

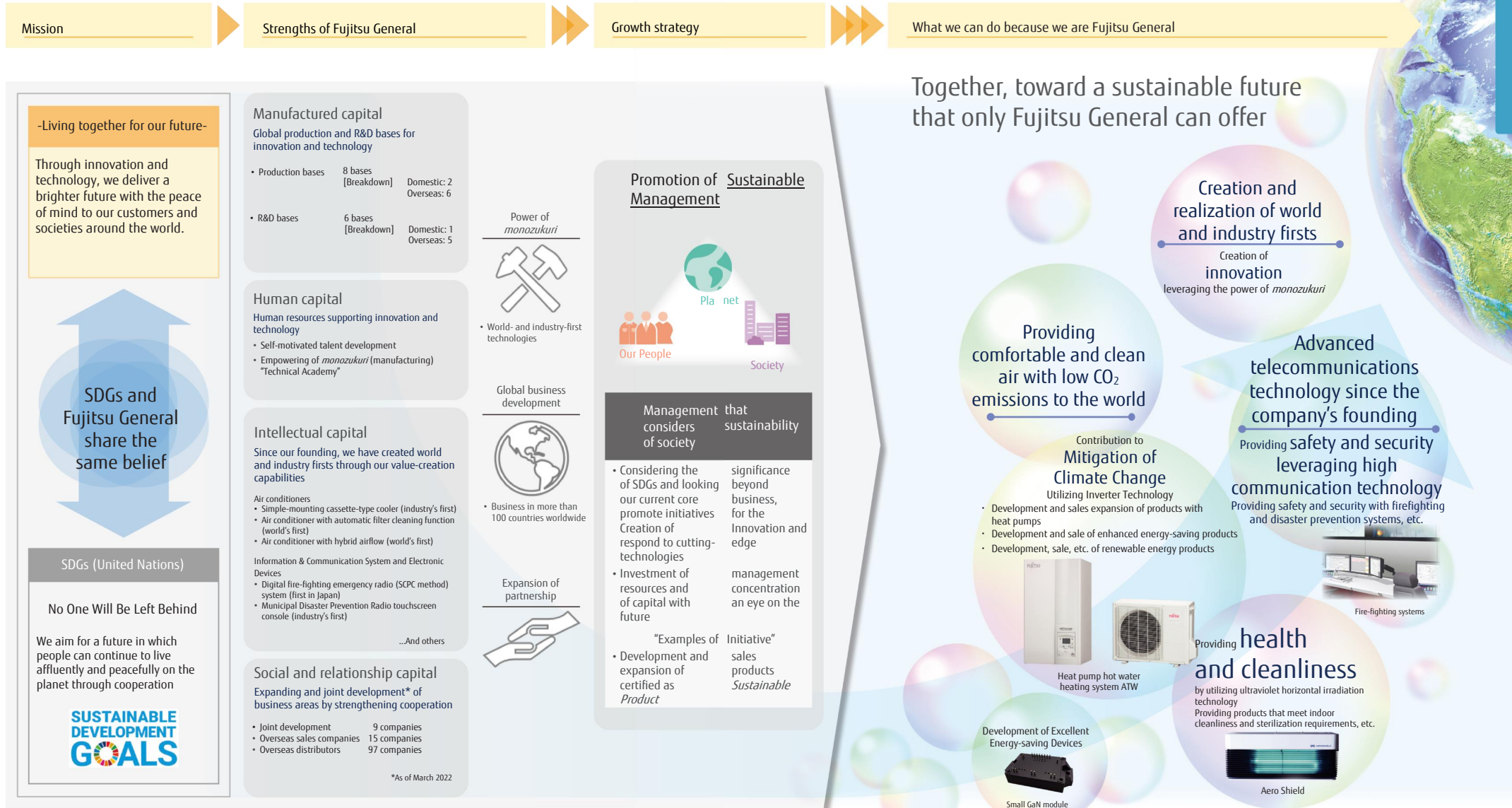
Fujitsu General's Sustainable Management



