



# Governance

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## Corporate Governance

### Basic Approach

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

### Outline of Structure and Reasons for Adopting this Structure

Fujitsu General is a company with Audit & Supervisory Board Members and has adopted the 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 June 30, 2024, the executives of Fujitsu General consist of nine Directors (including five External Directors) and three Corporate Auditors (including two External Auditors).

The members of the Board of Directors are as follows.

- Chairman Director Fumiaki Terasaka (Independent External Director)
- Member President Koji Masuda
- Director Mieko Kuwayama (Independent External Director)
- Director Yoshio Osawa (Independent External Director)
- Director Keiichi Nakajima (Independent External Director)
- Director Ryuichi Kubota (External Director)
- Director Tadashi Hasegawa
- Director Toshiyuki Kawanishi
- Director Susumu Ohkawara

The members of the Audit & Supervisory Board are as follows.

- Chairman Audit & Supervisory Board Member Akira Inoue (External Auditor)
- Member Audit & Supervisory Board Member Yoshinobu Miyajima
- Auditor Youichi Hirose (External Auditor)

Matters related to the nomination and remuneration of Directors and Corporate Vice Presidents shall be deliberated by the Nominating Committee and Compensation Committee, a majority of whose members are Independent External Directors, and reported to the Board of Directors for deliberation and a decision.

The members of the Nominating Committee are as follows.

- Chairman Director Fumiaki Terasaka (Independent External Director)
- Member Director Mieko Kuwayama (Independent External Director)
- Director Yoshio Osawa (Independent External Director)
- Director Keiichi Nakajima (Independent External Director)
- President Koji Masuda

The members of the Compensation Committee are as follows.

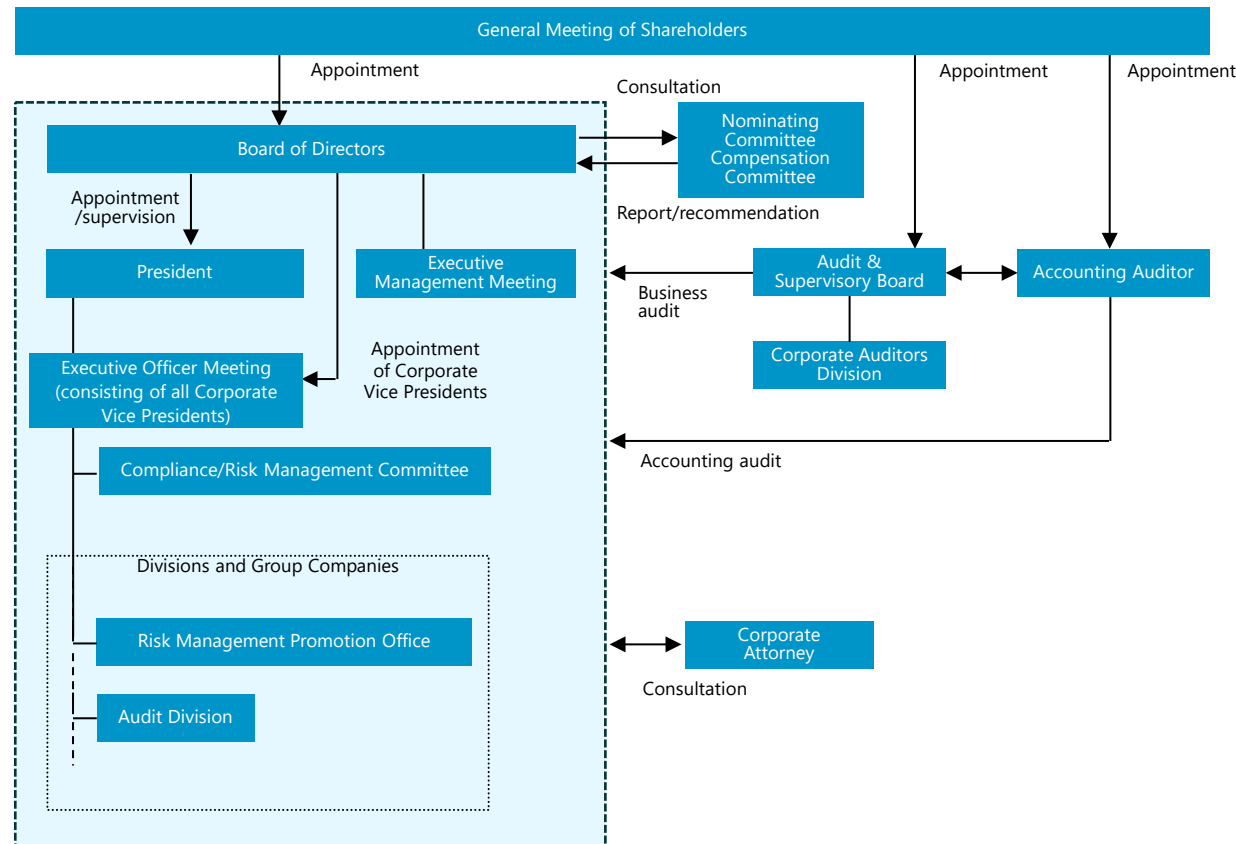
- Chairman Director Yoshio Osawa (Independent External Director)
- Member Director Fumiaki Terasaka (Independent External Director)
- Director Mieko Kuwayama (Independent External Director)
- Director Keiichi Nakajima (Independent External Director)
- President Koji Masuda

Important management issues are discussed at meetings of the "Executive Management Meeting" (generally held twice a month), which consists of "Corporate First Senior Vice President" and above in principle. In addition, those issues are deliberated and decided on at the "Board of Directors" meetings held once a month or on an ad hoc basis when necessary. The "Executive Officer 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.



## Corporate Governance

### Fujitsu General Group Corporate Governance Framework





## Corporate Governance

### Status of External Officers

Fujitsu General has five External Directors and two External Auditors.

There are no transactions, monetary or otherwise, between Fujitsu General and External Director Fumiaki Terasaka, except remuneration as an External Director, and he has no special interests with the management of the Company. Accordingly, the Company has nominated him as an Independent Director pursuant to the rules of the Tokyo Stock Exchange, and has submitted notification thereof to the Exchange. He has served as President & Representative Director of Sapporo Breweries Limited and has extensive experience and insight in corporate management, as well as sales, marketing, and personnel development, and he thus contributes to enhancing the corporate governance of the Company.

There are no transactions, monetary or otherwise, between Fujitsu General and External Director Mieko Kuwayama, except remuneration as an External Director, and she has no special interests with the management of the Company. Accordingly, the Company has nominated her as an Independent Director pursuant to the rules of the Tokyo Stock Exchange, and has submitted notification thereof to the Exchange. She has gained extensive business experience, such as by serving as General Manager of the CSR Department at Shiseido Company, Limited, as well as insight as a researcher in specialized fields such as CSR, business ethics, and diversity management at universities, and she thus contributes to enhancing the corporate governance of the Company.

