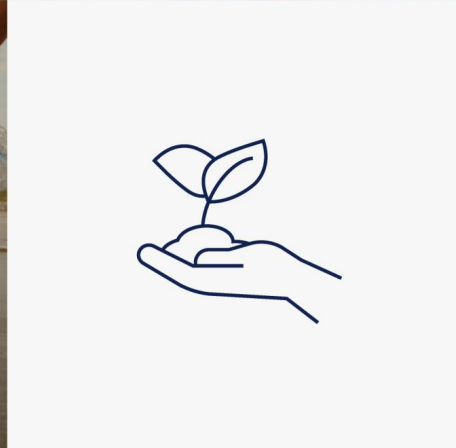
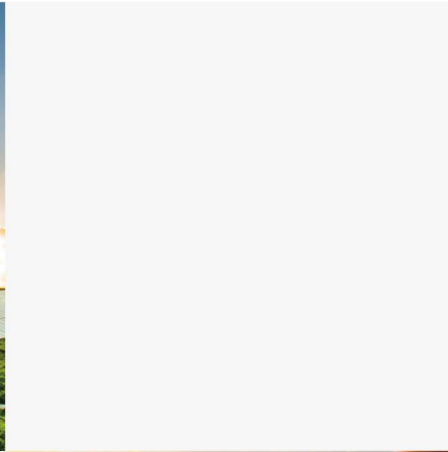


Realization of Sustainable Management



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Executive Message

Promoting Sustainable Management



We are committed to "Sustainable Management" based on the pillars of "Harmonious Coexistence with Our Planet," "Social Contribution," and "Care for Employees." In addition, to address climate change, which is one of our top priorities, we aim to contribute to solving social issues by adopting carbon neutrality in our business activities and introducing our own *Sustainable Product System* for our products and services.

Corporate Vice President
 General Manager, Corporate Communications Division
 General Manager, Sustainability Promotion Division
 General Manager, Environment Administration Division

Toshio Kano

Contributing to a Sustainable Society

As the world faces unprecedented challenges on a global scale such as climate change, resource depletion, and infectious diseases, the Fujitsu General Group formulated the Basic Policy for "Sustainable Management" in March 2021 and has been promoting activities accordingly since then.

In Sustainable Management, we work based on the pillars of "Harmonious Coexistence with Our Planet," "Social Contribution," and "Care for Employees." And, leveraging our "innovation and technology cultivated since our founding," "global business development" and "partnerships with our agencies and business partners," at Fujitsu General Group we will strengthen our "Contribution to Mitigation of Climate Change" by working to replace fossil-fueled equipment with products offering heat pump technologies that our core business of air conditioners project has been cultivated for many years. In addition, we will carefully consider the meaning of the SDGs, and looking beyond our current core business, we aim to contribute to solving social issues through our Group's ongoing efforts to "create innovation" and respond to cutting-edge technologies.

"Responding to Climate Change" as the top-priority issue

In promoting Sustainable Management, the Fujitsu General Group identifies material issues (Materiality) in order to grasp the high-priority issues, recognizing responding to climate change as the top priority. To address climate change, we have set targets for GHG emissions in our own business activities as well as our supply chain, and are promoting measures to achieve these targets.

■ Carbon neutrality in our own business activities

In April 2022, three years earlier than originally planned, we converted to 100% renewable energy for the electricity we use in our business activities. Other than electricity, we will aggressively pursue carbon neutrality by moving up our target five years to 2025, from our original plan to achieve it by 2030. In addition to switching to renewable energy sources, we will continue to reduce energy consumption by promoting the Company-wide *Akasuri* (waste elimination) Campaign.

■ Products offered to our customers: Introduction of *Sustainable Product System*

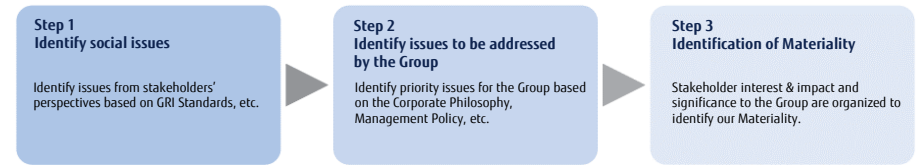
Establishing a *Sustainable Product System* to certify products and services that make a significant contribution to solving social issues addressed by the SDGs, we are expanding sales of certified products and services. Fujitsu General Group, for example, has developed and sold a product that utilizes the technology of heat pumps, cultivated by the Air Conditioner Division, which is the core business, to replace heaters that use fossil fuels, and they are expected to substantially reduce GHG emissions during use. In order to make our Group's heat pump equipment available to as many people as possible, we will develop products that capitalize on this technology and expand sales by leveraging our global sales network.

Materiality

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 SDGs and the GRI Standards, 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.

Materiality Identification Process



Materiality Matrix

Thorough Compliance and Governance, Respect for Human Rights				
Extremely high	Management of Chemical Substances	Efficient Use of Natural Resources Reduce Energy, Waste, and Water Consumption Air Pollution Control Supply Chain Management	Action against Climate Change Product Safety and Reliability	
Very high	Biodiversity Conservation	Stakeholder Engagement	Diversity Health and Productivity Management & Occupational Health and Safety New Value Creation	
High		Information Security Community Contribution	Talent Development	
		High	Very high	Extremely high
		Significance to the Group		

Responding to Climate Change

Basic Approach to Action Against Climate Change

The Fujitsu General Group believes that reducing greenhouse gas emissions in all business areas is important to curb climate change caused by global warming. To reduce our own environmental impact by expanding the use of renewable energy sources such as solar power generation, we aim to completely eliminate greenhouse gas emissions from our business activities by FY2025. In addition, we will reduce greenhouse gas emissions through the management of the supply chain of our Group's business activities and by improving the energy efficiency of products used by customers.

1. Achieve carbon neutrality (completely eliminate greenhouse gas emissions) by FY2025
2. Reduction of 30% compared with FY2018 for total greenhouse gas emissions by our supply network by FY2035
3. Reduction of 30% compared to FY2013^{*2} for total global greenhouse gas emissions from the use of our products^{*1} by FY2030

Specific Actions and Results

Action: Carbon Neutrality initiative

■ Basic Approach

Fujitsu General Group has positioned the expansion of its business through contributions to the realization of a sustainable society as a core part of its Growth Strategy, and promotes Sustainable Management based on the pillars of "Harmonious Coexistence with Our Planet," "Social Contribution," and "Care for Employees."

■ Key Initiatives

Fujitsu General Group has switched to 100% renewable energy for electricity used in its business activities from April 1, 2022, to reduce greenhouse gas emissions. This will enable us to achieve net zero GHG emissions in electricity use at all of our bases^{*3} worldwide. By converting to 100% renewable energy three years earlier than originally planned, we will move up the target date of achieving carbon neutrality to FY2025 from FY2030. Our Group will gradually switch all fuels used by our Group other than electricity to renewable energy sources, etc., and will make steady progress toward achieving this goal.

* For results, please see page 64.

