

ESG Briefing

Human Resources Strategy at Fujitsu

Corporate Executive Officer
EVP, CHRO (Chief Human Resources Officer)
Fujitsu Limited

Hiroki Hiramatsu

The Fujitsu logo, consisting of the word "FUJITSU" in a bold, red, sans-serif font, with a stylized infinity symbol above the "I".

FUJITSU

Our Purpose

Make the world more sustainable by building trust in society through innovation.



Fujitsu Our HR Vision

DX company where diverse talents
gather to create innovation
everywhere in the society




Human Resource Strategy and Specific Policy Measures for Medium- to Long-Term Growth

- Position-based Human Resources Management
- Evolving toward DX personnel
- Initiatives to reform organizational structures

Position-based Human Resources Management

Achieving the state we desire




Provide opportunities
to all employees to engage in
attractive work

Opportunities



Enable diverse and talented
employees to collaborate across
borders and organizations

Collaboration



Provide opportunities to all
employees to learn and grow
at all times

Learning & Growth

Global Human Resources Platform

Organizational design based on business strategy



1. Design organization & positions based on the business strategy
2. Clarifying the scope of responsibility and requirements

Position-based Compensation Plan to support employees' aspiration



1. Position-based Compensation Plan
2. HR management for Highly Skilled Professionals
3. Reform performance management process

Human Resources Management empowered to business unit



1. Reform of personnel planning
2. Implementing discharging from their position and downgrades
3. Enhance internal job-posting

Support proactive learning & growth



1. Reform of Human Resources Development Policy (introduce on-demand learning)
2. Promoting 1on1 meetings

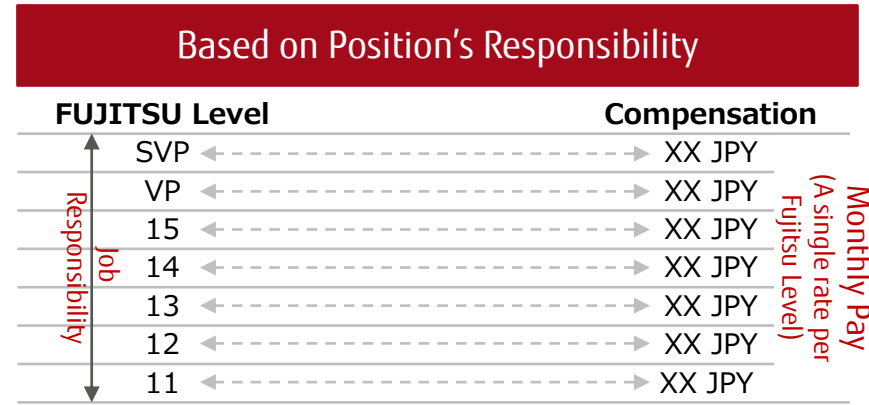
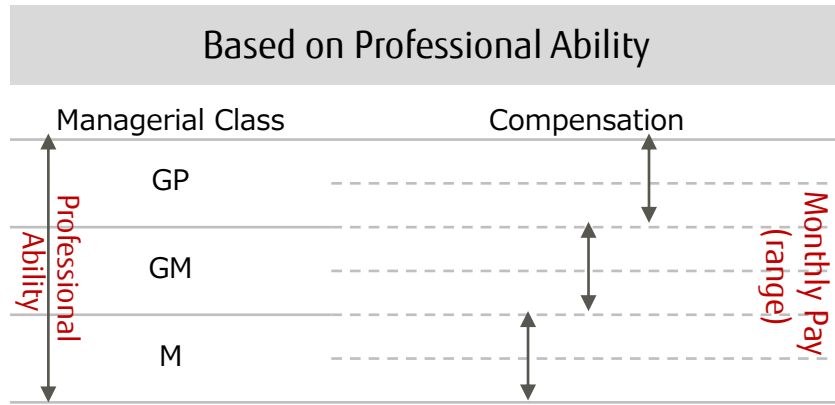
Reform of the Design of Organization & Positions based on the Business Strategy FUJITSU



Designing units based on the business strategy and assigning personnel accordingly
Switching from seniority-based HR to globally uniform job-based HR management

Position-based Compensation Plan

※based on all managerial positions at Fujitsu and group companies in Japan (approx. 15,000 managers)



- Position's responsibilities classified on a globally standardized leveling method (FUJITSU Level)
- Monthly pay is a single rate for each FUJITSU Level and reviewed by the raise or decrease of FUJITSU Level
- Compensation levels will be revised in the future in accordance with market-based benchmarks
- Revision to rule for leaving managerial positions, implementing discharging from their position and downgrades