There are no transactions, monetary or otherwise, between Fujitsu General and External Director Yoshio Osawa, except remuneration as an External Director, and he has no special interests with the management of the Company. Accordingly, the Company has nominated him as an Independent Director pursuant to the rules of the Tokyo Stock Exchange, and has submitted notification thereof to the Exchange. He has served as Representative Director & Senior Managing Executive Officer at Sumitomo Corporation and Representative Director, President & COO at SCSK Corporation and has extensive experience and insight in corporate management, as well as international business and utilizing ICT business, and thus contributes to enhancing the corporate governance of the Company.

There are no transactions, monetary or otherwise, between Fujitsu General and External Director Keiichi Nakajima, except remuneration as an External Director, and he has no special interests with the management of the Company. Accordingly, the Company has nominated

him as an Independent Director pursuant to the rules of the Tokyo Stock Exchange, and has submitted notification thereof to the Exchange. He serves as a Director of Citizen Watch Co., Ltd, and has served as President & Representative Director of CITIZEN MACHINERY MIYANO CO., LTD and has extensive experience and insight in corporate management, as well as development and production in the manufacturing industry, expatriation as president of a manufacturing subsidiary, M&A, etc., and thus contributes to enhancing the corporate governance of the Company.

External Director Ryuichi Kubota serves as Corporate Executive Officer, EVP of Fujitsu Limited, the largest shareholder of Fujitsu General.

The Company is classed as an affiliate of Fujitsu Limited, and there are transactions, including procurement and sales, between the Company and group companies of Fujitsu Limited. However, the level of dependence of the Fujitsu General Group on Fujitsu Limited and the group companies of Fujitsu Limited in its businesses is low, and the majority of transactions are Bwith companies outside the Fujitsu Group.

External Auditor Akira Inoue was a person who executes business at Mizuho Corporate Bank, Ltd., a predecessor of Mizuho Bank, Ltd., which is a main financing bank of Fujitsu General, but he retired from Mizuho Corporate Bank, Ltd. prior to his appointment as Corporate Auditor of Fujitsu General. There are no transactions, monetary or otherwise, between Fujitsu General and Akira Inoue, except remuneration as an External Auditor, and he has no special interests with the management of the Company. Accordingly, the Company has nominated him as an Independent Auditor pursuant to the rules of the Tokyo Stock Exchange, and has submitted notification thereof to the Exchange. He has advanced insight and audit capabilities based on his extensive operational experience at financial institutions, and thus contributes to enhancing the corporate governance of the Company.

External Auditor Youichi Hirose served as Corporate Vice President and Head of the Corporate Finance Unit of Fujitsu Limited, and currently serves as an Audit & Supervisory Board Member of Fujitsu Limited. There are no transactions, monetary or otherwise, between Fujitsu General and Youichi Hirose, except remuneration as an External Auditor, and he has no special interests with the management of the Company. Accordingly, he audits and supervises management in a fair and neutral manner, and he thus contributes to enhancing the corporate governance of the Company.



## ■ Corporate Governance

### Status of External Officers (cont.)

External Directors (five out of nine Directors) are members of the Board of Directors, and External Auditors (two out of three Corporate Auditors) are independent of management. Based on his or her experience and knowledge, each External Officer is in a position to be able to conduct supervision from an external viewpoint, in a fair and neutral manner.

Fujitsu General has not determined any particular standards or policy regarding independence from the Company for the selection of External Directors or External Auditors. But we select persons who are able to conduct supervision and audits in a fair and neutral manner, after comprehensively considering factors such as the standards for independence set forth by financial instruments exchanges and the experience and insight of each candidate, taking into account any personal, capital, or transactional relationships, or other interests with the Company.

### Mutual Coordination between Supervision or Audits by External Directors or External Auditors and Internal Audits, Audits by Corporate Auditors, and Accounting Audits, and their Relationship with Divisions Responsible for Internal Controls

Corporate Auditors and Accounting Auditors exchange information and views, etc., concerning audit operations as appropriate. Corporate Auditors also receive reports from the Audit Division concerning internal audits as necessary, and receive reports on a regular basis or as necessary from the Risk Management Promotion Office and other internal divisions, or request information about the status of their activities. In such ways, Corporate Auditors maintain communication with each division as they engage in supervision and audits.

External Directors hold regular meetings to exchange views with Audit & Supervisory Board Member (one of two is External Auditor), and non-full-time External Auditors also share information and exchange views as necessary at meetings of the Audit & Supervisory Board.

The Audit Division regularly reports on the status of internal audits to the Board of Directors once a year.



## Corporate Governance

### Main Content Considered by the Board of Directors

The Board of Directors of Fujitsu General 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. This fiscal year, the Board of Directors discussed matters such as our response to changes in the business environment, the creation of foundations for a growth trajectory, and measures to strengthen our risk management system, through resolutions and reports such as the following.

**Resolutions:** Accounts, budget proposals, executive personnel matters, executive remuneration and bonus payments, organizational changes and personnel transfers, conflict of interest transactions, M&A, medium- to long-term environmental target-setting, formulation of various policies related to sustainability, etc.

**Reports:** Monthly accounts, risk management promotion activity reports, internal audit reports, effectiveness assessment of the Board of Directors, necessity of holding cross-shareholdings, reports on progress of important lawsuits, core operational system overhauls, etc.

### Main Content Considered by the Nominating Committee and the Compensation Committee

This fiscal year, resolutions were passed and reports submitted concerning matters such as the following.

**Nominating Committee:** Executive personnel matters, skill matrix disclosure proposals, succession planning, etc.

**Compensation Committee:** Content of individual remuneration, etc., for Directors, payment of executive bonuses, etc.

### Summary of Results of Analysis and Assessment on Overall Effectiveness of the Board of Directors

In order to improve the effectiveness of corporate governance, the Company annually conducts an effectiveness assessment on the Board of Directors. The assessment details are, in principle, reported to the Board of Directors in May each year, and discussions are held to improve effectiveness.

An effectiveness assessment on the Board of Directors in FY2023 was conducted in the same way as last year, with all Directors responding to a questionnaire.

In the results, the Board of Directors was assessed to be generally appropriate in terms of its operation and other areas, and we confirmed that the effectiveness of our Board of Directors is secured.

Furthermore, there were overall signs of improvement in the assessment, but there were points for further improvement, including revisions to the matters to be discussed by the Board of Directors and more active discussion, the activities of the Nominating Committee and the Compensation Committee, and the provision and enhancement of training opportunities. We have shared our recognition of these as issues that require further consideration, and are taking steps to further enhance the effectiveness of the Board of Directors, including a response to these points.

