



INTEGRATED REPORT 2024

FUJI SOFT INCORPORATED



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Editorial policy

The FUJI SOFT INTEGRATED REPORT 2024 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 2024 edition of this report features initiatives to be undertaken going forward based on the medium-term management plan 2028, a roundtable talk focused on the empowerment of diverse human resources, and items and figures pertaining to non-financial aspects of our achievements. Also included in this report is a special feature focused on human resource-related information that outlines mechanisms supporting FUJI SOFT's growth.

About the FUJI SOFT INTEGRATED REPORT 2024

Date of issuance	July 31, 2024
Period covered	This report covers business activities undertaken between January 1, 2023, to December 31, 2023, except for certain sections that may include information pertaining to subsequent dates.
Scope of reporting	FUJI SOFT INCORPORATED and some Group companies
References	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
Disclaimer	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, 2023)

Company name	FUJI SOFT INCORPORATED Stock listing: Prime Market, Tokyo Stock Exchange Stock code: 9749 URL: https://www.fsi.co.jp/
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: ¥206,984 million Consolidated: ¥298,855 million
Employees	Non-consolidated: 9,435 Consolidated: 17,921

FUJI SOFT Group companies (as of December 31, 2023)

Standard Market, Tokyo Stock Exchange

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

* Previously listed subsidiaries transformed into wholly owned subsidiaries and thus delisted in February 2024

- 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.



For inquiries about the INTEGRATED REPORT,
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Top Message

President & Representative Director
Satoyasu Sakashita

坂下 智保

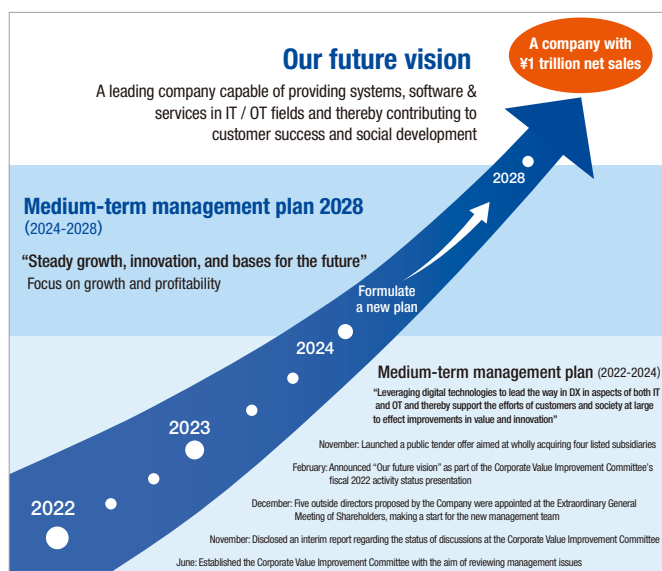


Pursuing Sustainable Growth and Medium- to Long-Term Improvement in Corporate Value while Strengthening Corporate Governance

In line with its Basic Philosophy, the FUJI SOFT Group aims to contribute to society, satisfy customers, initiate eco-friendly activities, and promote a comfortable and 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.

In fiscal 2023, ended December 31, 2023, the Japanese economy was supported by an ongoing recovery trend on the back of improvement in corporate earnings and personal consumption due to the normalization of economic activities after the stagnation induced by the COVID-19 pandemic. However, the future economic outlook still remains unclear domestically and internationally due to steep inflation in Europe, the United States and elsewhere as well as monetary tightening by financial authorities of these countries, while anxiety persists regarding the outlook for the Chinese economy. In Japan, consumption is being negatively affected by ever-higher

raw material and energy prices, with the depreciation of the yen leading to further rises in the prices of goods. In the information services industry, however, business sentiment remained favorable in a diverse range of sectors toward system-related investment aimed at achieving business expansion and improving competitiveness. In particular, demand associated with system-related strategic investment is on a growth track as businesses strive to respond to the trend toward promoting digital transformation (DX). Furthermore, the Large Language Model (LLM), an underlying algorithm supporting ChatGPT and other generative AI models, is attracting growing public attention. The advancement of AI is now expected to give birth to innovative models and tools that will, in turn, enable people to enjoy hassle-free communications and information gathering at significantly lower costs. Similar innovation is anticipated in a variety of other fields. Under these circumstances, the Group has pursued sustainable corporate growth as well as improvement in the added value of our services under the medium-term management plan,



Please refer to the subsequent page for a more detailed look at the medium-term management plan 2028.

which spans three years leading up to December 31, 2024. As a result, we were able to meet our management targets for operating income, ROE and other indicators a year ahead of schedule. Building on this success, we have engaged in intensive discussions regarding the future growth path for the Group and thus formulated a "medium-term management plan 2028," which looks forward toward the next five years. Also, the Company launched the Corporate Value Improvement Committee in 2022 and has since then publicly disclosed a number of initiatives aimed at improving corporate value.*

The primary initiatives now under way are as listed below.

- (1) Review of subsidiaries' listing status: Transformed four listed subsidiaries into wholly owned subsidiaries in order to facilitate dynamic business management for the FUJII SOFT Group as a whole and maximize synergies among Group companies.
- (2) Review of the real estate business: Downsized the real estate business while deciding to liquidate the Group's real estate holdings, with the process of liquidation now being implemented.
- (3) Formulation of capital allocation policy: Formulated a policy for allocating capital over a five-year period to support further investment for growth while improving capital efficiency.
- (4) Setting of management targets: Set a target of achieving non-consolidated operating income per employee of ¥3 million or more as the most important KPI, with the aim of improving capital efficiency and other aspects of business management.
- (5) Review of the governance structure: Strengthened the corporate structure to ensure even more robust corporate governance.

* Initiatives undertaken by FUJII SOFT to improve corporate value
<https://www.fsi.co.jp/e/investors/corporatevalue.html>

As part of initiatives aimed at fulfilling our corporate social responsibility (CSR), FUJII 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

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

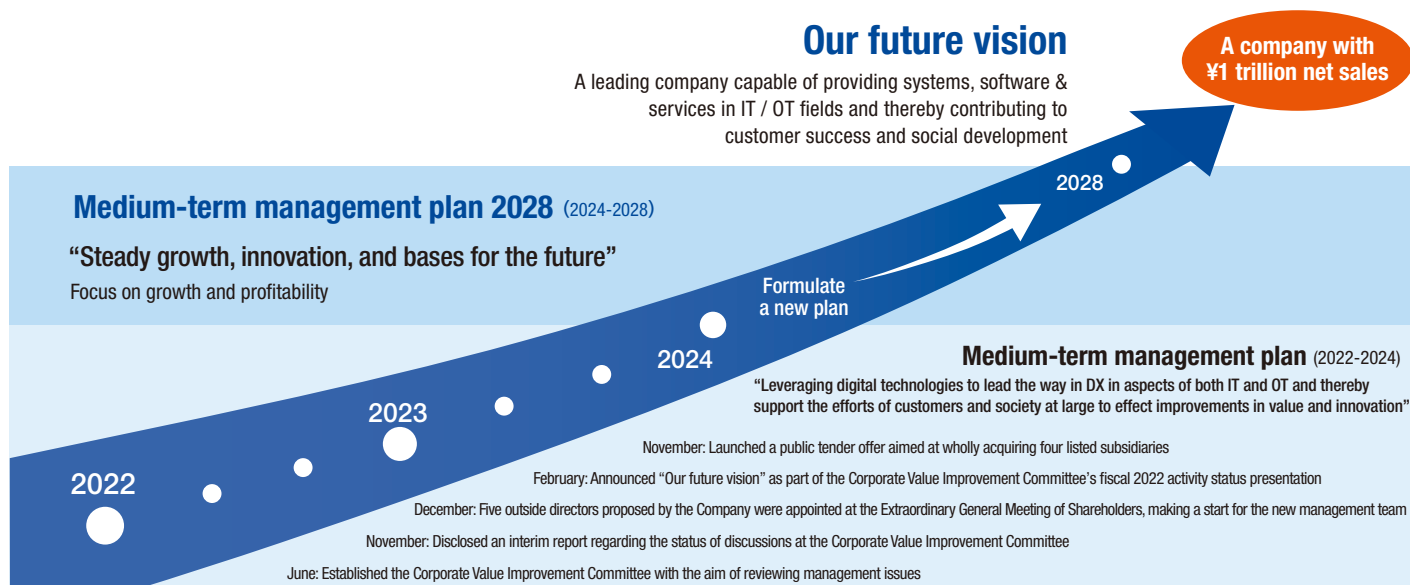
Aiming to become an innovative corporate group that links ICT development to greater value for customers

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, FUJII SOFT KIKAKU leverages its ICT (Information and communication technology) expertise to implement innovative agricultural methods in the cultivation of shiitake mushrooms. We also hosted the 2023 round of the All Japan Robot-Sumo Tournament. For the first time in four years, this event involved regional elimination rounds, with foreign national engineers included among the participants. Through this tournament, we continue 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.

The FUJII SOFT Group has retained its focus on the vital mission of contributing to society through its 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 a history spanning 54 years since its founding, FUJII 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. 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, FUJII 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.

Medium-term management plan 2028

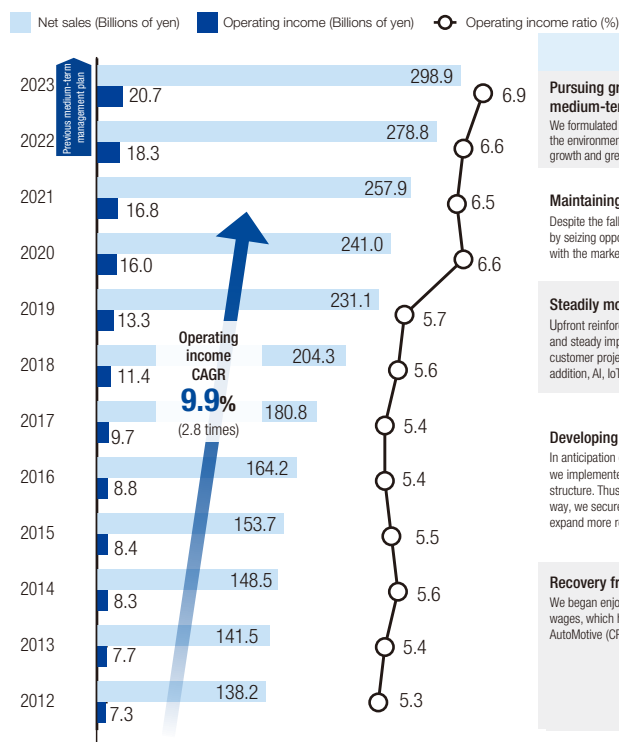
The positioning of the medium-term management plan 2028



Operating results trends of last 10 years

To date, FUJI SOFT has pushed ahead with strengthening its business foundations in line with its aim of becoming an industry-leading company. As a result, net sales grew twofold over the course of a decade. We have successfully come to the point of securing net sales of around ¥300 billion, which is considered standard for semi-major Slers in Japan. Having made good progress in efforts to reinforce corporate strength, we have cultivated the new customer bases needed to achieve greater success

while developing a cycle for human resource development. On the other hand, the degree of improvement in value created thus far via our services is not robust. In addition, our efforts have uncovered some issues that must be addressed to strengthen profitability. Going forward, however, we will strive to further develop the management resources we have amassed thus far and fully leverage these resources to realize business reforms.



The market environment and Company policies

Pursuing growth and higher profitability via the establishment of the Corporate Value Improvement Committee and the formulation of the medium-term management plan (2022-2024)

We formulated the medium-term management plan despite having to rely on a speculative projection regarding the probable end of the COVID-19 pandemic. Amid various changes in the environment (e.g., U.S.-China friction and the depreciation of the yen), we have also positioned strengthening profitability as a priority measure. We have thus pursued both business growth and greater profitability even as we worked to enhance capital efficiency. As a result, our target values for the plan’s three-year period have been almost met in just two years.

Maintaining growth during the COVID-19 pandemic

Despite the fallout from the COVID-19 pandemic and resulting stagnation in demand for commissioned development, we have maintained a growth track for both sales and profit by seizing opportunities arising from growing needs associated with remote working and other changes affecting demand. We have also placed optimal control on staffing in line with the market situation.

Steadily moving forward on a growth path

Upfront reinforcement of staffing resulted in the successful enhancement of our ability to meet growing market demand. This, in turn, has enabled us to achieve business growth and steady improvement in profit. Moreover, we have constantly improved wages for employees. Through these measures, we have amassed a substantial track record in handling customer projects and won customer trust amid expansion in market demand while developing and strengthening our human resources to undertake a diverse range of projects. In addition, AI, IoT, and security have been included among our subjects of focus.

Developing scaffoldings supporting fresh growth

In anticipation of recovery in ICT demand, we redefined our policy and began pursuing a fresh growth path. Based on a projection that the volume of orders received will recover, we implemented forward-looking measures to reinforce and nurture our human resources, such as hiring more than 500 new graduates, with the aim of developing a more robust structure. Thus, we allocated robust funds to bear necessary costs for staffing reinforcement while undertaking upfront investment to cultivate new customers and projects. In this way, we secured our preparedness, despite pressures arising from growth in selling, general and administrative (SG&A) expenses, based on the anticipation that the market will expand more robustly going forward.

