

Corporate Philosophy

FUJITSU GENERAL Way

The FUJITSU GENERAL Way represents the Fujitsu General Group's core purpose that defines, as a basis for achieving sustainable growth, where our company wants to be, the mission we must fulfill to support customers and society, and the value we offer.

It also serves as a guidepost for every employee of the Fujitsu General Group to follow in everything they do at work.

By fulfilling Our Mission in the Corporate Philosophy through our businesses, we will bring comfort, wellness, confidence, and safety to society and pave the way for a brighter future for generations to come.

Structure of the FUJITSU GENERAL Way

The FUJITSU GENERAL Way encompasses the Corporate Philosophy and the Code of Conduct.



FUJITSU GENERAL Way

Corporate Philosophy

Our Mission

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

Living together for our future

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

Our Philosophy

It indicates the way we should think and act in order to realize "Our Mission."

Act Spontaneously

We embrace new challenges by investing in ourselves for personal growth, and through continuous creativity with a spontaneous attitude.

Develop Our Team

We respect and value our people, and optimize their abilities through fostering culture and diversity, and utilizing a collaborative effort focused on communication.

Value Integrity

To achieve our goals, we always act with integrity and shared ethics.

Code of Conduct

It defines how every employee of the Fujitsu General Group should act at work.

- We respect human rights.
- We protect and respect intellectual property.
- We comply with all laws and regulations.
- We maintain confidentiality.
- We act with fairness in our business dealings.
- We do not use our position in our organization for personal gain.

Message from the President



We will more quickly promote "Sustainable Management," and aim to "Contribution to Global Environment and Society" by achieving a "Change of corporate culture" through new activities and measures such as, "Strengthening Branding Activities," "Transforming into a Truly Global Company," and "Spontaneous Career Development and Learning."

FUJITSU GENERAL LIMITED
President & CEO

Etsuro Saito

Fujitsu General Group in the Changing World with COVID-19 Pandemic

Currently, global concern for the environment is growing at an unprecedented rate and countries are accelerating their efforts toward decarbonization.

In addition, due to the COVID-19 pandemic for several years, the demand for air-conditioning devices is expanding due to people staying at home and the consumer needs for cleanliness and sterilization are increasing more than ever. Air conditioners utilizing the heat pump technology developed in the Air Conditioner Division, the main business of Fujitsu General Group, are expected to grow further as products that respond to these issues and needs.

On the other hand, the cost environment associated with our business activities is rapidly deteriorating due to the global supply chain disruption, including tight supplies of semiconductors and other components and stagnant logistics, as well as soaring material and component prices and transportation costs. Furthermore, amidst uncertainties regarding the future trends of the COVID-19 pandemic and the situation in Ukraine, our Group will address the urgent issues of normalizing the supply chain and responding to the high cost of components. At the same time, for the next Medium-term Management Plan, we will more quickly promote "Sustainable Management" based on the existing "Core Strategic Theme of the Medium-term Management Plan" and realize "Change of corporate culture" through new activities and measures such as, "Strengthening Branding Activities," "Transforming into a Truly Global Company," "Spontaneous Career Development and Learning," with the aim of "Contribution to Global Environment and Society."

Acceleration of "Sustainable Management"

Fujitsu General Group established the Basic Policy for "Sustainable Management" as its Group's management policy in March 2021. The promise of the Sustainable Development Goals (SDGs), which are specific goals of sustainability, is "No One Will Be Left Behind." This is the very essence of our Corporate Philosophy (Our Mission) "Living together for our future" and we are committed to it not only for our current customers but also for our future customers and society.

We believe that promoting Sustainable Management is a way to promise the realization of a sustainable society to future children and society from a medium- to long-term perspective and to pursue the growth of our Group business by accelerating this process.

Therefore, the promotion of Sustainable Management is nothing less than practicing our Corporate Philosophy. Our Group will continue to promote initiatives based on the three pillars of Sustainable Management: Harmonious Coexistence with Our Planet, Social Contribution, and Care for Employees.