*1 Scope 3, Category 11

*2 For air conditioners

*3 Excluding some leased properties.

Environmental Initiatives

Disclosure of Climate Change-related Information (based on TCFD)

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

List of disclosure items

TCFD Recommendations and Supporting Recommended Disclosures	Recommended Disclosures
Governance: Disclose the organization's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities.	Governance
b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Strategy
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management
b) Describe the organization's processes for managing climate-related risks.	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Environmental Action Plan (Metrics and Targets)
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

Environmental Initiatives

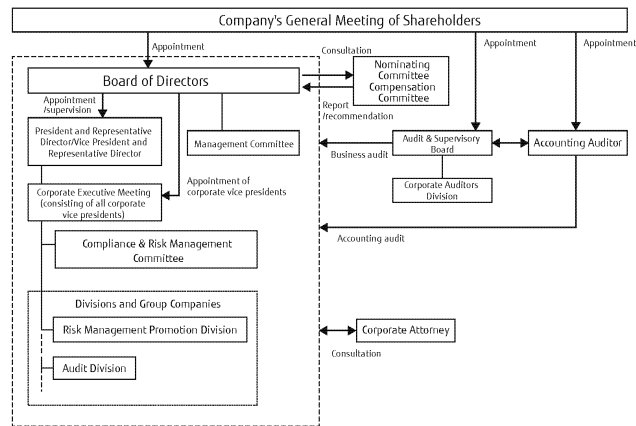
Disclosure of Climate Change-related Information (based on TCFD) (cont.)

Governance

In April 2021, through discussions with the Board of Directors, we formulated and announced the basic policy and core strategic themes of sustainable management. In addition, important management issues are discussed at the Management Committee (held twice a month in principle) attended by Corporate Vice Presidents (Corporate First Senior Vice Presidents and above), as well as at meetings of the Board of Directors, held once a month or on an ad hoc basis when necessary.

The Corporate Executive Meeting, which consists of all Corporate Vice Presidents, meets three times a month in principle to deliberate and decide on specific important issues related to business execution, and seek approval from the Board of Directors on particularly important matters.

The Environmental Promotion Committee meets four times a year to check the progress and results of the policies and measures in the Mid-term Environmental Action Plan and the Environmental Action Plan Stage IX, and to promote further improvements and new initiatives.



Our Group's Corporate Governance Structure

Strategy

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

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

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

■ [Risks: Impact on business and likelihood of occurrence]

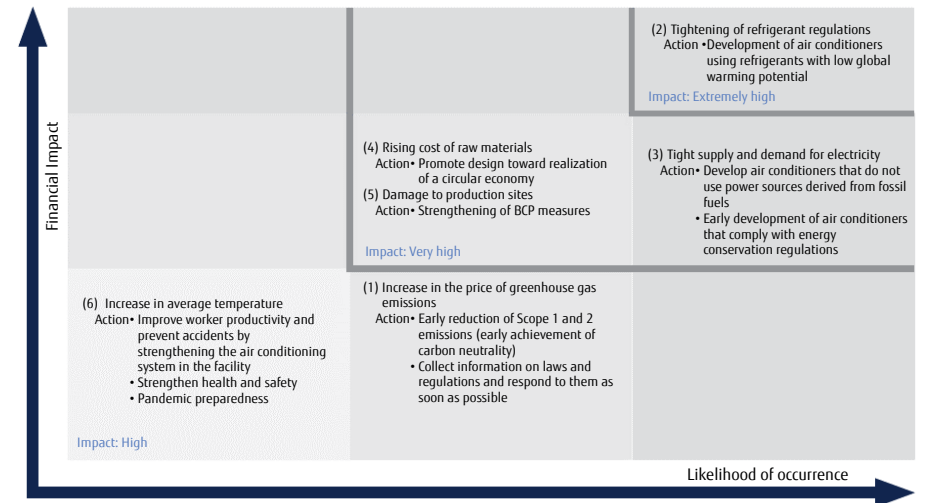
Risk Item			Risks	Likelihood of occurrence	Financial Impact Level
Transition	Policy and legal	[1] Increase in the price of greenhouse gas emissions	Increased cost burden in procuring raw materials and manufacturing products due to carbon tax, introduction of emissions trading, etc.	2	1
		[2] Tightening of refrigerant regulations	Loss of sales opportunities if unable to comply with refrigerant regulations	3	3
		[3] Tight supply and demand for electricity	Possibility that electricity use will increase in emerging countries, causing electricity shortages and making it difficult to expand sales of air conditioners	3	2
Physical	Market	[4] Rising cost of raw materials	Possibility of higher raw material prices or difficulty in obtaining raw materials due to changes in the supply-demand balance or changes in materials toward fossil fuel-free	2	2
		[5] Damage to production bases	Possibility of inundation of our plants due to disasters such as typhoons and floods, resulting in damage to production facilities, etc. and the suspension of operations, or the suspension of parts supply due to the inability of suppliers to operate	2	2
	Chronic	[6] Increase in average temperature	Possibility of increased heat stress and infectious diseases leading to decreased worker productivity and accidents	1	1

■ Likelihood of occurrence

Level	1	2	3
Definition	Occurs very rarely	Moderate	Occurs frequently

■ Financial Impact

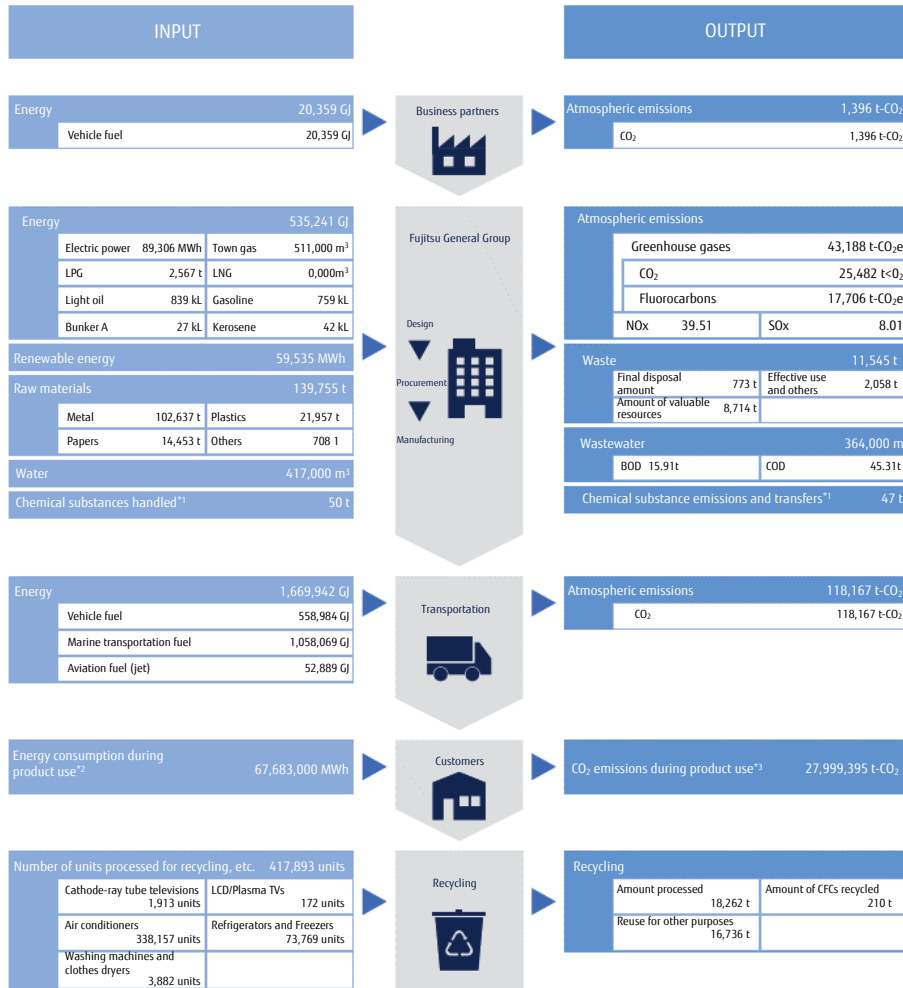
Level	1	2	3
Estimated impact (financial)	High	Very high	Extremely high



