



# **INTEGRATED REPORT 2023**

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FUJI SOFT INCORPORATED



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### Editorial policy

The FUJI SOFT INTEGRATED REPORT 2023 has been issued to communicate the FUJI SOFT Group's approach to sustainability and share our initiatives with wide-ranging stakeholders to gain their understanding. The publication is designed to present various topics in line with the four components of our Basic Philosophy, namely, "Aiming to become a corporate group that (1) contributes to society, (2) provides satisfaction to customers, (3) initiates eco-friendly activities and (4) believes in a comfortable and rewarding environment," as well as our medium-term policy of "Aiming to become an innovative corporate group that links ICT development to greater value for customers."

The 2023 edition of this report discusses the progress of the medium-term management plan, the status of initiatives undertaken by the Corporate Value Improvement Committee and comments from outside directors with regard to their expectations for FUJI SOFT. Also included in this report is a special feature focused on human resource-related information to outline mechanisms supporting FUJI SOFT's growth.

### About the FUJI SOFT INTEGRATED REPORT 2023

<b>Date of issuance</b>	December 22, 2023
<b>Period covered</b>	This report covers business activities undertaken between January 1, 2022 to December 31, 2022, except for certain sections that may include information pertaining to subsequent dates.
<b>Scope of reporting</b>	FUJI SOFT INCORPORATED and some Group companies
<b>References</b>	ISO 26000, the GRI Standard, Environmental Reporting Guidelines compiled by the Ministry of the Environment, and the International Integrated Reporting Framework issued by The IFRS foundation
<b>Disclaimer</b>	Forward-looking statements included in this report are based on information currently available to FUJI SOFT management and thus deemed reasonable. Actual operating results could differ materially from these statements due to changes in market conditions, economic trends and other circumstances.

# About FUJI SOFT

## Company Overview (December 31, 2022)

Company name	FUJI SOFT INCORPORATED Stock listing: Prime Market, Tokyo Stock Exchange Stock code: 9749 URL: <a href="https://www.fsi.co.jp/">https://www.fsi.co.jp/</a>
Head Office	1-1 Sakuragi-cho, Naka-ku, Yokohama-shi, Kanagawa 231-8008, Japan Tel: +81-45-650-8811 (main), Fax: +81-45-650-8810
Established	May 15, 1970
Representative	Satoyasu Sakashita, President & Representative Director
Capital	¥26,200,280,000
Net sales	Non-consolidated: ¥192,271 million Consolidated: ¥278,783 million
Employees	Non-consolidated: 8,991 Consolidated: 17,082

## FUJI SOFT Group companies (as of December 31, 2022)

### Standard Market, Tokyo Stock Exchange

- CYBERNET SYSTEMS Co., Ltd.
- VINX Corporation
- CYBER COM Co., Ltd.
- FUJI SOFT SERVICE BUREAU INCORPORATED

- TOSHO COMPUTER SYSTEMS Co., Ltd.
- OA LABORATORY Co., Ltd.
- iDEA Consulting Inc.
- FUJI SOFT CHINA Corp.
- FUJI SOFT America, Inc.
- FUJI SOFT KIKAKU Inc.
- NIHON BUSINESS SOFT Inc.



## Top Message

# Pursuing Sustainable Growth and Medium- to Long-Term Improvement in Corporate Value while Strengthening Corporate Governance

President & Representative Director  
Satoyasu Sakashita

坂下 智保



In the information services industry, there is a persistent sense of uncertainty due to shortages of semiconductor and other parts, the disruption of supply chains, worldwide inflation and other factors. However, business sentiment has become ever more favorable toward the promotion of digital transformation (DX) aimed at innovating business models and other measures that look to digital technologies to achieve operational and business reforms. This sentiment has been buoyed by the widespread adoption under the influence of the COVID-19 pandemic of new lifestyle norms along with governmental support of said adoption. In addition, on the back of labor shortages, demand associated with system-related strategic investment is on a growth track as businesses pursue higher productivity, greater operational efficiency and otherwise promote automation.

Under these circumstances, in the fiscal year ended March 31, 2023, the Group introduced a three-year medium-term management plan (2022-2024). Under the plan, the Group identified a management policy of “leveraging digital technologies to lead the way in DX in aspects of both IT and OT and thereby support the efforts of customers and society at large to effect improvements in value and innovation.” In line with this policy, we are pursuing sustainable corporate growth as well as improvement in the added value of our services.

Furthermore, in order to strengthen our human resources, the FUJI SOFT Group's most important asset, we maintain a constant

focus on proactive hiring and invest in employee education. Moreover, we promote the ongoing enhancement of our technologies to secure our ability to deliver services with even higher added value. Specifically, we are striving to enhance our capabilities in AIS-CRM (AI, IoT, Security, Cloud, Robot, Mobile, and AutoMotive) areas while strengthening our functions in upstream fields, for example, IT consulting and service design. In addition, we are pushing ahead with technological research in new fields, including 5G communication systems, the metaverse, NFTs, and Web 3.0. We are also focused on promoting the DX of our own operations to strengthen our business foundations. Starting with operational reforms, we are thus applying DX to further corporate reforms, enhance business competitiveness and achieve other positive outcomes. Through the activities named above, we have amassed technologies, know-how and human resources that enable us to better assist customers in their DX efforts. In recognition of these initiatives, we were certified by the Ministry of Economy, Trade and Industry (METI) as a DX Business Operator in July 2022 under a METI-sponsored program aimed at commending leading digital companies in terms of DX.

In line with its Basic Philosophy, the FUJI SOFT Group aims to (1) contribute to society, (2) provide satisfaction to customers, (3) initiate eco-friendly activities and (4) promote a comfortable and



## Sustainability Activity Policy

### Basic Philosophy

- Aiming to become a corporate group that contributes to society
- Provides satisfaction to customers
- Initiates eco-friendly activities
- And believes in a comfortable and rewarding environment

### Medium-term Policy

- Aiming to become an innovative corporate group that links ICT development to greater value for customers

The above Basic Philosophy and Medium-term Policy together constitute the FUJI SOFT Group's Sustainability Activity Policy.

rewarding environment. Working in collaboration with stakeholders across society, we are striving to contribute to the sustainability of the Earth's environment and the sound development of society through business activities as well as social contribution activities undertaken on diverse fronts.

As part of initiatives aimed at fulfilling our corporate social responsibility (CSR), FUJI SOFT KIKAKU Inc., a special-purpose subsidiary, is striving to realize a sustainable society that embraces diversity and inclusivity in line with "Leave no one behind," one of the guiding principles of the United Nations Sustainable Development Goals (SDGs). To this end, this subsidiary is continuously engaged in activities to support people with disabilities who seek to be employed so that they can achieve economic independence while serving as active workforce members in ever-broader fields. At the same time, FUJI SOFT KIKAKU leverages its ICT (Information and communication technology) expertise to implement innovative agricultural methods in the cultivation of shiitake mushrooms.

Meanwhile, in 2022 we hosted the All Japan Robot-Sumo Tournament for the first time in three years. After a hiatus during the COVID-19 pandemic for safety reasons, we were able to hold the 2022 round of this tournament and continue to strive to provide a place for future engineers to exercise their creativity through robot sumo with the goal of sparking an even stronger drive to pursue

research. In these ways, we play our part in gaining wider recognition among the general public of the excitement of manufacturing while advancing robot technologies.

In the course of pursuing sustainable corporate growth and improvement in corporate value, FUJI SOFT has retained its focus on the vital mission of contributing to society through a range of corporate activities. Our Basic Philosophy encompasses environmental, social and governance (ESG) issues and underpins our commitment to fulfilling our social responsibilities even as we aim for further business development. Over the course of its history, FUJI SOFT has also nurtured distinctive strengths in the development of embedded and control software as well as operation software and the provision of products and services. Having celebrated the 53rd anniversary of its founding, the Company now boasts solid standing in these three fields, which are expected to become increasingly integral to and inextricably linked with social development. In addition to focusing on these fields, FUJI SOFT is poised to enhance our capabilities related to AIS-CRM—key areas of technology for us—while ceaselessly advancing our expertise in cutting-edge technologies, such as 5G communication systems. Simultaneously, we will proactively promote overseas expansion. By doing so, we will achieve ongoing business growth, improve our corporate value and contribute to the sound development of society.

Initiatives to improve corporate value

Medium-term management plan

Guided by its Basic Philosophy, FUJI SOFT is poised to leverage management resources amassed over the course of a history spanning more than 50 years. Specifically, in accordance with a new three-year medium-term management plan, the Company has launched initiatives to further improve its corporate value.

While operating results for the fiscal year ended December 31, 2022 included business growth in excess of the forecast, we anticipate that the business environment for the fiscal year ending December 31, 2023 will remain favorable. Therefore, we foresee achieving the three-year numerical targets set to be met by the end of 2024 a year ahead of schedule.

Management policy

Basic Philosophy

Aiming to become a corporate group that contributes to society  
 Provides satisfaction to customers  
 Initiates eco-friendly activities  
 And believes in a comfortable and rewarding environment

An aggressive management approach upheld since the founding of FUJI SOFT

Take on challenges in new business fields, demonstrate creativity, achieve growth, and realize innovation

Medium-term policy

Aiming to become an innovative corporate group that links ICT development to greater value for customers

Medium-term management plan (2022-2024)

Three-year management policy

Leveraging digital technologies to lead the way in DX in aspects of both IT and OT\*1 and thereby supporting the efforts of customers and society at large to effect improvements in value and innovation

Business strategy

Improve value delivered to customers by strengthening existing businesses and further enhancing "AIS-CRM,"\*\*2 our collective term for our priority fields

- Strengthen our capabilities to deliver a diverse range of DX-related solutions, from those designed to support operational reforms and strengthen existing businesses to those designed to help enhance value delivered to society and customers
- Apply cutting-edge technologies, such as those associated with 5G, to development
- Secure upstream projects via the enhancement of a service design approach and IT consulting functions

Technology and human resource strategy

Proactively recruit and nurture human resources by focusing on enhancing "SI capability," "cutting-edge software capability," and "product-provision capability"

Three-year targets

	Results for 2021/12	Results for 2022/12	Targets for 2024/12
Net sales	¥257.9 billion	¥278.8 billion	¥300.0 billion
Operating income	¥16.8 billion	¥18.2 billion	¥20.0 billion
Operating income ratio	6.5%	6.6%	6.7% or more
ROIC	7.4%	8.1%	8.0% or more
ROE	7.5%	8.1%	9.0% or more
EBITDA margin	8.6%	8.0%	9.0% or more
Payout ratio	17.8%	35.0%	35.0% or more

\*1 Operational technology: A collective term for technologies supporting the optimal control and operation of products, facilities and systems

\*\*2 AIS-CRM (pronounced "Ice Cream") stands for "AI, IoT, Security, Cloud, Robot, Mobile, and AutoMotive" and represents the Company's fields of focus and strength.

## Initiatives to improve corporate value

Since the announcement of the medium-term management plan, we have engaged in constructive dialogue with a number of shareholders. Based on their opinions and suggestions, we launched the Corporate Value Improvement Committee in June 2022 to enhance the value to be delivered to our stakeholders.

### How we are promoting the current medium-term management plan

Leveraging digital technologies to lead the way in DX in aspects of both IT and OT\* and thereby support the efforts of customers and society at large to effect improvements in value and innovation

We will realize stable operating results, secure sustainable growth, and deliver greater added value through tireless self-innovation aligned with radically evolving circumstances of the present moment.

\* Operational technology: A collective term for technologies supporting the optimal control and operation of products, facilities, and systems

#### Sustainable corporate growth and improvement in added value

Deliver greater value to customers while assisting them in DX efforts

Take full advantage of DX technologies to strengthen existing businesses and establish novel business schemes

Ongoing technological innovation

Further advance AIS-CRM while proactively entering new fields

Push ahead with operational reforms and digital transformation (DX)

Pursue DX-driven operational reforms  
Roll out our accumulated know-how regarding DX to customers

Human resource development

Nurture individuals with the fundamental capabilities needed to adapt to diverse technological and business changes as well as the robust creativity needed to handle complex circumstances

Implement and enhance corporate governance measures

Secure conformity with the governance-related requirements of our Prime Market listing while constantly enhancing corporate governance

Issues of importance for the Company under the three-year management plan

#### Promote reforms through the Corporate Value Improvement Committee

- Develop an even better governance structure in terms of objectivity and effectiveness
- Improve capital efficiency and value delivered to customers through the review of our asset holding composition and capital allocation
- Engage in robust shareholder communications through the more transparent disclosure of information and proactive dialogues

Improve corporate value through the reverification of business policies, in-house resource allocations, governance, and stakeholder dialogue

### Basic management approach

- What guides our business operations is our Basic Philosophy, “Aiming to become a corporate group that contributes to society, provides satisfaction to customers, initiates eco-friendly activities, and believes in a comfortable and rewarding environment.” Based on this philosophy, we strive to achieve our Medium-term Policy of “Aiming to become an innovative corporate group that links ICT development to greater value for customers.” To this end, as stipulated in the medium-term management plan, we will continue to take the aggressive management approach the Company has embraced since its founding. We will also remain firmly focused on pursuing “Challenge & Creation,” our corporate credo, seeking to turn changes as golden opportunities.
- Also, we will robustly engage with the capital market even as we strengthen our businesses, upgrade corporate governance systems, and step up measures to improve capital efficiency with the aim of maximizing our corporate value.

### Direction of discussions undertaken by the Corporate Value Improvement Committee

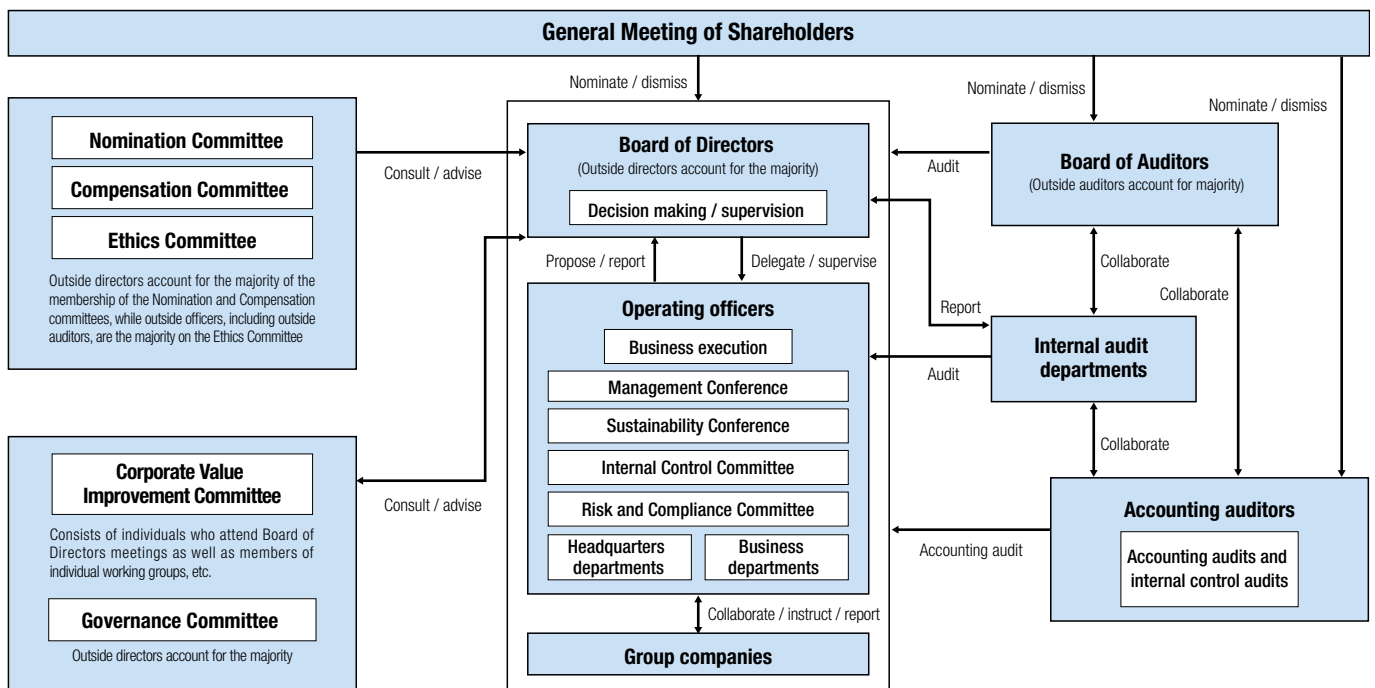
We will prioritize our core businesses in the ICT field in terms of the allocation of resources and capital while constantly striving to incorporate advanced technologies and nurture human resources. By doing so, we will establish a resilient and efficient business structure capable of creating added value. In these ways, we will contribute to the development of customers and society as a whole so that we can maximize our corporate value in a way that enables us to live up to expectations of our shareholders.

Initiatives to improve corporate value

Strengthening Our Corporate Governance Structure

- ▶ Following the regular General Meeting of Shareholders held in March 2023, functions previously afforded by the non-mandatory Management Committee were divided among three newly created committees. Outside directors have been appointed as the chairs of these committees, the majority of whose membership comprises outside officers (including outside auditors) in order to secure objectivity and transparency.
- ▶ In addition, the Governance Committee was newly instituted to hold ongoing in-depth discussions addressing governance-related issues.

Corporate Governance Structure



Composition of each committee

- ▶ As of March 2023, the structure of discussion bodies in place at the Company, along with the membership of each committee, is as stipulated below.
- ▶ With outside directors or outside auditors accounting for the majority of their membership, each committee engages in the ongoing verification of the agenda items assigned (blue font: outside directors and outside auditors)

Nomination Committee		Compensation Committee		Ethics Committee	
Chair	Takao Tsuji	Chair	Hikari Imai	Chair	Minoru Koyama
Members	Satoyasu Sakashita Tateki Ooishi Shintaro Ishimaru	Members	Satoyasu Sakashita Tomoko Aramaki Yuya Shimizu	Members	Tadashi Tsutsui Hiroyuki Kimura Hidetaka Nishina Yukako Oshimi

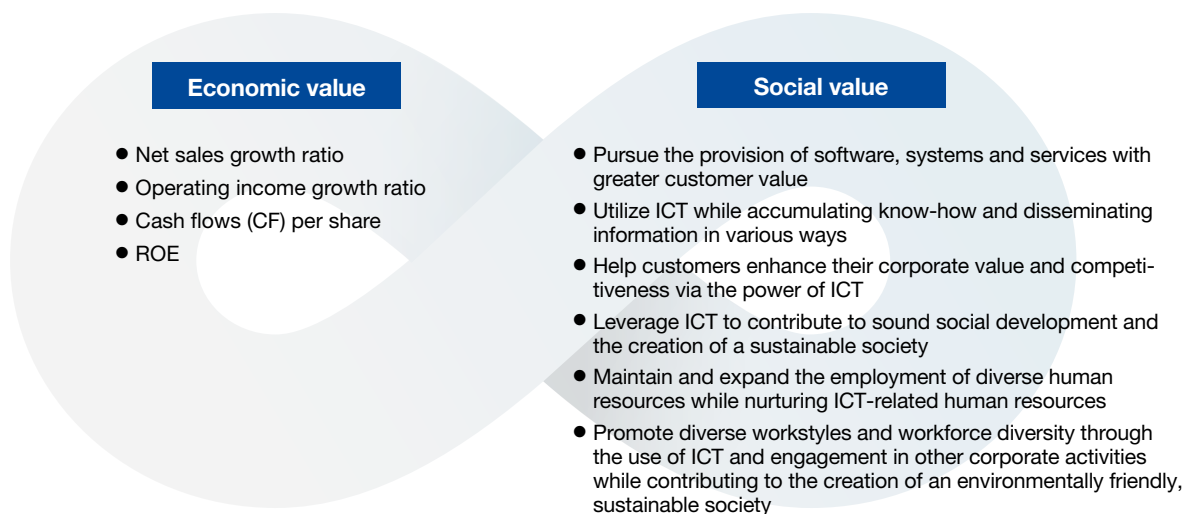
Governance Committee		Corporate Value Improvement Committee			
Chair	Hidetaka Nishina	Chair	Satoyasu Sakashita		
Members	Satoyasu Sakashita Tateyuki Oosako Tadashi Tsutsui Takao Tsuji Hikari Imai Minoru Koyama	Members	Tateyuki Oosako Masashi Umetsu Minoru Koyama Hidetaka Nishina Yuya Shimizu Yukako Oshimi	Tadashi Tsutsui Osamu Mita Tateki Ooishi Takao Tsuji Shintaro Ishimaru Hiroshi Hirano	Mari Morimoto Satoshi Yagi Tomoko Aramaki Hikari Imai Hiroyuki Kimura



## Management and Financial Strategy

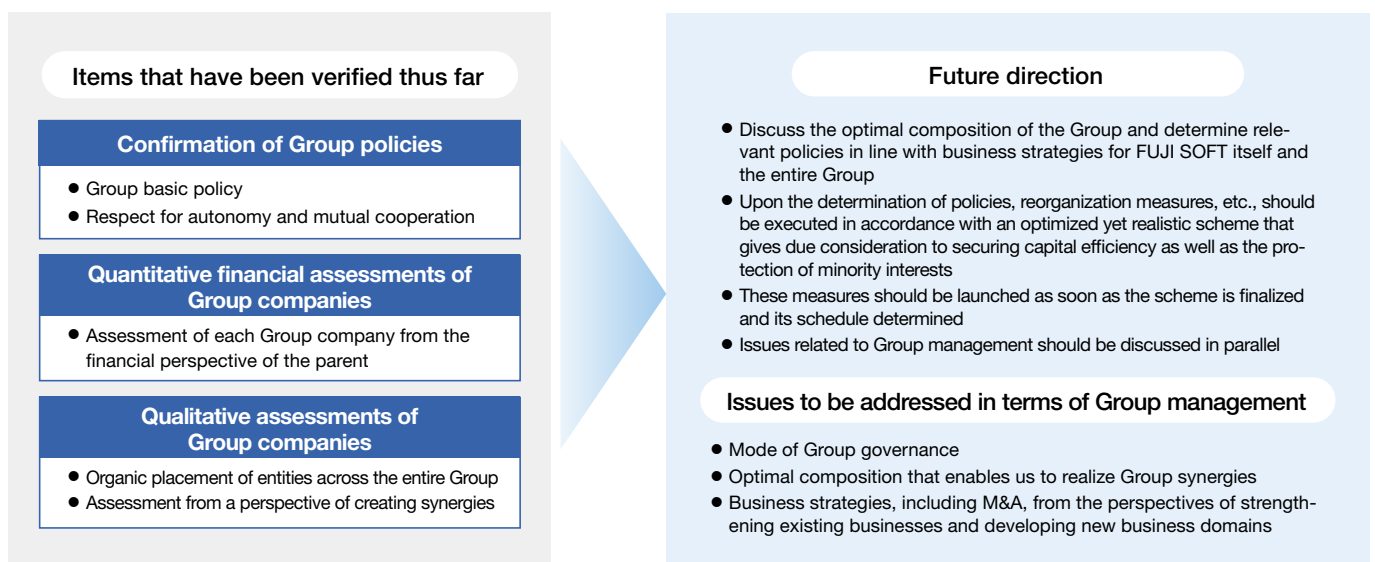
- ▶ It was confirmed that the Board of Directors, which has just refreshed its composition, needed to establish a shared definition of corporate value among its members and collectively formulate a clear future vision prior to identifying and addressing individual management issues.
- ▶ Therefore, it was determined that “economic value,” which is represented by various quantitative indicators, and “social value,” which is a measure of our contribution to society and stakeholders, must be defined to provide key drivers of our efforts to improve the Company’s corporate value. Upon establishing these definitions, the Board will discuss specific targets and measures to improve corporate value.

### Definition of the Company’s corporate value



## Corporate group verification

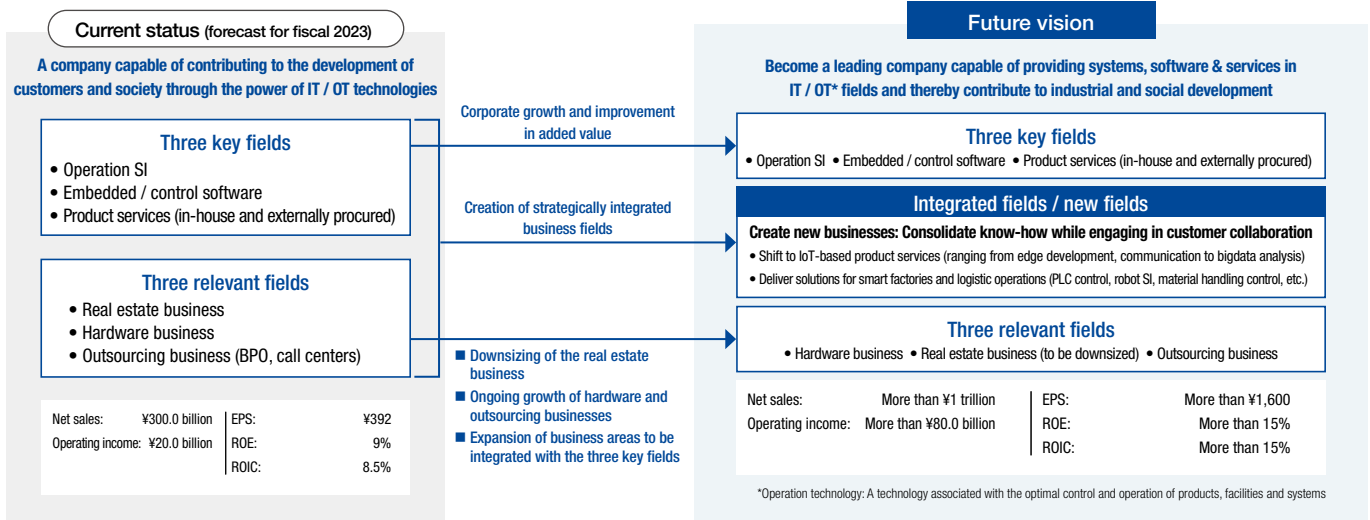
- ▶ Reverify conventional basic policies for the FUJI SOFT Group and its management policies
- ▶ Conduct financial and qualitative assessments of each Group company based on consolidated numerical performance
- ▶ Discuss issues relative to the vision for the corporate group in light of business strategies to be executed going forward and formulate Group policies and strategies toward the realization of this future vision



Initiatives to improve corporate value

Business verification

- ▶ Our future vision: A leading company capable of providing systems, software & services in IT / OT fields and thereby contributing to industrial and social development
- ▶ To realize our future vision, expand our core businesses (three key fields) and improve their profitability on a continuous basis
- ▶ To deliver higher added value, pursue strategic discussions to identify specific measures that integrate the Company's core businesses (three key fields) to facilitate new business field development



Current status of the Company's profit structure and the direction of its initiatives to improve profitability

- While maintaining an aggressive management approach, discussions are now under way to establish a business structure capable of securing high profitability. Specific management plans for fiscal 2023 and later are expected to be disclosed in conjunction with the year-end announcement of financial results.
- FUJI SOFT, the core company of the Group, has set operating income per employee as the most important KPI for measuring its non-consolidated performance. The Company has also identified a target of achieving operating income per employee of ¥3,000,000 or more in five years (¥1,280,000 in fiscal 2022) and is promoting discussions regarding and the execution of various measures to this end.
- While each Group company individually considers measures to improve corporate value, FUJI SOFT carries out its own initiatives on a non-consolidated basis in addition to pursuing synergies
- Sub-working groups were formed to address individual issues associated with new business strategies and product strategies, etc., and are currently engaged in discussions

Composition of consolidated numerical results (fiscal 2022)

(Billions of yen)

	Net sales	Operating income	Profit attributable to owners of the parent	ROE
FUJI SOFT (non-consolidated basis)	192.3	11.5	98	8.5%
Four listed Group companies	80.1	6.6	43	11.7% (Consolidated)
Other	6.4	0.2	1	—
Total	278.8	18.3	13.4	8.8%

- Four listed Group companies (Cybernet Systems, VINX, CYBER COM, FUJI SOFT SERVICE BUREAU) are currently considering measures to improve profitability in line with strategies formulated by each
- In addition, discussions are now under way to further strengthen synergies within the FUJI SOFT Group

Composition of FUJI SOFT's non-consolidated profit earned and measures to improve it

(Billions of yen)

	Net sales	SG&A expenses	Operating income	Operating income ratio	Measures to make improvements
Commissioned development	131.1	22.4	9.0	6.8%	<ul style="list-style-type: none"> <li>• Executing ongoing investment in human resources, allocating approximately ¥3.0 billion per year as part of overall growth investment</li> <li>• Secure a driving force for the improvement of overall profitability of the Group by achieving higher operating income per employee through the Company's core businesses</li> </ul>
Products developed in-house	2.7	0.6	0.3	10.4%	<ul style="list-style-type: none"> <li>• Aim for an operating income ratio of 20% or more (excluding new investment)</li> </ul>
Externally procured products	48.9	2.6	1.2	2.4%	<ul style="list-style-type: none"> <li>• Although the profit margin seems to be low, we will strive to expand this business to a certain degree, employing it as a tool for creating contact points with new customers</li> <li>• Furthermore, as this business requires no major capital investment, we will take its ROIC into account in the course of assessing its business profitability</li> </ul>
Data centers	6.1	1.0	0.2	3.4%	<ul style="list-style-type: none"> <li>• Rather than pursuing mere expansion in size, we will focus on improving the efficiency of existing projects and contributing to the enhancement of added value via collaboration with other businesses</li> </ul>
Facilities	3.2	0.6	0.8	26.0%	<ul style="list-style-type: none"> <li>• Operating income from the real estate business is expected to be reduced to zero due to downsizing</li> </ul>
Total	192.2	27.5	11.5	6.0%	<ul style="list-style-type: none"> <li>• Curbing the ratio of selling, general and administrative (SG&amp;A) expenses through the promotion of operational reforms, the development of next-generation systems, etc.</li> </ul>

- Curbing the ratio of selling, general and administrative (SG&A) expenses through the promotion of operational reforms, the development of next-generation systems, etc.

Direction the Company aims to take in terms of numerical performance over the medium term (five years or less)

- Operating income per employee of ¥3,000,000 or more (non-consolidated basis) (fiscal 2022: ¥1,280,000)
- Realize growth in operating income that outpaces growth in net sales  
 Through the combination of the measures listed above, we will assiduously promote the improvement of ROE, ROIC and CF per share by taking an approach focused on enhancing business profitability

## Management and financial strategy

### Pursuing high operating income per employee

- We announced our future vision via the “Explanatory Material on the 2022 Activity FY2022 of the Corporate Value Committee” disclosed on February 14, 2023. The committee is currently formulating a new management plan that is set to be disclosed in conjunction with the year-end announcement of financial results.
- As part of the above committee, the Business Verification Working Group (WG) has identified operating income per employee as the most important KPI, with the aim of improving ROE, ROIC and CF per share.
- We have identified operating income per share as a KPI because we believe that human resources constitute a source of corporate value for the Company. Therefore, an indicator for measuring the added value created by human resources is the most appropriate KPI for measuring the degree of improvement in corporate value.