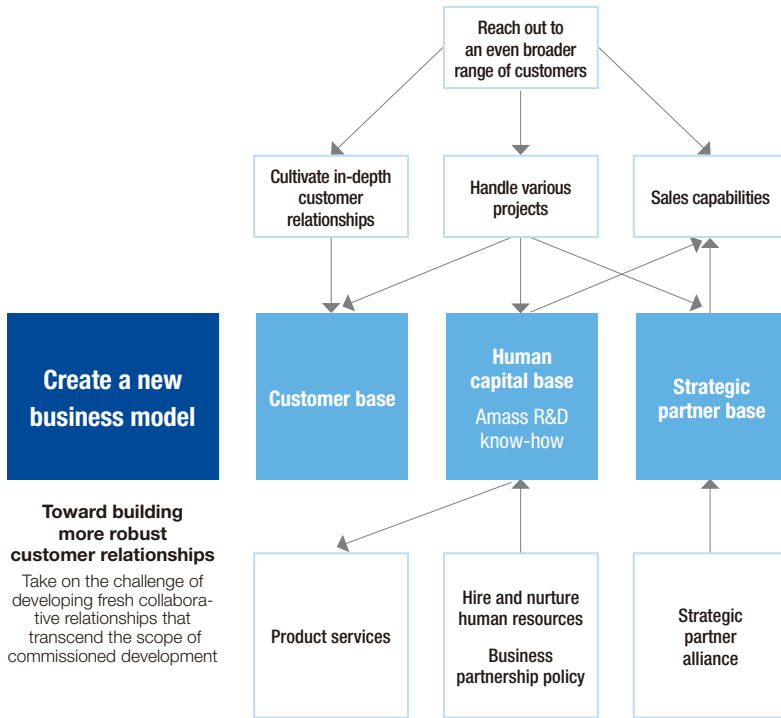
Recovery from the 2008 financial crisis

We began enjoying sales and profit expansion, marking a turnaround from the previous downturn trend. Over the course of several years, we were able to improve employee wages, which had been cut back in the aftermath of the recessions triggered by the Lehman Brothers bankruptcy. We also started focusing on Cloud, Robot, Mobile, and AutoMotive (CRM), which together represented fields where significant technological advancement was anticipated.

Note: The Company revised its fiscal year-end in December 2013. Accordingly, operating results for the fiscal year ended December 31, 2013 represent figures retrospectively converted into 12-month operating results.

Foundations and the business cycle we have developed

We have developed a business cycle as well as customer base, human capital base and strategic partner base that together support our business expansion.



Developing a cycle of winning customers and securing projects in order to achieve ongoing business expansion

We aim to develop a cycle of reaching out to an even broader range of customers and cultivating in-depth relationships with them by, for example, strengthening sales-related human resources, stepping up promotional activities, and expanding sales of strategic products.

Strengthening customer relationships

We strive to upgrade our relationships with customers, raising them from on-site partners in commissioned development to management-level partnerships.

Amassing know-how and standardizing it to support ongoing business expansion

We standardize know-how amassed in the course of, for example, R&D activities in fields related to AIS-CRM, as well as insights acquired by front-line employees via on-site development projects. We also promote the sharing of knowledge and case studies regarding latest technological trends. By doing so, we develop an environment that enables easy access to such knowledge even as we disseminate a range of useful information among the workforce, with the aim of upgrading the overall skills of our human resources and helping them raise their capabilities to handle various projects.

Developing a cycle of strengthening human resources to secure ongoing business expansion

We annually hire a substantial number of new graduates, implement various training programs, and otherwise promote a human resource development cycle via, for example, on-site on-the-job-training (OJT). We are also stepping up the recruitment of mid-career hires on an ongoing basis while inviting a broad range of business partner employees to take part in joint projects as part of the strengthening of our business partnership policy.

Expanding strategic partnerships

In order to enhance the added value of our services and to expand customer contact points, we strive to discover, and launch collaboration with, competitive services at home and abroad, with the aim of building strategic relationships that will, in turn, help us develop a cycle of sales expansion.

Advancing our operations to shift to a novel mode of product services

We are developing a process for supporting the shift toward a novel mode of product services that better leverage prevailing market conditions as well as our own strengths.

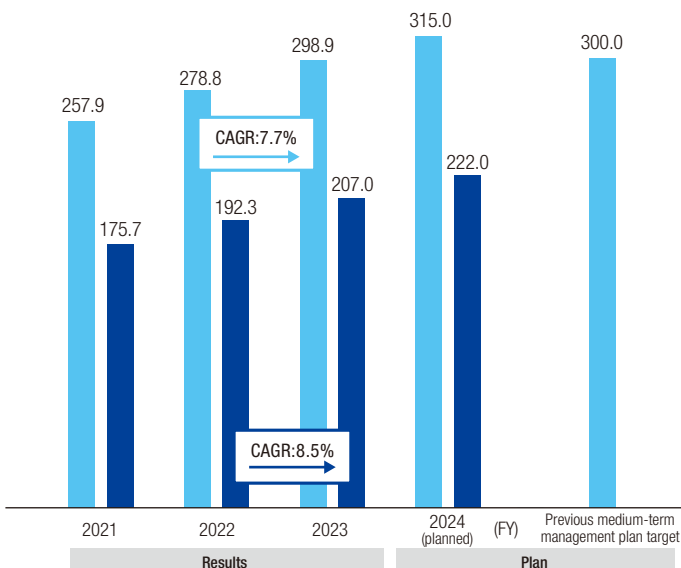
Review of the previous medium-term management plan (2022–2024)

We have achieved more than 20% growth in operating income thanks to two-year endeavors focused on improving profit, and we have achieved most of our three-year target values a year ahead of schedule.

Net sales

(Billions of yen)

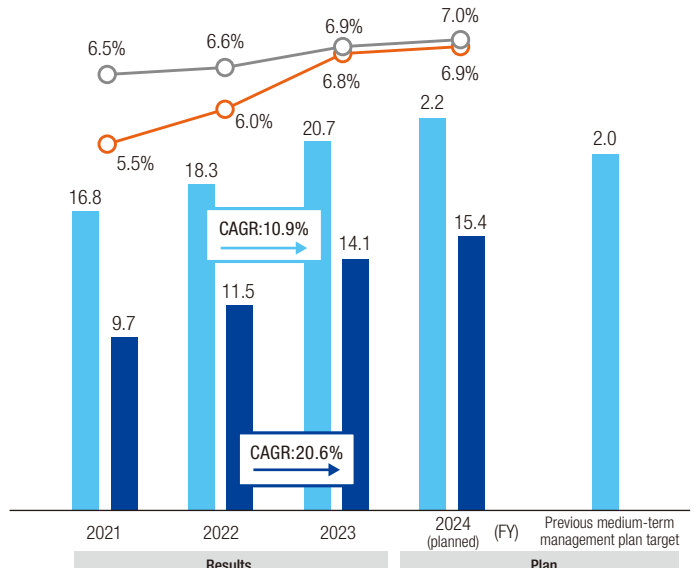
Consolidated net sales Non-consolidated net sales



Operating income ratio

(Billions of yen)

Consolidated operating income Non-consolidated operating income
Consolidated operating income ratio Non-consolidated operating income ratio



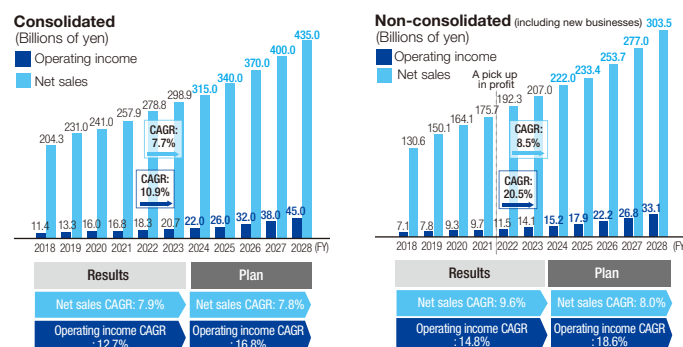
Medium-term management plan 2028

Medium-term management plan 2028: Our vision

	Past From the 2008 financial crisis to 2021	Present From 2022 to 2023 (2024)	Goals of the medium-term management plan 2028 From 2024 to 2028	Future
Outline of Companywide initiatives	<ul style="list-style-type: none"> Develop promotional capabilities and systems as well as a business cycle, all of which are necessary for the expansion of our market share in step with market growth Establish a cycle of double-digit growth in our main business fields Achieve sales growth even as we raise profit (improve profit margin) at a pace exceeding such sales growth 	Continued growth and stronger profitability <ul style="list-style-type: none"> Maintain ongoing robust growth in the commission development field in addition to achieving 20% growth in operating income Take on challenges in new fields (integrated fields) 	Five years of innovation and development: Scaffolding supporting stable growth, innovation, and further breakthroughs <ul style="list-style-type: none"> Promote two initiatives aimed at both achieving ongoing growth at a pace exceeding market growth and strengthening profitability Proactively undertake investment aimed at securing fresh growth even as we improve various indicators via the enhancement of profitability while developing a structure capable of generating greater synergies among Group companies Prioritize shareholder returns 	A leading company capable of providing systems, software & services in IT / OT fields and thereby contributing to customer success and social development
Embedded / control software development	<ul style="list-style-type: none"> Leading scale in the software industry Nurture customer relationships Extensive track record: Know-how amassed 	<ul style="list-style-type: none"> Customers: A solid customer base in Japan Human resources: A robust pool of engineers Accumulated technologies: A wealth of technological capabilities and know-how backed by our track record 	<ul style="list-style-type: none"> Increase our value as an industry top runner Achieve growth so that FUJI SOFT is recognized by as many customers as possible as an important partner Further upgrade our partnerships with customers 	<ul style="list-style-type: none"> An industry-leading company Recognized by the majority of customers as an important partner Taking the lead in the creation of new development theories, methods, processes, etc.
Operation system & solution development	<ul style="list-style-type: none"> Strengthen our capabilities to handle prime deals Handle a broad range of solutions Build capabilities to accommodate prime deals and develop a structure to this end 	<ul style="list-style-type: none"> Customers: Win an extensive customer base and secure in-depth relationships with blue-chip customers Human resources: Structure for handling prime deals (PM, architects, etc.) Accumulated technologies: A track record in handling prime deals and employing cutting-edge technologies (AIS-CRM, etc.) 	<ul style="list-style-type: none"> Promote the formulation of a virtuous cycle in which we cultivate new solutions and roll them out for customers, strengthen customer relationships and expand businesses, and then garner a growing number of new projects even as we enable our human resources to achieve growth. 	<ul style="list-style-type: none"> Win recognition as a top-tier tier Lead each project via the combination of traditional development methods and novel SI methods, etc. (engage in AI- and cloud-based development and otherwise play our part in the ongoing innovation of SI methods)
Integrated fields		<ul style="list-style-type: none"> Begin taking on challenges in new fields Launch alliance activities with customers and solution vendors willing to work in collaboration with us 	<ul style="list-style-type: none"> Integrate our technologies, know-how, etc., to better serve our existing customer bases while maintaining particular focus on IT and OT fields, with the aim of developing fields in which we can create original products and services that transcend the scope of commissioned development. Implement flexible measures, such as for capital management, to establish our operations in new fields. 	<ul style="list-style-type: none"> Serve as a solution provider in terms of the development of systems and software as well as the provision of services in IT and OT fields Establish operations in high-value-added, sustainable service fields
Group & synergies	<ul style="list-style-type: none"> Honor the uniqueness of each Group company while creating synergies Empower each Group company to build up its own strength and secure a solid growth path 	<ul style="list-style-type: none"> Structure a novel mode of Group management Address the unevenness of operating results among Group subsidiaries Respond to changes in customers, technologies, and trends Transform four listed subsidiaries into wholly owned subsidiaries 	<ul style="list-style-type: none"> Realize dynamic management in terms of human resources, technological know-how, and customer handling Create synergies in fields of operation system development, embedded / control software development, and product services; shift toward the comprehensive provision of services that include system operations, maintenance, and BPO; develop novel services via collaboration in the hardware business Strive to improve the value of our services in new integrated fields via the creation of Group synergies 	<ul style="list-style-type: none"> Optimize our operations on a Groupwide basis while empowering individual Group companies to enhance their own strength and unique capabilities Flexibly allocate various management resources

Outline of the medium-term management plan 2028

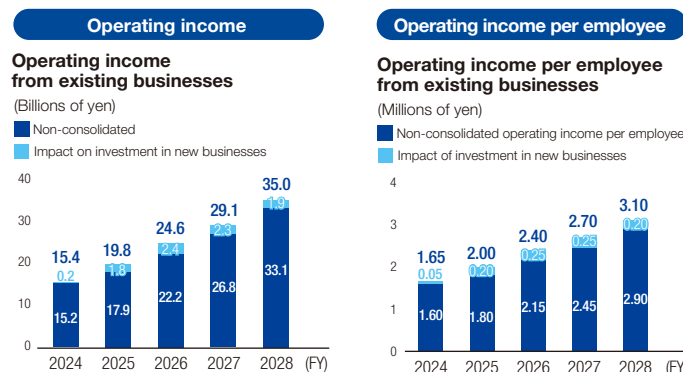
Having realized a significant positive effect (a CAGR of 20.5% for non-consolidated operating income) via two-year endeavors aimed at improving profit, we will work to expand net sales even as we strive for further improvement in profitability under this management plan.



Details of the non-consolidated management plan

Our non-consolidated management plan for FUJI SOFT calls for taking on challenges in new fields. This will involve investing a total of ¥11.2 billion over five years to develop new businesses (e.g., R&D-related investment and capital expenditures aimed at developing an environment for AI research).

This upfront investment will have a negative impact on operating income and operating income per employee over the course of the five-year time span. Subsequently, however, in line with our initial target we expect to achieve non-consolidated operating income per employee of ¥3 million in non-consolidated and existing businesses.



Issues to be addressed to improve corporate value and specific measures to this end

Building on the outcomes of our ongoing endeavors to strengthen our business foundations, we will strive to enhance profitability while promoting the review of capital efficiency so that we can achieve further business expansion.

