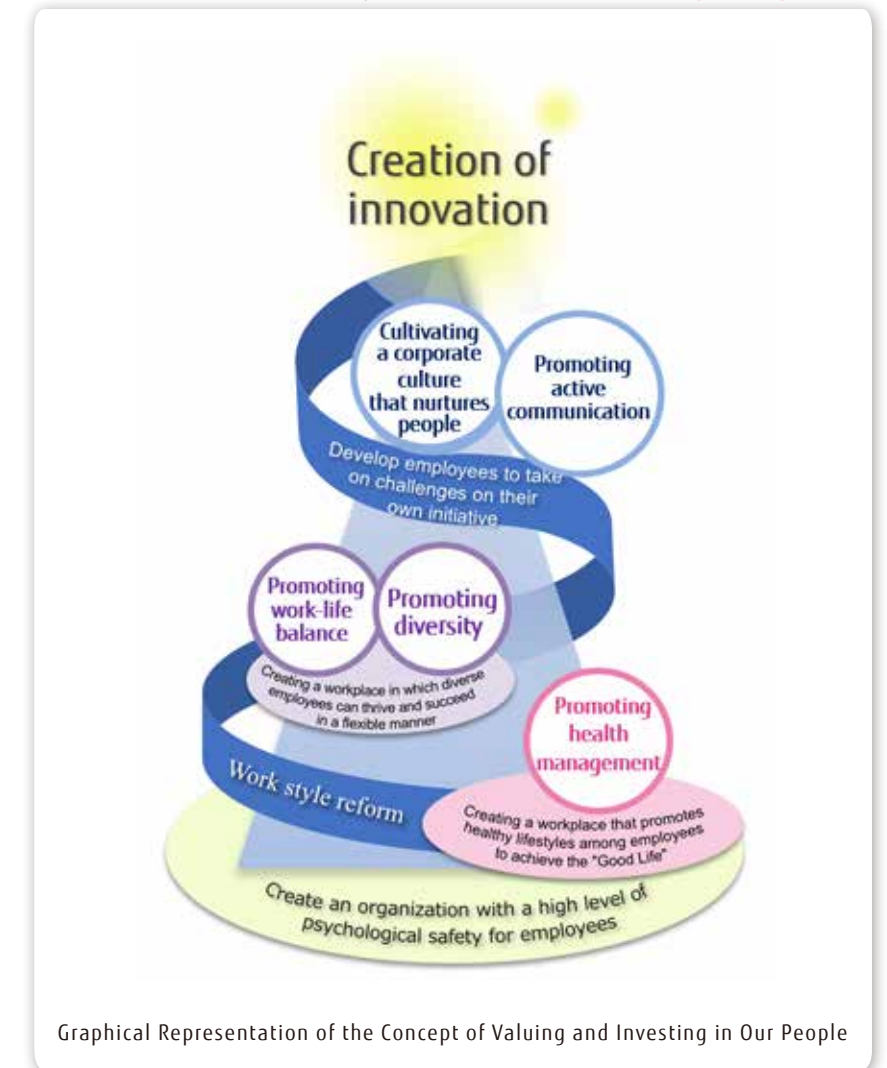
How the Fujitsu General Group Values and Invests in Employees

We believe that employees are the foundation of a successful company, and "valuing and investing in our people" is one of our key management objectives.

"Valuing and investing in our people" includes creating a workplace in which employees feel invigorated and eager to excel in what they do. To create such an environment, we provide **more flexible working arrangements to employees**, which help them achieve greater productivity and have greater motivation.

In addition, to foster innovation in the workplace, we encourage employees to assist each other in **taking on challenges on their own initiative**.

"Valuing and investing in our people" will enable the Group to play an instrumental role in addressing social issues and helping achieve a sustainable society. This is exactly what Our Mission is all about, which states, "Through innovation and technology, we deliver a brighter future with the peace of mind to our customers and society around the world."



Graphical Representation of the Concept of Valuing and Investing in Our People

■ Providing More Flexible Working Arrangements to Employees

To create a workplace in which employees feel invigorated and eager to excel in what they do, the Fujitsu General Group provides more flexible working arrangements to them.

These arrangements are intended to promote health management, better work-life balance, and greater workplace diversity.

See pp.45-61

■ Developing Employees to Take on Challenges on Their Own Initiative

One way to foster innovation at work is to encourage highly motivated, self-driven employees to assist each other in developing their skills and competency. To achieve this objective, the Fujitsu General Group cultivate a corporate culture that nurtures people and works to promote active communication.

See pp.41-44

Cultivating a Corporate Culture that Nurtures People

In August 2019, we established the Technical Academy of Air Conditioner for engineers in the Air Conditioner Business Group.

In this academy, four different training programs are provided to new recruits, junior-level engineers, leaders, and managers. New recruits and junior-level engineers learn the basic technical knowledge and skills necessary to develop air conditioners.

Leaders learn project management skills for designing and development of products as well as problem-solving skills for engineering fields. Managers attend a Human-Skill Seminar to learn how to improve their discipline as an engineer as well as their skills to manage relationships with others in the organization.

Since FY2017, we have been conducting a company-wide cross-functional project called Ideathon*1 to encourage employees to come up with ideas for new businesses. Furthermore, in FY2020 we started a new business creation program called The Future of Innovation Challenge. This program is intended to turn promising ideas submitted by employees for achieving a comfortable, safe, and sustainable society into business opportunities by developing prototypes and soliciting feedback from customers.



Human-Skill Seminar

Promoting Active Communication

We have taken the following actions to promote better communication in the workplace. The Innovation & Communication Center (ICC), the new primary R&D facility for the Group, has the Center Court, in which employees from different departments meet and chat freely to foster interdepartmental collaboration, and the Brainstorming Campus, which stimulates employees to come up with fresh ideas and new thinking.

At the Group's Kawasaki Headquarters, we have been holding an after-hours get-together called the General BAR regularly since October 2017 to encourage greater communication among employees and give them an opportunity to reflect on their mindset and the company's culture. In addition, we have been testing the concept of the cross-divisional World Cafe, which is intended to stimulate greater communication and sharing of knowledge and information among employees across divisions. Furthermore, we ask managers and their team members to have one-on-one meetings as an opportunity for greater employee engagement. We also conduct Impact Method activities*2.



Impact Method session

*1. A project in which volunteers chosen from among employees pursue new business opportunities from broader perspectives, which include using engineering resources available outside the company

*2. Activities to improve workplace management to achieve greater organizational effectiveness

Voice 1

Manager of Communication Promotion Office

The Air Conditioner Business Group set about improving workplace communication when the President pointed out that communication in the group, especially between managers and team members, was poor. As a first step, we started Impact Method activities to improve workplace management and one-on-one meetings between managers and team members.

The ICC opened in July 2019. In this facility, employees from different departments meet and chat freely in the Center Court to foster interdepartmental collaboration, and they can inspire fresh ideas and new thinking in the Brainstorming Campus.

This is an environment that encourages open communication: Teams engaged in Impact Method activities often meet in the Brainstorming Campus; and managers and team members have one-on-one meetings in partitioned booths in the Center Court.

Six months after we started the one-on-one meeting format between managers and team members, we asked employees what they thought about it. Half of the respondents said they were having regular meetings with their managers, and that the topics of discussion were often personal matters, such as hobbies and families. Some said they found their managers more accessible as they had rarely conversed outside the normal course of business; some said it was good to know what they had not known about their managers' personalities. Such positive feedback confirms that we are on the right track in fostering good communication between managers and team members.

Meeting spaces added by the opening of the ICC have enabled team members to have meetings more frequently, which means an increased volume of communication among them.

The next step is to make better use of the Center Court to increase the quality of communication among team members.



General Manager of the Organization Reform Promotion Division
Air Conditioner Business Group
Yohei Watanabe

Voice 2

Attendee of Training Course on Impact Method

I did not have high expectations for Impact Method training, as I saw no issues with the way we did our work or communicated with each other in our department. I thought it would be just another tedious session with little to be gained.

But I found I was wrong as soon as the session began.

At the start of the training, all team members drew a graphical representation of how they did things in the workplace.

To our astonishment, the graphics visualized members' pent-up frustration and dissatisfaction with what they were doing at work and why they were doing it.

To resolve their frustration, we switched from a top-down decision-making approach to a bottom-up approach that encourages discussions among team members. Staff-level discussions are time-consuming, but through discussions members have learned to work more and more as a team and come to better understand why they do what they do at work. I will continue to improve the way we work in our department.



Senior Manager Development Department II
Commercial Air Conditioner Products Development Division
Masatoshi Watanabe

Medium-Term Management Plan

Achieve Sustained Growth to Support Customers and Society

The Fujitsu General Group has been undertaking five priority themes to achieve its Medium-Term Management Plan for FY2020-2022.

In addition to implementing these five priority themes, we will adapt to the new normal of living with COVID-19. Instead of focusing only on short-term gains, we maintain a long-term perspective in conducting business operations and pursue innovation that creates value, which enables us to play an instrumental role in helping achieve a sustainable society.

Promoting priority themes

Core Businesses

I. Expansion of air conditioner business

- Construction of air conditioner business model
- Innovation of air conditioner development system
- Strengthening of air conditioner sales activities

Promotion of "5 key expansion projects"

Existing business

- ① Expansion of international commercial business
- ② Aggressive capture of domestic housing industry channel

New business

- ③ Capture and expansion of Indian market
- ④ Expansion of North America business by acceleration of collaboration
- ⑤ The promotion of business alliance

II. Strengthening of business foundation of Information & Communication Systems and Electronic Devices

■ Information & Communication Systems

- ① Development of stock business leveraging abundant operating assets and strong customer relationships
- ② Development of new disaster prevention digital radio and full-scale promotion
- ③ Expansion of business domain for private sector systems (human resources and Business Process Outsourcing)

■ Electronic Devices

- ① Further expansion of business in China
- ② Promote new customer relationships
- ③ New business development

Management Foundation

III. Promoting cost reduction

■ Promote cost reduction

- Promote development of standardization design, Cost reduction/promote VE
- Strengthen manufacturing ("monozukuri")

■ Other activities

- Improve product/regional composition and increase sales prices by strengthening of brand
- Promote "AKASURI campaign"
- Quality improvement

IV. Strengthening of power to generate cashflow

■ Promote operational efficiency and effective use of cash

- Promote CCC (Cash Conversion Cycle) improvement
- Investment for growth (include M&A)
- Shareholder returns
- Investment in human resources

V. Spreading and practicing the Group's Corporate Mission

In addition to the five priority themes outlined to the left, we have started to implement the following initiatives in FY2020.

Adoption of a new era to coexist with COVID-19

- ◆ Thoroughness in risk management
Acceleration of building strong organization for BCM (Business Continuity Management)
- ◆ Business model for how to coexist with COVID-19
· Cleanliness and sterilization
· Remote monitoring, contactless and utilization of AI / IoT
- ◆ Contribution to the realization of a sustainable society
· Emphasis on medium-to-long-term perspective and stable growth (Not only to pursue short-term results)
· Creation of innovation

Achieve sustained growth and establish a solid management foundation

Financial Targets for FY2022

Net sales **330** billion yen
 Operating income **26** billion yen
 Operating income ratio **7.9%**



Expansion of air conditioner business



Promotion and strengthening of "Valuing and Investing in Our People"

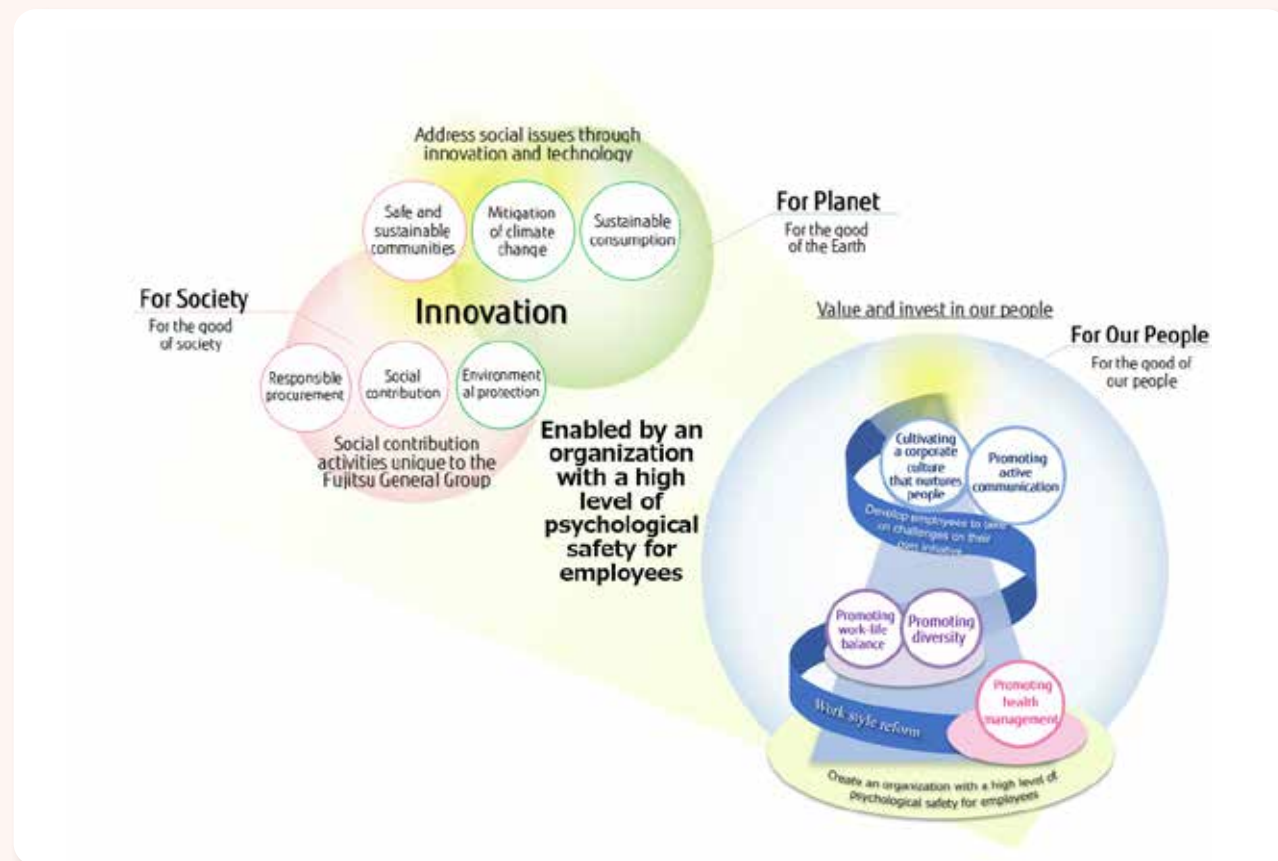
Our Approaches to CSR

Sustainability Vision, CSR Framework, CSR Policy

The Fujitsu General Group, true to Our Mission of –Living together for our future–, strives to meet the expectations of all its stakeholders, respect human rights, play an instrumental role in helping achieve a sustainable society, and achieve the Group's sustained growth.

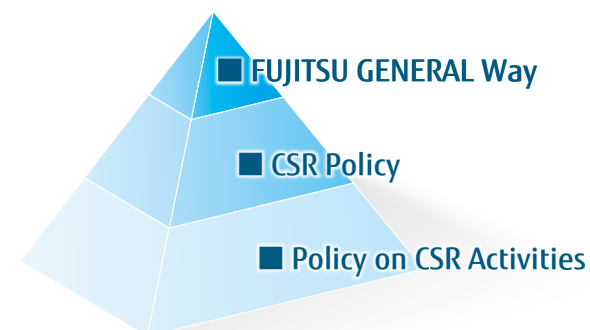
■ Fujitsu General Group's Sustainability Vision to Achieve Our Mission

The Fujitsu General Group plays an instrumental role in helping achieve a sustainable society by fulfilling our Corporate Mission, which calls for addressing social issues and increasing the Group's enterprise value.



CSR Framework

The Fujitsu General Group has established its CSR Policy, which is based on the FUJITSU GENERAL Way and sets forth the guidelines by which all employees must abide when engaging in CSR activities.



CSR Policy

The Fujitsu General Group has established its CSR Policy, under which to undertake CSR activities as part of its efforts to achieve our Corporate Mission.

The Group's mission is to use innovation and technology to address social issues and deliver a brighter future to customers and society around the world. To resolve social issues, we will continue to take on emerging challenges using the ingenuity and foresight for which the Fujitsu General Group is known. This approach is driven by employees who are not afraid to take on challenges that others may not acknowledge. That is why we consider our employees to be one of the most important stakeholder groups and value and invest in them. To provide a solid foundation of the company, employees uphold a high standard of ethics and integrity in everything they do at work.

■ 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.
- **Value and invest in our people with respect for their 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.
- **Uphold a high standard of ethics and integrity**
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.

Fujitsu General Group Policy on CSR Activities

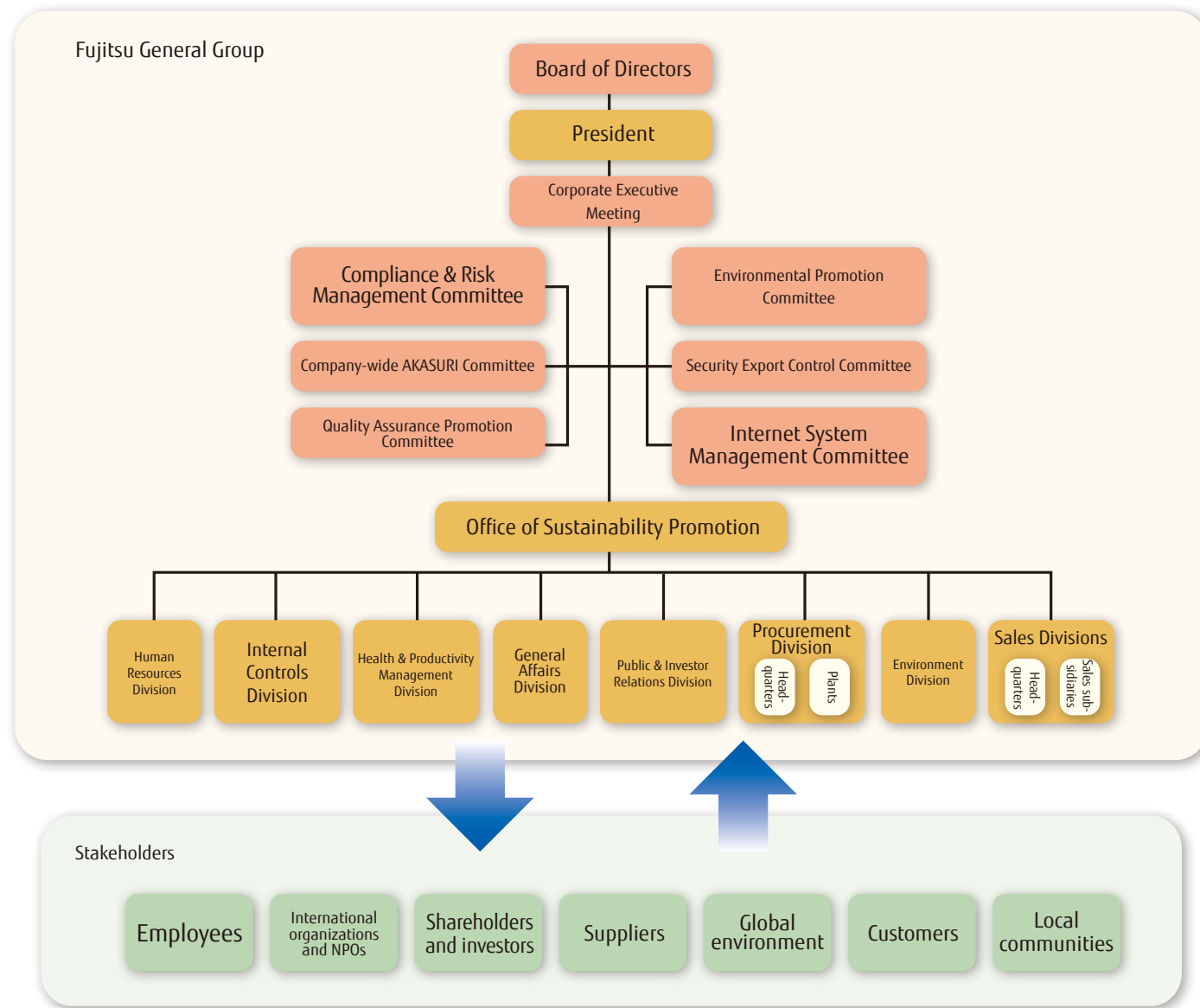
The Fujitsu General Group undertakes CSR activities based on the seven core subjects defined in the ISO 26000 guidance on organizational social responsibility: organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement 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 others regardless of race, religion, or disability when conducting business activities and that we have a harassment-free workplace.
- **Labor practices**
We believe that employees are the foundation of a successful company, and "valuing and investing in our people" is one of our key management priorities. We create a workplace that promotes employee wellness and in which diverse employees can thrive and succeed in a flexible manner. We develop employees to take on challenges on their own initiative.
- **The 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, we not only adhere to the environmental laws and regulations relevant to our business operations, but also proactively preserve the global environment. Furthermore, we encourage all employees to take proactive actions collectively and individually 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 of –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 involvement 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 our role in community development.