Environmental Initiatives

Disclosure of Climate Change-related Information (Based on TCFD) (cont.)

Material Balance (FY2021 Performance)

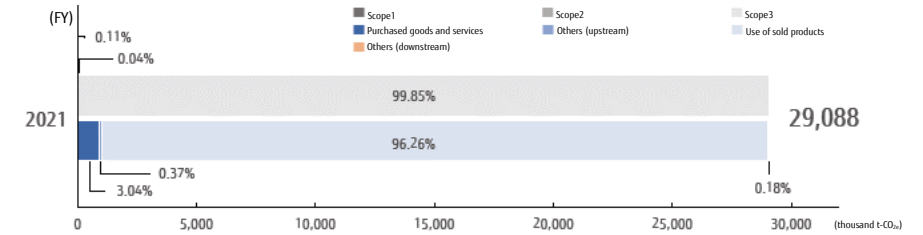


^{*1} Total amount of PRTR substances handled per business site in annual amount of 100 kg or more
^{*2} Total amount of electricity consumed by our products during their operating hours (estimated value)
^{*3} Total amount of CO₂ emissions during the operating period of our products sold

Scope 1 and 2 in FY 2021 are covered by third-party guarantees. Please visit our website for more information (Environmental Activities: Environmental Performance Data). <https://www.fujitsu-general.com/global/environment/data/performance.html>

Reporting Greenhouse Gas Emissions Based on GHG Protocol

Scope 1, 2, 3 GHG emissions



Scope	Category	Calculated volume/t-CO ₂ e	% of Total
		FY2021	
Emissions from corporate activities (Scope 1 + Scope 2 ^{*1})		43,188	0.15%
Scope 1	Direct emissions from fuels and fluorocarbons consumed by the company	30,651	0.11%
Scope 2	Indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company (Market-based ^{*2})	12,536	0.04%
	" (Location-based ^{*3})	44,132	-
All other indirect emissions that occur in a company's value chain (Scope 3)		29,044,542	99.85%
Scope 3 Upstream	Category 1 Purchased goods and services	883,642	3.04%
	Category 2 Capital goods	25,341	0.09%
	Category 3 Fuel- and energy-related activities not included in Scopes 1 and 2	3,101	0.01%
	Category 4 Upstream transportation and distribution	75,608	0.26%
	Category 5 Waste generated in operations	2,441	0.008%
	Category 6 ^{*4} Business travel	969	0.003%
	Category 7 ^{*4} Employer's commuting	284	0.001%
	Category 8 Upstream leased assets	Not applicable (included in Scopes 1 and 2)	-
Scope 3 Downstream	Category 9 Downstream transportation and distribution	44,655	0.15%
	Category 10 Processing of sold products	37	0.00013%
	Category 11 Use of sold products	27,999,395	96.26%
	Category 12 End-of-life treatment of sold products	9,068	0.03%
	Category 13 Downstream leased assets	Not applicable	-
	Category 14 Franchise	Not applicable	-
	Category 15 Investments	Not applicable	-
Emissions from entire value chain (Scope 1 + Scope 2 ^{*1} + Scope 3)		29,087,730	100.0%

^{*1} Market-based
^{*2} Domestic: Calculated with emission factors for electricity contractually purchased. Overseas: Calculated with emission factors by country based on IEA "Emissions Factors."
^{*3} Calculated based on average electricity generation emission factors for defined locations. [Before FY2020] Domestic: Calculated with emission factors of 2002 listed on the public documents by the Federation of Electric Power Companies of Japan. Overseas: Calculated with emission factors of 2006 listed on the public documents by the Federation of Electric Power Companies of Japan. [From FY2021 onward] Domestic: Calculated with the Ministry of the Environment "Emission Factors by Electric Utility General Transmission and Distribution Companies." Overseas: Calculated with emission factors by country based on IEA "Emissions Factors."
^{*4} Scope of coverage is within Japan.

Initiatives for Employees

Promotion of Corporate Philosophy "FUJITSU General Way" Management

Embracing our Corporate Philosophy

We have been taking actions to assist employees around the world in embracing and acting upon our Corporate Philosophy "FUJITSU GENERAL Way" (referred to as the FG Way hereinafter).

■ Initiatives at Fujitsu General (Shanghai) Limited: Conducting FG Way training

Study meetings were held by FG Way Penetration Project members for 3 days in May and June 2021. In the opening remarks, the Representative Director commented that, in order to have the FG Way take root in the workplace, each member needs to think about what he or she should do, take action, and take the initiative in developing and promoting activities in the workplace.

The members representing each department were divided into four groups to learn how to build a team to penetrate the FG Way and had lively discussions on the draft of the implementation plan.

The name of this project was decided as "the FG Way Predecessor", and we have set a mission to "deepen the understanding of all employees, have a common recognition and create the future together."



Opening of study meeting

Partnership

Partnership with Overseas Distributors

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

Voice Master Group (Canada)

The year 2022 marks a few epic milestones for The Master Group, celebrating not only 70 years as an industry leader in Heating Ventilation Air Conditioning and Refrigeration (HVAC-R) distribution, but also the 25th anniversary of our partnership with Fujitsu General. The Master Group and Fujitsu General partnership emanated out of necessity from both parties, Master needed an industry-leading, quality ductless product line and Fujitsu General needed an industry leading distribution partner. The rest is history. Since the onset of the partnership, The Master Group has grown exponentially, and so has our partnership with Fujitsu General. Master has expanded to become a Canadian HVAC-R powerhouse operating four distribution centers and more than 50 branches nationally, and our most recent acquisition in the United States has elevated Master to international status. While company growth is propelled by multiple factors, the Fujitsu brand quality and cooperation has been key.