### Monitoring operating income per share

- Implement monitoring at monthly meetings of the Corporate Value Improvement Committee as necessary

### Recognition of issues pertaining to the improvement of operating income per employee

- We recognize that the Company’s operating income per employee is lower than that of its competitors.
- This situation is largely attributable to inherent issues in the Company’s business model that inhibit the full conversion of improvements in our system development capability afforded by enhanced human resource capabilities into economic value.
- With this in mind, we have determined the direction our efforts need to take to improve operating income per employee. Specifically, we deem it important to upgrade our business models by, for example, strengthening cross businesses and expanding commissioned development handling a comprehensive range of development tasks.
- At the same time, we need to step up conventional initiatives to improve the value delivered to customers, strengthen partnership policies, raise productivity and optimize SG&A expenses.

#### Composition of consolidated numerical results

	Net sales	Operating income	Profit attributable to owners of the parent
<b>FUJI SOFT (non-consolidated basis)</b> <b>Four listed Group companies</b>	106.0	6.8	5.4
Other	3.8	-0.3	-0.6
<b>Total</b>	<b>151.6</b>	<b>9.9</b>	<b>6.2</b>

#### Composition of FUJI SOFT’s non-consolidated profit and measures to improve it

	Net sales	SG&A expenses	Operating income	Operating income ratio	Measures to make improvements in fiscal 2023
Commissioned development	70.8	12.5	5.1	7.2%	• Effect of ongoing measures to improve added value
Products developed in-house	1.4	0.3	0.2	16.4%	• Improvement in profit in the post-COVID-19 era
Externally procured products	28.8	1.2	0.9	3.2%	
Data centers	3.1	0.5	0.0	—	• Deterioration in profit due to growing cost factors, such as surging electricity rates (plans call for making improvements going forward)
Facilities	1.7	0.3	0.5	28.2%	
<b>Total</b>	<b>106.0</b>	<b>15.0</b>	<b>6.7</b>	<b>6.3%</b>	

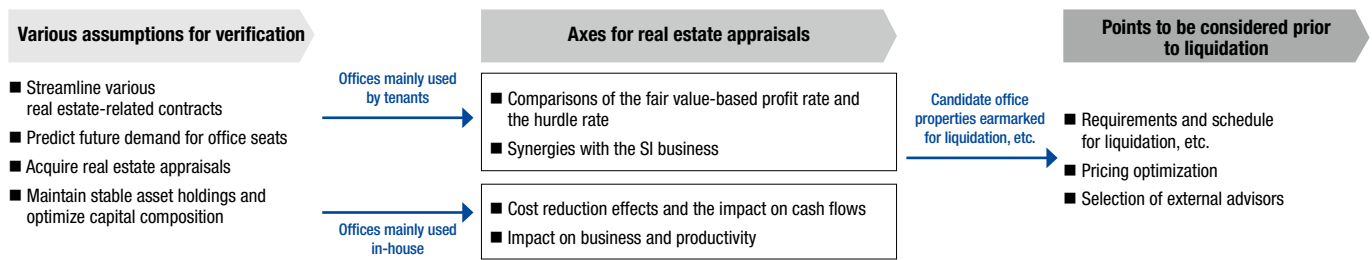
## Details of measures to improve the profitability of existing businesses

Most important KPI	KPI Components	Examples of measures promoted by the Business Verification WG to improve and optimize KPIs	
		Item	Detail
Operating income per employee	Gross profit	Improve value delivered to customers	<ul style="list-style-type: none"> <li>• <b>Develop customer relationships and strengthen cross businesses:</b> In addition to developing ever stronger relationships with customers, we will rally all FUJI SOFT Group members to deliver high-value-added services to customers. To this end, we will work to establish a structure and corporate culture that can accommodate customer requests via the use of a cross-sectional approach (e.g., cross businesses).</li> <li>• <b>Strengthen technological capabilities:</b> We will undertake R&amp;D-related investment, etc., to raise our capabilities in such cutting-edge fields such as DX/AIS-CRM/SD (5)G2 in order to improve value to be delivered to customers while developing innovative IT solutions and services.</li> <li>• <b>Provide one-stop services:</b> While continuing to strive to improve the added value of our services through the combined provision of embedded and control software, communications technologies, operation systems, etc., we will develop a structure capable of providing one-stop solutions ranging from those applied to upstream processes, system operations and maintenance to infrastructure.</li> <li>• <b>Strengthen foundational business platforms:</b> We will review the division of roles with customers and other factors associated with how we promote our projects in order to improve delivered value relative to price per manpower man-month in addition to shifting to outcome-based business models.</li> <li>• <b>Expand commissioned development handling a comprehensive range of development tasks:</b> We will secure a growing number of commissioned development projects that allow the Company to take the initiative in order to improve value delivered to customers. Simultaneously, we will raise the ratio of tasks to be entrusted to partner companies while striving to make it easier to flexibly optimize allocations of in-house resources.</li> </ul>
		Strengthen partnership policies	<ul style="list-style-type: none"> <li>• We will review transactional relationships with customers while increasing the sophistication of partnership policies. By doing so, we will raise the ratio of tasks to be entrusted to partner companies even as we secure human resources, improve productivity and promote other endeavors.</li> </ul>
		Improve productivity	<ul style="list-style-type: none"> <li>• Develop customer relationships that facilitate the improvement of productivity</li> <li>• Further strengthen measures to prevent occurrence of troubles</li> <li>• We will facilitate technological innovation via, for example, research into generative AI, test automation, enhanced development environments and tools, product-based development and cloud-based development methods.</li> </ul>
	SG&A expenses	Optimize selling expenses	<ul style="list-style-type: none"> <li>• We will identify indicators for use in the visualization of outcomes of sales activities and thereby review our sales processes while promoting the streamlining and updating of our approach to these activities via the monitoring of each indicator and the operation of a PDCA cycle.</li> </ul>
		Optimize administrative expenses	<ul style="list-style-type: none"> <li>• We will promote operational reforms aimed at visualizing and optimizing operational processes (strengthen ongoing activities undertaken since 2019).</li> <li>• Starting with operational reforms, we will renovate our backbone systems, utilize no-code or low-code development tools, leverage generative AI and otherwise strive to implement state-of-the-art systems and DX measures. In these ways, we will achieve highly efficient and optimized development operations.</li> </ul>

Initiatives to improve corporate value

Verification of the Real Estate Business

- ▶ Based on results of quantitative assessments of office properties mainly for use by tenants, we have decided to downsize the real estate business.
- ▶ We will promote discussions to crystallize measures aimed at establishing schemes for securing the liquidity of and verifying pricing for office properties in the Tokyo metropolitan area, by, for example, newly appointing external advisors equipped with specialist expertise. These discussions will take into account our business policies, employees' working styles and the consolidation of our bases into the Shiodome Office and resulting improvement in office efficiency.



- The liquidation process is currently under way in line with the direction disclosed in February 2023. Except for some small properties for which appraisals are not yet obtained, the fair value-based profit rate largely falls short of the hurdle rate. Accordingly, our overall policy is to downsize our property portfolio.
- Based on this policy, we have determined the priorities of each property regarding liquidation in line with a four-grade categorization system ranging from A to D. This categorization takes into account such factors as policies for office consolidation and restrictions applied to each property.
- We began with the aim of liquidating at least one property in the A category by the end of 2023. The liquidation process now under way for all the remaining properties in this category is scheduled for completion to coincide with the fiscal 2023 year-end announcement of financial results. We will also promote discussions regarding the liquidation in parallel of properties in the B category, with the aim of executing their liquidation within one year (by August 2024).

Priorities regarding liquidation

Liquidation category	Number of properties earmarked for liquidation	Main properties	Total book value (millions of yen)	Notes
A category	8 properties	Ryogoku	2,573	
		Fukuoka	1,417	
		Osaka	1,271	
B category	9 properties	Akihabara	29,128	These are larger properties among the Company's property holdings that have special conditions, such as being associated with unique facilities used by FUJI SOFT or the Group's relationships with tenants. Therefore, the process of liquidation for these properties is expected to require a certain period of time.
		Kinshicho	4,626	
		Omiya	1,331	
C category	5 properties	Shin Nagoya	9,935	These properties are fully utilized for such business purposes as offices or data centers. Accordingly, schemes for and the timing of liquidation, along with the necessity for relocations, must be carefully considered.
		Sakuragicho	9,060	
D category	1 property	Shiodome	30,811	Transfer is not allowed for a certain period of time due to terms and conditions pertaining to land acquisition.

Priorities regarding liquidation

- A category: Liquidation can be achieved without any obstacles, while the financial impact is likely to be minor. Thus, these properties can be liquidated at the fastest pace.
- B category: Properties whose treatment is premised on liquidation in the near future and for which the completion of the liquidation process is expected to require a certain period of time due to the need to make arrangements, etc.
- C category: Properties that require careful consideration with regard to schemes for and the timing of liquidation, along with the necessity for relocations.
- D category: Transfer is not allowed for a certain period of time due to terms and conditions pertaining to land acquisition. Therefore, these properties are not subject to liquidation for the time being.



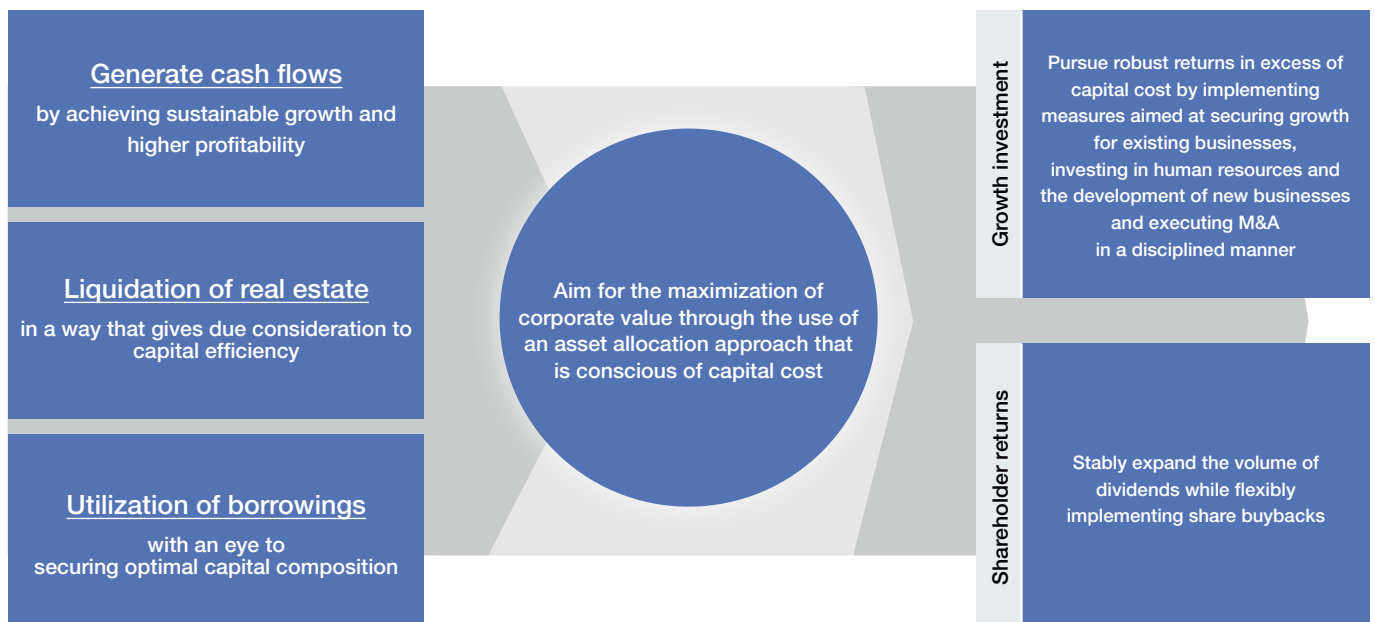
## Schedule overview

- ▶ A general schedule for the divestment (liquidation) of a large property is as presented below. The Company is now proceeding with liquidations in line with such a schedule.
- ▶ With utmost priority allocated to properties in A category, we aim to complete the liquidation process in a four-to six- month period at minimum by omitting some steps. Meanwhile, we are striving to finish the process for liquidating B category properties, to this end engaging in in-house discussions, within a time frame of no more than one year.

The completion of divestment (liquidation) is expected to require a maximum of one year

	Three months	Three months	Three months	Three months	Three months	
	Preparation	Tapping	Signing of a confidential agreement (CA)	Detailed examinations by a buyer / property tours /Q&A	Granting preferred negotiation rights / negotiation regarding real estate sales and purchase contracts	Signing of a sales contract / settlement
External advisors / brokerage firms	<ul style="list-style-type: none"> <li>Simplified valuation</li> <li>Discussions regarding divestment schemes</li> </ul>	<ul style="list-style-type: none"> <li>Formulation of a long list</li> <li>Surveys on the buyer's intention regarding property acquisition</li> </ul>	<ul style="list-style-type: none"> <li>Obtaining a CA from a corporation intending to acquire the property</li> </ul>	<ul style="list-style-type: none"> <li>Discussions regarding methods for selecting buyer candidates</li> <li>Assisting the buyer/seller discussion process</li> </ul>	<ul style="list-style-type: none"> <li>Receipt of a Letter of Intention (LOI) from the buyer</li> </ul>	<ul style="list-style-type: none"> <li>Detailed surveys of conditions</li> <li>Preparation of explanatory documents for important matters</li> </ul>
Seller (FUJI SOFT)	<ul style="list-style-type: none"> <li>Discussions regarding divestment schemes</li> <li>Preparation of initial disclosure materials</li> </ul>	<ul style="list-style-type: none"> <li>Confirmation of the long list</li> </ul>	<ul style="list-style-type: none"> <li>Signing of the CA</li> </ul>	<ul style="list-style-type: none"> <li>Response to questions from the buyer</li> <li>Disclosure of detailed documents</li> </ul>	<ul style="list-style-type: none"> <li>Selection of the preferred negotiation rights holder</li> <li>Response to additional due diligence (DD)</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of explanatory documents for important matters</li> <li>Signing of a real estate transfer agreement</li> </ul>
Buyer	—	<ul style="list-style-type: none"> <li>Initial discussions</li> </ul>		<ul style="list-style-type: none"> <li>Detailed discussions and Q&amp;A sessions based on disclosed materials</li> <li>Calculation of bidding price</li> </ul>	<ul style="list-style-type: none"> <li>Submission of the LOI</li> <li>Implementation of additional DD</li> </ul>	

## Capital allocation policy



Financial highlights

Financial Information, Data and Analysis

Financial highlights of the FUJI SOFT Group

In 2022, the Japanese economy was affected by interest rate hikes aimed at countering inflation as well as yen depreciation, resource and energy cost surges and resulting rises in the price of goods. However, signs of modest economic recovery began to emerge, reflecting such factors as the invigorating effect of an uptick in economic activities as restrictions previously in place to prevent the spread of the COVID-19 pandemic were relaxed. Although the outlook for the external environment remained unclear, demand for system-related investment continued on a constant growth track attributable to the entrenchment of new workstyle norms in step with ongoing reforms and the growing trend toward promoting digital transformation (DX) to counter labor shortages through productivity improvement and operational streamlining or to achieve business model reforms.

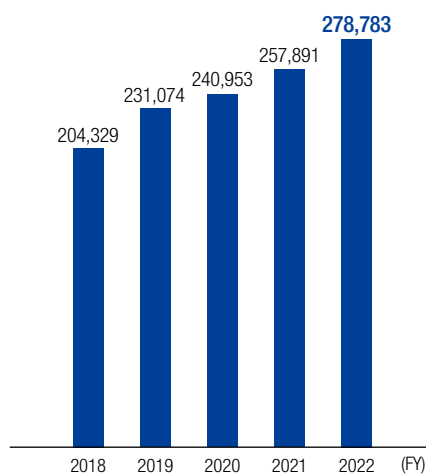
Due to the above described strong demand factors, the FUJI SOFT Group's full-year operating results for fiscal 2022 were robust. Specifically, net sales stood at ¥278,783 million, up 8.1% from the previous fiscal year. Thus, the Group achieved growth in net sales for the

11th consecutive year since fiscal 2011, when sales were down from the prior year due to the impact of global recession triggered by the Lehman Brothers bankruptcy. In addition, operating income increased in step with sales growth. Going forward, we will practice an even more precise approach to project management while stepping up customer proposals focused on delivering high-value-added services. In these ways, we will endeavor to further improve profitability.

In June 2022, the FUJI SOFT Group also established the Corporate Value Improvement Committee, a body tasked with spearheading efforts to improve the value to be delivered to all stakeholders (see page 7). This committee has been engaged in the reverification of business policies, the allocation of in-house resources, Group management, corporate governance and other matters as well as discussions aimed at determining relevant initiatives to be undertaken going forward. We will continue striving to further enhance the corporate value of the FUJI SOFT Group.

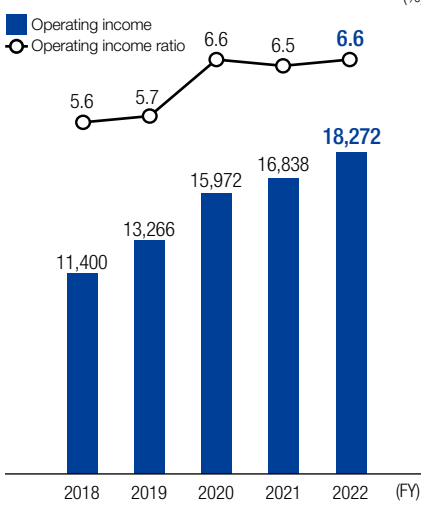
Net sales

(Millions of yen)



Operating income / Operating income ratio

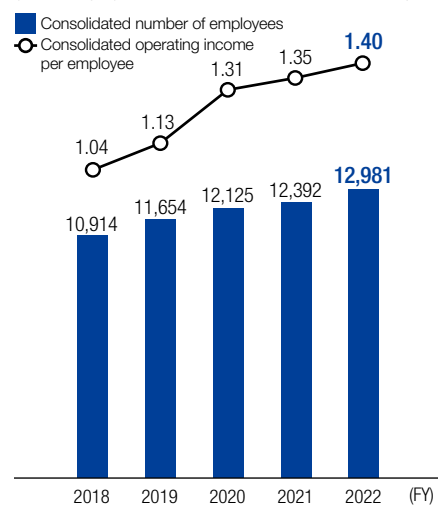
(Millions of yen)



Operating income per employee

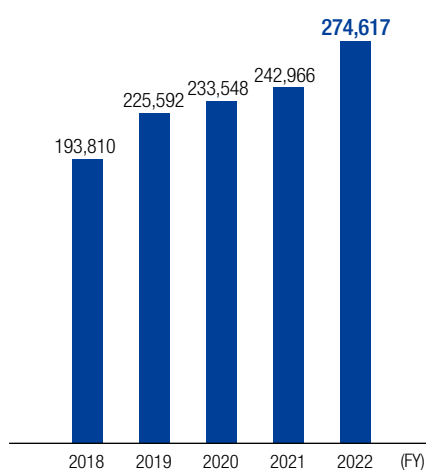
(Millions of yen)

(People)



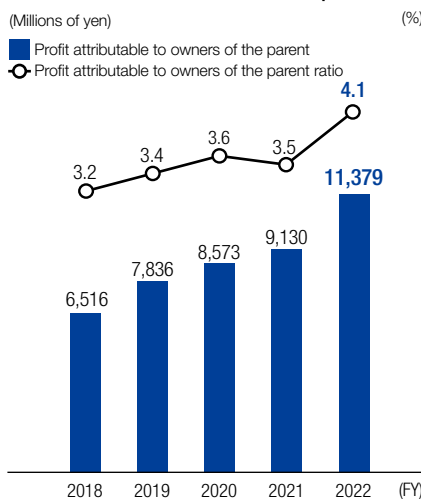
The value of orders received for the SI business

(Millions of yen)



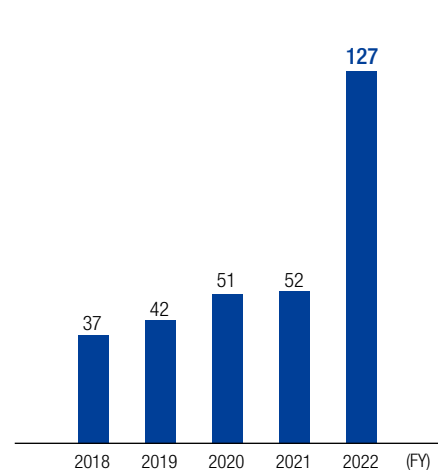
Profit attributable to owners of the parent / Profit attributable to owners of the parent ratio

(Millions of yen)



Dividends per share

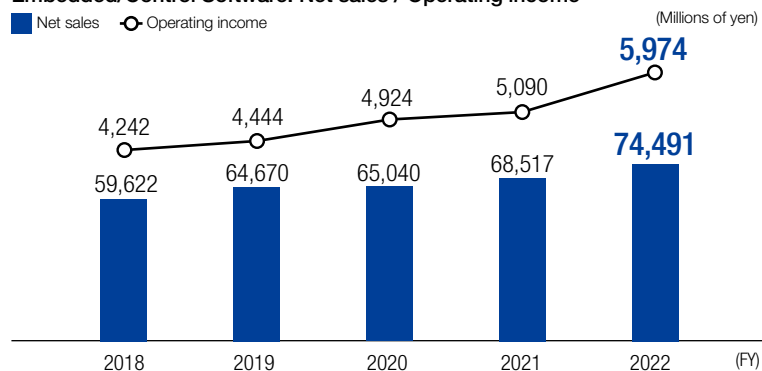
(Yen)



## Fiscal 2022: Business status of main segments

### Embedded/Control Software

#### Embedded/Control Software: Net sales / Operating income

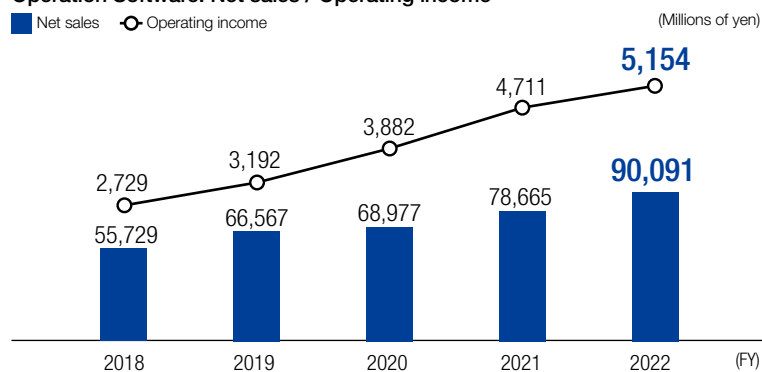


In the Embedded/Control Software segment, the Group is engaged in the development of software embedded in and designed to support customer products, with primary customers operating in automobile, machining tool, home appliance, OA equipment and other manufacturing sectors.

In fiscal 2022, growing demand associated with capital expenditures enabled the Group to achieve robust performance in fields related to factory automation (FA) and semiconductor manufacturing equipment. In addition, operating results were buoyed by invigorated investment undertaken by automakers in CASE-related fields as well as demand associated with the 5th generation (5G) mobile communications system. Consequently, the Group's net sales and operating income in this segment remained robust.

### Operation Software

#### Operation Software: Net sales / Operating income

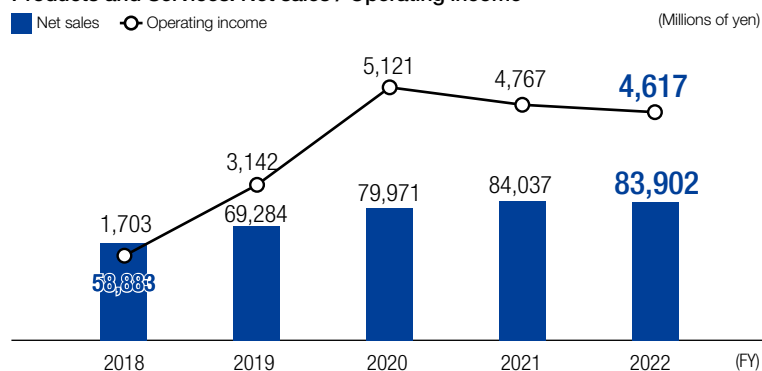


In the Operation Software segment, the Group develops operation and backbone systems that are used by customers for a variety of business activities while otherwise supporting the development of e-commerce websites and the construction of system infrastructure for them.

In fiscal 2022, the Group secured a growing number of system development projects for customers in the manufacturing and financial sectors along with infrastructure construction projects on the back of the widespread trend toward DX and the entrenchment of new workstyle norms, as well as expansion in system-related investment aimed at countering labor shortages. Consequently, the Group enjoyed solid performance in terms of segment sales and operating income.

### Products and Services

#### Products and Services: Net sales / Operating income



The Products and Services segment includes the marketing of SIMfree Wi-Fi routers and other FUJI SOFT products as well as the licensed sale of software, such as Microsoft 365. The Group also sells PCs, tablets and other hardware.

In fiscal 2022, licensed sales of externally procured products were firm on the back of growing demand associated with the renewal of information infrastructure and progress in workstyle reforms. However, the Group's net sales and operating income in this segment declined due to the absence of a large volume of PC sales previously accounted for by the GIGA School Program and the termination of distributor contracts held by some Group companies in connection with CAE products.

Financial highlights

Financial Information, Data and Analysis

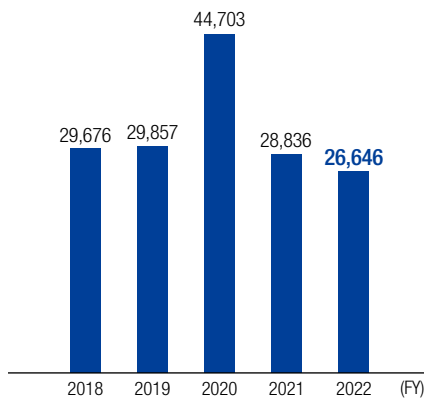
Financial highlights of the FUJI SOFT Group

Financial position

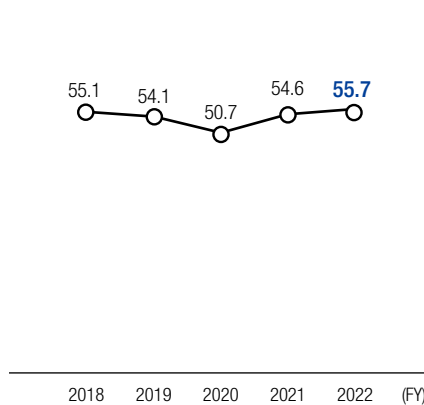
Since fiscal 2020, when the Company secured temporary funding to stabilize working capital in light of fallout from the COVID-19 pandemic, consolidated interest-bearing debt has remained relatively steady, decreasing ¥2,190 million year on year to ¥26,646 million in fiscal 2022. Due to this decrease in interest-bearing debt and an increase in retained earnings on the back of solid operating results, the equity ratio

increased 1.1 percentage point year on year to 55.7%. In addition, the FUJI SOFT Group maintains a basic policy of securing appropriate liquidity by maintaining sufficient cash on hand to support business management while selecting funding methods aligned with funding demand to ensure stable access to necessary funds. In fiscal 2022, the liquidity ratio was 156.7%.

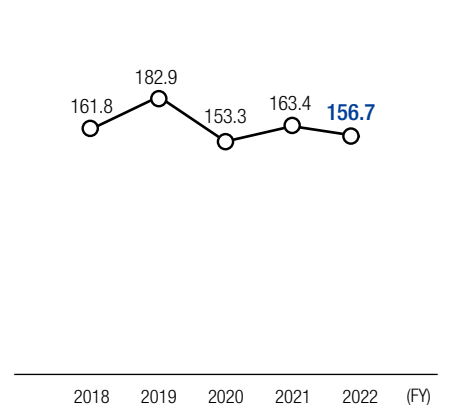
Consolidated interest-bearing debt  
(Millions of yen)



Equity ratio  
(%)



Liquidity ratio  
(%)



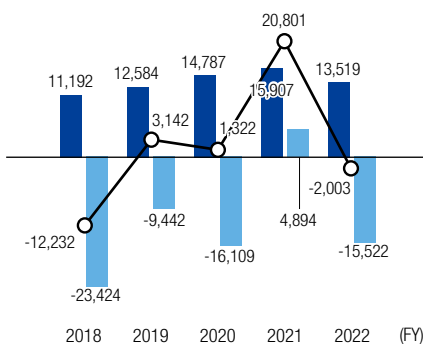
Cash flows

Net cash provided by operating activities amounted to ¥13,519 million, a decrease of ¥2,388 million from the previous fiscal year, due to increases in sales and profit, despite growth in income taxes paid, etc. Net cash used in investing activities was ¥15,522 million, a turnaround of ¥20,416 million, reflecting expenses incurred in the construction of offices. Taking these factors into account, free cash flows totaled outflows of ¥2,003 million. ¥22,804 million from the previous fiscal year. With regard to capital expenditures, the Company has been constructing offices with

an eye to increasing its operational capacity. Consequently, capital expenditures totaled ¥14,110 million, an increase of ¥7,620 million. Meanwhile, R&D expenses amounted to ¥580 million, reflecting spending on surveys of the latest technological trends and verification tests of various technological practices, with an array of R&D divisions, including the Technology Administration Department, engaged in these surveys and tests.

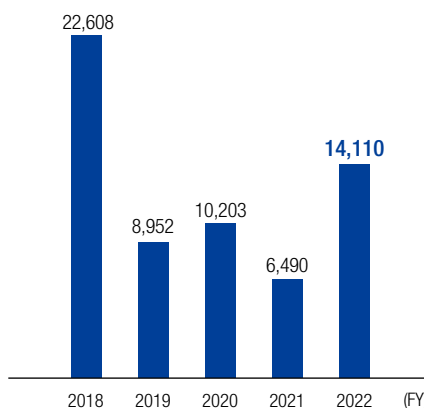
Cash flows

- Net cash provided by (used in) operating activities
  - Net cash provided by (used in) investing activities
  - Free cash flows
- (Millions of yen)



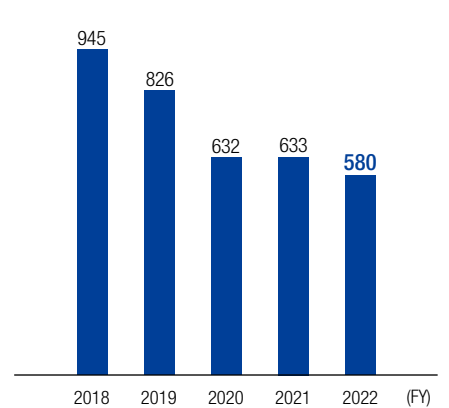
Capital expenditures

(Millions of yen)



R&D expenses

(Millions of yen)





## Progress in operating results under the medium-term management plan

### Three-year targets (consolidated management indicators)

#### Aim for net sales of ¥300.0 billion in 2024 (over the course of a three-year plan) while securing sustainable growth to achieve fresh business expansion

Started to disclose ROE, ROIC and EBITDA margin in conjunction with transition to the Prime Market  
With the current targets for ROE, EBITDA margin and ROIC set at 9%, 9% and 8%, respectively, we will aim for an ROIC of 10% in the future.