Our Approaches to CSR

Organization to Promote CSR

The Office of Sustainability Promotion develops the Group's CSR policies and action plans. The Office of Sustainability Promotion has, in addition to dedicated CSR staff, the heads of the Procurement, Public Relations, General Affairs, and Human Resources Divisions as its regular members. The Office maintains a group-level perspective in CSR planning and management by receiving requests from our diverse stakeholders and keeping track of CSR activities undertaken by Group companies.



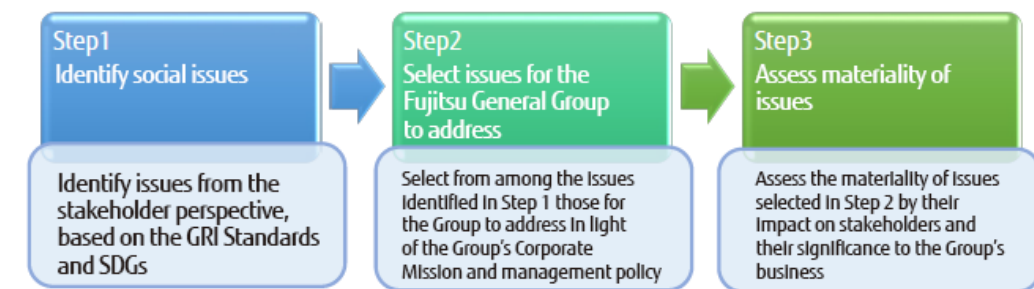
Materiality

The Fujitsu General Group conducts a materiality assessment to define key CSR themes to be addressed in its business operations.

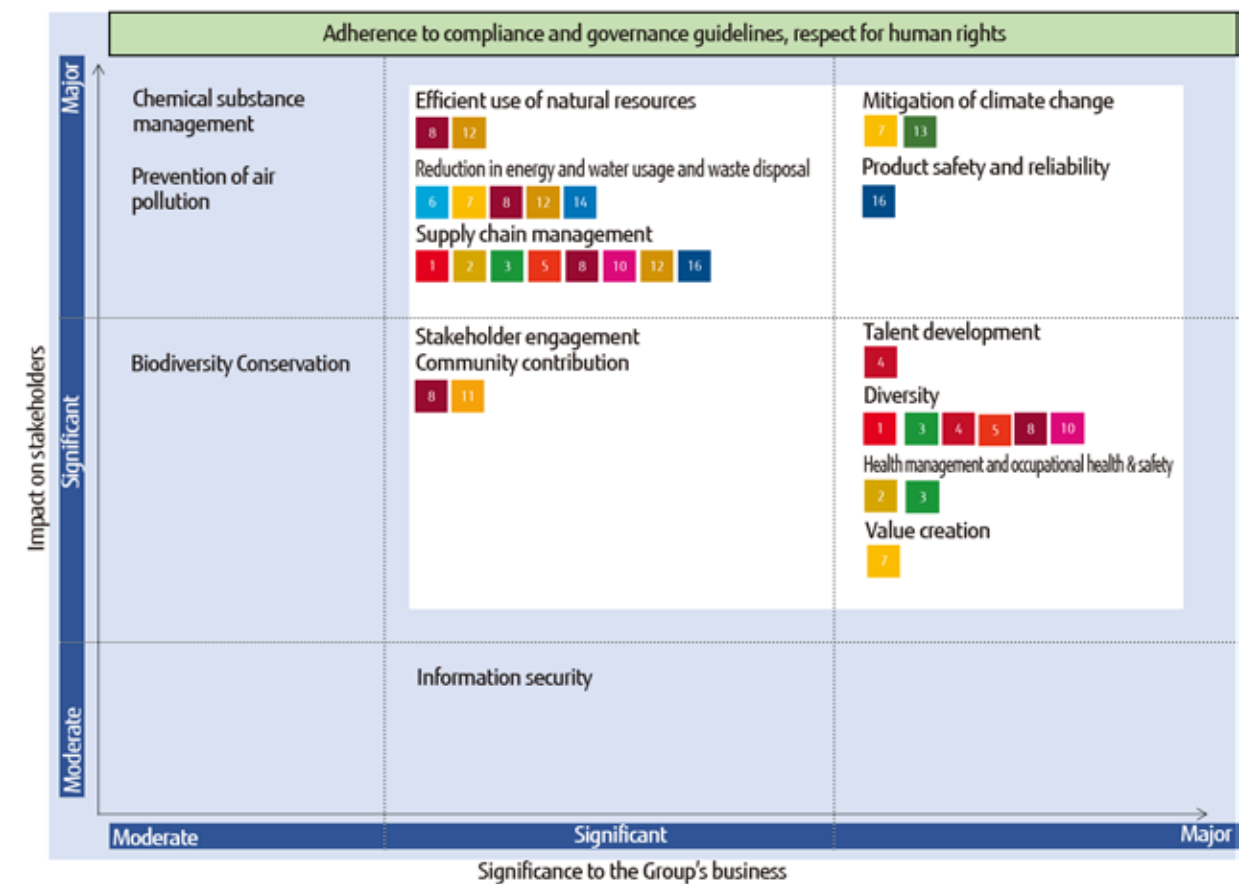
In a materiality assessment, we use international sustainability guidelines, such as SDGs and the GRI Standards, as well as reports published by independent research institutions so as to identify diverse social issues, and weigh them in light of the Group's Corporate Mission and management policy to select issues for the Group to address.

We then assess the selected issues by their impact on stakeholders and their significance to the Group's business to determine our Key CSR Themes.

Materiality Assessment



Materiality Matrix*



*Numbers placed under the Key Themes correspond to the numbers of SDGs that the Group addresses through its CSR activities.

Our Approaches to CSR

Key CSR Themes

The Fujitsu General Group undertakes CSR activities under the Key CSR Themes, which were defined through a materiality assessment.

We aim to play our part in helping achieve SDGs by implementing these Key CSR Themes.

■ Key CSR Themes

Key CSR Themes	Key Initiatives	Classification	SDGs*	See	
Responding to climate change	Reduce CO2 emissions from products during their use Reduce CO2 emissions across business activities	Environmental agendas	7 13	pp.90-93	
Efficient use of natural resources	Promoting resource-saving design Reduce material waste from production		8 12	p.94	
Reduction in water usage and waste disposal	Reduce water usage Reduce waste disposal		6 7 8 12 14	p.95	
Talent development (Develop employees to take on challenges on their own initiative)	Develop employees to take on challenges on their own initiative Train employees	Social agendas	Employee relations	4	pp.41-44
Health management and occupational health & safety (Creating a workplace that promotes healthy lifestyles among employees to achieve the "Good Life")	Promoting mental health Measures to prevent lifestyle-related illness 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 Help employees continue to work while receiving medical treatment		2 3	p.45-52	
Diversity (Creating a workplace in which diverse employees can thrive and succeed in a flexible manner)	Promote diversity and inclusion in the workplace Help employees to maintain a good work-life balance Maintain dialogue with the labor union		1 3 4 5 8 10	p.53-61	
Product safety and reliability (Delivering products that meet customers' expectations)	Improve the quality of products and services Initiatives to boost overall quality of the call center operation		Customer relations	16	pp.62-67
Value creation	Conduct research and development projects that address social issues Offer products that address social issues		Our core business	7 9	pp.35-39
Supply chain management (Encouraging our Suppliers to adopt our CSR Initiatives)	Promote CSR procurement		Supplier relations	1 2 3 5 8 10 12 16	pp.68-70
Stakeholder engagement (Dialogues with shareholders and investors)	Maintain dialogue with local governments, local businesses, and community-based organizations Share company information with shareholders and investors		Stakeholder engagement Investor relations		pp.80 and 81
Community contribution	Provide educational assistance for children Conduct community outreach programs Make charitable donations	Social contribution	8 11	pp.71-79	
Respect for human rights	Promote human rights awareness Responding to human rights violations	Governance agendas	1 5 8	pp.99 and 100	
Adherence to compliance and governance guidelines	Prevent insider trading Provide compliance training to employees		8 16	pp.107 and 108	

*Numbers listed in this column correspond to the numbers of SDGs that the Group addresses through its CSR activities.

Our Approaches to CSR

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 customers, suppliers, employees, local communities, shareholders, and investors, and contribute to society.



● Dialogue with shareholders and investors

In Our Philosophy, which is part of the Group's Corporate Mission, 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.

● Dialogue with local governments, local businesses, and community-based organizations

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.

Examples of dialogue with stakeholders

■ Workshop on the promotion of health management (June 2019)

(Stakeholders: Companies outside the Fujitsu General Group)

We organized a workshop for companies outside the Group to discuss how to create a workplace in which employees can thrive and succeed as well as how to promote health management.

■ Workshop on employment assistance for people with disabilities (August 2019)

(Stakeholders: Special-needs schools in Kanagawa Prefecture and Yokohama-based NPOs)

We exchanged ideas with participants on how to provide an environment and assistance for people with disabilities seeking employment.

■ Workshop on community outreach programs to assist people with disabilities (June 2019)

(Stakeholders: Special-needs schools in Kawasaki)

We learned from the participating schools how they were operating and exchanged ideas as to how we could help establish a community school that would integrate people with disabilities into a community.

■ Workshop on flexible working arrangements and child-raising assistance

(Stakeholders: the Office of Takatsu Ward, experts in child raising, businesses operating in Takatsu Ward)

We exchanged ideas with the participants on how to assist young parents who took advantage of flexible working arrangements in participating in community activities to create more engaging communities.

Our Approaches to CSR

External Recognition and Participating Initiatives

The Fujitsu General Group's CSR activities have been recognized for their outstanding achievements by independent evaluation groups as well as other external organizations.

External Recognition

■ Recognized in 2020 as an excellent company in promoting employee health and productivity



Fujitsu General was recognized in March 2020 by the Ministry of Economy, Trade and Industry of Japan and the Nippon Kenko Kaigi as an excellent company that placed a high management and strategic priority on promoting employee wellness.

■ Rated 3.5 stars in the third annual Nikkei Smart Work Survey (November 2019)



Fujitsu General was rated 3.5 stars in the third annual Nikkei Smart Work Survey, which recognizes companies that promote Smart Work management to achieve organizational excellence.

The survey has been conducted annually by Nihon Keizai Shimbun (the Nikkei Business Daily) since 2017 to rate listed and leading unlisted companies in Japan on a five-star scale for their efforts to achieve organizational excellence through Smart Work management by promoting diversity and flexibility in the workplace, creating new businesses, and developing new markets as well as their efforts to establish a solid management foundation through good corporate governance.

■ Given a next generation certification logo (known as Kurumin)



Fujitsu General provides childcare support to its employees in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children. In 2018, we were recognized by the Minister of Health, Labour and Welfare for our achievements in this area.

■ Silver Gan-Ally-Bu Award 2019 received



In September 2019, Fujitsu General received a Silver Gan-Ally-Bu Award from a private-sector project that helps create a workplace and society in which cancer patients can advance their careers while undergoing treatment.

■ Registered as a business that promotes the CHO Initiative, proposed by Kanagawa Prefecture



In March 2018, Fujitsu General was registered as a business that promotes the CHO (chief health-management officer) Initiative, proposed by Kanagawa Prefecture.

The CHO Initiative encourages businesses to make it their high management priority to promote the wellness of their employees and their families.

■ Recognized as a Sports Yell Company for 2019



In December 2019, Fujitsu General was recognized as a Sports Yell Company* by the Japan Sports Agency.

*The Japan Sports Agency recognizes under its Sports Yell Company Program companies that actively encourage their employees to take up sports to stay fit and healthy. This program is intended to promote sport activities among people in their prime working ages and organize a national drive for sports.

■ Chosen as a constituent of the S&P/JPX Carbon Efficient Index



Fujitsu General has been chosen as a constituent of the S&P/JPX Carbon Efficient Index, adopted by the Government Pension Investment Fund in 2018 as a stock index for ESG investing.

In the S&P/JPX Carbon Efficient Index, S&P Dow Jones Indices, one of the world's largest independent providers of index data, measures the carbon reduction performance of companies in the Tokyo Stock Price Index, overweighting those that have lower levels of carbon emissions per unit of revenue and proactively disclose information about their GHG emissions.

Our Approaches to CSR

Participating Initiatives

■ Task Force on Climate-related Financial Disclosures (TCFD)



Fujitsu General embraces the recommendations published by the TCFD.

The TCFD was established by the Financial Stability Board to develop recommendations for organizations to disclose information about their governance around climate-related risks and opportunities.

■ Japan Climate Initiative (JCI)



Fujitsu General participates in the JCI.

The JCI is a loosely organized network of Japanese companies, local governments, and NGOs, committed to strengthening communication and exchange of strategies and solutions among actors that implement climate initiatives in Japan. Members of its steering committee include ICLEI Japan, the Network of Business Leaders and Entrepreneurs for a Sustainable Business and Energy Future, CDP Japan, the Renewable Energy Institute, WWF Japan, Japan Climate Leaders' Partnership, and the Frontier Network, and its secretariat consists of CDP Japan, the Renewable Energy Institute and WWF Japan.

■ Initiative Based on the Declaration of Biodiversity by Keidanren

Fujitsu General participates in the Initiative Based on the Declaration of Biodiversity by Keidanren (Japan Business Federation).

Keidanren and its Committee on Nature Conservation launched the initiative to achieve a sustainable society by encouraging businesses to consider the impact of their procurement and other business activities on global ecosystems.



Society

- Our Core Businesses
- Employee Relations
 - Develop employees to take on challenges on their own initiative
 - Creating a workplace that promotes healthy lifestyles among employees to achieve the "Good Life"
 - Creating a workplace in which diverse employees can thrive and succeed in a flexible manner
- Customer Relations
- Supplier Relations
- Social Contribution
- Investor Relations

Our Core Businesses

Our Approach

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.

Our current focus is on air conditioners, information and communication systems, and electronic devices. Although great progress has been made to date, we are now looking ahead to the future 10 to 20 years from now, aiming to become a group that helps actualize a comfortable, secure and safe world through the manufacture of products with even greater value.

Key Initiatives

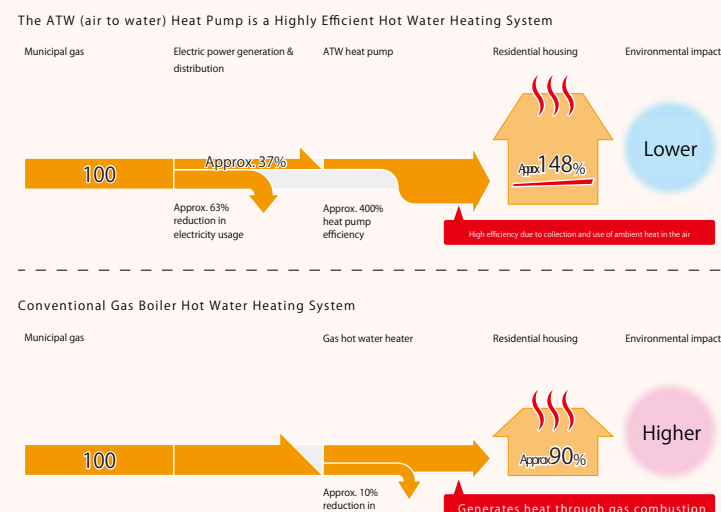
Offer products that address social issues

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, the French government has been providing support to convert to renewable energy through refunding the cost, both equipment and installation, of combustion-type heating equipment. The goal is to promote a switch over from combustion-type heating equipment which uses the above-mentioned fossil fuels (petroleum, coal, etc.) to low-energy heating systems (ATW*) that do not emit CO₂ during operation.



The Fujitsu General Group ATW hot water system (heat pump based technology) is safe, comfortable, efficient and emits zero CO₂ during operation. It is a highly flexible system that can handle not only indoor heating but also hot water supply (shower and washbasin), and contributes to solving the global warming crisis. The Fujitsu General Group predicts that the demand for ATW in the European hot water central heating market will grow significantly. Since 2009, working with a French manufacturer (Groupe ATLANTIC), we jointly developed the

*The numbers next to the title are the SDGs numbers which we believe our activities will help achieve.

high-efficiency ATW Water Stage, which is based on the DC inverter technology of air conditioners, to support the expansion of our product line.

Going forward, we will continue to develop and launch products that meet the needs of the market while we expand the ATW business in ways that will contribute to improving sustainability in Europe.

*In Europe, heat pump technology is already approved as a renewable energy*2 source to facilitate room and hot water heating.

*1. The heat pump technology is a technology that 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 is expected to be a technology that will become more and more popular in the future.

*2. The advantage of renewable energy is that even if used once, it is regenerated in a short time, so that it can be used again and again to achieve energy reduction.

Voice

Mr. Yves Radat, Groupe ATLANTIC

In the begin of the 2000's years, having an ATW Heat Pump within ATLANTIC product portfolio has been a clear strategical decision to anticipate future European Environmental policies in heating and domestic hot water applications. After already 15 years of successful collaboration on ATA businesses, ATLANTIC & Fujitsu General Group naturally decided to start a new collaboration of developing a first range of ATW. This materialized by the signing of a Joint Development Agreement in July 2009.

In 2019, ATLANTIC & Fujitsu General Group, with their respective brands, proposed successfully in several European countries a full line up of high efficiency "ATW Split" products and even reinforce their leader position in France, the first ATW market in this continent. This result was obtained thanks to a joint product development based, both on a common understanding of thermodynamic and hydraulic/water heater technologies (mastered by Fujitsu General Group and ATLANTIC respectively) and on a learning of our cultural differences. To do this, marketing and R&D teams of both parties have implemented monthly project meetings by video conference between France, Germany and Japan, and since last year, we even have an ATLANTIC engineer stationed full time into Kawasaki's offices.

Now, in 2020, Environmental protection is a priority of European policy and the ATW Heat Pump is clearly identified by European Institution as one of the main solutions for decarbonizing thermal comfort. To continue supporting this trend, ATLANTIC & Fujitsu General Group will launch a new high efficiency range with the smallest quantity of low GWP refrigerant of the market and start a new project to complete the ATW product portfolio with a "monobloc" solution.



Groupe ATLANTIC
Member of directory board/Industrial Director
Mr. Yves Radat

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



emissions associated with all aspects of production, from raw materials to final disposal of the unit.

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 the potential to reduce global warming and ozone depletion. 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

● Promoting the efficient use of resources (air conditioner)

Through the deployment of a design which saves and efficiently utilizes precious resources, we will help to protect the global environment.

The figure on the right shows the most compact version of the AIRSTAGE® J-III L series multi-split air conditioners designed for commercial outlets and offices in Europe.

The compact outdoor unit was developed by altering the heat exhaust port and optimizing the components. (compared to conventional models: depth reduced by 285 mm, installation area reduced by 45%, product weight reduced by 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 to conventional models.



● Developing products that help 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. Even when high temperatures are prevailing, it will now be possible to avoid the reduction of work efficiency. Since the cooling element goes around the neck and the support equipment (radiator and battery) around the waist, physical movement is unimpeded while in use.

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.

*Cooling performance may depend on environmental conditions.



Information and communication systems

● Being prepared for increased natural disasters (supporting firefighting & disaster alert systems)

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 a minimum of time. Furthermore, using digitalization, our disaster response system insures the reliable transmission of information, actualizing an advanced disaster prevention framework throughout Japan. 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.



Fujitsu General OS Technology Limited

● Managing the shortage in human resources against the need to achieve a work-life balance

Fujitsu General OS Technology Limited 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

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



We have been providing our e-Order service free of charge to companies and businesses that have been greatly impacted by the spread of the novel coronavirus (hereinafter 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.

Case Study: The Fujieda ICT Consortium Supports the Restaurant Industry which is being Seriously Impacted by COVID-19

The Fujieda Yell Executive Committee, hosting the #YellMeshi Project in Fujieda City, has provided support for local restaurants seriously impacted by COVID-19 through offering a take-out portal. However, as it became clear that COVID-19 was to continue for some considerable time, the committee took it upon themselves to provide a mechanism that links the take-out portal with the pre-order function. The committee went one step further in expanding the solution beyond strictly local application.

We have supported this initiative by covering the initial start-up cost associated with the e-Order take-out reservation function, in addition to allowing free use of the service for six months.

Please visit the committee's website for further details.

Website <https://fujieda-event.com/f-takeout/>



■ Business Support BPO* 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.



*BPO (business process outsourcing) refers to entrusting some of a company's activities to a specialized company on an ongoing basis.

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

We were selected to 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 was previously responsible for these functions, has become able to focus on corporate IT direction and BPR* activities.