Issues			Measures to improve corporate value
Profitability	<ul style="list-style-type: none"> Need to strengthen businesses that have yet to deliver sufficient added value or obtain customer recognition for the value of their services Need to address situations in which we fail to provide customers with services on a Groupwide basis due to the scope of transactions being limited to certain fields. 	01 Strengthen the profitability of existing businesses	<ul style="list-style-type: none"> We have defined operating income per employee as the most important KPI as we aim to improve ROE, EPS, and cash flow per share, in addition to pursuing organic growth via the implementation of a growth cycle we have developed thus far. <ul style="list-style-type: none"> Improve value delivered to customers Strengthen our business partnership policy Raise productivity Optimize SG&A expenses Enhance the Group's comprehensive capabilities by creating greater synergies and taking full advantage of the unique strength of each Group company <ul style="list-style-type: none"> Accelerate organic growth via the dynamic management of the entire Group, to this end transforming four listed subsidiaries transformed into wholly owned subsidiaries Strengthen the Group's capabilities to reform and align itself with the changing nature of its customers Create new businesses with even higher added value via the integration of three main fields (operation SI, embedded / control software, and product services) <ul style="list-style-type: none"> Fully utilize assets amassed by FUJII SOFT thus far (IT and OT know-how, human resources, and relationships with customers and alliance partners) Promote collaboration and co-creation involving, and secure mutual prosperity with, user corporations, strategic partner companies, research institutions, etc., via engagement in joint R&D and product investment
		02 Achieve fresh growth via the implementation of integrated measures involving a Groupwide approach while developing new business fields and integrated fields	
Capital efficiency	<ul style="list-style-type: none"> Improve capital efficiency via the liquidation of real estate Invest freed-up cash in growth strategies in the areas listed below <ul style="list-style-type: none"> R&D Human resources M&A aimed at creating new businesses, etc. 	03 Review capital allocation	<ul style="list-style-type: none"> Improve capital efficiency via the liquidation of real estate Invest freed-up cash in growth strategies in the areas listed below <ul style="list-style-type: none"> R&D Human resources M&A aimed at creating new businesses, etc.

Capital allocation

We will aim for operating cash flow per share of ¥600 or more and an ROE of 20.0% or more.

Fundamental concepts	<ul style="list-style-type: none"> With regard to the allocation of funds to growth investment and shareholder returns, we will flexibly adjust our approach based on the prevailing status of investment opportunities available. With an ongoing focus on ensuring robust shareholder returns and higher capital efficiency, we will strive to maintain financial soundness.
Cash in	<ul style="list-style-type: none"> Expect to secure CF of ¥220 billion or more via the recording of operating CF and the liquidation of real estate (In addition, funds totaling ¥150 billion are expected to be procured externally)
Growth investment: The utilization of cash at hand and borrowings	<ul style="list-style-type: none"> With regard to how we will supplement our capabilities in both new fields and existing businesses, viable options include strategic alliances, M&A, subsidiary management measures, human resource-related investment, and R&D When investment opportunities are available, we will flexibly select funding methods, including borrowings. (¥41 billion has already been spent on transforming four listed subsidiaries into wholly owned subsidiaries)
Shareholder returns: Estimated at ¥140 billion	<p>Repurchases of own shares worth ¥100 billion or more</p> <p>▶The timing of share repurchases will be flexibly aligned with, for example, the liquidation of real estate</p> <p>Total dividends forecast at ¥400 billion (payout ratio: 35%)</p> <p>▶The volume of dividends for each fiscal year will be determined based on profit less extraordinary gains/losses arising from the liquidation of real estate</p>

Numerical management targets

	Results for 2023/12		Forecast for 2024/12	2024/12 (Including the impact of liquidation)	2024/12 (Excluding the impact of liquidation)	Plan for 2028/12
Net sales	¥298.9 billion	YoY 5.4% up	¥315.0 billion	-¥1.0 billion (Proceeds from property leasing)	¥316.0 billion (105.8%)	¥435.0 billion
Operating income	¥20.7 billion	6.4% up	¥22.0 billion	-¥1.2 billion (Net profit from property leasing)	¥23.2 billion (112.1%)	¥45.0 billion
Profit attributable to owners of the parent	¥11.8 billion	77.2% up	¥21.0 billion	+¥5.1 billion (Proceeds from real estate sales)	¥15.9 billion (134.7%)	¥32.0 billion
ROE	9.2%	6.7pt up	15.9%	+3.6% (Proceeds from real estate sales)	12.3%	20.0% or more
Operating CF per share	¥257	¥116 down	¥141	-¥124 (Proceeds from real estate sales)	¥265	¥600 or more

The variables stated above represent proceeds and other extraordinary gains arising from the real estate business via liquidation and the resulting impact of corporate income taxes, etc.

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 pre-serving 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

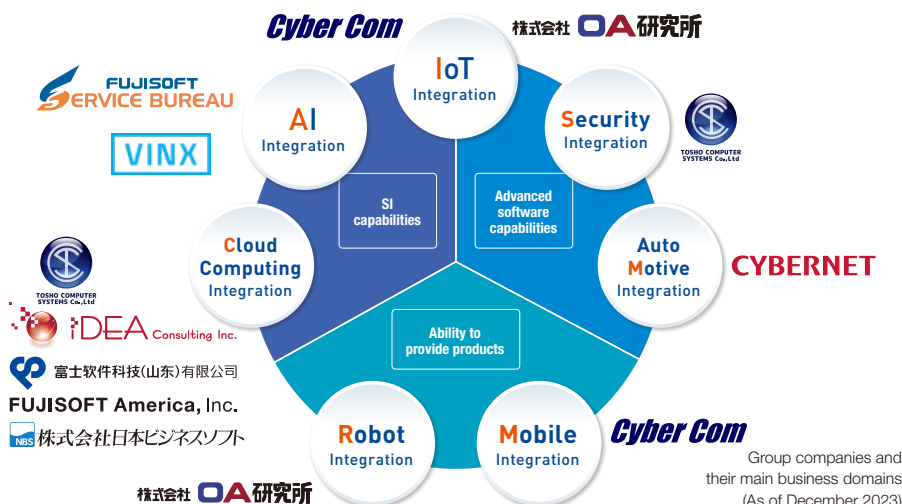
Our commitment to quality, delivery date and confidentiality

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)



Collaboration in the DX field



New retail

Cyber Com

Cyber series

Roll out of DX-related products:
Raku Raku Secure Connect, Microsoft 365 electronic seals, workflows
Virtual space services:
Virtual offices and interaction meetings

Individual collaborations

DC pension asset management business



Account coordination

Cyber Com

CYBERNET

株式会社OA研究所



Group companies and their main business domains (As of December 2023)

	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	96%	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	Miyagi	93%	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	91%	Listed*
Other	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	99%	Unlisted
	Office services	FUJI SOFT SERVICE BUREAU INCORPORATED	Outsourcing services mainly for public agencies: Pension-related periodic notifications, e-Tax, etc.	Tokyo	96%	Listed*
	Other	FUJI SOFT KIKAKU Inc. (special-purpose subsidiary)	Employment of people with disabilities, provision of assistance to Group companies, operation of an agri business, etc.	Kanagawa	— (Non-consolidated)	Unlisted

* These listed subsidiaries were delisted and transformed into wholly owned subsidiaries in February 2024.

Groupwide initiatives

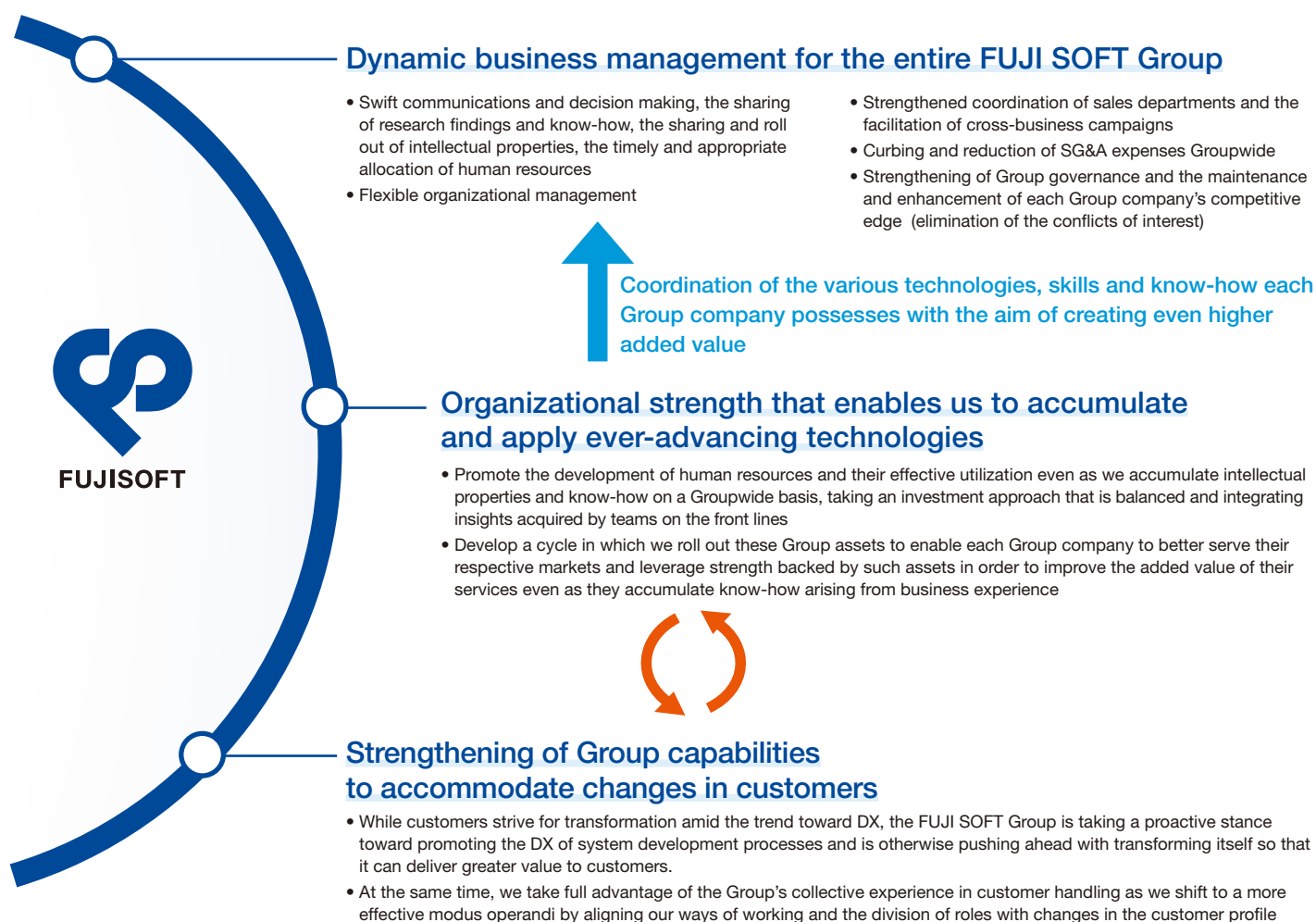
Accelerating the realization of our future vision by transforming four listed subsidiaries into wholly owned subsidiaries

Press release dated November 9, 2023	Transformation of four listed subsidiaries into wholly owned subsidiaries
Press release dated December 22, 2023	1. Notice regarding the results of a public tender offer for shares of VINX Corporation (TSE code: 3784)
	1. Notice regarding the results of a public tender offer for shares of CYBER COM Co., Ltd. (TSE code: 3852)
	1. Notice regarding the results of a public tender offer for shares of CYBERNET SYSTEMS Co., Ltd. (TSE code: 4312)
	1. Notice regarding the results of a public tender offer for shares of FUJI SOFT SERVICE BUREAU INCORPORATED (TSE code: 6188)

Direction to be taken by the FUJI SOFT Group

In order to adapt to changes in the environment surrounding the Group, we need to practice dynamic business management encompassing its operations in their entirety.

Also, we aim to strengthen synergies arising from Group companies on the whole even as we fully utilize the unique strength of each. To this end, we have transformed four listed subsidiaries into wholly owned subsidiaries.



Financial highlights

Financial Information, Data and Analysis

Fiscal 2023 financial highlights of the FUJI SOFT Group

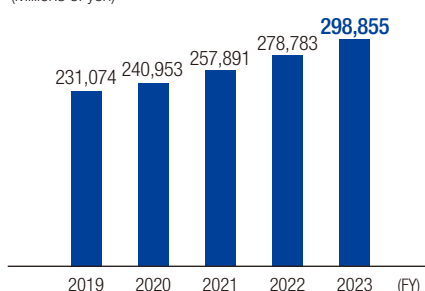
In 2023, the Japanese economy was supported by an ongoing recovery trend on the back of improvement in corporate earnings and personal consumption due to the normalization of economic activities after the stagnation induced by the COVID-19 pandemic. However, the future economic outlook still remains unclear at home and abroad due to steep inflation in Europe, the United States and elsewhere as well as monetary tightening by the financial authorities of these countries, while anxiety persists regarding the outlook for the Chinese economy. In Japan, consumption is being negatively affected by ever-higher raw material and energy prices, with the depreciation of the yen leading to further rises in the prices of goods. Despite the unclear external environment, business sentiment remained favorable in a diverse range of sectors toward system-related investment aimed at achieving business expansion and improving competitiveness. In particular, demand associated with

system-related strategic investment is on a growth track as businesses strive to respond to the trend toward promoting digital transformation (DX).

Due to the above described strong demand factors, the FUJI SOFT Group's full-year operating results for fiscal 2023 were robust. Specifically, net sales stood at ¥298,855 million, up 7.2% from the previous fiscal year. Thus, the Group achieved growth in net sales for the 12th 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 strive to improve productivity while stepping up customer proposals focused on delivering high-value-added services. In these ways, we will work to increase operating income per employee, the most important KPI, in order to further improve profitability.