Individual position responsibilities immediately reflected in compensation
Driving desire to take on the challenge of larger position responsibilities

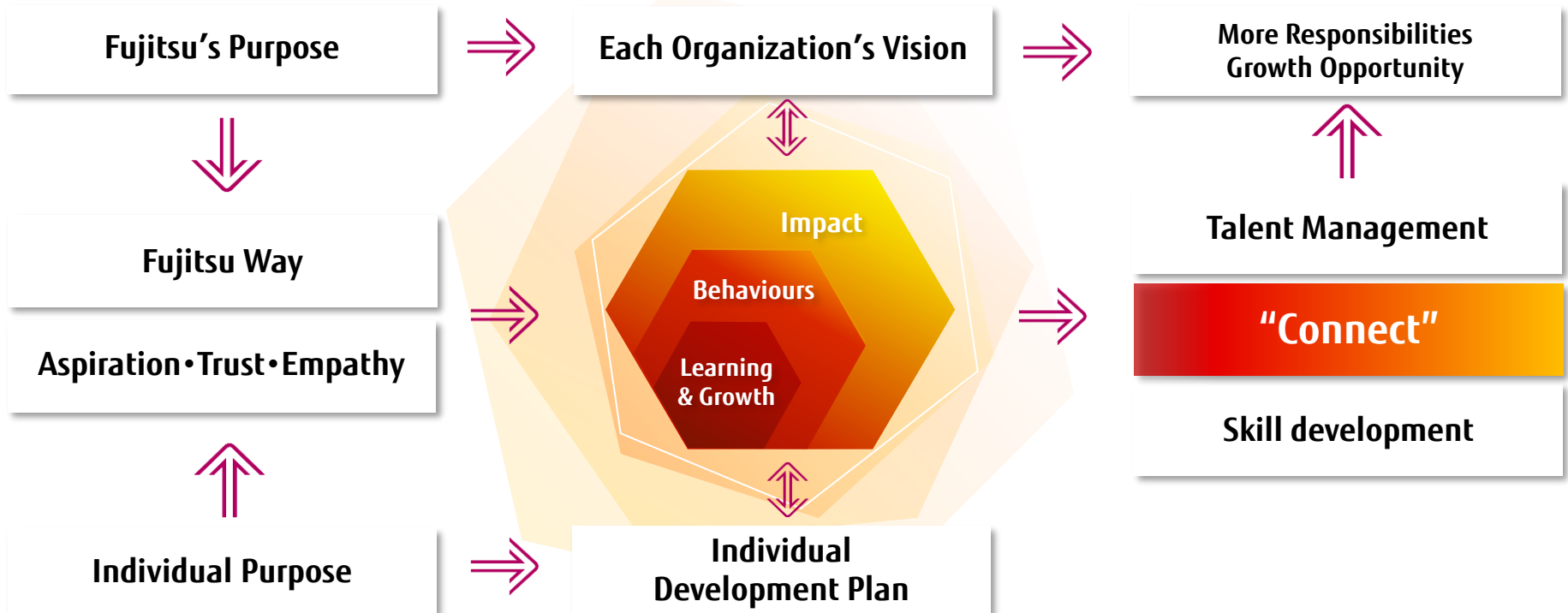
Executive Performance Management Overall

- Apply Balanced Scorecard (BSC) method.
- Three elements: Financial metrics, Prioritized metrics, Behaviours metrics linked to organizational vision.
- Ensure a globally common, fair and transparent structure that drive behavioral transformation.

Category	Points	Example for evaluation targets	How to evaluate
<u>Financial metrics</u>	Digitally set and evaluate tangible results for a single fiscal year.	OPPL for each organization Revenue Global Offering Revenue	Evaluate digitally.
<u>Prioritized metrics</u>	From the viewpoint of realizing the vision, metrics shall be numerical values derived from the back-cast / roadmap indicating the desired state for the fiscal year, and metrics that are difficult to evaluate simply or digitally.	Non-financial metrics - Customer NPS - Employee Engagement - DX Promotion Indices Organization / Business specific metrics including KFA/Uvance related	Quantitative evaluation methods such as target achievement rate and improvement rate table. In case affected by uncontrollable external situation taking these circumstances into consideration.
<u>Behaviours metrics</u>	Evaluate all behaviours, including efforts and process to achieve the targets, from the perspective of "Aspiration", "Trust", and "Empathy".	Specific behaviours to achieve targets	Qualitative evaluation of "Aspiration", "Trust" and "Empathy" in light of their definitions.