## Corporate Governance

### Attendance of Executives at Each Type of Meeting in FY2023

	Name	Affiliation	Board of Directors*1	Nominating Committee	Compensation Committee	Audit & Supervisory Board
Directors	Etsuro Saito		◎100% (14/14)	100% (7/7)		
	Hiroshi Niwayama		100% (14/14)		100% (3/3)	
	Hisashi Sakamaki	External/Independent	93% (13/14)	86% (6/7)	100% (3/3)	
	Fumiaki Terasaka	External/Independent	100% (14/14)	◎100% (7/7)	◎100% (3/3)	
	Mieko Kuwayama	External/Independent	100% (14/14)	100% (7/7)	100% (3/3)	
	Osami Maehara	External/Independent	100% (14/14)	100% (7/7)	100% (3/3)	
	Ryuichi Kubota*2	External	100% (11/11)			
	Tsunenao Kosuda		100% (14/14)			
	Tadashi Hasegawa		100% (14/14)			
	Hiroyuki Yokoyama		93% (13/14)			
	Masaki Sugiyama		100% (14/14)			
Auditors	Akira Inoue	External/Independent	100% (14/14)			◎100% (14/14)
	Yoshinobu Miyajima		100% (14/14)			100% (14/14)
	Youichi Hirose	External	79% (11/14)			100% (14/14)

◎ Indicates Chair/Committee Chairperson

\*1 In addition to the above number of meetings of the Board of Directors held, there were also two resolutions in writing for which it was deemed a resolution was passed by the Board of Directors, pursuant to the provisions of Article 370 of the Companies Act and Article 26 of Fujitsu General's Articles of Incorporation.

\*2 For Ryuichi Kubota, the status of attendance from his appointment as Director on June 28, 2023, is stated.



## Corporate Governance

### Status of Audits by Corporate Auditors

#### (1) Status of audits by Corporate Auditors

##### a. Organizations and personnel

The Board of Auditors consists of three Auditors (including two External Auditors) and has established the Auditors' Office (one person in charge) as an organization to assist them in their duties.

External Auditor Akira Inoue has many years of operational experience at financial institutions, and has considerable knowledge related to finance and accounting. Corporate Auditor Yoshinobu Miyajima has many years of operational experience in the Finance and Accounting Division of Fujitsu General, and has considerable knowledge related to finance and accounting, including having served as the Corporate Senior Vice President and Vice in charge of Accounting and Finance of the Company. External Auditor Youichi Hirose served as Corporate Vice President and Head of the Corporate Finance Unit of Fujitsu Limited, and currently serves as an Audit & Supervisory Board Member of Fujitsu Limited. In such ways, he has considerable knowledge related to finance and accounting.

##### b. Status of activities of the Audit & Supervisory Board

The Board of Auditors consists of three Auditors (including two External Auditors) and has established the Auditors' Office (one person in charge) as an organization to assist them in their duties. The Audit & Supervisory Board meets monthly on the same day as the Board of Directors or on an ad hoc basis when necessary. The Audit & Supervisory Board met 14 times in total in the fiscal year under review. Each meeting lasted for approximately one hour, and the attendance rate of each Corporate Auditor was 100%. Throughout the year, resolutions were passed and reports submitted concerning matters such as the following.

Resolutions: 9 Audit plans, audit reports, agreement on Accounting Auditor's remuneration, reappointment, etc.

Reports: 47: Implementation status of audits, meetings with the President, meetings to exchange views with External Directors, etc.

##### c. Main activities of Corporate Auditors

The Audit & Supervisory Board formulates annual audit plans at the beginning of the year, based on our business strategies, as well as its assessment of management issues, related risks, etc. Based on changes in the business environment during the period and other

factors, the Audit & Supervisory Board adds audit items, etc., in a timely and appropriate manner.

In audit plans, the Audit & Supervisory Board sets key audit matters and performs risk-based audits.

The Audit & Supervisory Board Members attend Board of Directors meetings to audit proceedings and the content of resolutions, and express their opinion when deemed necessary. The rate of attendance of Corporate Auditors at meetings of the Audit & Supervisory Board was 100% for two Full-time Corporate Auditors and 79% for the Corporate Auditor. Furthermore, the Full-time Corporate Auditors attend other important internal meetings or committees, such as the Executive Committee and the Compliance/Risk Management Committee.

The Full-time Corporate Auditors also meet on a quarterly basis with the President to provide audit findings and make recommendations based on the audit activities.

In addition, interviews and reports were conducted 87 times over the year with Directors, executive officers and management employees in charge of each division.

We conducted on-site inspections of sites in Japan and overseas. We conducted 20 audits this year (12 in Japan and 8 overseas).

Audit & Supervisory Board Members hold quarterly meetings with External Directors to share their views on issues identified through audits.

Reports of Audit & Supervisory Board Members' activities are made to the Audit & Supervisory Board for proper sharing among Audit & Supervisory Board Members.

The Audit & Supervisory Board works closely with the internal Audit Division and the Accounting Auditor to share information about its understanding of problems in audits and exchange views.

Audit & Supervisory Board Member held four Audit Liaison Meetings with the Audit Division during the year, when they received explanations of the details of audits based on audit reports. The General Manager of the Audit Division attends meetings of the Audit & Supervisory Board every quarter, to provide reports concerning the details of audits.

The Audit & Supervisory Board met with the Accounting Auditor eight times during the year, to exchange information and views concerning accounting audits, and exchange views concerning key audit matters.





## Corporate Governance

### Status of Audits by Corporate Auditors (cont.)

Audit items in the fiscal year under review were as follows: 1) Internal controls, 2) Appropriateness of information disclosure, 3) Compliance, 4) Group governance, 5) IT security, 6) Sustainability promotion, and 7) Confirmation of the status of progress of key measures in priority markets.

Of these audit items, with regard to Group governance in particular, we prioritized measures related to the ascertainment of conditions at acquisition target companies; IT security, an area where global risk is rising; and sustainability promotion. We actively submitted reports and suggestions concerning any issues identified at meetings of the Board of Directors, Compliance & Risk Management Committee, meetings to exchange views with External Directors, and meetings with the President.

#### d. Assessment of effectiveness of the Audit & Supervisory Board

In order to enhance the effectiveness of the activities of the Audit & Supervisory Board, we have been assessing its effectiveness since FY2022. We conduct these assessments by the method of open responses to a self-assessment questionnaire by each Corporate Auditor.

There are 15 assessment items, including the operation of the Audit & Supervisory Board, recommendations and their feasibility through meetings with senior management and External Directors, the active expression of opinions at important meetings, and issues discovered through requests for information from head office divisions and site inspections, as well as directions for improvement to executive divisions regarding these issues, the effectiveness of the PDCA cycle for issues and findings, and the appropriateness of three-pillar audits. Each item is assessed on a five-stage scale.

The Audit & Supervisory Board discusses the results of this assessment, and confirms that effective audits are being conducted.

We also recognize issues such as strengthening risk-based audits (early audits for new acquisition targets, etc.) and strengthening follow-up measures to improve issues identified through requests for information from head office divisions. We will reflect these issues in audit plans and audit activities, and endeavor to enhance effectiveness on an ongoing basis.

### (2) Status of internal audits

The Audit Division (nine members), a dedicated internal organization, conducts internal audits.

Corporate Auditors and Accounting Auditors exchange information and views, etc., concerning audit operations as appropriate. Corporate Auditors also receive reports from the Audit Division concerning internal audits as necessary, and receive reports on a regular basis or as necessary from the Risk Management Promotion Office and other internal divisions, or request information about the status of their activities. In such ways, Corporate Auditors maintain communication with each division as they engage in supervision and audits.