*BPR: business process re-engineering

Conduct research and development projects that address social issues

Fujitsu General Laboratories Limited

● Creating an indoor environment aimed at maintaining and improving health (participation in the OPERA Project)

The OPERA Project is the outcome of an industry-academia unified policy aimed at full-scale open innovation, and is led by National Research and Development Agency. The Fujitsu General Group participates in a project led by the Center for Preventive Medical Sciences, Chiba University, working with researchers and private companies to create a WACo (Well Active Community: a healthy, active community) based on achieving primordial prevention*. By clarifying the effects of the indoor environment on human health, we aim to create an indoor space where people can spend their lives in good physical and mental health, not only through the prevention of disease, but also by focusing on how to both improve and maintain good health. Currently, we are conducting an experiment in an actual living environment at a model house on the Kashiwanoha Campus. Using brain wave analysis and other diagnostics, we aim to scientifically and quantitatively evaluate the effects of this test environment on overall health.



*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.

Employee Relations

"Valuing and investing in our people" is a key element of the Fujitsu General Group's business management policy, firmly grounded in the belief that the foundation of our company is the employees. We seek to maximize the potential of our people by creating a workplace where employees can pursue a healthy lifestyle while taking on new challenges without sacrificing their diversity.

1 Develop employees to take on challenges on their own initiative

Act Spontaneously is part of the Group's Corporate Mission, meaning to embrace new challenges by investing in ourselves for personal growth, and through continuous creativity with a spontaneous attitude.

To support this, we are focusing on cultivating a corporate culture that nurtures people and promoting active communication.



2 Creating a workplace that promotes healthy lifestyles among employees to achieve the "Good Life."

The Fujitsu General Group believes that each employee should be aware of and take responsibility for their own health, both mental and physical. This is a cornerstone of our initiative to support the development of human resources who enjoy their work and wish to grow with the company.

We strive to create a workplace that promotes healthy lifestyles among employees to achieve the "Good Life."

3 Creating a workplace in which diverse employees can thrive and succeed in a flexible manner

The Fujitsu General Group seeks to enable employees to work willingly and with enthusiasm while enjoying an independent and content life outside of the company. In order to encourage innovation delivered by a healthy and motivated employee base, we will strengthen the maintenance of our work-life balance and diversity & inclusion policy, while taking on the challenge of promoting work styles that stimulate innovation.

1 Develop employees to take on challenges on their own initiative

Our Approach

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

The new personnel system introduced this year clarifies the roles played by each rank of employees 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.

Furthermore, the goal of the new personnel system is to 1) disseminate, practice, and realize both the Corporate Mission and Personnel Philosophy, 2) maximize the potential of our people—our most valuable resource—to achieve the sustainable growth of Fujitsu General, and 3) create an organization that confronts change by motivating and nurturing individual employees. We ask of our employees that they put into practice Our Philosophy, which is to act spontaneously, to value and invest in our people, and above all, to uphold integrity.

Topics Moving Toward Cultivating a Corporate Culture that Nurtures People

● Establishment of the Technical Academy of Air Conditioner

The Technical Academy of Air Conditioner was established in August 2019 to achieve the following goals:

1. To provide both freshmen and younger employees with a basic knowledge of air conditioner technology across the board to help them be ready for action in the field.
2. To broaden the engineer's horizon to make sure that a proper approach to the R&D process is taken.
3. To further improve the human skills of each employee in a managerial position to raise their general and project management skills.

Under the training program, each new employee must dismantle the air conditioner and examine each part while asking fundamental questions such as, "why does this part have the shape and form it has?" and "what is its purpose?," thus extending the limits of their knowledge while improving their analytical skills.

Until now, the training was limited to what could be learned within a single department. The new approach, being holistic in nature, makes it possible to learn about the air conditioner as a whole.

● Specialized Human-Skill Seminar for engineering managers (Air Conditioner Division)

A Human-Skill Seminar has been set up for engineering managers in the Air Conditioner Division.

The aim is to encourage each manager to draw on their human skills to help them become trusted and respected leaders within the company.

The training is conducted once a month for 30 minutes, exploring a total of ten themes that we all face in work and life, in an open discussion format.

Since the program has been favorably received by the participants to date, we are considering to roll it out to the leaders in other business divisions (Information & Communication System and Electronic Devices).



Snapshot of the Human-Skill Seminar

See Topic 2, Valuing and Investing in Our People, pp. 18-20.

Voice

After taking part in the Human-Skill Seminar, I once again reflected on what is the role of a leader. What has really stayed with me since the training is the realization of how important it is for a leader to be conscious of the need for continuous self-improvement. I now realize an even more important thing for a leader is to work toward achieving credibility and trust. I now realize you can never win credibility and trust if your efforts are only superficial and your pronouncements are mere lip service. Nor will such a false leader ever serve the needs of the company. One must maintain one's humility, never forgetting we are all human, and must be compassionate and understanding when working with others, all of which is in line with Our Philosophy.

Also, when you are working inside a company all day, your perspective tends to be inward focused rather than outward looking. You can easily forget that both your competitors and customers are not part of your organization, a kind of corporate near-sightedness.

Once again I realized that society and customers must be prioritized, and as an engineer, I need to think about how to act accordingly.

More than ever before, I recognize that the actualization of the Group's Corporate Mission is my greatest mission and I should always act with this in mind.



Fujitsu General Laboratories Limited
Senior Research Engineer,
Group III
Mr. Ken Sasaki

Key Initiatives

Develop employees to take on challenges on their own initiative

To nurture human resources capable of taking on new challenges, the new personnel system introduced in 2020 clarifies the roles played by each rank of employees 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.

● In-house recruitment

Since FY2017, in order to revitalize the organization through personnel shuffle, it was decided to resume in-house recruitment, which had not been used since 2003. The aim is to foster a corporate culture capable of taking on new challenges through the support of autonomous career development within the organization.

● 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 month, or two days equivalent in standard working day terms) to be used freely for an activity selected by the employee, directly or indirectly related to work. We are encouraging employees to take advantage of the free time created by the reforms to the current work style and will continue in our drive to improve motivation in the workplace. We believe these reforms will stimulate greater self-motivation and a willingness to learn and grow.

● Ideathon

Since FY2017, we have been running the cross-functional Ideathon intended to create ideas for new businesses.

We also started a new business creation program called The Future of Innovation Challenge (FIC) in FY2020. This program is intended to turn promising ideas submitted by employees to achieve a comfortable, safe, and sustainable society into business opportunities by developing prototypes and soliciting feedback from customers.

● Active participation of our senior human resources

Currently, career and life seminars are conducted for employees who are 50 years or more of age. 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.

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 company upon returning to home. (as of FY2019, four personnel from China and eight personnel from Thailand have participated)

Voice

I came from Thailand to Japan in April 2019, and so far have acquired a lot of technical knowledge through exposure to new technologies.

In business, you can learn to utilize technical knowledge not only theoretically but also apply it practically when designing an actual product. Both the technical and life experience I have gained so far during my training at our Kawasaki Headquarters is proving invaluable.

Once a week we do an activity called Dankomi*, the purpose of which is to allow everyone in the group to see the progress of the development project. We share more than just the progress, but also include problems and issues with the entire group, and exchange opinions to help solve a given problem. All of this is helping me to develop and grow as a product designer.

In addition, I have been able to communicate with several departments to draw on the strengths of the entire organization.

*Project progress meeting with the participation of all members to help strengthen the entire organization



Mr. Threeraphong Pakwhan,
Products Development
Department I, Commercial Air
Conditioner Products
Development Division

Air conditioner engineer-manufacturing training

Second-year engineers who have joined the Air Conditioner Division in Japan will be sent overseas to one of five possible group locations for a two-week training course in manufacturing: Fujitsu General (Thailand) Co.,Ltd., FGA (Thailand) Co.,Ltd., TCFG Compressor (Thailand) Co.,Ltd., Fujitsu General (Shanghai) Co.,Ltd., or Fujitsu General Central Air-Conditioner (Wuxi) Co.,Ltd.. As an adjunct to the basic training, 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.

Voice

I undertook the training course at TCFG Compressor (Thailand) Co.,Ltd.. The great thing about this training is that I learned how to process and assemble with a high degree of precision. Compressor parts and their assembly require an extremely high level of precision; however, I was able to learn how to do this by actually seeing it done and directly experiencing the actual process, including the use of special equipment and inspection procedures.

Furthermore, when I returned to Japan, I was given the opportunity to make a presentation which focused on possible improvements to the manufacturing site. I learned how to move from determining the root cause of a potential inefficiency to a proposal for process improvement. I believe this opportunity to think by myself about process and design improvement is directly tied to one of the cornerstones of Our Philosophy—act spontaneously. By making the presentation, I was able to organize my thoughts and dig deeper into what I had learned in the two weeks spent at the plant in Thailand. I feel that it increased my self-awareness and enabled me to make new discoveries as a direct result of receiving input and suggestions from the field.



Compressor Development
Division
Mr. Takahiro Sasaki

Rank-based training

	Rank-based training	General training
Executives	Executive management program	Corporate Mission Human rights Harassment prevention Ethics SDGs, other
Managers	Training for new managers Training in labor management, other	
Mid-level employees & general employees	OJT, self-taught course to become a manager, leadership management 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.

● Various types of training provided through e-learning

E-learning is conducted throughout the company on a regular basis. The necessary course materials are created by division and provided on the intranet for both executives and employees at all levels. The following courses were conducted in FY2019:

	Number of courses	Number of participants (aggregate)	Main subjects covered
Company wide	11	25,100	FUJITSU GENERAL Way Code of Conduct, ESG, stocking supplies to prepare for disasters, etc.
Individual departments	20	4,530	Subcontracting law in-house training, how to achieve greater customer satisfaction, driver safety training, the Information & Communication System Division's business continuity plan, etc.
Total	31	29,630	

● Labor supervisory training for managers—Manager training course

Taking into account existing labor contracts, the training is designed to support the employer's duty of care, covering such areas as how to make sure mental health is not compromised and safe working conditions are maintained, as these are the responsibilities of the company.

● "How to Really Listen to your Subordinates"—Manager training course

Basic and practical training is provided by an industrial counselor who is a lecturer for managers on how to listen to their staff, not only to what is being said but the sub-text as well, and how to use this skill to become a better manager.

● "How to Control Your Emotions to Develop a Better Workplace"—Manager training course

Training is provided by a certified public psychologist who is a lecturer on how to control emotions with an aim to prevent any harassments in the workplace.

2 Creating a workplace that promotes healthy lifestyles among employees to achieve the "Good Life"

Health Management 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 Mission 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.

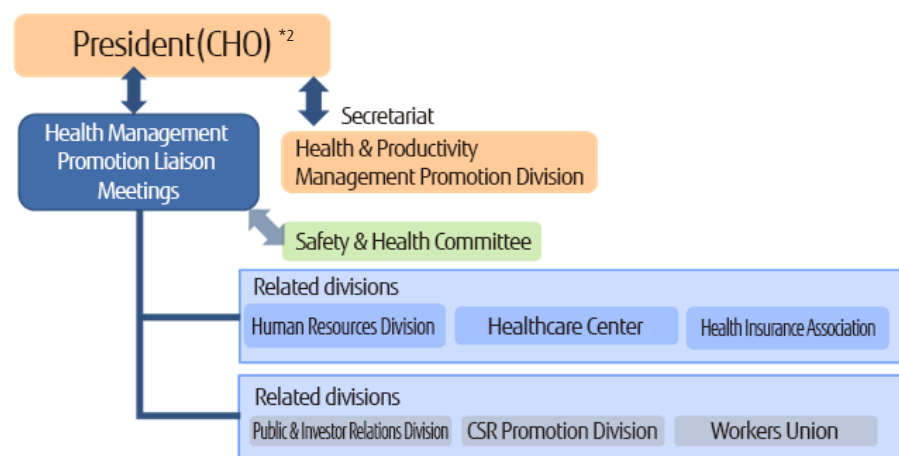
Fujitsu General Group's Declaration of Employee Wellness

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.

Structure

Health management promotion structure

The Health & Productivity Management Promotion Division, working together with the Fujitsu General Health Insurance Association, will take appropriate measures to promote collaborative health*1 that strives to improve the overall health of the employees, and in further collaboration with the Human Resources Division and the Fujitsu General Workers Union, will work to move beyond the health of individual employees to realize a healthy organization built upon a healthy workplace. Industrial physicians and health nurses are stationed at the Healthcare Center to support occupational health.



*1. Collaborative health: 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.

*2. CHO (Chief Happiness Officer)

Topics Opening of the Fujitsu Health Design Center

The Fujitsu Health Design Center, which opened in July 2019, is located on the second floor of the Innovation & Communication Center.

This facility, which was conceived in line with the tenets of our Declaration of Employee Wellness, including the goal to create a corporate environment where all employees are able to work energetically and in good health, has been established as a safe place where employees can speak freely, a place where employees can engage in healthy behavior, and a new place where employees can refresh themselves. It is also a place where employees can come together to share information and create an inter-connected community.

The Fujitsu Health Design Center naturally promotes a health conscious culture, but goes further in supporting self-care, not only from the standpoint of being a company employee, but in all aspects of daily life. All of these are designed to help employees learn better health care management and improve their working habits, which contribute to leading a rich and contented life up to the age of 100 years.



1. Active Zone

The benefits of exercise include improved memory function, better coordination, improved work and study performance, decreased levels of stress and anxiety, increased ability to shoulder greater and more complex tasks, increased level of concentration, and a reduction in procrastination. Given these clear benefits, it should come as no surprise that we incorporate exercise in the workplace with an aim to improve overall work efficiency and performance.

2. Design Working Zone

The key to developing a "knowledge worker" who brings value add to the market is to produce stimulation through spontaneous contacts with people outside the company. The Health Design Center is an ideal environment for this to happen. The Health Design Center was also established to support maximally enhanced communication skills necessary when meeting with customers and business partners.

3. Relax Zone

The center utilizes aromatherapy and live plants and is equipped with several single-seat, high-back sofas for taking a short nap, altogether resulting in a space providing moderate rest and relaxation targeted to maintain stable work performance.

Key Initiatives

Supporting our employees

Based on the Group's Corporate Mission, Environmental Policy, and Declaration of Employee Wellness, we are implementing measures on behalf of our employees in line with the contents of our CSR, CSV, ESG, and SDGs guidelines. Measures have been taken for our employees based on the SDGs to ensure mental health, engagement (working energetically), and safety, through internal and external communications using the cross-functional World Cafe. To encourage innovation, which is part of the medium-term management plan, we will continue to support the self-motivated, independent-thinking employee (knowledge worker) who will bring value to the market and not be satisfied doing only prescribed, routine work.

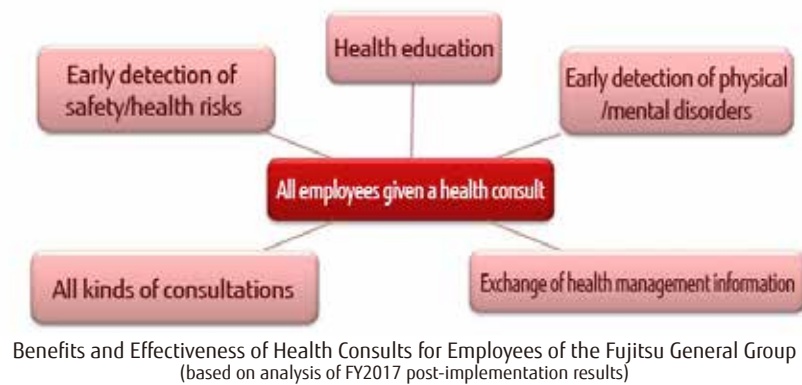
Target numbers of SDGs which we believe our activities will help achieve:



Supporting our employees - I. Promoting mental health

● 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 consult with an industrial physician or public health nurse for approximately 15 minutes (single consult). New recruits undergo the consult during initial training with the rest of employees being able to receive a medical consult during working hours on a rotational basis.



Supporting our employees - II. Measures to prevent lifestyle-related illness

● Population approach

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

■ Health education

As a follow-up measure for all employees' health consults and medical examinations, a second session is scheduled to allow the medical practitioner to explain the results and implications.

Health consults currently take place in our Kawasaki Headquarters and Ichinoseki Office, and are scheduled to take place sequentially in other offices as well.

■ Launching the diet campaign

We launched a three-month limited trial diet campaign. Coaching (including office yoga events) by a registered dietitian via an app was provided as part of this campaign conducted at our Kawasaki Headquarters.

■ Health education for new recruits

A group health education course was held for new recruits. The course was supported by public health nurses who provided insights on how to manage one's health in order to play an active role as a member of society, covering such topics as the need to enjoy a good breakfast every day, taking adequate sleep, learning how to drink and smoke in moderation, and how to manage stress.

■ Introduction of ICT-based yoga tools

Our Kawasaki Headquarters' Health Design Center has introduced ICT-based yoga tools. Based on mimicking what you see on the monitor, the interactive system captures your yoga movements by camera, and displays them back onto the monitor.

The yoga tool app allows employees to refresh during the work day.



Employees trying out the yoga tools at the Kawasaki Headquarters

■ Health seminar held by RIZAP



Employee participation at the RIZAP health seminar held at the Kawasaki Headquarters

RIZAP, well known for its commitment to achieving results through its physical training programs, held a health seminar in May 2019, attended by 69 participants. This seminar was under the joint auspices of Fujitsu General, the Fujitsu General Health Insurance Association, and the Fujitsu General Workers Union.

The seminar, which featured a RIZAP personal trainer, highlighted body building exercise and lecture with many of the participants commenting that their perception of health had been changed.

■ Using LINE app to provide a stretching and meditation exercise to help prevent lower back pain and shoulder stiffness

By using the "se-ka-ide" technique developed by Dr. Ko Matsudaira (Project Professor, Director of the Department of Medical Research and Management for Musculoskeletal Pain, the 22nd Century Medical and Research Center, the University of Tokyo Hospital), we are working to reduce lower back pain and shoulder stiffness of employees to increase their productivity through a three-minute daily stretching exercise provided via the LINE app for those who are interested.

■ Promoting better sleeping habits

To promote energetic work, we have enlisted the services of Dr. Haruyoshi Yamamoto (Director of Workers' Mental Health Center, Yokohama Rosai Hospital). We provide his soothing music app to any employee who wishes to improve their performance through better sleeping habits.

■ Health seminar: "How to better understand your medical exam results and related health risks"



Employee participation at the "How to better understand your medical exam results" seminar held at the Kawasaki Headquarters

As part of our ongoing efforts to promote health in the workplace, we invited an outside instructor to help our employees reach a better understanding of the annual medical examination results in terms of what the numbers mean and what level of risk to health do they pose. The seminar was attended by 45 from our Kawasaki Headquarters, 25 from our Matsubara Office, and 10 from our Hamamatsu Office, all of whom were able to deepen their understanding about health.

■ Company walking contest using the My-Me-Byo Carte app

Kanagawa Prefecture sponsors a company walking contest using the My-Me-Byo Carte app to keep count of the average number of steps taken by each participant for the companies competing in the prefecture.

Our company took 1st place (Kanagawa Governor's Award) for two consecutive years in 2017 and 2018, but unfortunately, we placed third in 2019, winning the Incentive Award.

■ Better health walking program

The Fujitsu General Health Insurance Association uses a membership-based benefits service affiliated with the company to accumulate points based on the number of steps taken over time. A smartphone app or pedometer is responsible for measuring the number of steps taken. The accumulated points can be converted for use at hotels, for the purchase of theme park and movie theater tickets, or can be used to purchase a gift certificate.

■ Health-up Web System

Employee can access their annual health checkup results on their computer, smartphone, tablet, etc. using this system. Since the results are posted chronologically, employees can review their health history over time. The system is also capable of providing daily updates for weight, diet, and exercise in addition to being able to receive advice from industrial physicians and public health and private sector nurses, if requested.

By using a smartphone, the employee can share the results of the annual checkup with their regular physician or use it to take pictures of daily meals in order to track their diet.

● High risk management

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

For high-risk employees, a monthly check of the diagnosis against the prescribed medication is performed, along with checking whether the medication is being properly taken by the employee, to support their treatment process on an ongoing basis. For FY2019, this support was provided to 19 persons.

■ Specific Health Guidance

The company provides specific health guidance to employees. The service is available during working hours.

For FY2019, aggressive support was provided to 250 employees, and motivational support was provided to 185 employees.

Supporting our employees - III. Reducing second-hand smoke exposure and encouraging smokers to quit

We are striving to reduce the health risk for tobacco smokers along with taking steps to prevent second-hand tobacco smoke inhalation.

● 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 Business Office, smoking indoors has been prohibited since 2018. At our Hamamatsu and Matsubara Business Offices, newly established outdoor smoking areas have helped to greatly reduce exposure to second-hand tobacco smoke.

Location	Indoor smoking area status	Outdoor smoking area status
Kawasaki HQ	Abolished as of 2/2018	Available
Aomori	Abolished as of 8/2018	Newly Installed/Available
Ichinoseki	Available, subject to time limits	Not available
Hamamatsu	Available, recently upgraded	Newly Installed/Available
Matsubara	Available	Newly Installed/Available
Other 2nd Tier Locations	Under review for both indoor/outdoor (abolish indoor smoking areas, improve equipment, other) for locations with high risk of second-hand smoke exposure	

Progress to Date: Limiting Second-hand Smoke Inhalation at Fujitsu General (Japan only)

● Encouraging smokers to quit

We are providing support to help smokers quit the habit. 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 42 employees to give up 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 succeed in giving up smoking, the cost of the examinations is nil. Furthermore, to celebrate your effort on behalf of society, a tree is planted in your honor in Indonesia at the expense of the company.