Providing unmatched heating and cooling products, in terms of innovation, reliability and efficiency, Fujitsu General is a core component of our Canadian growth and success. Canada, often referred to as the Great White North, is a country where quality comfort conditioning is not a luxury but is a necessity. Master is proud to be the largest distributor of Fujitsu General in Canada, and one of the top 5 in North America. We reach high performance with the brand, thanks to the partnership in most provinces and a robust, ever-growing dealership network. Master and Fujitsu General exemplify support through state-of-the-art training centers regionally across Canada and the USA. This exemplary training and technical support provided by Master and Fujitsu General to in-house technical experts and dealer partners shows a common enthusiasm for continuous training and improvement and is evidence of something greater we share; common values.

I primarily attribute the success of our partnership to shared values. Values such as integrity, commitment, innovation, and a desire to provide excellence in customer service truly solidifies our continued involvement with the Fujitsu General name. This like-mindedness naturally results in trust and reciprocity. A fine example of this is the warranty program for parts and labour initiated by Master in 2008 for the implementation of the Master 10-year parts and labour warranty for Fujitsu General products in Eastern Canada.

This innovative idea was well received in the marketplace and showed confidence and support for the Fujitsu General products and growing market confidence and acceptance. This desire to excel is further exemplified with the Distribution Advisory Council, through which we are offered a structure to provide our input and feedback. Furthermore, Fujitsu General is undeniably an industry pioneer in terms of research and development of innovative, sustainable, responsible, and efficient technologies. Environmental responsibility is a priority and all of us here at The Master Group thrive to promote these powerful, sustainable products as part of our mission to drive the industry forward. I believe Master and Fujitsu General are the definition of a true alliance, a testimony of our common belief in the importance of being a good partner as a key business asset. I trust this will continue to support our strategic plan as we aim to be a partner of choice and the leading, fastest growing, and innovative HVAC-R solution provider in North America.



The Master Group (Canada)
President

Mr. Neil McDougall

Message from External Director

I will work on the “Harmonious Coexistence with the Planet, Social Contribution, and Care for Employees,” promoted by Fujitsu General, and our financial position enhancement, and make the most of my diverse experience for the sustainable enhancement of corporate value.

External Director
Osami Maehara



Reflections from My First Year in Office

It has been a year since I was appointed as the External Director of Fujitsu General.

Looking back on the past year, I must mention the pandemic of COVID-19 which plunged the world into turmoil, something said to occur only once every 100 years, it started at the end of 2019. The supply chain has been in turmoil and there is still no sign of recovery. Under such circumstances, weighing economic impoverishment, the world is beginning to steer in the direction of economic priorities. In addition to external factors such as the tight supply and demand for electronic components, which can be regarded as a compounded force majeure, significant and persistently high raw material prices, and the tight supply and demand for vessels, we are facing a management environment unparalleled in recent years, including heightened geopolitical risks due to Russia's invasion of Ukraine.

In this difficult management environment, I have the impression that Fujitsu General's senior management have carefully identified various issues and taken the necessary actions proactively and boldly, though making extremely difficult decisions. In fulfilling my role as External Director, it is essential to understand the policies and direction of the Company. It would be difficult to obtain sufficient information only at the Board of Directors which is generally held monthly, but at Fujitsu General, the agenda and matters to be reported at the monthly meetings are disclosed in advance, so I can fully digest the contents prior to the meeting. Meetings are also held as needed to exchange opinions on important development and sales measures, and the direction of management is disclosed and actively discussed at the same time.

Furthermore, Audit & Supervisory Board Members regularly report on issues, and I feel that *visualization* is something that is strongly recognized and promoted.

This management approach is founded on sincere efforts for Sustainable Management that Fujitsu General is currently promoting. The more severe the environment surrounding management becomes, the more important it is to go back to the basics, and in this sense, I believe that Fujitsu General has executed an unwavering Sustainable Management.

In terms of financials, the Company analyzes and verifies the external environment and its own position, and reflects the results in its management indexes in a timely manner. The quantitative explanations of the background and factors behind the decision-making process by the Board of Directors indicate that management decisions are being made accurately.

From a non-financial aspect as well, the promotion of Sustainable Management as the Company's Basic Policy, can be seen very clearly in the “Topics of business activities,” which are shared in a timely manner. The topics include activities that aim to maintain employee motivation, have coexistence with local communities, and responding to Climate Change, through which the Company's commitment to Sustainable Management can be seen at a glance.

Opinion as an External Director

As such, the Company is already extremely sophisticated, but there are some points that I am aware of and what we ask of as External Director in order for us to continue to achieve sustainable growth.

First of all, I am aware that I do not hesitate to speak up when I find a project or matter in which I can be of help, even if only a little, based on my diverse experience. More than 70% of our net sales, and about 80% of those of the Air Conditioner business, are overseas sales, and the business is truly worldwide. Therefore, it is essential to maintain a bird's-eye view (seeing the whole thing from a high position) and fish's-eye view (not losing sight of the flow of tides), and I am happy to discuss the matter even if it means “don't teach fish to swim” as our business is for diverse customers with completely different cultures, customs, and languages from Japan.

The key to Fujitsu General's sustainable growth is, above all, *human resources*. Therefore, I am asking to take a deeper look at the succession plan to further strengthen human resource development. By having senior management take responsibility for the development of mid-level managers in each division and department, rather than merely planning for the succession of top management and executives, we hope to foster the development of employees who will become their successors. At the same time, this will allow senior management themselves to grow and acquire the knowledge to aim for even higher levels. I would like to see the Company achieve growth based on a win-win relationship.

As a member of the Nominating Committee, I will be able to make a more impartial decision objectively by checking various plans and materials.

With regard to remuneration for officers, we have already adopted a performance-linked remuneration system. On top of that, provides an incentive to practice and promote Sustainable Management, the Company's Basic Policy for Management, and the purpose of further sharing value with our shareholders and other stakeholders, The introduction of a new non-monetary remuneration system called “Sustainable Management Index Type Restricted Stock remuneration” and also expresses our intention to promote Sustainable Management as the core of the Company is a highly commendable decision.

I believe that Fujitsu General is promoting proactive initiatives in Sustainable Management that are second to none for other listed companies. Under the three key themes of “Harmonious Coexistence with the Planet, Social Contribution, and Care for Employees,” the Company takes the lead in promoting and communicating diverse initiatives. A few examples of the proactive efforts can be seen at a glance.

Governance

Corporate Governance (cont.)

Role of the Board of Directors

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

Our basic policy is to appoint a well-balanced Board of Directors consisting of members from inside and outside the Company who have the knowledge, experience, and abilities necessary for the Company's business operations, taking into account diversity in terms of gender and globalization, etc. We believe that the current composition of the Board of Directors (11 Directors in total (including 5 External Directors, 1 of whom is a woman)) is appropriate.

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

Candidates for Internal Directors and Corporate Vice Presidents are nominated from those who understand and embody the Corporate Philosophy of the Fujitsu General Group. They are expected to have excellent character and insight, as well as a combination of professional business knowledge and the ability to perform their duties from a company-wide perspective.