Fujitsu General's Sustainable Management

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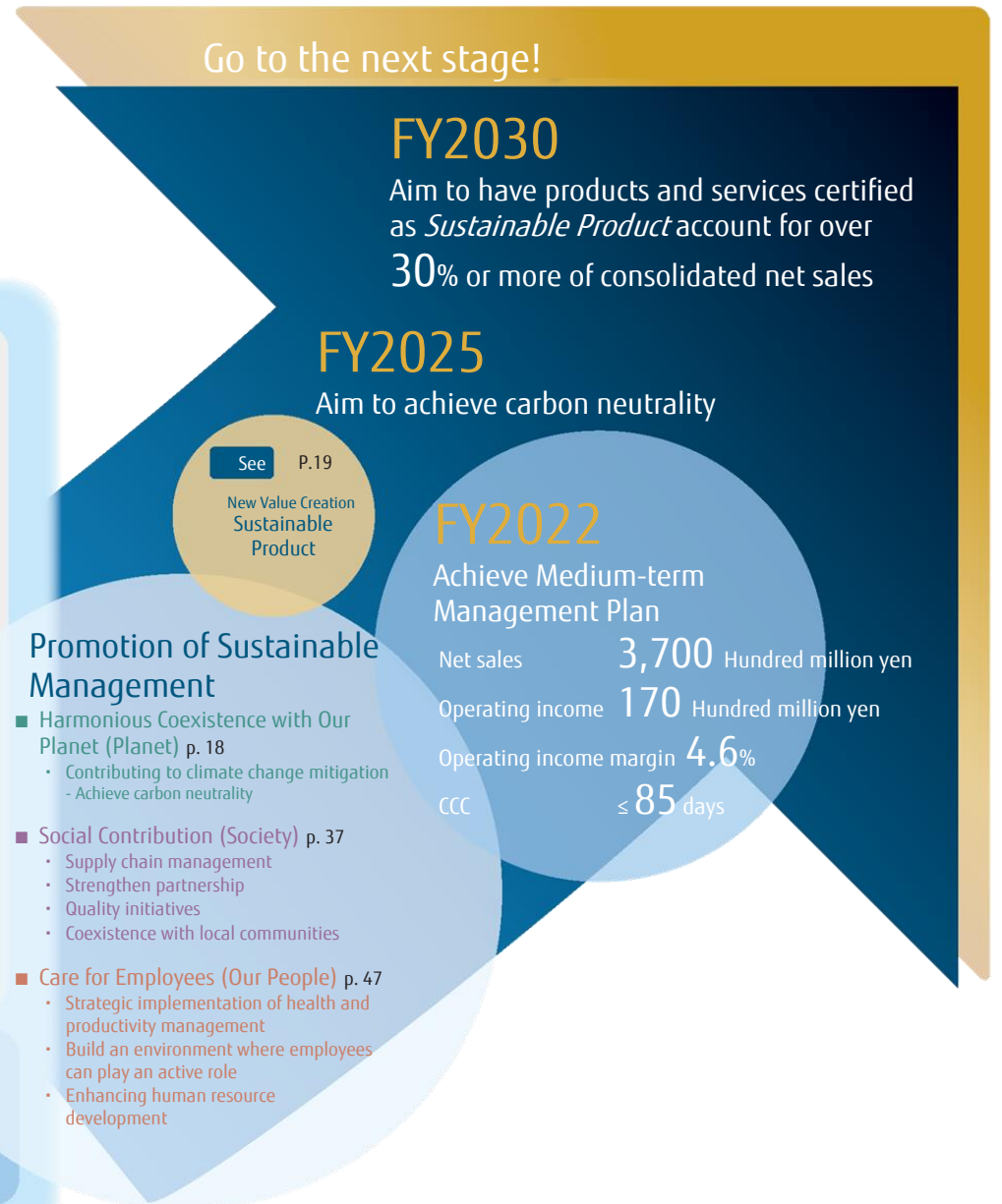
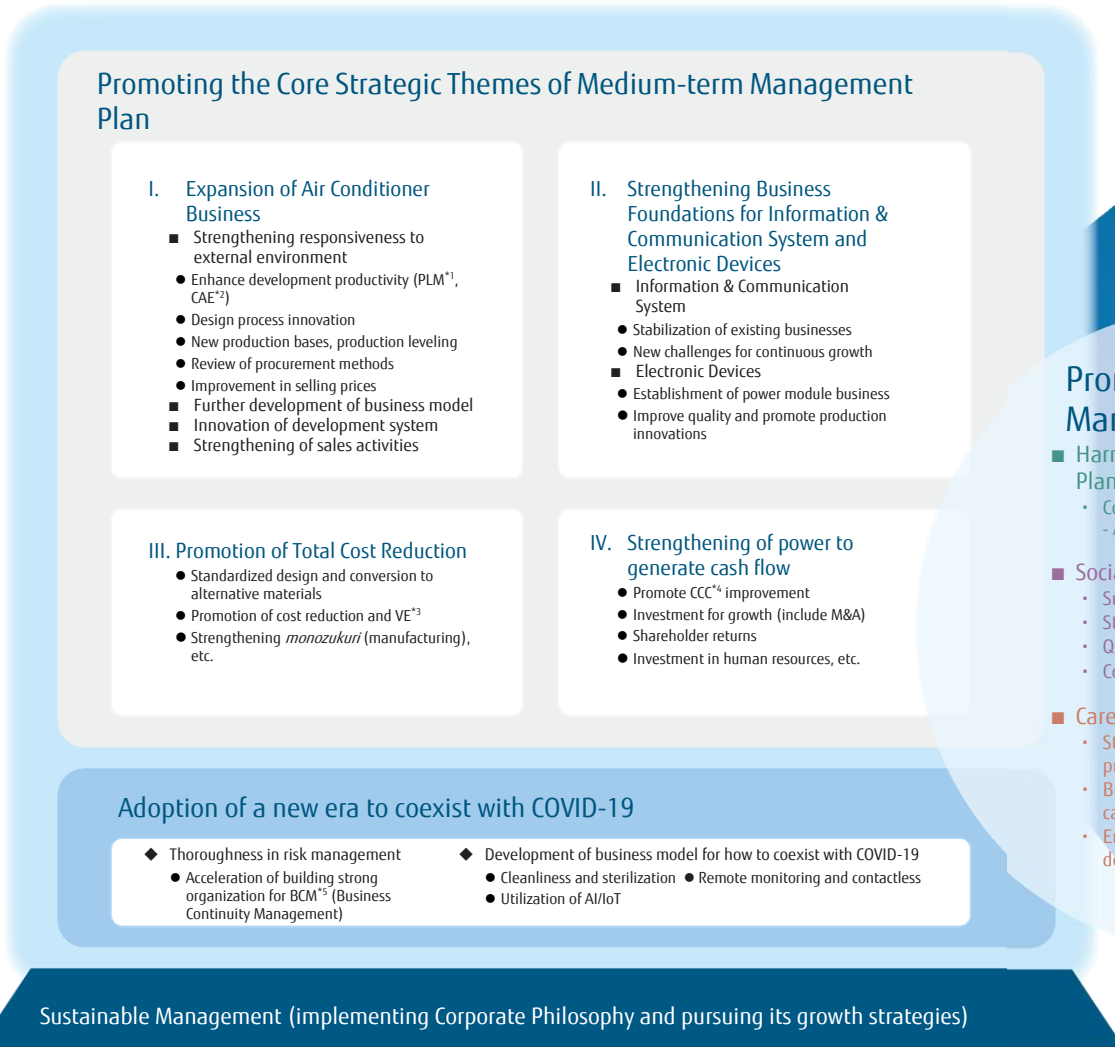
The Process of Value Creation - Diagram



The Process of Value Creation - Measures and KPIs

The Fujitsu General Group is promoting activities by setting the following core strategic themes to achieve the "Medium-term Management Plan" with the target year of FY2022.

In line with pushing forward more with core strategic themes, we will also pursue the implementation of our Corporate Philosophy and business growth strategies by further ensuring risk management and building business models in response to the new era of coexistence with COVID-19.



^{*1} Abbreviation for Product Lifecycle Management.
^{*2} Abbreviation for Computer Aided Engineering.
^{*3} Abbreviation for Value Engineering.
^{*4} Abbreviation for Cash Conversion Cycle. It refers to an indicator used to see the efficiency of funds.
^{*5} Abbreviation for Business Continuity Management.

Promotion of Sustainable Management



In order to realize Corporate Philosophy "Living together for our future," Fujitsu General Group upholds Sustainable Management as the core of its future business activities.

Basic Policy

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

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

Three Core Strategic Themes

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

* Of "Sustainable Management" promoted by Fujitsu General Group, the following introduces some of the initiatives focused on.