Poster showcasing in-house outpatient clinic

● Company-wide education on smoking

E-learning has been used as a tool to raise awareness of the dangers of smoking for all the employees of the Fujitsu General Group. As a further step, we decided to distribute a questionnaire throughout the company on World No Tobacco Day for both smokers and non-smokers, through which the concerns and problems of both groups are given a fair hearing and then shared internally to promote greater understanding. Without losing sight of the need for diversity, we will further consider what measures can be taken so that smokers and non-smokers can coexist.

Supporting our employees - IV. Promoting better dietary habits, understanding female health issues, and balancing treatment and career

● **Help employees maintain a balanced diet**

The company is undertaking a wide range of measures to help employees improve their eating habits. Specifically, people under the age of 35 generally tend not to eat breakfast. To correct this deficiency, we launched the Food Education Marche program. The program, which is held every other month, educates our employees about the importance of having a daily breakfast, including topics such as vegetable shortages in their diet and its effect, cooking tips, and other diet-related topics.



Food Education Marche at our Kawasaki Headquarters

● **Raise awareness of women's health among all employees**

In order to promote a better level of understanding of unique female health issues, the company provides various opportunities to help educate all employees in this area. Education covering gender-specific medicine for women, as well as e-learning covering the areas of the biological clock and balancing career with family life, was attended by 146 employees. For the seminar "Women's Health Concerns and Lifestyle Choices," it was decided to bring in outside speakers. The seminar was open to all levels of the company including the president and executive officers. The seminar was attended by 97 employees including 20 executive officers.



"Women's Health Concerns and Lifestyle Choices" seminar at our Kawasaki Headquarters

● **Help employees continue to work while receiving medical treatment**

■ **Educating managers on how to be sensitive and caring for employees fighting cancer and how to provide career support in such circumstances**

The company held a series of three seminars in which oncologists and career consultants were brought in to address multiple issues including the current state of cancer treatment and how to handle employees with a potentially terminal illness. The seminar was structured to allow group discussion, with 118 employees attending.

■ **Educating female employees on how to treat cancer a woman is more prone to have and how to provide career support in such circumstances**

Women are more likely to develop gynecologic cancers (e.g. breast and ovarian cancer) at work age than men. Therefore, a knowledge of what cancer is, how the chances of a successful cure are linked to early detection, and what support groups are available were some of the subjects covered. Two lecture-style learning seminars were held with 69 female employees attending. There are future plans to roll this seminar out to all potential participants regardless of gender.



Seminar for managers at our Kawasaki Headquarters

Occupational health & safety initiatives

● **Accident prevention & business contingency planning**

The Fujitsu General Group conducts a monthly Safety & Health Committee meeting to achieve zero-level 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 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



Disaster prevention drill at our Kawasaki Headquarters

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. A system utilizing mobile terminals 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. Training on

the system is regularly conducted.

For FY2019, we are able to report there were no work-related fatalities nor were there any serious accidents.

In the event of certain natural disasters (typhoon, flood rains, or heavy snow fall), the safety reporting system detailed above is used in conjunction with the company intranet to encourage employees to go home early and wait out the storm.

Some locations handle hazardous materials necessary for product testing and research. To ensure the safety and well-being of the employees, training and education based on the SDS* are provided in addition to carrying out legally mandated specialized health examinations. As of April 2020, 68 employees at our Kawasaki Headquarters and 15 employees at our Aomori Business Office have received these specialized health examinations.

*Safety data sheet

● **Efforts to infectious diseases**

E-learning has been utilized as one tool to combat the spread of influenza and rubella. In 2018, the company established its "Guidelines for Responding to the New Strains of Influenza and Other Infectious Diseases" to be acted upon in the event of the spread of said contagious diseases. These guidelines are available on our intranet to ensure company-wide distribution with regular education and training designed to increase awareness.

Subsequently COVID-19 presented itself. Further measures have been undertaken in an effort to prevent the spread of this new virus, including greater use of flex time, and encouraging employees to work from home. Furthermore, in the workplace, effort is being made to avoid congestion through such measures as providing an alternate floor from which to work and restricting available time and the number of available seats in the company cafeteria.

See pages 53 and 106

● **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.

3 Creating a workplace in which diverse employees can thrive and succeed in a flexible manner

Our Approach

The Fujitsu General Group has 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 Mission, 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 of 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 Mission, 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.

Topics Response to Covid-19

In direct response to the spread of Covid-19 in Japan and overseas, any and all measures adopted by the Fujitsu General Group have been taken to protect the safety and health of our customers, business partners, employees, and their families as we continue to adjust to the "new normal."

■ Primary response

1. We encourage employees to work from home and to use flex time, and promote greater utilization of online communications such as in teleconferencing (adopt new working styles) so that they can continue to do their jobs regardless of the time or place.
2. We have requested our customers to switch to online teleconferences instead of visiting us in person. When they choose to visit us, we ask them to wear facial masks and follow the safety rules we have established.
3. For any employee with cold symptoms combined with a fever, it is not permitted to come to the office to work.

For further details, please visit our website.

Our response to Covid-19

Website <https://www.fujitsu-general.com/global/info/fgl20200625/index.html>



Diversity & inclusion

Fujitsu General Group's Corporate Mission, which incorporates "Develop Our Team" as part of its foundation, is well served by the personnel philosophy of finding human resources who can accept and take advantage of diverse cultures and values, which is based on diversity and inclusion. We believe that new ideas can be born and innovation can be realized only by recruiting and combining employees with various experiences, background, and knowledge. Moving forward, although we will continue working toward greater diversification based on clearly recognizable differences such as gender, nationality, and age, we will also focus on achieving diversification through looking at other distinguishing factors, not always so readily apparent, such as capabilities, experience, and knowledge.

We will continue our efforts to create a corporate culture in which it is second nature to both accept the value of diversity and take advantage of the success it promises.

● Promoting women in the company

The Fujitsu General Group strives to transform our corporate culture to ensure the full inclusion of women at all levels in the organization supported by a work environment which allows them to play an active role.

In accordance with Japanese regulations (Act on Promotion of Women's Participation and Advancement in the Workplace, April 1, 2016), the company has established two new targets: 1) will ensure by FY2021 that no less than 20% of new hires shall be women and 2) will appoint ten or more women as managers by FY2021.

Our main efforts are directed to boost the motivation and morale of women working in the company while clearly communicating the corporate expectations. To aid in these efforts, we are bringing in director-level women from the outside to engage in round table discussions, in addition to providing training specially designed to support mid-level female employees in their career advancement. Furthermore, to boost overall awareness of the importance of women to the company, we are conducting general seminars for all employees regardless of gender.

As a result of these efforts, 1) for FY2019, new female hires represented 18% of total new hires and 2) on a cumulative basis, from FY2016 to FY2019, a total of four women were promoted to managerial positions. In FY2019, a milestone was reached with the first inside promotion of a woman to the position of executive officer.

Voice

Currently, there are many women employed in the Air Conditioner Development Section who are actively engaged in working toward achieving our mission and company goals.

Given the large number of men with whom I work alongside, it is to be admitted that in the past, I felt the need to be reserved and circumspect, feeling an unspoken wall between myself and the "men." Now it is different. The current working environment makes it possible for a woman to fully demonstrate her capabilities and give voice to her ideas. Working in a team in product development, it feels natural for me to be recognized as a colleague who is worthy of respect and due consideration. In the majority of instances, it is a woman who decides which air conditioner to purchase for the home and is also the primary user of the product. As a woman, might it not be easier for me to imagine their thinking and concerns when they select a product? I consider this when developing new products and it is another reason I find the work so rewarding.

It cannot be said enough, but I really believe it is critical for a company to create a working environment in which each employee can draw on his or her individuality and strengths, making it possible to work with a sense of personal fulfillment and confidence.



Product Design Department
Senior Manager
Ms. Eri Inagaki

● Recruiting non-Japanese employees

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

Voice

When I entered the workforce, I had some sense of the need to do something that would be of value, that would be new and different. I believe that by deciding to join Fujitsu General, it was possible for me to give this concrete expression, not to mention benefiting from the training provided and the experience I gained.

Currently, I am involved in a project to develop a working infrastructure to facilitate the operation of an air conditioner from a remote location. What makes my job in IoT stimulating is that we transform data into a value-added service which I do think differentiates us from the competition. It is really exciting to see your technical expertise and experience move beyond the academic and be the basis of developing a "weapon" in today's competitive market.

Currently, through a weekly meeting process, all the project members work together to help visualize the overall project goal while considering problems and how to solve them. The weekly meeting is an opportunity where both individuals and the team can grow, plus I find it easy to express my thoughts and ideas. What is really amazing is that the workplace makes it possible to find your hidden abilities, talents you did not even know you possessed and give life to them.



Air Conditioner System Development Division
Ms. Supekar Priyanka
(Indian national)

● Extending the retirement age

Although the official retirement age at the Fujitsu General Group (Japan) is 60, the company will make provisions to allow working up to 65 for those employees who so wish. Employees with high-level managerial experience continue to be of considerable value even after reaching the age of 60. 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.

Voice

Since joining the company, I have enjoyed a wide range of work experience including the design of electronic components (Electronics Development Division), component development and evaluation (Air Conditioner Division), and cost down/value engineering, all of which has contributed to my technical expertise and knowledge in these areas. When stationed at Fujitsu General (Shanghai) Co.,Ltd., I was able to not only learn about the air conditioner manufacturing processes within Fujitsu at this location, but also visit and observe the manufacturing operation of our components suppliers. Through collaboration and exchange with the Chinese managers and engineers, I learned so much of value. Currently, I am active in the Control Technology Development Department and I find there are simply not enough engineers who have knowledge about materials and are familiar with actual manufacturing operations at the factory level. I decided to stay on after reaching 60 and found myself involved in control technology development, focusing on EOL*1 components development, and 4M*2 changes, the level of which have been increasing in recent years. Every day is busy and I feel my experience and expertise are being put to good use. From the fall of 2019, I was involved in the training of young engineers at the Technical Academy of Air Conditioner, giving me another opportunity to pass on my experience to the next generation. Even though I am now beyond our official retirement age, it is gratifying to know my experience is still valued, and by having this opportunity to utilize it, I have been energized and do not feel the passing years.



Air Conditioner Electronics Development Division
Mr. Akira Uehara

*1. End of life

*2. Man, machine, material, and method

● Promoting foreign nationals as managers at overseas locations

The Fujitsu General Group is placing foreign nationals in management positions at our overseas locations.

In FY2019, the ratio of foreign nationals acting as a president at an overseas location was at 21%, and for foreign nationals in an executive position, it was at 26%. Moving forward, we will actively continue in our efforts to achieve true globalization through greater promotion of local human resources.

● Employing the disabled

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 mails, 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 2.51% of our total employees in Japan (2019), which is greater than the 2.2% level required by law.



Sorting activity in a company mail room

● Supporting a balance between work and childcare

In response to recent legislation (Act on Advancement of Measures to Support Raising Next-Generation Children), the Fujitsu General Group has formulated an action plan. To support a balance between the need to work and the need to provide childcare, the company supports flex time, shortened work hours, and childcare leave, all of which should enable employees to continue to bring their unique abilities at the workplace to the forefront while still raising a child. The company received the Kurumin Certificate in 2018. (The Ministry of Health, Labour and Welfare created "Kurumin," a mascot featuring a baby's head peeking out from a budding plant, to recognize efforts made to promote a balance between work and family.)

Outside of specific programs, and in order to ensure a smooth return to work after taking childcare leave, the company also conducts interviews with the employee before the scheduled leave, before returning to work, and after returning to work, to best assess the needs and concerns of the employee.

The company allows both maternity leave and childcare leave for all employees, regardless of gender, incorporating a flexible working style to support the program.

● Supporting a balance between work and long-term care

The company, to better support those employees faced with long-term care of an immediate relative, allows both flex time and a scheduled leave of absence, all examples of our support for a flexible working style at Fujitsu General.

The program is specifically designed to support those employees who find it necessary to provide long-term care for an immediate relative or their spouse.

● Supporting a balance between work and medical treatment

No one can predict when they may fall ill and require medical treatment. A program is in place to address such a contingency, under which the employee can take a planned leave of absence if hospitalization or home care becomes necessary. For less serious conditions, it is possible to take scheduled half days while working, either to seek immediate medical attention or receive treatment at home for chronic conditions.

● The "Balancing Work & Lifestyle Handbook"

A "Balancing Work & Lifestyle Handbook" is available, using a "frequently asked questions" format to provide answers about the various programs aimed to support a balance between work and the need to provide childcare or long-term care, or receive medical treatment. Some of the experiences of employees who have had direct experience using the program are also included.

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.

On behalf of all employees, using e-learning, we introduced the changes to the regulations governing overtime, as per the Act on the Arrangement of Related Acts to Promote Work Style Reform, Article 36 Agreement (an employer cannot order its employees to work overtime, meaning more than 8 hours a day or 40 hours a week, unless the employer has an Article 36 Agreement with a union or employee representing a majority of employees), and changes in the management of employee overtime within the company.

In addition, 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.

By introducing "patrols" made up of employees drawn from both labor and management to physically check how many employees were staying later than the scheduled company closing time and encourage them to wrap it up and leave for the day, up until last fiscal year, it was possible to boost the level of employees who leave on time to 90%.

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.

*The term is borrowed from the name given to our program to reduce environmental waste and achieve higher profitability. In this context, it is used to connote time-saving measures which promote efficiency.

● General BAR

At our Kawasaki Headquarters, the General BAR forum has been regularly held since October 2017. Its goal is to stimulate meaningful internal communication and create opportunities to change the mindset of our employees and corporate culture. Attendance averages 400 employees per forum. At this forum, you would be able to observe lively and relaxed interaction between the development divisions and sales divisions, not to mention interaction and discussion between executives and employees who usually do not come in contact with each other in the course of their normal business activities.



A General BAR taking place at our Kawasaki Headquarters cafeteria

● The Fujitsu General garden party

Since 2018, the company has held an annual social gathering at theme park, Yomiuri Land, for the Fujitsu General Group employees and their families. The event is designed to provide a fun time for everyone. A concert, a raffle, a futsal competition, and a walking event are featured, in addition to being able to hear a message from our president.



A Fujitsu General social gathering



Publicizing our "leave on time" day

Topics Family Day

In 2019, a Family Day event was held at our Kawasaki Headquarters to help employees' families better know the company. This event made it possible for employees' children to visit their parent's workplace in order to better understand the nature of the company and the work. During the day of the event, the children enjoyed receiving business cards from their parent's colleagues and superiors, heard about the company, and had the fun of making sweet confections using vegetables. A similar event is held by Fujitsu General America, Inc., our U.S.-based sales subsidiary.



Family Day
(Above: Family Day at our Kawasaki Headquarters, below: Family Day at Fujitsu General America, Inc.)

● Combating long working hours

The Fujitsu General Group has implemented measures to combat the long working hours of the employees.

As a direct result, for FY2019, the number of employees whose overtime was greater than 60 hours per month was 546, with the average number of overtime hours per month per employee at 19 hours. In recent years, it has been possible to maintain an average overtime per employee per month which does not exceed 20 hours.

Key Initiatives

1. Reduced working hours below the maximum level allowed by the Article 36 Agreement
2. Implemented pre-approval system for additional overtime to monthly overtime of 40-60 hours level
3. Implemented in-house education focused on how to prevent the need for overwork
4. Established a "leave on time" day requirement (one day/week)
5. As a general rule, working on two consecutive holidays is no longer allowed
6. Prohibited late night overtime; chimes advise the time employee must leave to avoid accruing late night overtime
7. Established e-mail alarm message for employees working long hours
8. Implemented greater use of flex time, staggered working hours, modified working days, etc.

● Encouraging annual leave

To encourage employees to use their annual leave, it has been recommended that each employee take no less than two days of annual leave every six months and include a weekend or national holiday to extend the leave time beyond two days. Furthermore, from FY2020, summer holiday annual leave has been increased from three to four days. For FY2019, the annual paid leave utilization rate was 70% which reflects an upward trend over the past years.

We will continue to encourage our employees to utilize their annual leave through various measures.



● 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.

To help provide support to our employees, the company already provides employee welfare benefits such as a rent subsidy, a company cafeteria, group insurance at preferred rates, and cash for happy occasions or condolence. In addition to these benefits, from October 2016, a cafeteria-plan has been introduced which makes it possible for the employee to select the support options that best match their 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 light of the expectation that more Japanese will live until the age of 100, the company is now reviewing its current retirement allowance plan. Under consideration is the introduction of the defined contribution pension plan, planned to roll out in April 2021 to help our employees be better prepared for life after retirement.

● Other events promoting work style changes

Employees who concentrate on their work throughout the day tend to develop tunnel vision, only focusing on the people immediately around them at work. The company has launched events planned to allow interaction across other departments to build a community that transcends departments and divisions, making it possible for our employees to fully experience our considerable pool of talent.

Event: Healthy and Lively World Café

This workshop was opened to allow individual employees to affirm their own worth and value to the organization through active participation in the decision-making and execution process, working to transcend organization barriers to build a sense of unity and share information within the company. In 2019, a workshop was opened with the purpose of letting job applicants give voice to their vision of the company's future and what it might or should be.



Healthy and Lively World Café at our Kawasaki Headquarters

Dialogues 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 (hereinafter referred to as the Federation). 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
(Executives on the left and Workers Union Central Executives on the right)

Social contribution by the Workers Union



Reforestation volunteers at work

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.

● Greening the desert in China—Wuchuan County, Daqing Mountain Greening Project (reforestation volunteers)

The Federation has been supporting this Chinese desert reforestation project since 2001. Members of the Fujitsu General Workers Union were part of the 37 volunteers who participated in the 18th reforestation project carried out in May 2019.



The Cambodia Terakoya Cooperation Corps

● National Federation of UNESCO Associations in Japan—Educational support in developing countries: World Terakoya Movement (Cambodia Terakoya Cooperation Corps)

Since 2006, the Federation has been supporting the World Terakoya Movement Cambodia Angkor Project under the auspices of the National Federation of UNESCO Associations in Japan. In November 2019 (13th event), members of the Fujitsu General Workers Union made up some of the 22 sent by the Terakoya Cooperation Corps to Cambodia.

● Support for the disabled—Providing job opportunities

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, Mr. Hiroshi Asano (deceased) 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 the disabled is highly regarded both within Kanagawa Prefecture and throughout the country.

The Fujitsu General Workers Union continues to support the social services provided to the disabled 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. In addition, the Fujitsu General Heartware Ltd., a special subsidiary of Fujitsu General for the promotion of inclusion and diversity, is providing training for students attending schools for special needs education in Kanagawa Prefecture, in response to a request for support from the Kawasaki Branch of the Fujitsu General Workers Union, which resulted in two students being accepted in 2019.



The tissue paper fundraising campaign in action by staff of Kawasaki Headquarters

Voice

Two key tenets of the philosophy of the Federation, under the auspices of which the Fujitsu General Workers Union operates, are first, "Protect the Green Earth," and second, "Give the Children a Dream." 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 strength of the Federation, we will continue in our efforts to meet the needs of society for the long term.



Fujitsu General Workers Union
President
Mr. Yasuyuki Morikawa

Customer Relations

A part of the Group's Corporate Mission is found in the phrase —Living together for our future—. By this, it is meant that through innovation and technology, we deliver a brighter future with the peace of mind to our customers and societies around the world. In line with our Corporate Mission, we have given this concept viable expression in a company slogan: "Innovation & Globalization, Providing a Brand New Tomorrow to Everyone on Earth." By this slogan, we will achieve a healthy, secure and safe society by providing new value while getting close to customers and societies.

Areas of
Key Focus

Delivering Products that Meet Customers' Expectations

Within the Fujitsu General Group, the Air Conditioner Division, the Information & Communication System Division, and the Electronic Devices Division are involved in all aspects of product development from basic research to applied development. Our goal is to work toward higher functionality, performance, and reliability for all products we develop. Our products are also designed to create the recycling-based society and reduce the environmental burden by the support of recycling and energy saving .

To better assist R&D, we have embarked on greater intra-divisional communication and coordination between those involved with R&D and the technology development divisions, production divisions, procurement divisions, and sales divisions including our subsidiaries. As a further effort in this area, Fujitsu General Laboratories Limited, a subsidiary of the Fujitsu General Group, undertakes R&D with a mind to develop future technologies for the entire company.

Delivering Products that Meet Customers' Expectations

Quality Assurance System

The Fujitsu General Product Safety Charter

Given that Fujitsu General plays an increasingly important role in today's society, contributing to daily life and in the home, a key corporate goal is to continuously improve the safety of our products. The Fujitsu General Product Safety Charter has been drafted to reaffirm this goal and our commitment to the continuous improvement of the safety of our products.

1. Product safety goals

From the customer's perspective, our ultimate goal is to ensure that our products can be safely used without causing bodily harm or property damage. To realize this goal, product safety is always taken into consideration for all aspects of our business, with all committed to its actualization.