	Results for 2021/12	Results for 2022/12		Plan for 2023/12	Targets for 2024/12
Net sales	¥257.9 billion	¥278.8 billion	8% increase year on year	<b>¥300.0 billion</b>	¥300.0 billion or more
Operating income	¥16.8 billion	¥18.2 billion	10% increase year on year	<b>¥20.0 billion</b>	¥20.0 billion or more
Operating income ratio	6.5%	6.6%		<b>6.7%</b>	6.7% or more
ROIC	7.4%	8.1%		<b>8.5%</b>	8.0% or more
ROE	7.5%	8.8%		<b>9.0%</b>	9.0% or more
EBITDA margin	8.6%	8.0%		<b>8.5%</b>	9.0% or more
Payout ratio	17.8%	35.0%		<b>35.0%</b>	35.0% or more

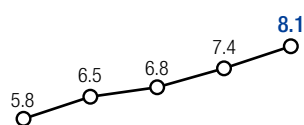
In fiscal 2022, the Company initially anticipated some degree of negative impact on its operating results due to the influence on market conditions of fallout from the COVID-19 pandemic and risk factors that some Group companies confronted. However, the negative financial impact has turned out to be less significant than expected at the time the management plan was formulated. Furthermore, demand associated with IT-related investment grew stronger among customers, helping the Company achieve greater-than-expected expansion in operating results. Consequently, net sales totaled ¥278.7 billion, while operating income amounted to ¥18.2 billion.

ROIC stood at 8.1%, an increase of 0.7 of a percentage point from the previous fiscal year, due to the increase in profit and the repayment of long-term borrowings. ROE was 8.8%, an increase of 1.3 percentage point year

reflecting the absence of the temporarily higher income taxes recorded in the previous fiscal year due to the divestment of shares as well as the success of the Company's proactive efforts to better utilize tax systems. The EBITDA margin was 8.0%, a decrease of 0.6 of a percentage point, as demand for FUJI SOFT products, which had been buoyed by the COVID-19 pandemic, has now stabilized.

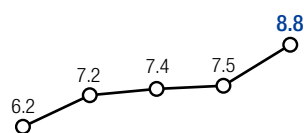
In fiscal 2023, the Company expects the business environment to remain as favorable as it was in fiscal 2022. Accordingly, the Company will execute measures to improve corporate value while striving to achieve its three-year targets for fiscal 2024 regarding net sales, operating income, ROIC and ROE a year ahead of schedule. As for the EBITDA margin, we will endeavor to achieve our target for this indicator in line with the initial plan based on an assessment of depreciation as well as sales of FUJI SOFT products.

ROIC (%)



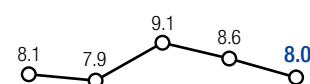
2018 2019 2020 2021 2022 (FY)

ROE (%)



2018 2019 2020 2021 2022 (FY)

EBITDA margin (%)



2018 2019 2020 2021 2022 (FY)

Special feature

# Outside Directors' Assessment of FUJI SOFT

The Corporate Value Improvement Committee has promoted discussions regarding ideals for what the Company's Board of Directors should look like. In doing so, the committee has implemented verifications of the status of specific measures aimed at strengthening corporate governance.

Following the Extraordinary General Meeting of Shareholders held in December 2022, it was concluded that the majority of the Board of Directors (which consists of 13 directors in total) should be accounted for by outside directors (currently eight). At the same time, it was resolved that the Company should avoid appointing an excessive number of directors to the Board. We believe that these conditions are essential to securing an optimal management structure enabling us to pursue future improvement in corporate value.



**Outside Director Koyama**

Over the course of a history spanning more than 50 years, FUJI SOFT has amassed extensive business experience. My rating of FUJI SOFT's management foundations is high as the Company has built robust internal governance systems, in-house rules and operational and other procedures that are practiced in the course of day-to-day operations and backed by thorough documentation.

These results can be attributed to nothing other than steadfast efforts to apply lessons learned from transactional customers and partner companies. I consider these foundations extremely valuable and hope that the Company cherishes them.

I also believe that the Company will be called upon to meet future requests from society with regard to the development and provision of innovative businesses informed by unprecedented ideas and concepts. The Company will be expected to deliver solutions that help clients adapt to new forms of society and the emergence of new systems that at this point in time remain unknown. To that end, all employees must pull together to explore what is truly essential through daily engagement with customers and to decisively and proactively take on new challenges. Fostering a corporate culture supportive of these endeavors is a matter of critical importance.

Moreover, for the Company to maintain its ongoing viability, it is essential to shift the employee mindset. Specifically, FUJI SOFT should shift its focus away from maintaining and strengthening defensive systems and strive to embody the sentiment "the best defense is a good offense."



**Outside Director Ooishi**

FUJI SOFT has identified "Challenge & Creation" as its corporate credo and is currently striving to achieve sustainable corporate growth and improvement in corporate value while leveraging its competitive strengths. In doing so, the Company has, having overcome a period of stagnation, succeeded in flexibly aligning itself with evolving market conditions. This is my recognition of where FUJI SOFT is now.

This integrated report features the Company's initiatives to pursue sound corporate growth and create sustainable value. In addition, the Company's commitment to sustainability is highlighted, making me feel that the Company is confident about its future achievements. As an outside director, I would like to play a robust part mainly in the development of business models and strategies from the perspective of value co-creation, with the aim of helping the Company establish a business structure capable of adapting to the increasing sophistication of social systems and electronic devices and delivering higher added value.

The source of the Company's continued competitive advantage lies in its customer-centric approach and efforts to strengthen innovation. FUJI SOFT is now embarking on a phase of paradigm shift. Accordingly, I will contribute, through my presence on the Board of Directors, to the Company's success as an essential corporation capable of identifying medium- to long-term ideals for and issues in society as well as supporting social transition via the systematic and timely resolution of such issues.



**Outside Director Aramaki**

I became an outside director in March 2022. As soon as I assumed this position, I noticed that FUJI SOFT is equipped with excellent human resources. They have strong loyalty to the Company as well as a deep understanding of philosophies developed by Mr. Nozawa, its founder, and President Sakashita, while sparing no effort to serve customers. In the course of interacting with these people, I was impressed by the quality of employee education that has been undertaken over more than five decades.

On the other hand, it is undeniable that the Company's workforce has not had much exposure to or engagement with external viewpoints. At the same time, however, FUJI SOFT has developed a flexible in-house structure that enables its executives to engage in multifaceted discussions with outside directors boasting expertise in various fields and allows for the allocation of sufficient time and resources to such discussions. I believe that this structure will undoubtedly help FUJI SOFT achieve further growth in the future.

I personally hope to do my best to help the Company and its stakeholders succeed by leveraging my experience as an outside director at other corporations as well as my skills as a certified public accountant.



**Outside Director Tsuji**

The Company's Board of Directors boasts quite a diverse composition, with eight outside directors actively contributing their opinions from viewpoints backed by their expertise and experience in their areas of specialty, irrespective of their past or current organizational affiliations. It is also noteworthy that the President and other internal directors sincerely take heed of opinions voiced by outside directors. In conclusion, the Company's Board of Directors is functioning quite effectively and contributing to the robustness of its corporate governance.

Since its founding, FUJI SOFT has confronted several challenges arising from the harsh economic environment. The Company nevertheless maintained ongoing growth by overcoming such challenges. Although the Company is very likely to achieve ongoing organic growth going forward, I suspect the presence of unrecognized redundancies within its in-house operational structure. If FUJI SOFT succeeds in thoroughly eliminating these redundancies and continues ceaselessly pursuing innovation, the Company will undoubtedly forge ahead on the path toward further growth.

I have engaged in the management of two listed companies for 15 years, and this experience has brought home to me the importance of governance. As described earlier, FUJI SOFT is already equipped with effective governance functions. I am convinced that maintaining and strengthening this sound governance will enable the Company to further enhance its corporate value.



**Outside Director Nishina**

Backed by the hard-earned trust of a great number of customers, FUJI SOFT is supporting various social infrastructure components from the standpoint of an IT company. For FUJI SOFT to achieve further corporate development amid the accelerating pace of technological innovation in such fields as generative AI, it is essential that the Board of Directors discusses the Company's medium- to long-term outlook and provides stakeholders with a compass for determining such outlook. To this end, the Company's Board of Directors is steadily reforming itself. To help promote these reforms, I strive to serve as an active participant in discussions addressing the aforementioned matters in my position as the chair of the Governance Committee even as I leverage my experience and insights amassed in the course of acting as a lawyer specialized in governance. Looking ahead, I would like to contribute to the Company's future growth from the perspective of strengthening governance.



**Outside Director Imai**

Over the past decade, relationships between corporate managers and shareholders have changed drastically. Corporate governance reforms were recognized as being essential to enabling Japanese businesses to break away from long-standing stagnation under the influence of the deflation economy. This was also critical to invigorating the Japanese economy as a whole. Thus, a diverse range of reform measures were introduced. As a result, corporations have begun proactively appointing independent outside officers to improve corporate governance. FUJI SOFT, too, has been transitioning to a structure designed to empower outside directors to exercise supervision over management executives from the standpoint of shareholders.

On the other hand, shareholders are strengthening engagement with their investees' management. There have been some instances in which a shareholder submits a radical proposal that demands management reform, resulting in a confrontational relationship. Moreover, some shareholders have been behaving like activists, aggressively demanding that executives undertake reforms.

However, I also believe that there remain substantial differences between corporate executives and shareholders regarding the degree of practical experience in and the understanding of mechanisms supporting the capital market. Even if a proposal is in itself rational, waging a high-handed, one-sided offense against management will not likely to

lead to meaningful results in terms of improving outcomes. I have also seen some instances in which executives are not well positioned to receive appropriate advice due to the poor quality of their external advisors.

For executives, it is essential to endeavor to bridge the gap between shareholders and themselves. Improvement in corporate value, which is the common goal of both executives and shareholders, cannot be achieved without these steadfast endeavors through the use of the former's experience in the capital market. I would be happy to leverage my experience in the capital market to help improve the Company's shareholder relationships and enhance the common interest of both shareholders and itself.

## Special feature: Outside Directors' Assessment of FUJI SOFT



Outside Director Shimizu

Previously, I had engaged with FUJI SOFT from an institutional investor standpoint for many years. After assuming the office of outside director in December 2022, I was quite impressed by the degree of passion demonstrated by individual employees regarding improving the value the Company can deliver. Such value can take diverse forms, including the added value of customers' operations, the value of the Company's businesses, value arising from employee satisfaction and social value offered by the Company. Each employee on the front lines of various operations is hard at work to create diverse forms of value while leveraging their creative ideas. Even 53 years after its founding, the Company maintains a venture spirit focused on accumulating tangible results through its front-line operations. I feel that this spirit constitutes the Company's DNA and is what gives it its inherent strength. As a person engaged with the capital market, I will continue striving to help the Company link this strength and potential with further business growth and improvement in corporate value so that value it can offer is visible to shareholders.

To form its Board of Directors and Board of Auditors, the Company has appointed human resources who are knowledgeable in corporate management, business administration, industry trends, sales activities, finance & accounting, legal affairs, capital market and other matters in order to secure sustainable growth and medium- to long-term improvement in corporate value. Also, the membership of

Name							
	Satoyasu Sakashita	Tateyuki Oosako	Tadashi Tsutsui	Mari Morimoto	Masashi Umetsu	Minoru Koyama	Tateki Ooishi
Current position in the Company	Representative Director President	Director Senior Executive Operating Officer	Director Executive Operating Officer	Director Operating Officer	Director Operating Officer	Director (Outside)	Director (Outside)
Corporate management	◎	○	○	○	○	○	○
Business administration	○	○	◎		◎	◎	○
Human resources	○	○	◎			○	
System development	◎	◎	○		○		○
Product services	◎	◎		○			◎
New businesses	○	○		○			◎
Sales	○	○	○	◎	○		
Finance & accounting	○				○	○	
Legal affairs	○		○			○	
Capital market							

In response to a shareholder proposal, an Extraordinary General Meeting of Shareholders was held on December 4, 2022, with five director candidates, including those proposed by the Company, additionally appointed at this meeting.





**Outside Director Ishimaru**










I was given an opportunity to learn about the Company's business operations, financial position and history as well as various issues it is confronting and initiatives to address such issues. This helped me organize my understanding and recognition. Briefly speaking, FUJI SOFT is an excellent company in possession of robust management resources while developing a solid operational structure. These enable the Company to serve customers in various sectors and fields and provide them with optimal, value-added services and solutions with high quality and competitiveness. Also, the founder's discernment and forward-looking insights led to the development of real estate and other businesses which, in turn, serve as supporting pillars of the Company's ongoing independent management. As a result, FUJI SOFT is equipped with a high-quality asset portfolio as well as surplus funds for investment.

Our collective mission as outside directors of a listed company is to contribute to the efficient and overall optimization of various resources and thereby help enhance the Company's market ratings and the value of its shares through business management. In the course of this mission, we must remain conscious of the need to improve corporate value as well as to serve the common interest of shareholders. Corporate value is a quantitative concept and comprises the sum of shareholder value and liability value. Accordingly, we must avoid overestimating qualitative value, which is not readily measurable, as doing so could lead us to lose a clear focus on achieving the mission stated above.

As an outside director, I will uphold the principles explained above and exercise close monitoring over management even as I do my best to support the Company's future endeavors to contribute to the public good.

these bodies is determined by giving due consideration to the diversity, size and balance of their composition.  
The following is the skills matrix of directors and auditors.

Structure launched in December 2022

								
Tomoko Aramaki	Takao Tsuji	Hidetaka Nishina	Hikari Imai	Yuya Shimizu	Shintaro Ishimaru	Hiroyuki Kimura	Yukako Oshimi	Hiroshi Hirano
Director (Outside)	Director (Outside)	Director (Outside)	Director (Outside)	Director (Outside)	Director (Outside)	Full-Time Auditor	Auditor (Outside)	Auditor (Outside)
○	◎	○	○	○	○	○		
○	◎	○	○		○	○	○	○
	○		○		○			
					◎	○		
	○				◎	○		
	◎				○	○		
	○				○	○		
◎	○	○	◎	◎	○	○		◎
	○	◎	○			○	◎	
○	○		◎	◎				

# Challenge & Creation

In May 1970, the precursor of FUJI SOFT was launched by founder Hiroshi Nozawa, who along with his two students, looked into the future potential of computers. Having celebrated its 53rd anniversary in May 2023, the FUJI SOFT Group now consists of 17,082 Group employees (as of December 2022), including those working overseas, achieving considerable corporate growth in step with the rapid expansion of the IT industry backed by the megatrends of the time.

Looking ahead, FUJI SOFT will continue to pursue "Challenge & Creation" in line with a spirit of "considering changes to be golden opportunities."

**Communication robot PALRO**

**2010** Released PALRO academic series

**2012** Released PALRO business series  
Released a variation of PALRO for use in welfare facilities for elderly people

**2018** Released PALRO gift packages



palro

**1999**  
Net sales exceeded ¥50.0 billion

**1986**  
Released Japan's first work-processing software capable of reproducing letters written with an ink brush in a traditional style of Japanese calligraphy (Chosen to receive an Excellent Award under the Nikkei Excellent Product and Service Award program in the following year in recognition of the development of the above software)



**1993**  
Released "Fude Gourmet Ver. 1.0." new year greeting card builder software



1970

1980

1990

## Founding period (1970–1996)

Having started out with the dispatchment of engineers, mainly system operators, FUJI SOFT then shifted its business model to programmer services. Strongly focused on acting as a commissioned software developer handling a comprehensive range of development tasks, we have thus become a forerunner in terms of the development of microcomputer software and established a solid standing as an independent software company. This, in turn, caused FUJI SOFT shares to be included in stocks offered via over-the-counter trading and, subsequently, listed on the Second Section of the Tokyo Stock Exchange. In addition, FUJI SOFT has merged with ABC Co., Ltd., which boasted strength in operation systems for use by financial institutions.

- 1970**
- FUJI SOFTWARE LABORATORY, Ltd. Established in Yokohama City, Kanagawa Prefecture



- 1984**
- Company name changed to FUJI SOFTWARE Incorporated

- 1985**
- Head Office building completed in Kamakura City, Kanagawa Prefecture

- 1987**
- Shares included in stocks offered in the over-the-counter market in the Japan Securities Dealers Association Tokyo District Office

- 1990**
- First All Japan Robot-Sumo Tournament held



- 1992**
- Shares listed on the Second Section of the Tokyo Stock Exchange Market

- 1995**
- Company name changed to FUJI SOFT INCORPORATED
  - ISO9001 certification (an international standard for quality assurance) obtained

- 1996**
- Company name changed to FUJI SOFT ABC Incorporated upon merger with ABC Co., Ltd.
  - Made FUJI SOFT SERVICE BUREAU INCORPORATED a subsidiary

## Growth period (1997–2010)

After listing on the Tokyo Stock Exchange's Second Section two years ahead of target, we pursued a rapid series of acquisitions involving system development firms specializing in operation systems for securities companies, manufacturers, logistic operators and others. Thus, we have executed proactive M&A strategies aimed at incorporating technologies and customer bases that, in turn, complement our existing strengths.

With the Head Office relocated to Yokohama, FUJI SOFT grew into a leading compa-

- 1997**
- Made NEOS SOFT Co., Ltd. a subsidiary

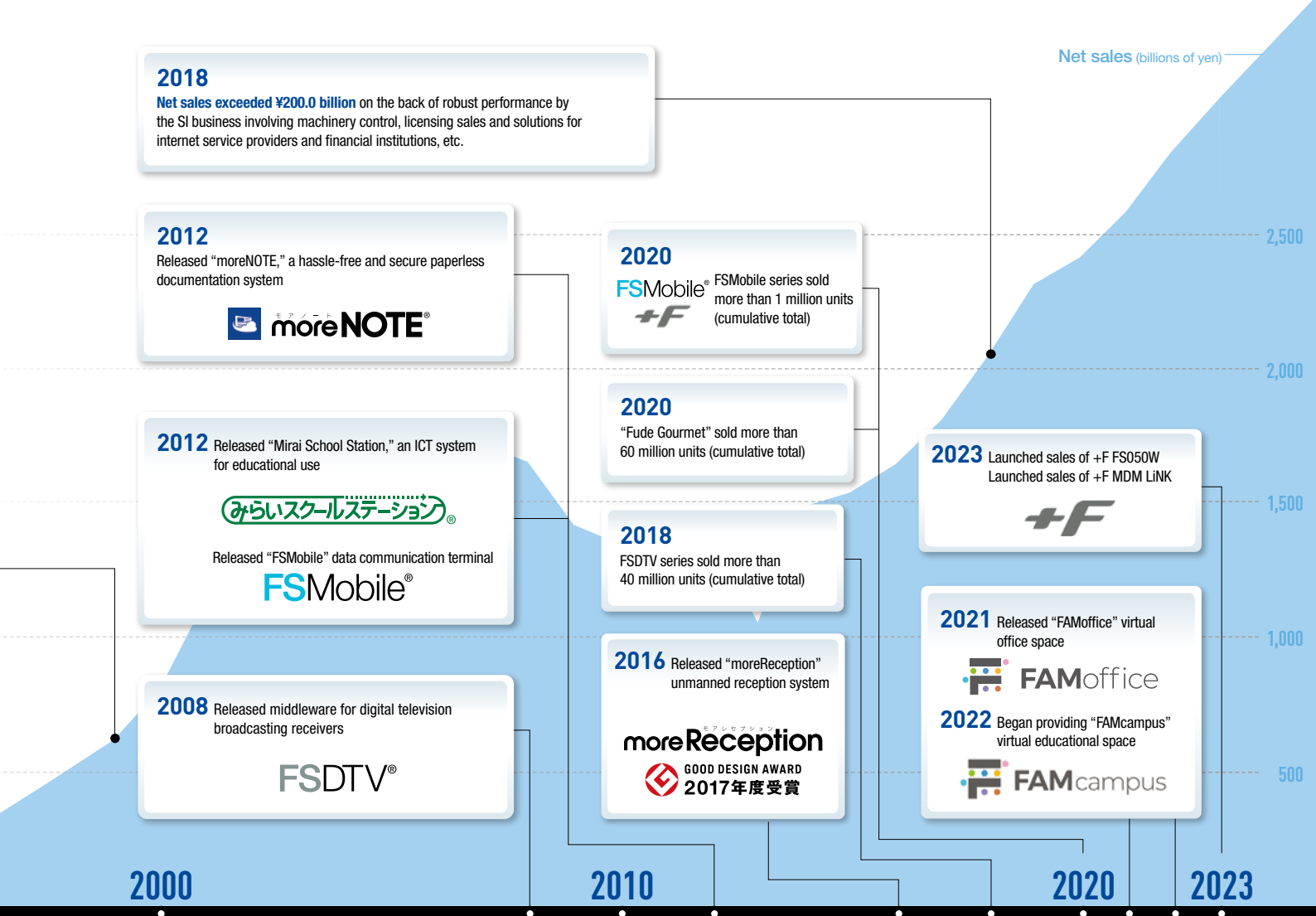
- 1998**
- Transitioned stock listing to the First Section of the Tokyo Stock Exchange
  - Made NEOTECH Co., Ltd. a subsidiary
  - NEOTECH Co., Ltd. and NEOS SOFT Co., Ltd. merged, with the resulting company changing its name to CYBER COM Co., Ltd.
  - Acquired ISO14001 certification



- 1999**
- Made CYBERNET SYSTEMS Co., Ltd. a subsidiary

- 2001**
- Kinshicho Building completed
  - Made Daiel Information System (current VINX Corporation) a subsidiary

- 2002**
- Acquired the Privacy Mark



## Evolution period (2012-)

ny with net sales ranking fifth in the domestic software industry in 2006. In the same year, our company name was changed to FUJII SOFT Incorporated and we unveiled a new corporate logo indicating the start of a second growth stage. We thus launched the pursuit of "Challenge & Creation," which involved integrating technologies nurtured for years internally with research findings associated with regenerative medicine, robotics and other fields outside software development.

In 2011, Satoyasu Sakashita assumed the office of President & Representative Director. As part of efforts to push ahead with further organizational innovation, in 2013 we began promoting workstyle reforms via, for example, the introduction of work-from-home and ultra-flex systems, with the aim of making our workplace environment more comfortable and rewarding. These measures, in turn, enabled us to secure foundations for overcoming negative fallout from the COVID-19 pandemic. Furthermore, we have taken on one new technological challenge after another in such fields as cloud, virtualization, AI and 5G. Drawing on technological capabilities and experience accumulated in the course of the above pursuits, we have started assisting customers in their DX and business reform efforts.

### 2004

- Head Office Building completed (Yokohama City, Kanagawa Prefecture)

### 2005

- Made TOSHO COMPUTER SYSTEMS Co., Ltd. a subsidiary

### 2006

- Company name changed to FUJII SOFT Incorporated
- Adopted a new symbol
- Acquired certification under ISMS CMM (I Level3)



### 2007

- Akihabara Building completed (Chiyoda Ward, Tokyo)
- Participated in the Next-Generation Robot Project, a public posting project sponsored by the Ministry of Economy, Trade and Industry, in tandem with the University of Tsukuba

### 2008

- Joined "AUTOSAR," an automotive industry partnership aimed at standardizing onboard software, and launched joint research with the Graduate School of Nagoya University

### 2009

- Opened Taipei Branch and thus established the first overseas base in Taiwan

### 2010

- Opened Microsoft Solutions & Cloud Centers in Akihabara (Tokyo) and Osaka

### 2012

- Opened Seoul Branch (South Korea)

### 2013

- Vincuram Japan Co., Ltd. and Vixus Co., Ltd. merged, with the resulting company changing its name to VINX Corporation
- Expanded the scope, making all employees eligible to work at home

### 2014

- Established FUJII SOFT TISSUE ENGINEERING Co., Ltd.
- Established a local company in China

### 2016

- CYBER COM Co., Ltd. transitioned its stock listing to the First Section of the Tokyo Stock Exchange

### 2017

- VINX Corporation transitioned its stock listing to the First Section of the Tokyo Stock Exchange

### 2018

- Introduced an ultra-flex system designed to realize greater flexibility in workstyles

### 2019

- The "Telework Days" event attracted a record-high 2,700 attendees (cumulative total)

### 2020

- Celebrated the 50th anniversary of founding on May 15

### 2022

- Opted to be listed on the Prime Market

### 2023

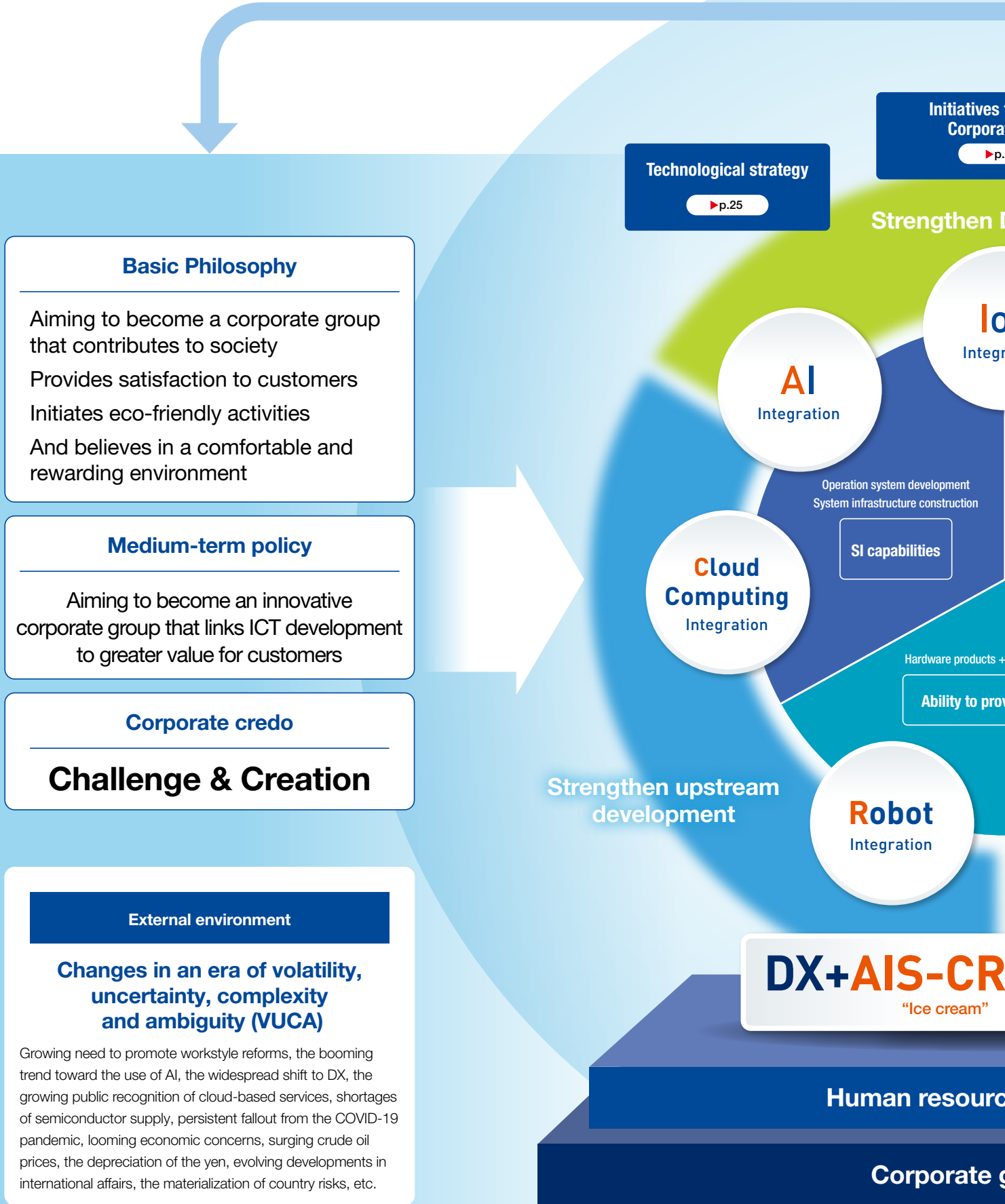
- Completed Shiodome ANNEX and Shin Nagoya Building

### 2024

- Plans call for the completion of Shiodome and Shin Fukuoka buildings

# The FUJI SOFT GROUP's Value Creation Process

We will realize stable operating results and deliver greater added value in a way aligned with radical changes of the present





Results, secure sustainable growth  
by tirelessly innovating ourselves  
daily evolving circumstances  
at this moment.

To Improve  
Corporate Value  
p.25

Human resource strategy  
▶ p.27

DX solutions

IT  
Integration

Security  
Integration

Embedded / control  
Software development

Cutting-edge software  
capabilities

Auto  
Motive  
Integration

Software know-how

Wide products

Mobile  
Integration

Initiatives to advance 5G and local 5G  
Looking to  
launch global expansion

M+SD+(5)G2

Human resource development

Corporate governance

We aim for net sales of ¥300.0 billion in 2024, the final year of our three-year plan, and to this end are pursuing sustainable growth, which will, in turn, enable us to reach a new stage of corporate development.