1 Harmonious Coexistence with Our Planet **Toward Carbon Neutrality**

Converted Electricity Used in Business Activities to 100% Renewable Energy Have Moved Up the Target Year for Achieving Carbon Neutrality to FY2025

See p. 59

Our SDGs



Fujitsu General Group has switched to 100% renewable energy for electricity used in its business activities from April 1, 2022 as part of its efforts to reduce greenhouse gas emissions. As a result, we have completely eliminated greenhouse gas emissions produced by electricity use at all of our sites*2 worldwide.

Our Group has been promoting the "Company-wide AKASURI (waste elimination) Campaign" since 2016 to link environmental activities with management.

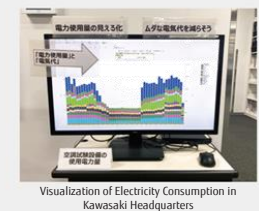
The AKASURI approach is based on the concept that by reduce unnecessary waste that leads to environmental impact, costs can be reduced as well.

Thus, in addition to environmental activities, our Group has been engaged in the AKASURI Campaign on a company-wide basis. As a result, we have been able to drastically reduce the amount of electricity used in our business activities, and have realized 100% renewable energy for the electricity used in our Company's business from April 2022, three years earlier than originally planned.

By converting to 100% renewable energy three years earlier than originally planned, we have moved up the target year of achieving carbon neutrality to FY2025 from FY2030. In the future, we will gradually switch to naturally-derived energy sources and fuels other than electricity used by our Group, and make steady progress toward achieving this goal.

Case Examples of Company-wide AKASURI Campaign Activities Initiatives at Kawasaki Headquarters Testing Laboratory

The test room at the Kawasaki Headquarters, where we evaluate the performance of air conditioners, consumes considerable power, as temperature conditions are adjusted for the indoor and outdoor units to measure cooling and heating performance. Therefore, we analyzed the usage of the test room and reviewed the operation rules, such as optimizing the preliminary operation time for test preparation work and timer operation on holidays and at night. As a result, CO₂ emissions and costs were reduced by 30%. We plan to expand this initiative to laboratories at our overseas sites to further promote our activities.



*1 The SDGs icons listed under the title are SDG targets that the Company believes it can contribute through its activities.
*2 Excluding some leased properties.

Promotion of Sustainable Management



Fujitsu General Group internally certifies the Group's strategic products and services that are expected to solve social issues and contribute to a sustainable society as *Sustainable Product*.

We also internally certify as "Sustainable Product Gold" those products and services that contribute to sustainable development to a certain degree through innovative technologies and services, and that allow our Group to pursue business growth. By concentrating investment in these products and services, the integration of sustainability and growth strategies are promoted, as we aim to have products certified as *Sustainable Product* account for at least 30% of company-wide net sales in FY2030.

Sustainable Product Approval Criteria

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

■ Sustainable Product

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

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



■ Sustainable Product Gold

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

Greenhouse Gases

- Industry-first technology that contributes to the reduction of greenhouse gas emissions
- Industry's leading energy-saving performance
- Products and services that can reduce greenhouse gas emissions by 30% or more compared with our existing products
- Products and services that have been developed to replace existing products and services, realizing a reduction in greenhouse gas emissions by 30% or more



* Other criteria will be added in a timely manner.

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



List of Products Certified as *Sustainable Product*
<https://www.fujitsu-general.com/global/csr/sustainable-products/index.html>



1. Development and Sales Expansion of Products with Heat Pumps

Promotion of replacement with heat pumps that realize significantly lower GHG emissions

ATW (Air to Water)

Conversion to renewable energy (hot water central heating ATW)

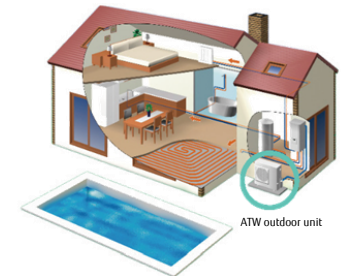
Our SDGs



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. Unlike conventional radiators and underfloor heating systems, ATW (heat-pump^{*1} hot water heating system) is an environmentally friendly and energy-efficient hot water heating equipment. It does not use fossil fuels as it produces hot water using a heat pump system that extracts heat from the atmosphere and circulates it through pipes to heat the house. For this reason, in recent years, subsidies for construction have been developed by the French government and other countries in line with their decarbonization policies.

ATWs employ highly efficient heat pump technology and can be operated without GHG emissions. They are also safe, comfortable, and efficient hot water systems. We predict that the demand for ATW in the heating market will grow significantly in the future as the shift from combustion heating equipment using fossil fuels progresses further, and in April 2022, we established a new division dedicated to the development of ATW, the "Chilled / Heated Water Air Conditioner Development Department."

Establishing the new division will accelerate the joint development of the Water Stage, a more efficient heat pump ATW based on DC inverter technology for air conditioners, and expand the product lineup through prompt communication with Atlantic, a French air conditioner manufacturer that we have been working with in joint development since 2009.



Conceptual image of installing ATW

Relationship with Atlantic (France)

In 2009, we signed a joint development contract for ATW and started a joint business. As of 2022, we are jointly developing ATW utilizing our heat pump technology and Atlantic's hot water control technology and continuing close communication for better manufacturing such as monthly project meetings between France, Germany, Japan and Atlantic's engineers stationed at our Kawasaki head office from 2019. As an important joint development partner for European business, we will continue to strengthen our relationship.

*1 Heat pump technology effectively utilizes the renewable energy of air heat derived from solar energy by collecting the ambient heat in the air and supplying it indoors, and it is expected to become more and more popular in the future.

Promotion of Sustainable Management

1 Harmonious Coexistence with Our Planet


2 Social Contribution


Introduction of Products Certified as Sustainable Product (cont.)

1. Development and Sales Expansion of Heat Pumps (Continued) Promotion of replacement with heat pumps that realize significantly lower GHG emissions

The Gokudan nocria inverter ACs for cold climate in Japan ('Gokudan' means extremely warm in Japanese.)