External Directors hold regular meetings to exchange views with Audit & Supervisory Board Member (one of two is External Auditor), and non-full-time External Auditors also share information and exchange views as necessary at meetings of the Audit & Supervisory Board.

The Audit Division regularly reports on the status of internal audits to the Board of Directors once a year.



## Corporate Governance

### Status of Audits by Corporate Auditors (cont.)

#### (3) Status of accounting audits

- a. Name of audit firm  
Yaesu Audit & Co.
- b. Continuous audit period  
55 years
- c. Certified public accountants who executed services  
Mitsui Tomoichi  
Shirahama Taku  
Fujii Chiharu
- d. Composition of assistants for audit services  
10 certified public accountants, 1 person who has passed the certified public accountant exam, etc., and 6 others have participated in accounting audit services as assistants.

- e. Policy and reasons for selection of the audit firm

The Audit & Supervisory Board determines whether or not to reappoint the Accounting Auditor, after comprehensively taking into factors such as the independence and credibility of the Accounting Auditor as set forth in laws, regulations, standards, etc., and circumstances related to the appropriateness of audits, etc.

In cases such as when there are obstructions to the execution of duties by the Accounting Auditor, and it is deemed necessary, the Audit & Supervisory Board shall determine the content of a proposal related to the dismissal or non-reappointment of the Accounting Auditor to be submitted at the General Meeting of Shareholders. In addition, in cases when it is recognized that the Accounting Auditor falls under any of the items set forth in each item of Article 340, paragraph (1) of the Companies Act, the Accounting Auditor shall be dismissed, with the consent of all Corporate Auditors. In such cases, a Corporate Auditor selected by the Audit & Supervisory Board shall report the fact that the Accounting Auditor was dismissed and the reasons therefor at the first General Meeting of Shareholders convened after the dismissal.

Based on the above policy, the Audit & Supervisory Board assessed matters such as the audit firm's audit structure, specialist capabilities, independence, quality management structure, and reasonableness of the audit fees. As a result of this assessment, the Audit & Supervisory Board decided to reappoint the audit firm.

- f. Assessment of the audit firm by Corporate Auditors and the Audit & Supervisory Board

When making decisions concerning the reappointment or non-reappointment of the audit firm and when otherwise necessary, Corporate Auditors and the Audit & Supervisory Board assess factors such as the audit firm's audit structure, specialist capabilities, independence, quality management structure, and reasonableness of the audit fees, based on the "Policy Concerning the Dismissal or Non-reappointment of the Accounting Auditor" determined by the Audit & Supervisory Board.

## Corporate Governance

### Executive Remuneration

#### (1) Matters related to policies on determining the amount of remuneration, etc. for executives and the calculation method thereof

At a meeting of the Board of Directors held on April 27, 2022, Fujitsu General resolved to amend policies on determining the details of the individual remuneration, etc., for Directors, in accordance with the remuneration structure of the Company resolved at a meeting of the Compensation Committee.

- Basic Policy

Fujitsu General's basic policy is to establish a highly transparent compensation system that enables the Group 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. Compensation consists of "basic remuneration," which is paid in a fixed monthly amount based on job responsibilities and position; "bonuses," which are linked to short-term performance; and "restricted share-based remuneration," which is non-monetary remuneration that provides incentives for the sustained enhancement of corporate value and promotion of Sustainable Management. External Directors, who are responsible for supervisory functions, are paid only "basic remuneration" in consideration of their duties.

The details of the policy for determining the content of individual remuneration, etc., for Directors is as follows.

a. Policies related to the determination of the amount of individual remuneration, etc., for basic remuneration (monetary remuneration) (including policies related to the determination of the timing or conditions for granting remuneration, etc.)

Basic remuneration for Directors of Fujitsu General consists of monthly fixed remuneration, and the monthly fixed amount paid is determined in line with the responsibilities and positions of each executive.

The amount of fixed remuneration (basic remuneration) for Directors was resolved to be no more than 600 million yen per year (including no more than 100 million yen for External Directors) at the 105th Ordinary General Meeting of Shareholders held on June 18, 2024. The number of Directors was nine (including five External Directors) as of the conclusion of the relevant General Meeting of Shareholders.

b. Policies related to the determination of the amount of performance-linked remuneration, etc. (including policies related to the determination of the timing or conditions for granting remuneration, etc.)

Performance-linked remuneration, etc., consists of cash remuneration paid to Directors responsible for the execution of business duties, and is paid at a certain time each year as bonuses that reflect business performance for a single fiscal year. With regard to the specific calculation method for bonuses, consolidated operating income, which is set forth in the Fujitsu General Group's Medium-term Management Plan and is transparent and objective, is used as an indicator, and the amount to be paid is determined in accordance with the level of achievement of business results for the period under review. In addition, the total payment amount is subject to approval at an Ordinary General Meeting of Shareholders.

Our consolidated operating income target for the fiscal year under review was 21,000 million yen, and the actual result was 5,747 million yen. At the 105th Ordinary General Meeting of Shareholders held on June 18, 2024, a resolution was passed to pay a bonus of 50 million yen to six Executive Directors.

c. Policies related to the determination of the details of non-monetary remuneration, etc., and calculation method for the number thereof (including policies related to the determination of the timing or conditions for granting remuneration, etc.)

Non-monetary remuneration, etc., consists of restricted shares, aimed at giving an incentive to Directors of Fujitsu General (excluding External Directors) to sustainably enhance the corporate value of the Company and practice and promote Sustainable Management, and increasing shared interests with shareholders. This plan consists of "continuous service-type restricted share-based remuneration," in which the removal of transfer restrictions is subject to a certain period of continuous service for Directors of Fujitsu General (excluding External Directors), and "indicator requirements for Sustainable Management-type restricted share-based remuneration," in which the removal of transfer restrictions is subject to the achievement of Sustainable Management assessment indicators. The number of shares is determined within the maximum number resolved at a General Meeting of Shareholders, and is granted at a certain time each year.

The amount of monetary remuneration receivables to be provided in order to grant restricted shares as a form of non-monetary remuneration and the total number of ordinary shares of Fujitsu General that may be issued or disposed of were resolved to be no more than 100 million yen and 70,000 shares per year (excluding External Directors), as the total of "continuous service-type restricted share-based remuneration" and "indicator requirements for Sustainable Management-type restricted share-based remuneration," at the 103rd Ordinary General Meeting of Shareholders held on June 16, 2022. The number of Directors was six (excluding External Directors) as of the conclusion of the relevant General Meeting of Shareholders.