(Management indicators: consolidated)

### Three-year targets

Net sales	<b>¥300.0</b> billion or more
Operating income	<b>¥20.0</b> billion or more
Operating income ratio	<b>6.7%</b> or more
ROIC	<b>8.0%</b> or more
ROE	<b>9.0%</b> or more
EBITDA margin	<b>9.0%</b> or more
Payout ratio	<b>35.0%</b> or more

### Achieve sustainable growth while delivering greater added value

Deliver greater value to customers while assisting them in their DX efforts



Ongoing technological innovation



Push ahead with operational reforms and DX



Human resource development



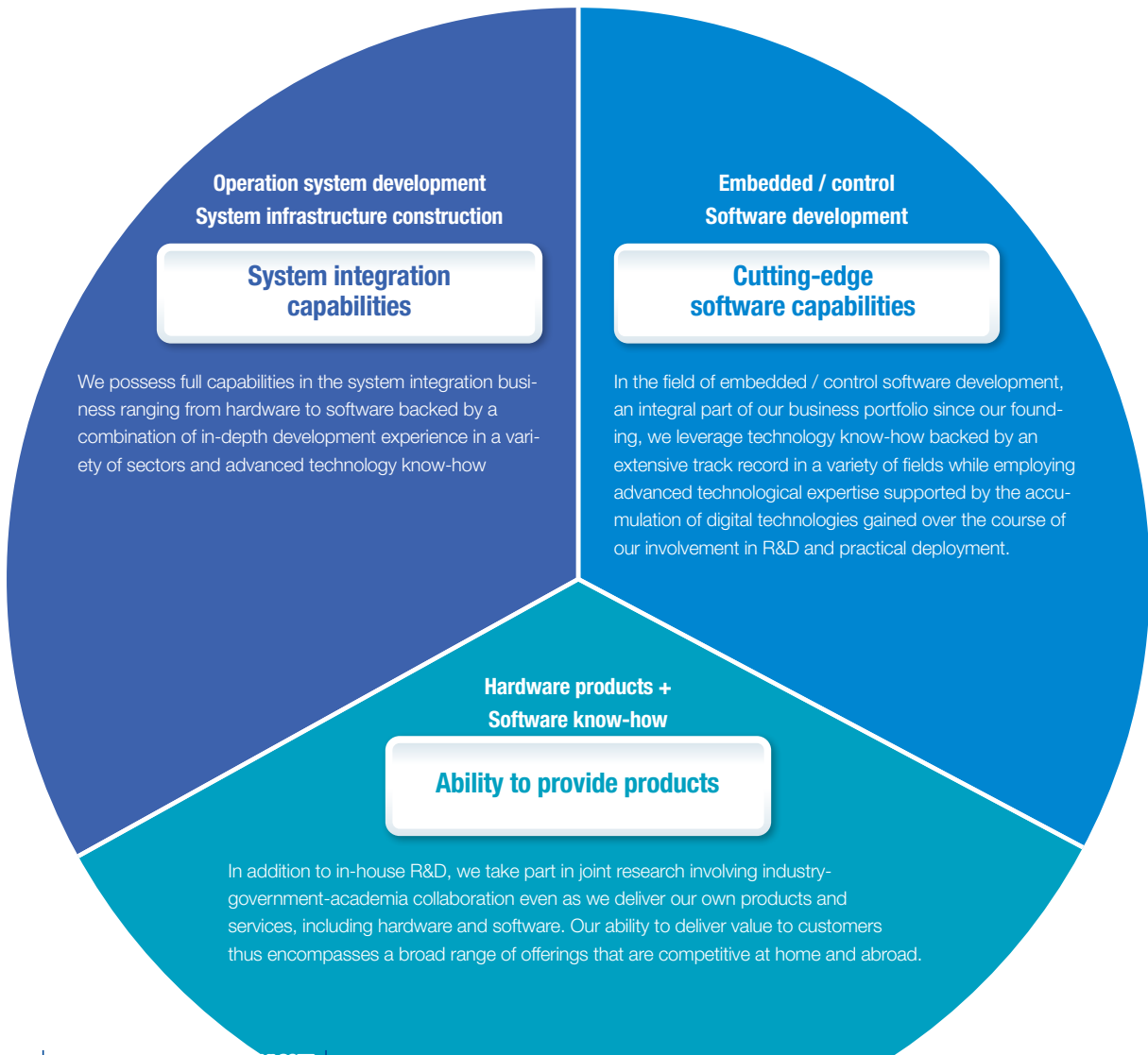
Implement and enhance corporate governance measures



# Technological Strategy

## Three Strengths Supporting Our Corporate Growth

The development of embedded / control software has been an integral part of the FUJI SOFT Group's business portfolio since its founding. In this field, we have taken full advantage of our advanced software capabilities. At the same time, we have developed operation software for use by customers in logistics, manufacturing, financial and other sectors, to this end building a portfolio of system integration capabilities. These two types of capabilities support our pursuit of business innovation and monozukuri, both of which are essential to winning a strong standing amid this era of global competition. In addition to these two strengths, we have nurtured a robust ability to provide products through our involvement in R&D and joint development. Thus, FUJI SOFT now boasts three strengths that, in turn, enable it to achieve sustainable growth.



Main products developed by FUJI SOFT

FAMcampus FAMoffice moreNOTE® moreReception (みらいスクールステーション®)

+F FS Mobile® palro FSDTV® 筆ぐるめ かな漢字変換ライブラリ FSKAREN®

Main partnerships\*

aws PARTNER Premier Tier Services blueprism CERTIFIED PARTNER Delivery Provider GOLD Capability Provider SILVER Microsoft Solutions Partner salesforce PARTNER vmware Partner PRINCIPAL 2023

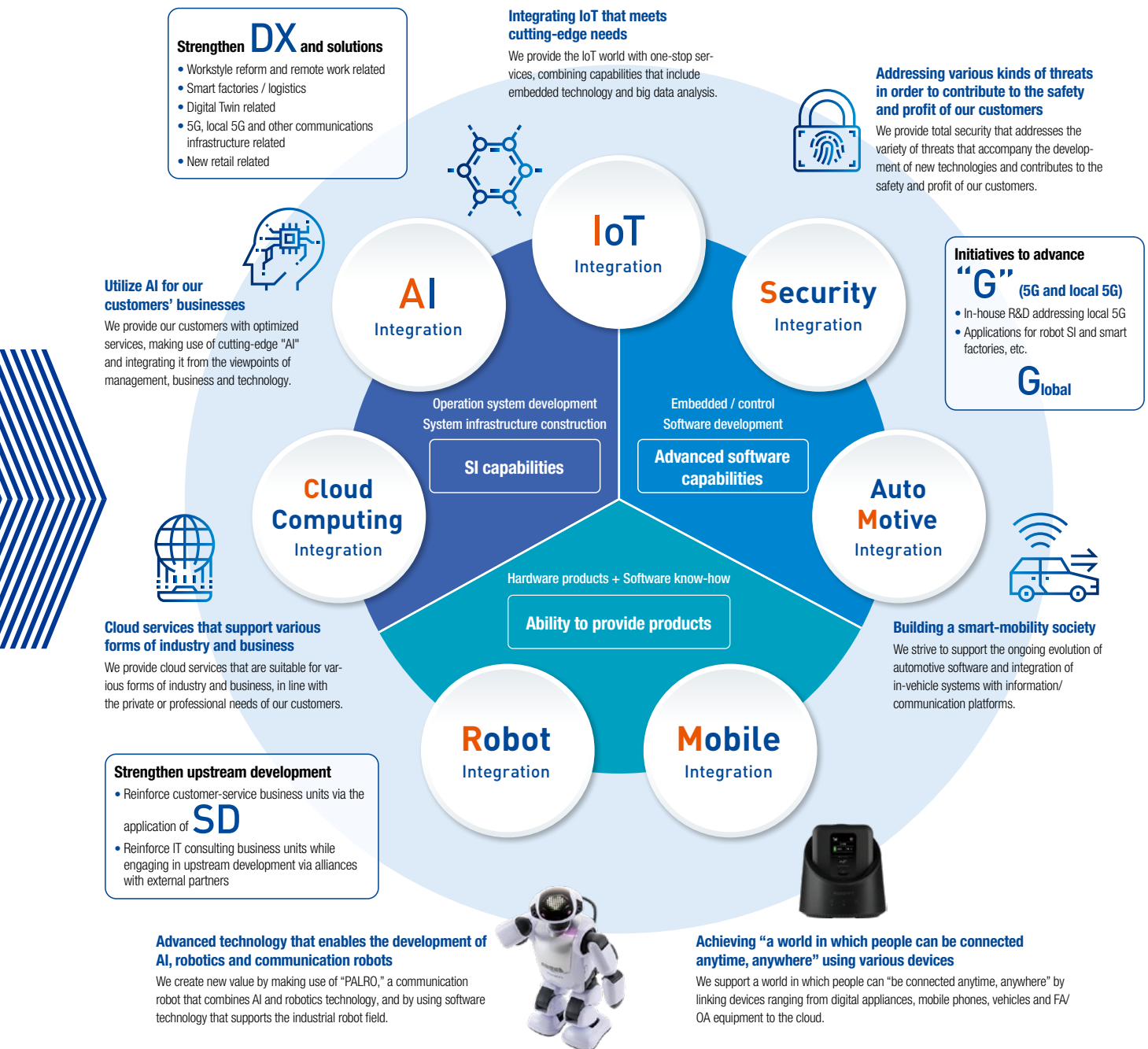
\* As of December 2022. Relevant trademarks, including registered trademarks, belong to FUJI SOFT partners.

Take on challenges in even broader technology fields while further strengthening AIS-CRM, which represents key technology areas in our business

# DX+AIS-CRM+SD+(5)G2

“Ice cream”

FUJI SOFT has positioned “AIS-CRM,” the abbreviation of AI, IoT, Security, Cloud, Robot, Mobile and AutoMotive, as innovative technology areas deserving its utmost priority. Through the integration of technologies and solutions we have nurtured for years, we will create new kinds of added value and business opportunities. We will also tackle such cutting-edge technologies as DX and 5G in addition to service design (SD) and IT consulting. Furthermore, we will strengthen alliances with external partners. In these ways, we will provide customers at home and abroad with optimal services and products in order to deliver new value and thereby contribute to society.



Special feature:

# Mechanisms Supporting FUJI SOFT's Growth

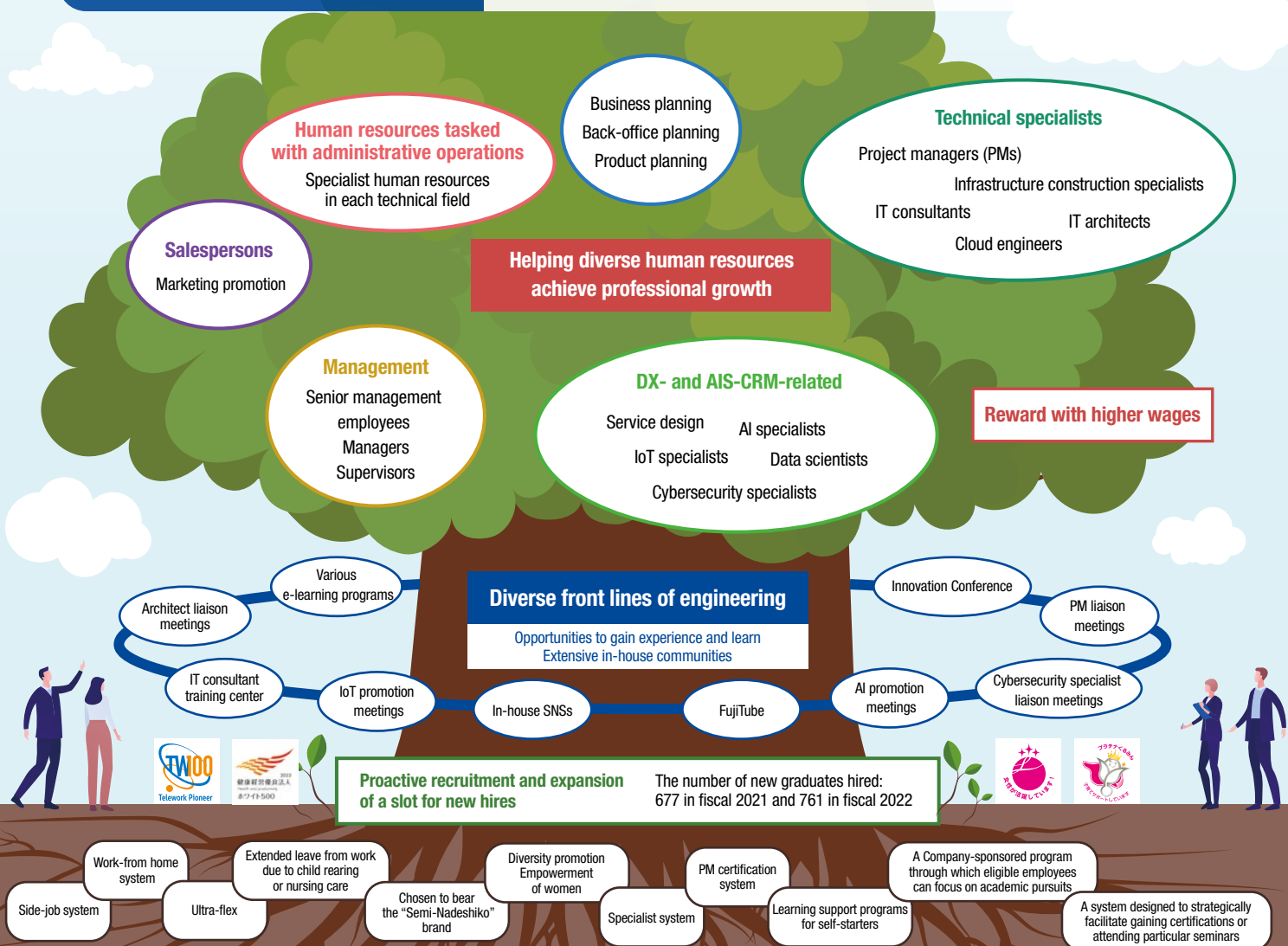
Guided by a corporate credo of "Challenge & Creation," FUJI SOFT aims to achieve sustainable growth even as it strives to improve its corporate value and, to that end, cleaves to the belief that "the success of a corporation hinges on its people." Based on this belief, we have positioned human resources as the Company's most valuable asset and thereby defined our human resource policy.

We fully understand that the value of our human resources directly affects our corporate value. Accordingly, we are committed to cultivating the value of our workforce, supporting those who take on challenges irrespective of academic background or business experience. In these ways, we are striving to empower employees to realize their fullest potential.

## Human resource strategy

### Human resource policy

Irrespective of background,  
we believe in people's potential and cherish diligent workers.  
For the ambitious, we provide opportunities to take on challenges  
even as we welcome diverse human resources and support diverse workstyles.



Products and platforms, including those developed by FUJI SOFT, that support diverse workstyles: moreNOTE, FAMoffice, VDI, Teams, M365, +F Mobile router, etc.

## Our approach to securing human resources and labor-related affairs

The FUJI SOFT Group's business operations are reliant on human resources. Accordingly, we consider securing and nurturing excellent human resources capable of delivering high-value-added technologies backed by specialist expertise a matter of importance in terms of the Group's pursuit of sustainable growth. In particular, competition among businesses seeking to secure human resources has become ever harsher given such factors as Japan's aging society and lower birthrate along with the resulting shrinkage of labor population. Therefore, the Group's operating results could be negatively affected if it fails to secure and nurture excellent human resources as planned or is confronted by surges in personnel expenses that reflect growth in average wages. Furthermore, in cases in which the Group is involved in labor-related compliance violations, such as those resulting from harassment and excessive working hours, the Group could suffer from a decline in productivity, as well as the outflow of human resources, a lawsuit or deterioration in social standing. These factors could, in turn, negatively affect the FUJI SOFT Group's business performance and financial position.

With this in mind, we undertake proactive recruitment activities while strengthening the development of diverse human resources via the provision of robust opportunities for education, training and learning in order to promote workstyle reforms and workforce diversity. At the same time, we strive to improve wages for employees and have established the "L Career Promotion Section," which is tasked with spearheading Companywide efforts to promote women's career advancement and otherwise developing environments and systems that support diverse workstyles. We also provide employees with education aimed at preventing labor-related compliance violations to help them raise their awareness of this subject. In addition, we have an internal reporting system in place to secure a framework capable of ensuring that compliance problems are detected as early as possible and handled properly. In these ways, we strive to mitigate labor-related risks.

### Our focus on hiring and nurturing competent human resources

The FUJI SOFT Group has long maintained the "FUJI SOFT Spirit," a set of credos consisting of 23 chapters. With its opening chapter featuring our fundamental corporate and management philosophies, the FUJI SOFT Spirit codifies essential matters deserving of universal employee understanding, including the purpose of our businesses and ideal traits expected of corporate managers.

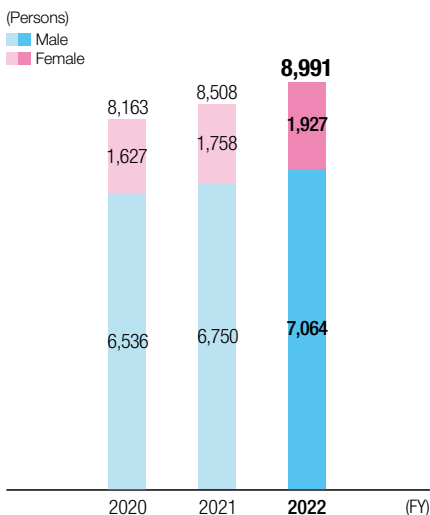
The very first line begins with the belief that "the success of a corporation hinges on its people." Our human resource policy is based on this belief and defines people (employees) as the most valuable asset of FUJI SOFT. Because we fully understand that the genuine value of our human resources is directly linked to our corporate value, FUJI SOFT cherishes people and encourages those taking on challenges to realize their fullest potential. To this end, FUJI SOFT allocates considerable resources to employee education while respecting individual autonomy with regard to obtaining such education. Thus, although FUJI SOFT provides comprehensive support to those who independently choose to take on challenges, it is also aware of its limitations as a provider of educational programs and, therefore, strives to help employees understand that professional growth can be achieved only by self-starters.

Due to the COVID-19 pandemic, welcoming ceremonies and training for new hires were undertaken online for three years starting from April 2020, with all such employees allowed to work from home. However, in 2023 we held an in-person welcoming ceremony, even though we continued conducting training for new hires on a full online basis while upgrading the content of such training to ensure a robust education on business manners and basic knowledge of IT while cultivating the technical capabilities required of employees in each job category.

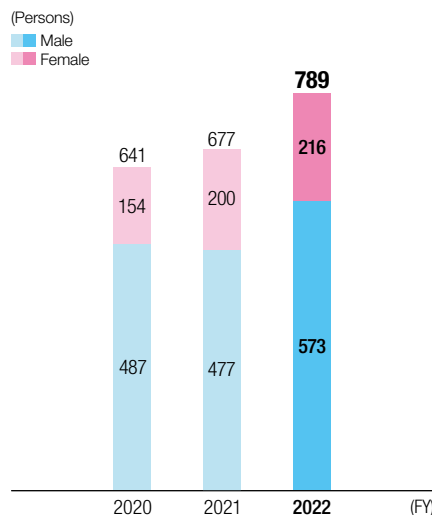
Without deviation, our policy is to secure approximately 800 new hires annually and nurture them into human resources equipped with unique strength and capable of achieving success immediately after being assigned to their respective business units.

With growing public interest in teleworking and digital transformation (DX) and the advancement and diversification of AI, IoT and other technologies, customer needs for ICT-based solutions are expected to expand. Against this backdrop, shortages of IT engineers are anticipated to become even more severe. Looking ahead, however, the FUJI SOFT Group will continue to proactively hire human resources while promoting the development of engineers, with the aim of maintaining sustainable corporate growth.

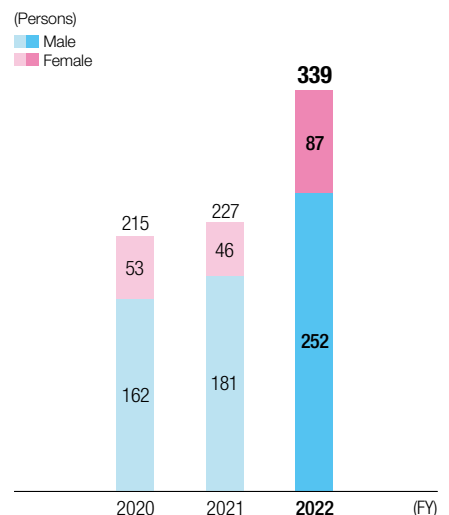
Number of employees



Number of new hires



Number of mid-career hires



## Nurturing engineers

### Nurturing new hires

FUJI SOFT has positioned AIS-CRM (AI, IoT, Security, Cloud, Robot, Mobile and AutoMotive) as key technology areas. In line with this positioning, we take a bold approach to pursuing cutting-edge technologies. In addition, we focus on recruiting a broad range of individuals based on their ambitions to take on challenges rather than their academic history or business experience, thereby striving to nurture would-be engineers and otherwise assist in their career development efforts.

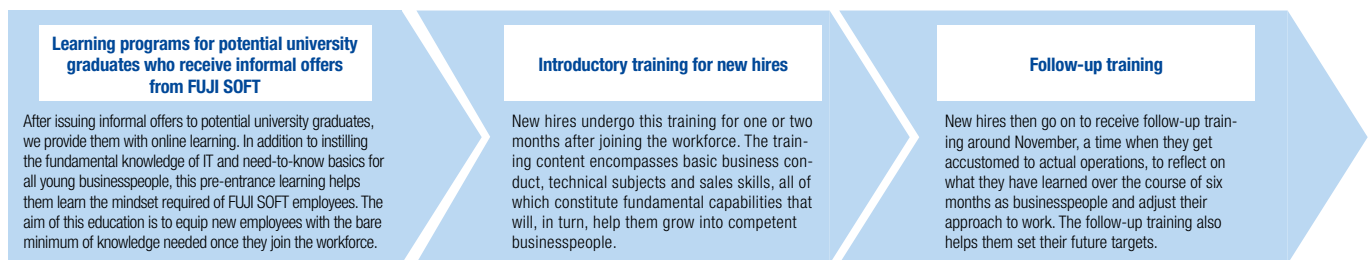
After joining the workforce, new hires undergo introductory training for one to two months. This involves instilling business manners and other basic conduct principles for everyone. Also, technical training is provided throughout this period to impart essential programming knowledge. Trainees are grouped into separate classes based on degree of existing technical skills. This is designed to ensure that all engineer candidates, including those who were arts students or otherwise lack programming experience, acquire solid skills and become capable of completing certain tasks unassisted.

New hires assigned to business units then receive appropriate follow-up training in the sixth month as they get accustomed to actual operations.

They are asked to reflect on what they have learned over the course of their first six months as businesspeople while learning more efficient ways of working. Through these and other initiatives, we strive to help them attain ongoing growth as professionals.

In addition, we provide rank-based training aimed at enabling employees in higher ranks to acquire more sophisticated skills. For engineers, we also offer an array of non-mandatory training programs with themes like logical thinking, system engineering theories, design theories, project management methods and other subjects in order to develop their capabilities as SEs (system engineers). To help all employees raise their skills, we thus take a strategic approach to human resource development. Once deployed at business units, new hires will be supported by their senior colleagues called "Brother & Sister" (BS) staff so that they can steadily and smoothly grow into active workforce components of FUJI SOFT. BS staff not only provide new hires with one-on-one instruction over several months, they also extend comprehensive support on a broad range of matters, including those outside the scope of business operations.

### Introductory training for new hires



Note: Please also refer to "Non-Financial Information" on page 55 for detailed human resource-related data.

### Ongoing development of engineers

At FUJI SOFT, a variety of rank-based education programs are available to help engineers upgrade their skills. In addition to training on system development techniques, these programs encompass "system engineering theories" that involve studies of differing roles and skills expected of SEs in each phase of a project, as well as "design theories" that include fundamental concepts of design, points requiring attention and case studies ranging from design input to output. In these and other ways, we provide robust training opportunities for young engineers to help them steadily achieve professional growth as SEs.

Furthermore, we are focused on nurturing project managers(PMs). To this end, we provide PMs and PM candidates with training based on the "Project Management Body of Knowledge" (PMBOK), a set of systematic guidelines on the knowledge of project management. As such, we strive to nurture PMs capable of stable project management. We also created the "PM Liaison Meeting," a Company-spanning community for PMs. This body strives to share initiatives undertaken by successful PMs and the know-how they possess while engaging in discussion about specific measures that makes them good PMs.

With the aim of nurturing technical specialists, we annually hold the "Innovation Conference," a Companywide technical conference, while periodically

hosting technical presentation meetings aimed at allowing FUJI SOFT specialists to share their technological findings and other in-house research accomplishments.

Furthermore, we have established the "Architect Liaison Meeting," a community for all engineers at the Company, to nurture and create engineers capable of architecture planning.

All training programs, including some not described above, are fully available online to FUJI SOFT employees and accessible anywhere.

Furthermore, we offer training programs in a variety of forms aligned with training objectives. These include joint training using TV conferencing systems, e-learning, and blended learning that combines multiple formats.

We have also developed platforms that allow employees to help one another in self-motivated learning. For example, our intranet video streaming system enables anyone to upload videos and is utilized to share know-how and knowledge on diverse subjects. Meanwhile, our in-house SNS platform provides employees with a place to support their spontaneous learning via, for example, technical dialogue with in-house specialists.

FUJI SOFT will continue to proactively push ahead with nurturing engineers to contribute to the development of ICT industries in Japan and around the globe.

### FujiEdu "FujiEdu," a consolidated education management system

To step up human resource development, FUJI SOFT utilizes "FujiEdu," a consolidated system designed to manage and organize all in-house training programs. This system offers a number of training programs aligned with definitions of skills required of employees in various positions and grades. With "FujiEdu," each employee is enabled to spontaneously

undergo programs recommended to them on an individual basis so that they can pursue ongoing career development. The system is also equipped with non-mandatory programs that allow voluntary recipients to engage in self-paced learning.

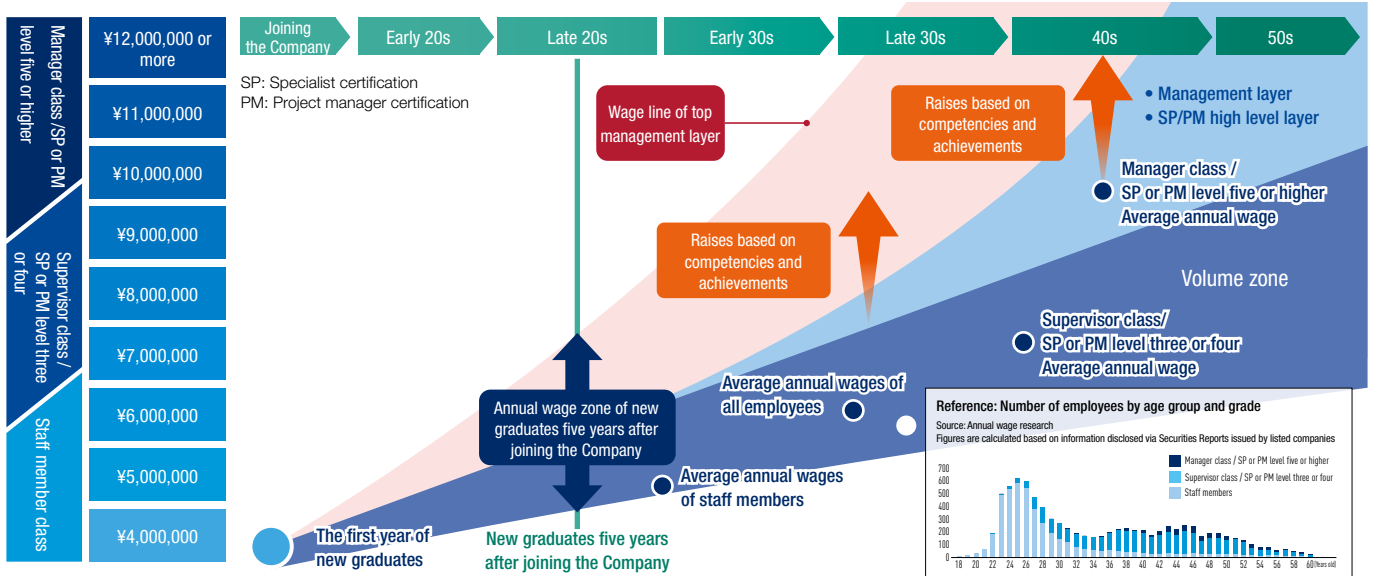


## Facilitating spontaneous career development

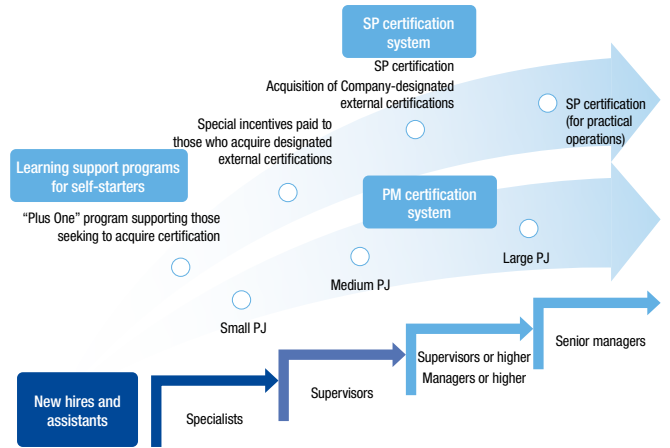
As a company dedicated to creating innovation, FUJI SOFT aims to stay at the vanguard of ever-advancing technologies and, to this end, maintain a workforce equipped with industry-leading skills. Accordingly, we are striving to provide employees with an environment supportive of their pursuit of personal growth, empowering each to clarify their desired career paths, remain highly motivated and develop robust careers.

### Changes in annual wages

In line with its human resource policy, the Company supports employees who take on challenges irrespective of their academic backgrounds or past experience. Accordingly, we have developed a wage system that places great emphasis on rewarding young individuals with profound potential in order to empower them to realize their full potential. Simultaneously, we have developed a career-path system that allows employees to choose from various workstyle options while continuing to value their individual lifestyles and private undertakings.



## Overview of spontaneous career development at FUJI SOFT



## A certification system measuring degree of accomplishment in terms of management and technical skills

FUJI SOFT maintains in-house certification systems designed to enable each engineer to flexibly develop their career path. Specifically, these systems are in place for both project managers (PMs) and specialists (SPs), clarifying levels of skills expected of PMs and SPs so that they remain highly motivated to pursue skill improvement efforts. In this way, we strive to accelerate the development of human resources capable of taking on high-value-added businesses.

For individuals intending to become PMs, we have defined the five stages of project management skills. Thus, our PM certification system is aimed at helping employees raise their project management capabilities and certifying those satisfying requirements for each stage.

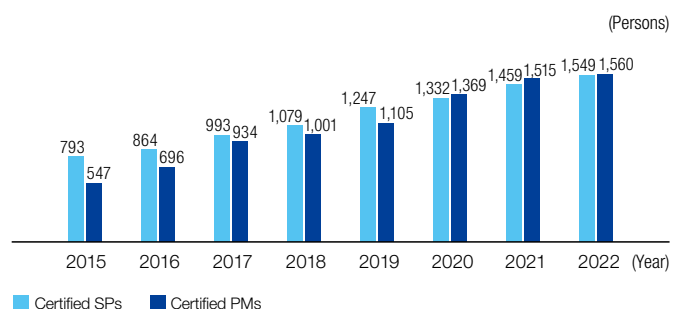
### Career development and personnel system

Career development and personnel system				PM / SP certification level
Job rank system	PM	Management	Specialist	
Operating officer	Executive PM	Division manager	Executive fellow	Level 7
General manager	Principal PM	General manager	Fellow	Level 6
Deputy general manager	Expert PM	Manager	Expert	Level 5
Assistant manager	Professional PM	Senior master	Senior master	Level 4
Team leader	Associate PM	Master	Master	Level 3
Specialist		Team leader		
Assistant				

Meanwhile, the SP certification system is in place for engineers whose career orientation is focused on serving as specialists in particular frontline fields. Accordingly, this system offers a five-grade certification scheme that grants the title of "master," "senior master," "expert," "fellow" or "executive fellow" in line with prescribed skills requirements met by applicants, irrespective of any other title they may hold or years of service.

At FUJI SOFT, employees are also allowed to switch their track even midway through their career path. For example, engineers who had been engaged in management can shift their focus to the pursuit of specialist technical skills. Providing for the development of cross-track careers is yet another unique feature of FUJI SOFT's personnel system.

### Trend in the number of certified SPs / PMs



## Creating a workplace environment that empowers diverse human resources to succeed

We strive to provide a workplace in which a diverse range of human resources can feel safe, accepted and empowered to work vibrantly to achieve success even as they remain true to their authentic selves. To this end, we respect the personality and uniqueness of each employee, irrespective of race, religion, gender, sexual orientation, gender identity or other attribute.