Management team members are selected based on their leadership and decision-making capability to lead and drive the Company, in addition to their caliber as Directors. Nominees for External Directors are selected from individuals who can supervise management from an independent standpoint and provide advice on the Company's corporate activities based on their extensive experience and insight.

Candidates for Audit & Supervisory Board Members are nominated from those with excellent personalities and insights, who are familiar with corporate management and our operations, and who have a high level of professional expertise and extensive experience in accounting and other fields.

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

Attendance of Directors at Board of Directors Meetings and Nomination and Compensation Committee Meetings in FY2021^{*1}

	Name	Affiliation	Board of Directors	Nominating Committee	Compensation Committee	Audit & Supervisory Board
Directors	Etsuro Saito		◎100%(14/14)	100%(2/2)	-	-
	Hiroshi Niwayama		100%(14/14)	-	100%(2/2)	-
	Hisashi Sakamaki	[External] [Independent]	93%(13/14)	100%(2/2)	100%(2/2)	-
	Fumiaki Terasaka	[External] [Independent]	100%(14/14)	◎100%(2/2)	◎100%(2/2)	-
	Mieko Kuwayama	[External] [Independent]	100%(14/14)	100%(2/2)	100%(2/2)	-
	Osami Maehara	[External] [Independent]	100%(12/12)	100%(2/2)	100%(2/2)	-
	Hirohisa Yamaguchi	[External]	100%(14/14)	-	-	-
	Tsunenao Kosuda		100%(14/14)	-	-	-
	Tadashi Hasegawa		100%(14/14)	-	-	-
	Hiroyuki Yokoyama		100%(14/14)	-	-	-
Audit & Supervisory Board Members	Masaki Sugiyama		100%(14/14)	-	-	-
	Akira Inoue	[External] [Independent]	100%(14/14)	-	-	◎100%(14/14)
	Yoshinobu Miyajima		100%(14/14)	-	-	100%(14/14)
	Youichi Hirose	[External]	86%(12/14)	-	-	100%(14/14)

*1 ◎ indicates Chair/Committee Chairperson

Reasons for appointment of external officers

Name	Reasons for Appointment
Hisashi Sakamaki [Independent]	Mr. Hisashi Sakamaki is the Chairman and CEO of Canon Electronics Inc. and has extensive experience and expertise in technology, production, purchasing and other areas related to electronic devices, in addition to corporate management. Based on this experience and knowledge, he has been appointed External Director as he provides appropriate advice and opinions from an outside perspective and properly fulfills his management oversight function, including his role as a member of the voluntary Nominating Committee and Compensation Committee.
Fumiaki Terasaka [Independent]	Mr. Fumiaki Terasaka was President and Representative Director of Sapporo Breweries Ltd. and has extensive experience and knowledge in sales, marketing and human resource development in addition to corporate management. Based on this experience and knowledge, he has been appointed External Director as he provides appropriate advice and opinions from an outside perspective and properly fulfills his management oversight function, including his role as Chairperson of the voluntary Nominating Committee and Compensation Committee.
Directors Mieko Kuwayama [Independent]	Ms. Mieko Kuwayama has a wealth of business experience, including as General Manager of the CSR Department at Shiseido Co., Ltd. and knowledge as a university researcher specializing in CSR, business ethics, and diversity management. Based on this experience and knowledge, she has been appointed External Director as she provides appropriate advice and opinions from an outside perspective and properly fulfills her management oversight function, including his role as a member of the voluntary Nominating Committee and Compensation Committee.
Osami Maehara [Independent]	Mr. Osami Maehara has experience as President and Representative Director of Hitachi Koki Co., Ltd. (now Koki Holdings Co., Ltd.) and has extensive experience and knowledge in corporate management, business expansion through M&A, and overseas assignments as President of a sales subsidiary. Based on this experience and knowledge, he has been appointed External Director as he provides appropriate advice and opinions from an outside perspective and properly fulfills his management oversight function, including his role as a member of the voluntary Nominating Committee and Compensation Committee.
Hirohisa Yamaguchi	Mr. Hirohisa Yamaguchi is Executive Vice President of Fujitsu Limited, and has extensive experience in ICT-based businesses and knowledge of cutting-edge digital technologies. Based on this experience and knowledge, he has been appointed External Director as he provides appropriate advice and opinions from an external perspective and properly fulfills his management oversight function.
Audit & Supervisory Board Members Akira Inoue [Independent]	Mr. Akira Inoue, based on his considerable knowledge of finance and accounting through many years of business experience at a financial institution, is expected to audit and supervise properly and effectively and therefore he has been appointed External Audit & Supervisory Board Member.
Youichi Hirose	Mr. Youichi Hirose has a wealth of experience as an officer of other companies and considerable knowledge of finance and accounting, having served as Corporate Officer and the Head of Finance & Accounting Division of Fujitsu Limited and currently as full-time Audit & Supervisory Board Member of Fujitsu Limited. We believe that he will audit and supervise properly and effectively, and therefore he has been appointed External Audit & Supervisory Board Member.

Governance

Corporate Governance (cont.)

Role of the Audit & Supervisory Board Members

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

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

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

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

Furthermore, the Audit & Supervisory Board Members' appointment and dismissal of the full-time Audit & Supervisory Board Member, and decision audit policies, methods for investigating the state of operations and assets, and other matters related to their duties.

Appointment of the Accounting Auditor

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

In doing so, the Audit & Supervisory Board Members interview the Accounting Auditors eight times a year about the status of audits and exchange opinions with them, as well as obtain information from the executive departments, and evaluate and make decisions on the auditing system, professional capabilities, independence, quality control system, and reasonableness of audit costs of the Accounting Auditor in light of laws and regulations and the standards established by the Audit & Supervisory Board.

Executive compensation

[1] Matters relating to the policy for determining the amount and calculation method of executive compensation

The Company's Board of Directors, at its meeting held on April 27, 2022, resolved to revise the decision policy regarding the details of individual remuneration, etc. for Directors in accordance with the Company's remuneration system resolved by the Compensation Committee.

● Basic Policy

The Company'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. The 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 stock compensation," which is non-monetary remuneration that provides incentives for 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.

Details of the policy for determining the content of remuneration, etc. for individual Directors are as follows.

- a. Policy for determining the amount of remuneration, etc. for each individual of basic remuneration (monetary compensation) (Including policies on determining the timing and conditions for granting remuneration, etc.)
The basic remuneration for Internal Directors shall be monthly fixed remuneration, and the amount of such remuneration shall be determined as a fixed monthly amount in accordance with each Director's responsibilities and position.
The amount of fixed remuneration (basic remuneration) for Directors was resolved at the 98th Ordinary General Meeting of Shareholders held on June 20, 2017 to be no more than 600 million yen per year (including no more than 50 million yen for External Directors). The number of Directors at the close of this General Meeting of Shareholders was 13 (including four External Directors).