“Connect” is the communication tool focusing on consistency to realize Fujitsu's purpose

It is responsible for connecting Personnel Policy to the Purpose / Vision of Fujitsu organization and individuals.



~FY2019

Organization plans and implement assignment, rotation and promotion, considering business conditions and personal growth



Expansion of the Job-postings

Transfer or promotion by self-application based on the individual's career plan



Significantly expand the Job-posting Policy in order to increase the mobility and diversity of our employees, realize the "right person in the right position" and creating an open corporate culture

Record of Job-postings in FY2021

(totals include group companies)

Open-Period Recruitment (April-December 2021)

Recruitment Positions	2,254	
Candidates Applying	3,471	(increase of 7x vs. FY2019)
Successful Applicants	1,192	(increase of 12x vs. FY2019)

Set-Period Recruitment (for new managerial position)

Recruitment Positions	660
Candidates Applying	1,030
Successful Applicants	578

Taking ownership for one's career

Transferring positions through postings increases employee engagement, particularly improving responses in the categories of "motivation" and "equality of opportunity"

Company Organizational Structure

as of April 1, 2022



Takahito Tokita

CEO & CDXO



Hidenori Furuta

COO & CDPO

■ Board of Directors (5 outside directors out of 9 directors)

CxOs, Corporate Functions

CFO SEVP Takeshi Isobe

CTO SEVP Vivek Mahajan

CRMO, Government Relations, Economic Security SEVP Taizo Takahashi

Deputy CDPO EVP Shunsuke Baba

CISO EVP Masahiro Ohta

CSO EVP Yumiko Kajiwara

CHRO EVP Hiroki Hiramatsu

General Council EVP Kyoko Mizuguchi

CMO EVP Taeko Yamamoto

CIO/ Deputy CDXO EVP Yuzuru Fukuda

Deputy COO (Europe, Americas, APAC) SEVP Junichi Saito

Deputy CISO SVP Toru Hanayama

Head of Business Management Unit EVP Yuichi Koseki



Fujitsu Research



EVP
Hiroataka Hara

System Platform

Network Business
Platform Business



SEVP
Ryuji Kushida

EVP Shingo Mizuno
EVP Rupert Lehner



Global Solution

DX Solutions and Services
Infrastructure and Software Services
Global Delivery, Japan Global Gateway



SEVP
Megumi Shimazu

EVP Yoshinami Takahashi
EVP Kazushi Koga
EVP Tim White



Global Customer Success

Enterprise Business
Finance Business



SEVP
Shunsuke Onishi

EVP Hirohisa Yamaguchi
EVP Masaru Yagi



Japan Region

Public and Telecom Business
National Security and Social Systems Business



SEVP
Hiroyuki Tsutsumi

EVP Tsuneo Hayashi
EVP Masuo Yasuda



Europe Region

Uvance



EVP
Paul Patterson

EVP Mikihiro Saito



Americas Region



SVP
Doug Moore

Asia Pacific Region



EVP
Graeme Beardsell

Fujitsu continues to recruit outside talent into its executive ranks to increase diversity and its competitiveness in order to achieve its purpose

Name	Date of joining Fujitsu	Position and responsibility (As of April 1, 2022)		Previous Job
Shunsuke Onishi	August 2019	SEVP	Head of Global Customer Success	Infosys
Nicholas Fraser	March 2020	SVP	Head of M&A Strategy and Execution	McKinsey
Yuzuru Fukuda	April 2020	EVP	CIO/Deputy CDXO	SAP
Toshiya Imai	April 2020	CEO, Ridgelinez Ltd.	CEO, Ridgelinez Ltd.	PwC
Taeko Yamamoto	April 2020	EVP	CMO	Microsoft
Katsuhiro Uramoto	May 2020	SVP	Japan Global Gateway	Rakuten
Taizo Takahashi	November 2020	SEVP	CRMO, Government Relations, Economic Security	Ministry of Economy, Trade and Industry
Graeme Beardsell	November 2020	EVP	CEO, Asia Pacific Region	Akamai Technologies
Yoshinami Takahashi	June 2021	EVP	Vice Head of Global Solutions (in charge of DX Solutions & Services)	Microsoft
Vivek Mahajan	July 2021	SEVP	CTO	IBM
Shintaro Komatsu	October 2021	SVP	Head of Infrastructure and Solution Sales	Kyriba
Hiroyuki Tsutsumi	April 2022	SEVP	CEO, Japan Region	Philips

Evolving toward DX personnel

Developing New Talents in Employees to Create a Sustainable Society

Autonomous Career Development Support - Evolving toward DX personnel

Career Ownership

Shift to on-demand learning tailored for individual aptitude or target job, from mandatory learning for respective layer