### Developing a workplace in which women, foreign nationals and people with disabilities can work vibrantly

#### Initiatives undertaken by FUJI SOFT to promote diversity

Initiatives to promote women's empowerment	<ul style="list-style-type: none"> <li>• Aiming to raise the ratio of women in leading positions (supervisory or higher positions) to 15% by the end of March 2024 (The ratio amounts to 14.5% as of April 2022.)</li> <li>• Allowing more than 30% of employees to work from home on an ongoing basis (Maintaining a situation where employees are free to flexibly engage in remote work based on their varying lifestyle needs)</li> <li>• Offering programs aimed at helping employees strike a balance between work and child rearing as well as assisting women in their career development efforts (Ultra-flexitime system, remote work system, the prolongation of periods during which eligible employees are allowed to work shorter hours, the encouragement of annual paid leave utilization, the reduction of overtime, etc.)</li> <li>• The L-Career Promotion Project was established in August 2021 as an organization tasked with accelerating women's empowerment via a cross-departmental approach</li> </ul>
Initiatives to empower older employees to remain key workforce components	<ul style="list-style-type: none"> <li>• Rehiring all employees who reach age 65 and wish to continue working</li> <li>• Employees aged 65 or older are titled "super-seniors" and allowed to continue with their employment status in a way that leverages their strengths in fields of their specialty, with due consideration given to their status as pension recipients and their health.</li> <li>• A defined contribution pension plan is made available to employees as an option to aid their life and financial planning, so they can take initiative in designing their own post-retirement life.</li> </ul>
Initiatives to develop global human resources	<ul style="list-style-type: none"> <li>• Proactively hiring foreign nationals in step with the expansion of our global operations</li> <li>• Promoting the globalization of our workforce and, to this end, supporting the development of global human resources by, for example, providing conversational English lessons, holding training sessions on linguistic and presentation skills and hosting events aimed at facilitating multi-cultural interactions, in addition to establishing an in-house SNS platform</li> <li>• The number of foreign national employees now amounts to 286 from 19 countries (as of April 2022).</li> </ul>
Initiatives to support members of the LGBTQ community	<ul style="list-style-type: none"> <li>• Providing educational programs aimed at enhancing employee understanding of the LGBTQ community so that everyone can feel safe and work vibrantly even as they stay true to their authentic selves, with a help desk in place to provide individual counseling</li> <li>• Instituted in-house guidelines to handle an employee's process of gender transition</li> </ul>

### Mechanisms that empower people with disabilities to play active roles

FUJI SOFT KIKAKU Inc., a special-purpose subsidiary, takes a proactive stance to the employment of people with disabilities, with the aim of becoming a company in which everyone is empowered to work vibrantly and play active roles. With its management philosophy consisting of "Independence & Contribution" as well as a "Company Offering Lifelong Career Opportunities," FUJI SOFT KIKAKU currently employs numerous individuals holding disability certificates who account for 90% of its workforce, and around half of these individuals have mental disabilities. At FUJI SOFT KIKAKU, people with mental, physical, intellectual, developmental or other disabilities cooperate with each other, engaging mainly in tasks involving the operation of PCs. Leveraging know-how accumulated over the decades regarding the employment of people with disabilities, this subsidiary also opened a tutoring school in Kamakura City, Kanagawa Prefecture, in 2014, with the aim of supporting people with disabilities who seek to be employed and thus achieve economic independence. This institution is currently a part of a government-approved program aimed at supporting handicapped people in their transition to employment while serving as a commissioned vocational training facility for people with disabilities. Today, a great number of people who completed training at this tutoring school have turned into active workforce components of a range of businesses.

In 2023, FUJI SOFT KIKAKU strove to develop a corporate structure that enables its employees to lead an even more stable vocational life through the implementation of job rank-based training, the mutual utilization of job coaching systems and the establishment of a job support counseling desk. As a special-purpose subsidiary engaged in progressive employment practices, FUJI SOFT KIKAKU is striving to disseminate ways of working for people with disabilities. FUJI SOFT KIKAKU employees with disabilities are

thus playing central roles themselves in efforts to help create a society in which each individual with disabilities can earn success.

The subsidiary has garnered a solid reputation at home and abroad for its initiatives to ensure that employees with disabilities can support each other in the course of pursuing their duties. Moreover, a number of employees with disabilities have been promoted to manager level, resulting in the enhancement of motivation among other members of the workforce.

On more than 150 occasions each year, FUJI SOFT KIKAKU accepts workplace tours, co-hosts lecture sessions and responds to press interviews. Its employees with disabilities often play proactive roles in these activities, for example, serving as lecturers or attending interviews.

In recognition of the initiatives described above, in September 2022, FUJI SOFT KIKAKU was chosen by the Japan Organization for the Employment of the Elderly, Persons with Disabilities and Job Seekers to receive an Excellent Award as an outstanding business operator in terms of disseminating best practices on improving workplaces for people with disabilities.

Striving to realize a society that leaves no-one behind, FUJI SOFT KIKAKU has also acquired prefectural certification as a "Kanagawa SDGs Partner" and otherwise endeavored to create an inclusive environment in which employees can work with confidence, to this end providing employee training and offering career development assistance while optimizing work-styles to align with the new normal under the COVID-19 pandemic as well as taking great care to preserve the mental well-being of employees with disabilities. This subsidiary is thus advocating for the necessity of, and benefits arising from, creating employment for people with disabilities, acting as a model for businesses at home and abroad.

## Creating a workplace that empowers women

In line with a policy of recruiting diverse human resources and enabling them to choose from a range of workstyles, we have implemented an array of human resource management measures. In addition, we aim to further promote women's empowerment as the first step of promoting diversity. To this end, in August 2021 we established the L-Career Promotion Section and assigned a diverse range of employees in terms of age, job category and title to this organization. The section is currently engaged in discussions on how to realize improvements in issues confronting FUJI SOFT while striving to update the company's workplace environment and systems. The section also plays a direct role in extending career development assistance to employees by, for example, introducing role models to employees.

Going forward, we will further enhance the lineup of career development assistance measures available to employees while raising their awareness regarding the creation of an inclusive workplace that will, in turn, empower diverse human resources to succeed and thereby enable the Company itself to enjoy robust operating results. To that end, we will undertake employee training and other initiatives.

## Acquiring third-stage (highest) "Eruboshi" certification and a "Platinum Kurumin" mark in 2019

We were chosen to acquire "Eruboshi" certification thanks to solid ratings we have earned for our initiatives to promote women's empowerment in light of the fulfillment of the five standards: (1) Recruitment; (2) Retention; (3) Workstyles, including working hours; (4) Ratio of female managers; and (5) Diversity of career courses. Meanwhile, building on the 2008 acquisition of a "Kurumin" mark, we are now allowed to display the "Platinum Kurumin" mark as a result of our engagement in stepped-up efforts aimed at supporting employees who take on child rearing as well as initiatives to encourage male employees to utilize childcare leave and to curb overtime hours.



Furthermore, we are promoting women's empowerment in two aspects, namely, (1) identifying and pursuing our target for the ratio of women in supervisory positions; and (2) developing a governance structure overseen by female directors and auditors.

FUJI SOFT INCORPORATED Action Plan		
		(As of March 2022)
In accordance with the Act on the Promotion of Women's Active Engagement in Professional Life, we hereby present our action plan as outlined below even as we pursue the recruitment of diverse human resources and the adoption of diverse workstyles.		
Plan period	April 1, 2021 to March 31, 2024 (three years)	
Issues	<ul style="list-style-type: none"> <li>Spread a positive employee perception about becoming a manager (make manager a coveted position)</li> <li>Promote the workplace understanding of women's empowerment (improve employee awareness)</li> <li>Improve workstyles (enhance the content of programs designed to help employees strike work-life balance)</li> </ul>	
While striving to resolve the issues listed below, we hereby present our targets and initiatives in the following two categories as defined by the law.		
Category 1: Provision of occupational opportunities for female workers		
Category 2: Development of an employment environment supportive of striking a balance between work life and family life		
Targets	Category 1: Raise the ratio of women in leadership positions (supervisory or higher positions) to 15% Category 2: Maintain the ratio of employees who mainly work from home at 30% or more (maintain a status in which employees can flexibly utilize the work-from-home system based on their differing lifestyle needs)	
Initiatives	Category 1	Spread a positive employee perception about becoming a manager Hold roundtable events that feature female employees who either have experience in child rearing while working or are otherwise capable of serving as career models for women while distributing newsletters and other in-house publications to communicate real-life examples of women's empowerment
	Category 2	Develop a supportive environment for employees who opt to take extended leave for child rearing while nurturing managers who advocate for taking such leave Along with spreading a positive employee perception about becoming a manager, we will provide managers with training, etc. to help each raise their awareness and become a "supportive boss" for employees engaged in child rearing. In this way, we will enhance the workplace understanding of women's empowerment.
		Encourage the proactive use of the Company's reinstatement support website We will provide those on extended leave with information and otherwise communicate with them so that they do not have to feel isolated from their workplaces even as we enhance the content of technical education programs available to them. We will thus strengthen reinstatement support.
	Develop an environment for those working from home As part of efforts to help employees strike a balance between work and child rearing or nursing care, we will develop a better environment for employees working from home and thereby keep the ratio of such employees at a certain level or, where possible, increase this ratio.	
	Facilitate a better work-life balance We will maintain an in-house commendation program designed to draw attention to worker-friendly departments while considering the development of an environment that is more supportive of taking annual paid leave, with the aim of facilitating a better work-life balance.	

## Number of women among directors and auditors

(As of March 2023)

	Directors	Internal directors	Auditors
Total (male and female)	13 persons	8 persons	3 persons
Female	2 persons	1 person	1 person

## FUJI SOFT KIKAKU became the first company in Kanagawa Prefecture to be certified as an excellent business operator in terms of employing people with disabilities under the "Monisu" certification system.

On December 24, 2020, FUJI SOFT KIKAKU was certified under the "Monisu" certification system, becoming the first company in Kanagawa Prefecture to be named an excellent business operator in terms of employing people with disabilities under said system.

Launched in April 2019, the "Monisu" certification system involves the Minister of Health, Labour and Welfare granting official recognition to small- to medium-size business operators with outstanding track records in promoting the employment of people with disabilities and offering them stable working conditions. FUJI SOFT KIKAKU, a special-purpose subsidiary of FUJI SOFT, has long been striving to employ people with disabilities and, in 2020, celebrated the 20th anniversary of its receiving special certification.

Looking ahead, FUJI SOFT KIKAKU will endeavor to remain a company deserving of the title of excellent business operator under the "Monisu" system, tirelessly striving to create a workplace in which employees can enjoy long-term career fulfillment.



## Working environment and employee benefit programs

### Striking a better work-life balance

In line with the Basic Philosophy, the Company aims to create a comfortable and rewarding environment and, to this end, implements various support programs aimed at enabling employees to strike a better balance between professional and private lives.

#### Encouraging employees to take annual paid leave (recommended or designated days of paid leave, "my holiday" leave, etc.)

Annual paid leave is granted on April 1 and the unused days of leave can be carried over to the year later. There are also recommended or designated days of paid leave. Furthermore, employees are encouraged to utilize "my holiday" leave granted to enable them to enjoy such events as birthday celebrations, wedding anniversaries, and school events with their children, spouses and other family members.

#### Work-from-home system

With all employees allowed to work from home, the Company ensures that they are able to operate in a secure remote-access environment. To this end, employees utilize Company-furnished smartphones as well as "moreNOTE" and "FAMoffice," two FUJI SOFT products that help secure workplace communications, so that operations run as smoothly as they do in a physical office environment. These arrangements are designed to secure business continuity while supporting employee efforts to strike a work-life balance. Reflecting this, the Company proactively encourages employees to work from home, forcing no one to commute to the office, particularly when disruptions of public transportation are expected due to typhoons or other natural disasters.

#### Services available via employee benefit programs

The Company is a corporate member of "Benefit Station," an employee benefit service provided by Benefit One Inc. "Benefit Station" offers an extensive menu of benefits encompassing planning and booking services for travel, accommodation, sports activities, relaxation services, self-motivated learning, leisure, gourmet, child-rearing support, nursing-care assistance and other services. Accordingly, employees are able to choose from service options suited to their tastes, hobbies or lifestyles.

#### Clubs

Soccer, baseball, basketball and other sports clubs formed by like-minded employees are active at FUJI SOFT.

#### Retreat facilities

Employees are allowed to use Company-owned retreat facilities (in Yuzawa, Kusatsu and Minakami), as well as similar facilities owned by the Health Insurance Association, in addition to contracted hotels.

#### Supporting employees engaged in child rearing and nursing care

FUJI SOFT has a system that allows for extended leave from work for a period of up to one year with the objective of enabling employees to pursue self-motivated learning or social contribution activities. The scope of eligible activities under this system encompasses a variety of undertakings, such as studying abroad to learn a foreign language and engaging in volunteer activities.

#### Dormitories for single employees and employees with families

The Company makes both its own and leased housing units available to employees. With the privacy of residents being robustly protected, all of these facilities are fully equipped with air conditioning systems, kitchens, bathrooms and toilets. For single employees, we offer one-bedroom housing units with kitchens while employees cohabiting with families are offered two-bedroom units.

#### "FAMoffice" utilized by FUJI SOFT employees

Released in June 2021, "FAMoffice" is a virtual office space designed to enable users to engage in workplace communications as smooth as if they were in a physical office. This tool is utilized by the Company's workforce while contributing to the enhancement and maintenance of the ratio of employees who work from home.



### Career development assistance

We strive to create an environment in which each employee has a clear vision of their career path and develops an even greater work spirit as they cultivate and realize their full competencies.

#### Periodic evaluation interviews

We conduct biannual evaluation interviews each spring and autumn. These interviews involve one-on-one conversations between employees and their supervisors so that the former may be informed about how their performance has been evaluated and receive guidance and advice regarding how to tackle their duties while discussing future career development with the latter.

#### Learning support programs for self-starters

Special incentives are granted to employees who have acquired Company-designated certification, rewarding their efforts to develop their own competencies.

### Social insurance and asset building assistance systems

#### Asset accumulation and savings plans

Employees can subscribe for asset accumulation and savings plans through which set amounts of their monthly salaries and bonuses are placed in an investment vehicle. This enables for hassle-free asset building. Moreover, the interest rates offered by such plans are higher than those generally available for term deposit and fixed-amount deposit plans. As the Company supplements such funds in order to support the higher interest rates, these plans are advantageous for employees.

#### Corporate employee policyholder systems for life insurance and general insurance / Group insurance

- Corporate employee policyholder systems: The Company has signed agreements with major insurers so that employees can switch to corporate employee policyholder status regarding life insurance and general insurance policies they have privately obtained, with a portion of their wages allocated thereafter to pay premiums for these policies.
- Group insurance: The Company has also obtained insurance aimed at enhancing employee benefits. Because FUJI SOFT itself is a policyholder, premiums for this insurance are lower than those for other insurance policies in general.

#### Housing loans and multi-purpose loans

The Company has formed an alliance with banks and life insurers to ensure that employees can obtain loans with advantageous terms and conditions.

#### Optional defined contribution pension plans (contribution from wages)

These plans help employees build assets for their post-retirement lives. Once subscribed, a portion of wages is allocated to enable funds to be accumulated for investment. In principle, subscribers in their 60s or older can receive the resulting savings with the inclusion of Company-furnished incentives. In addition, premiums contributed by employees are exempt from the calculation of income taxes and social insurance premiums. Thus, these plans enable stable asset building for securing funds for post-retirement living while entailing merits based on tax systems.

#### A system designed to strategically facilitate gaining certifications or access to particular seminars / A Company-sponsored program through which eligible employees can focus on academic pursuits

The system and program named above are intended to encourage employees to acquire certification or licenses or attend seminars that would enhance their operational skills in a strategic and systematic manner, with the aim of expanding the Company's overall operational capabilities through the development of employee competencies. Furthermore, in response to the diversification of our business strategies, we are proactively operating a Company-sponsored program through which eligible employees can focus on academic pursuits, including attending graduate schools and studying abroad to obtain linguistic skills, in order to nurture core human resources.

#### Special allowances for congratulatory events or funerals

We grant special allowances for employees who get married, give birth, hold funerals for family members or undergo other life events.

#### Retirement benefit system

We grant retirement benefits to employees who leave the Company. Employees who have worked for 15 or more years at the Company are eligible for benefits in the form of pensions. (Corporate pension fund (defined benefit corporate pension))



### Employee shareholding system

Under this system, set amounts of monthly salaries and bonuses for employee subscribers are allocated to purchase Company shares. Furthermore, subscribers are allowed to buy such shares at lower than market value, thanks to incentives granted for share purchases. Thus, the system provides a vehicle for hassle-free asset building.

### Various incentives and subsidies

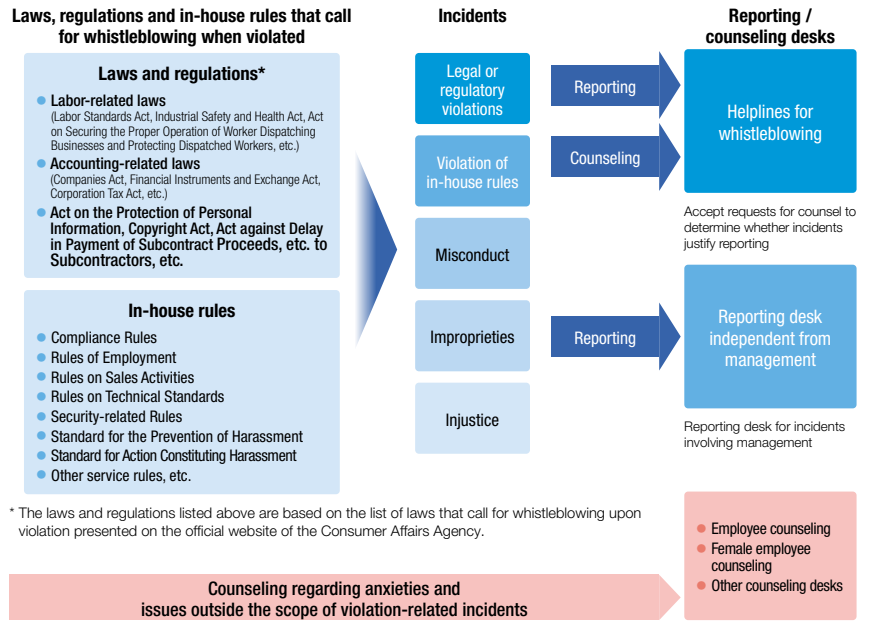
The Company has established a variety of subsidy systems. For example, non-smokers who are conscious of health maintenance are granted health-promotion incentives, and special incentives are provided for employees who pass tests for Company-designated certification. Moreover, subsidies supporting preparation for remote working are granted to employees about to undertake working from home over the long term. We also provide subsidies supporting other spending associated with remote working to employees who commute to the office no more than six days per month. In addition, we provide a yearly subsidy for stationery expenses for those working from home.

## Internal reporting system and employee counseling desks

Based on its “Compliance Rules,” the Company has established the “Internal Reporting Standard,” thereby securing a framework for properly handling reporting on organizational and individual misconduct within the Company as well as requests for consultation regarding such matters. In line with this standard, we have developed various reporting desks. We have thus established a structure for protecting whistleblowers while striving to prevent the occurrence of misconduct and ensure that, if it should occur, such misconduct is detected and corrected early, thereby strengthening compliance management.

We have also set up counseling desks tasked with providing counsel for other various matters, with the aim of creating a workplace environment that is friendly to all employees.

In addition, reports on matters related to Group companies are accepted via the Group company reporting desk. We also utilize external services to operate a dedicated helpline for whistleblowers who wish to remain anonymous.



## Employee satisfaction

As stated in its Basic Philosophy, FUJI SOFT aims to make its workplaces more comfortable and rewarding. To that end, we conduct annual employee satisfaction surveys in order to assess the degree of employee satisfaction in light of changes in the external and internal environment as well as identify issues to be addressed and there upon plan and implement measures aimed at effecting improvements. Through this cycle, we are constantly striving to improve our workplace environment.

### Employee satisfaction ranking in 2023

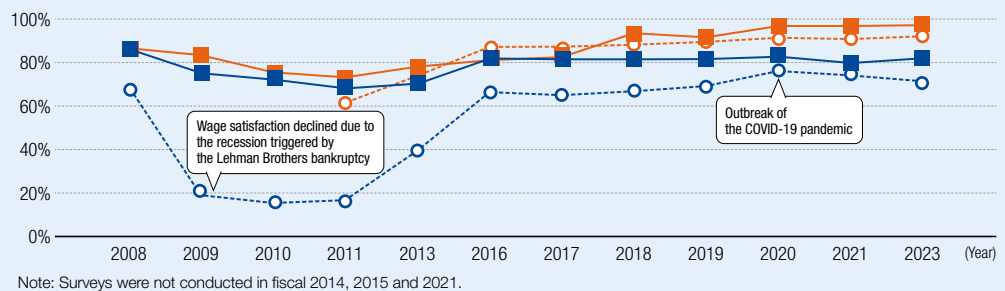
Ranking	Surveyed items	Satisfaction ratio
1	Working systems (flex and other diverse workstyle options)	97%
2	An inclusive environment supportive of diverse employees irrespective of gender, age, etc.	92%
3	Internal accessibility to corporate information	91%
4	Management policy	90%
5	Disclosure of department policies	88%
6	Interpersonal relationships at workplaces (vis-à-vis supervisors, staff and colleagues)	88%
7	Fairness and impartiality in performance evaluation and bonus assessments	87%
8	Employee education and training	85%
9	Smoothness of annual paid leave utilization	85%
10	In-house infrastructure	82%

Ranking	Surveyed items	Satisfaction ratio
11	Employee welfare programs	82%
12	Systems designed to support those working from home	82%
13	Human resource management systems	82%
14	Length of working hours	82%
15	Devices currently furnished to employees	80%
16	Length of commuting hours	80%
17	Building equipment, facilities and office environment	79%
18	A general feeling of satisfaction or fulfillment in work	77%
19	Wages (monthly salary and bonus)	71%
20	In-house systems for specific operations	71%
21	Robustness of systems for use by all employees	68%

### Changes in employee satisfaction

We have annually updated questionnaire items used in employee satisfaction surveys while implementing a variety of measures to address issues identified and make improvement. Here, we showcase changes in employee satisfaction.

- Working systems
- An inclusive environment supportive of diverse employees irrespective of gender, age, etc.
- Length of working hours
- Wages



Figures are based on results of surveys undertaken in March 2023.



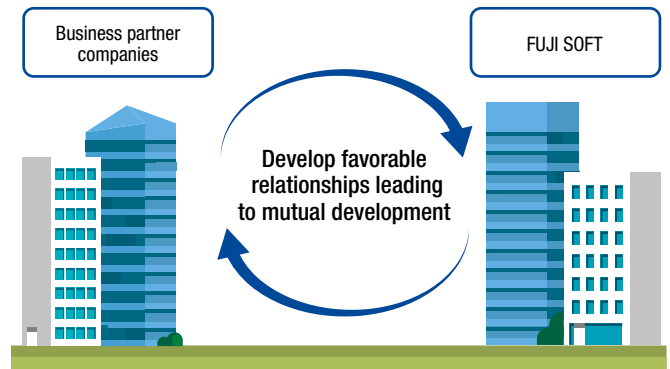
Developing favorable partnerships with business partners

We take a thorough approach to maintaining fair transactions with partner companies in order to develop favorable relationships that, in turn, enable us to enjoy mutual development as we work together to advance ICT across society.

Developing favorable relationships leading to mutual development

Guided by our Basic Philosophy, we strive to promote workstyle reforms and create a comfortable and rewarding environment for our employees as well as for employees at partner companies. This is an integral part of our efforts to develop favorable relationships.

In order to provide customers with safe, secure and high-quality services, we have signed agreements with all our partner companies regarding the maintenance of a robust security level comparable with that of FUJI SOFT, compliance with laws, regulations, rules and action principles, and the severing of relationships with antisocial forces.



Holding Partner Company Gratitude Meetings for the first time in three years

To ensure continued mutual development, we exchange information as necessary with those partner companies with whom we pursue cooperative activities on a regular basis.

For example, we hosted "Partner Company Policy Presentation Meetings" and "Partner Company Business Negotiation Meetings" on a remote basis during the COVID-19 pandemic to provide briefings on our policies and relay information regarding projects.

Looking ahead, we intend to resume "Partner Company Gratitude Meetings," which have been on a hiatus in recent years due to fallout from the COVID-19 pandemic. These events were held at our key business bases nationwide to communicate our gratitude to partner company employees and promote information exchange and personal interactions, garnering favorable reviews from attendees.



A Partner Company Gratitude Meeting held prior to the COVID-19 pandemic

Initiatives to improve the labor environment: Developing a remote working (work-from-home) environment

FUJI SOFT had developed a remote working environment even before the breakout of the COVID-19 pandemic. Moreover, in the aftermath of the pandemic, we have been striving to maintain a robust security level and continue developing an environment in which our employees and partner company employees can work together remotely.



## Engagement with Group companies

The FUJI SOFT Group conducts Group management in accordance with the Charter of FUJI SOFT Group Companies as presented below.

### Charter of FUJI SOFT Group Companies

1. Each Group company shall espouse a spirit of legal compliance, walk a righteous path and strive to conduct business management with a sense of social duty while taking on challenges of preserving the Earth's environment.
2. Each Group company shall respect one another's dignity and autonomy as an independent entity.
3. Each Group company shall uphold the principles of mutual prosperity and cooperation and pull together with the other members of the FUJI SOFT Group to strengthen management.
4. The FUJI SOFT Group shall become a corporate entity in which employees work in a comfortable and rewarding environment and are empowered to fully realize their competencies, achieve robust outcomes and stay positive even as they freely express their authentic selves and feel a sense of excitement.
5. The FUJI SOFT Group shall strive to cultivate a character that is appealing and unique and to enable employees to work in enjoyable ways while creating simple and neat solutions that live up to the Group's commitment to maintaining standards for quality, delivery schedules and confidentiality.

Work in an enjoyable way and create simple and neat solutions

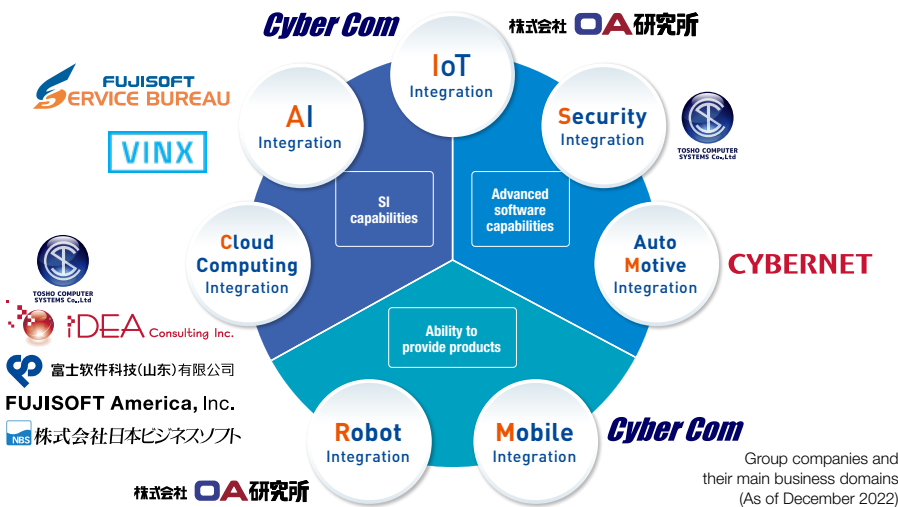
Our commitment to quality, delivery date and confidentiality

## Leveraging digital technologies to lead the way in DX in aspects of both IT and OT and thereby support the efforts of customers and society at large to effect improvements in value and innovation

To adapt to radical changes taking place in this present era, we strive to leverage the strengths of and synergies among Group companies, with each company constantly endeavoring to adopt innovations, achieve stable and sustainable growth, and increase the added value of their services.

### Promote collaboration in AIS-CRM fields to expand our businesses

+Global (G)+ Digital transformation (DX)



Group companies and their main business domains (As of December 2022)

Collaboration in the DX field

**Cyber Com**

New retail

Cyber series

Roll out of DX-related products:  
Raku Raku Secure Connect, M365, electronic seals, workflows

Virtual space services:  
Virtual offices and interaction meetings

Other Individual Collaborations

**Cyber Com**

DC pension asset management business

Account coordination

**CYBERNET**

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### Group companies and their main business domains (As of December 2022)

Fields		Companies	Main business domains	Head office locations	Ratio of equity holdings (consolidated subsidiary)	Listed /unlisted
SI business in general	Logistics and services	VINX Corporation	POS systems, store management systems and other solutions used in logistics and retail sectors	Osaka	61%	Listed
	Finance	TOSHO COMPUTER SYSTEMS Co., Ltd.	Transactional systems used in the securities field	Tokyo	65%	Unlisted
Embedded	General	CYBER COM Co., Ltd.	Boasting strengths in embedded systems used in base stations and other communications infrastructure while handling a growing number of projects in the operation systems field in recent years	Kanagawa	52%	Listed
	Offshore	FUJI SOFT CHINA Corp.	Embedded/ control SI business in automotive and other industrial fields targeting Japanese and Chinese corporations	China	100%	Unlisted
	Surveys and research	FUJI SOFT America, Inc.	Flexibly handling requests from customers	The United States	(Non-consolidated)	Unlisted
Operation	General	iDEA Consulting Inc.	Providing oracle-related consulting and development services mainly for manufacturers while initiating the handling of ERP in recent years	Tokyo	100%	Unlisted
	General	NIHON BUSINESS SOFT Inc.	Developing the SI business as a local corporation	Nagasaki	40%	Unlisted
Products and services	Development tools	CYBERNET SYSTEMS Co., Ltd.	Selling software products designed to help manufacturers conduct pre-production simulation	Tokyo	54%	Listed
	Hardware development	OA LABORATORY Co., Ltd.	Developing such hardware as electronic circuits in the embedded systems field as well as a portion of software	Kanagawa	97%	Unlisted
Other	Office services	FUJI SOFT SERVICE BUREAU INCORPORATED	Outsourcing services mainly for public agencies: Pension-related periodic notifications, e-tax, etc.	Tokyo	56%	Listed
	Other	FUJI SOFT KIKAKU Inc. (special-purpose subsidiary)	Web-based promotion, marketing, the preparation of business cards	Kanagawa	(Non-consolidated)	Unlisted

# Passing on the Spirit of *Monozukuri* to Future Generations — Robot-Sumo Tournament



The Robot-Sumo Tournament originated in the mind of Hiroshi Nozawa, founder of FUJI SOFT. Based on his aspiration to encourage future leaders of the manufacturing sector to develop their own dreams, the tournament helps young people experience the fun of skilled craftsmanship. Today, this tournament is highly regarded by universities and other educational institutions in more than 30 countries around the world as an event providing young people with prime opportunities to engage in robotics studies. Over the years, more than 80,000 people have taken part globally.