As a result of the "Harmonious Coexistence with Our Planet" activities in FY2021, we converted to 100% renewable energy in our business activities in April 2022, earlier than originally planned, and are on track to achieve carbon neutrality ahead of schedule (the target year was moved up from FY2030 to FY2025). In addition, sales of products certified as *Sustainable Product*², such as heat pumps for heating and the switch from constant-speed air conditioners¹ to highly energy-efficient inverter air conditioners, have expanded significantly beyond our initial plan, and we are accelerating our efforts toward decarbonization. In terms of "Social Contribution," we have accepted social studies field trips from elementary schools near our headquarters for the purpose of strengthening ties with local communities, recognizing the importance of continuous efforts through familiar activities. As for "Care for Employees," we are accelerating Health Management and raising employees' awareness of spontaneous career development.

In order to quickly promote "Sustainable Management" in the future, we feel that profitable growth is necessary. With an uncertain future and rapidly changing current environment, it is essential to generate profits at a higher level and establish a substantial financial structure in order to achieve sustainable growth through continuous forward-looking investment. Then, by expanding the business scale and growing profitably on the premise of strengthening quality and governance, we will gain power as a company, realize "Sustainable Management," and contribute broadly to customers and society around the world as we aim to do through our Corporate Philosophy. Fujitsu General Group will step forward toward new growth. We would appreciate your understanding and support.

^{*1} An air conditioner that regulates temperature by repeatedly turning it on and off due to the constant revolution of a compressor. It is less energy efficient compared to inverter air conditioners, which regulate temperature by varying the revolution.

^{*2} Products and services that are internally certified as *Sustainable Product*, with the expectation of solving social issues and contributing to a sustainable society.

Executive Message

We will aim to "Living together for our future" with you through "Contribution to Mitigation of Climate Change," "Creation of Innovation" and "Contribution to Local Communities" by utilizing the strengths of the Fujitsu General Group.

Leveraging our "innovation and technology capabilities cultivated since our founding," "global business development" and "partnerships with our Company's agencies and business partners," Fujitsu General Group will strengthen "Contribution to Mitigation of Climate Change" by promoting the replacement of fossil fuel equipment with products utilizing the heat pump technology that our Air Conditioner Division has cultivated for many years as our core business. In the areas other than our current core business, we will also carefully consider the essence of the social issues raised in the SDGs and aim to contribute to solving social issues outside of our core business through "Creation of Innovation activities" that our Group is promoting.

We will also focus on "Contribution to Local Communities" such as the Next Generation Education rooted in the local community, and contribute to a sustainable future that can only be realized by our Group.

Toward Contribution to Mitigation of Climate Change

– Toward Carbon Neutrality

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) Movement.

– Sustainable Product System

We have established a "Sustainable Product" system to internally certify products and services that make a significant contribution to solving the social issues raised by the SDGs, expanding sales of accredited products and services.

As an example of a Certified Sustainable Product, we have developed and sold a product that utilizes the technology of heat pumps, cultivated by the Air Conditioner Division, the core business of Fujitsu General Group, to replace heaters that use fossil fuels, and they are expected to significantly reduce GHG emissions during use. We will certify such products as *Sustainable Product* and promote their sales through our global network so that as many customers as possible can use our Group's heat pump equipment.

The Sustainable Product System was launched in FY2021, and sales of products certified as *Sustainable Product* in FY2021 amounted to approximately 400 hundred million yen, accounting for about 10% of our Group's total sales. By investing heavily in newly developed products and services certified as *Sustainable Product*, we plan to expand the development and sales of *Sustainable Product* and increase their sales ratio to more than 30% of our Group's total sales by FY2030.

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



Contribution to Solving Social Issues through Creation of Innovation

We believe that fostering mental well-being in the workplace will lead to the Creation of Innovation. Therefore, Fujitsu General Group promotes Health Management and aims not only to promote employees' physical health but also to create a "workplace where employees can work with a sense of assurance, mutual respect and reward" and to enhance "Motivation and general strengths of all employees."

In addition, utilizing systems such as BIG^{*1}, FIC^{*2}, and the 10% Rule^{*3}, with a forum where employees can freely express their opinions as individuals and as a team, we are not restricted to our existing Company business, but are working to find, nurture, and commercialize the seeds of innovation regarding the social issues raised by the SDGs.

Aiming for Community-based Social Contribution

At Fujitsu General Group, we have been promoting efforts with the Basic Policy of focusing on "next-generation human resource development," "communication with local communities" and "global environmental conservation" among our social contributions.

With a particular focus on the "Education for Next-Generation," activities are carried out to connect *monozukuri* (manufacturing) to the future through a "delivery program" at elementary schools near the Kawasaki Headquarters, where employees directly convey the joy of *monozukuri* to children, who will lead the next generation.