(Support for proactive learning and growth)

Platform for People Growth

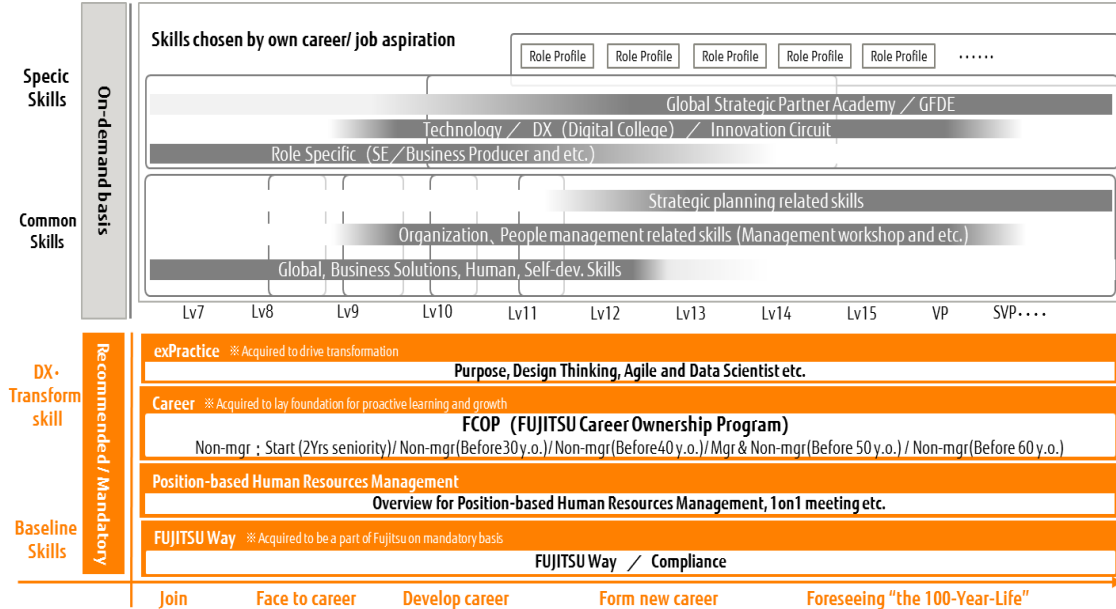
Providing a platform "Fujitsu Learning EXperience" for anytime anywhere learning

DX personnel Development

Learning opportunity for DX literacy and skills based on each role, aiming to corporate transformation which enables DX

Career Design Support

Promotion on career advice enabled by 1on1 platform along with expansion of group-wide job posting scheme for all Fujitsu employees



“exPractice” is a **Practical attitude** rooted in “Purpose” that draws out, nurtures, and utilizes each other’s strengths and enables us to continuously transform ourselves in order to **“provide the best experience”**

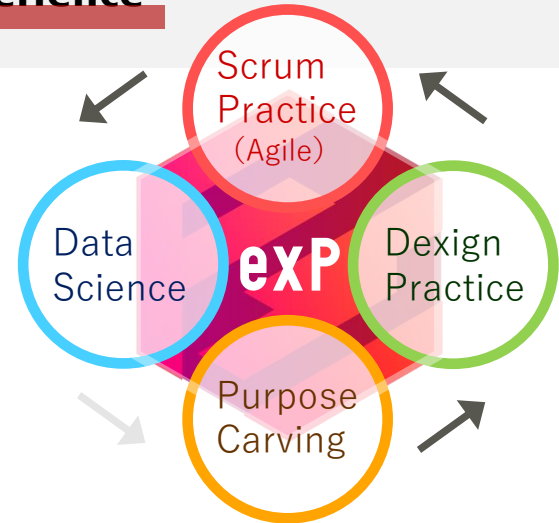
エクスペラクティス

exPractice

experience Practice (実践)

excellent
extreme
explore
...

↑
Thinking & Doing with Purpose



From various skills and frameworks **“Purpose”, “Design Thinking”, “Agile”** and **“Data Science”** has been identified as critical elements for “exPractice for DX” and complied to an **“exPractice Program”** that aims at reframing your everyday as an opportunity for practicing.