## Corporate Governance

### Executive Compensation (Cont.)

d. Policies related to the determination of the ratio of the amount of monetary remuneration, amount of performance-linked remuneration, etc., or amount of non-monetary remuneration, etc., to the amount of individual remuneration, etc., for Directors

The ratio of each type of remuneration for Directors responsible for the execution of business operations is considered by the Compensation Committee. The Board of Directors determines the details of individual remuneration, etc., for Directors based on the content of the report from the Compensation Committee. Furthermore, the guideline ratios for each type of remuneration, etc., are as follows: basic remuneration: generally 60-75%, bonuses and restricted share-based remuneration: generally 25-40%.

e. Policy for determining the content of individual remuneration, etc., for Directors

With regard to performance-linked remuneration, etc., individual remuneration and so forth for Directors responsible for the execution of business operations shall be deliberated by the Compensation Committee, a majority of whose members are Independent External Directors, and reported to the Board of Directors for deliberation and a decision. The Compensation Committee shall verify the appropriateness of the level of remuneration, among other matters, by utilizing objective data from outside organizations.

f. Policies related to the determination of the amount of individual remuneration etc., for Corporate Auditors (including policies related to the determination of the timing or conditions for granting remuneration, etc.)

Corporate Auditors shall only be paid "basic remuneration," which is monthly fixed

remuneration. In addition, the amount of remuneration shall be determined by resolution of the Corporate Auditors, within the limit of "no more than 100 million yen per year" determined at the 98th Ordinary General Meeting of Shareholders held on June 20, 2017. Furthermore, the number of Corporate Auditors was three as of the conclusion of the relevant General Meeting of Shareholders.

g. Other

Fujitsu General has established the "Guidelines for Holding of the Company's Shares by Executives," and shall endeavor to ensure that executives hold at least a certain number of the Company's shares determined in accordance with their rank (including restricted share-based remuneration).

When determining the content of individual remuneration, etc., for Directors for the fiscal year under review, the Compensation Committee, a majority of whose members are Independent External Directors, verifies factors such as the validity of remuneration levels, utilizing objective data from external institutions, and engages in multi-faceted analysis, including consistency with the policy on such decisions. Accordingly, the Board of Directors fundamentally respects the report of the Compensation Committee, and has judged that the content of individual remuneration, etc., for Directors is consistent with the policy on such decisions.

## Corporate Governance

### Executive Compensation (Cont.)

**(2) Total amount of remuneration, etc., for each category of Executive, total amount of each type of compensation, etc., and number of eligible Executives**

Executive Category	Total Amount of Remuneration, etc. (Millions of Yen)	Total Amount of Each Type of Remuneration, etc. (Millions of Yen)			Number of eligible Executives (persons)
		Fixed Remuneration (Basic Remuneration)	Fixed Remuneration (Basic Remuneration)	Performance-linked Remuneration (Bonuses)	
Directors (excluding External Directors)	327	237	50	39	6
Auditors (excluding External Directors)	28	28	-	-	1
External Executives	54	54	-	-	8

● Image of executive remuneration

Fixed compensation (60~75%)	Basic compensation (cash)		<ul style="list-style-type: none"> <li>- Monthly fixed compensation</li> <li>- Payment amounts are set in accordance with the responsibilities and positions of each executive</li> </ul>
	Bonuses (cash)		<ul style="list-style-type: none"> <li>- Bonuses that reflect performance over a single fiscal year are paid at a certain time each year. The payment amount is determined in accordance with the level of achievement</li> <li>- The total payment amount is subject to approval at an Ordinary General Meeting of Shareholders</li> </ul>
Variable compensation (25~40%)	Restricted-share based compensation (shares)	Type of continuous service	<ul style="list-style-type: none"> <li>- The removal of transfer restrictions is subject to the achievement of indicator requirements</li> </ul>
		Type of indicator requirements for Sustainable Management	<ul style="list-style-type: none"> <li>- The removal of transfer restrictions is subject to the achievement of indicator requirements</li> <li>- In FY2023, there were three assessment indicators, as follows:                             <ol style="list-style-type: none"> <li>1. Sustainable Products related net sales*</li> <li>2. ESG assessment indicator by MSCI (third-party assessment)</li> <li>3. Employee engagement index</li> </ol> </li> </ul>

\*Detailed information about Sustainable Products is provided on pages 20 and 21

## Corporate Governance

### Skill Matrix

The Fujitsu General Group places “Sustainable Management,” which pursues the practice of corporate philosophy and business growth strategies, at the foundation of all business activities and has set “Harmonious Coexistence with Our Planet,” “Social Contribution,” and “Care for Employees” as key initiatives. Below are the important areas for the Company to promote “Sustainable Management” and their specific measures in the Medium-term Management Plan. In addition, the “Management of the Company’s business” in the following areas, expects to monitor and supervise the execution of business operations in line with “Sustainable Management” and raise issues from a long-term perspective. In addition, for the below areas, the Company has decided by resolution of the Board of Directors in accordance with the content of the resolution of the Nominating Committee, a majority of whose members are Independent External Directors.

	Name	Affiliation	Gender	Area of Expertise the Company Expects in Particular								
				Management of the Company's Business	Corporate Management	International Business, Overseas Operation / Globalization	Manufacturing, Technology / R&D	Sales, Marketing	ICT • DX	Finance, Accounting, M&A	Compliance, Risk Management	Personnel Development, Organizational Invigoration, Diversity
Directors	Koji Masuda		Man	○	○	○		○	○		○	○
	Fumiaki Terasaka	External/Independent	Man	○	○			○			○	○
	Mieko Kuwayama	External/Independent	Woman	○			○	○			○	○
	Yoshio Osawa	External/Independent	Man	○	○	○		○	○		○	
	Keiichi Nakajima	External/Independent	Man	○	○	○	○			○	○	
	Ryuichi Kubota	External	Man	○	○				○	○	○	○
	Tadashi Hasegawa		Man	○	○	○	○		○			○
	Toshiyuki Kawanishi		Man	○	○	○		○	○		○	
	Susumu Ohkawara		Man	○		○				○	○	○
Auditors	Akira Inoue	External/Independent	Man			○				○	○	
	Yoshinobu Miyajima		Man			○				○	○	
	Youichi Hirose	External	Man						○	○	○	

\* “○” is indicated in areas the Company has expectations, particularly in light of each individual’s experience and current role. It is not indicative of all the insight and experience possessed by each individual.



## Risk Management

### Basic Approach

The Fujitsu General Group quickly identifies risks that may affect it in the course of global business development and implements related measures in a timely manner. We thus work to prevent and limit risks that may have a significant impact on our businesses.

### Risk Management Promotion Structure

The Fujitsu General Group conducts risk assessments for each division and Group company. Through deliberations at meetings of the “Compliance & Risk Management Committee,” which is chaired by the President and whose members are the persons responsible from key divisions, selects “priority issues” to be addressed every year, while promoting activities to reduce risk. The Board of Directors also receives reports every year on the annual activities of the “Compliance/Risk Management Committee.”

Additionally, in the event of a material violation of laws and regulations, compliance violation, etc. (such as corruption, harassment, information security violations, leaks of personal information, etc.), they will be reported to the Board of Directors and the Compliance & Risk Management Committee.

### Actions in the Event That Risks Occur

In order to promptly share information and respond across the organization as a whole in the event that risks that will impact the business activities of the Fujitsu General Group occur, the Group has published the “Risk Escalation Guidelines,” which indicate the risk reporting procedures. We ensure that employees will take action to respond based on these guidelines.