2. Product safety guidelines

Ensuring product safety is not restricted to only the areas of development, design, and manufacturing but must be given due consideration by those engaged in research, sales, after-sales service, and general administrative duties. The following measures shall be undertaken to improve the safety of our products:

- (1) Compliance with all laws and regulations
The company shall make sure it is in compliance with and has discharged all of its obligations as stipulated in the Japan Consumer Product Safety Act, any and all other laws or regulations which pertain to product safety, and the terms and conditions of this Charter.
- (2) Business activities necessary to ensure product safety
In order to ensure the safety of our products, appropriate measures shall be taken for all business activities, including but not limited to product research, product development, product design, raw materials and components procurement, manufacturing, quality control, sales, and after-sales service.
- (3) Collection and disclosure of product accident information
Any and all information related to an accident in which a Fujitsu General product was involved, or the apparent failure of a safety design or the like, shall be proactively collected and disclosed to customers and other affected parties.
- (4) Reporting of serious product-related accidents
In the event of a serious accident related to the safety of our product, the matter shall be promptly reported to the responsible authorities as mandated by law.
- (5) Product recalls
In the event it is deemed a given product has proven unsafe or might prove to be unsafe in the course of time, the product shall be recalled, and necessary measures shall be taken to prevent the occurrence and expansion of any threat. The public shall be notified by whatever means considered the most effective under the circumstances.
- (6) Measures to prevent misuse of the product
Consumer applications and possible ways the product might be used must be taken into consideration, in addition to giving due consideration to the environment in which the product is likely to be used. Product performance data to date shall also be reviewed to help predict the risks associated with the use of a new product. Every effort should be made to eliminate or minimize the potential product defect in advance, and consider and implement measures to bring the risk to an acceptable level. For those safety hazards which could not be entirely eliminated, in order for the product to be used safely, a warning sign must be displayed in user manuals and product labels to help avoid any accidents that may be caused by potential misuse or negligence.

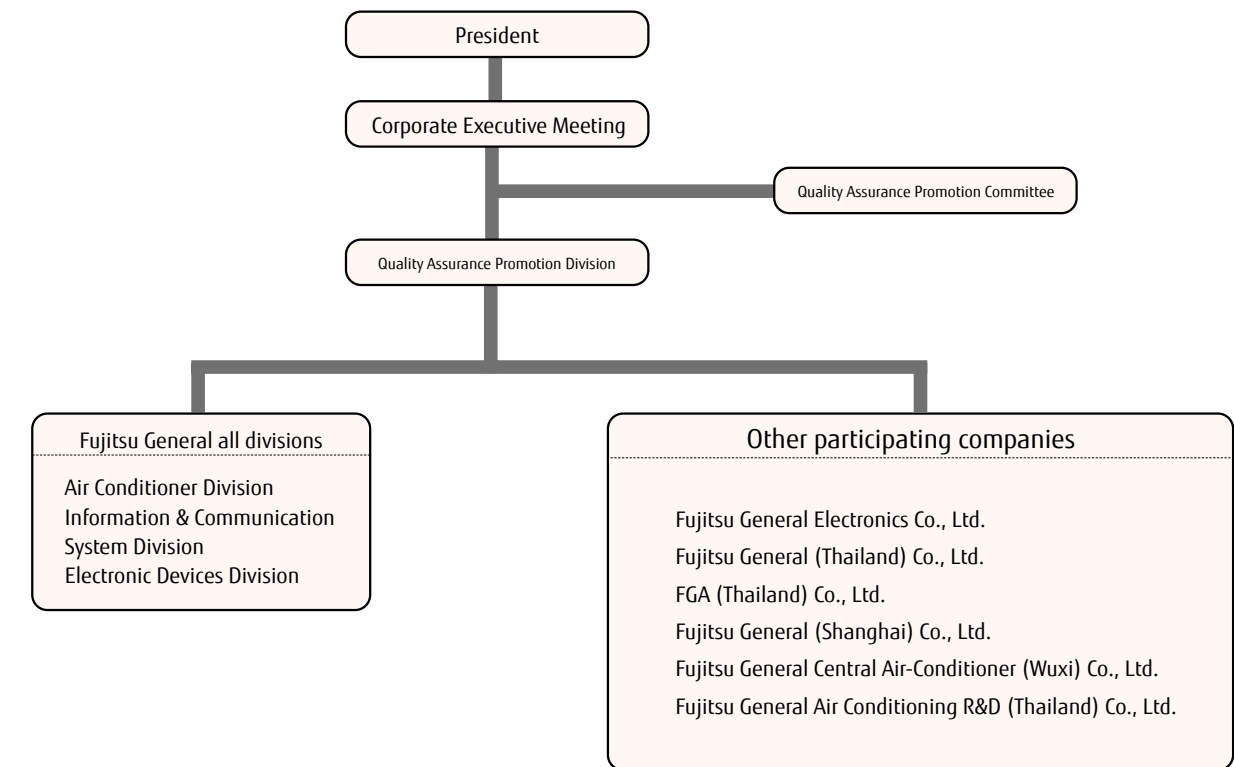
3. Actualization of the Charter and the "Voluntary Action Guidelines for Manufacturers"

The "Product Safety Promotion Regulations" and other similar regulations are hereby formulated with an aim to actualize and practice on an ongoing basis the provisions of this Charter as well as the "Voluntary Action Guidelines for Manufacturers," issued by the Japanese Ministry of Economy, Trade and Industry.

To achieve product safety, the full cooperation and coordination of all parties in the Fujitsu General Group are required, which should be realized by complying with this Charter.

Formulated in 1995
Revised in 2007

Quality Assurance Escalation Path



Key Initiatives

Improve the quality of products and services

● 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 nation and local communities through ongoing quality improvement.

Building trust & quality through training

The Fujitsu General Group believes that quality is more than just the physical product, and as such engineers and service personnel are given training in ethics in addition to receiving feedback from service sites regarding a given product.

● Ethics training for engineers

In 2019, an "Ethics for Engineers" training class, open to overseas locations and locations in Japan, was held. The event was attended by approximately 1,000 participants representing executives, managers, and general employees from our technical divisions.

An outside lecturer was invited and asked to address the possible cause and background surrounding recent reports, not involving our group, of data pertaining to quality being falsified and how it was possible that quality inspections might be flawed or even bordering on fraud. The focus was on what steps we should take to make sure this does not happen anywhere within our group.

Through the use of small discussion groups and the case study method, we encouraged the participants to think about the "right path" they need to take when actually working, which will lead to the development of even higher quality products.



Ethics training for engineers (left: Kawasaki Headquarters, right: Fujitsu General (Shanghai) Co.,Ltd.)

● Giving feedback to the local engineers of overseas sales companies

Since 2018, the Fujitsu General Group has undertaken a training process which takes advantage of input from the field to support product development.

Due to the differences in the product mix and sales level of individual products in each region, we allow each company to decide how to showcase various issues and provide initiatives, but it still remains important to provide a physical location so the feedback can be shared by all.

Responding to this need, in 2019, for the second time, 20 service managers from 13 overseas sales companies and 2 affiliated companies came together at our Kawasaki Headquarters for just this purpose. During a three-day training session, they disassembled our products and competitors' products, compared between them, and discussed possible improvements, including such topics as ease of installation and product serviceability. Issues and concerns that were aired during the forum are fed back to the development divisions to help drive improvement. A further benefit of this international exchange of regional issues and concerns is that it is also possible to identify what is trending in each geography and see what kind of product service support is of importance to the customer.

The Fujitsu General Group will continue this activity, with possible refinements being introduced, to make sure the voice of the field staff is made audible within the Group.



Overseas service managers during training at our Kawasaki Headquarters

Customer Communication

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. As a further precaution, we have adopted additional internal security measures specific to the protection of personal information, based on our "Privacy Policy."

For further details, please visit our website.

Privacy Policy

Website <https://www.fujitsu-general.com/global/privacy/index.html>



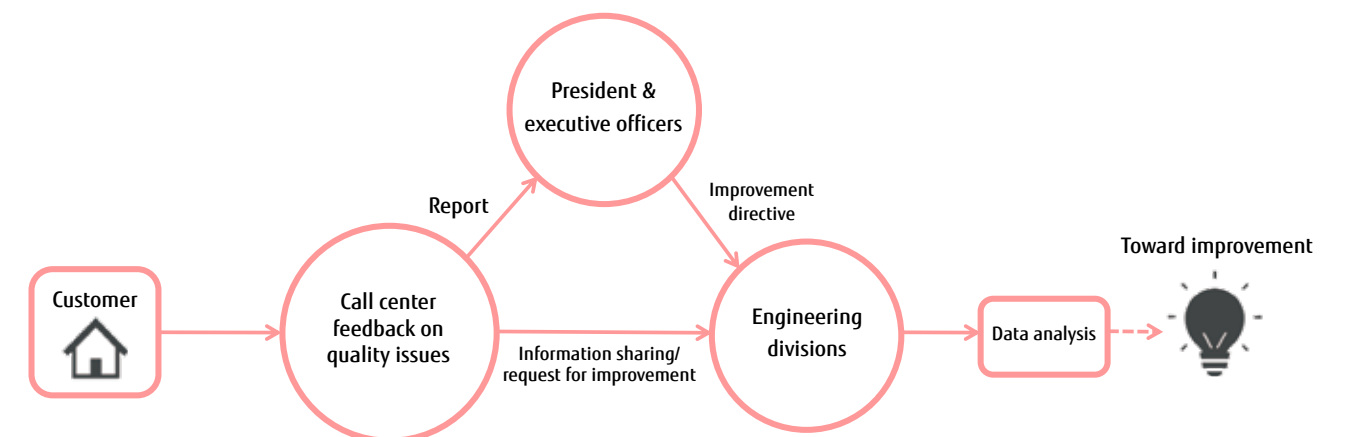
● Response to foreign regulations

The Fujitsu General Group has issued guidelines that comply with those of the European General Data Protection Regulation (GDPR). For European residents, personal data are only taken after obtaining the informed consent of the individual, with the data being collected and transferred within a safe and secure environment protected by the necessary data security measures. An annual internal audit is performed to check whether all regulations are being properly adhered to and the proper measures have been implemented.

A system that utilizes customer feedback in the business

Our customer service call center handles both questions and opinions about our products, services, construction, parts availability, and others from our customer base. In order to utilize this feedback, we are now sharing it internally.

The "voice" of the customer is collated on a monthly basis and then shared with the relevant divisions within the company. We also keep the president and executives apprised of this customer feedback, in addition to issuing recommendations for improvement, when necessary, to the engineering divisions as well as having them analyze the customer data, all of which is undertaken to support improvement for the next model change.



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.

● C-C-C (Call Center Concierge) 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 Mission was followed. Winners are decided on the basis of internal recommendations among colleagues.

Voice

The majority of customers who contact the call center are experiencing a problem with one of our products. Our goal is to carefully listen so as to understand what the customer wants to be done, while we work hard to quickly confirm the best time for repair while answering any questions. We receive many inquiries from elderly customers so we must do our best to speak slowly, clearly and pitch our voice so that it is easy to hear. Naturally, when complimented by a customer, it is very gratifying and gives great purpose to the work. As a supervisor*, it is my responsibility to provide instructions to the operators and handle any escalation from the operators. To improve the efficiency of the call center operation, we are encouraged to identify areas which could stand improvement and offer recommendations. Much of my work as a supervisor is difficult to quantify, but it is certainly encouraging when my co-workers, observing me at work, see fit to give me a favorable evaluation, which made it possible to win an award. I want to always prove myself worthy of having won the award, and will continue to do my best so as to exert a positive impact on the people around me while striving to improve myself.



Domestic Service Support Division
Call Center
Ms. Shiho Kamimura

*1. A seasoned employee, who has mastered all aspects of the call center operation, in charge of training and managing other operators, in addition to handling the overall operation and how to effect optimization

● Introduction of visual IVR*

In June 2020, we introduced visual IVR technology to provide a more efficient way of handling repair service. Visual IVR is a tool available for smartphone users that guides inbound callers to a web-based support experience. Customers are able to select and enter from a menu to identify the reason for the call which in turn automatically informs the operator, speeding up the customer service process, especially when repair service is needed. Information the customer may wish to check is available via a link to a FAQ site.



Flow of Visual IVR

*Abbreviation for Interactive Voice Response

Supplier Relations

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. Our components suppliers are required to adhere to the Group's CSR procurement guidelines; we visit their factories to perform a physical compliance audit. By receiving the support from these suppliers, we are able to better assist the reduction of the environmental load, satisfying both the expectations of society at large and realizing Our Mission of —Living together for our future—.

Areas of
Key Focus

Encouraging Our Suppliers to Adopt Our CSR Initiatives

Our Approach

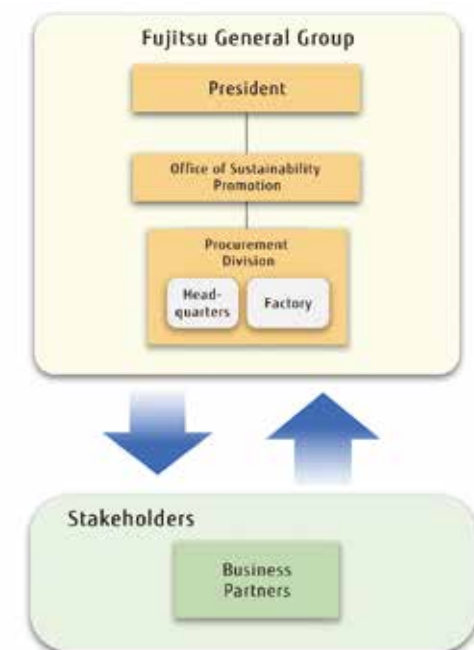
The Fujitsu General Group has made its CSR initiatives the foundation of corporate management, with our Corporate Mission informing and shaping these same CSR initiatives. Concerning initiatives relating to compliance and ethical conduct, the Group has taken thorough and stringent steps to ensure internal controls are strengthened. We have also proactively introduced initiatives in the areas of quality assurance and improvement, environmental conservation, social contribution, and enhanced communication with various stakeholders, all of which contribute to the general well-being of society. With the advance of globalization, we can no longer only be content with the internal fulfillment of our social responsibilities but feel it incumbent upon us to extend this activity to cover the entire supply chain, requiring our suppliers and partners to also support our CSR activities.

As an adjunct to this requirement, in 2019, the Fujitsu General Group created its CSR Procurement Guidelines, which are enlisted during the procurement process to make sure suppliers and business partners are made aware of the need to follow our CSR initiatives. Supplier factory audits are also undertaken to confirm compliance with the initiatives.

By closely working together with our suppliers and business partners, we can minimize the negative impact to the environment and meet the expectations of society, thus actualizing a tenet of Our Mission —Living together for our future—.

Implementation

By extending the implementation of CSR initiatives to the supply chain, we are making every effort to better understand the total impact our business has on the environment and society, while taking further steps to mitigate any negative outcomes. The Office of Sustainability Promotion, in cooperation with the Procurement Division, is responsible for deliberating and deciding on measures to make sure our supply chain is managed in line with the CSR initiatives.



Key Initiatives

Implementation of the CSR field survey

The Fujitsu General Group visits supplier factories for the purpose of conducting CSR field surveys to assess the level of compliance with the CSR guidelines. In 2019, a total of six external CSR field surveys were carried out; three in China and the rest in Thailand.

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. For the surveys conducted in 2019, no problems were identified for the target companies.

Moving forward, we will continue to involve our business partners to foster an understanding of our approach to actualizing CSR guidelines, and build a sound, sustainable supply chain by working together.

■ FY2019 CSR Audit Results

Period	Auditee	Scope of audit
November 2019	Company K (China)	Questionnaire (41 items) & field survey (116 items) were utilized. No CSR compliance issues were found.
	Company H (China)	Questionnaire (41 items) & field survey (116 items) were utilized. No CSR compliance issues were found.
	Company S (China)	Questionnaire (41 items) & field survey (116 items) were utilized. No CSR compliance issues were found.
September 2019	Company H (Thailand)	Questionnaire (41 items) & field survey (116 items) were utilized. No CSR compliance issues were found.
	Company K (Thailand)	Questionnaire (41 items) & field survey (116 items) were utilized. No CSR compliance issues were found.

CSR Procurement Assessment Survey Results

The radar chart below 1) details a comparison of self-check and survey results (summary version: 41 items) and 2) displays the self-check and survey results (detailed version with 116 items). Use this information to review the strengths and weaknesses in your CSR activities to strive for continuous improvement.

Comparison of self-check and survey results (summary version: 41 items)



CSR Audit Results (Visual)

Dissemination of the CSR Procurement Policy

The CSR Procurement Guidelines were established in 2019. The guidelines require anyone within the Fujitsu General Group responsible for procurement to fully understand the CSR procurement policy and guidelines. Furthermore, it is the responsibility of those engaged in procurement within the group to make these guidelines known to those outside companies which support our supply chain and ensure commitment to adhere to same. In 2019, we held briefing sessions for our business partners, and the purpose of which was to highlight and explain our CSR initiatives and guidelines. A total of 258 companies participated from Japan (22), China (109), and Thailand (127). We are currently in the process of gaining consent from our multiple business partners to adhere to these guidelines.



Briefing session held in Thailand

Our Response to 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.

Social Contribution

The Fujitsu General Group strives to contribute to local communities through its business activities.

Areas of Key Focus

Community Contribution

Our Approach

The Fujitsu General Group considers the promotion of next generation education and community outreach programs 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 nurture 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.

Key Initiatives

Provide educational assistance for children

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.

● Acceptance of social studies field trips from nearby elementary schools and provision of onsite lectures (Kawasaki Headquarters)

• Acceptance of social studies field trip: "Town Exploration"

For second-grade students, we provided social studies field trips that included a tour of Jihatsukan Museum at our Kawasaki Headquarters, where visitors can learn about the company's history, a tour of different air-conditioning experimental facilities, a meeting workshop using Microsoft Teams with local employees who work at our Thai plant, and a tour introducing the company's latest air conditioners in our showroom.

We received comments from the children such as: "I was surprised by how the tests are conducted" and "It was fun to speak with employees from Thailand."



Social studies field trips

• Lecture on demand: "Looking at Yourself and the Future"

For sixth-grade students, we dispatched our employees as lecturers to elementary schools as part of a career education program to help children think about their future jobs.

Lecture themes focused on behind-the-scenes stories of how the world's first automatic cleaning filter was developed, and how our TV commercials are produced. In addition to these lectures, we also carried out mini experiments on how air conditioners cool the air, and presented behind-the-scenes footage of the production of our TV commercials. We received comments from the children such as: "In the future, I would like to get a job that satisfies my intellectual curiosity" and "It has made me want to take a closer look at Fujitsu's TV commercials."



Lecture on demand

● Plant study tours (Fuji Eco Cycle Co., Ltd.)

Fuji Eco Cycle Co., Ltd., a company engaged in the recycling of home appliances within the Fujitsu General Group, conducts plant study tours.

Participants can learn how 4 items of electric home appliances (air conditioners, refrigerators, washing machines, and televisions) are dismantled, and what kind of recycled materials are produced.

In 2019, the company accepted approximately 700 visitors from nearby schools and municipalities.



Plant study tour

● Acceptance of students from special needs schools for workplace experience (Fujitsu General Heartware Ltd.)

Based on the company's philosophy to help employees with disabilities to work with a sense of purpose and genuinely feel they are contributing to society, Fujitsu General Heartware Ltd. actively accepts people with disabilities living in the area around the Kawasaki Headquarters to provide them with workplace experience training and company tours so as to help them enjoy their work.

Workplace experience training sessions are provided for students and teachers from special needs schools as well as instructors from various companies and welfare offices through multiple-day programs (four to eight hours of training per day). For students from special needs schools (junior and senior high schools) and registrants of support organizations, we offer hands-on training that will guide them in identifying their career paths after graduation or leaving the organization, while making the most of their skill sets. For instructors and teachers from various companies and welfare offices, we offer actual work experience as well as workshop sessions on how to provide guidance for employees and welfare users who have disabilities.

We have comments from participants such as: "I was able to identify my current skill sets, and learn what kind of skills I should acquire in the future and what I should aim for."

Company tours are also provided for students and parents from special needs schools and registrants of support organizations (one to two hours with a maximum of about 20 participants per tour). In addition to looking around the company, participants are able to exchange opinions directly with the host company, which provides them with an opportunity to consider their future career paths after graduation or leaving the support organization. We received comments from participants such as: "Through this tour, I could learn about the activities carried out by the special subsidiary company. I was also able to gain valuable insights on preparing for employment, which was very encouraging."

We will continue to provide support for many students with disabilities to help them think about their future.

● Charity activities for kindergartens and elementary schools (Fujitsu General (Thailand) Co.,Ltd.)

Our Thai manufacturing subsidiary Fujitsu General (Thailand) Co.,Ltd. held a charity activity at a kindergarten and elementary school in Chachoengsao Province in February 2020.

On the day of the event, the company's employees and the children sang songs and played games together, while the employees served homemade dishes for lunch and had a great time with the children.

We also offered support to the school to improve the environment for learning by donating air conditioners, presenting donations collected from our employees, donating school supplies, and repairing the school building.

We will continue to carry out support activities aimed at the development of local communities and the healthy growth of children.