- b. Policy for determining the amount of performance-linked remuneration, etc. (Including policies on determining the timing and conditions for granting remuneration, etc.)
Performance-linked remuneration, etc. shall be cash remuneration to be paid to Directors who are responsible for business execution, and a bonus reflecting the business results for a fiscal year shall be paid at a certain time each year. The actual calculation of bonus payments is based on the financial results in the current fiscal year, measuring the actual result against the expected consolidated operating profit projected per the Medium-term Management Plan of the Group, which is considered a transparent and objective indicator. The total pay-out amount for bonuses shall require approval of the Annual General Meeting of Shareholders.
The actual consolidated operating profit for the current fiscal year was 8,444 million yen against a target of 19,000 million yen, and the payment of 55 million yen in bonuses to six Executive Directors was approved at the 103rd Ordinary General Meeting of Shareholders held on June 16, 2022.
- c. Policy for determining the calculation method for the content and number of non-monetary remuneration, etc. (Including policies on determining the timing and conditions for granting remuneration, etc.)
Non-monetary remuneration and others shall be restricted to restricted stock for the purpose of providing incentives to the Internal Directors (excluding External Directors) to continuously improve the corporate value of the Company and to practice and promote Sustainable Management, as well as to further share value with shareholders. This system consists of "Service Continuity Type Restricted Stock Compensation," in which a Director of the Company (excluding External Directors) must serve continuously for a certain period of time in order for the restrictions on transfers to be lifted, and "Sustainable Management Index Type Restricted Stock Compensation," in which the achievement of evaluation indicators of Sustainable Management must be met in order for the restrictions on transfers to be lifted. The number of such shares shall be within the framework resolved at the General Meeting of Shareholders and paid at a certain time each year.
At the 103rd Ordinary General Meeting of Shareholders held on June 16, 2022, the Company resolved that the total amount of monetary compensation claims to be paid for the granting of restricted stock as non-monetary compensation and the total number of shares of the Company's common stock to be issued or disposed of by the Company shall be 100 million yen per annum or less and 70,000 shares per annum or less, combining "Service Continuity Type Restricted Stock Compensation" and "Sustainable Management Index Type Restricted Stock Compensation." The number of Directors (excluding External Directors) at the close of this General Meeting of Shareholders was six (6).
- d. Policy for determining the ratio of the amount of monetary remuneration, performance-linked remuneration, etc., or nonmonetary remuneration, etc., to the amount of remuneration, etc., of individual Directors
The Compensation Committee shall consider each type of the ratio of remuneration for Director who is responsible for business execution. The Board of Directors shall determine the details of individual remuneration, etc. for each Director based on the report of the Compensation Committee. The ratio of each type of remuneration, etc. shall be approximately 60–75% for basic remuneration and approximately 25–40% for bonuses and restricted stock compensation.
- e. Method of determining the details of remuneration, etc. for individual Directors
Individual remuneration, etc., 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 decision by the Board of Directors. The Compensation Committee shall verify the appropriateness of the level of remuneration, etc. by utilizing objective data from outside organizations.
- f. Policy for determining the amount of remuneration, etc. for individual Audit & Supervisory Board Members (Including policies on determining the timing and conditions for granting remuneration, etc.)
Only the "basic remuneration," which is a monthly fixed compensation, shall be paid. In addition, the amount of remuneration shall be determined by consultation among Audit & Supervisory Board Members within the limit of "not more than 100 million yen per year" as set forth at the 98th Ordinary General Meeting of Shareholders held on June 20, 2017. The number of Audit & Supervisory Board Members at the close of this General Meeting of Shareholders was three (3).
- g. Others
The Company has established "Guidelines for Officers' Ownership of Company Shares" and strives to ensure that each officer holds at least a certain number of shares of the Company's stock (including restricted stock compensation) as determined by their position in the Company.

In determining the details of remuneration, etc. of individual Directors for the fiscal year under review, the Compensation Committee, the majority of whose members are Independent External Directors, has conducted a multifaceted review, including verification of the appropriateness of the level of remuneration, etc., utilizing objective data from outside organizations and consistency with the decision policy, and the Board of Directors has respected the report of the Compensation Committee and determined that it is in line with the decision policy.

Governance

Corporate Governance (cont.)

[2] The total amount of remuneration by Executive Group, the total amount of remuneration by type, and the number of Applicable Executives

Classification	Total Remuneration, etc. (Millions of yen)	Total Amount of Remuneration by Type (Millions of yen)			Number of Applicable Executives (Persons)
		Fixed Remuneration (Basic Remuneration)	Performance- Linked Remuneration (Bonuses)	Non-monetary Remuneration, etc. (Restricted Stock Remuneration)	
Directors (excluding External Directors)	316	234	55	26	6
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	26	26	—	—	2
External Officers	52	52	—	—	7

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 the effectiveness.

An effectiveness assessment on the Board of Directors in FY2021 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, etc., and we confirmed that the effectiveness of our Board of Directors is secured.

Although a general improvement is seen by the assessment, there are areas for further improvement, and we must recognize that these issues should be continuously reviewed, such as reviewing the matters to be discussed at the Board of Directors, further promoting active discussions, and activating the activities of the Nominating Committee and Remuneration Committee, and providing and enhancing training opportunities. We will further improve the effectiveness of the Board of Directors, including addressing these issues.

Our Leadership

Directors

Etsuro Saito

President & CEO (Representative Director)

April 1977	Joined the Company
December 2008	General Manager, VRF/ATW Sales & Marketing Division
April 2009	Corporate Vice President
April 2011	Corporate Senior Vice President
April 2015	Corporate Senior Executive Vice President
June 2015	President & Representative Director
December 2020	President & Representative Director, Chief Sustainability Officer (CSO)
April 2022	President & Representative Director, Chief Executive Officer (CEO) and CSO (to present)

Hiroshi Niwayama

Vice President & Representative Director

April 1977	Joined the Company
October 2001	General Manager, Finance Division and General Manager, Accounting Division
June 2004	Director
April 2006	Director & Corporate Vice President
April 2007	Director & Corporate Senior Vice President
April 2010	Director & Corporate First Senior Vice President
April 2011	Director & Corporate Executive Vice President
April 2015	Director & Corporate Senior Executive Vice President
June 2018	Vice President & Representative Director, in charge of Corporate Functions (to present)

Hisashi Sakamaki

Director

January 1967	Joined Canon Camera Co., Inc. (currently Canon Inc.)
January 1987	General Manager, Systems Operations, Canon Inc.
March 1989	Director, Canon Inc.
March 1996	Managing Director, Canon Inc.
March 1999	President & CEO, Canon Electronics Inc.
May 2010	External Director, Ryohin Keikaku Co., Ltd.
June 2015	Director, the Company (to present)
June 2016	External Director, Yaoko Co., Ltd. (to present)
March 2021	Chairman & CEO, Canon Electronics Inc. (to present)