Implementing On-Demand Learning

- On-demand education which enable each employee to set their own goal based on their career orientation and to learn autonomously
- Providing a platform where employees can learn what they want anytime and anywhere
- Providing a forum where a diversity of employees can tell stories about their experiences, knowledge, and thoughts (Edge Talk)

A New Learning Platform
Fujitsu Learning Experience

- Accessible from smartphone
- "Like" and "Comment" functions
- Provides learning recommendations

FY2019 2,500 courses
As of Feb 2022 9,600 courses

FUJITSU Learning Experience

- Internal practical knowledge video (Edge Talk)
- Udemy for Business
World's largest educational video content
- Providing all employees with business skills training
(Without expense burden and supervisor approval)
- Autonomous learning
History, recommendations, and analysis to support

Transform organizational culture into one in which diverse individuals study hard and share their thoughts and knowledge

Fujitsu Learning Festival 2021

LE
FE

Number of participants: 36,847

Overlook Stage
60 exhibits
(37 from Japan, 23 overseas)

Exhibition Pyramid
9 exhibits
(6 from Japan; 3 overseas)

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Communication Ground
20 exhibits
(2 from Japan, 18 overseas)



Aspiring to Transform into Business Producers

- Evolving into DX personnel and raising productivity to transform into the point of connection partner to customers and society

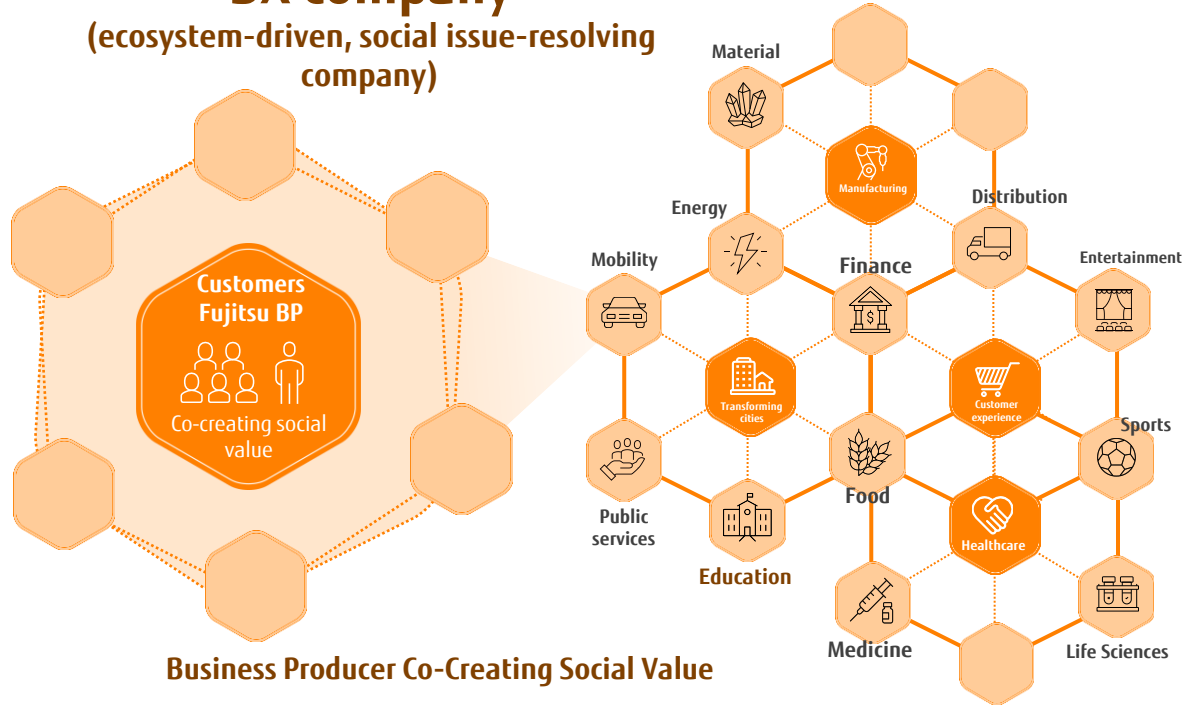
ICT company
(system integrator)



Salespeople grasping customers' requirements and selling contract development work and hardware