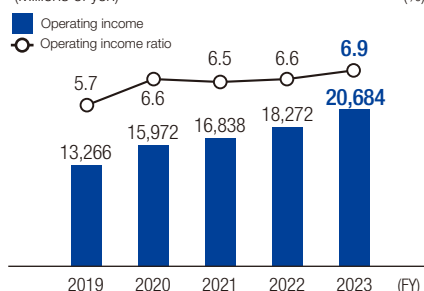
Net sales

(Millions of yen)



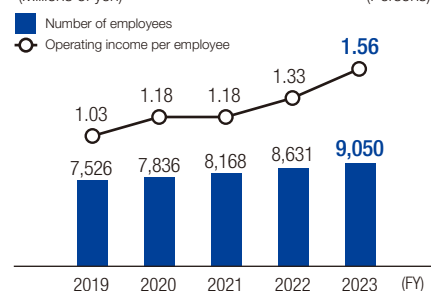
Operating income / Operating income ratio

(Millions of yen)



Operating income per employee

(Millions of yen)



Fiscal 2024 operating results forecasts of the FUJI SOFT Group

In fiscal 2024, the Group expects that the liquidation of its real estate holdings will result in the downsizing of the facility business as well as growth in expenses associated with office relocations. At the same time, plans call for executing investment aimed at developing new businesses with an eye toward securing medium- to long-term growth. Despite the impact of these outlays, we will take on the challenge of achieving fresh growth, higher profitability and greater capital efficiency through the pursuit of Group synergies, the enhancement of value to be delivered to customers and the optimal allocation of capital.

In addition, as presented below the forecast for profit attributable to owners of the parent factors in ¥5.9 billion in (post-tax) proceeds from the divestment of eight properties* in the A category (based on the Group real estate liquidation categories). Although nine properties* in the B category are earmarked for liquidation in fiscal 2024, expected proceeds from the divestment of these properties have not been included in the current forecasts due to the possibility of significant fluctuations in sales prices. We will disclose information regarding the impact of their liquidation in a timely manner upon the determination of their sales prices.

	Results for 2023/12	Results for 2024/12	Year-on-year change	Year-on-year change (%)
Net sales (Millions of yen)	298,855	315,000	+16,144	105.4
Operating income (Millions of yen)	20,684	22,000	+1,315	106.4
Operating income ratio (%)	6.9	7.0	—	—
Ordinary income (Millions of yen)	19,675	21,800	+2,125	110.8
Ordinary income ratio (%)	6.6	6.9	—	—
Profit attributable to owners of the parent (Millions of yen)	11,849	21,000	+9,151	177.2
Profit attributable to owners of the parent ratio (%)	4.0	6.7	—	—
ROIC (%)	8.3	8.8	+0.5pt	—
ROE (%)	9.2	15.9	+6.7pt	—
EBITDA margin (%)	8.3	8.3	+0.0pt	—

2024/12 Including the impact of the liquidation of real estate	2024/12 Excluding the impact of the liquidation of real estate
-1,000	316,000
-1,200	23,200
—	—
—	—
—	—
+5,100	15,900
—	—
—	—
+3.6pt	12.3%
—	—

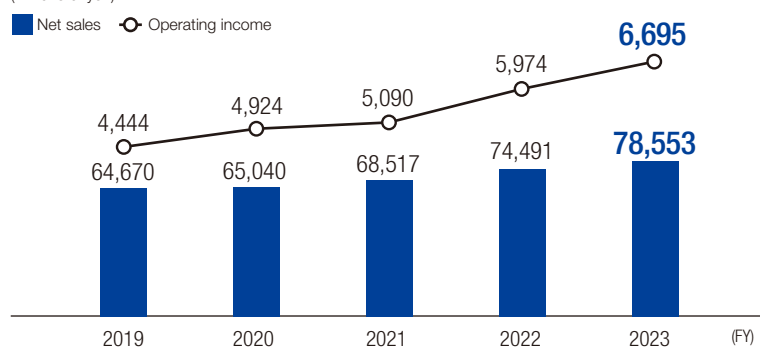
* Disclosed in "Explanatory Material on the Activity of the Corporate Value Committee and Governance Committee" dated August 10, 2023

Fiscal 2023: Business status of main segments

Embedded/Control Software

Net sales / Operating income

(Millions of yen)



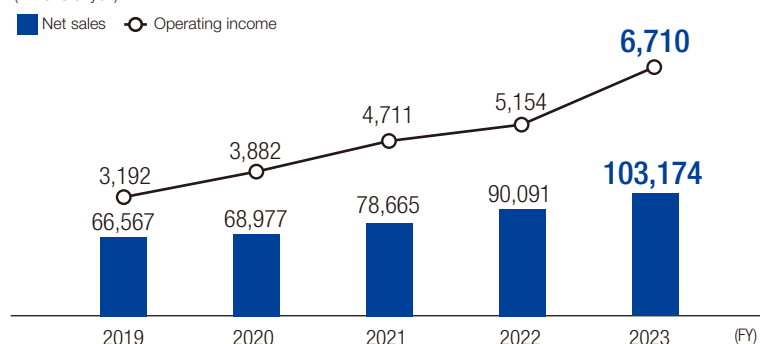
In the Embedded/Control Software segment, the Group is engaged in the development of software embedded in and designed to support customer products, with primary customers operating in automobile, machining tool, home appliance, OA equipment and other manufacturing sectors.

In fiscal 2023, the automotive industry continued to record an ongoing shift toward EVs on the back of international calls for carbon neutrality as well as the invigoration of investment undertaken by customers in such CASE-related fields as autonomous driving systems. In addition, demand from fields related to semiconductor manufacturing equipment expanded as the adoption of digital technologies progressed in various corners of society. Moreover, major manufacturers executed ongoing investment in digital appliance-related fields. Consequently, the Group's net sales and operating income in this segment remained robust.

Operation Software

Net sales / Operating income

(Millions of yen)



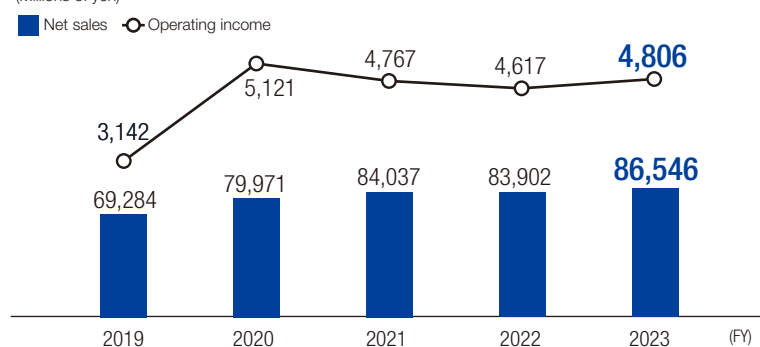
In the Operation Software segment, the Group develops operation and backbone systems that are used by customers for a variety of business activities while otherwise supporting the development of e-commerce websites and the construction of system infrastructure for them.

As it did in fiscal 2022, in fiscal 2023 the trend toward DX promotion served as a tailwind, with investment being actively undertaken in fields related to system infrastructure construction. This included investment in visualization, cloud-based and other essential solutions designed to improve users' operational efficiency and productivity. Vigorous investment was similarly undertaken in the digital finance and other fields with future growth potential. Furthermore, measures undertaken by the Group to improve profitability yielded positive effects. Consequently, the Group enjoyed solid performance in terms of segment sales and operating income.

Products and Services

Net sales / Operating income

(Millions of yen)



The Products and Services segment includes the marketing of SIM free 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 2023, licensed sales of externally procured products were firm, with global vendors working in collaboration with the Group to this end. In addition, the relaxation of restrictions aimed at countering the COVID-19 pandemic resulted in gradual recovery in inbound tourism demand. This, in turn, led to growth in demand for rental mobile routers. Reflecting these and other factors, the Group's net sales and operating income in this segment remained strong.

Financial highlights

Financial Information, Data and Analysis

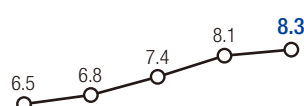
Financial highlights of the FUJI SOFT Group

Main financial indicators

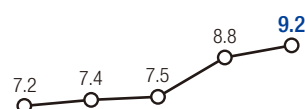
Despite growth in interest-bearing debt in the aftermath of the public tender offer for shares of four listed subsidiaries, ROIC stood at 8.3%, an increase of 0.2 of a percentage point from the previous fiscal year, thanks to higher operating income backed by robust operating results. ROE was 9.2%, an increase of 0.4 of a percentage point year on year, reflecting a reduction in shareholders' equity due to the execution of the above public

tender offer as well as growth in profit attributable to owners of the parent. The EBITDA margin was 8.3%, an increase of 0.3 of a percentage point, thanks to growth in operating income, even though demand for FUJI SOFT products, which had been buoyed by the COVID19 pandemic, has now stabilized.

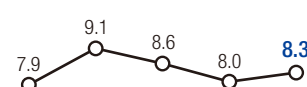
ROIC
(%)



ROE
(%)



EBITDA margin
(%)

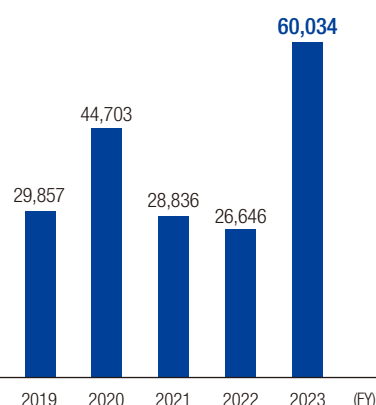


Investment activities

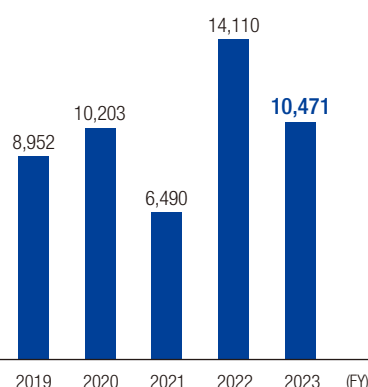
Since fiscal 2020, when the Company secured temporary funding to stabilize working capital in light of fallout from the COVID-19 pandemic, consolidated interest-bearing debt has remained relatively steady. In fiscal 2023, however, interest-bearing debt increased ¥33,388 million year on year to ¥60,034 million due the execution of the public tender offer for shares of four listed subsidiaries and the resulting growth in borrowings. Capital expenditures, which consist mainly of expenses for the construction of office buildings due to business expansion, totaled ¥10,471 million,

a decrease of ¥3,639 million. Meanwhile, R&D expenses amounted to ¥924 million, an increase of ¥344 million, reflecting spending on surveys of the latest technological trends and verification tests of various technological practices carried out by an array of R&D divisions, including the Technology Administration Department. In fiscal 2023, these activities involved the launch of a pioneering service verification focused on ChatGPT and the promotion of research into the efficient and effective use of this AI model.

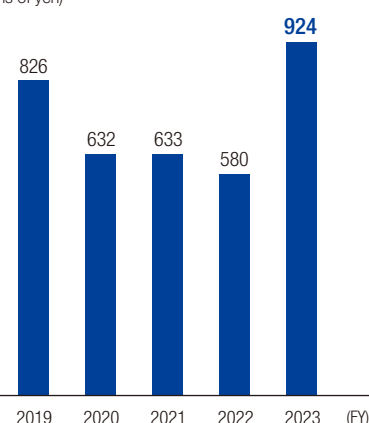
Consolidated interest-bearing debt
(Millions of yen)



Capital expenditures
(Millions of yen)



R&D expenses
(Millions of yen)



Main financial information and data

(Fiscal period ended December 31 of each year)
(Millions of yen)

Item	2019	2020	2021	2022	2023
Income section					
Net sales	231,074	240,953	257,891	278,783	298,855
Gross profit	52,736	54,847	56,835	61,567	67,236
Gross profit ratio (%)	22.8	22.8	22.0	22.1	22.5
SG&A expenses	39,470	38,875	39,997	43,294	46,552
Operating income	13,266	15,972	16,838	18,272	20,684
Operating income ratio (%)	5.7	6.6	6.5	6.6	6.9
Ordinary income	13,749	16,343	17,976	19,205	19,675
Profit attributable to owners of the parent	7,836	8,573	9,130	11,379	11,849

Financial position

Current assets	88,009	105,363	111,128	112,730	123,153
Non-current assets	119,609	129,173	117,786	128,104	134,443
Total assets	207,618	234,537	228,915	240,835	257,596
Current liabilities	48,106	68,751	68,018	71,945	112,740
Non-current liabilities	32,691	30,623	17,928	16,145	15,934
Interest-bearing debt	29,857	44,703	28,836	26,646	60,034
Total shareholders' equity	118,180	125,008	133,076	141,717	129,718

Cash flows

Net cash provided by (used in) operating activities	12,584	14,787	15,907	13,519	16,151
Net cash provided by (used in) investing activities	(9,442)	(16,109)	4,894	(15,522)	(9,209)
Net cash provided by (used in) financing activities	(1,451)	12,703	(17,871)	(5,911)	(5,447)
Cash and cash equivalents at the end of period	26,158	37,450	40,876	33,086	34,785
Free cash flows	3,142	(1,322)	20,801	(2,003)	6,942

Main management indicators

Operating income per employee (non-consolidated)	1.03	1.18	1.18	1.33	1.56
ROIC (%)	6.5	6.8	7.4	8.1	8.3
ROE (%)	7.2	7.4	7.5	8.8	9.2
EBITDA margin (%)	7.9	9.1	8.6	8.0	8.3

Other

Capital expenditures	8,952	10,203	6,490	14,110	10,471
Depreciation and amortization	5,081	5,943	5,481	4,072	4,121
R&D expenses	826	632	633	580	924

Challenge & Creation

In May 1970, the precursor of FUJI SOFT was launched by founder Hiroshi Nozawa, who along with two of his students, was envisioning the future potential of computers. Having celebrated its 54th anniversary in May 2024, the full FUJI SOFT Group now encompasses 17,921 Group employees (as of December 2023), 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 word-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 (1997–2011)