Charity activities at kindergartens and elementary schools in Thailand

● Charity activities for elementary schools (ABS Aircon Engineers Private Limited.)



Charity activities at elementary schools in India

ABS Aircon Engineers Private Limited., a design, installation and service maintenance company of air conditioning systems in India, provided drawing tools and science kits to elementary school children to help them learn independently, develop their own ideas, and expand their future possibilities as part of our support activities.

● Support for youth rugby teams (Fujitsu General (Aust.) Pty Ltd.)

Fujitsu General (Aust.) Pty Ltd., our sales subsidiary in Australia, supports children who aspire to be professional rugby players. Through the rugby union Intrust Super Shute Shield Club Rugby, the company donates to junior clubs nominated by some of the rugby league's most successful professional players, and supports junior club activities, including the purchase of training equipment. We will continue to support their activities in the hope that the children will grow up enjoying the sport and that the rugby clubs will gain greater success.



Children aspiring to be professional rugby players in Australia

Conduct community outreach programs

● Community exchange events (Kawasaki Headquarters)



Summer Festival held in the lawn area of our Kawasaki Headquarters

Every year, we open up the lawn area at our Kawasaki Headquarters premises to hold the Summer Festival, a community exchange event.

We set up a tower in the center of the lawn and host events including Bon dances by the local neighborhood association, refreshment booths opened by company employees, and events inviting players from Kawasaki Frontale, a professional soccer team in Japan. One of the most popular events is the lottery draw, where you can win our products and Kawasaki Frontale goods. Local residents often ask us "When is this year's event going to be held?" In 2019, we had about 4,300 visitors over two days, despite the rainy weather. This event has been held since 1956.

● Participation in the Kanagawa SDGs (Kawasaki Headquarters)

Fujitsu General is a member of the Kanagawa SDGs Partner program, backed by Kanagawa Prefecture. The Kanagawa SDGs Partner program aims to register and promote examples of corporate initiatives that contribute to achieving the SDGs in Kanagawa Prefecture, and also to expand activities to raise awareness of the SDGs through cooperation between registered companies and the prefecture.



Kanagawa SDGs Partner program registration ceremony

● Dialogues with government agencies, local businesses, and community-based organizations (Kawasaki Headquarters)

Since 2014, we have been participating in the Eco City Takatsu promotion project organized by the Takatsu Ward of Kawasaki City, where our Kawasaki Headquarters is located, to exchange ideas with local citizens about what Takatsu will be like in 100 years. As a member of the local community, we aim to revitalize and create a sustainable, recycling-oriented city named "Eco City Takatsu" with its lively natural environment, by utilizing the natural features of Takatsu Ward and collaborating with citizens to review and enhance the quality of life. In 2019, some Eco City Takatsu members joined the tour of our Kawasaki Headquarters.



Kawasaki Headquarters tour by Eco City Takatsu members

● Open gymnasium (Kawasaki Headquarters)



Inside Fujitsu General's gymnasium located near our Kawasaki Headquarters

The gymnasium owned by Fujitsu General's Health Insurance Association has been open to local citizens for more than 40 years. Citizens use this facility for activities including basketball, futsal, and badminton. In 2019, approximately 19,000 citizens used the gymnasium.

● Local cleaning activities

Fujitsu General business offices (Kawasaki Headquarters, Matsubara, Hamamatsu, and Aomori) and Fujitsu General Electronics Co., Ltd. regularly conduct cleaning activities to contribute to the community by promoting aesthetic awareness of the surrounding areas.

Our Thai manufacturing subsidiaries Fujitsu General (Thailand) Co., Ltd. and FGA (Thailand) Co., Ltd. also carry out cleaning activities.



Cleaning activities
(left: cleaning and volunteer activities in Thailand;
right: cleaning activities around our Kawasaki Headquarters)

● Protecting and nurturing rare species (Kawasaki Headquarters and Hamamatsu Business Office)

At Fujitsu General's Hamamatsu Business Office, a biotope was built on its premises to preserve the rare species of *Tanakia lanceolata* (yaritanago; bitterling) and *Pronodularia japonensis* (matsukasagai; mussel), which are designated as endangered species IA in the Red Data Book of Shizuoka Prefecture.

In addition, our Kawasaki Headquarters is engaged in the conservation and propagation of the rare orchid *Calanthe discolor* (ebine), which is designated as a quasi-endangered species by the Ministry of the Environment and as an endangered species II by Kanagawa Prefecture.



Protecting and nurturing rare species (left: *Tanakia lanceolata*; right: *Calanthe discolor*)

● Participation in environmental conservation activities (Fujitsu General (Aust.) Pty Ltd.)

Our Australian sales subsidiary Fujitsu General (Aust.) Pty Ltd. participated in a tree-planting event at Worrina Cove in South Australia utilizing a volunteer vacation in August 2019.

This event aims to expand the habitat of endangered wildlife species by planting various types of trees on the land that was cleared of nature as a result of settlement activities during the 1900s.



Tree-planting event in Australia

Make charitable donations

[Donation Activities]

● Donations and volunteer activities via Sporting Chance Cancer Foundation, a charitable organization that supports hospitals for pediatric cancer patients (Fujitsu General (Aust.) Pty Ltd.)



Ceremony carried out in Australia

Our Australian sales subsidiary Fujitsu General (Aust.) Pty Ltd. donates to Sporting Chance Cancer Foundation, a charitable organization that supports hospitals for pediatric cancer patients. We donate 3 AUD for each air conditioner sold, and have contributed more than 8.4 million AUD over the past 13 years.

The volunteer activities are carried out in groups of about 10 people for the purpose of team building to strengthen the unity within each department and between employees. In October 2019, we cooked meals for children and their families at the hospital's pediatric accommodations, and interacted with the children around the table.



Volunteer activities at the hospital's pediatric accommodations

● Donations and volunteer activities via Australia's Biggest Morning Tea and Wish You were Here (Precise Air Group (Holdings) Pty Limited.)

Precise Air Group (Holdings) Pty Limited., a Fujitsu General Group company that provides air conditioner maintenance services in Australia, has donated about 650,000 yen to Australia's Biggest Morning Tea, through employee donation matching supported by the Cancer Council, and to Wish You were Here, an organization established to contribute to research on the treatment of intractable cancer (pancreatic cancer).



"Australia's Biggest Morning Tea," supported by employee donation matching and the Cancer Council

● Sponsorship at New Zealand's largest charity event, "Special Children's Christmas Parties," and support for the two patient support organizations (Fujitsu General New Zealand Ltd.)

Fujitsu General New Zealand Ltd., our sales subsidiary in New Zealand, is a major sponsor of the Special Children's Christmas Parties, which is New Zealand's largest charity event for children and families in need, held in major cities across the country each year.

Those in need include children who are battling life-threatening diseases, have physical or intellectual disabilities, or suffer from domestic violence or poverty. The employees of Fujitsu General New Zealand Ltd. participate in the event held in Wellington every year, where the company's headquarters is located.

New Zealand has the second highest number of asthma patients in the world.

Therefore, as a manufacturer of air conditioning equipment, we provide support for two patient support organizations:

- AsthmaNZ: 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
- Sensitive Choice Program: A program run by the Asthma Respiratory Foundation NZ to assist in the selection of asthma- and allergy-friendly products

To help identify asthma- and allergy-conscious products, locally-based companies use the blue butterfly symbol "Sensitive Choice" on their packaging.



Charity event in New Zealand

● Donations to the Breast Cancer Research Foundation Headquarters and internal initiatives (Fujitsu General America, Inc.)

Our American sales subsidiary Fujitsu General America, Inc. donated 4,450 USD to the Breast Cancer Research Foundation Headquarters located in New York City in November 2019. Fujitsu General America, Inc. also holds in-house events for the eradication of breast cancer.



Donations in the United States

● Donation of air conditioners to kindergartens, schools, and hospitals throughout Thailand and social action programs (Fujitsu General [Thailand])

Our Thai manufacturing subsidiary Fujitsu General (Thailand) Co., Ltd. donated a total of 1,200 air conditioners to kindergartens, schools, and hospitals throughout Thailand in 2019.

The company also participates in a social action program called the "Smile Community Project" every year. In 2019, the seventh year of the program, activities were held in September on Kret Island, located in the Chao Phraya River a little north of Bangkok, with about 500 employees participating. After donating fire extinguishers and installing them at various locations on the island, providing wheelchairs and other supplies to medical institutions, and cleaning up the entire island, the participating employees enjoyed eating island cuisine and sightseeing. The employees had fun and served the local community at the same time.



Donation of fire extinguishers in Thailand

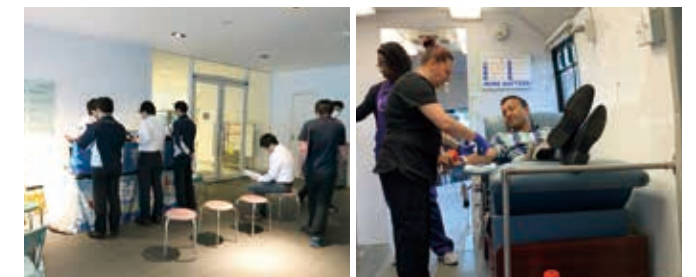
● Donation of air purifiers to schools, hospitals, and nursing homes near factories in China (Fujitsu General (Shanghai) Co., Ltd.)

Our Chinese manufacturing subsidiary Fujitsu General (Shanghai) Co., Ltd. donated 600 air purifiers to schools, hospitals, and nursing homes near our factory in 2019.

● Cooperation for blood donation (Kawasaki Headquarters and Fujitsu General America, Inc.)

Fujitsu General's Kawasaki Headquarters carries out in-house blood donation conducted by the Japanese Red Cross Society and Kanagawa Red Cross Blood Center every year.

Seventy-nine employees participated in the program in 2018 and 65 employees in 2019. Our American sales subsidiary Fujitsu General America, Inc. also conducts in-house blood donation activities.



Blood donations (left: Kawasaki Headquarters; right: Fujitsu General America, Inc.)

● Ecocap program (Kawasaki Headquarters)

Kawasaki Headquarters collects plastic bottle caps to donate to the Japan Committee of Vaccines for the World's Children, an NPO. The donations are used to purchase polio vaccines for children around the world. From 2013 to 2019, polio vaccines were purchased for a total of approximately 1,300 people.



Ecocap program

● Donations to the Keidanren Nature Conservation Fund

The Keidanren Nature Conservation Fund, a public trust, supports various nature conservation activities in developing countries and in Japan through its funds, and promotes nature conservation activities in corporations as well. Our Group agrees with the purpose of this Fund, and has been making donations since 2013.

● Disaster support

We have made a donation of 7 million yen through the Central Community Chest of Japan, a social welfare corporation, to help those affected by Typhoon No. 19 in 2019 for the relief of victims and reconstruction of the affected areas.

In addition, we offered special repair services, including free repair estimates, diagnosis fees, and travel costs, for damaged home appliances owned by private customers living in areas covered by the Disaster Relief Act.

Investor Relations

In accordance with the spirit of –Living together for our future– set forth in Our Mission, the Fujitsu General Group will continue to actively promote IR activities to gain the understanding and trust of shareholders and investors. As part of this effort, we ensure that there are as many opportunities as possible for constructive dialogue, and disclose information including financial results in a timely and appropriate manner.

Areas
of Key
Focus

Dialogues with Shareholders and Investors

Our Approach

In Our Philosophy, we define "collaborative effort focused on communication" and "integrity" as the means to achieve Our Mission. We ensure that there are as many opportunities as possible for constructive dialogues with our shareholders and investors, and disclose information that serves as a basis for such dialogues in a timely and appropriate manner.

Implementation

The Fujitsu General Group's communications with shareholders and investors are managed by the director in charge, and information is exchanged as needed through coordination between the Public & Investor Relations Division and the Finance & Accounting Division. We provide information and answer questions at the Company's General Meeting of Shareholders, hold briefings for institutional investors and securities analysts, and meet with institutional investors individually to a reasonable extent. We also actively provide information on our medium-term management policy and financial results on our website to promote understanding of our business among shareholders and investors. Any views ascertained through dialogues are regularly fed back to senior management and reported to the Board of Directors as necessary.

In carrying out these activities, the person in charge of communications with shareholders and investors should comply with laws and regulations and internal rules regarding the handling of insider information and confidential information, and should conduct dialogues in an appropriate manner.

Key Initiatives

Dialogues 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 our 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 three 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 (summary) 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), and respond to individual interviews as appropriate. In 2019, our top management visited Europe to meet with our investors there. We also hold a press conference when we announce our quarterly financial results so that the information can be conveyed through the media.

Share company information with shareholders and investors



Integrated Report

● Publication of the Integrated Report

In October 2019, we published the Integrated Report, which summarizes the Fujitsu General Group's approach and status of initiatives concerning medium- and long-term value creation. This report includes financial information along with a simple summary of non-financial information focused on Environmental, Social, and Corporate Governance (ESG) initiatives.

Website

For further details, please visit our website.
Integrated Report
<https://www.fujitsu-general.com/jp/csr/report/index.html>



● Disclosure of information on our website

Fujitsu General discloses information to our shareholders and investors on our Investor Relations website. On this website, we provide timely information by posting financial results, explanatory materials for the medium-term management plan, Annual Securities Reports, materials for the Company's General Meeting of Shareholders (notice of convocation, reports, and notice of resolution), occasional disclosure information, and integrated reports.

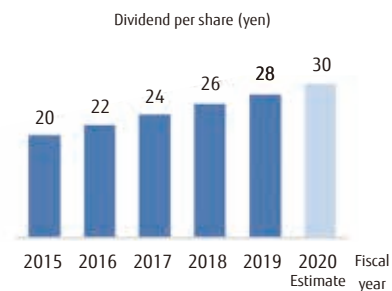
Website

For further details, please visit our website.
Investor Relations
<https://www.fujitsu-general.com/global/ir/index.html>



Shareholder returns

Our basic policy on returning profit to shareholders is to provide stable and continuous returns for our shareholders. Although our net income attributable to shareholders of the parent company decreased due to extraordinary losses as a result of our efforts to strengthen the air conditioning equipment business for the future, the annual dividend for FY2019 was set to 28 yen per share, an increase of 2 yen per share from the previous year (an increase for the ninth consecutive year), in accordance with our basic policy regarding profit distribution. Our target for future shareholder returns is to maintain a dividend payout ratio of 30% or more even at high profit levels.



Key Initiatives

Key IR activities

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

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



Environment

- Environmental Vision
- Environmental Management
- Activities
 - Responding to Climate Change
 - Efficient Use of Resources
 - Reduction in Water Usage and Waste Disposal
 - Chemical Substances Management
 - Biodiversity Conservation

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 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.

Principles

- 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.

● Mid-Term Environmental Action Plan

Fujitsu General Group established the "Mid-Term Environmental Action Plan" in 2016 with FY2030 as the final target year as a concrete plan to implement measures for the "Fujitsu General Group Environmental Policy" and for the climate change which is the highest priority theme in materiality analysis. In order to realize a sustainable society, we aim to achieve both reduction of environmental burden and enhancement of corporate value by sharing the goals to be achieved in the medium term by all employees while contributing to the achievement of SDGs.

1. Activities for The Customers and Society

28% reduction of CO₂ emission from use of our products in Japan by FY2030 (compared to FY2013)

In order to enhance the capability to develop high value-added air conditioners with excellent energy saving performance while contributing to reduction of the environmental burden and pushing forward enhancement of the product competitiveness, we are aiming at reducing the average CO₂ emission from use of one unit of our air conditioner in Japan by 28% by FY2030 (compared to FY2013). As for the air conditioners for overseas markets, we will develop the products with higher energy saving performance and strive to reduce the environmental burden.

2. Activities for Reducing our own Environmental Burdens

30% reduction of CO₂ emission associated with the business activities of our entire group by FY2030 (compared to FY2013)

By reducing potential wastes in every business processes while pursuing improvement and reform by reviewing the processes, we are aiming at reducing 30% CO₂ emission in the consolidated sales basic unit by FY2030 (compared to FY2013).

● Environmental Action Plan Stage IX (FY2019-2022)

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.

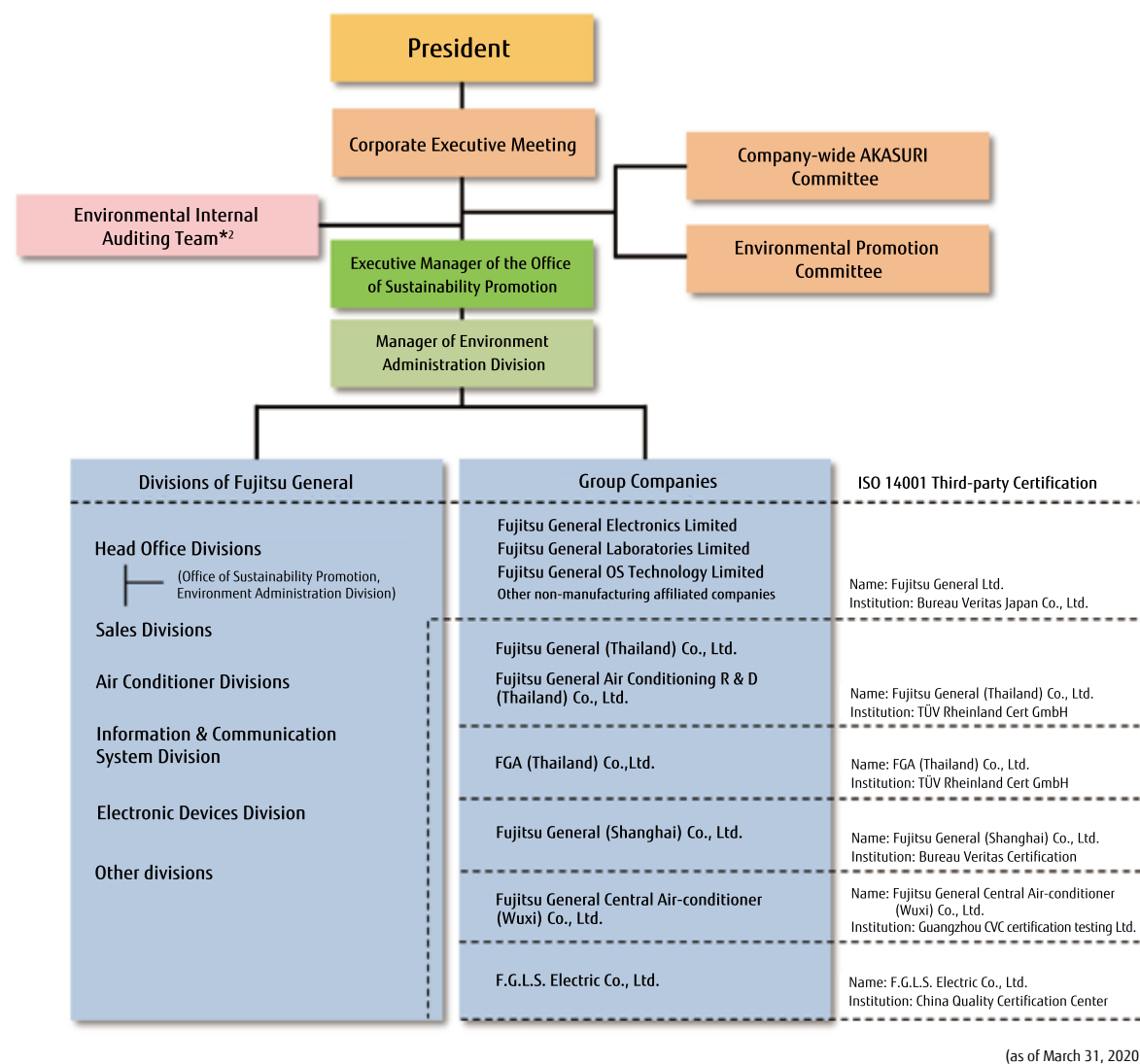
	The Cornerstones of Initiatives	Themes	Key Initiatives	Performance Indicators	Targets for FY2022	Actual Performance from FY2019	SDGs Goals Related to the Activity
Activities for the customers and society	Initiatives to Prevent Global Warming	Greater effort to achieve the reduction of CO ₂	Convert to new refrigerant	Conversion to low GWP refrigerants (packaging, multi-split, room air conditioners)	Conversion to R32 for all targeted models	Converted 171 models	
	Resource Recycling	Effective use of resources	Increase brand appeal	Rate of conversion to standard outdoor unit	Over 90%	Completed size reduction for eight targeted models	
	Chemical Substances Management	Expand procurement of materials with low environmental impact	Strengthen supply chain management	Re-engineering and strengthening of the CSR procurement system	Establishment of CSR procurement policies Implementation of CSR audits Suppliers' consent received: 100%	Received: 59%	
				Promote development of EMS at all overseas material suppliers (level II or higher)	Over 90%	96%	
				Promote development of CMS at all material suppliers (rank B or higher)	100%	97%	
Activities for reducing our own environmental burdens	Initiatives to Prevent Global Warming	Improve energy use efficiency	Minimize redundancy to greatest extent possible	Rate of improvement in power usage efficiency at production sites (per unit of production as compared to FY2013)	Reduction greater than 15%	Domestic: 11% reduction Overseas: 12% increase	
				Gas use efficiency improvement at production sites (as compared to FY2018)	Domestic: 60% reduction Overseas: 15% reduction	Domestic: 49% reduction Overseas: 28% increase	
				Rate of power reduction at evaluation and testing facilities of overseas development sites (as compared to FY2018)	Reduction greater than 30 percent	28% reduction	
			Reduce physical transfer of products between warehouses (domestic)	Rate of reduction of emission of CO ₂ from inter-warehouse transfers	Reduction greater than 4%	8% reduction	
			Improve product transportation efficiency (domestic)	Reduction of logistics-related emissions of CO ₂ per unit sold	1.91 (t-CO ₂ /thousand units)	1.91 (t-CO ₂ /thousand units)	
			Expand use of renewable energy	Renewable energy utilization rate	Above 5% of power used	0.8%	
	Resource Recycling	Rationalization of resource usage	Minimize redundancy to greatest extent possible	Reduction of aluminum material waste	Waste loss as a percentage of total purchases: 75% reduction (as compared to FY2016)	32% reduction	
				Reduction of steel material waste	Waste loss as a percentage of total purchases: 67% reduction (as compared to FY2016)	50% reduction	
				Reduction of water usage at production sites (water usage reduction per unit of production)	Domestic: Reduction over 20% (as compared to FY2013) Overseas: Reduction over 6% (compared to FY2013)	Domestic: 12% reduction Overseas: 11% reduction	
				Increase in the waste recycling rate at production sites (recycling rate as a percentage of total waste generated)	Over 99%	Domestic: 92% Overseas: 87%	
				Rate of reduction in total waste generated by production sites (per unit of production compared to FY2013)	Reduction greater than 20%	Domestic: 19% increase Overseas: 2% reduction	
				Enhanced disassembly/sorting capability (increase in recoverable value)	Mixed recoveries of 22% or less	31%	
				Recycling efforts (extracting value from waste)	Refurbishment of nine recovered items previously disposed as waste	Three items refurbished	

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 the international ISO 14001 standard to promote environmental management. Within the Group, companies in Japan and overseas sales companies have obtained an integrated ISO certification issued by third parties. The entire Group works in unison to promote environmental management. Overseas production companies, on the other hand, have established their own environmental management systems at each factory location. They promote environmental management by obtaining third-party certifications on their own.