Our SDGs








In recent years, the demand for air conditioners in cold climates has continued to grow due to progress in the high degree of airtightness and thermal insulation of houses, advanced safety of temperature control through indoor-outdoor heat exchange without combustion, and increasing demand for cooling in the summer. Furthermore, replacing fossil fuel-based heating equipment is expected to reduce GHG emissions and grow in the future from the perspective of the SDGs as sustainable heating that contributes to the realization of a sustainable society. Under such circumstances, Fujitsu General Group launched in November 2021 in Japan the "Gokudan nocria" ZN series, heating-enhanced air conditioners for cold climates that realize the industry's top-class heating capacity^{*1} and high energy-saving performance^{*2} and warm the temperature underfoot at a maximum of approximately 40°C^{*4} with hot air of up to approximately 60°C^{*3}.

Indian market: Inverter ACs for cooling only

Our SDGs







Cooling only inverter air conditioners for India

As a cooling only inverter air conditioner for India, this product is more cost-effective than conventional products while adapting to the local environment. Therefore, it can contribute to alleviating the power supply and demand pressures by reducing power consumption at the time of use by helping to replace constant-speed ACs^{*5}.

Air conditioning business in the Indian market

In our Medium-term Management Policy, Fujitsu General Group set "Expansion of air conditioner business as core strategic theme and are working on "Capture and expansion of Indian market" as one of the promotion of "5 key expansion projects". With the shift to a direct sales system, the sales expansion in India is steadily progressing.

Development of cooling only inverters for India

Fujitsu General Air Conditioning R&D (Thailand) Co., Ltd. (FGDT), our development base in Thailand, carried out the entire process from planning to commercialization, and launched the product in India in February 2020. With this development as an opportunity, we are continuing to enhance our product lineup on an ongoing basis.





*1 In AS-ZN 402 M2 domestic wall-mounted home AC 4.0 kW. Heating capacity of 9.4 kW with an outside temperature of 2°C. As of September 1, 2021 According to our company research.
 *2 In AS-ZN402 M2. Seasonal Energy Consumption: 1,081 kWh. As of September 1, 2021
 *3 In AS-ZN 402 M2. Checked the maximum temperature near the air outlet for approximately 30 minutes in Company's environmental test room (approx. 26 m²), when the outside temperature is -15°C, the set temperature is 25°C, the room temperature is reached, the air volume is at high wind, the air direction is standard for heating, and Warm Up and High Power are set. Airflow is approximately 50% lower than the heating rating. In some cases, the temperature may not reach 60°C depending on the installation environment and usage conditions. For AS-ZN252 M and AS-ZN282 M2, when the outside temperature is 2°C.
 *4 In AS-ZN402 M2. Maximum temperature 10 cm above the floor at a distance of approximately 2.0 m from the air conditioner in the Company's environmental test room (approx. 26 m²), when the outside temperature is -15°C, the set temperature is 25°C, the room temperature is reached, the set air volume is high wind, the air direction is standard for heating, and Warm Up and High Power are set. Temperature varies depending on the installation environment and usage conditions. For AS-ZN252 M and AS-ZN282 M2, when the outside temperature is 2°C.
 *5 ACs that are controlled by repeatedly turning on and off the compressor at a constant revolution based on the set temperature. It takes time to reach the set temperature, causing temperature irregularities.

2. Development of Excellent Energy-saving Devices

Small GaN module

Our SDGs

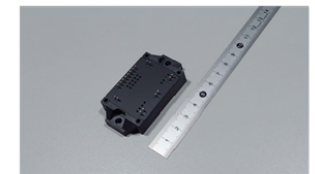




Fujitsu General Electronics Limited (hereinafter referred to as "FGEL") developed in June 2021, first in industry, small GaN module" (the first Sustainable Product Gold) incorporating a high-voltage GaN-FET chip ^{*1} made by Transphorm of the United States together with a drive circuit and started shipment of samples in the fall of 2021.

- Future potential of power modules^{*2} including small GaN module
- Power modules are used in various applications such as home electric appliances, automobiles and industrial equipment, and are said to be a market expected to expand further in the future.

Among them, modules using gallium nitride (GaN) are attracting attention, but small ones with drive circuits are not yet on the market. The GaN modules developed and announced by FGEL are attracting attention from the market as it can reduce the design burden on customers by incorporating peripheral circuits such as drive circuits and can easily improve efficiency.



By using this GaN module, it is expected to contribute to the realization of highly efficient and energy-saving products that take advantage of the features of GaN in many fields such as power supply-related products, industrial equipment and in-vehicle equipment.

In the future, we would like to strengthen development and build a mass production system to grow as a new pillar of our business. And in the further future, we will make it a major pillar of our efforts for "sustainable management" and both promote business growth and contribute to the realization of a sustainable society.

Voice Comment from small GaN module developer

We believe that these products based on the latest advanced modularization technology were accomplished thanks to our tradition of challenging new things without fear of failure, in addition to the on-site chip mounting technology that FGEL has cultivated over the years as its existing technology.

*1 GaN (gallium nitride), FET (Field Effect Transistor)
 *2 What is incorporating peripheral circuits in GaN is explained as power module. Generally, it is called IPM.

Promotion of Sustainable Management

2 Social Contribution

Introduction of Products Certified as Sustainable Product (cont.)

3. Offering Products to Meet Indoor Cleanliness and Sanitization Needs

Aero Shield

Industry's first*1 demonstration to inactivate floating COVID-19

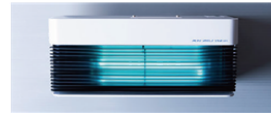
Our SDGs



In collaboration with Japan Textile Products Quality and Technology Center, Aero Shield Co., Ltd. has confirmed that more than 99% of the new coronavirus (Delta strain) floating in an enclosed space of 1 m³ can be inactivated in one minute using "n-UV Technology," the industry's first horizontal ultraviolet irradiation technology.

This technology, which is owned by Aero Shield Co., Ltd., inactivates viruses and bacteria by horizontally irradiating ultraviolet rays in a habitable space.

Fujitsu General Group will continue to focus on research and development in the field of cleanliness and sterilization and contribute to air environment measures around the world.



Aero Shield

■ Development of "Aero Shield" for use in ambulances

Aeroshield Co., Ltd. has developed "Aero Shield," a UV irradiation device for use in ambulances. This product is expected to reduce airborne bacteria and viruses by taking the air inside the ambulance into the device and irradiating it with UV-C₂. In addition to realizing odorless air quality measures through the use of ozone-less lamps, the product is designed to place no burden on paramedics, as it operates constantly while power is supplied to the vehicle, eliminating the need for manual operation. (shipments started in February 2022)



Conceptual image of Aero Shield installed for use in ambulances

Voice Comment from staff of ATOL Co., Ltd.