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

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

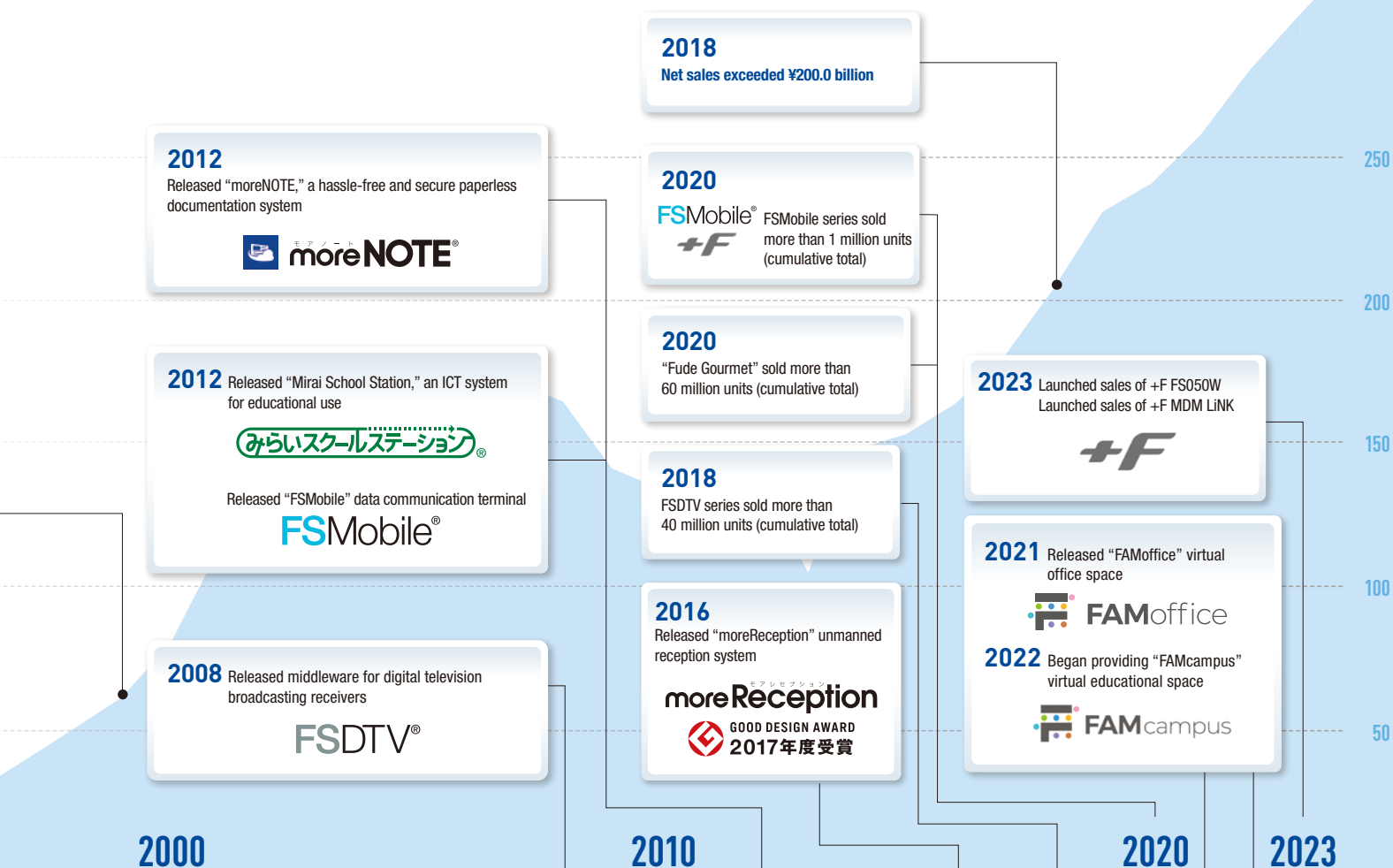
- Made CYBERNET SYSTEMS Co., Ltd. a subsidiary

2001

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

2002

- Acquired the Privacy Mark



company with net sales ranking fifth in the domestic software industry in 2006. In the same year, our company name was changed to FUJI 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.

2004

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

2005

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

2006

- Company name changed to FUJI 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



Evolution period (2012~)

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.

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 FUJI 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

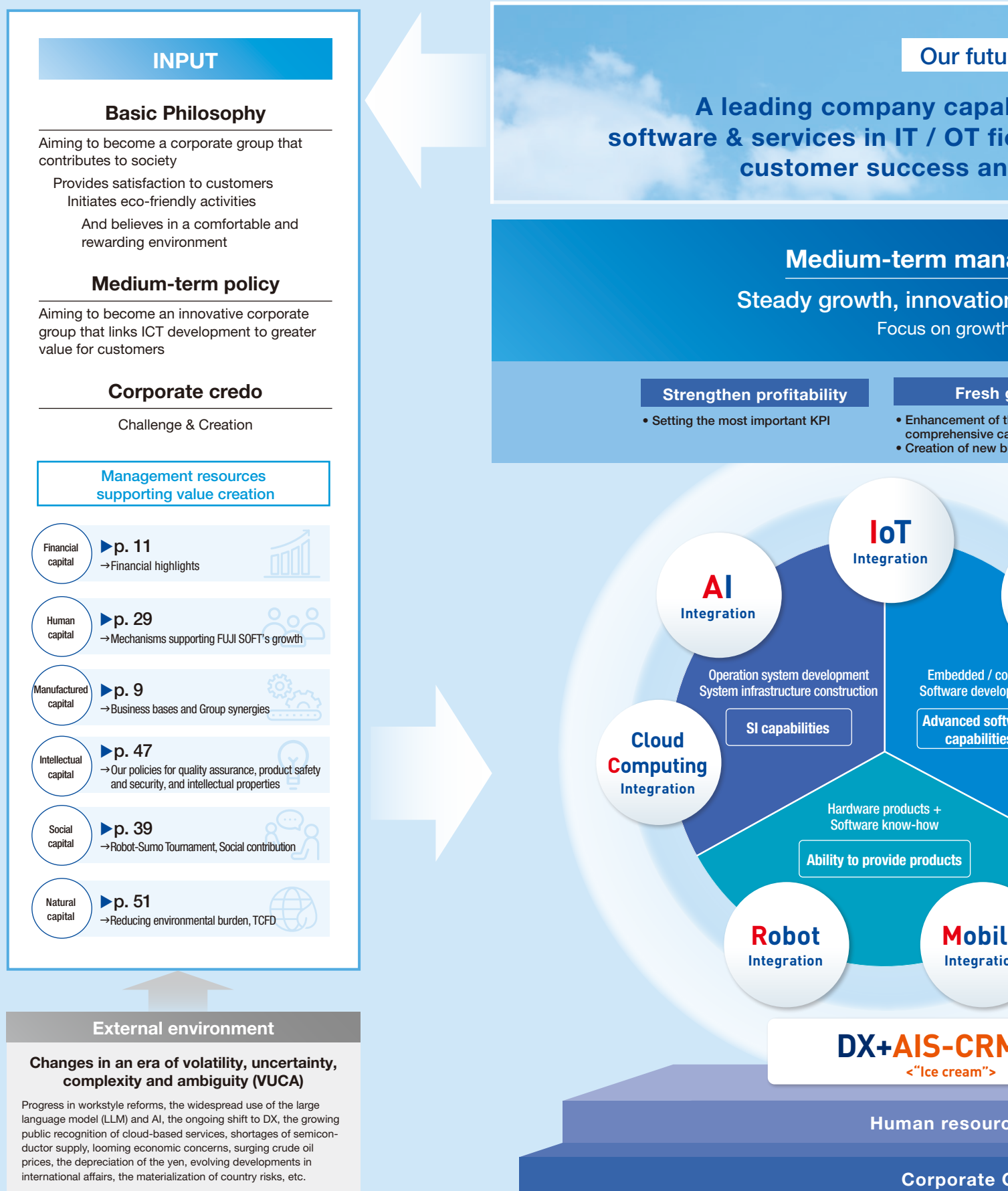
2023

- 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



re vision

able of providing systems,
fields and thereby contributing to
d social development

Management plan 2028

h and bases for the future
a and profitability

Growth

he Group's
capabilities
business fields

Capital allocation

- Liquidation of real estate
- Investment supporting growth strategies

► p. 5

Security
Integration

ontrol
pment

ware
s

**Auto
Motive**
Integration

e
n

M+SD+(5)G2

ce development

Governance

Strengthen upstream
development

Strengthen DX solutions

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

OUTPUT

Numerical management targets

(Plan for 2028/12)

Net sales **¥435** billion

Operating income **¥45** billion

Profit attributable to
owners of the parent **¥32** billion

ROE **20.0** % or more

Operating cash flow
per share **¥600** or more

OUTCOME

Contribute to social development and
customer success
through business

Remain true to
the venture spirit and pursue
“Challenge & Creation”
in new fields

Create a comfortable and
rewarding environment to
help diverse human resources achieve
personal growth and provide them
with equal opportunities

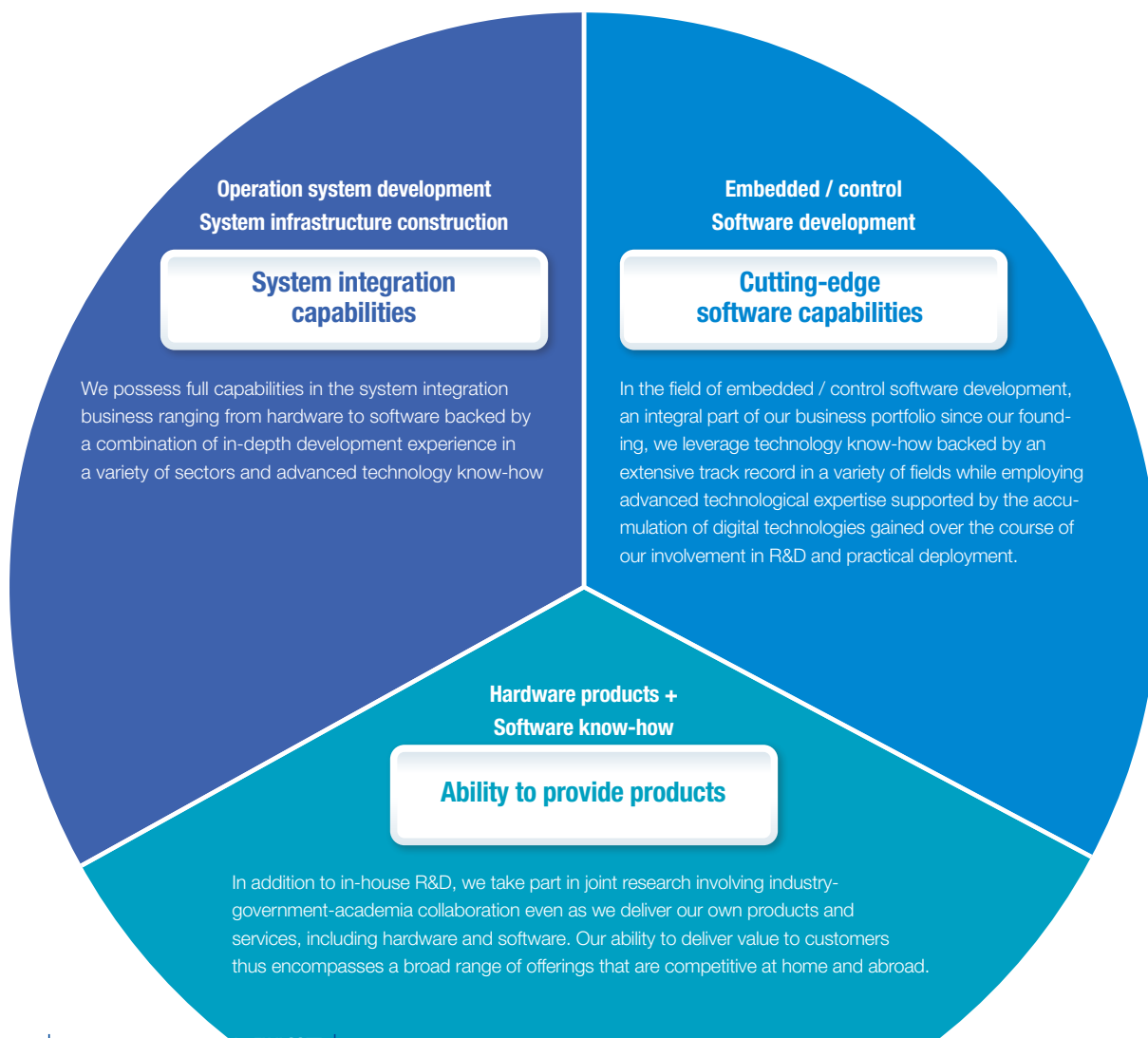
Contribute to the sustainability of
the Earth's environment

Maintain stakeholder trust through
the ongoing development of sound and
secure management foundations

Technological Strategy

Three Strengths Supporting Our Corporate Growth

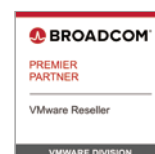
The development of embedded / control software has been an integral part of the FUJI SOFT Group's business portfolio since its founding. In this field, we have taken full advantage of our advanced software capabilities. At the same time, we have developed operation software for use by customers in logistics, 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