*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.

● Establishment and Operation of the Environmental Management System

The Environmental Management System (EMS) of Fujitsu General Group consists of the integrated certification which our company, domestic group companies and overseas sales companies acquired jointly and individual certifications of five overseas production companies which acquired the international standard ISO14001 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 action plan for activities. We conduct periodical assessments to evaluate whether or not we are on track vis-a-vis achieving our environmental goals.

In FY2019, we further incorporated the environmental management system into the company through enhanced education and training, and engaged in activities mainly focused on the implementation of the PDCA cycle within each organization's activities.

We have completed corrective actions for all items identified as being non-conforming during the external and internal audits of the EMS. We strive to improve the level of management by clarifying how to address those items assessed as needing improvement.

Internal Audit and Results

The ISO14001:2015 requires companies to contribute to environmental care and protection through their essential operations. Three years after the introduction of the 2015 standard, an internal audit was conducted in FY2019 in line with our idea that our core business should include environmental activities. The audit focused on: (1) whether or not the PDCA cycle is running properly, (2) how the Company is responding to issues raised at past external and internal audits, and (3) how the Company is reviewing and responding to areas with pending corrective action. The audit found some nonconformities related to compliance (legal standards), but all of which have been satisfactorily rectified.

■ FY2019 Internal Audit Results

Category	Number of Findings/Corrective Measures
Nonconformities in relation to the risk of deviating from environmental laws	20
Nonconformities in relation to other environmental risks	24

External Audit and Results

From August to September 2019, a second-year surveillance audit based on the ISO14001:2015 was conducted for the Company, including its domestic Group companies and overseas sales companies under the integrated certification. The audit found some nonconformities related to legal compliance at our factories and sales offices in Japan. 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. We also conducted a survey of the status of relevant departments that have the same compliance obligations, and dealt with them in the same manner.

The five overseas production companies with individual certifications also underwent a second-year surveillance audit in accordance with their respective schedules. They were able to maintain their certified status.

■ FY2019 External Audit Results

Category	Number of Findings/Corrective Measures
Nonconformities in relation to the risk of deviating from environmental laws	2
Nonconformities in relation to other environmental risks	5

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 materials procurement with the cooperation of our suppliers.

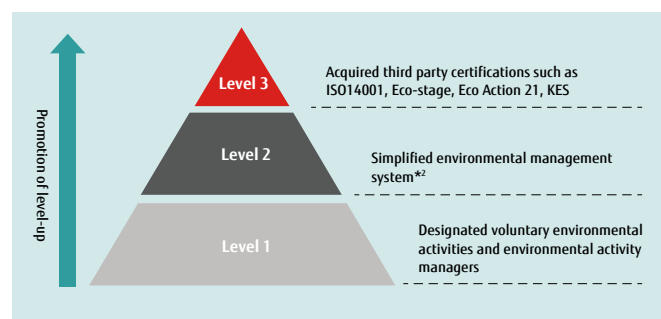
Procurement Activities Based on Green Procurement Standards

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

	Requirements	Suppliers of Components ^{*1}	Other Suppliers
(1)	Establishment of Environmental Management System (EMS)	Yes	Yes
(2)	Compliance with Fujitsu Group regulations for designated chemical substances	Yes	No
(3)	Establishment of a Chemical Substances Management System (CMS) for chemical substances contained in products	Yes	No
(4)	CO ₂ emission control/reduction initiatives	Yes	Yes
(5)	Biodiversity conservation initiatives	Yes	Yes
(6)	Water resources conservation initiatives	Yes	Yes

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. In principle, suppliers should be at level 3 (accredited third-party certification, e.g. ISO 14001), but we also work with level 1 and 2 suppliers to help them in the development and operation of their environmental management systems.

Establishment of Chemical Substances Management System (CMS) ^{*3}

In order to ensure compliance with laws and regulations specific to the chemicals contained in our products, we ask our suppliers to establish a CMS based on the "Guidelines for the chemical substances in products" of JAMP^{*4}. The Fujitsu General Group auditors visit suppliers to check the status of CMS design and operation to provide support for upgrades as necessary.

For further details, please visit our website.

Fujitsu Group Green Procurement Standard

Website <https://www.fujitsu-general.com/global/procurement/green.html>



*1. Suppliers supplying components of Fujitsu Group products or OEM/ODM products

*2. Suppliers' environmental management system

*3. Abbreviation for Chemical Substances Management System

*4. Abbreviation for Joint Article Management Promotion Consortium

Key Initiatives

Areas of Key Focus

1

Responding to Climate Change

Our Approach

The Fujitsu General Group believes that reducing greenhouse gas emissions (particularly CO₂) in all areas of its business is important to curb climate change caused by global warming. We promote reduction of greenhouse gas emissions by improving energy saving performance of products, reducing energy consumption across our business, and expanding the use of renewable energy sources such as solar power.

Key Initiatives

Initiatives to Reduce CO₂ Emissions from Products during their Use

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

Pursuing Energy saving Performance

As a result of our efforts to improve the energy saving performance of newly developed products, we reduced CO₂ emissions of air conditioners during their use, developed and sold in Japan in FY2019, by 4.8% as compared to FY2013. We will continue to develop products with even greater energy saving performance to contribute to the reduction of greenhouse gas emissions.

Model Example

Ceiling Suspended Air Conditioners for the European Market (ABYG24KRTA)

Achieved the Industry's Highest Level Seasonal Energy Efficiency Ratio*

The changed shape of the indoor unit and expansion of the installation space for the heat exchanger made it possible to mount a heat exchanger larger than conventional models without increasing the size of the product itself, resulting in achieving the industry's highest level seasonal energy efficiency ratio (SEER) rating of 6.20.



*First place, jointly shared first place, or narrowly behind first place (as of February 2020)

Initiatives to Reduce CO₂ Emissions across Business Activities

The Fujitsu General Group aims to reduce CO₂ emissions across the entire group's business activities by 30% as per the carbon intensity per unit of consolidated sales by FY2030 (as compared to FY2013). We are expanding the use of renewable energy, improving transportation efficiency, and encouraging each employee to review their daily work processes to identify redundancies. We also share best practices across departments to achieve improvements. In FY2019, CO₂ emissions increased by approximately 8.3% as compared to FY2013 due to the start-up of new buildings and new plants at our development sites.

● Installation of Solar Power Generation Systems

The Fujitsu General Group is promoting the use of renewable energy for electricity used in its business activities. Fujitsu General Air Conditioning R&D (Thailand) Co.,Ltd. installed new solar panels on the rooftop in August 2019. The operation of the solar power system has enabled the company to switch to renewable energy for approximately 5% of its electricity utilization, thereby having reduced CO₂ emissions by 41 tons as of March 2020. The expectation is to achieve an annual reduction of 62 tons in CO₂ emissions. 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 rooftop of Fujitsu General Air Conditioning R&D (Thailand) Co.,Ltd.

Annual CO₂ reduction

62 (t-CO₂)

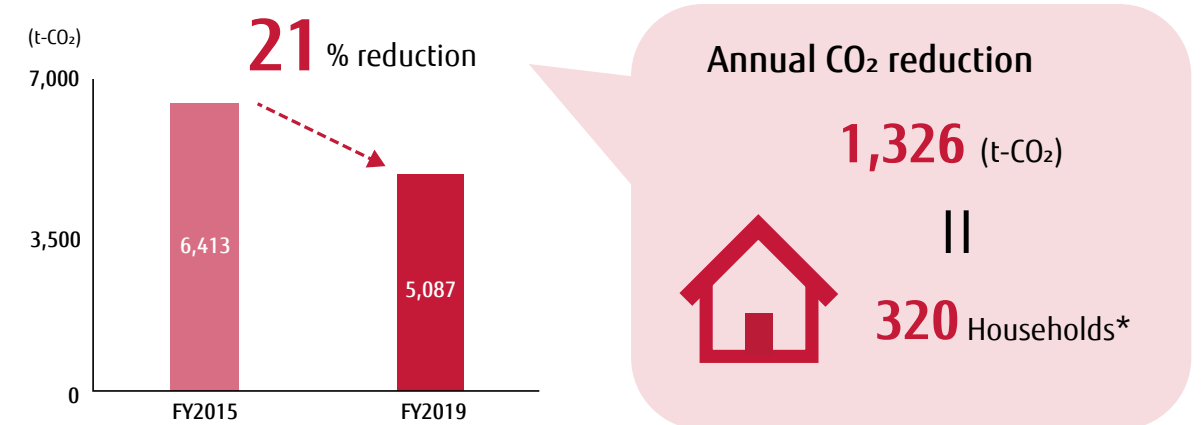
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15 Households*

● Reducing Electricity Usage of Test Equipment for Evaluating Air Conditioners

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. The power-consuming air conditioners used in the test room at the Kawasaki Headquarters to prepare the test environment have been replaced with room air conditioners and spot coolers with high energy saving performance. We also have proactively optimized pre-test operating times, in addition to introducing automatic timer operations on holidays and during nighttime. As a result of these efforts, in FY2019, we were able to reduce our CO₂ emissions by 1,326 tons (21%) as compared to FY2015. From FY2019, the same efforts have been introduced at our overseas testing facilities.



Reducing Electricity Usage of Test Equipment for Evaluating Air Conditioners

● Improving Business Travel Efficiency

The Fujitsu General Group is increasing reliance on IT, which in turn allows the curtailing of business trips so as to help reduce environmental impact. In FY2019 we expanded the use of Office 365, which was introduced in the previous fiscal year to all domestic offices and expatriate employees working in our overseas offices.

In particular, since March 2020, we cancelled domestic and overseas business trips and encouraged working from home as a measure to prevent the spread of the COVID-19, which significantly accelerated our efforts to shift to video conferencing, thus reducing CO₂ emissions from commuting and business trips.



Web Conferencing

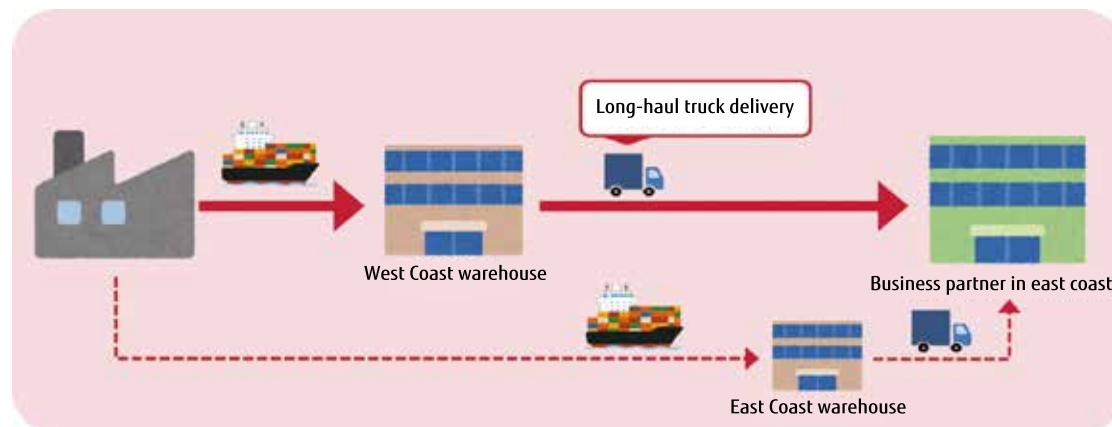
*Calculation based on annual CO₂ emissions per household = approximately 4,150 kg-CO₂. (National Institute for Environmental Studies, Greenhouse Gas Inventory Office, FY2018 Confirmed Statistics)

● Reducing Long-haul Truck Deliveries

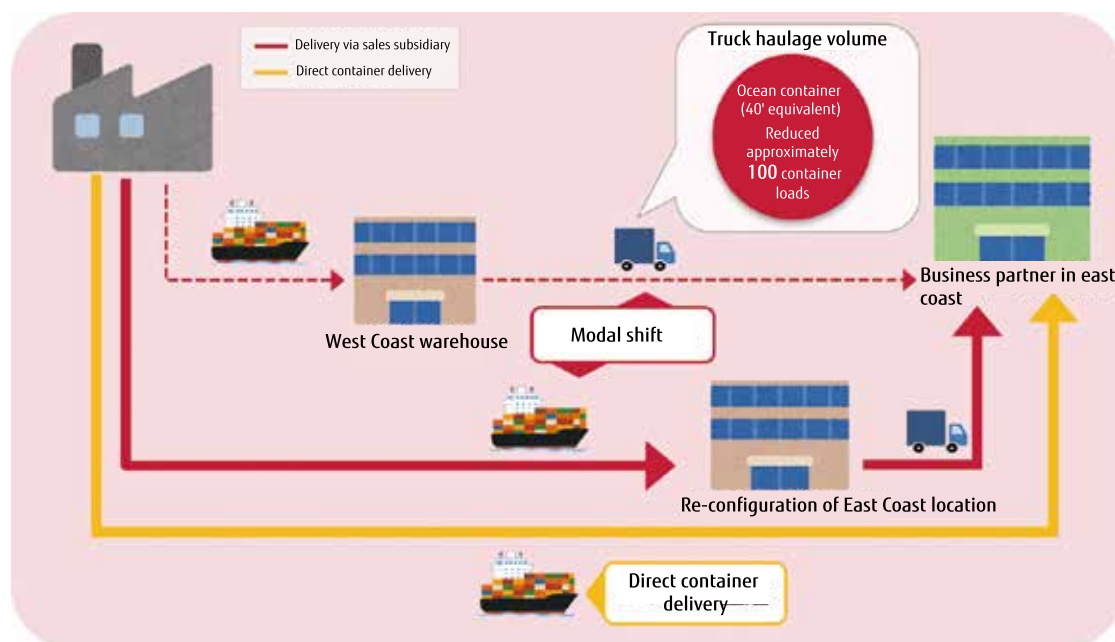
The Fujitsu General Group is working to improve transportation efficiency by reducing the number of long-haul deliveries in Japan and abroad. In the North American region we began a thorough review of our logistics network in 2017. Previously, long-haul deliveries were made from the West Coast warehouse to East Coast customers, but we are now in the process of switching to direct delivery from our production bases to the East Coast warehouse via ocean transport. To support this change, the capacity of the East Coast warehouse is being increased to allow higher inventory levels. This modal shift initiative reduced long-haul truck deliveries in FY2019 by the equivalent of approximately 100 40-foot containers as compared against FY2016.

Furthermore, we are now making direct container delivery to major client warehouses, which accounted for 26% of our North American regional sales in FY2019.

Conventional



New



Areas of Key Focus

2

Efficient Use of Natural Resources

Our Approach

The Fujitsu General Group aims to contribute to a sustainable society by making the most effective use of limited resources. The Group is committed to reducing material waste in the production process, reducing the amount of raw materials used in its products, as well as promoting recycling and the re-use of products that would have been disposed of in the past.

Key Initiatives

Promoting Resource-saving Design

The Fujitsu General Group places importance on the effective use of resources for the products the Group offers by developing 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.

● Model Example

Cooling-only Air Conditioner for India (AOGG18CPTA-B)

Developed outdoor units about 15% lighter and smaller (-13% in weight and -17% in size) as compared to conventional units

By completely rethinking the design of the component parts utilized in the outdoor unit of a conventional cooling-only air conditioner, we were able to develop an outdoor unit that is around 15% more compact than conventional units while improving cooling capacity at high outdoor temperatures, which is particularly important for cooling-only air conditioners.

Main Lighter/Smaller Features

- Compressor weight : 14% reduction
- Heat exchanger weight/size : 10% reduction
- Outdoor unit weight/size : 13% (weight) and 17% (size) reduction

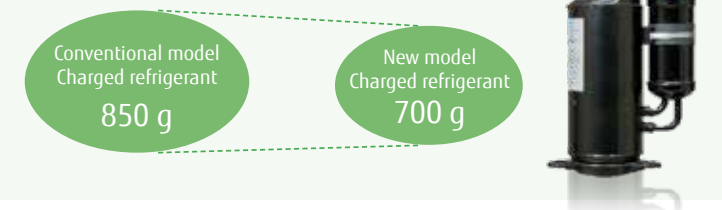


The new compact outdoor unit

Reduction of Refrigerant Charge

By reviewing the structure and capacity of the heat exchanger of the outdoor unit, we achieved approximately an 18% reduction of the refrigerant charge as compared to our conventional model.

(In our model case, the charged refrigerant was reduced to 700 g as contrasted against the 850 g used in our conventional model.)



Initiatives to Reduce Material Waste from Production

In order to reduce material waste generated from product manufacturing, the Fujitsu General Group's production sites in Thailand and China are seeking to improve the maintenance and management of production facilities and molds. We are particularly focused on the maintenance and management of equipment employed in the processing of aluminum and copper, the main raw materials used in air conditioners, leading to a reduction in the material waste of aluminum and copper of 31.8% and 49.6% in FY2019, respectively, as compared against FY2016.

3 Reduction in Water Usage and Waste Disposal

Our Approach

Water, a source of life and 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 promoting 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 sustainability of 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 FY2019, we managed to reduce water usage per unit of production by 12% at domestic production sites and by 11% at overseas production sites, as compared with FY2013. In order to further reduce water usage we are studying measures to reuse the blowdown water of the cooling tower used during air conditioner development tests.

Initiatives to Reduce Waste Disposal

The Fujitsu General Group ensures that all waste is sorted, collected and disposed of in accordance with the waste disposal regulations in each country and region.

In FY2019 we reduced waste generation per unit of production by 2% at our overseas production sites as compared to FY2013, while our domestic production sites waste generation increased by 19% due to higher production volumes.



Waste sorting and collection at Fujitsu General Electronics Co., Ltd.

4 Chemical Substances Management

Our 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

Reducing Emissions of Key Chemical Substances Used in Production

The Fujitsu General Group both stringently manages and strives to reduce the emissions of key chemical substances used in production.



*MSD: Material Safety Data Sheet

Chemical substances management at Fujitsu General (Shanghai) Co., Ltd.

Obtaining Chemical Substances Information

The Fujitsu General Group conducts a survey of its suppliers to identify the chemical substances contained in both parts and materials. The survey is conducted in accordance with the chemSHERPA* scheme for communicating information on chemical substances contained in products. Briefing sessions are held for our suppliers. Information obtained is shared within the Group via an internal system and is strictly controlled.

*Abbreviation for "Chemical information SHaring and Exchange under Reporting Partnership in supply chain" (a joint scheme for communicating information on chemical substances contained in products).



Briefing for suppliers at Fujitsu General (Shanghai) Co., Ltd.

Areas of Key Focus

5 Biodiversity Conservation

Our Approach

The Fujitsu General Group strives to conserve and make sustainable use of biodiversity, based on our idea that our business activities both benefit from and impact biodiversity.