Our company has many transactions with hospitals, clinics, and dispensing pharmacies, and provides various countermeasures against bacteria and viruses. Due to the recent outbreak of infectious diseases, we have installed a total of 143 Aero Shield units at key locations in our buildings in line with our corporate policy of providing a safe and secure environment not only for our employees but also for our customers as a business continuity measure.

As an official distributor, we will contribute to local healthcare through the sale of Aero Shield.

*1 Inactivation of more than 99% of floating new coronaviruses by horizontal irradiation of ultraviolet rays. As of November 19, 2021 (according to our company's research)

*2 Ultraviolet rays are light with shorter wavelengths than visible light, especially those in the 100–400 nm wavelength range.

They are classified into three types by wavelength: UV-A, UV-B, and UV-C. UV-C, also called deep ultraviolet rays, refers to light with a wavelength of 100 to 280 nm.

4. Development and Provision of "CÓmodo Gear" that Helps Combat Extreme Heat

Wearable cooling and heating device Cómodo gear™ i2*1

Our SDGs



Since 2021, Fujitsu General has been offering Cómodo gear i2, a new wearable device*2 model that effectively cools and heats the body by being worn.

Cómodo gear is a product that combines cooling and heating effectiveness in high- and low-temperature environments while allowing for good user mobility. After test sales to domestic companies in FY2020 (the first year of offering), the product has been offered on a full-scale basis to domestic companies since 2021.

In the summer of 2020, we received a great deal of response, especially from those in industries such as security, construction, and factories that work under the hot sun or in environments where air conditioning is inadequate. Cómodo gear i2 incorporates the feedback and requests we received in 2020 into its development, and we have improved the fit of the neck by adding a size range and an adjustable function, as well as reducing the weight and improving performance.

Cómodo gear was developed by BIG*3, the Company's internal innovation organization for creating new value, based on the WearCon® technology of WIN Human Recorder, Co., Ltd. and commercialized jointly.



Overall image of Cómodo gear i2

■ Features of Cómodo gear i2

1. Size expansion and adjustability added
2. Reduced weight sensation when wearing

■ Winner of the "iF Design Award 2021"

Won the "iF Design Award 2021" (Product Section), one of the world's top-three design awards. The award is based on various evaluation criteria, including design appearance, functionality, and innovation, and is recognized for its design excellence worldwide. The 2020 model also received the same award.



*1 "1" stands for innovation and "2" stands for the second generation.

*2 This product is not medical equipment to prevent heat stroke.

*3 Abbreviation for Being Innovative Group.

Promotion of Sustainable Management

2 Social Contribution Provision of Safety and Security

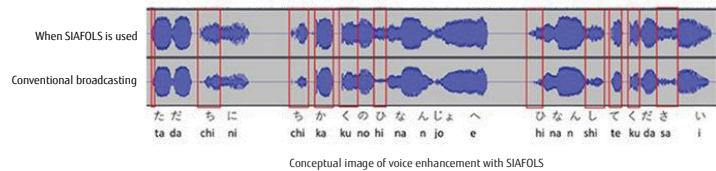
Contribution to Safety during Disasters

Developing new technology for disaster-prevention radio broadcasts that are easy to hear even in heavy rain and noise

New technology developed through joint research with Kobe University contributes to ensuring safety at the time of disaster

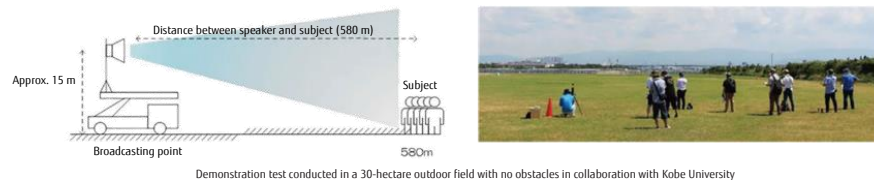


In May 2022, Fujitsu General, in collaboration with Kobe University, developed "Sound Improvement Algorithm For Outdoor Loudspeaker Stations" (hereinafter referred to as "SIAFOLS"), a technology that automatically converts the broadcast sound of Municipal Disaster Prevention Radio into an easy-to-hear format according to seasonal and weather conditions such as heavy rain and noise conditions. The transmission characteristics of sound vary depending on the season, weather, and surrounding environment. Municipal Disaster Prevention Radio provided by local governments across Japan was faced with a problem that, although the broadcasting sound was heard, the actual details of what was being said could not be recognized. SIAFOLS is a new technology^{*1} that converts generally inaudible sounds (k, s, ts, etc.) into easily audible sounds by applying an "emphasis algorithm" to them.



Conceptual image of voice enhancement with SIAFOLS

In a demonstration test that verified the effectiveness of SIAFOLS, word comprehension^{*2} was significantly improved to 80% from 55% compared with conventional broadcast sound^{*3}. It was also confirmed that the speech waveform of hard-to-hear sounds was also enhanced by up to 10 dB.



Demonstration test conducted in a 30-hectare outdoor field with no obstacles in collaboration with Kobe University

Unlike conventional broadcasting, which was conducted from municipal government buildings with uniform sound quality, the sound can be controlled for each outdoor sub-station and speaker. This makes it easier to listen to a voice even under noisy conditions, such as traffic or other noises generated around a particular outdoor sub-station.

We intend to further contribute to the safety of local residents in the event of a disaster by installing SIAFOLS in the Company's Municipal Disaster Prevention Radio.

*1 Patent pending. A technology that automatically converts broadcast sounds into easy-to-hear words according to seasonal and weather conditions.
 *2 A value that indicates how accurately a word is conveyed to the listener. It is expressed as a percentage of the ratio of the number of words completely understood by the listener to the number of words broadcast.
 *3 This demonstration test was conducted in accordance with the "ASJ Technical Standard for Ensuring Performance of Outdoor Loudspeaker Systems in Disasters and Other Emergencies" by the Acoustical Society of Japan (ASJ).

2 Social Contribution Contribution to Solving Other Social Issues

1. Support for Human Resource Shortage and 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.

The company also provides hospital smart outpatient information systems to help improve patient service.

■ Business Support BPO^{*1} Service

After streamlining and standardizing non-core operations (that do not produce profits directly) throughout the customer's business, we create a standard manual that allows our staff to carry out these operations on behalf of the customers.

Customers are able to shift their in-house human resources to focus on corporate growth or core business without worrying about securing human resources for non-core business.