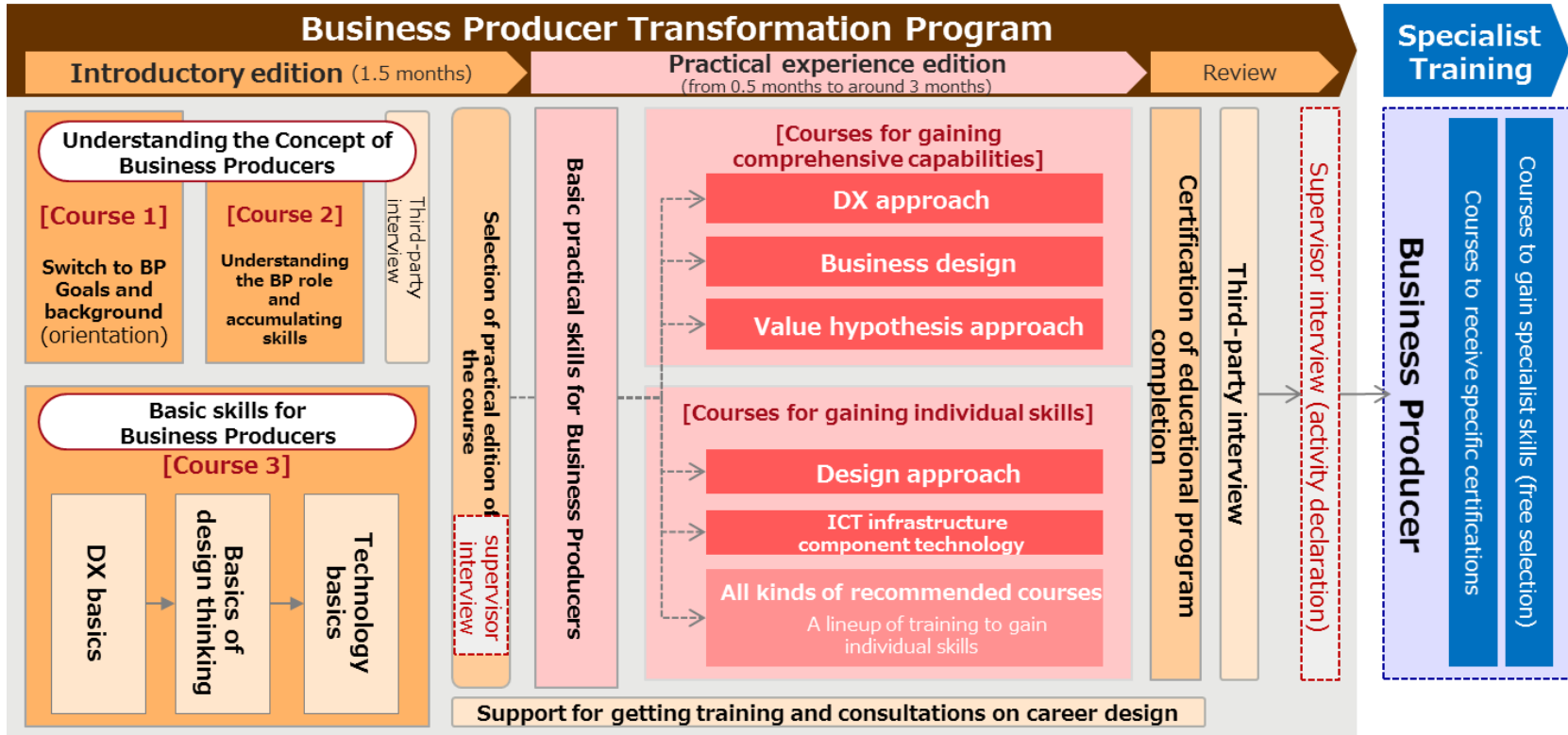
DX company
(ecosystem-driven, social issue-resolving company)



Business Producer Co-Creating Social Value

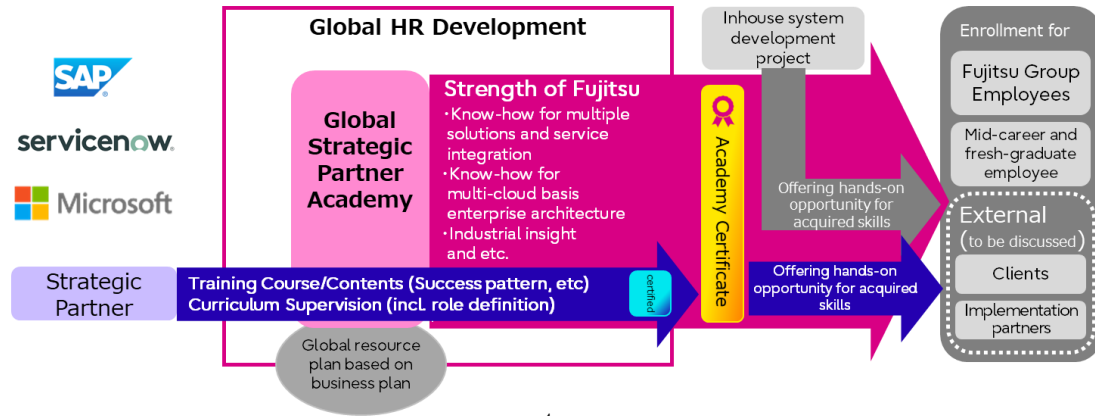
Program to Transform Talent into "Business Producers"