Fumiaki Terasaka

Director

April 1972	Joined Sapporo Breweries Limited (currently Sapporo Holdings Limited)
October 2002	Director, Kyushu Sales & Marketing Division, Sapporo Breweries Limited
March 2004	Operating Officer, Sapporo Breweries Limited (newly established company)
September 2004	Director and Managing Officer, Sapporo Breweries Limited
March 2005	Director and Executive Managing Officer, Sapporo Breweries Limited
March 2009	Executive Managing Officer, Sapporo Breweries Limited
March 2010	President and Representative Director, Sapporo Breweries Limited Member of the Board, Managing Director and Group Operating Officer, Sapporo Holdings Limited
March 2013	Senior Advisor, Sapporo Breweries Limited
March 2014	Advisor, Sapporo Breweries Limited
November 2015	External Audit & Supervisory Board Member, DAISYO CORPORATION (to present)
June 2017	Director, the Company (to present)
June 2017	External Director, Citizen Watch Co., Ltd. (to present)

Mieko Kuwayama

Director

April 1970	Joined Shiseido Company, Limited
April 2004	General Manager, CSR Department, Shiseido Company, Limited
April 2008	Part-time Lecturer, Faculty of Economics, Komazawa University
April 2009	Senior Researcher, Business Ethics Research Center
June 2012	Specially Appointed Professor, Graduate School of Law, Hitotsubashi University
April 2015	Visiting Researcher, Research Center for CFO Education, Hitotsubashi University (to present)
April 2015	Visiting Researcher, Mission Management Research Institute, Meiji University
June 2017	Director, the Company (to present)
April 2018	Chief Researcher, Business Ethics Research Center (to present)
June 2018	External Director, HAZAMA ANDO CORPORATION (to present)

Osami Maehara

Director

April 1978	Joined the Company
August 1983	Joined Hitachi Koki Co., Ltd. (currently Koki Holdings Co., Ltd.)
June 2006	General Manager, Corporate Planning Division, Hitachi Koki Co., Ltd.
June 2008	Director, Hitachi Koki Co., Ltd.
June 2012	Managing Director, Hitachi Koki Co., Ltd.
June 2013	Senior Managing Director, Hitachi Koki Co., Ltd.
June 2014	President & Representative Director, Hitachi Koki Co., Ltd.
April 2019	Chairman, Koki Holdings Co., Ltd.
August 2020	External Director, Audit & Supervisory Committee Member, UMC Electronics Co., Ltd.
Jun 2021	Director, the Company (to present)

Governance

Our Leadership (cont.)

Directors

Hirohisa Yamaguchi	
Director	External
April 1983	Joined Fujitsu Limited
April 2015	Head of Innovation Business Unit, Fujitsu Limited
April 2016	Corporate Vice President, Fujitsu Limited
April 2018	Corporate Senior Vice President, Fujitsu Limited
June 2019	Director, the Company (to present)
April 2022	Corporate Executive Officer, EVP, Fujitsu Limited (to present)

Tsunenao Kosuda	
Director	
April 1978	Joined the Company
June 2002	General Manager, Sales Planning Department, Domestic Whole Sales Promotion Division
June 2005	Director
April 2006	Director & Corporate Vice President
June 2006	Corporate Vice President
April 2009	Corporate Senior Vice President
June 2010	Director & Corporate Senior Vice President
April 2011	Director & Corporate First Senior Vice President
April 2013	Director & Corporate Executive Vice President
April 2018	Director & Corporate Senior Executive Vice President, in charge of Domestic Sales and Marketing (to present)

Tadashi Hasegawa	
Director	
April 1988	Joined Fujikoki Corporation
May 1997	Joined the Company
April 2014	Director & Senior Vice General Manager, Fujitsu General Central Air-conditioner (Wuxi) Co., Ltd.
April 2015	Corporate Vice President, the Company
April 2017	Corporate Senior Vice President
June 2018	Director & Corporate Senior Vice President
April 2019	Director & Corporate First Senior Vice President
April 2020	Director & Corporate Executive Vice President
April 2022	Director & Corporate Executive Vice President, in charge of Air Conditioner and Quality Assurance, Executive Manager, Air Conditioner Business Group, General Manager, Air Conditioner Products Planning Division, President, Fujitsu General (Thailand) Co., Ltd., President & Representative Director, AERO SHIELD Co., Ltd. (to present)

Hiroyuki Yokoyama	
Director	
April 1986	Joined the Company
October 2007	General Manager, Global Demand Chain Management Division, Office of Global Demand Chain Management
April 2009	Corporate Vice President
April 2014	Corporate Senior Vice President
June 2017	Director & Corporate Senior Vice President
April 2019	Director & Corporate First Senior Vice President
April 2022	Director & Corporate Executive Vice President, in charge of Global Demand Chain Management, Executive Manager, Office of International Sales and Marketing, General Manager, Global Marketing Division, Chairman & CEO, Fujitsu General America, Inc., President, Fujitsu General Central Airconditioner (Wuxi) Co., Ltd., and President, Fujitsu General (Taiwan) Co., Ltd. (to present)

Masaki Sugiyama	
Director	
April 1981	Joined the Company
April 2011	General Manager, Information & Communication Networking System Division
April 2016	Corporate Vice President,
June 2016	Director & Corporate Vice President
April 2018	Director & Corporate Senior Vice President
April 2019	Director & Corporate First Senior Vice President
May 2019	Director & Corporate First Senior Vice President, in charge of Information & Communication System, Executive Manager, Office of Information & Communication System, President & Representative Director, Fujitsu General OS Technology Limited (to present)

Audit & Supervisory Board Members

Akira Inoue	
Full-time Corporate Auditor	External Independent
April 1980	Joined The Dai-ichi Kangyo Bank, Ltd. (now Mizuho Bank, Ltd.)
September 1999	Senior Vice President, Credit Audit Division
April 2002	Senior Vice President, Corporate Credit Assessment Division, Mizuho Corporate Bank, Ltd. (Currently Mizuho Bank, Ltd.)
October 2007	Deputy General Manager, Internal Audit Division
May 2008	General Manager, Internal Audit Division, Hokuetsu Paper Mills, Ltd. (Currently Hokuetsu Corporation) (Seconded)
June 2010	Senior Vice President, Corporate Banking Division No.8, Mizuho Corporate Bank, Ltd.
June 2010	Full-time Corporate Auditor of our Company (to present)

Yoshinobu Miyajima	
Full-time Corporate Auditor	
April 1981	Joined the Company
December 2009	General Manager, Air Conditioner Business Administration Division, and Deputy General Manager, Finance and Accounting Division
April 2010	Corporate Vice President
April 2014	Corporate Senior Vice President
April 2021	Adviser (to present)
June 2021	Full-time Corporate Auditor of our Company (to present)

Youichi Hirose	
Corporate Auditor	External
April 1981	Joined Fujitsu Limited
June 2009	Vice President, Corporate Controller, Corporate Finance Unit, Fujitsu Limited
April 2012	Executive Vice President
May 2013	Corporate Vice President
April 2014	Head of Corporate Finance Unit
April 2017	Executive Advisor
June 2017	Audit & Supervisory Board Member (to present)
June 2018	Corporate Auditor of our Company (to present)

Corporate Vice Presidents and Other Management Officers

■ Chief Executive Officer

Etsuro Saito
CEO (Chief Executive Officer)
CSO (Chief Sustainability Officer)

■ Corporate Senior Executive Vice President

Hiroshi Niwayama
In charge of Corporate Functions

Tsunenao Kosuda
In charge of Domestic Sales and Marketing

■ Corporate Executive Vice President

Tadashi Hasegawa
In charge of Air Conditioner and Quality Assurance
Executive Manager, Air Conditioner Business Group
General Manager, Air Conditioner Product Planning Division
President, Fujitsu General (Thailand) Co., Ltd.
President and Representative Director, Aero Shield Co., Ltd.