In fiscal 2022, we were able to hold the All Japan Robot-Sumo Tournament for the first time in three years at Ryogoku Kokugikan. Taking the status of the COVID-19 pandemic into account, we implemented safety measures to prevent the spread of the virus at the venue. With a number of participants from regions around Japan, the tournament was a roaring success. We also held a pre-tournament featuring the “500g Class,” a newly established

category designed to welcome more casual participants to the world of robot sumo. It is our hope that this category will attract an even greater number of attendees.

The robot industry is expected to experience accelerating growth as countries around the globe confront pressing needs to address labor shortages and improve productivity in step with momentum toward digital transformation (DX). Accordingly, robotics education will become increasingly important.

We will continue contributing to the development of human resources, essential to supporting manufacturing, through the Robot-Sumo Tournament as a pillar of our social contribution activities.

We ask for your ongoing support of the Robot-Sumo Tournament.

Chair of the All Japan Robot-Sumo Tournament Committee  
**Satoyasu Sakashita**

## History of the All Japan Robot-Sumo Tournament

1990	To commemorate the 20th anniversary of the Company's founding, the first round of the Robot-Sumo Tournament was held with the aim of contributing to Japan's manufacturing sector through the combination of "Sumo," which is the national sport, and "Robot," a cutting-edge technology.
1992	The tournament was held at Ryogoku Kokugikan (Ryogoku Sumo Hall).
1993	The High School Student Category was established, while regional tournaments were initiated. Since this year, the Ministry of Education, Science and Culture (now Ministry of Education, Culture, Sports, Science and Technology) has been serving as a co-sponsor.
1998	The champion of the 10th anniversary round was invited to perform an overseas tour. Overseas tours were held on a total of four occasions until 2001, contributing to the growing popularity of robot sumo in countries worldwide.
2005	The first round of the Nationwide Robot American Football Tournament was held. Robot American football arose from robot sumo to pit two robot teams against each other, sometimes colliding, as they vie for the ball. (The 14th round of the tournament was held in February 2019.)
2008	A team from Mie Prefectural Yokkaichi Chuo Industrial High School became the champion in both the High School Student Category and the All Japan Category and was thus chosen to receive the Prime Minister Award under the Third Monozukuri Nippon Grand Awards program (the Youth Category).
2014	The International Robot-Sumo Tournament 2014, the first round of the worldwide tournament, welcomed 41 robots entered from nine countries round the globe.
2018	In 2018, as the tournament marked the 30th round since its inception, the Nationwide Robot-Sumo Tournament was integrated with the International Robot-Sumo Tournament and held under the new title of the All Japan Robot-Sumo Tournament, with its Grand Final spanning two days.
2019	The All Japan Robot-Sumo Tournament 2019 was fought by 84 robots that survived elimination rounds held at 19 locations in Japan as well as 107 robots selected via local tournaments held at 60 locations in 31 countries overseas. A total of 191 robots gathered at Ryogoku Sumo Hall to determine the World Champion <i>Yokozuna</i> .
2020-2021	The tournament was cancelled.
2022	The tournament resumed, with the most recent round held at Ryogoku Sumo Hall with countermeasures to prevent COVID-19 infections.



A champion team on the first overseas tour in 1998



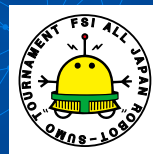
A robot American football game



Autonomous robots fighting in the 2019 round of the tournament



# Robot sumo wrestlers gathered at Ryogoku Sumo Hall, sumo wrestling's holiest site, for the first time in three years to determine the Yokozuna!



## All Japan Robot-Sumo Tournament 2022

In December 2022, we held the All Japan Robot-Sumo Tournament for the first time after a three-year hiatus due to the COVID-19 pandemic. For the event, 186 robot sumo wrestlers from 18 prefectures were gathered at Ryogoku Sumo Hall, the holiest site of all for sumo wrestlers. With the elimination and final rounds held on December 10, 2022 (Sat.) and December 11, 2022 (Sun.), respectively, participants engaged in fair fights, pitting their techniques against each other in accordance with the five principles of robot sumo.



A robot sumo match in the 3kg Class

### 500g Class (a pre-tournament)

We also held a pre-tournament match in the 500g Class, which is oriented toward the more casual robot sumo enthusiast, with 28 robot sumo wrestlers pitting against each other.



A robot sumo match in the 500g Class

### Co-sponsoring the Nationwide High School Robot Sumo Tournament 2022

FUJI SOFT co-sponsored the "Nationwide High School Robot Sumo Tournament 2022" hosted by the National Association of Technical High School Principals and help in organizing this event.

The last round of the tournament was held on November 26, 2022 (Sat.) at Big Palette Fukushima (Koriyama City, Fukushima Prefecture). With 64 robots selected from 214 robots from 23 prefectures across Japan, participants engaged in heated battles to gain the title of high school *Yokozuna*. After the close of the tournament, the Champion was granted an award from the Minister of Education, Culture, Sports, Science and Technology.

Moreover, awards from the Minister of Economy, Trade and Industry were granted to robots with outstanding technological features.



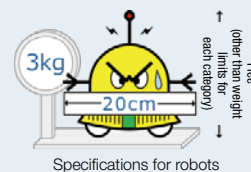
### What is a robot sumo tournament?

A game in the form of sumo wrestling that allows participants to fully leverage their techniques and ideas to create hand-crafted robots that they pit against each other. Participants fight for the honor of being named *Yokozuna* Champion in either the autonomous robot category or the radio-controlled robot category. This long-established event has been hosted by FUJI SOFT since 1989 as part of its social contribution activities.

### Rules of the tournament

A pair of robot sumo wrestlers face off against each other in the sumo ring, proceeding to push against one another as the round commences. If any part of one robot touches the ground outside the ring, the other gets a point.

Each round of wrestling lasts three minutes, with the first robot to get two points claiming victory!



### Robot-Sumo Tournament The five principles of the engineer spirit

- 1. Stay safe and fight with the spirit of fair play.**  
(Safety first and fair play)
- 2. Pay respect to, and have compassion for, all participants and their supporters.**  
(Generous hearts)
- 3. Exercise creativity and take on the challenge of higher technical achievements.**  
(Taking on technical challenges)
- 4. Engage in interaction and fellowship with other participants.**  
(Interpersonal communications)
- 5. Act as a model for younger people to help them develop dreams and hope for the future.**  
(Passing down technical heritage)



All Japan Robot-Sumo Tournament 2019

**Our engagement in the support of disaster-hit areas and other social contribution activities**

After the Great East Japan Earthquake struck, FUJI SOFT established the Social Contribution Section. At the same time, the NPO “IT Kobo Hinoki” was spun off from FUJI SOFT. Since then, this NPO has been hosting volunteer activities in collaboration with local governments and citizen organizations to extend essential support to communities affected by disasters as well as depopulated communities. The NPO not only strives to aid in the restoration of disaster-hit communities but also aims to contribute to the revitalization of these communities, to this end engaging in initiatives aimed at meeting their needs over the long term. These activities employ such tools as FUJI SOFT products, helping people understand how relevant ICT is to their daily lives.

Aware of the increasing frequency of natural disasters, we provide ongoing support to affected areas by leveraging experience we have gained in the course of our disaster-aid activities. Since fiscal 2020, however, prolonged fallout from the COVID-19 pandemic has hindered our employees’ ability to physically visit and help disaster-hit communities. Accordingly, we have focused instead on implementing remote-based activities while extending indirect support to food producers and other members of disaster-hit communities.

**Receiving a letter of gratitude from Ofunato City, Iwate Prefecture**

On October 13, 2022 (Thu.), FUJI SOFT was granted a letter of gratitude by the officials of Ofunato City at a commemorative event celebrating the 70th anniversary of city’s founding. The letter expressed gratefulness with regard to more than 10 initiatives undertaken by the Company to assist in the restoration of local communities.

Following the Great East Japan Earthquake, FUJI SOFT supported the restoration of disaster-hit communities in Ofunato City and other coastal regions in Iwate Prefecture, with a number of its employees engaging in ongoing volunteer activities to the same end. In 2015, the Company was also chosen to be a participant in the “Verification Project for the Promotion of Teleworking from Hometown” sponsored by the Ministry of Internal Affairs and Communications. This led to the opening of the Ofunato Telework Center which, in turn, has contributed to the post-disaster vitalization of local communities in Ofunato City. The aforementioned letter of gratitude was thus granted in recognition of the initiatives described above.



A letter of gratitude from Ofunato City

**About NPO “IT Kobo Hinoki”**

This NPO was established with the objective of promoting various initiatives aimed at supporting the reconstruction of communities hit by natural disasters. Leveraging the power of IT, the NPO endeavors to assist residents of disaster-hit areas in their efforts to restore livelihoods while contributing to recovery in regional economies. “IT Kobo Hinoki” also works in tandem with local citizen organizations.

**Social contribution activities undertaken in fiscal 2022**

- Supporting food producers in disaster-hit communities through the purchase of local specialties (Sanriku coastal regions, Iwate Prefecture, Ueki, Kumamoto City, Kumamoto Prefecture)

**Other social contribution activities**

**Cooperating with the “Nationwide Robot Programming Championship Tournament 2022” (special needs education for children with health conditions category)**

On February 1, 2022 (Wed.), the “Nationwide Robot Programming Championship Tournament 2022” (special needs education for children with health conditions category) was held at Nitona Special Needs School in Chiba Prefecture on an online basis. The event was sponsored by the National Association of Principals of Special Needs Schools for Children with Health Conditions, with FUJI SOFT providing equipment and undertaking screening for technological awards. Since its launch in 2018, the “Nationwide Robot Programming Championship Tournament” (special needs education for children with health conditions category) has taken the form of an online competition. To participate in this tournament, applicants are asked to submit programs they have created using the “Proro” robot programming system developed by FUJI SOFT. Holding the tournament on a fully remote basis enables children undergoing disease treatment anywhere in Japan to share in the same moments and locations, experience the fun of learning and gain interpersonal connections. As such, the tournament is aimed at empowering these children to feel a sense of achievement and recognize their own potential.



The tournament was livestreamed to participating schools via Zoom

**FUJI SOFT’s corporate support of blood donation campaigns**

From August 2022 to February 2023, FUJI SOFT conducted blood donation campaigns, and a cumulative total of 250 employees took part, visiting blood donation centers run by the Japanese Red Cross Society or utilizing bloodmobiles. Although in the past we set up blood donation rooms within our office spaces, due to concerns over the spread of COVID-19, we opted for these modes of blood donation for the most recent campaigns.

**Cooperating with UNICEF fundraising campaigns**

To support the UNICEF “Hand in Hand” online fundraising campaign conducted every December, PALRO, a communication robot developed by FUJI SOFT has appeared on videos calling for donations.

**Donating emergency food supplies from our stockpiles**

To counter the problem of food loss, we periodically donate our emergency food supplies that are nearing their shelf life expiry dates to food-bank operators.

**Local cleanup activities**

In support of “Chiyoda All-Out Cleanup Day,” a twice yearly event taking place on dates designated by Tokyo’s Chiyoda Ward (in June and November), FUJI SOFT employees regularly participate in cleanup activities in areas around the Akihabara Building. In 2023, FUJI SOFT employees who work at the Shin Nagoya Building also began undertaking periodic local cleanup activities.



## FUJI SOFT KIKAKU, a special-purpose subsidiary, empowers employees with disabilities to achieve professional success while contributing to society

FUJI SOFT KIKAKU Inc., a special-purpose subsidiary, aims to become a “Company Offering Lifelong Career Opportunities.” Thus, to this end, the company ensures respect for the unique characters of employees with disabilities while empowering them to learn, achieve growth and contribute to society through their duties.

### Three FUJI SOFT KIKAKU employees chosen to receive awards in the “42nd Nationwide Abilympics”

The “42nd Nationwide Technical Competition for People with Disabilities” (Abilympics\*) was held on November 4, 2022 (Fri.) through November 6, 2022 (Sun.) at MAKUHARI MESSE in Chiba Prefecture. The event was sponsored by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers to enable people with disabilities to pit themselves against each other as they demonstrate vocational techniques acquired in the course of day-to-day duties. To prevent the spread of COVID-19 infections, this round of competition was livestreamed instead of before a physically present audience. Among the 362 people competing in a total of 25 categories, six FUJI SOFT KIKAKU employees participated in five categories, with three winning awards.

**Gold award: PC assembly category; Bronze award: Spreadsheet calculation category; Bronze award: Website development category**



Gold award winner in the PC assembly category: Mr. Tateno

\* A neologism created via the combination of “Ability” and “Olympics.” Since 1972, Abilympics games have been held to encourage people with disabilities to enhance their vocational abilities. At the same time, the Abilympics movement aims to help businesses and citizens in general deepen their understanding and recognition of people with disabilities so that they are offered more robust employment opportunities.

### Winning awards in two categories of the “Fukushima Prefecture Mushroom Show”

On October 21, 2022 (Fri.), FUJI SOFT KIKAKU participated in the “Fukushima Prefecture Mushroom Show” sponsored by the Fukushima Prefecture Forestry, Timber and Greening Association. As a result, this subsidiary was chosen to receive the Chairman’s Award and President’s Award, respectively, in the mushroom bed cultivation category (for raw shiitake mushrooms) and the dried shiitake mushroom category.

This mushroom show has been held to facilitate the reconstruction of local communities affected by the Great East Japan Earthquake and invigorate the production of mushrooms in the prefecture, with the comprehensive screening process conducted to assess quality, shape, packaging and other aspects of shiitake mushrooms.



Award-winning mushrooms (left: raw shiitake mushroom; right: dried shiitake mushroom)

### Becoming the first company in Fukushima Prefecture to be a “Noufuku JAS Certified Business Operator”

On December 13, 2022, FUJI SOFT KIKAKU’s Aizu Office (Nishiaizu-cho, Yama-gun, Fukushima Prefecture) became a “Noufuku JAS\* Certified Business Operator” as this subsidiary was deemed to conform with Technical Criteria stipulated under the Japanese Agricultural Standards (JAS) with regard to food products whose manufacturing process involves people with disabilities.

The Aizu Office of the subsidiary has been endeavoring to pass down know-how amassed by its employees in the course of shiitake mushroom cultivation to future generations and, to this end, compiling related data while playing its part in enabling people with disabilities to serve as professionals in an even broader range of fields and facilitating the employment of such people.

\* One of the Japanese Agricultural Standards established in 2019, the Noufuku JAS is officially referred to as the “Japanese Standards for Foods Produced with the Participation of Persons with Disabilities (Ministry of Agriculture, Forestry and Fisheries Notification No. 594, March 29, 2019).” Targeting the agricultural, forestry and fishery sectors, the Noufuku JAS codifies standards for production and labeling methods for fresh food products and their raw materials for which the manufacturing process involves people with disabilities.

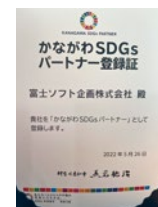


Noufuku JAS certificate

### Certified as a “Kanagawa SDGs Partner”

On May 26, 2022 (Thu.), FUJI SOFT KIKAKU was certified by Kanagawa Prefecture as a “Kanagawa SDGs Partner.”\*\* Embracing the “Leave no one behind” concept of the United Nations Sustainable Development Goals (SDGs), this subsidiary is striving to promote the employment of people with disabilities, with the aim of helping realize a sustainable society that promotes diversity and inclusivity.

\* Under a program sponsored by Kanagawa Prefecture, business corporations and other entities based in the prefecture and engaged in operations aimed at contributing to SDGs can apply for this certification. Specifically, Kanagawa Prefecture screens such operations to determine their purpose and the details of their status, etc., based on which they are designated and registered as “Kanagawa SDGs Partners” (the registration period spans two years and can be renewed). Registered entities work in collaboration with the prefecture to hold such events as seminars, disseminate information via various media outlets, and otherwise strive to facilitate the public recognition of SDGs.



Certificate granted by Kanagawa Prefecture

### FUJI SOFT KIKAKU has been chosen to receive awards in two categories under the “Awards Program for Excellent Business Operators, etc., That Employ People with Disabilities”\*

On September 13, 2022 (Tue.), FUJI SOFT KIKAKU was chosen by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers to receive an Excellent Award as an outstanding business operator in terms of disseminating best practices on improving workplaces for people with disabilities. This subsidiary was also chosen to receive an Encouragement Award in the Painting and Photograph Competition held during the Month for Supporting the Employment of People with Disabilities.

\* This award program aims to facilitate the employment of people with disabilities and help stabilize their employment conditions. To this end, the program commends (1) business operators that proactively hire a number of people with disabilities, (2) organizations or individuals that play a significant role in facilitating the employment of and the provision of stable employment conditions to such people, and (3) workers with disabilities who have built long-term professional track records and could be role models for their peers. In these ways, the program strives to gain the widespread public recognition of people with disabilities who pursue professional success.



Certificate granted by Kanagawa Prefecture

Returning profit to our shareholders and maximizing shareholder value

The FUJI SOFT Group aims to enhance its corporate value via the pursuit of improved management efficiency, soundness and transparency while returning appropriate levels of profit to its shareholders. We consider these matters to be a management issue deserving the utmost priority. We also strive for the robust disclosure of diverse corporate information in a timely manner while ensuring that management remains apprised of the latest needs of the capital market. In these ways, we endeavor to solidify relationships of trust with, and enhance the satisfaction of, our shareholders and investors.

Returning profit and maximizing shareholder value

We maintain a basic policy of delivering a stable return on profit to shareholders while focusing on securing a certain level of internal reserves in preparation of future funding needs to support proactive business development or to counter unexpected business risks.

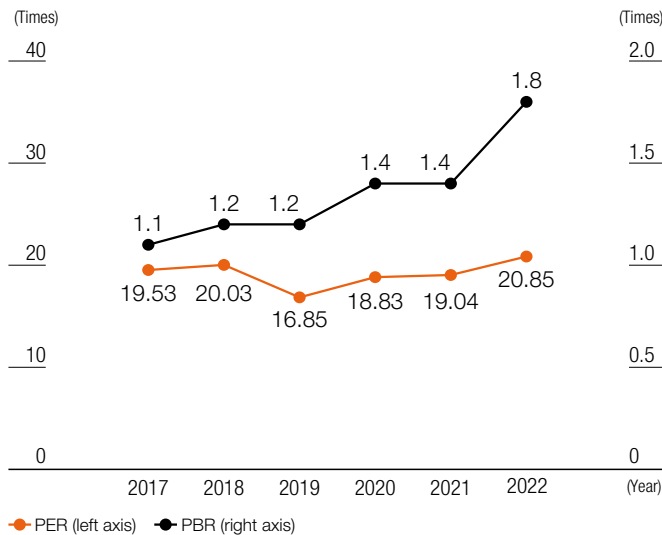
Over the course of the current medium-term management plan, which was initiated in fiscal 2022, we aim to achieve a consolidated

dividend payout ratio of 35% or more while giving comprehensive consideration to the growth potential and stability of our business operations, as well as capital efficiency and other factors. We will also consider share repurchases in a flexible manner in light of the status of profit and investment plans.

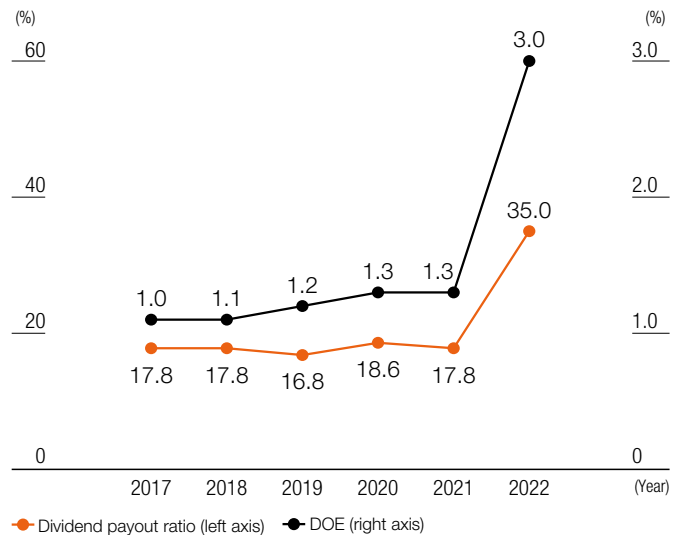
(Years ended December 31)

	2018	2019	2020	2021	2022
Book value per share (BPS) (yen)	3,391.15	3,587.27	3,802.16	3,988.35	4,267.88
Earnings per share (EPS) (yen)	208.22	250.40	273.96	291.47	362.57
Equity ratio (%)	55.1	54.1	50.7	54.6	55.7
Return on equity (ROE) (%)	6.2	7.2	7.4	7.5	8.8
Dividend on equity (DOE) (%)	1.1	1.2	1.3	1.3	3.0
Dividend payout ratio (%)	17.8	16.8	18.6	17.8	35.0
Price earnings ratio (PER) (times)	20.03	16.85	18.83	19.04	20.85
Price book-value ratio (PBR) (times)	1.2	1.2	1.4	1.4	1.8
Year-end share price (yen)	4,170	4,220	5,160	5,550	7,560
Total shareholder return (TSR) (%)	116.2	118.8	146.1	158.3	216.9

Total shareholder return (TSR)



Dividend payout ratio / DOE



Disclosure policy

The objective of our IR activities is to help our shareholders and investors appropriately understand our business operations.

To this end, we uphold a basic policy of maintaining the timely, fair and accurate disclosure of our corporate information. Moreover, we ensure compliance with the Financial Instruments and Exchange Act as well as the Securities Listing Regulations and Enforcement Rules for

Securities Listing Regulations stipulated by the Tokyo Stock Exchange, on which FUJI SOFT stock is listed. In addition, we take a proactive approach to ensuring the timely and appropriate disclosure of information considered to have the potential to materially affect the investment judgment of our shareholders and investors.

### Basic concepts regarding corporate governance

In line with its Basic Philosophy, the FUJI SOFT Group is striving to become an innovative corporate group that links ICT development to greater value for customers. Specifically, the Group has built an organizational structure that enables it to respond quickly to changes in the

business environment, enhancing its corporate governance by ensuring management soundness and efficiency and increasing management transparency. To that end, the Group is currently pressing forward with the following initiatives.

- ① The Group has introduced the operating officer system to accelerate the speed of decision-making and strengthen the management supervisory function by clarifying the responsibility for execution of business, improving the efficiency and increasing the speed of business operations, and streamlining the Board of Directors.
- ② The Group has adopted a “company with a board of auditors” structure as its institutional design. We have also established Nomination, Compensation and Ethics committees as voluntary advisory bodies to the Board of Directors. Chaired by outside directors, each of these committees’ membership comprises a majority of outside officers and each deliberates in advance on significant matters to be submitted to the Board of Directors.
- ③ All outside directors of the Group meet the requirements described in the judgment criteria for independent officers established by the Tokyo Stock Exchange. They are capable of exercising supervision and advice from an unbiased external standpoint and simultaneously possess deep insight and extensive knowledge and experience in the areas in which they specialize.

### Corporate governance structure

FUJI SOFT is a company with a board of auditors and has established a general meeting of shareholders, Board of Directors and Board of Auditors as specified by relevant laws and regulations. The Board of Directors consists of 13 directors, including eight outside directors who have been designated as independent officers in line with the regulations of the Tokyo Stock Exchange. The Board of Directors meets regularly once a month and on a temporary basis as needed. Meetings are attended by the three auditors, two of whom are outside auditors (qualifying also as independent officers). The Board passes resolutions on important agenda items relating to management as well as on matters specified by relevant laws and regulations.

The Company has established a Management Conference. Attended by the directors (excluding outside directors), the standing auditors and the operating officers, the conference meets twice a month, or as needed, functioning as a decision-making body tasked with determining matters relating to the execution of important business based on the management policy set by the Board of Directors. To contribute to deliberations at the Management Conference, the Company has also set up a strategy meeting and holds Company-wide liaison meetings for specific purposes to enable full discussion and better coordination and otherwise achieve better outcomes. Although FUJI SOFT is not a “company with a nominating committee, etc.” as defined under Japan’s Companies Act, it has Nomination, Compensation and Ethics committees that serve as advisory

bodies to the Board of Directors. These committees, which boast memberships whose majorities comprise outside officers and are chaired by outside directors, deliberate in advance on significant matters to be submitted to the Board of Directors.

We also maintain the Corporate Value Improvement Committee consisting of individuals who attend Board of Directors meetings. This committee deliberates important matters regarding the improvement of corporate value. Meanwhile, the Governance Committee, with outside directors making up the majority of its membership and an outside director serving as its chair, is in place to discuss governance-related issues of particular importance. These two committees report their conclusions to the Board of Directors.

Moreover, the Sustainability Conference, the Internal Control Committee, the Risk and Compliance Committee, the Reward and Disciplinary Committee and other bodies deliberate and coordinate specific matters.

Furthermore, we have introduced an operating officer system to clearly separate the Board of Directors’ functions for strategic decision making and supervision over business execution from operating officers’ executive functions. In addition, with the aim of securing swift business execution, primary business departments are overseen by operating officers who are well-versed in and responsible for their operations.

**While outside directors constitute the majority its Board of Directors, the Company has established the voluntary advisory bodies (committees) named below in order to develop a sophisticated governance structure capable of securing independence and transparency.**

Committee	Structure	Items
Nomination Committee	An outside director serves as the chair while outside directors account for the majority of committee members	Deliberates on the nomination of candidates for Representative Director & President and other offices as well as the formulation of succession plans
Compensation Committee	An outside director serves as the chair while outside directors account for the majority of committee members	Deliberates on compensation and incentive systems for officers
Ethics committee	An outside director serves as the chair while outside directors and auditors account for the majority of committee members	Deliberates on regulations on officers and disciplinary action related to their misconduct
Corporate Value Improvement Committee	Representative Director & President serves as the chair while committee members comprise individuals who attend Board of Directors meetings	Engages in business verification aimed at improving corporate value while discussing capital allocations
Governance Committee	An outside director serves as the chair while outside directors account for the majority of committee members	Deliberates on various issues related to governance

### Evaluation of the Board of Directors’ effectiveness

The Company annually undertakes questionnaires targeting all directors and auditors with regard to such subjects as the composition of its Board of Directors and the effectiveness of its operations. Issues identified as a result of these questionnaires are then deliberated by the Board of Directors, which determines which issues should be addressed and other matters requiring improvement. In these ways, we are constantly striving to improve the effectiveness of the Board of Directors’ operations. The evaluation of the

Board of Directors’ effectiveness during the fiscal year ended December 31, 2022 led to the conclusions described in (1) to (6) below.

(1) The size and composition of the Board of Directors

The Board of Directors consists of 13 directors, including eight outside directors who meet the requirements described in the judgment criteria for independent officers established by the Tokyo Stock Exchange. The size and composition of the Board have been determined with due

consideration given to the size and content of the Company's operations, as well as the skill sets necessary to promote measures aimed at raising its corporate value from the current level.

The current composition of the Board of Directors was deemed appropriate based on a self-assessment carried out by the directors and auditors. However, some officers suggested that the size of the Board should be reduced in the future. The Board will engage in ongoing discussions to determine the appropriate size and composition.

(2) The frequency of Board of Directors meetings

The Board of Directors met 22 times over the course of the year (13 ordinary meetings, four meetings for discussing financial-related topics and five extraordinary meetings). All these meetings were well-organized, while meeting frequency was deemed appropriate.

(3) The content of agenda items resolved and reports examined by the Board of Directors with regard to important matters related to business execution

The agenda items submitted to the Board of Directors comprise items stipulated under laws, regulations and the Company's Articles of Incorporation as well as important matters related to business execution.

Acting in collaboration with the Corporate Value Improvement Committee, the Board deliberates on corporate strategies, measures aimed at improving corporate value and how to exercise robust supervision over executives. On the other hand, based on the self-assessment carried out by the directors and auditors, some officers suggested the need to delegate authority over an even broader range of matters to executives. This will enable the Board to narrow down the scope of agenda items and reports it handles while increasing the weighting placed on discussions to address management strategies and measures to improve corporate value. Looking ahead, the Board will strive to enhance the quality of its discussions.

(4) Outside directors' supervision over the Company's business operations and advice they offer to the Board of Directors

Eight outside directors, who are equipped with sophisticated expertise and wide-ranging perspectives, properly exercise supervision over, and provide advice regarding, the Company's measures to improve corporate value and its business operations even as they maintain independent and objective standpoints.

Based on the self-assessment, some officers suggested that the Board of Directors should increase the involvement of outside directors in discussions undertaken by committees that operate under it. The Board will continue striving to improve its effectiveness, taking heed of these and other opinions calling for ongoing discussions focused on this subject.

(5) Beneficial opinions expressed by auditors and the resulting invigoration of the Board of Directors' discussions

Three auditors (two of whom meet the judgment criteria for independent officers established by the Tokyo Stock Exchange) provide beneficial opinions to the Board of Directors by employing their objective and professional perspectives based on their diverse backgrounds. The propriety of the Board of Directors meetings is thus assured by their presence, which also helps invigorate discussions.

(6) Smooth provision of information needed by each director and auditor

Meeting materials are distributed prior to each Board of Directors' meeting, while attendees are furnished with prior explanations. Following each monthly ordinary Board of Directors meeting, information exchange meetings are held for auditors and outside directors. Furthermore, Representative Director and outside directors attend separate meetings that allow them to interact with each other. Through these measures, the Board of Directors ensures the smooth provision of necessary information. Although the current status has been deemed appropriate, the Board will strive to make further improvement.

### Overview of policies regarding the determination of officer compensation

Compensation for the Company's officers is determined via a resolution of the Board of Directors based on conclusions reached via objective and transparent discussions undertaken by the Compensation Committee, an advisory body chaired by an outside director, with outside directors making up the majority of committee members. The Company's policies for determining director compensation are as presented below.

(1) Basic compensation for directors is in the form of cash, with limits on the total amounts determined by the General Meeting of Shareholders.

- Basic compensation: Determined within limits resolved by the General Meeting of Shareholders. The amount granted to each recipient is based on their position and grade.

(2) Bonuses are performance-linked, with the amount of compensation determined on the basis of evaluation points granted to each recipient. To calculate points, basic evaluations are carried out that take into account the overall business performance of the Company as well as results achieved by businesses under the recipient's supervision. Further additions or subtractions to the points awarded are made with reference to the degree of achievement relative to target indicators defined under the management plans for particular businesses.

(3) Non-cash compensation, etc., paid to directors (excluding outside directors) consists of stock options and restricted shares. These are

granted to provide medium- to long-term incentives. The total amount and content of this compensation are determined by the General Meeting of Shareholders.

- Stock options: Granted in amounts within limits resolved by the General Meeting of Shareholders. Recipients are allowed to exercise such options only when they are directors (excluding outside directors), operating officers or employees of the Company.
- Restricted shares: Share-based compensation is granted in amounts within limits resolved by the General Meeting of Shareholders. Restrictions placed on the transfer of shares granted will be lifted on the day the recipient retires from their position.