- Conducted for all 8,000 sales personnel in Japan



- Online-based global learning programs to resolve DX talent shortage and to acquire cutting-edge digital technologies and know-how
- Collaborating with strategic partners (ServiceNow, SAP, Microsoft) to provide internal and external opportunities to practice acquired skills, as well as training that centers on best practices from each company and adds content to reinforce Fujitsu's strengths

<Overview for Global Strategic Partner Academy>



As a part of global HR development,
accelerating strategic HR development/resource reinforcement
based on our global resource plan

- **Designation of a uniform global standard for top-notch engineers who are contributing to business, enabling Fujitsu to maintain exceptional engineering capabilities in technical areas that are important to its strategy for business growth.**
- **32 FDEs designated worldwide within Fujitsu.**
- **Accelerates global strategies in the areas of business, technology, and human resources, contributing to the development of employees, society, and the economy.**



While improving the retention and engagement of exceptionally talented engineers, it enables Fujitsu to retain its core talent and recruit talented outside engineers

Initiatives for Organizational Transformation





Career & Growth Well-being

Proactive learning and continued growth for employees to achieve their desired careers

- Global Job-postings, internal internships
- Platform for proactive learning: Udemy
- Career ownership support programs

Financial Well-being

Appropriate and fair compensation based on roles and contributions (including psychological compensation)

- Switch to Position-based HR management
- New Performance Management Process "Connect" to promote purpose-driven management



Well-being
Achieving the state we desire



Social Well-being

Building and maintaining good, trusted interpersonal relationships with colleagues, family members and friends

- Work Life Shift – Changing the ways we work, our offices, and management
- 1on1 meetings (coaching, feedback)

Health Well-being

Maintaining and promoting the mental and physical health of employees and their families

- Continually advancing management policies to promote health
- Ensuring the safety and health of employees



Work Life Shift



Smart Working

realizing optimal working styles

- Expansion of flextime without core time
- Equipment subsidies for working from home
- Elimination of job transfer without family, allow remote work for family circumstances
- Agreements with local governments aimed at regional revitalization
- Implementation of 'workations'



Borderless Office

reassessment of the ideal office environment

Renovating work environments in which employees can freely choose according to their business objectives

- Hub Office
- Satellite Office
- Shared Office



Culture Change

transforming corporate culture

- Implementing 1on1 meetings
- Company-wide communication tools
- Provided globally as a services
- Policies to support mental and physical health
- Coordinated with company-wide Fujitra activities

1on1 Theatre



Distributing a 4-panel comic strip depicting some of the difficulties of 1on1 meetings and presenting points that are easy to understand.

Launch of the KAKEAI 1on1 Tool

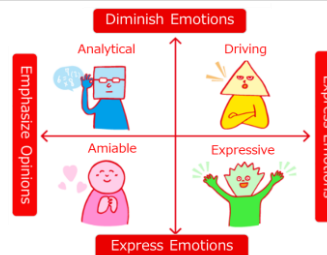
Tips for supervisors from managers around the world

Subordinate sets expectations in advance for the supervisor and the topics to be discussed



Because both the supervisor and subordinate can prepare prior to the meeting, they will be on the same page, and the time spent in the meeting will be more meaningful.

Fujitsu Management Discovery



Brings visibility to the management behavior of excellent managers and enables advice to be given based on the social styles of each individual

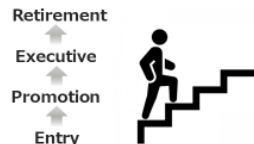
Career & Growth Well-being Career Ownership Program

What Career Ownership is

Instead of leaving it to the organization, it is the mindset and actions in which one thinks of one's own ways of living and working, taking the main role in shaping one's career

Up until now

The company basically gave opportunities for advancement, transfers, and training



A tendency to take a passive attitude toward one's career

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From now on

For a variety of work (including promotions, transfers, and training), one raises one's hand and takes on new challenges



One designs one's own career

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Variety of Initiatives to Support Employee Growth

	Career Ownership	Providing Learning Opportunities	Providing Opportunities for New Challenges	Supporting Self-directed Ways of Working
2020	1-on-1 meetings Communication to support growth	Fujitsu Learning EXperience Variety of learning options	Expansion of posting system Opportunities to take on the challenges of new work	Work Life Shift Options for ways of working
2021	Career café Opportunities to think about one's career	ex Practice A program for gaining the thinking required to be DX personnel	Job Challenge!! Opportunity to experience work outside of one's current unit	
	Management Transformation Management that draws out empathy of each employee and encourages employees to actively take on challenges	Reskilling, Upskilling Learning for keeping pace with business changes		

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Goals

What Fujitsu Aspires to Be

Be a responsible business that reflects the diversity of our world and build an inclusive culture where everyone can be completely themselves.