Hiroyuki Yokoyama
In charge of Global Demand Chain Management
Executive Manager, Office of International Sales and Marketing
General Manager, Global Marketing Division
Chairman & CEO, Fujitsu General America, Inc.
President, Fujitsu General Central Air Conditioning (Wuxi) Co., Ltd.
President, Fujitsu General (Taiwan) Co., Ltd.

■ Corporate First Senior Vice President

Masaki Sugiyama
In charge of Information & Communication System
Executive Manager, Office of Information & Communication System
President & Representative Director, Fujitsu General OS Technology Limited

Susumu Ohkawara
General Manager, Corporate Executive Office
In charge of Risk Management and Internal Control

■ Corporate Senior Vice President

Kimihiko Shimizu
In charge of Procurement Reform
President, Fujitsu General (Shanghai) Co., Ltd.

Masataka Eto
Director and General Manager, Fujitsu General (Shanghai) Co., Ltd.

Yosuke Nakagawa
Executive Manager, Office of Domestic Sales and Marketing
General Manager, Domestic Service Support Division

Takumi Tsubouchi
Executive Manager, Office of Air Conditioner Products Development
Vice in charge of Air Conditioner
Deputy Executive Manager, Air Conditioner Business Group
Mentor, Being Innovative Group (BIG)

Masashi Okada
President and Representative Director, Fujitsu General Electronics Ltd.
In charge of Electronic Devices
General Manager, Electronic Devices & Components Division
President, Fujitsu General Electronics (Suzhou) Co., Ltd.

Atsushi Itagaki
President, Fujitsu General Air Conditioning R&D (Thailand) Co., Ltd.
Director, TCGF Compressor (Thailand) Co., Ltd.

■ Corporate Vice President

Masahiko Naito
Vice in charge of Branding and IT

Hiroyuki Sato
Deputy Executive Manager, Office of Air Conditioner Products Development
Deputy Executive Manager, Air Conditioner Business Group

Hiroshi Kobayashi
General Manager, Human Resources Division

Toshio Kano
General Manager, Corporate Communications Division
General Manager, Sustainability Promotion Division
General Manager, Environment Administration Division

Shigeki Asai
Deputy Executive Manager, Office of Information & Communication System
General Manager, Information & Communication System Sales Management Division

Yasushi Asanuma
Deputy Executive Manager, Office of International Sales and Marketing

■ Fellow

Eiji Futagami
General Manager, Office of Air Conditioner Engineering Project
President and Representative Director, Fujitsu General Laboratories Limited
(As of July 1, 2022)

Introduction of Nominating and Compensation Committee Members

Nominating Committee Members

Chairman Director Fumiaki Terasaka (Independent External Director)
Members Director Hisashi Sakamaki (Independent External Director), Director Mieko Kuwayama (Independent External Director), Director Osami Maehara (Independent External Director), President & CEO (Representative Director) Etsuro Saito
(As of July 1, 2022)

Compensation Committee Members

Chairman Director Fumiaki Terasaka (Independent External Director)
Members Director Hisashi Sakamaki (Independent External Director), Director Mieko Kuwayama (Independent External Director), Director Osami Maehara (Independent External Director), Vice President & Representative Director Hiroshi Niwayama
(As of July 1, 2022)

Governance

Directors and Audit & Supervisory Board Members

Company's expectations for Directors and Audit & Supervisory Board Member*1

At Fujitsu General Group, we have set "Sustainable Management," which pursues the implementation of our Corporate Philosophy and business Growth Strategy, as the basis of all business activities and have set "Harmonious Coexistence with the Planet," "Social Contribution" and "Care for Employees" as our key themes.

The following are areas that are important for our Group to promote Sustainable Management and its specific measures in the Medium-term Management Plan.

Of the following areas, "Business Management" is mainly responsible for monitoring and supervising the execution of business operations in line with the Group's Sustainable Management, and for raising issues from a long-term perspective.

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

	Name	Affiliation	Area of expertise the Company expects in particular									
			Business Management	Corporate Management	Global & Overseas Business; Globalization	Manufacturing & Technology Research & Development	Sales & Marketing	ICT & DX	Finance, Accounting, M&A	Compliance & Risk Management	Personnel Development	Organizational Invigoration, Diversity
Directors	Etsuro Saito		○	○	○		○		○	○	○	
	Hiroshi Niwayama		○	○	○			○	○	○		
	Hisashi Sakamaki	[External] [Independent]	○	○	○	○		○		○	○	
	Fumiaki Terasaka	[External] [Independent]	○	○			○			○	○	
	Mieko Kuwayama	[External] [Independent]	○			○	○			○	○	
	Osami Maehara	[External] [Independent]	○	○	○		○		○	○		
	Hirohisa Yamaguchi	[External]	○	○			○	○				
	Tsunenao Kosuda		○	○			○				○	
	Tadashi Hasegawa		○		○	○		○			○	
	Hiroyuki Yokoyama		○		○		○	○	○			
Masaki Sugiyama		○			○	○	○					
Audit & Supervisory Board Members	Akira Inoue	[External] [Independent]			○				○	○		
	Yoshinobu Miyajima				○				○	○		
	Youichi Hirose	[External]						○	○	○		

*1 Areas in which the Company has particular expectations in light of the individual's experience and current role are entered a circle. The above list does not represent all of the knowledge and experience held by each person.

Risk Management

Basic Approach

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

Risk Management System

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

In FY2021, we addressed the following key themes: "Overseas business risk," "Product export operations," "IT security risk," "Electrical/electronic component procurement risk," "Quality compliance," and "Environmental regulatory compliance." The committee reports its annual activities to the Board of Directors.

Key Initiatives

■ Risk Management

The Code of Conduct of the Fujitsu General Way, which sets forth the specifics to be taken into account as the basis for compliance in 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 on business and human rights, information leak prevention, etc. We also regularly send out e-mail newsletters to employees to raise awareness of compliance in general.

■ Business Continuity Management

The Fujitsu General Group has formulated the Business Continuity Plan (BCP) for the purpose of ensuring the safety of employees and their families while continuing and operating its business in the event of an unplanned disruption or large-scale natural disasters. Disasters include, but are not limited to, a major earthquake or the spread of new infectious diseases. In order to ensure the effectiveness of the Plan, the Fujitsu General Group regularly conducts awareness-raising activities and BCP drills covering important business operations. In response to the COVID-19 pandemic, we are striving to prevent infection and the spread of the disease, while continuing to maintain important business operations during the pandemic and fulfilling our social responsibilities.