Main partnerships*



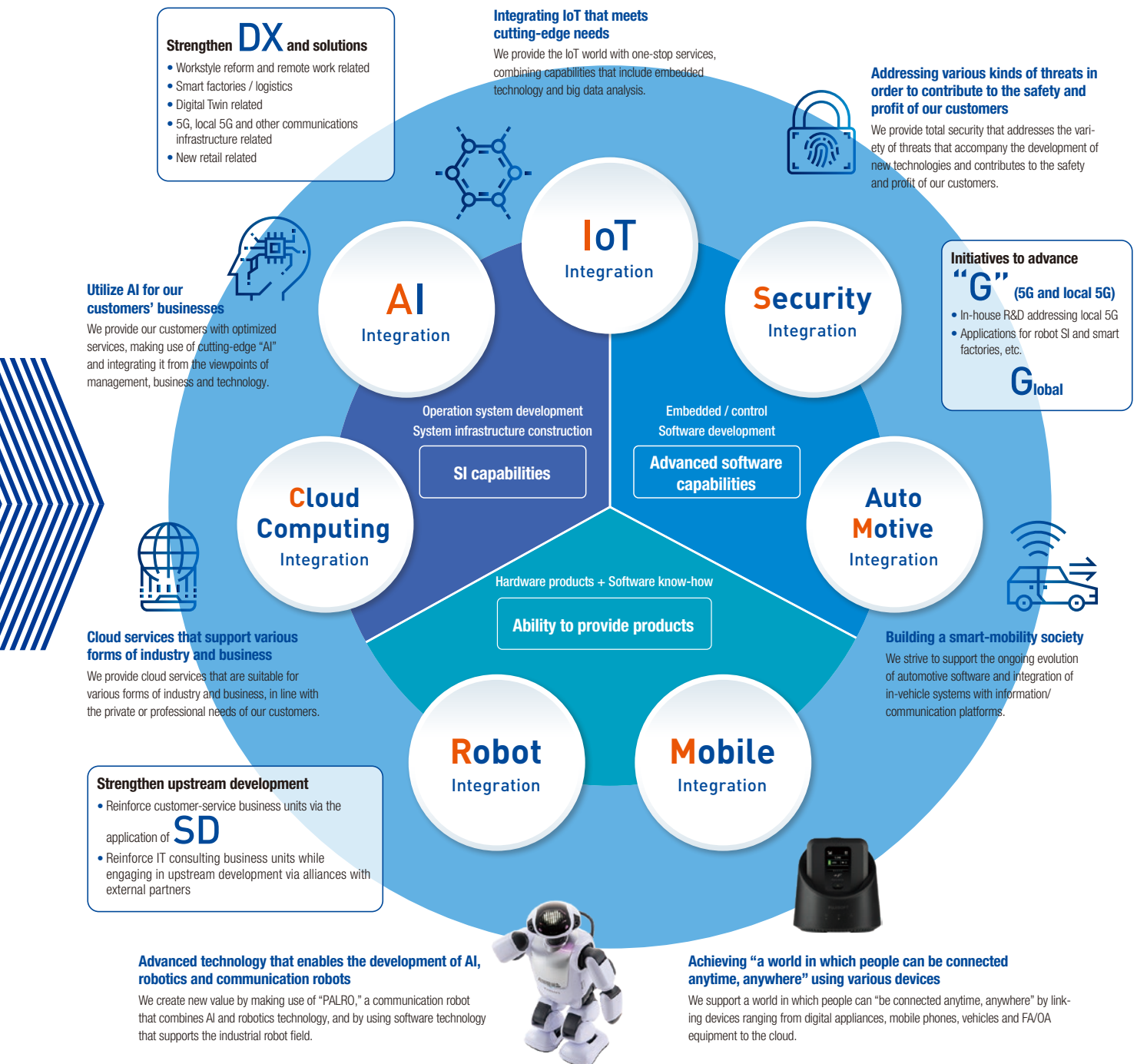
* As of December 2023. Relevant trademarks, including registered trademarks, belong to FUJI SOFT partners.

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”

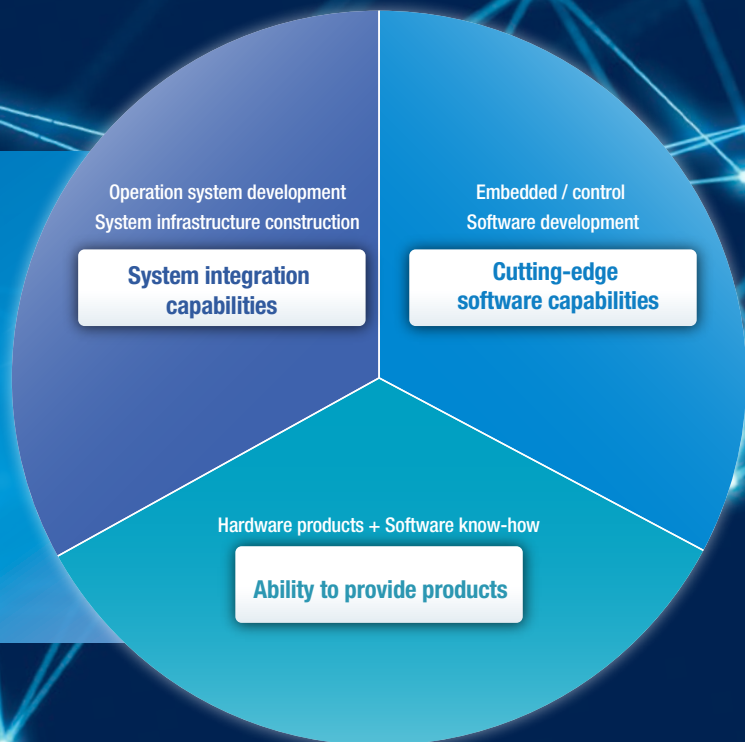
FUJI SOFT has positioned “AIS-CRM,” the abbreviation of AI, IoT, Security, Cloud, Robot, Mobile and AutoMotive, as innovative technology areas deserving its utmost priority. Through the integration of technologies and solutions we have nurtured for years, we will create new kinds of added value and business 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.



Business Topics

Here, we will introduce examples of “cutting-edge software capabilities,” “SI capabilities” and “ability to provide products,” which three strengths constituting an integral part of FUJI SOFT’s business portfolio since its founding.

These articles include descriptions of activities undertaken from January to March 2023.



Three strengths supporting
our corporate growth

1

Ability to provide products

Virtual office space “FAMoffice,” a FUJI SOFT original, chosen to receive an “IT encouragement award”

Under its fiscal 2023 IT Award program, the Japan Institute of Information Technology bestowed an “IT encouragement award” (Social Issue Resolution category) on FUJI SOFT for the development of “FAMoffice,” a virtual office space. The institute highly rated FAMoffice for its contribution to the realization of diverse and flexible workstyles via the use of virtual offices. The development of FAMoffice was viewed by the institute as exemplifying the Company’s ongoing initiatives to help user corporations enhance workplace communications, improve employee engagement and resolve issues associated with labor management. Even after the transition of COVID-19 to Class 5 infectious disease status, the utilization of teleworking and other workstyle options has proven essential to, for example, countering the worker shortages confronting businesses and creating employment in regional communities. Through the provision of “FAMoffice,” we will help develop a teleworking infrastructure that enables workers to fulfill their duties from anywhere via the use of cloud technology, with the aim of contributing to the resolution of social issues.



Presentation of an IT encouragement award under the Information Technology (IT) Award program



The release of the “moreNOTE” Nursing Care Certification Board Digital Pack

With the “Priority Policy Program for Realizing Digital Society” approved by Japan’s Cabinet, the national government is now strongly focused on promoting digitalization. In fact, a number of municipalities have launched initiatives to digitalize their operations. On the back of a recent rise in the number of citizens officially recognized as needing long-term nursing care or other types of assistance, DX solutions are expected to help municipalities secure their ability to tackle the growing workload in the areas of nursing care and related assistance.

In light of the above situation, FUJI SOFT has striven to help municipal essential long-term care certification boards digitalize their operations. On April 26, 2023, we thus released our “moreNOTE” Nursing Care Certification Board Digital Pack. This system is equipped with functions that automatically analyze, sort and register files on an individual applicant basis while providing certification board members with quick access to registered committee materials listed on meeting calendars. Other functions afforded by the package include an easy-to-read dual screen display of committee materials that contributes to the enhancement of operational efficiency.

In this way, FUJI SOFT will assist certification boards in their operational reforms as part of efforts to contribute ever more to society.

Three strengths supporting our corporate growth 2

Cutting-edge software capabilities

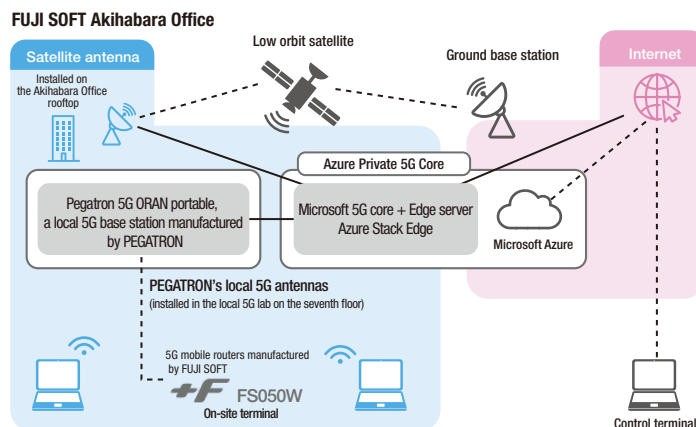
Local 5G x Satellite communications—Establishing secure and stable communications at times of disaster

FUJI SOFT is the only domestic corporation* to adopt Microsoft Azure Private 5G Core, which it coupled with the “Pegatron 5G ORAN portable” to build and install a local 5G evaluation environment at its Akihabara Office.

As indicated by the diagram on the right, satellite communication systems enable the use of the internet from any location even when the local ground communication infrastructure is disrupted by a disaster or other event. Moreover, using such a system in combination with a local 5G environment ensures stable communications at times of disaster.

FUJI SOFT will take full advantage of cutting-edge technologies to deliver solutions finely tuned to customer needs, with the aim of contributing to society.

* As of July 3, 2023



Three strengths supporting our corporate growth 3

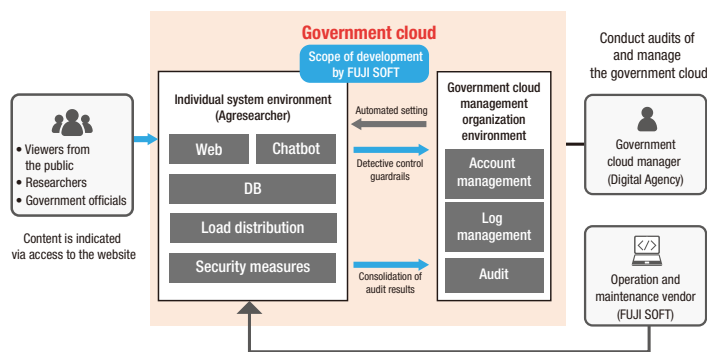
SI capabilities

With FUJI SOFT’s assistance aimed at upgrading “Agresearcher,” the Ministry of Agriculture, Forestry and Fisheries (MAFF) became the first in Kasumigaseki to transition from the on-premises environment to a government cloud provided by the Digital Agency

FUJI SOFT was commissioned to immigrate “Agresearcher,” a MAFF system designed to visualize research findings in the agricultural field, to the government cloud. The MAFF has thus become the first central government agency to transition its system to the government cloud.

Having amassed technological strengths related to and a solid track record in the use of AWS over the course of more than a decade, we are currently assisting these agencies in upgrading their information security, cutting back on their system operational, maintenance and administrative costs, and strengthening their information dissemination capabilities.

FUJI SOFT will continue to leverage its extensive track record and technological capabilities to help government agencies develop, operate and maintain their systems.



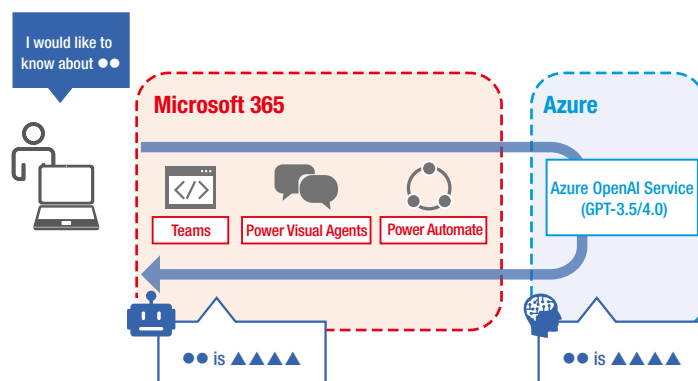
The release of “Azure OpenAI Service introduction assistance powered by ChatGPT”

FUJI SOFT released “Azure OpenAI Service introduction assistance powered by ChatGPT” to aid in the development of a secure ChatGPT customer-oriented environment.

This service incorporates a unique technology that utilizes Microsoft 365 and Azure OpenAI Service and has already been verified by FUJI SOFT.

In conjunction with the release of the service, we established the “Data & AI Solution Group,” a dedicated organization specializing in assisting in the introduction of solutions based on AzureOpenAI. We are focused on developing environments dedicated to customers and protecting their data.

In these ways, FUJI SOFT leverages cutting-edge technologies to contribute to society.



Roundtable Talk

How FUJI SOFT empowers its human resources to achieve success

In line with its human resource policy, FUJI SOFT welcomes diverse human resources while supporting diverse workstyles. Here, we introduce the summary of a roundtable talk attended by individuals who supervise relevant frontline efforts as well as outside officers that have explored how the Company empowers its employees to achieve success.



Mari Morimoto

Director,
Operating Officer

Tomoko Aramaki

Outside Director

Yuya Shimizu

Outside Director

Yukako Oshimi

Outside Auditor

Tsugumi Yoshida

General Manager of
Corporate Planning Dept.,
Head of Secretariat for
L Career Promotion Sec.

Yoshito Takino

General Manager of
Human Resource Dept.

**“Challenge & Creation,” our corporate credo
supporting the empowerment of diverse
human resources**

The unique corporate culture in place at FUJI SOFT provides diverse human resources with opportunities to achieve growth

Morimoto: Looking at the traits that set FUJI SOFT employees apart, I feel that many of them are inclined to pursue self-directed studies and take on new challenges. This assessment is backed by the type of feedback I received from customers when working on the sales front lines.

Takino: The Company's human resource policy states that it welcomes diverse human resources and supports diverse workstyles. Reflecting this, our recruitment process gives no consideration to age, academic background, gender or other external attribute. This allows for the inclusion of an extremely diverse range of people in our workforce. At the same time, the human resources that are hired are quite diligent, as Morimoto has commented.

In terms of human resource education, our programs focus on specific subjects that are truly essential, rather than general topics in line with social trends. We have also developed a structure that enables employees to benefit from these programs and pursue skill enhancement at their own pace.