### Key Initiatives

#### Risk management

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

As part of our employee awareness-raising activities, we conduct training on the essentials of risk management for managers who are responsible for on-site risk management and internal controls. We also conduct training on important laws and regulations relevant to each division’s operations, such as the Anti-Monopoly Act, insider trading regulations, and the Subcontract Act, as well as the like business and human rights and information leak prevention.

We also regularly send out e-mail newsletters to employees to raise awareness of compliance in general.

#### Risk assessment

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

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



## Risk Management

### Key Initiatives

#### Internal reporting system “Corporate Ethics Helpline”

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

#### Business continuity management

The Fujitsu General Group has formulated a 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 large-scale natural disaster or spread of new infectious diseases. In order to ensure the effectiveness of the BCP, our group regularly conducts awareness-raising activities and BCP drills that cover important business operations.

#### Disaster initial response training

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

#### BCP training

We have formulated BCPs to ensure that the Fujitsu General Group’s product shipments, firefighting systems, which are a form of social infrastructure, disaster prevention wireless system maintenance services, and other important operations can continue, even in the event of a major earthquake or cyberattack. Every year, we conduct BCP training to ensure the effectiveness of our BCPs.

### FY2023 initiatives

We focused on “important themes” such as the following.

Important themes	Content
IT security countermeasures	We take steps to strengthen global information security governance and reduce risks.
Measures to address human rights risk	We conduct sustainability due diligence at overseas plants and suppliers, and check human rights risks.
Overseas risk management	We check the status of each company’s compliance measures and work to strengthen the security risk assessment and governance structures of sales subsidiaries overseas.
Response to regulations related to the environment, etc., at overseas plants	We check and rectify overseas plants’ responses to regulations concerning the environment, safety, and fire prevention.
Quality compliance	We conduct plant compliance audits.
Activities to reduce risk related to confidential information	We take steps to reduce risks related to bringing in and taking out confidential information.

### Business Risks

A summary of risks that may affect the Fujitsu General Group’s financial position, business performance, etc., is as follows. Detailed information is provided in the 105th Annual Securities Report.

- (1) Changes in product demand
- (2) Changes in foreign exchange rates and interest rates
- (3) Materials and component procurement and market changes
- (4) Product development capabilities
- (5) Business activities overseas
- (6) Partnerships with other companies, etc.
- (7) Impact of legal regulations, etc.
- (8) Quality of products, etc.
- (9) Securing human resources
- (10) Information management
- (11) Natural disasters and others



105th Annual Securities Report  
<https://www.fujitsu-general.com/shared/jp/pdf-fcjp-ir-securities-report202301.pdf>







## Corporate Ethics/Compliance

### Code of Conduct

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

#### The Fujitsu General Group Code of Conduct

- **We respect human rights.**

We respect each individual's human rights and will not discriminate on the basis of race, color, religion, creed, sex, age, social status, family origin, physical or mental disability or sexual orientation, nor will we commit other violations of human rights. Such discrimination will not be tolerated. We will make every endeavor to be fully aware of human rights issues and foster respect and equality for all.

- **We comply with all laws and regulations.**

We respect and comply with all applicable laws, treaties, government regulations and statutes, customs and social norms considered to be fair. We also conform to socially accepted business practices, use common sense in our dealings, and are careful to check whether our commercial terms are in line with local requirements. Customs vary from country to country. Therefore, in addition to understanding the laws and customs of our home territory, we also will become familiar with and respect the laws, customs and ethnicities of other territories in which we do business.

- **We act with fairness in our business dealings.**

We treat customers, business partners and competitors fairly and with respect. We do not engage in practices which treat customers differently without justification. We do not use our position to secure an unfair advantage in dealings with business partners. We do not take advantage of competitors through unethical behavior or illegal means.

- **We protect and respect intellectual property.**

We must act with a strong awareness of the fact that intellectual property supports the business activities of the Fujitsu General Group as an important management asset, and that this enables us to be a trusted partner for customers. We must deepen our understanding of the fact that the knowledge and expertise of each and every employee of the Group gives us our business superiority and is a powerful weapon. At the same time, we must respect the intellectual property of other companies, and acquire and use it through appropriate procedures.

- **We maintain confidentiality.**

We must have a proper understanding of the rules for handling different types of information and thoroughly comply with those rules. In addition, we are conscious of the vital importance of data security in our daily work so as not to unintentionally leak confidential information or personal data.

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

We do not use our position, role, or corporate information, or act in any way contrary to our corporate obligations, to seek or gain benefits for ourselves, our relatives, our friends or other third parties. We must also not use or dispose of the property of the Fujitsu General Group for any purpose other than the execution of business operations. We do not trade stocks or other securities using undisclosed "insider" information gathered from our organization or third parties.



## Corporate Ethics/Compliance

### Prevention of Bribery And Corruption

#### Basic Approach

All members of the Fujitsu General Group follow the FUJITSU GENERAL Way of Code of Conduct principles of “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 officers for the purpose of obtaining business favors is prohibited. In addition to prohibiting the giving of gifts or entertainment to persons other than public officers and other parties with the intention of inducing them to perform improper duties, it is also prohibited in principle to receive gifts or entertainment. Furthermore, in the “Fujitsu General Guideline for Sustainable Procurement,” it also states that we will not permit any bribery or corruption among suppliers of the Group.

The key points of the “Anti-Bribery, Gift and Entertainment Guidelines” are as follows.

#### 1. Prohibition on bribery

- The provision of gifts or entertainment to public officers for the purpose of obtaining business favors is prohibited
- The provision of gifts or entertainment to public officers etc., with whom we have special interests is prohibited in principle
- The provision of gifts or entertainment with inappropriate intentions is also prohibited to persons other than public officers, etc.

#### 2. Refusal of gifts and entertainment

- We will refuse gifts, including mid-year and year-end gifts
- In principle, we will refuse any entertainment that exceeds the provisions of guidelines
- We will ensure widespread awareness of the fact that Fujitsu General will refuse gifts and entertainment among suppliers
- When receiving gifts or entertainment, we will obtain the approval of superiors in advance, and submit a report to the executive responsible for internal controls

#### Enlightenment activities

All executives and employees of the Company and its domestic affiliates are informed of these guidelines through training and act in accordance with these guidelines. Training materials are posted on our internal intranet and made available for individuals to utilize. Furthermore, each of our overseas bases complies with anti-bribery regulations established based on the content of these guidelines and local laws and customs, and we conduct training to spread awareness and ensure compliance.

#### Monitoring and reporting systems

We perform monitoring of each division in Fujitsu General and Group companies through audits of each site by the Audit Division. Any material problems are reported to the Board of Directors and the Compliance & Risk Management Committee.

The Fujitsu General Group has also established the “Corporate Ethics Helpline” internal reporting system, through which we accept reports and consultations from employees concerning bribery and corruption. We have also established a reporting hotline for suppliers in Japan, through which we accept reports concerning bribery and corruption from the executives and employees of suppliers.