We will celebrate difference and ensure that people can succeed regardless of their personal identity, especially their gender, sexual orientation, gender identity, race, ethnicity, health, disability, and age.

Goals for FY2022

Cultivation of inclusive corporate culture.

1. Favorable answers to Diversity and Inclusion question of Engagement Survey
2. Increase the ratio of women in leadership levels

KPI

	FY2018	FY2022 Target
Non-Consolidated	59%	63%
Consolidated	66%	69%

	FY2018	FY2022 Target
Non-Consolidated	6%	9%
Consolidated	8%	10%

Overview of our Diversity and Inclusion Activities

- EQUITY-focused activities to equalize access to opportunities
Equity : getting necessary support based on specific need or positioning
- Awareness of D&I activities focusing on respect for diversity, building a sense of satisfaction, and changing awareness, not only for women and minorities, but also for the majority

Mindset Change



Unconscious Bias Training

Creates an organization in which individual can demonstrate his or her abilities by recognizing unconscious bias and thinking about it as his or her own business



Inclusive Leader Training

Skills development aimed at entrenching, sustaining and developing inclusive behavior



Utilizing Engagement Survey

Analyzes free comments and responses to items related to the state of being able to play an active role in their own way and uses them in actions

Positive Actions



Community Expansion

Creating a culture that supports diverse careers through an environment in which employees can consult with appropriate people when they have problems



Mentoring

Supporting high-potential talents with the support of mentors to think about their careers autonomously and encourage them to take on the challenge for higher positions



Career Support

Facilitating and accepting diverse growth opportunities through Job-Positing, Inhouse-internship program, enhanced public relations and D&I-aware interviewer training

Work Life Shift



Synergy on Work and Life

Utilizing flexible working styles and practicing working/side work, etc., to gain new insight, improve creativity, and build new relationships



100% male participation in childcare

Expanding options for male employees to participate in childcare, including allowing up to two months of paid leave of up to 100% before and after a spouse gives birth



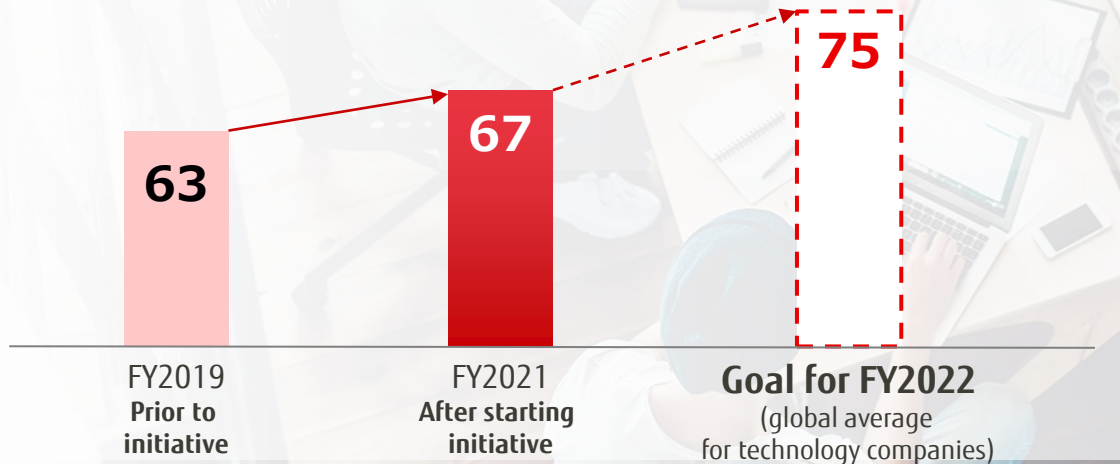
Expanding benefits to support Life

Improved engagement and performance through enhanced leave and benefit services to support pregnancy, childbirth, childcare, nursing care, etc.

Employee Engagement Set as Non-Financial Indicator (FY2020)

- For Fujitsu to deliver new value to society and customers as a DX company, we need to raise the level of engagement of each employee.
- As a target for FY2022, we have set, as one management target, raising employee engagement to the same level as other global companies (75)

Trend of Fujitsu's overall engagement score



Engagement
A condition in which an employee shares the company's vision and purpose, feels a bond with the organization, and approaches work with a high degree of enthusiasm

Thank you