In the future, we will also promote support for children who, for various reasons, cannot break the negative cycle of poverty and are unable to receive higher education even if they are willing.

Our Group shall aim to realize "Living together for our future" with you and "No one will be Left Behind" through Sustainable Management.

*1 Abbreviation for Being Innovative Group. A group dedicated to creating new value and embodying what we offer to the world.

*2 Abbreviation for The Future of Innovation Challenge. New business creation activities that solve social issues by taking an individual's idea as a starting point and scaling it up to create a business.

*3 A system that allows employees to freely use up to 10% of their scheduled monthly working hours for activities directly or indirectly related to their work.

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Forward-looking Statement

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

Editorial Policy

This report outlines the Fujitsu General Group's policy and approaches to CSR activities to help achieve a sustainable society and reports initiatives that the Group undertook and their results for FY2021.

- **Reporting Period** FY2021 (April 1, 2021 – March 31, 2022)
Please note that this report also contains some events that took place before and after this period.
- **Scope of Reporting** This reports covers activities and achievements by Fujitsu General Limited as well as its consolidated subsidiaries and affiliated companies accounted for by the equity method, which collectively constitute the Fujitsu General Group.
- **Reference Guidelines Used for the Preparation of This Report**
 - GRI Standards, published by Global Reporting Initiative (GRI)
 - UN Global Compact
 - ISO 26000: 2010, published by the International Organization for Standardization (ISO)
 - Recommendations by Task Force on Climate-related Financial Disclosures (TCFD)
 - Environmental Reporting Guidelines 2018, published by the Ministry of Environment of Japan
- **Scope of Information Disclosure**
The Fujitsu General Group discloses to its stakeholders a wide range of information regarding its business activities. This report provides a summary of the Group's policy and approaches related to CSR and other non-financial information. For detailed information about the Group's activities and results, visit our corporate website.

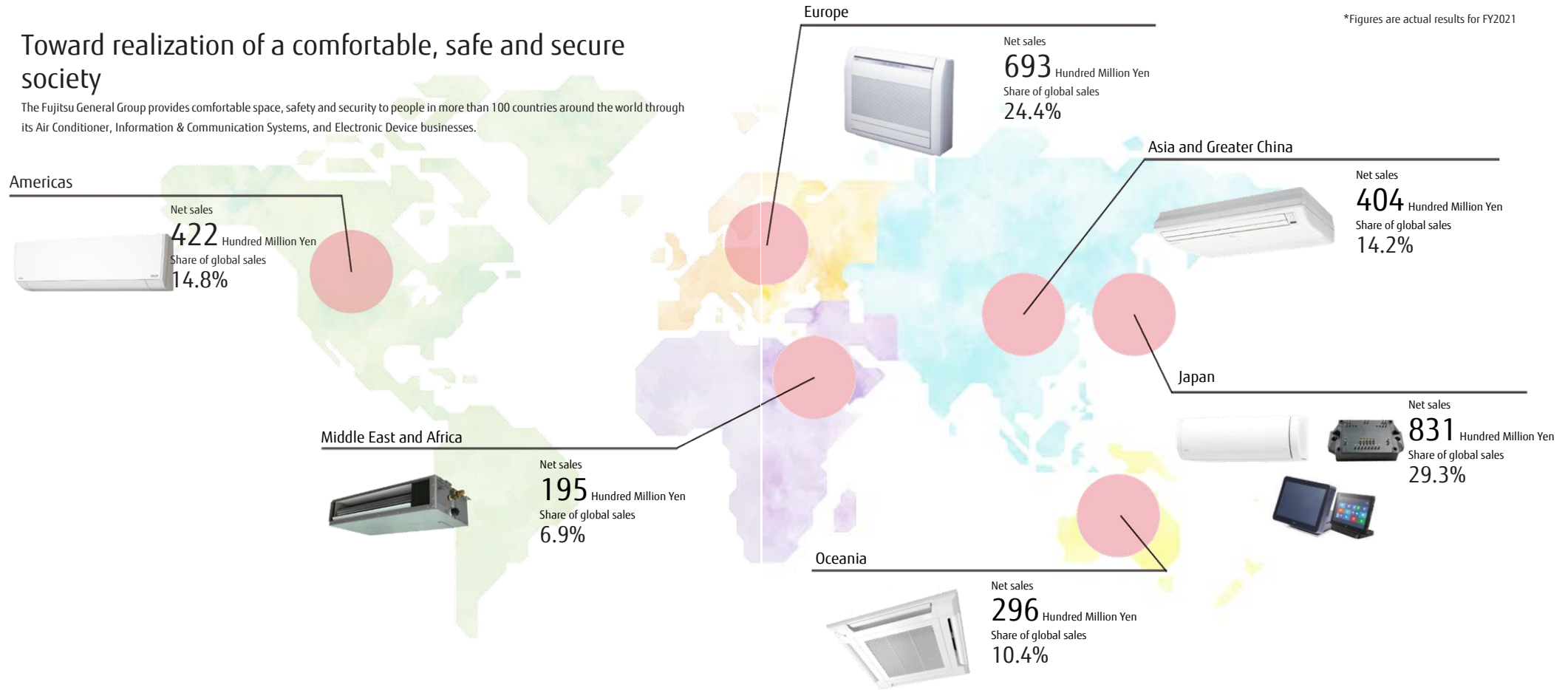
	Company website	PDF reports
Nonfinancial information	<ul style="list-style-type: none"> Environment - Sustainability Activities Social agendas Governance <p>Provides sustainability activities with a focus on sustainable management.</p>	<ul style="list-style-type: none"> - Sustainability Report - Sustainability Report - Integrated Report <p>Reports on sustainability activities that it considers particularly important.</p> <p>* The Group's environmental data are available on our website.</p> <p>Discusses the Group's management strategy to achieve sustained growth and increase enterprise value, its business performance and other financial information, and its key sustainability strategies.</p>
Financial information	<ul style="list-style-type: none"> - IR information <p>Provide the Group's financial information to investors and shareholders</p>	<ul style="list-style-type: none"> - Annual Securities Reports - Business reports