■ Hospital Smart Outpatient Information System

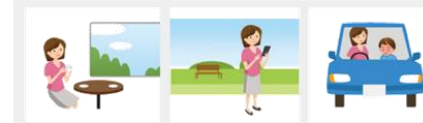
In conjunction with a smartphone app, we provide mobile services that are more accessible to patients visiting hospital.

Before the introduction of this service, patients had to stand-by in the waiting room of a hospital until their consultation.

However, with the introduction of this service, patients will be notified by app when it is time to see the doctor, allowing them to see the doctor smoothly without having to stand-by in the waiting room. It also helps to reduce congestion in the waiting room.

- Features in main app
- Notification of appointment status the day before
 - Notification of payment
 - Confirmation of appointment
 - Notification of doctor's call
 - Payment after billing

Patients can check the status of medical consultation and payment calls with the smartphone web function



- Patients are free to wait for their turn at any location
- Reduced risk of nosocomial infections by reducing congestion in waiting rooms
- Patients can use the system immediately **without the need to register their personal information**
- Reduces inquiries from patients by providing information on the progress of consultations



*1 A service that uses the system to outsource the very work customers used to do.

Patients can perform arrival reception by themselves



- Patients can perform arrival reception themselves
- Links with HOSPISION electronic medical record system
- Automatically identifies patients requiring staff assistance at the reception desk of the block (each department) and displays a guidance screen
- Checks whether insurance card confirmation is required and provides necessary guidance for each patient
- Reduces queues at the block (each department) reception desk, thereby ensuring less crowding of patients



Promotion of Sustainable Management

2 Social Contribution

Other Contribution to Solving Social Issues (cont.)

2. Creation of Innovation Future of Innovation Challenge (FIC)

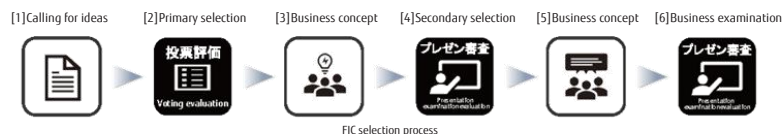
While the Being Innovative Group (BIG) is working on innovation through small group activities, in order to practice the Corporate Philosophy and create a culture that takes on challenges, we launched in 2020 The Future of Innovation Challenge (FIC). This is an idea-seeking activity for new business creation to create and scale businesses that solve social issues, with individual ideas for all Fujitsu General Group employees. For the second FIC, the first round of selection was held in September 2021, and five ideas passed the screening process. After that, in order to consider a concrete concept for the next phase of commercialization, we conducted prototyping, business model examination and customer verification for about 2 months from October to the end of December in 2021, and made efforts for the second round of selection.

The second round of selection was held in December 2021 in the Center Court of the ICC*1 building, where each idea was presented for 10 minutes. This was followed by a 10-minute question-and-answer session, and then a review was made based on the screening criteria, after which the judges deliberated and decided whether to consider the ideas for commercialization.

As a result of deliberation, three ideas passed as they were deemed to have great potential for the future business. Regarding the ideas that passed, we are continuing to verify matters with a view to the review on the feasibility of commercialization.



FIC selection process



3. Launch of BIG

In 2016, we launched the Being Innovative Group (BIG) organization dedicated to embodying the idea of "creating and delivering new value to the world," working on innovation through small-group activities.

The wearable air conditioner *Cómodo gear™* created from BIG's efforts began full-scale provision to domestic companies in 2021, following test sales for domestic companies in FY2020.

4. 10% Rule

The 10% rule has been implemented with the aim of improving employee autonomy. The 10% rule allows "up to 10% of the prescribed working hours per month" (approximately 45 minutes per day, 16 hours per a month, or two days equivalent in standard working day terms) to be used freely for an activity applied by the employee, directly or indirectly related to work. As of the end of FY2021, 233 employees have been involved in this program, allowing employees to use the time generated by the work style reform to learn and grow with their own internal motivation.

*1 Abbreviation for Innovation & Communication Center

3 Care for Employees

Develop Talented People Willing to Take on New Challenges

Basic Approach to Human Resource Development

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

The Company's personnel system clarifies the "roles that each level plays" and requires employees to spontaneously take on challenges in order to fulfill those roles. In order for each employee to spontaneously take on challenges, it is necessary for them to be willing to learn, and the company is willing to help them learn. In today's rapidly changing world, the constant learning and growth of individuals is an essential element for the sustainable growth of the company. We believe that each employee can contribute to the company's performance by fulfilling their required role, and that the experience of spontaneous learning and the growth that accompanies it will contribute to job satisfaction and, ultimately, to greater engagement with the company.

In order to develop human resources who can play an active role on the global stage, we believe that it is necessary to expand the education system and establish an on-demand learning platform for employees to acquire comprehensive skills such as cross-cultural understanding and communication skills, as well as English proficiency.

In addition, we will provide training for each level of employees to acquire the skills necessary to fulfill their required roles, as well as a system to help them realize their growth and develop their careers so that each employee can have "aspirations, visions, and dreams."

Development of engineers

1. Establishment of Technical Academy of Air Conditioner

As the main training method for new engineering employees in the Air Conditioner Division, OJT*2 was conducted at each workplace, and this has led to variations in the strengths of engineers. In order to improve the situation, we established the Technical Academy of Air Conditioner in August 2019 with the aim of "cultivating engineers who can broaden their horizons and look at the entire product" and "expanding development resources by quickly developing new employees capable of joining the workforce."

■ Contents of training for new employees (excerpts)

- Acquisition of broad knowledge on all aspects of air conditioners
 - Reverse-engineering training
 - Design training
- Acquisition of human skills required as an engineer
 - Logical thinking, writing skills, presentation skills, communication skills, etc.

*2 Abbreviation for On-the-Job Training.

Promotion of Sustainable Management

3 Care for Employees Development of Engineers (cont.)

Acquisition of broad knowledge on all aspects of air conditioners

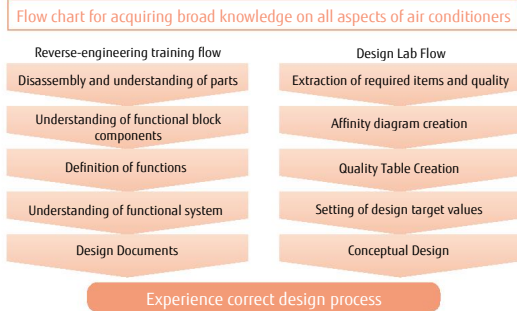
We provide training to level out the development capability of new engineering hires and to help them build a foundation as engineers, broaden their horizons, and become a competitive workforce who can look at the entire product.