In FY2023, there were no incidences of material bribery or corruption.

### Policy on Political Contributions And Donations

When making political contributions or donations to various organizations and other entities, we will follow the laws and regulations established by each country. In addition, we will do so only after obtaining approval in accordance with internal rules and regulations.



## ■ Corporate Ethics/Compliance

### Tax

#### Basic Approach

The Fujitsu General Group endeavors to appropriately fulfill our tax payment obligations, etc., based on tax laws and other laws and regulations in each country where we operate our businesses, in accordance with the “Code of Conduct” in our Corporate Philosophy, the “FUJITSU GENERAL Way,” with the awareness that doing so is a basic and important social responsibility that we must fulfill as a company.

In addition, the Board of Directors has also passed a resolution concerning the “Fujitsu General Group Tax Policy,” which sets forth the approach of the Group toward tax.



Fujitsu General Group Tax Policy  
<https://www.fujitsu-general.com/shared/jp/pdf-fcjp-taxation-policy-01.pdf>



#### Tax payment results

In the Annual Securities Report, we disclose the amount of corporation tax paid by the Fujitsu General Group and any difference with the statutory effective tax rate.



Annual Securities Report  
[https://www.fujitsu-general.com/jp/ir/library/sec\\_report/index.html](https://www.fujitsu-general.com/jp/ir/library/sec_report/index.html)





## Corporate Ethics/Compliance

### Protection of Personal Information

#### Basic Approach

The Fujitsu General Group is deeply aware of the fact that it is our social responsibility as a company to appropriately handle individually identifiable information (personal information), such as customer names and addresses, and email addresses, based on the statement in our Code of Conduct, "We maintain confidentiality."

The Fujitsu General Group has set forth the "Privacy Policy," and we are promoting initiatives related to the protection of personal information, such as the creation of a website related to the disclosure of personal information, etc. As set forth in this policy, we also do not provide personal information to third parties without the consent of customers, except when permitted as an exception for legal reasons.



Privacy Policy  
<https://www.fujitsu-general.com/jp/privacy/index.html>



#### Structure

Fujitsu General and Group companies work to protect personal information in accordance with laws and regulations in each country and region and social requirements. Any material problems are reported to the Board of Directors and the Compliance & Risk Management Committee, and appropriate rectification measures are implemented, such as guidance for affected persons and disciplinary measures.

#### Key Initiatives

In divisions that handle personal information on a day-to-day basis, such as Call Centers, we endeavor to ensure a high level of security. We check the operational status of these measures through legal audits by the Legal Division, operational audits by the Audit Division, etc., and work toward improvements.

### Preventing Insider Trading

Based on the FUJITSU GENERAL Way's Code of Conduct principles of "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 submit 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.

### Material Violations of Laws and Regulations, etc.

In the event of a material violation of laws and regulations, compliance violation, etc. (such as corruption, harassment, information security violations, leaks of personal information, etc.), they will be reported to the Board of Directors and the Compliance & Risk Management Committee, and will also be publicly disclosed, in principle. The parties involved may be subject to disciplinary treatment, etc., based on the Rules of Employment.

In FY2023, there were no material violations of laws and regulations, etc.



## Corporate Ethics/Compliance

### Whistleblowing System

The Fujitsu General Group has established a reporting hotline as a mechanism for appropriately processing reports and consultations concerning compliance violations, human rights infringements, including harassment, etc. Through the use of this hotline, compliance issues are detected at an early stage and appropriate measures are taken.

A system is in place in which, while maintaining the strict confidentiality of the reporter or consulter, a specialist investigation team takes responsibility for investigating the facts of reports and consultations received, and implementing corrective measures and measures to prevent recurrence as necessary. In addition to accepting anonymous reports, we also thoroughly ensure the protection of reporters and consulters by prohibiting acts of revenge or unfavorable treatment of reporters and consulters in relation to the content of reports and the fact that an investigation was conducted.

If any material problems are discovered as a result of an investigation, they are reported to Representative Directors, the Board of Directors, or the Compliance & Risk Management Committee, as appropriate.

Furthermore, we accept reports concerning all aspects of compliance, including harassment, as well as violations of laws and regulations, internal fraud, bribery and corruption, anti-competitive practices, and violations of human rights.

#### • Whistleblowing hotline

The Fujitsu General Group has established reporting hotlines in Japan and each site overseas, thereby establishing a system that enables all employees of the Group to report and seek consultation on infringements of human rights, as well as corporate ethics and other compliance violations.

We have established a “Corporate Ethics Helpline” for all employees, dispatch employees,

and technical interns of Fujitsu General in Japan. We spread awareness of this system among employees through information on our internal intranet, e-learning, etc.

In addition, we have established a “Human Rights Hotline” for employees of the Group (in Japan) as a special reporting hotline within the Corporate Ethics Helpline for problems related to human rights, including harassment. We spread awareness on our internal intranet, and also accept reports by telephone and email.

At overseas sales and production sites in the Fujitsu General Group, we have established reporting hotlines for each site, which we operate in accordance with the laws and regulations of each country.

#### • Supplier reporting hotline

We have established a reporting hotline for compliance violations for the executives, employees, etc., of suppliers in Japan from whom Fujitsu General directly procures goods, software, services, and other items. This system consists of reporting hotlines for cases when executives or employees of the Fujitsu General Group have committed compliance violations in relation to procurement activities, or when there are suspicions of such actions, and information about the contact point for reports is posted on the Company's website.



Supplier reporting hotline  
<https://www.fujitsu-general.com/jp/csr/fair/helpline.html>





## Corporate Ethics/Compliance

### Training

#### Basic Approach

The Fujitsu General Group conducts compliance training concerning matters such as important laws and regulations related to the operations of each division as necessary, including the Anti-Monopoly Act, insider trading regulations, and the Subcontract Act, as well as business and human rights, and information leak prevention. We also provide education for each level of employee, such as new employees and newly appointed managers. Our Group (overseas) conducts compliance education based on the laws and regulations of each country and company rules.

In our monthly email newsletter, we also endeavor to share information to express the importance of compliance, based on familiar cases.

In FY2023, the content of training for all employees, in principle, was as shown on the right.

#### Training for all employees in FY2023

Content of Training	Purpose
Outline of life shifts	To deepen awareness and understanding of changes in the world at large (VUCA, age of 100-year lifespans) and provide an opportunity for employees to take ownership of their careers, etc.
Basic education on sustainability	To deepen knowledge and understanding of ESG and sustainability, and utilize them in day-to-day operations.
Information management	To understand important information asset classifications and their handling in Fujitsu General, and enable each division to appropriately manage them. In addition, to recognize the potential harm and impact from information leaks, and ensure that each employee understands and can execute the countermeasures that he or she should implement.
Insider trading regulations	To prevent insider trading by executives and employees, and prevent similar trading by those around them.
Invoice system in Japan	To acquire knowledge concerning the newly introduced invoice system in Japan.
Corporate Philosophy	To understand our Corporate Philosophy and reflect it in our actions.
Mental health	To ensure understanding among all employees of the specific actions to take as countermeasures in cases of mental unwellness.
Security Export Control	To ensure understanding of the Security Export Control system and spread awareness of internal management rules.
Human Rights	To enlighten participants about human rights and enhance awareness of human rights.
Code of Conduct training	To deepen understanding of the Code of Conduct, which forms the basis of compliance. The main content is as follows. "Respect for human rights," "compliance with laws and regulations," "fair commercial transactions (bribery and corruption prevention)," "protection of intellectual property," "maintenance of confidentiality"
Anti-Monopoly Act	To increase awareness of preventing anti-competitive actions, including the Anti-Monopoly Act (unfair transactions, contact with competitors without justifiable reasons, etc.).