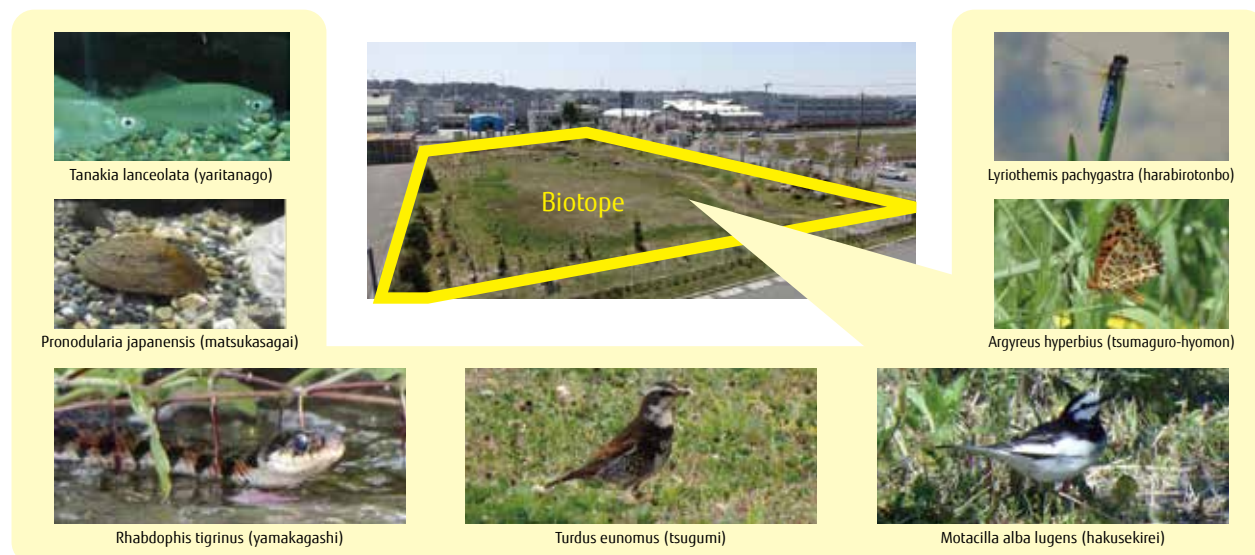
Key Initiatives

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* (yaritanago; bitterling) and *Pronodularia japonensis* (matsukasagai; mussel), 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 the *Oryzias latipes* (minamimedaka; Japanese rice fish; quasi-threatened according to Shizuoka Prefecture's RDB), the *Persicaria japonica* (shirobanasakuratade; Japanese knotweed), and the *Lycoris radiata* (higanbana; 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 the *Lyriothemis pachygastra* (harabironbo; a native dragonfly) and the *Rhabdophis tigrinus* (yamagakashi; tiger keelback), is increasing every year.

In September 2019, the yaritanago bred at the Hamamatsu Business Office was released into a biotope under construction by Hamamatsu City with the help of local elementary school students as part of the city's yaritanago conservation project, thus further expanding the circle of intervention through the biotope.

We will continue to maintain the site to help develop a network of ecosystems around the site and conserve rare species outside their habitats.



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

For further details, please visit our website.

Creating a Network of Ecosystems by Developing a Biotope

Website <https://www.fujitsu-general.com/global/environment/business/biodiversity/index.html>



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



Governance

- Human Rights
- Corporate Governance
- Risk Management
- Compliance

Human Rights

Our 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" at the opening line of the Code of Conduct. This statement clearly states 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 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 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.

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. E-learning has been used as an internal instructional tool to educate employees on human rights issues. The training covered the prevention of harassments in the workplace, in addition to covering what is meant by diversity and inclusion. The training focused on increasing the level of understanding, starting with a basic overview, amplified with specific examples of potential human rights violations. Furthermore, we promote human rights awareness by inviting outside lecturers to lecture to the managers at Kawasaki Headquarters and providing human rights training for newly-promoted managers and new recruits.

Status of Human Rights Awareness Activities for Business Partners

We established our CSR Procurement Guidelines in 2019, which we shared with our business partners for dissemination within the supply chain, and secured their agreement to participate in a survey based on these guidelines.

In FY2019, we held briefing sessions for suppliers in Japan (22 companies), China (109 companies), and Thailand (127 companies) to provide the details of the Group's CSR initiatives and guidelines.

We also conduct CSR audits to confirm the status of our business partners' CSR initiatives.

We ask our business partners to complete CSR self-assessment survey sheets, and based on the results of this survey, conduct on-site surveys. 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 FY2019 we conducted surveys of six companies (three in China and three in Thailand), and confirmed that there were no CSR issues.

Responding to 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, which 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

Our 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

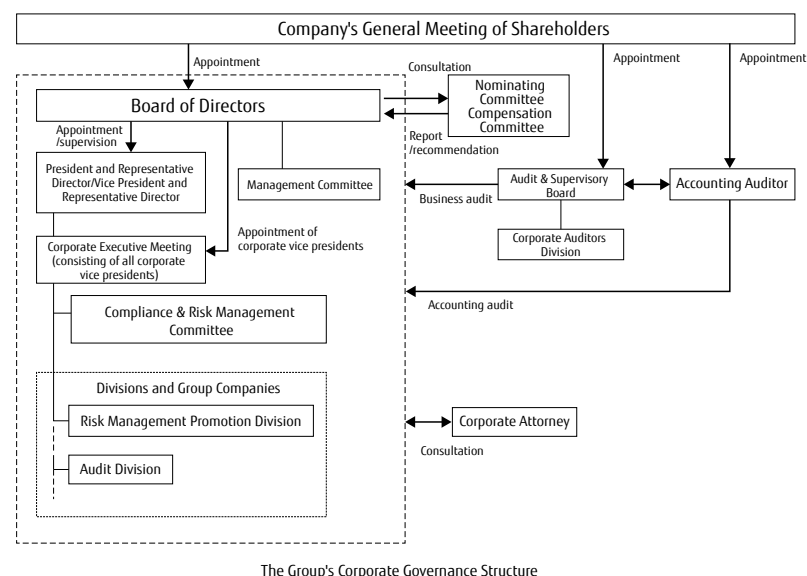
Corporate Governance Structure

The Fujitsu General Group has adopted the Auditor 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 2020, there were ten Directors (four of whom were External Directors) and three Auditors (two of whom were 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 FY2019, the Board of Directors met 13 times, with a 98% attendance rate for the executives.

The Audit & Supervisory Boards consists of three Auditors (including two outside company auditors) with the Corporate Auditors Division expected to assist the Auditors in fulfilling their duties. The Audit & Supervisory Boards meets monthly on the same day as the Board of Directors and on an extraordinary basis when necessary. Auditors attend Board of Directors meetings to audit the proceeding of the meetings and the content of resolutions, and express their opinion when deemed necessary. The Audit & Supervisory Board Members 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 Chairman and President to provide audit findings and make recommendations based on the audit activities. In the past year the Audit & Supervisory Board Members also interviewed and received reports from the Directors, Corporate Vice Presidents, and managers in charge of each division for a total of 13, while executing 15 on-site audits at both domestic and overseas locations. In principle, the Audit & Supervisory Board Members hold quarterly meetings with the External Directors to share their views on issues identified through the auditing activities. Reports of the Audit & Supervisory Board Members' activities are made to the Audit & Supervisory Boards and appropriately shared with the Auditors.



The Group's Corporate Governance Structure

The Role of the Board of Directors

The Board of Directors makes decisions on important matters related to the management of the Fujitsu General Group and important business execution as stipulated by laws and regulations and the Company's Articles of Incorporation. Matters requiring a resolution of the Board of Directors are clearly defined in the Board of Directors Regulations. For matters that do not require a resolution of the Board of Directors, internal rules (Management Meeting Regulations, Corporate Executive Meeting Regulations, Internal Approval Rules, etc.) establish the criteria on the degree of importance of each matter for delegation to the Director or Corporate Vice President in charge of the relevant business execution.

Elevation to the Company's Board of Directors is based on the principle of appointing individuals possessing the knowledge, experience and skills necessary for the Company's business operations in a well-balanced manner from both inside and outside the Company, taking into account diversity in terms of gender, international experience and other factors. We consider the current composition of the Company's Board of Directors (a total of 10 Directors, of whom four, including one female, are External Directors) to be appropriate.

Appointment and Dismissal of Senior Management and Nomination of Candidates for Directors and Auditors

Candidates for Internal Directors and Corporate Vice Presidents are nominated from those who understand and embody the corporate philosophy of the Fujitsu General Group. They are expected to have excellent character and insight, as well as a combination of professional business knowledge and the ability to perform their duties from a company-wide perspective. Senior management team members are selected based on their leadership and decision-making capability to lead and drive the company, in addition to their caliber as Directors.

Nominees for External Directors are selected from individuals who can supervise management from an independent standpoint and provide advice on the Company's corporate activities based on their extensive experience and insight.

Candidates for Auditors are nominated from those with excellent character and insight, who are familiar with company management and the Company's operations, and who have a high level of professional expertise and extensive experience in accounting and other fields.

Candidate nominations for Directors and Corporate Vice Presidents and the appointment and the dismissal of senior management are deliberated and approved by the Board of Directors, following deliberation and submission of a proposal to the Board of Directors by the Nominating Committee which consists of a majority of independent External Directors. The Board of Directors deliberates and approves the nomination of candidates for Auditors after obtaining prior advice from the independent External Directors and the Audit & Supervisory Boards. The Nomination Committee also deliberates on the dismissal of one or more of the management team members in the event of any of the following: serious misconduct, serious violation of laws and regulations, violation or disregard of the Company's Articles of Incorporation, finding that one or more of the management team members is not adequately discharging their duties, or in case that any other event occurs that is felt to make it difficult for one or more of the management team members to properly perform their duties.

Role of the Audit & Supervisory Board

The Audit & Supervisory Boards consists of three Auditors, two of whom are External Audit & Supervisory Board Members. Based on their position as a dedicated full-time auditor, the Audit & Supervisory Board Member actively works to collect information from within the company to routinely monitor and verify the status of the structure and operation of the internal control system.

The External Audit & Supervisory Board Members are aware that their appointment, as required by law, to further enhance the independence and impartiality of the auditing system, and actively seek to obtain the information necessary for the audit process and share the information obtained with other Auditors.

The Auditors attend Board of Directors meetings and express their opinions when deemed necessary. In addition, based on the audit plan, the company Auditors attend important meetings such as the Corporate Executive Meeting, review important documents, interview Directors, Corporate Vice Presidents, and managers of each division, and conduct on-site audits of domestic and overseas offices in order to make recommendations on issues and other matters as needed.

Meetings with the president and exchanges of opinion with the External Directors are also held on a quarterly basis. The Audit & Supervisory Boards prepares an audit report based on the activities of each of these auditors.

Furthermore, the main duties of the Audit & Supervisory Boards include deciding on the appointment and dismissal of the Audit & Supervisory Board Members, audit policies, methods for investigating the state of operations and assets, and other matters related to the duties of the Auditors.

Appointment of the Accounting Auditor

The Audit & Supervisory Boards decides on proposals to be submitted to the Company's General Meeting of Shareholders as to whether to appoint, dismiss or not to reappoint the Accounting Auditor.

The following steps must be taken to reach a final evaluation and decision to submit a given proposal: 1) evaluation of the Accounting Auditors' audit system, professional competence, level of independence, quality control system, and the reasonableness of the audit costs in light of laws and regulations and the standards established by the Audit & Supervisory Boards, 2) full consideration given to company auditors' interviews and dialogue undertaken in relation to the ongoing audit activities of the Financial Auditor nine times a year, and 3) consideration given to information obtained from the operating divisions.

Executive Compensation

(1) Matters Relating to the Policy for Determining the Amount and Calculation Method of Executive Compensation

a. Basic Policy on Executive Compensation

The Company's basic policy is to establish a highly transparent compensation system that enables the Company to bring on board superior human resources who will drive the sound and sustainable growth of the Fujitsu General Group, while also further aligning business performance and shareholder value.

b. Details of the Compensation Structure

Executive compensation consists of base compensation, which is paid in a fixed monthly amount based on job responsibilities and position; bonuses, which are linked to short-term performance; and restricted stock compensation, which provide incentives to drive both the continuous growth of the company and to increase the corporate value of the Group.

Base Compensation

This applies to all Directors and Auditors with the payment being a fixed monthly amount based on their respective responsibilities and positions. At the 98th Ordinary General Meeting of Shareholders, held on June 20, 2017, it was approved that annual total compensation is to be capped as follows: for the 13 directors (including 4 External Directors): 600 million yen (including 50 million yen for External Directors); and for the 3 Auditors (including 2 External Audit & Supervisory Board Members): 100 million yen.

Bonus

A bonus is paid out to those Directors with responsibility for business execution, with the amount of the bonus reflecting each

Director's performance in a given fiscal year. The actual calculation of bonus payments is based on the financial results in the current fiscal year, measuring the actual result against the expected consolidated operating income projected per the medium-term plan of the Group, which is considered a transparent and objective indicator. The total pay-out amount for bonuses is subject to the approval of the Annual General Meeting of Shareholders.

The actual consolidated operating income for the current fiscal year was 14,941 million yen against a target of 17,500 million yen, and the payment of 75 million yen in bonuses to seven directors with responsibility for business execution was approved at the 101st Ordinary General Meeting of Shareholders held on June 17, 2020. The bonus payments compose approximately 20% of the total compensation paid.

Restricted Share-Based Remuneration

As part of a review of the Company's executive compensation system, the Company introduced a new restricted share-based remuneration plan to provide incentives to the Company's Directors (excluding External Directors) to achieve a sustainable increase in the Company's corporate value, in addition to bettering alignment with shareholders' interests. The 101st Ordinary General Meeting of Shareholders, held on June 17, 2020, approved compensation of up to 100 million yen per year to Directors (excluding External Directors) for the granting of restricted shares. As of the close of the 101st Ordinary General Meeting of Shareholders, the number of eligible Directors (excluding External Directors) is six.

c. How Compensation Levels are Determined

The Company has established the Compensation Committee as an advisory body to the Board of Directors, to ensure that the level of compensation is determined with both transparency and objectivity and is overall in line with compensatory systems and levels of executive compensation in the industry.

The Compensation Committee, as stipulated by the Compensation Committee Regulations, consists of three or more members, the majority of whom must be independent External Directors.

The Compensation Committee met three times during the current fiscal year to verify the appropriateness of the compensation levels, using objective data from outside organizations, as well as discussing appropriate standards for calculating bonuses and the introduction of a restricted share-based remuneration plan. A report was submitted to the Board of Directors.

Upon evaluation of the report submitted by the Compensation Committee, the Board of Directors resolved the level of executives bonus and the introduction of a restricted share-based remuneration plan, which it submitted for approval at the General Meeting of the Shareholders.

With regard to the compensation determination process for Auditors, the compensation level was determined by deliberation of the Auditors within the cap of 100 million yen approved at the 98th Ordinary General Meeting of Shareholders held on June 20, 2017.

(2) Total Amount of Compensation by Executive Group, Total Amount of Compensation by Type, and the Number of Applicable Executives

Executive category	Total compensation (millions of yen)	Total amount of compensation by type (millions of yen)		Number of applicable executives (number)
		Fixed compensation (base compensation)	Performance-based compensation (bonus)	
Directors (excluding External Directors)	391	315	75	9
Auditors (excluding External Audit & Supervisory Board Members)	20	20	-	1
Outside executives	46	46	-	7

Risk Management

Our Approach

The Fujitsu General Group strives 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, IT security, environment and information management, amongst others. The process is overseen by the Compliance & Risk Management Committee.

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 response plan of each division of the Company as well as for the Group companies. The Compliance & Risk Management Committee, which meets on a quarterly basis, selects priority issues to be addressed while promoting activities to reduce risk.

In FY2019, 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 Initiatives

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 disseminated through training programs for both executives and employees.

Awareness-raising activities for employees include training for division managers and leaders responsible for on-site risk management and internal control. Another tool used to raise awareness is briefing sessions, as necessary, on important laws and regulations which relate to the operations of the divisions (e.g. The Act against Delay in Payment of Subcontract Proceeds, The Act against Unjustifiable Premiums and Misleading Representations). Other platforms, including training courses, are employed to prevent harassments and ensure proprietary data is protected. We also regularly send out e-mail newsletters to employees to raise awareness of compliance in general.

● 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 unplanned disruption or large-scale natural disasters. Disasters include, but are not limited to, a major earthquake or the spread of influenza. 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 developed a BCP to ensure that critical operations, such as the shipment of various products as well as the provision of maintenance services for firefighting systems and emergency radio communication networks, which are part of the critical social infrastructure, will continue in the event of a major earthquake or cyber-attack. We also annually conduct BCP drills to ensure the effectiveness of the BCP.

● Response to the New Strains of Influenza and Other Infectious Diseases

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. We give top priority to ensuring the safety of our customers, business partners, employees and their families, and the lives of the general public, including those of local communities
2. We strive to prevent infection and the rate of infection to reduce the extent of damage
3. We will provide products and services necessary for customers and suppliers to allow them to continue their business

For further details, please visit our website.

Our response to the COVID-19 crisis

[Website https://www.fujitsu-general.com/global/info/fgl20200625/index.html](https://www.fujitsu-general.com/global/info/fgl20200625/index.html)



Compliance

Our 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 disseminated through training programs for executives and employees.

● The Fujitsu General Group Code of Conduct (excerpt)

• We respect human rights.

We respect the human rights of the individual. We will not engage in unfair discrimination or sexual harassment, nor will we tolerate discrimination on the basis of race, color, religion, creed, sex, social status, family origin, disability or sexual orientation. We will neither encourage nor tolerate such discriminatory behavior.

As employees of the Group, it is important that we are resolute in our conviction to not tolerate discrimination or any other human rights violations and that our actions reflect this resolution.

• We comply with all laws and regulations.

We will respect and abide by the rules that are socially accepted as fair, including laws, treaties, decrees, ordinances and common practice.

Furthermore we will habitually pay attention to socially accepted norms, common sense, and business ethics while always giving due consideration as to whether or not each of our activities are duly aligned.

When conducting business overseas, our actions should be based on in-depth appreciation of the history, customs and demographics as well as the laws of the country in which we are conducting business.

• We act with fairness in our business dealings.

We must always strive to be fair in all business dealings with our customers, suppliers and competitors.

We must not discriminate against customers without due cause. We should always be modest when engaging with business partners. We must not use unfair means against competitors and must maintain fair competition at all times.

• We protect and respect intellectual property.

We need to act with a strong sense of awareness that intellectual property is an important management asset that underpins the Group's business activities, and that this concern is what makes our customers feel comfortable with us as a partner.

We must deepen our understanding that the knowledge and expertise of each and every member of the Group is itself a powerful weapon that gives us a business advantage. At the same time, we must respect the intellectual property of other companies and undergo due process to access and use such intellectual property.

• We maintain confidentiality.

We must maintain a correct understanding of the rules for handling different types of information, and must thoroughly comply with those rules, and must always be aware of the need for security so as to prevent confidential or personal information from being inadvertently leaked.

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

No one or their associates shall enjoy personal gain, either by taking advantage of their position in the company, inappropriately utilizing company information, or by ignoring the mission of the company.

We will not use or dispose of the assets of the Group for any purpose other than the performance of company business. Furthermore, insider trading based on non-public information only available in one's position as an employee of the Fujitsu General Group, whether said information pertains to the Group or an outside company, is strictly prohibited.

Management

Compliance Training for Employees

Awareness-raising activities for employees include training for departmental managers and leaders responsible for risk management and internal control operations in the field. Another tool for raising awareness is the use of briefing sessions covering important laws and regulations which relate to the operations of each department (e.g. The Act against Delay in Payment of Subcontract Proceeds, The Act against Unjustifiable Premiums and Misleading Representations). Other platforms, including training courses, are employed to prevent sexual harassment and ensure proprietary data is protected. In FY2019, eight e-learning training sessions were conducted. 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 four e-learning training sessions.

■ Implementation Status of Each Training Program

	FY2019
Compliance Training	8 times
CSR Training (excluding compliance)	4 times

Ethics Training for Engineers

In the corporate philosophy of the FUJITSU GENERAL Way, the Fujitsu General Group sets forth the principle "to maintain Integrity and high ethical standards as a human being at all times and to stay on the right path". In light of the recent incidents of falsification of quality data and improper inspections by major companies, to ensure the same does not happen at Fujitsu, we have taken the step of inviting outside lecturers to conduct ethics training for engineers. Emphasis is placed on the need to ensure that the data related to quality is properly and correctly reported and approved, and that all employees are on board with these principles and guidelines.

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 [Prompt Payment of Subcontracted Charges]). 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. The company has expanded this legal requirement to ban the use of gifts or entertainment to any individual if the intent is to persuade them to act illegally.

All executives and employees of the Company and its domestic affiliated companies act in accordance with this policy.

Furthermore, at each of our overseas locations we have established the same guidelines while also taking steps to ensure that we are compliant with local laws and customs governing the prevention of corruption and bribery.

Furthermore, based on the provisions in the CSR Procurement Guidelines, we monitor the compliance status of our business partners by confirming that they understand our CSR policies and guidelines as well as ensuring dissemination throughout the supply chain, and by conducting on-site surveys such as CSR audits.

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 make 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.