Reverse-engineering training

In the reverse-engineering exercises, trainees grasp the products as a whole by broadening their knowledge and perspectives through hands-on training, and by acquiring the design habit of learning from "function" to understand the relationship between "purpose" and "means" and to learn what kind of ideas (requirements/constraints, means of realization, intention of materials and shapes, etc.) are used in design. In this way, we aim to provide opportunities for people to learn through experience and to develop engineers.

Design training

In design training, we develop engineers who can create products from the customer's perspective through training in imagining what users (end-users) want based on their opinions and giving shape to their expectations.



Voice

I joined Fujitsu General as a mid-career employee and it has been eight years since I started working here. When I joined the company, I was assigned to the Quality Assurance Department and was also in charge of operations such as quality improvement of products manufactured at our plants in China and Thailand.



Technical Academy of Air Conditioner
Mr. Hiroyuki Iijima

From 2019, I started by concurrently serving in the Technical Academy to prepare for accepting newcomers, and became full-time in FY2020, accepting the first class of academy students and guiding them as a technical coach for two years. Coaching means "not teaching, but helping them to draw out answers on their own," and although it was my first experience and I was bewildered, I managed to send the Academy graduates back to work. I am pleased to be in charge of tasks that contribute to the development of young people, and I find my work rewarding when I think of the future success of the Academy graduates.

The Academy offers a wide curriculum, but it is essential that one has to be motivated to learn. I would like to continue to support newcomers with this in mind.

2. On-the-Job Training at a Company Near the Kawasaki Headquarters

In November 2021, we started OJT at manufacturing sites for young engineers in the AC divisions of Fujitsu General.

The members pay visits to companies engaged in manufacturing in Kanagawa Prefecture, where our Kawasaki Headquarters is located, to observe the actual field of *monozukuri* (manufacturing) and conduct simple hands-on training. In FY2021, training was conducted at three manufacturers engaged in sheet metal pressing, injection molding, and electronic substrate production. Since the Company's air conditioners are manufactured overseas, the training program is being promoted with the purpose of making the best use of people's experience of hardships and work involved in the field through on-site tours and practical training, so that the trainees can apply the knowledge to their future *monozukuri*.



On-the-job training at the local company

We also believe that by paying the training expenses to the manufacturers where OJT is conducted, we can contribute to the local business community.

Voice

This time, we were asked for a tour of a plastic parts manufacturing site and hands-on training. We accepted the request to give young employees a chance to see how plastic products are actually made, and planned a tour of the mold design, machining, and injection molding, and in secondary processing, the painting process.

Hands-on work simulated the polishing of mold parts, a task that can be done by machine, but only one part of the work had to be done by a person proficient with the process using four different types of machine tools. It was a brief one-hour session of work, but we believe it will be meaningful if the participants can experience part of manufacturing with their own hands and feel something positive about it.



SANKO LITE INDUSTRIES CO., LTD.
Mr. Haruki Sakayori, Sales
Engineering Division

My personal comments and thoughts are that manufacturing is one of the basics in our lives. And I think it is important to see, touch, and experience good things outside of your own work, both inside and outside of your country, and I hope you will keep this memory in the back of your mind. For it will eventually be useful somewhere. With the recent pandemic of COVID-19, there are many restrictions, and opportunities to see and experience various aspects of life have decreased. However, I do not want people to forget the importance of making decisions based on what you actually see in the field. We hope that your visit and experience will be useful in your future work.

Promotion of Sustainable Management

3 Care for Employees



Development of Engineers (cont.)

Voice



NOGUCHI KOGYO Co., Ltd.
NK SYSTEM Co., Ltd.
Mr. Hironaga Noguchi,
Representative Director

Thank you very much for selecting our company for the "Small and Medium Manufacturing Industry On-Site Training Seminar." Small and medium-size manufacturers were severely impacted by the spread of COVID-19, and being able to communicate with young employees, who are the future leaders of your Company, was very encouraging for all of us.

Although we are in a different industry, we immediately accepted the offer with clear agenda that we received via e-mail for the first time. Once we accepted the offer, we decided to make it a major event for three consecutive weeks in December 2021 in order to ensure as good an experience for everyone as possible and to make it as enjoyable as possible.

The training program consisted of a classroom lecture, plant tour, welding experience, and awards, and the welding experience was particularly successful, with many women participating, and the progress they made was astounding. Our company is an automobile-related manufacturer, and one of our features is our "self-developed DX" initiative, for which external sales also made. In addition to consideration for the environment from the perspective of SDGs, we are committed to "openly enhancing each other's innovation" based on our mainstay *monozukuri* (manufacturing), and we hope to continue to actively promote inter-company exchanges and contribute to future *monozukuri* with your "nocria" philosophy (related to air conditioners) and the challenges that only small and medium-sized manufacturers can overcome.

3. Design Training Presentation

Design training was conducted as second-year employee training at the Technical Academy of Air Conditioner.

Through Design Training, the participants learned about the differences in actual operating environments and the necessity and methods of designing air conditioners in consideration of the entire system, and Design Training Presentation was held as a wrap-up.



Design Training Presentation by second-year Academy employees

4. Overseas Engineer Training

For the purpose of passing down the *monozukuri* tradition as well as developing human resources who will be active as leaders of overseas corporations in the future, local engineers working at overseas bases of Fujitsu General Group (engineers in Thailand and Shanghai) are undergoing training for 2 to 3 years in the Kawasaki Headquarters.

5. Training Center Opened on the West Coast of the United States

In February 2021, the "Airstage Innovation & Learning Center West (AILCW)" was opened in Martinez, California on the west coast of the United States, taking over the development base of Ventacity Systems Inc., which has a collaborative relationship with Fujitsu General for commercial air conditioning system.

Originally, about 1/3 of the space was used as a place for joint engineering training with Ventacity Systems, and as our Group's equipment, mainly VRF, has already been installed, it could be used as a training center without alteration. As the location is also in the center of the area where the stores of our distributors are, it has become possible for many distributors and contractors (installers) to receive our training.

In the future, we will use this base as a foothold to develop the West Coast and aim to further expand our business in North America.