## Information Security

### Basic Approach

Based on the “Corporate Philosophy” and “Code of Conduct” set forth in the “FUJITSU GENERAL Way,” the Fujitsu General Group recognizes that it is important that we respond to information security risks, which change on a daily basis, and deliver highly safe and trustworthy products and services to customers, while also protecting the information assets entrusted to us by customers and suppliers, as well as those of the Fujitsu General Group, from various threats. Based on this awareness, we position information security as one of the most important issues, and have therefore established an Information Security Policy, under which the Group works together to implement information security in a cross-organizational and continuous manner.



For the full text of our Information Security Policy, please refer to the Fujitsu General website.  
<https://www.fujitsu-general.com/global/info-security/index.html>



### Promotion Structure

The Fujitsu General Group holds quarterly meetings of the Compliance/Risk Management Committee, which is chaired by the President, where the status of information security initiatives is reported and deliberated. Once every year, the Compliance/Risk Management Committee submits a report to the Board of Directors concerning the results of risk management promotion activities, including information security, and related plans.

In addition, based on instructions from the Information Security Control Division, information security managers in each division and organization play a central role in managing information security within their divisions. The Information Security Control Division checks the current status of information security management, and issues instructions for rectification to each division and organization as necessary. In such ways, we endeavor to maintain and enhance information security. Furthermore, at Group companies, including overseas, we have appointed security managers for each site, as part of our efforts to enhance security across the Fujitsu General Group as a whole.

With regard to our policies on activities related to information security, we revise action plans every year, based on medium-term business plans, and they are then decided on by team members, including the President and executive.



## Information Security

### Key Initiatives

In accordance with our Information Security Policy, in the Fujitsu General Group, the division responsible for managing information security creates and promotes specific security measures. Additionally, we have established Information System Security Rules, which we use as standards to prevent leaks of information.

We endeavor to increase awareness among all employees through the necessary education and enlightenment activities, and thereby ensure information security. Accordingly, we conduct e-learning, etc., related to information security and information management for employees every year. Furthermore, we have also formulated the "Information Management Handbook," which summarizes key points related to information management, and created the "IT Risk Response Pocket Manual," as a response manual in the event that problems occur, etc. We encourage employees to carry these manuals at all times.

In addition, we have created a dedicated information security website on our internal portal website, where we share the latest information as necessary. Through this internal portal website and security managers in each division and organization, we spread awareness of messages and precautions concerning information security.

Additionally, in order to ensure that only the minimum necessary employees are able to access confidential information, each division checks and manages access rights to confidential information twice a year, and the division responsible for managing information security performs monthly checks of PC security settings.

We also provide training on how to respond to suspicious emails every year, and training on how to respond to an envisioned information security accident on internal or external systems. In FY2023, we conducted suspicious email response training once for all employees. We provided repeat training to some eligible persons based on the results of that training.

### Actions in the Event That Problems Occur

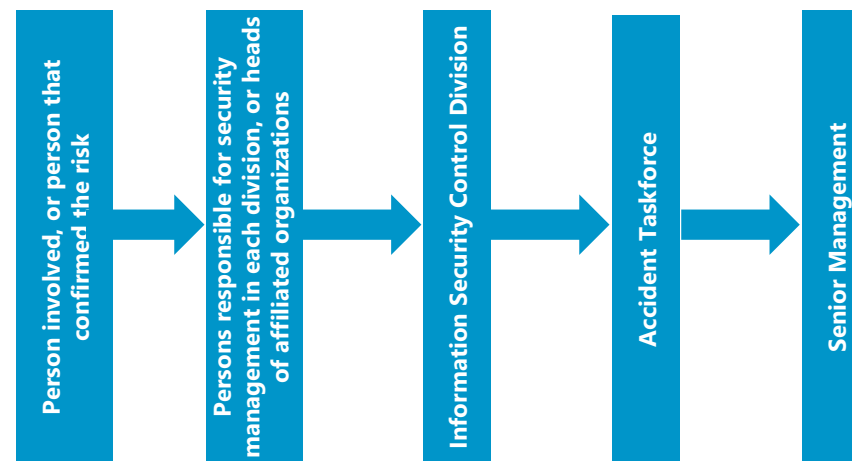
In the event of an accident or violation related to information security, the division where it occurred will promptly work with the division responsible for managing information security to respond, and will also report the event to senior management, as necessary.

Specifically, in accordance with the "IT Risk Response Pocket Manual," our response manual, events will be promptly reported to the Information Security Control Division, including evenings and non-business days. Subsequently, the Information Security Control Division will play a central role in investigating the cause of the problem and preventing recurrence.

If it is judged that the accident or violation that occurred is material, an Accident Taskforce led by the President will be promptly established and it will work with external information security specialist institutions and government agencies to respond as necessary.

In FY2023, there were no material information security incidents, such as inappropriate information management or leaks.

### Escalation procedure for when problems occur







## Artificial Intelligence Initiatives

### Basic Approach

In order to enhance operational efficiency and quality and increase the added value of products and customer experience value, the Fujitsu General Group believes that the utilization of artificial intelligence (AI) is important.

In accordance with "Act Spontaneously" and "Value Integrity," as we declare in Our Philosophy, we will endeavor to utilize AI with a strong sense of ethics.

### Key Initiatives

In 2024, the Fujitsu General Group introduced "Generative AI Services" for business use, as part of the company-wide promotion of digital transformation (DX). Through the use of generative AI, we aim to increase operational efficiency and quality and enhance strategy and creative tasks.

On the other hand, we also recognize that we must consider ethical and other problems that may occur through the utilization of AI. Accordingly, we have formulated the "Guideline for Utilizing generative AI," which summarizes precautions to take when using generative AI. These guidelines have been approved by the Executive Management Meeting of Fujitsu General.

Furthermore, when using generative AI, we use services where any data entered will not be used for AI learning, as a measure to counter the risk of information leaks related to confidential internal data.

These guidelines contain content such as the following as matters that should be noted when using generative AI.

- The use of personal information and other companies' confidential information is prohibited
- Accuracy problems: Accuracy must be checked by human review
- Fairness problems: Human checks must be performed, without fail, owing to the possibility of prejudice or bias
- There is a possibility of violation of other companies' rights, including copyrights and trademark rights

We will continue promoting the utilization of generative AI and endeavoring to increase operational efficiency and create new businesses.