(4) As for the composition of compensation for directors, the proportion of performance-linked compensation described in (2) above and non-cash compensation, etc., described in (3) above shall be 40% to 50% of overall compensation for each recipient, provided that performance-linked compensation is paid in the standard amount.

- (5) • Basic compensation: Paid monthly in a fixed amount
- Bonuses: Paid twice a year (April and October, in principle)
  - Stock options: Paid in principle on a set schedule following the close of each fiscal year
  - Restricted shares: Paid in principle on a set schedule following the close of each fiscal year

## Compliance

**Our concepts of compliance are not limited to legal compliance but also encompass corporate behavior in conformity with social norms and adherence to in-house rules.**

### Compliance promotion structure

Having positioned further enhancing its compliance structure as a matter of the utmost importance, FUJI SOFT is developing a structure supporting compliance with laws, regulations, social norms and in-house rules and providing a basis for appropriate and efficient business execution. Specifically, we have established "Compliance Rules," which include our

code of conduct, while ensuring thorough compliance via the appointment of a director and executive operating officer in charge of compliance and the formation of a Risk and Compliance Committee tasked with compliance promotion. In addition, we have set up the Legal Affairs & Audit Department to assess the status of compliance-related initiatives.



## Security export control structure

In step with the ongoing globalization of its business strategies, FUJI SOFT established the Export and Import Control Section in August 2012 to secure a robust structure supporting the appropriate management of these matters.

In February 2013, we were also granted special licenses from the Ministry of Economy, Trade and Industry (METI) regarding the comprehensive handling of export-related services and transactions in recognition of our track record in the proper management of the undertakings described above.

## Providing compliance education

In order to raise compliance awareness among employees, we provide periodic, rank-based training to new hires as well as those who have just been promoted or reached other career milestones. At the same time, compliance-related e-learning programs are available to all employees.

## Establishing IP policy

The FUJI SOFT Group has positioned its intellectual properties (IPs), including copyrights, patent rights, utility models, design rights, trademarks and know-how as important management resources.

Accordingly, we proactively acquire, protect and utilize IPs to maximize the value of these assets. Our IP-related activities are also guided by our commitment to quality, delivery date and confidentiality. We therefore maintain compliance with IP-related laws and regulations while respecting viable IP rights held by third parties, with the aim of preventing infringement of these rights.

Based on this IP policy, we proactively acquire IPs and utilize them in the course of business activities.

Intellectual property rights held by FUJI SOFT (number)

Domestic and overseas: Patent rights: 46; trademark rights: 90

Domestic: Design rights: 2

(As of December 31, 2022)

## Basic policy regarding the prevention of illicit use of competitive research funding

We have developed in-house rules aimed at ensuring the appropriateness of operations related to the management of competitive research funding and other public research grants in order to prevent the illicit use of such funds. Our rules are based on an August 26, 2014 decision by the Minister of Ministry of Education, Culture, Sports, Science and Technology under the title of "Guidelines on Response to Illicit Conduct in Research Activities."

## Establishing helplines for whistleblowing

In April 2022, prior to the enforcement of the revised Whistleblower Protection Act in June 2022, the Company updated its standards for internal reporting. Since then, we have striven to ensure robust protection for whistleblowers and enhance the effectiveness of our internal reporting system while developing an environment supportive of whistleblowing, including a fair and transparent structure for handling internal reporting.

For example, we have established an in-house helpline, as well as a helpline through which reports are directly delivered to standing auditors. The latter is entirely independent from FUJI SOFT management and jointly supervised by standing auditors and outside directors. We have also set up a helpline for Group members. In October 2022, we additionally created a dedicated helpline via the use of external services for whistleblowers who wish to remain anonymous. In these ways, we strive to ensure the effectiveness of our internal reporting system in order to prevent compliance violations or other improprieties while ensuring that, in the event of such occurrence, the system will enable earlier correction and thorough remediation of the root causes within our organization.

## Risk management

FUJI SOFT monitors and assesses the status of its response to various risks arising from corporate activities on an ongoing basis in accordance with its "Basic Policy for Internal Control Systems (Crisis Management)." Through these endeavors, we secure and maintain a management structure capable of minimizing the impact of such risks on business management.

## Risk management structure

FUJI SOFT has in place the Risk and Compliance Committee, chaired by a director and executive operating officer. Having established in-house rules aimed at clarifying action standards for both emergency and non-emergency situations, this committee monitors various risks arising from business operations undertaken by individual departments to minimize their impact on business management. These activities are reported to the Management Conference to provide input to a cycle of improving business operations.

## Response to disasters

We maintain our Crisis Management and Disaster Prevention Headquarters irrespective of the presence or absence of an imminent disaster, with branches at all our offices. This robust structure enables us to respond properly to typhoons, earthquakes and other disasters. When a major disaster occurs, we also utilize a dedicated website to confirm the whereabouts of all employees and otherwise implement robust measures to secure their safety.

In preparation for the occurrence of a crisis that could potentially disrupt our ongoing business operations, we also maintain the Business Continuity Plan (BCP) Management Committee and have tasked this body with the basic planning of crisis response, the definition of essential operations, the formulation of BCPs and the management of relevant activities.

## Data center management structure

Our data centers are equipped with seismic-control and quake-absorbing facilities, in-house power generators and robust security equipment. Employing these features, we provide continuous support for system operation and management on an around-the-clock basis. To this end, we have also secured an enhanced lineup of backup facilities while installing redundant communication lines with the aim of ensuring multi-layered countermeasures against trouble, including the unlikely occurrence of a major problem. At these centers, network status is constantly monitored so that we can immediately counter emergencies.

All of our data centers have acquired certification under the ISO/IEC 27001 international standard as part of our efforts to maintain data center operations that enable our customers to rest assured about their safety. Moreover, in April 2019 we additionally acquired certification under ISO/IEC 27017 for one of our data centers, with the aim of better positioning customers to use our cloud-based services with peace of mind.



ISO/IEC 27001 Information Security Management System  
Registration number: JQA-IM1223



ISO/IEC 27017 Cloud Service Security  
Registration number: JQA-IC00311

Information security

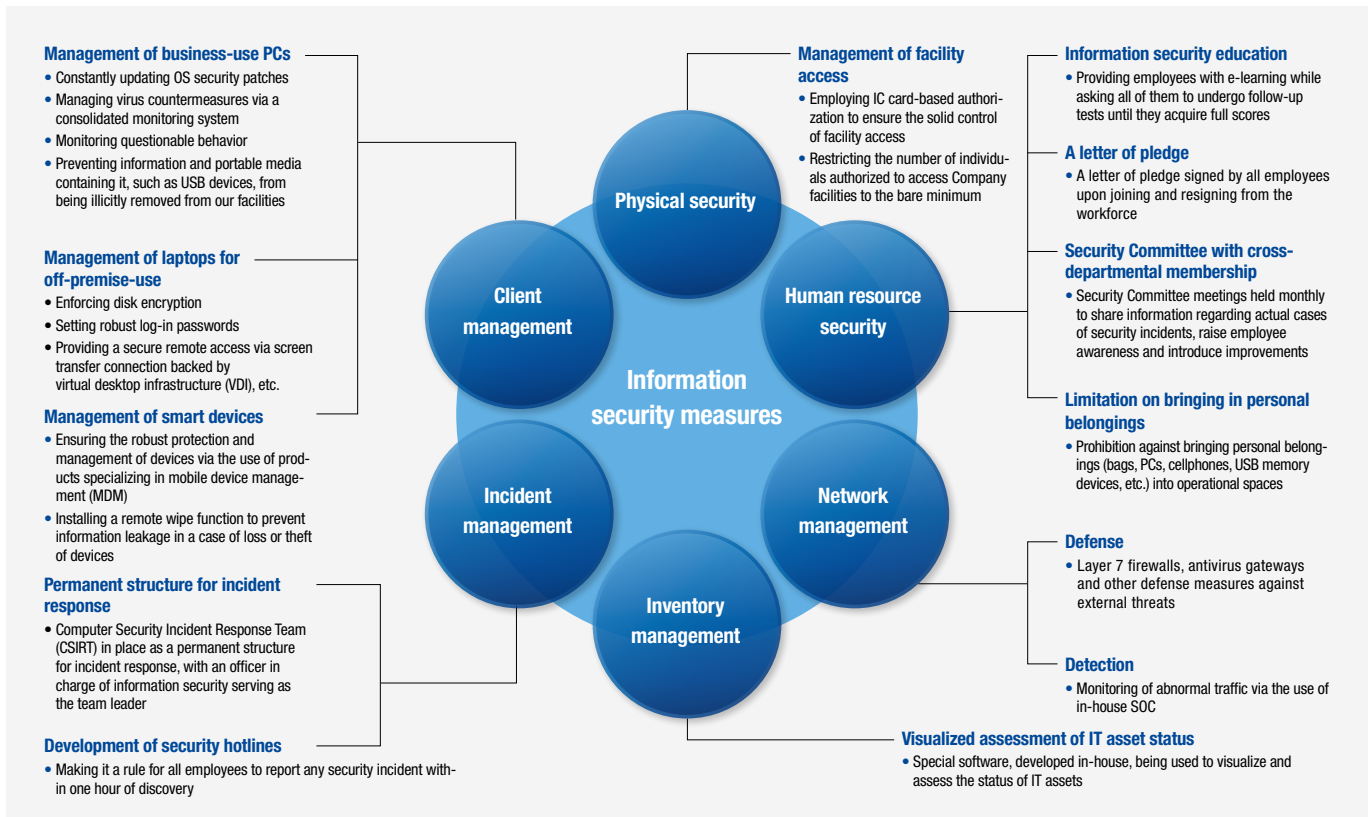
To live up to the trust society and our customers place in us, FUJI SOFT has positioned information assets as important management assets. Under the slogan of “We will fully leverage both human capabilities and technologies to ensure security,” we are doing our utmost to realize strong information security and prevent information leakage and other incidents from occurring.

Information security measures supporting workstyles compatible with the new normal

To prevent security lapses, FUJI SOFT has long implemented robust security measures in three areas, namely, technologies, physical facilities and human resources. Specifically, as part of workstyle reforms, we have introduced remote access as a secure means of supporting those who have opted to work remotely, including working from home. This also involves mobile terminal management and the remote monitoring

of PCs. Simultaneously, our security guidelines are available to all employees, while security-focused education is regularly being implemented to raise their awareness. Aware of the increasing sophistication of cyberattacks, we have upgraded our monitoring structure, maintaining the real-time analysis and monitoring of security threats as part of our enhanced security measures.

Six sets of security measures



Certification under the Privacy Mark system

Since May 2002, all FUJI SOFT facilities have been certified as being in conformity with requirements under JISQ15001 Personal Information Protection Management System. We are accordingly developing robust rules and management structures regarding the protection of privacy information.

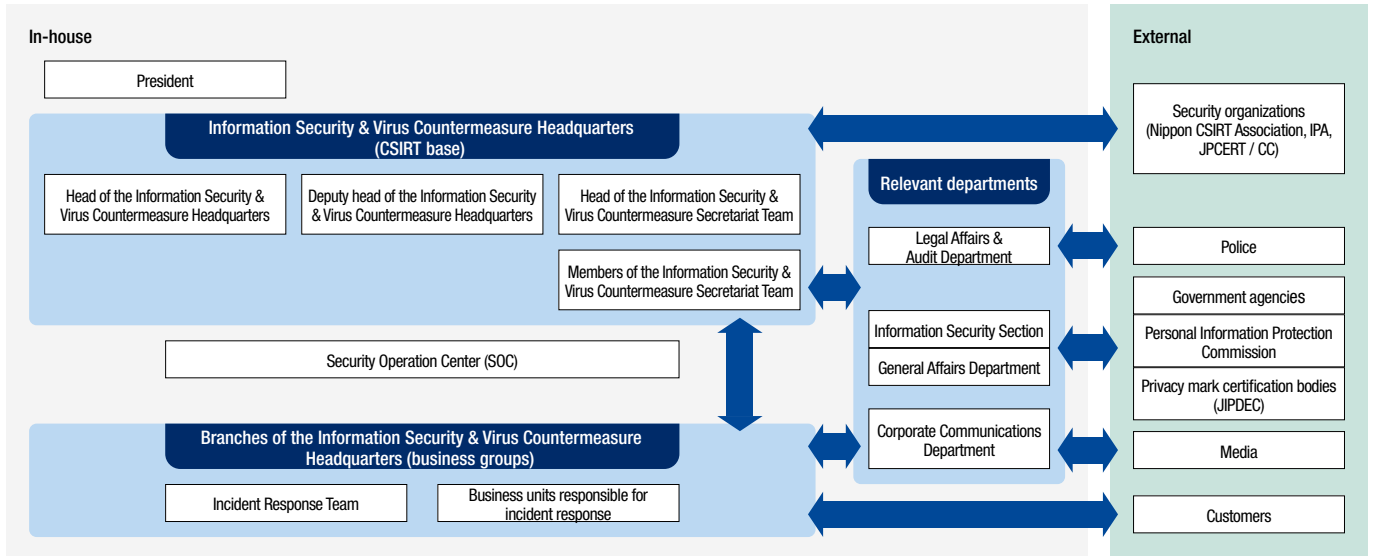


Information security management and promotion structure

In April 2005, we established the Information Security Section and the Information Security & Virus Countermeasure Headquarters, with the aim of planning and promoting our information security-related initiatives in an organizational and effective manner via the use of Companywide perspectives. These bodies are directly supervised by an officer in charge of information security. At the same time, we have made it a rule to convene monthly Security Committee meetings with individuals responsible for promoting information security from each business unit in order to thoroughly prevent information leakage. At FUJI SOFT, the full text of its information security-related rules is accessible to employees via our intranet. Moreover, essential clauses of the above rules are summarized into “12 Principles to Prevent Information Leakage” and “Seven Principles to Prevent Leakage of Personal Data.” Posters featuring both sets of principles are hung on the wall of every workplace to ensure they are fully understood and thoroughly practiced by all employees. Also, our in-house rules are constantly updated in step with revisions of relevant laws, including Japan’s Act on the Protection of Personal Information and the EU’s General Data Protection Regulation (GDPR). In conjunction with these updates, we continue to enhance our management structure and the content of employee education to ensure strict legal compliance. We are thus developing human resources well-versed in security. Our “Rules for Secure Development and Operation” are similarly updated and promoted, guiding our efforts to ensure superior security quality for systems we develop and operate for our customers.

## Information security management and promotion structure

Information liaison routes



## Assurance of product quality and safety

Our basic policy for products and services is to strictly uphold our commitment to quality, delivery date and confidentiality, as these factors are considered essential to securing customer satisfaction as well as to the realization of robust quality assurance. In line with this policy, the Quality Assurance Section is tasked with spearheading quality assurance activities, providing instructions and check-and-balance functions to relevant departments.

### ISO9001 Quality Management System (QMS)

In June 1995, FUJI SOFT became the first independent software maker to be certified by the Japan Quality Assurance Organization under ISO9001, an international standard for quality assurance (certificate number: JQA-0910). Since then, we have undergone annual examinations and thereby maintained certification. Currently, our QMS is in conformity with ISO9001:2015, the latest version of this standard, helping us deliver high quality products on or prior to delivery date while maintaining strict confidentiality. This, in turn, enables us to win customer

satisfaction for our products and services.

In addition, we address complaints or requests from customers by implementing improvement measures and confirm that such measures achieve their intended effect. In these ways, we promote quality improvement activities aimed at enhancing customer satisfaction.



JQA-0910

ISO 9001  
Quality Management System  
Certificate number:  
JQA-0910

### Project risk management

We are strengthening risk management to stably handle an increasingly diverse range of projects. Prior to launching a project, we go through checklists developed through the application of our accumulated knowledge regarding similar projects. We also conduct specialist reviews to raise risk management quality. In the course of development, we perform the periodic and careful checks of development status to

ensure our ability to align with changes in risks or the emergence of new risks. Moreover, similarly rigorous checking takes place when we initiate or complete a given development process. These measures enable us to secure robust resilience against the unlikely case of a risk materializing, minimize the impact of any that do and thereby operate projects in a steady manner.

### Project monitoring

Since September 2009, we have enforced periodic monitoring on certain projects to secure the prevention and early detection of irregularities. The target projects are determined in light of their scale and other aspects requiring monitoring. Through these endeavors, we keep ourselves apprised of the status of these projects while ensuring appropriate supervision and the presence of robust checks-and-balances. In the course of monitoring, we confirm numerical indicators for progress, costs and time invested to date. We then reach out to and conduct interviews with frontline employees. Lastly, we provide employees with

necessary advice and instructions coupled with a roundup of all risks and issues identified through the above process. In this way, we strive to secure good project management. With regard to projects involving particularly challenging tasks, we undertake assessments by officers and promote companywide countermeasures.

We also share takeaways from each project throughout the workforce to improve productivity, prevent the recurrence of similar troubles and promote employee education.

### PLATON4D standardized development management environment

In September 2011, we introduced and began rolling out PLATON4D, a standardized development management environment designed to enable efficient and effective methods for development project management. The PLATON4D furnishes a development environment supportive

of smooth coordination with ticket management, version management, quality improvement and other functions considered essential to development operations. As such, the use of the PLATON4D empowers us to securely implement configuration management throughout each project.

## Initiatives to reduce the environmental burden

In August 1998, FUJI SOFT became the first independent software company in Japan to acquire certification under ISO 14001, an international standard for environmental preservation activities.

Based on its environmental philosophy, in which it declares a commitment to protecting the greenery of the Amazon, FUJI SOFT is striving to ensure that the Earth's beautiful natural environment, along with its blessings and resources, is stably passed down to future generations. To this end, we have positioned environmental preservation as an important management issue and thus pushing ahead with resource preservation and other initiatives to make constant environmental improvement.

### Our concepts on the environment

#### Environmental philosophy **Protecting the greenery of the Amazon**

##### Environmental policy

Having positioned environmental preservation as an important management issue, we are committed to contributing to the creation of a sustainable international society and thereby passing the Earth's beautiful natural environment, along with its blessings and resources, down to future generations.

##### Action guidelines

- (1) Contribute to the creation of a carbon-neutral society through the advancement of ICT
- (2) Comply with requirements under environmental laws and regulations, regional ordinances enforced in communities surrounding our operations, and agreements and other documents we are a signatory to, thereby practicing environmental management in conformity with these requirements, etc.
- (3) Strive for harmonious coexistence with international society as well as with regional communities
- (4) Proactively engage in communications with stakeholders within and outside the Group
- (5) Encourage each employee to take action, within and outside the scope of their corporate activities, to reduce the environmental burden and make ongoing improvements, thereby contributing to the prevention of environmental pollution and the preservation of the global natural environment

#### Operating the Environmental Management System (EMS)

Within our sustainability promotion structure, a substructure supporting the promotion of the EMS is in place. Under the leadership of an officer in charge of the environment, who is responsible for highest level of decision making on relevant matters, specific individuals are appointed to supervise the implementation of the EMS or implement the EMS themselves. These individuals are thus tasked with spearheading energy-saving measures through operational streamlining, ensuring compliance with environment-related laws, regulations and ordinances, and preventing the occurrence of an accident or pollution incident that could negatively affect the environment. Moreover, internal EMS auditors conduct audits and attend the Environmental Committee meetings to formulate audit plans and submit activity reports. In these ways, we are rallying our entire strength to make improvements and to help create a carbon-neutral society.

#### Other initiatives to reduce the environmental burden

- Introducing equipment with superior energy-saving performance (i.e., updating old-style air conditioners and servers)
- Utilizing high-efficiency heat-source equipment and otherwise implementing energy-saving measures
- Enforcing countermeasures aimed at ensuring compliance with laws, regulations and ordinances governing effluents, waste, noise, etc.
- Encouraging employees to work from home in addition to introducing location-free office arrangements and utilizing shared office spaces
- Assessing and reducing the volume of waste emissions while promoting recycling

### An example of FUJI SOFT products designed to reduce the environmental burden (“moreNOTE”)

#### Going paperless and raising workforce awareness of SDGs through the use of “moreNOTE”

FUJI SOFT has now gone fully paperless in terms of preparation of in-house meeting handouts and the confirmation of other documents. The sharing of documents for these purposes is supported by “moreNOTE,” a powerful paperless system developed by FUJI SOFT. Since its introduction, this system has enabled us to cut back on paper usage by about 16 million sheets a year.

In addition, “moreNOTE” has been adopted by a cumulative total of more than 4,500 corporate customers thus far, contributing to cost reductions via the transition to paperless operations. In recognition of this accomplishment, the product was chosen by the Japan Cloud Industry Association to receive an Environmental Contribution Award (Operational Assistance ASP / SaaS Category) under the 16th ASPIC IoT, AI & Cloud Award 2022 program hosted by this association.

As we consider global warming to be an important issue that should be tackled by FUJI SOFT, we will continue to play our part in reducing environmental burden via the provision of our products and solutions to a broad range of customers and society as a whole.



Screen layout of “Green Action,” a function designed to provide a visualization of paper reduction outcomes





## Office facilities designed with due consideration given to environmental and social concerns

While allowing a growing number of employees to work from home, FUJI SOFT provides individuals who commute to physical offices with superior convenience, ensuring its buildings are situated near stations so that they can reach their workplaces sooner and avoid the burden arising from commuting. Simultaneously, we strive to make our office facilities friendly to surrounding communities and the environment. As part of measures to realize robust business continuity plans (BCPs) for office facilities, we also work to enhance such facilities' earthquake resistance while securing on-premises living infrastructure, introducing natural ventilation and contactless entrance systems, and otherwise promoting initiatives to protect the precious lives of employees and their assets from natural disasters and pandemics.

### Initiatives now being undertaken in the course of the construction of the Shiodome Office

Note: Wing B of the Shiodome Office was opened in April 2022 and named the Shiodome ANNEX Office, while the adjoining Wing A is scheduled for completion in 2024.

#### Facilities giving due consideration to environmental and community concerns

Through the initiatives described below, we aim to earn a "Stage 2" or higher label in terms of the energy-saving performance standards stipulated under the Tokyo metropolitan government's environmental plans, an "S" rank under the CASBEE Real Estate Certification system and four stars under the Building Energy-efficiency Labeling System.

- With construction plans focused on securing superior energy-saving performance, we have adopted a construction design that gives due consideration to the landscapes of surrounding streets. To preserve regional biodiversity, greenery to be placed on above-ground building components will consist only of indigenous species. Moreover, the building rooftop will be covered with greenery to help mitigate the heat island phenomenon. As such, our construction project is strongly oriented toward making the building friendly to the regional environment.
- Also, Wing A of the building is equipped with water recycling facilities that treat rainwater and wastewater to obtain recycled water that will, in turn, be used in combination with recycled water from local sewage treatment facilities to flush toilets. The above facilities are thus expected to minimize the volume of the building's tap water consumption and contribute to the preservation of regional water resources.
- Furthermore, we strive to reduce CO<sub>2</sub> emissions attributable to building construction through the incorporation of concrete materials whose manufacturing process is designed to curb CO<sub>2</sub> emissions as well as the use of interior materials based on domestically produced wood.
- With the aim of proactively utilizing natural energy, our plans call for installing desiccant air conditioning systems backed by solar thermal collector panels and natural ventilation systems with automatic control functions.



Shiodome Office

#### Next-generation, energy-saving office facilities that realize safety and security

- We adopted a quake-absorbing structure for Wing A of the Shiodome Office and a seismic-control structure for Wing B. Because of these features, the entire building will be robustly resilient against earthquake-induced disasters. In addition, emergency generators will be in place in Wing A, providing a 72-hour backup power supply. During emergencies, toilets will also be capable of flushing thanks to large-capacity water storage tanks. Wing A is also equipped with natural ventilation systems. Our construction plan is thus focused on establishing a safe and secure building via the incorporation of effective disaster countermeasures based on robust BCPs.
- Air conditioning for working spaces will be automatically optimized via the sensing of indoor and outdoor environmental indicators, such as air temperature, humidity, wind speed and solar radiation intensity, helping realize improved energy-saving performance and superior comfort.
- To prevent the spread of infectious diseases, the building is also designed with a larger than typical ventilation capacity. This is achieved through robust air-conditioning systems used in combination with automatically controlled natural ventilation systems.
- Moreover, automatic doors will be installed at the building's main entrances, while sensor-driven water faucets and sanitation equipment will also be in place. These features enable contactless operations in key aspects of building utilization.
- We plan to make the building's lower floors available to the residents of neighboring communities for joint use, with the aim of contributing to the vitalization of the surrounding area. Leveraging the building's robust BCP performance, we also intend to offer building spaces as a temporary refuge for local evacuees and people who are unable to return home following or during a disaster.

#### Initiatives to contribute to neighboring communities and beautify their environment

We participate in cleanup campaigns hosted by municipal bodies. Also, our employees periodically engage in voluntary cleanup activities in the areas around their offices.

- "Chiyoda All-Out Cleanup Day" (Akihabara Office)
- Shin Nagoya Office



Initiatives related to the TCFD

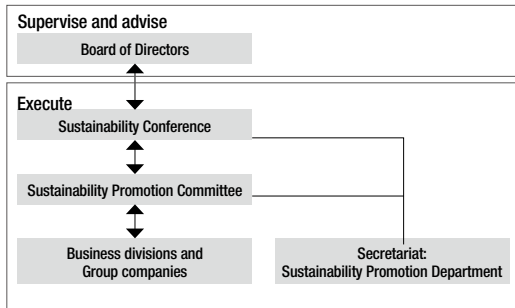
Today, environmental problems are affecting regions worldwide while increasing in severity. Because of this, businesses around the globe, including those based in Japan, are being called upon to reduce the environmental burden arising from their operations. Against this background, FUJI SOFT declared its support of the Task Force on Climate-related Financial Disclosures (TCFD) in March 2023. As we aim to play our part in achieving nationwide carbon neutrality by 2050, the national target stipulated by the Japanese government, we will continue to analyze the impact of changes in the global environment on our business activities. We will then leverage the results of this analysis to promote initiatives aimed at reducing the environmental burden based on our sustainability promotion structure. Furthermore, we will review methods for analysis and the execution of our initiatives on an as necessary basis in light of international trends and the changing times.

Governance

As part of measures to address sustainability issues, including climate change, we have established the Sustainability Conference, which is chaired by the Representative Director & President and operates under the direct supervision of the Board of Directors, while developing a sustainability promotion structure and striving to integrate the pursuit of medium- to long-term improvement in corporate value with sustainability

initiatives. Our activities in this area are thus Companywide. Also, relevant issues deemed particularly important are deliberated by the Sustainability Promotion Committee with the conclusions reached reported to and examined by the Sustainability Conference. In turn, these issues are reported to the Board of Directors, which then determines the appropriate course of action.

Sustainability promotion structure



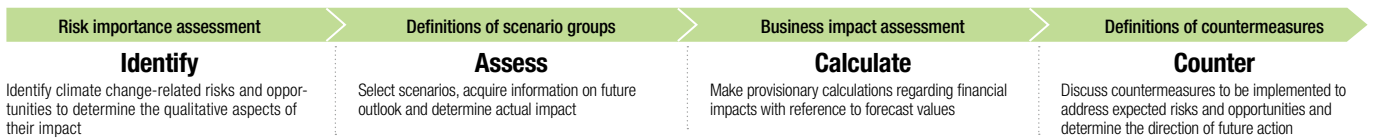
Meeting (frequency)	Roles
Board of Directors (Monthly)	Determines important matters related to sustainability, receives periodic reports on the status of discussions undertaken by the Sustainability Conference and provides supervision and advice to the conference.
Sustainability Conference (Quarterly)	The Representative Director & President serves as the chair with the other members consisting mainly of officers who supervise headquarters divisions. Focusing on addressing environmental, social and governance (ESG) issues, this committee deliberates on policies and strategies for sustainability activities, looking to align them with changes in the social environment while overseeing activity plans and their implementation. Conclusions reached by this committee as well as the content of discussions are reported to the Board of Directors on a quarterly basis.
Sustainability Promotion Committee (Monthly)	The officer in charge of sustainability serves as the chair with the other members including the heads of or representatives from all divisions across the Company. In line with FUJI SOFT's sustainability activity policy, this body promotes measures to fulfill the Company's social responsibilities while identifying issues related to sustainability in order to ensure that such issues are addressed via activities promoted by relevant departments and that outcomes are reported to the Sustainability Conference.

Strategy

We have conducted scenario analyses as outlined below to assess the future impact of climate change-induced phenomena on the Company's business activities on a global basis.

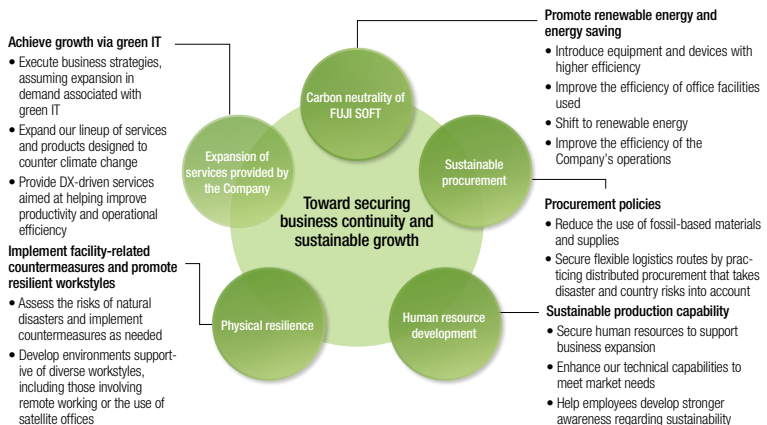
Scope of reporting: The FUJI SOFT Group (Japan and overseas)		Implementation of scenario analyses: October 2023	
Item	4°C scenario	1.5°C scenario	
Time frame of the scenario	2030 and 2050		
Key scenarios used as references	IEA Stated Policies Scenario IPCC RCP8.5	IEA Net Zero Emissions by 2050 Note: The 2°C scenarios mentioned below also serve as references. IEA Sustainable Development Scenario, IPCC RCP2.6	
Worldview of the scenario	Climate change countermeasures are maintained at the current level while increasingly severe abnormal weather events and other phenomena cause physical damage.	More ambitious climate change countermeasures (e.g., through legal regulation) aimed at promoting decarbonization are enacted.	

In the course of executing our scenario analyses, we have taken both the qualitative and quantitative aspects of climate change impact into account with reference to "Recommendations for the Formulation of Management Strategies via the Use of the TCFD" (issued by the Ministry of the Environment in March 2023)." Specific analytic steps are as listed below.



Response to the risks and opportunities identified

Having classified our policies regarding our response to the risks and opportunities identified into five categories, we discussed specific initiatives deemed viable at this point of time and related policies.



## The list of expected risks and opportunities

As a result of scenario analysis, the Company has identified climate change-related risks and opportunities arising from our business operations as listed below. In the course of identification and assessment, we have given consideration to the SASB standard, the macroeconomic environment, market status and the Company's medium-term management plan.