- **Published** September 2022 (next report to be published in September 2023)
- **For inquiries, contact**
Sustainability Promotion Department, under the Sustainability Promotion Division
 - * Fractions less than the indicated units in this report are rounded down to the nearest whole number (however, amounts in the unit of 100 million yen are rounded to the nearest unit), and various ratios are rounded to the nearest whole number.
 - * Reproduction of this report in whole or in part is prohibited without permission.
- "nocria" is a registered trademark of Fujitsu General Limited.

Fujitsu General Group at a Glance

Toward realization of a comfortable, safe and secure society

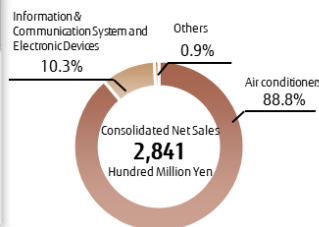
The Fujitsu General Group provides comfortable space, safety and security to people in more than 100 countries around the world through its Air Conditioner, Information & Communication Systems, and Electronic Device businesses.



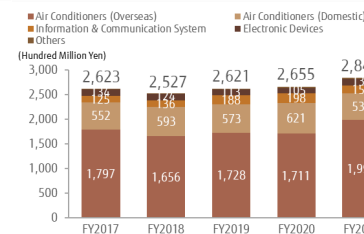
Our Group's Business

<p>Air Conditioner Business</p> <p>"Delivering life-refreshing air" Air is always around us. Fujitsu General offers air conditioners designed to make room air clean and refreshing and bring ultimate comfort to customers anytime anywhere.</p>	<p>Information & Communication System Business</p> <p>"Creating a safe and secure future together" Communication device business has continued since our founding. Fujitsu General's information & communication system business will continue to deliver safety and security for our future society.</p>	<p>Electronic Devices Business</p> <p>"World-class advanced technology and proposal capability" We deliver precise and highly accurate quality and reliability.</p>
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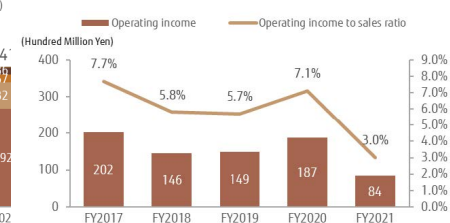
Sales Composition Ratio by Segment



Net Sales



Operating Income and Operating Income Margin



Operating Income Composition Ratio by Segment