In the aftermath of the COVID-19 pandemic, remote working has gained growing popularity, while e-learning has become widespread in society. However, these methods were already used widely at FUJI SOFT when I joined the Company some 20 years ago. Although joint training using a physical venue is conducted as necessary, FUJI SOFT has been and continues to be a pioneer in leveraging the merits of e-learning, which allows individuals to take on the programs of their choice at a time of their choosing. In this way, the Company has developed an environment in which an extensive lineup of programs is available. This naturally prompts employees to acquire technical skills and certifications, and has resulted in a growing number of specialists equipped with highly sophisticated expertise.

Morimoto: I believe that the employee traits just discussed are also attributable to the spirit of "Challenge & Creation" that is our corporate credo. It is essential to provide every person with opportunities that will enable them to grow while engaging in front-line



Mari Morimoto

operations, which is where they learn practical lessons and gain experience. This approach is far more effective than assigning tasks only to those deemed to already possess necessary competencies.

Since joining the workforce, I have been able to take on challenges in various operational fields, thanks in part to the Company's encouragement. All the staff members around me also understood and supported my process of learning lessons from actual operations and then putting into practice what I've learned. This is why I was able to accumulate experience in diverse tasks.

This experience, in turn, has shaped me into who I am today, allowing me to set my sights on meeting new challenges going forward.

Yoshida: I began developing a desire to pursue more advanced career goals when I began to experience that rewarding feeling you get when succeeding at handling tasks undertaken at your own discretion as well as those that are your personal responsibility.

Amid my current efforts aimed at balancing work and child rearing, I have also realized that one's private undertakings and one's job are not necessarily mutually exclusive. Rather, I now believe that lessons learned from one can often be utilized to better handle tasks at the other. I have thus concluded that pursuing career fulfillment could help me lead a fulfilling private life.

Activities undertaken by the L Career Promotion Sec. provide diverse human resources, not just women, with career advancement opportunities

Morimoto: To date, FUJI SOFT has developed an environment designed to assist employees in striking a work-life balance via, for example, the introduction of remote working and ultra-flex systems. However, the ratio of female managers has remained disproportionately low in light of gender distribution among the workforce. Despite robust assistance programs in place, my central concern has been the creation of a more supportive workplace for women's career advancement.

Having taken heed of opinions voiced by a variety of frontline employees on this subject, we thus identified the need to establish a dedicated organization to develop a supportive framework and

environment. This is why the L Career Promotion Section was established in 2021.

Yoshida: The L Career Promotion Section is run by around 50 employees, including a number of volunteers and others appointed based on recommendations. These members encompass individuals with varying titles, departmental affiliations and job circumstances. I think this variety is quite beneficial in terms of enabling real-life feedback from employees rather than just theory to be reflected in empowerment measures. In addition, around 20% of the section's members are male.

Morimoto: I was surprised to learn that so many male members voluntarily put themselves forward. I was also quite happy to find out that they were immensely interested in developing a better workplace.

Currently, not only opinions gleaned from within the Company but feedback from outside directors inform the section's activities. We also reflect progressive initiatives undertaken by external corporations,



Tsugumi Yoshida



Yoshito Takino

including those outside our industry. It was also encouraging when the Company was chosen to bear the “Semi-Nadeshiko” and the “Next Nadeshiko” labels in 2022 and 2024, respectively, under the “Nadeshiko” labelling program jointly run by the Tokyo Stock Exchange and the Ministry of Economy, Trade and Industry to recognize excellent listed companies in terms of empowering women. The latter label is specifically aimed at commending corporations supportive of dual-career couples and co-parenting. These accomplishments were encouraging to us.

Although we have yet to meet our goals for some initiatives, we will continue to work in tandem with in-house and external stakeholders to develop an even better workplace environment.

Yoshida: It has taken some time for section members to begin to proactively share what they really think. However, they now engage in quite vigorous exchanges of opinions. I hope that the section’s activities gain further momentum even as it promotes fresh initiatives.

Morimoto: We need to continuously take heed of a broad range of opinions, including those voiced by frontline employees as well as insights offered by people from different sectors.

Takino: As touched on by Morimoto earlier, everyone has a chance

at FUJI SOFT. I feel that gender biases are no longer prevalent in our workforce. Currently, female employees account for 21.6% of total workforce. In addition, 203 women joined the Company in fiscal 2023 as new hires, representing 25.1% of the 809 new recruits hired. The overall representation of women will grow if we stick to this recruitment approach and pay attention to trends in job-hunting.

Against this backdrop, the role of the L Career Promotion Section has become more important than ever. For example, we have heard from women who are worried about balancing work and family life. FUJI SOFT has long been a pioneer in this area, with a history of introducing progressive systems and frameworks unprecedented among Japanese companies. We will step up our efforts to build an environment that allows employees to realize their full potential without being hampered by anxieties regarding family circumstances.

Morimoto: Although the L Career Promotion Section was launched as an organization aimed at empowering women, going forward we intend to develop supportive environments for, and consider measures to empower, an even more diverse range of employees. This is how we should help employees advance their careers, with women’s empowerment serving as a starting point.

External assessment of women’s empowerment initiatives undertaken by FUJI SOFT and the activities of its L Career Promotion Section

Aramaki: From an external perspective, our employees are predominantly seen as diligent. With the founder’s spirit understood and supported by a majority of the workforce, employees seem to maintain a unique loyalty to the Company due to its independent standing and faithfully take on their duties.

Shimizu: I was appointed as an outside director in 2022. In May of that year, I attended the Company’s founding anniversary celebration for the first time. This event involved various programs aimed at commending outstanding employees and projects. The prize winners who spoke were energetic and independent-minded.

And, they were having fun. Even their outfits were diverse. My observation of this event confirmed to me the sheer diversity of human resources at FUJI SOFT.

Oshimi: Although our workforce includes a lot of young employees, I still feel that the number of women is less than robust. Looking at the internal traits of employees, I feel that they are all passionate. As Shimizu has commented, this impression was reinforced when I attended the founding anniversary celebration and other events at which employees gather. Overall, employees take pride in FUJI SOFT technologies and their own technical capabilities while having a strong drive to create new things.

Aramaki: In the information technology (IT) industry, the barriers inhibiting the promotion of diversity, whether attributable to gender, language or culture, are relatively low compared with other sectors. Moreover, FUJI SOFT has endeavored to robustly develop equal

wage systems and worker-friendly environments. These efforts have, in turn, enabled it to acquire a variety of certifications as a company listed on the Prime Market.

On the other hand, I have to say that the presence of well-developed systems now seems to be leading to overdependence on individual efforts and discretion. This is a fundamental issue that must be addressed. Good systems have limited utility if they are not properly utilized. Also, diversity doesn't mean merely including people with diverse attributes in the workforce. Rather, real diversity should involve mutual acceptance and respect among workers. This, in turn, enables those workers to create synergies, inspire one another and, ultimately, contribute to improvement in corporate value.

Based on my perspective as an outside director, I believe that FUJI SOFT has yet to reach the point where diversity translates into improvement in corporate value. To transform the Company's present corporate culture, each member of senior management, including officers and general managers, must be aware of their responsibility to pursue transformation. Similarly, the employees constituting its diverse workforce must also be conscious of the parts they play. This awareness is key to achieving transformation.

With regard to how to ensure the proper utilization of existing systems, I believe that enhancing the flexibility of these systems could serve as a solution. For example, managers are often hampered from taking leave even if they need to engage in nursing care for their parents. However, we can develop a framework that allows them to temporarily step aside from their managerial duties, take the nursing care leave they need to take, and then be reinstated to their original positions afterwards.

In the IT industry, most tasks are assigned on a project basis. Accordingly, we could also start appointing substitute managers to take charge of certain projects on a trial basis while enabling both managers and substitute managers to evaluate each other's aptitude. These are but a few examples of what we could do to increase flexibility.

Shimizu: When it comes to having awareness of transformation, the young people often referred to as Gen Z display a keen awareness of social issues. Many of them are interested in resolving inequalities, discrimination and conflict due to their immense exposure to information from around the globe. Welcoming this generation is imperative to the Company itself achieving growth. Therefore, we will aim to create a company that consists of male and female employees who are acutely aware of social issues and that is equipped with well-developed supportive systems. We will thus empower each employee to fully realize their individual potential.

In summary, corporate managers are called upon to define diversity in terms that go beyond women's empowerment. However, this is exactly where generational gaps become evident. Although the presence of female internal directors at FUJI SOFT is praiseworthy, the Company must not be content with the status quo, as Aramaki has commented.

Oshimi: The L Career Promotion Section was not yet in place when I assumed the office of outside officer five years ago. At that time, many people who had seen a number of supportive systems completed seemed to believe that there was no room for improvement. However, the launch of the L Career Promotion Section prompted FUJI SOFT to kick off fresh reforms starting from the top management level. This move took things a step further, enabling FUJI SOFT to go beyond being merely a company with a

few extra systems in place. For example, reviews have been under way to determine whether our systems are truly user friendly and whether managers and others believe that no employee should be hampered from using such systems. These discussions are expected to refresh our awareness regarding how to ensure that the Company's supportive systems are genuinely effective.

I believe that in order to truly change awareness of people, gender roles need to be deconstructed. Women's professional potential will remain limited if housekeeping- and child rearing-related tasks continue to be disproportionately assigned to them. By the same token, if spending more time on family-related tasks results in lower ratings when their job performance is evaluated, many men will remain reluctant to take on these tasks. Gender inequality is not a purely domestic issue. Therefore, questions of gender inequality cannot be resolved unless businesses take on this issue and transform their systems accordingly.

It is essential to enact genuinely effective reforms, including the creation of assistance programs anyone may utilize. In that sense, I think FUJI SOFT has done a good job. The Company offers diverse workstyle options to employees while, over the course of past three years, achieving substantial improvement in the take-up ratio of childcare leave among male employees. Looking ahead, however, the Company should continue discussing how to appropriately evaluate employee performance and determine wages based on these diverse workstyles. I also expect the Company to introduce more innovative measures using a trial-and-error approach.

At Board of Directors meetings, Morimoto provides other attendees with periodic updates on activities undertaken by the L Career Promotion Section. What makes the Company's Board of Directors unique is the large number of human resource-related reports it receives. The Board also engages in vigorous discussions regarding results of employee satisfaction surveys and trends in the job turnover ratio.

Shimizu: Discussions of this kind tend to focus on addressing workplace-related stress and interpersonal strife. I believe that the Board should consider disseminating more encouraging messages to employees, including what good work FUJI SOFT is doing and what social contributions the Company is making. Also, the Board should allocate more time to discussions regarding human capital.

As an investor associating with many corporate representatives,



Tomoko Aramaki



Yuya Shimizu

How FUJI SOFT should tackle the “2025 digital cliff,” a looming issue arising from the serious shortage of IT-related human resources

Morimoto: First and foremost, FUJI SOFT should become the company of choice among job-seekers. The Company boasts employees willing to address challenges confronting customers and meet their needs via the use of cutting-edge technologies. Building on this human resource base, FUJI SOFT should take on the challenge of delivering even greater customer value so that it can become a company chosen by many.

To that end, senior managers, including myself, will strive to develop an environment in which employees can take on new business and technological challenges.

Aramaki: Building a “comfortable and rewarding environment,” a component of our Basic Philosophy, will be key to preventing the outflow of human resources. However, due in part to the ongoing depreciation of the yen, the Company’s competitiveness in terms of wages—which focus on a “comfortable” level—has become less impressive than that of foreign firms in Asia. Therefore, we are being

it is disappointing to find that the progressiveness of initiatives undertaken by FUJI SOFT is still underappreciated by many of them. I assume that the Company’s focus on B2B businesses does not lend itself to gaining public attention. However, the Company should nevertheless strive to communicate the aims and effects of these initiatives to both investors and job-seeking students.

Morimoto: I am deeply grateful for the number of insightful opinions I am receiving. This has refreshed my awareness of areas in which the Company still has a lot to do. While supportive systems are essential, we need to transform awareness among frontline employees and the Company as a whole even as we communicate our initiatives to shareholders, investors and prospective job-seekers. We will discuss these and other topics to create a better workplace environment.

called upon to focus on making jobs at the Company more “rewarding.”

In this regard, our Gen Z employees tend to feel a greater sense of fulfillment when they find their tasks to be rewarding or when they gain new knowledge or insights through their jobs. This tendency also applies when they engage in training. If we stay focused on enabling employees to find their jobs rewarding, FUJI SOFT could retain its human resources and thus remain viable.

Accordingly, top management needs to do its utmost to ensure that employees are assigned tasks best suited to them individually and on a schedule that aligns with individual circumstances.

Shimizu: The corporate culture in place at FUJI SOFT values those who “walk the talk.” This can be considered a positive aspect of the Company. However, this culture has also hindered the publicization of the Company’s progressive systems and work environment, which it developed to empower women. FUJI SOFT is doing its best to satisfy socially driven demands, but the genuine good it does will never be known or understood by job-seeking students, shareholders or investors unless the Company robustly communicates that the jobs it offers are truly rewarding.

To this end, FUJI SOFT should step up its public relations capabilities. I consider the Company to have taken a turn in the right direction by working toward developing systems and transforming employee awareness. Looking ahead, it should redouble efforts to communicate what it has accomplished. With improved communications, FUJI SOFT could also benefit from the feedback it receives from students, shareholders and investors, using it to inform its future efforts for even better results.

Oshimi: As mentioned earlier, there is no doubt that being a company capable of attracting young people is key to winning the competition for human resources.

For employees to feel the benefits of diverse workstyles and find their jobs rewarding, they must be properly evaluated and have confidence in such evaluation. Accordingly, it is imperative that FUJI SOFT develops mechanisms to this end and otherwise makes its workplace even more worker friendly.

All attendees: Thank you.