FGAI staff and training participants

6. Other Initiatives

- Support for active participation of our senior talented people
- In-house recruitment
- Rank-based training, etc.



Please visit our website for more information.
Develop Talented Personnel Willing to
Take on New Challenges
<https://www.fujitsu-general.com/global/csr/practice/human-resources.html>



Promotion of Sustainable Management

3 Care for Employees
Toward the next stage
– Promotion of new technologies and products

1. Industry-Academia Collaboration to Solve Issues of Heat Pump Technology in the Snowy Cold Climate (Fujitsu General Laboratories Ltd.)

In a snowy and cold climate, heating equipment is required to provide warmth while having reliability so that it can continue to be used safely and securely in a severe natural environment.

A snowy and cold climate has varying types of snow quality, snow cover, and freezing levels depending on the latitude, elevation, ocean currents, and monsoons of the region.

In addition, there is an extensive range of issues to be addressed for the wide-use of heat pump technology depending on the building and local culture.

Fujitsu General Laboratories has been working to solve these issues since 2018 by giving research support to Associate Professor Kazuhiko Hosokawa, Department of Civil and Environmental Engineering, Faculty of Engineering, Hokkaido University of Science, located in Sapporo, Hokkaido.



Field evaluation at Hokkaido University of Science

2. Launch of AC Subscription (Initiatives in Toda City, Saitama Prefecture)

The use of air conditioners is effective in preventing heat stroke, but the high initial cost of installing them has been an issue. One of the solutions to this issue is to use a subscription to reduce the initial cost and to promote air conditioners. In this regard, the X Series, top-end models of Fujitsu General's nocria (type of air conditioner), with high energy-saving performance was selected to start the system of "Subscription of Air Conditioners" in Toda City, Saitama Prefecture.

According to the Ministry of the Environment, about 80% of deaths due to heat stroke occur among those aged 65 or older, and 90% of them were not using air conditioners. With the introduction of the Subscription, we will lower the hurdle for customers to install air conditioners and contribute to the prevention of heat stroke.



Toda City Application Page



nocria X Series

Topics

Priority Action

Foundation of Sustainable Management Initiatives for Human Rights Due Diligence

Policy

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

Our Group conducts human rights due diligence*1 for the purpose of ensuring the Code of Conduct and preventing and mitigating negative impacts on human rights.

Action

Fujitsu General Group conducted human rights due diligence on the Kawasaki Headquarters in FY2021.

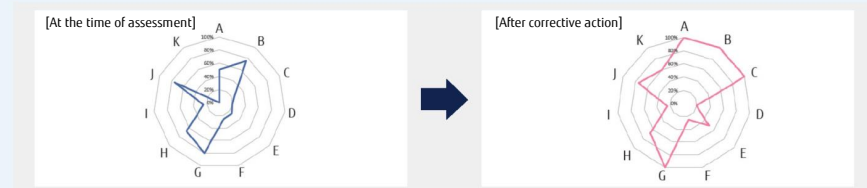
Results and issues

- Occupational health and safety: Partially insufficient confirmation of proper implementation of measures to prevent occupational accidents
- Information disclosure: Non-disclosure of human rights due diligence implementation plan and results
- Employee education: Partially insufficient human rights education on forced/child labor
- Stakeholders: Establishment of a consultation desk (sign language support, etc.) that takes into consideration diverse consumers and customers

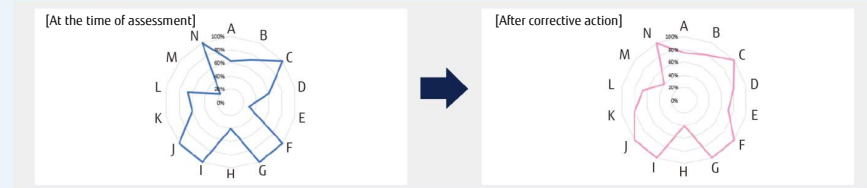
After addressing these issues and taking corrective actions, we reevaluated the situation and informed all concerned parties of our ongoing response. We will continue to conduct human rights due diligence on all of our Group companies over a three-year period, with the frequency of human rights due diligence at each site to be approximately once every three years, to prevent human rights violations before they occur, and to correct and address any events that may lead to human rights violations as soon as possible.

■ Results of human rights due diligence evaluation (Kawasaki Headquarters)

(1) Management Status: Confirmed 11 major items



(2) Performance: Confirmed 14 major items



*1 Human rights due diligence is conducted based on the checklist prepared in light of international standards, etc., for the purpose of identifying potential risks in the Company's business activities and items that require further promotion, and to make improvements.

Core Strategic Themes

The Fujitsu General Group identifies material issues (Materiality) and promotes activities on high-priority issues as Core Strategic Themes. We aim to play our part in helping achieve SDGs by promoting these Core Strategic Themes.

Promotion framework of Sustainable Management

In Fujitsu General Group, the President is appointed Chief Sustainability Officer (CSO) and the Sustainability Management Department promotes company-wide activities based on "Sustainable Management."

The Sustainability Promotion Division holds meetings of the Sustainability Promotion Committee to share plans, progress, and issues related to Sustainable Management.

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

List of Core Strategic Themes

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

Identification of Materiality

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

In identifying materiality, we identified issues in light of our Group's Corporate Philosophy and management policies, considering international guidelines such as the Sustainable Development Goals (SDGs) and the Global Reporting Initiative Standards (GRI), as well as the results of various surveys conducted by external research organizations.

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

Please visit our website for more information.
Fujitsu General Group Approaches to CSR
<https://www.fujitsu-general.com/global/csr/policy.html>

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

KPI	SDGs *	See
Greenhouse gas emissions		p. 18, pp. 59-61
Greenhouse gas emissions		pp. 65-66
-		p. 68
Waste loss ratio to purchase volume		-
-		-
Water use reduction rate		-
Reduction rate of total waste generated		-
-		pp. 19-27
Percentage of products certified as <i>Sustainable Product</i> in consolidated net sales		p. 33
-		p. 42
-		p. 44-46
-		pp. 44-46
-		-
Number of local audit firms		pp. 39-40
-		p. 42
-		pp. 28-32
-		pp. 49-50
-		-
-		-
-		-
Number of newly promoted female managers and leaders		pp. 51-56
Percentage and number of days of childcare leave taken by full-time male employees		-
-		-
-		-
Number of cases of due diligence on human rights conducted		p. 34, pp. 73-74
-		pp. 75-82