### List of Risks

Large categories	Medium categories	Small categories	Considerations	Timespan	1.5°C	4°C
Risks	Transition	Introduction of carbon pricing	Due to the introduction of carbon pricing, operational costs could increase in step with growth in the volume of greenhouse gas (GHG) emissions from the Company's operations.	Medium to long term	Large	—
		Regulations on plastics	Manufacturing costs for the Company's robotic products could rise due to the enforcement of regulations limiting the circulation of fossil-based plastics and the switchover of materials to biodegradable plastics.	Medium to long term	Medium	—
		Regulatory policies regarding energy use	Statutory limitations may be placed on the use of energy derived from fossil fuels. At the same time, businesses could be obliged to reduce energy consumption volumes. The above regulations will lead to growth in electricity costs in general, while businesses may have to increase expenditure on energy-saving facility updates. Furthermore, office rents could be upwardly revised in step with the switchover to ZEB, leading to growth in expenses.	Medium to long term	Large	—
		Advance in low-carbon technologies	Demand for semiconductors could exceed supply on the back of the popularization of xEVs and renewable energy. This may lead to delays in the development and delivery of the Company's products and a resulting decline in profit if an incident that makes it hard to procure semiconductors should occur.	Medium to long term	Small	—
		Technological investment	If the Company fails to remain on-trend with the transition to a decarbonized society and lags behind its peers in terms of investment in and the development of green IT, it could begin losing customers to competitors. The failure could thus result in the deterioration of our competitiveness as well as a decline in profit.	Short to long term	Large	—
		Changes in energy costs	Fluctuations in electricity rates and crude oil prices could result in growth in the Company's operational costs.	Short to long term	Medium	—
		Impact of reputational damage	If the Company fails to take sufficient steps to counter climate change, its reputation among customers and investors may deteriorate. This could, in turn, lead to a decline in sales while making it hard to secure funding.	Medium to long term	Large	—
Risks	Physical	The increasing severity of abnormal weather	<ul style="list-style-type: none"> <li>The increasing severity of abnormal weather could cause Company-owned buildings, offices and data centers to suffer damage, leading to delays in the suspension of business activities. Moreover, the Company may have to record expenses for preventive measures aimed at curbing disaster-related damage and, if an emergency occurs, execute outlays for measures to restore its operations.</li> <li>When transactional partners suffer disaster-related damage, the Company may face a decline in sales or a difficulty in recovering rents.</li> </ul>	Short to long term	Large	Large
		Drought	The increasing frequency of drought could make it more difficult to procure semiconductors and result in delays in the development and delivery of Company products, leading to a decline in profit.	Medium to long term	—	Small
		Rises in average temperatures	Rises in air temperatures could expose employees to a growing risk of heat stroke, while the use of air conditioning systems at offices and data centers could be ever more frequent in order to mitigate such risk, resulting in higher operational costs.	Medium to long term	Medium	Medium
		Growing incidence of infectious disease	An increase in the incidence of infectious disease could expose employees to a growing risk of illness.	Medium to long term	—	Small

### List of opportunities

Large categories	Medium categories	Small categories	Considerations	Timespan	1.5°C	4°C
Opportunities	Transition	Forest protection policies	The strengthening of forest protection policies could result in stronger demand for products and services designed to support a shift to paperless operations.	Medium to long term	Medium	—
		Regulatory policies regarding energy use	Customers may seek data centers (especially facilities powered by renewable energy) in order to curb the volume of energy consumption and Scope 3 emissions. This could bring a growing number of profit opportunities to the Company.	Medium to long term	Medium	—
		Other legal regulations	The Company's sales may increase via the provision of products and services designed to meet demand associated with the promotion of smart factories / logistics.	Medium to long term	Medium	—
		The popularization of renewable energy and energy-saving technologies	The Company's sales may increase via the provision of products and services designed to meet growing demand for xEVs. At the same time, demand for power control systems may increase on the back of ever-stronger demand for energy-saving solutions.	Short to long term	Large	Medium
		Advance in low-carbon technologies	In step with growth in demand for technologies (mitigation measures) capable of contributing to decarbonization, the Company may benefit from an increasing number of profit opportunities in its business domains.	Medium to long term	Large	—
		Technological investment	If the Company responds appropriately to a shift to a decarbonized society and robustly undertakes investment in and the development of green IT, it could benefit from a growing number of profit opportunities in addition to preventing the outflow of its customers.	Medium to long term	Large	—
		Changes in reputation among customers	If the Company takes a proactive approach to countering climate change and successfully earns robust external reputation, it could garner more favorable ratings from customers and investors. This will, in turn, enable the Company to enjoy higher sales and secure stable funding.	Medium to long term	Large	—
Opportunities	Physical	The increasing severity of abnormal weather	<ul style="list-style-type: none"> <li>Due to the impact of climate change, demand for weather prediction technologies could become stronger in the agricultural sector. This could make relevant FUJI SOFT technologies sought after.</li> <li>The trend toward refraining from going out may result in the expansion of online sales and, accordingly, lead to growing demand for EC website development services. This same trend may also cause a growing number of businesspeople to opt for teleworking and stimulate demand for relevant products and services.</li> </ul>	Short to long term	Large	Large
		Changes in rainfall patterns and other weather phenomena	Growing needs for countermeasures against droughts could facilitate the use of ICT (e.g., automated water management) in the agricultural sector. This could result in stronger demand for relevant FUJI SOFT technologies.	Medium to long term	—	Medium
		Growing incidence of infectious disease	The growing incidence of infectious disease could result in the widespread popularization of teleworking and lead to growth in demand for relevant products and services.	Medium to long term	—	Medium

Timespan  
Short term: zero to three years; Medium term: four to 10 years; Long term: 11 years or longer

Monetary impact

(Blue typeface) Large: over ¥100 million; Medium: over ¥10 million; Small: over ¥1 million

(Black typeface) Large: qualitatively large; Medium: qualitatively medium; Small: qualitatively small

“—” indicates that no impact has been estimated or that the impact is expected to be minor

## Risk management relative to climate change

The Company's Sustainability Promotion Committee identifies and assesses the impact of climate change-related risks and opportunities arising from its business activities. To manage these risks and opportunities, this committee also acts in collaboration with the Risk and Compliance Committee, which is tasked with overall risk management for the entire Company.

The Sustainability Promotion Committee deliberates on issues related to sustainability (e.g., risks and opportunities), including those associated with climate change. Specifically, the committee addresses climate change-related risks and opportunities by employing scenario analysis with reference to questionnaires formulated by external assessment firms. Simultaneously, the committee takes into account the time spans of such risks and opportunities (short-, medium- and long-term) and the possibility of their emergence while forecasting their potential value (parameters). Thus, the committee identifies and assess risks and opportunities from the aspects of both quality and quantity.

Moreover, the Company has established the Risk and Compliance Committee, which is tasked with the management of Companywide risks. This committee has formulated in-house rules stipulating action standards for non-emergency and emergency situations while also monitoring the management status of various risks arising from operations undertaken by each division. In this way, the committee strives to curb risks that may affect business management to a minimum level.

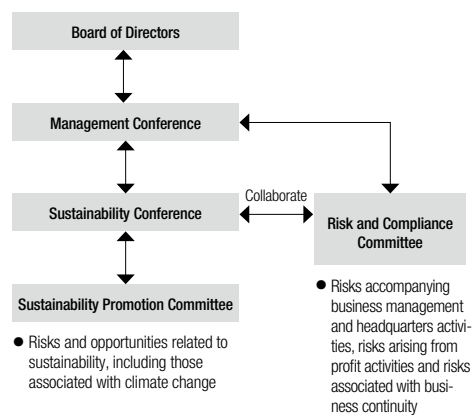
The Risk and Compliance Committee meets on a quarterly basis. Including the heads of all headquarters divisions, the committee operates a PDCA cycle encompassing the confirmation of risk incidents (including those additionally identified), the identification of issues, deliberations on countermeasures, the implementation of countermeasures and the assessment of their outcomes. Through these activities, the committee endeavors to develop a structure capable of ensuring compliance with laws, regulations, social norms and in-house rules and securing the appropriateness and efficiency of business operations. Furthermore, the status of activities undertaken by the committee is reported to the Management Conference so that the former's input is utilized in business management.

Climate change-related risks discussed by the Sustainability Promotion Committee are reported and relayed to the abovementioned Risk and Compliance Committee. Based on this structure, climate change-related risks undergo comparative assessments against other risks.

## Metrics & targets

The Company periodically calculates the volume of GHG emissions arising from its business activities in order to reduce their environmental footprints. In addition, we promote the utilization of renewable energy, the DX of in-house operations and the enhancement of our operational efficiency. In these ways, we are continuing to play our part in achieving nationwide carbon neutrality in 2050, the target stipulated by the Japanese government. Also, we are considering expanding the scope of the above calculation to include emissions from consolidated subsidiaries and launching the calculation of Scope 3 emissions.

## Risk management structure



Meetings (frequency)	Roles
Risk and Compliance Committee (quarterly)	The officer in charge of the Legal Affairs & Audit Department serves as the chair, while the membership consists of the heads of all headquarters divisions. The committee establishes basic policies regarding risk management and undertakes cross-sectional monitoring of the Company's overall operations. Through these efforts, the committee endeavors to keep risks that may affect business management to a minimum and contributes to the maintenance and enhancement of corporate value through its discussions.

## Reduction targets for the volume of GHG emissions\*

- Reduce 50% (on a net basis) by 2030 compared with the fiscal 2013 level
- Achieve net zero emissions by 2050

\* Scope 1 and 2 emissions from FUJI SOFT on a non-consolidated basis





## A top runner in terms of workstyle reforms and career development assistance

As stated in our Basic Philosophy, we strive to realize a comfortable and rewarding environment. To this end, we have positioned a flextime system without core time as our basic workstyle, with the aim of enabling employees to adopt flexible workstyles. Moreover, we have developed a supportive environment that enables working from home, promoting teleworking as part of efforts to empower employees with diverse workstyles aligned with their individual circumstances. In addition, we have introduced a shortened working hour system as well as a discretionary labor system.

As such, FUJI SOFT enables employees to utilize a variety of working systems and helps them choose from diverse workstyle options in line with their individual lifestyle needs. We are simultaneously improving productivity, to this end cutting back on overtime, introducing a more flexible annual paid leave system, and pushing ahead with other workstyle reform measures. Thus, we are striving to create a workplace environment in which every employee can work vibrantly even as they pursue a harmonious balance between work and private life.

## Initiatives to create a comfortable workplace

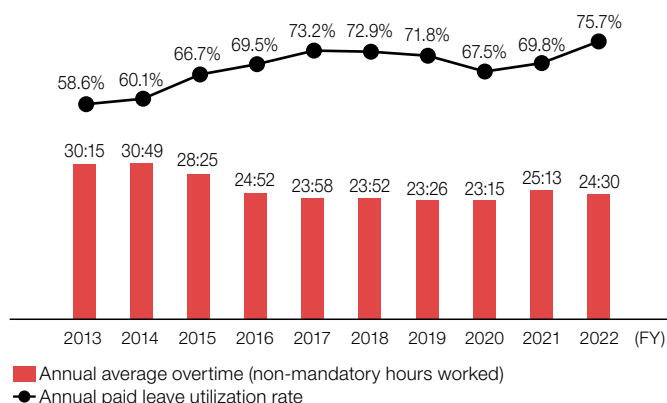
In April 2018, we instituted a “flexible annual paid leave system” that allows employees to flexibly take a half-day of leave without limitations on time slots. In July 2018, we introduced a “refresh time system,” allowing employees to take time to refresh in 10-minute units during working hours. The introduction of these systems, in turn, led to the launch of an “ultra-flex system.” This system is an upgraded version of our conventional “super-flex system” with no requirements for core time which has been in place since 1990. In this way, we have established a working system designed to flexibly accommodate the workstyle needs of every employee and thus help develop a more comfortable and rewarding environment. Through these pursuits, FUJI SOFT empowers its employees to increase their involvement in social activities while promoting women’s advancement in the workforce. Moreover, the betterment of the working environment now enables employees to dedicate their efforts to the creation of added value, which will, in turn, support sustainable growth as well as contribute to social development.

We have also endeavored to reduce working hours, reviewed the annual total number of working days, encouraged the utilization of annual paid leave and otherwise ensured that employees can work more comfortably. For example, every Wednesday is designated a “no overtime day.” Meanwhile, a portion of annual paid leave is now called “My Holiday” to encourage employees to use their leave. Moreover, the third Friday of every month is designated Premium Friday, representing a unique initiative undertaken at FUJI SOFT to help employees strike a work-life balance.

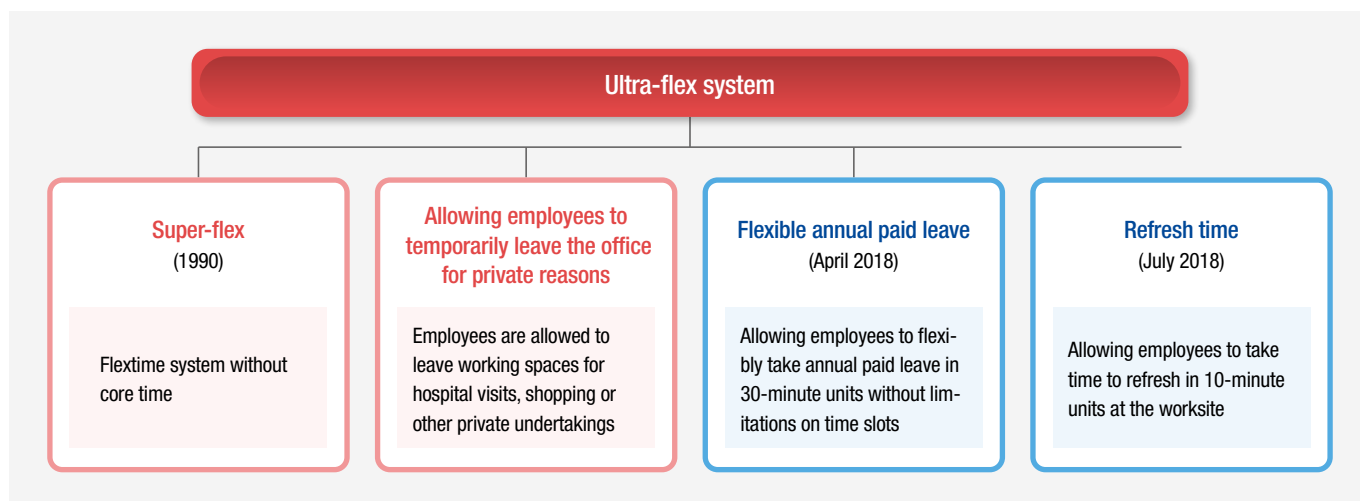
In addition, FUJI SOFT has a system that allows for extended leave from work for a period of up to one year with the objective of enabling employees to pursue self-motivated learning or social contribution activities. The scope of eligible activities under this system encompasses a variety of undertakings, such as studying abroad to learn a foreign language and engaging in volunteer activities.

In 2022, we also introduced a donor leave system through which employees who become a donor of bone marrow or other tissues can take special paid leave when they need to undergo examinations or be hospitalized.

### Annual average overtime and paid leave utilization rate



## Details of the ultra-flex system



## Realizing diverse workstyles via teleworking

In January 2013, FUJI SOFT began allowing all employees to work from home. The full-scale introduction of the work-from-home system was intended to serve the objectives of realizing diverse workstyles, helping employees better strike a work-life balance, advancing business continuity plans (BCPs) and improving productivity. To support this system, we introduced a secure remote access environment. Moreover, we made it possible for employees to join meetings from home and engage in the real-time sharing of meeting materials via the use of smartphones, tablets and other smart devices as well as “moreNOTE,” a paperless meeting system developed by FUJI SOFT. We thus eliminated the need to commute to the office for meeting attendance, a typical issue associated with teleworking. In April 2015, we made cloud PBX

accessible from all of our offices, thereby establishing an environment in which employees who work from home can use internal phones via Company-furnished smartphones. Furthermore, in July 2020, we began utilizing “FAMoffice,” an in-house tool supporting the resolution of communication-related problems. This tool offers a virtual office space and helps users experience the sense of unity derived from working side by side with colleagues, enabling them to casually seek consultation from others, engage in chatting and otherwise address those nearby. In this way, we continue to strive to invigorate virtual workplace communications to support employees working entirely or mainly from home, a group that accounts for around 40% of our total headcount.

### Features of FUJI SOFT's work-from-home system

All employees are eligible to use the system	Flexible utilization	Enhanced working platforms
Irrespective of job category, they are allowed to use the system for their own personal reasons, whether or not they engage in nursing care or child rearing.	Because on-the-day application is accepted, the system is also compatible with BCPs prepared to deal with extremely bad weather or the disruption of public transportation	Our working environment now allows employees to work anytime from anywhere. This was made possible by going fully paperless in terms of in-house documents as well as eliminating the need for fixed phones via the introduction of IP phones for use as internal phones and the distribution of mobile terminals.

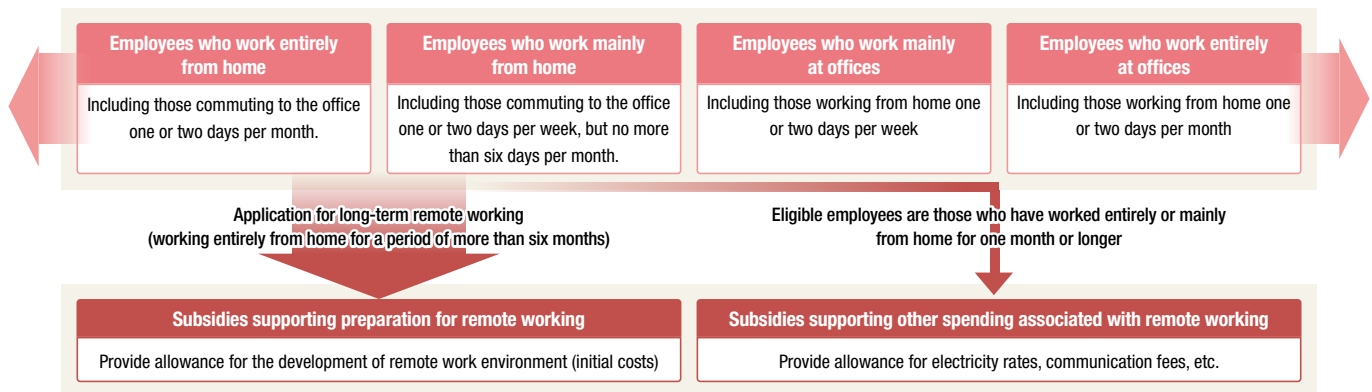
## Encouraging employees to work entirely from home as part of workstyle reforms

As part of cutting-edge initiatives under workstyle reforms, FUJI SOFT has promoted full remote working since two months before the Japanese government even issued its state of emergency declaration in April 2020. Building on this experience, we have defined four patterns of new working styles. For those who choose to work mainly from home, we began accepting applications for long-term remote working

on April 1, 2020 while introducing in-house subsidy systems supporting preparation for and other spending associated with remote working.

Through these and other measures, we have been stepping up the development of environments for those working from home and thereby helping them improve productivity in a way that mitigates the burden placed on them.

### Workstyles at FUJI SOFT



## Initiatives to help employees strike a balance between work and child rearing or nursing care

To help employees realize an optimal work-life balance, FUJI SOFT offers programs designed to flexibly accommodate diverse workstyle needs among employees and thereby assist them, irrespective of gender, in their efforts to balance work and childbirth, child rearing or nursing care. In 2017, we enhanced our support to employees engaged in child rearing. We lengthened the period during which they can shorten their working hours up until the child's graduation from elementary school. In April 2018, we realized an upgraded environment that allows employees who once opted for extended leave from work due to child rearing or nursing care to be smoothly reinstated to the workforce. This environment is backed by employee welfare programs, including subsidies aimed at covering expenses for child rearing or nursing care, along with reinstatement support programs as well as the flex system, the

work-from-home system and other systems available to employees. In January 2021, we also began allowing employees to take annual paid leave in 30-minute units, even during their working hours, when they need to take care of a sick child or engage in nursing care for a family member. This exceeds the legally required scope of flexibility in granting such leave.

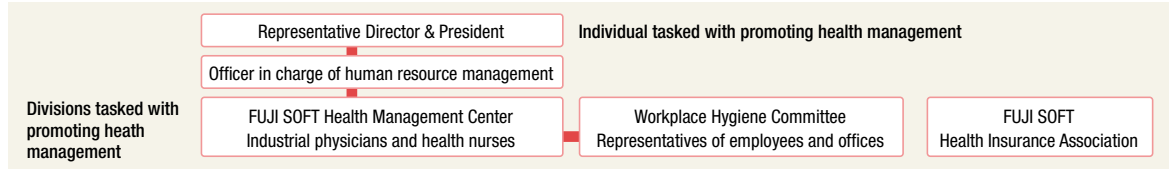
In April 2022, we revised our systems with regard to extended leave from work or other leave granted to employees engaged in child rearing or nursing care, as well as systems allowing them to shorten their working hours. These systems are now available to individuals who have worked for FUJI SOFT for a period of less than one year and those who work only two days per week or less. By doing so, we strive to help employees better strike a work-life balance.

## Health management initiatives

### Health management policy

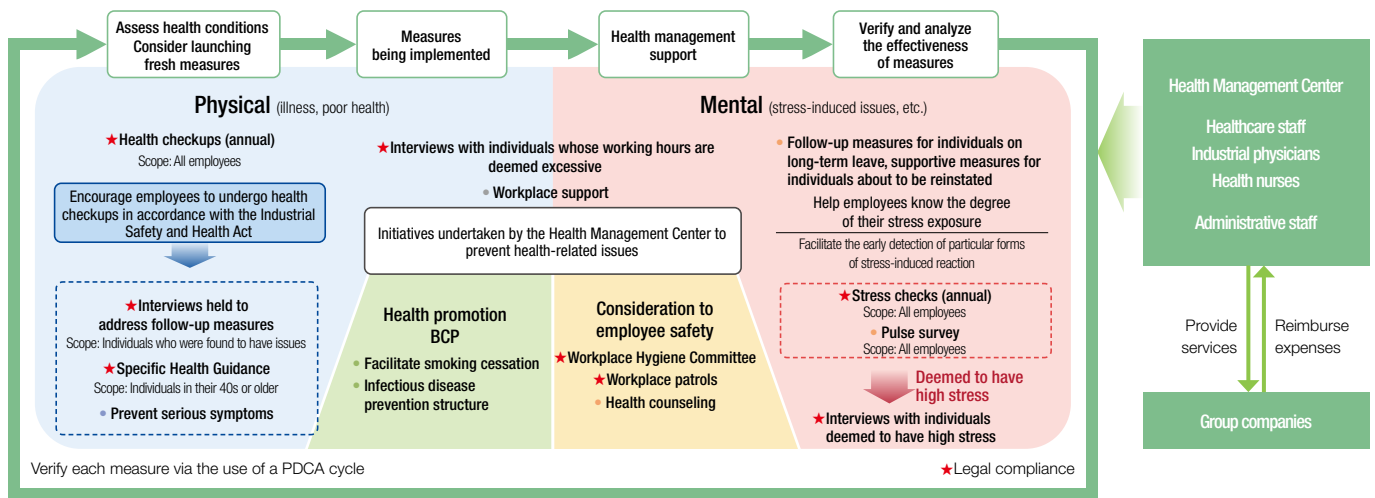
Guided by a fundamental belief that “the success of a corporation hinges on its people,” we will promote health management to create a working environment in which all employees can work safely with confidence even as they stay mentally and physical healthy along with their families.

### Health management structure



## FUJI SOFT's health management structure and initiatives to prevent health related problems

In 2014, FUJI SOFT established the Health Management Center. This center is tasked with consolidating health management-related operations undertaken by each Group company and unifying the level of relevant healthcare services available to Group employees.



### Establish a comprehensive support structure (in collaboration with staff specializing in industrial health)

This structure is designed to ensure the prevention, early detection and proper treatment of diseases. If an employee develops symptoms, specialist staff provide necessary care in addition to making well-informed judgments about the individual's reinstatement upon recovery, following this up with continued counseling after reinstatement.

### Introducing “eRework,” an online rework program

To support individuals about to be reinstated, we introduced “eRework” to improve the retention of those on long-term leave due to disease and to prevent the recurrence of the health-related issues that caused them to take such leave.

### Introducing pulse surveys (to offer an even-better workplace environment and individualized healthcare measures)

In addition to undertaking stress checks, we strive to constantly assess the status of individual employees and the workforce as a whole to implement measures aligned with prevailing circumstances. By doing so, we endeavor to improve our workplace environment while focusing on providing healthcare measures aligned with individual needs among employees.

### Health counseling offered by healthcare staff

Healthcare staff with specialist medical expertise (industrial physicians and health nurses) operate a counseling desk. This allows employees to seek counsel from healthcare staff in a no-pressure setting at their own convenience.

### Mental healthcare for individuals working from home

In response to changes in workstyles, we are now engaged in mental healthcare for individuals working from home under the supervision of industrial physicians. Specifically, we are striving to raise awareness at workplaces and among employees regarding mental healthcare with the objectives of (1) securing an environment in which employees can work with confidence, (2) encouraging employees to maintain well-ordered lifestyles and (3) supporting employees' efforts to take breaks and otherwise refresh their minds.

### Initiatives to help employees improve their health

We encourage employees to strive to improve their health by inviting them to participate in collaborative events held in tandem with the Health Insurance Association as well as walking events co-hosted by NPOs. In addition, we strive to help employees develop an interest in health management via the distribution of newsletters featuring periodic columns that address common health-related topics.

In recognition of its initiatives to practice health management as described above, FUJI SOFT was chosen as one of the “White 500” under the Health & Productivity Management Outstanding Organization Certification program.



Non-financial information related to human resources

Category	Item		2020	2021	2022		
Human resource-related	Status of employment	Total headcount	8,163	8,508	8,991		
		Number of employees* <sup>3</sup>	Male	6,536	6,750	7,064	
			Female	1,627	1,758	1,927	
		Number of new hires* <sup>2</sup>	Number of new graduates who joined the workforce	641	677	789	
			Male	487	477	573	
			Female	154	200	216	
			Number of mid-career hires	215	227	339	
			Male	162	181	252	
			Female	53	46	87	
	Average length of service	Male	10.1 years	10.3 years	10.1 years		
		Female	8.3 years	8.4 years	8.3 years		
	Job turnover ratio (number resigning)* <sup>2</sup>		5.7% (476)	6.8% (590)	6.7% (609)		
	Job turnover ratio three years after joining the workforce as new graduates <sup>1</sup>		24.4%	21.1%	18.3%		
	Diversity	Ratio (number) of people with disabilities <sup>3</sup>	Including those working at a special-purpose subsidiary	2.5% (245)	2.5% (253)	2.5% (275)	
		Ratio (number) of female managers: Target: 8.5% <sup>1</sup>		7.9% (46)	8.6% (55)	9.2% (61)	
		Ratio (number) of women in supervisory positions: Target: 15.0% <sup>1</sup>		13.2% (485)	13.9% (538)	14.9% (608)	
		Number of individuals reemployed after reaching retirement age <sup>1</sup>		52	65	75	
		Number of foreign national employees <sup>3</sup>		254	243	257	
	Work-life balance	Monthly average of overtime hours <sup>3</sup>		23 hours 15 minutes	25 hours 13 minutes	24 hours 30 minutes	
		Ratio of employees working from home* <sup>4,5</sup>		26.2%	40.2%	43.3%	
		Ratio of annual paid leave utilized* <sup>4</sup>		67.5%	69.8%	75.7%	
		Employee satisfaction ratio* <sup>6</sup>		83.6%	83.4%	83.3%	
		Extended leave from work due to child rearing* <sup>4</sup>	Number of employees who opted for extended leave from work due to child rearing		182	181	164
			Ratio of the above employees to the total number of eligible employees	Male* <sup>7</sup>	73.5%	75.2%	80.6%
				Female* <sup>8</sup>	118.9%	96.6%	94.9%
			Ratio of employees reinstated after extended leave from work		97.0%	98.9%	97.7%
			Average length of the extended leave period		162 days/person	182 days/person	177 days/person
		Number of employees who took special leave (cumulative total)	Nursing care leave* <sup>2,4</sup>		18	27	19
			Maternity leave* <sup>4</sup>		22	29	25
			Leave granted to individuals whose spouse gave birth* <sup>4</sup>		127	143	90
Leave for taking care of sick child* <sup>2,4</sup>				39	78	104	

The items listed above are based on data gleaned during the January to December 2022 period.

\*1. Figures are as of March 31 of each year.

\*2. Figures are as of April 1 of each year.

\*3. Figures are as of December 31 of each year.

\*4. Due to the convention of new hires joining the workforce in April of each year, calculations of annual rates are based on the April 2022–March 2023 period.

\*5. Based on the total number of employees who work entirely from home, including those commuting to the office one or two days per month, and employees who work mainly from home, including those commuting to the office one or two days per week.

\*6. Figures are based on surveys undertaken in February of each year.

\*7. The number and ratio of male employees who took childcare leave includes the number of employees who took childbirth leave granted to enable them to fully engage in child rearing around the time when their spouses were giving birth.

\*8. The number and ratio of female employees who took childcare leave is based on the disclosure standard stipulated under the Act on the Promotion of Women's Active Engagement in Professional Life. Thus, childcare leave may commence in a fiscal year other than that in which childbirth takes place, resulting in the ratio of individuals who take such leave possibly exceeding 100%.



## Non-financial information related to the environment

Category	Item	2020	2021	2022	
Environment related	Energy consumption	29,534,000kWh	36,322,000kWh	33,310,000kWh	
	Ratio of renewable energy to total energy consumption	0	7.2%	17.96%	
	Breakdown: Data centers (DCs)	DC energy consumption	15,892,000kWh	15,693,000kWh	15,833,000kWh
		Ratio of DC energy consumption to total energy consumption	53.8%	49.68%	48.36%
		Ratio of renewable energy consumption at DCs	0	8.7%	22.03%
	Volume of heat energy consumption (GJ)	12,317GJ	12,381GJ	12,432GJ	
	Volume of CO <sub>2</sub> emissions (t-CO <sub>2</sub> ) Note: Calculated based on the adjusted emission volume		15,759t-CO <sub>2</sub>	15,512t-CO <sub>2</sub>	14,878t-CO <sub>2</sub>
			15,751t-CO <sub>2</sub>	16,743t-CO <sub>2</sub>	14,916t-CO <sub>2</sub>
	Volume of water consumption	105,215m <sup>3</sup>	100,187m <sup>3</sup>	108,192m <sup>3</sup>	
	Volume of waste emissions		—	192.94t	212.0t
		—	150t	147t	

Note: The items listed above are based on data gathered from Company-owned buildings and leased buildings during the April 2022 to March 2023 period.

## Non-financial information related to governance

Category	Item	2020	2021	2022		
Governance related	Number of meetings held	17	17	22		
	Board of Directors	Average attendance ratio	All directors	100%	100%	100%
			Outside directors	100%	100%	100%
			All auditors	96%	99%	99%
			Outside auditors	94%	97%	93%
			Number of meetings held	18	18	18
	Board of Auditors	Average attendance ratio	All auditors	96%	99%	96%
			Outside auditors	94%	97%	94%

The items listed above are based on data gathered during the January to December 2022 period.



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