Yukako Oshimi

Topics related to initiatives to empower human resources

FUJI SOFT was chosen by the Ministry of Economy, Trade and Industry (METI) to be certified as a “Next Nadeshiko” corporation supportive of dual-career couples and co-parenting under the METI’s fiscal 2023 Nadeshiko label program

Guided by our determination to create a comfortable and rewarding environment, which constitutes an integral part of our Basic Philosophy, we have implemented a variety of human resource management measures. In 2019, we acquired the third level of “Eruboshi” certification as well as a “Platinum Kurumin” mark. In 2021, we established the “L Career Promotion Section” as part of our ongoing, Companywide initiatives to promote women’s empowerment and enable every employee to adopt the workstyle of their choosing while energetically pursuing their career goals.

In recognition of the initiatives described above, FUJI SOFT was certified as a “Next Nadeshiko” corporation supportive of dual-career couples and co-parenting.



The current status and future outlook of women’s empowerment

We have also set a target for the ratio of women in supervisory positions while developing a governance structure supported by female directors and auditors, with the aim of promoting women’s empowerment at the management level as well as throughout our workforce.

Number of female directors and auditors (as of April 2024)

	Headcount (of this, women)
Number of directors	12 (2)
Number of outside directors	7 (1)
Number of auditors	3 (1)

To promote women’s empowerment, we are currently promoting the initiatives listed below.

Plan period	From April 1, 2024 to March 31, 2026 (two years)
Issues	<ul style="list-style-type: none"> Spread a positive employee perception about becoming a manager (make manager a coveted position) Promote the workplace understanding of women’s empowerment (improve employee awareness) Improve workstyles (enhance the content of programs designed to help employees strike work-life balance)

In addition to addressing the issues listed above, we will take on targets and initiatives in the two categories described below as stipulated under the relevant laws.

Targets	Category 1	<ul style="list-style-type: none"> Raise the ratio of women in leadership positions (supervisory or higher positions) to 16.5% or higher Raise the ratio of women in managerial positions (manager or higher positions) to 9.5% or higher
	Category 2	<ul style="list-style-type: none"> Allow more than 30% of employees to work from home on an ongoing basis (Maintain a setup that allows employees to flexibly engage in remote work based on their varying lifestyle needs) Maintain the ratio of male employees who take childcare-related leave at 30% or more (promote the ongoing utilization of relevant programs)
Initiatives	Category 1	<ul style="list-style-type: none"> Encourage a positive attitude among employees about becoming a manager Develop a supportive environment for employees who opt to take extended leave for child rearing while nurturing managers who advocate taking such leave Promote the proactive hiring of women to increase the overall representation of women serving as key workforce components
	Category 2	<ul style="list-style-type: none"> Proactively utilize reinstatement support websites Develop an environment supportive of those who work from home Push ahead further with efforts that enable employees to strike a work-life balance

Category 1: Provision of opportunities for female workers to engage in professional duties

Category 2: Development of an employment environment supportive of individuals striving to balance professional life and family undertakings

The following chart shows the ratio of female workers in managerial positions at the Company, the utilization ratio of childcare leave among male employees, and wage gaps between male and female workers.

Fiscal 2023						
The ratio of female workers in managerial positions (%) ^{*1}	The utilization ratio of childcare leave among male employees ^{*1,2}			Wage gaps between male and female workers (%) ^{*1}		
	All workers	Full-time workers	Part-time workers	All workers	Full-time workers	Part-time workers
8.8	41.7 (78.5)	41.7 (78.5)	—	87.1	87.0	84.3

^{*1} Calculated based on provisions under the Act on the Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015)

^{*2} Figures in parentheses indicate take-up ratios, including for days off taken for child rearing purposes

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

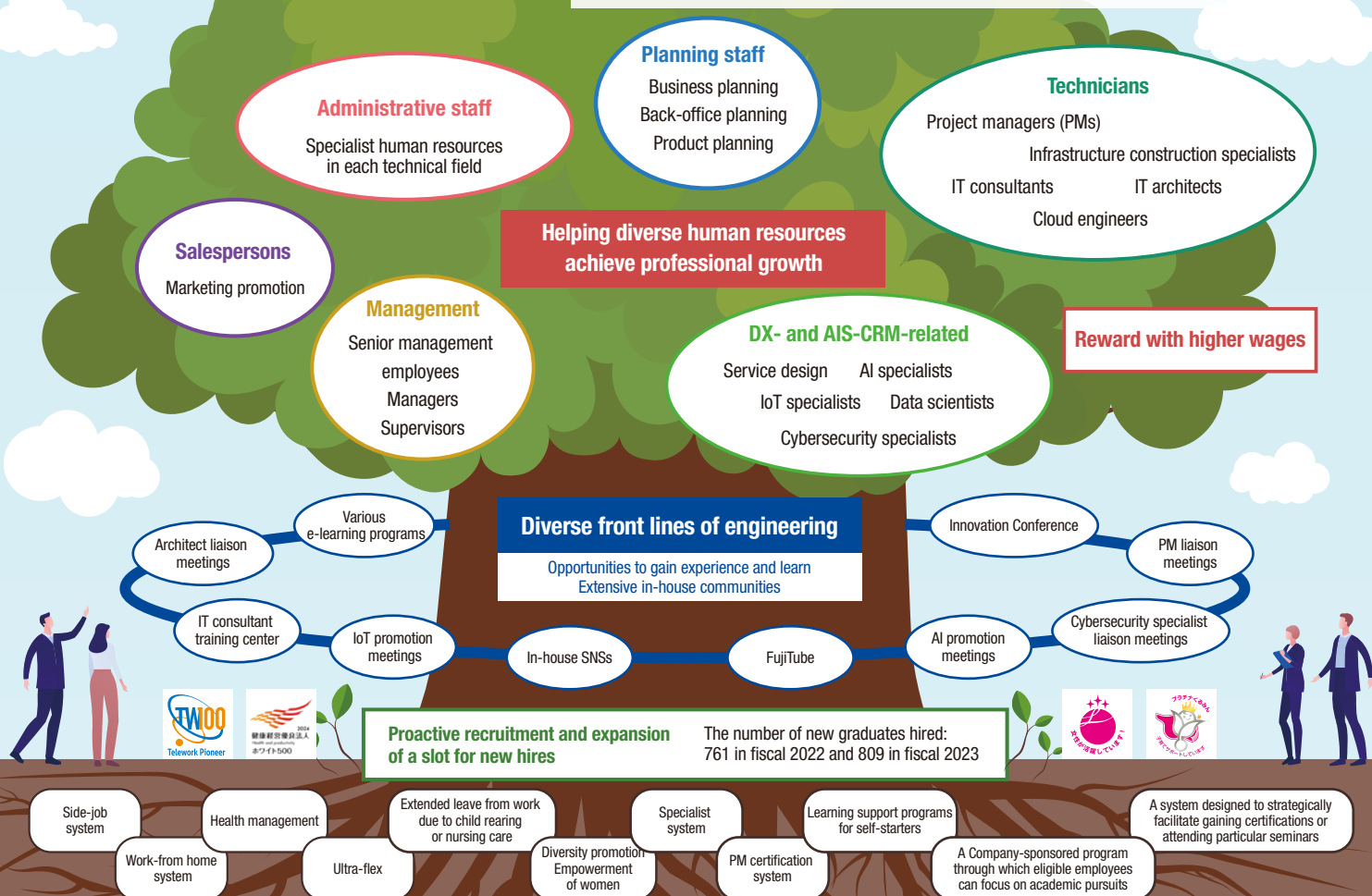
Irrespective of background, we believe in people's potential and cherish diligent workers.

For the ambitious, we provide opportunities to take on challenges even as we welcome diverse human resources and support diverse workstyles.

Human resource development policy

Based on the belief that "the success of a corporation hinges on its people," FUJI SOFT has positioned human resource development as its most important management issue and one to be tackled in a proactive manner.

Accordingly, our human resource management measures include efforts to empower each employee to realize their strengths. To this end, we provide them with a variety of learning opportunities while encouraging them to be more aware of and gain fresh insights into career development. In these ways, we endeavor to nurture a portfolio of diverse human resources even as we encourage individuals to grow autonomously so that they develop the robust skills needed by FUJI SOFT as well as society in various fields.



Products and platforms, including those developed by FUJI SOFT, that support diverse workstyles: moreNOTE, FAMoffice, VDI, Microsoft Teams, Microsoft 365, +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.

Starting from April 2020, the COVID-19 pandemic meant that welcoming ceremonies and the training of new hires were undertaken online for three years, 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 strengths 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.

Education systems

FUJI SOFT is equipped with systems designed to provide all employees with opportunities to learn and achieve growth. Specifically, we implement rank-based training, which aims to support career development, as well as job-specific training, which aims to instill even more sophisticated specialist expertise. In addition, we provide a special program for human resources

who aspire to higher positions and aim to lead the next generation of FUJI SOFT. We also maintain learning support programs for self-starters to encourage employees to engage in self-directed learning. As such, we have developed a structure for enabling employees to benefit from various learning programs at times appropriate to their career plans and work situations.

Career stage	Rank-based	Theme-specific	Job-specific	Common education for all employees	Systems				
Senior manager class	Training for selected employees	Training for next-generation leaders	Technician education	Compliance and security awareness education, etc.	Specialist system				
Manager class	Rank-based training					Global human resource training	Salesperson education	Departmental education (specialist skills)	Project manager (PM) certification system
Supervisor class									
Staff member class	Training for new hires					Learning support programs for self-starters			

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.

Introductory training for new hires

Learning programs for potential university graduates who receive informal offers from FUJI SOFT

After issuing informal offers to potential university graduates, we provide them with online learning. In addition to instilling the fundamental knowledge of IT and need-to-know basics for all young businesspeople, this pre-entrance learning helps them learn the mindset required of FUJI SOFT employees. The aim of this education is to equip new employees with the bare minimum of knowledge needed once they join the workforce.

Introductory training for new hires

New hires undergo this training for one or two months after joining the workforce. The training content encompasses basic business conduct, technical subjects and sales skills, all of which constitute fundamental capabilities that will, in turn, help them grow into competent businesspeople.

Follow-up training

New hires then go on to receive follow-up training around November, a time when they get accustomed to actual operations, pause to reflect on what they have learned over the course of six months as businesspeople and adjust their approach to work. The follow-up training also helps them set their future targets.

Note: Please also refer to "Non-Financial Information" on page 61 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

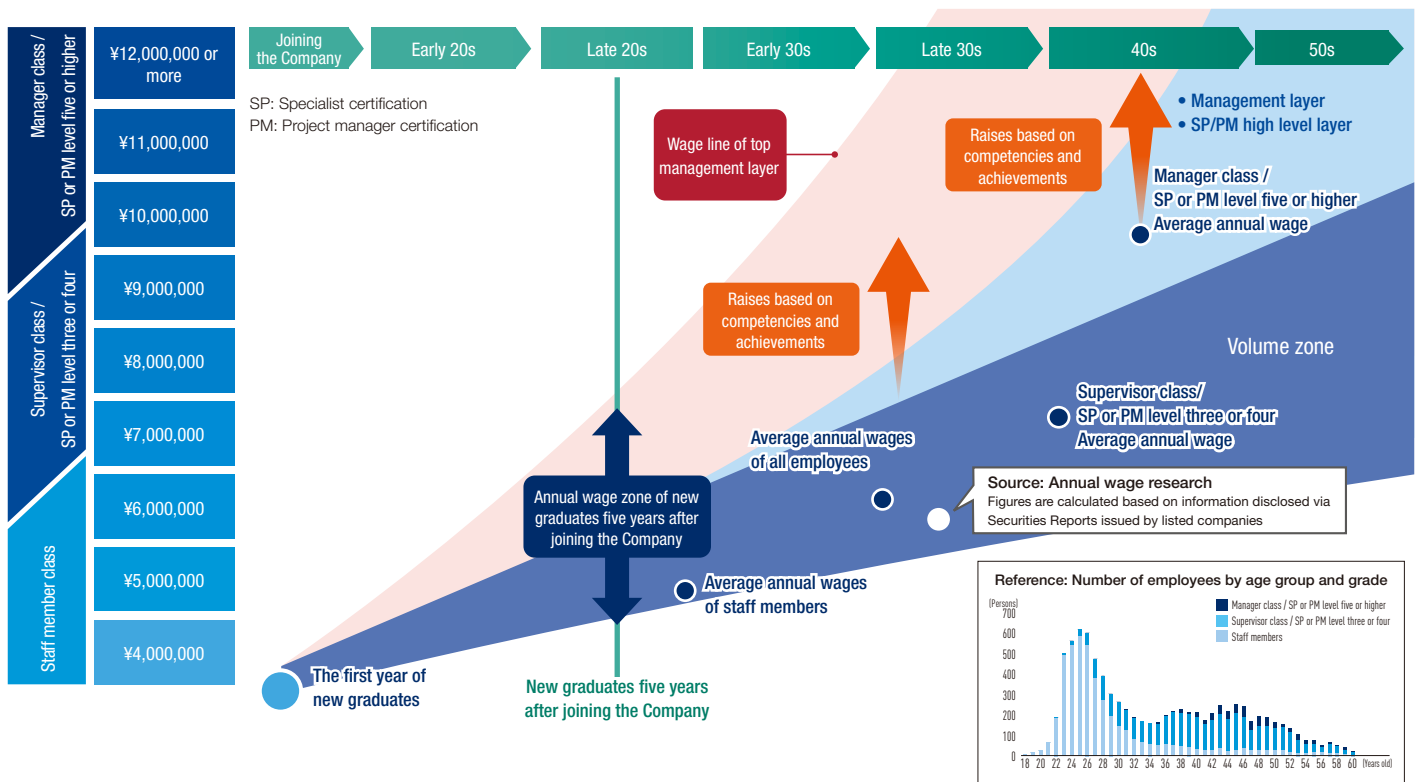
undergo programs recommended to them on an individual basis so that they can pursue ongoing career development. The system is also equipped with non-mandatory programs that allow voluntary recipients to engage in self-paced learning.

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.

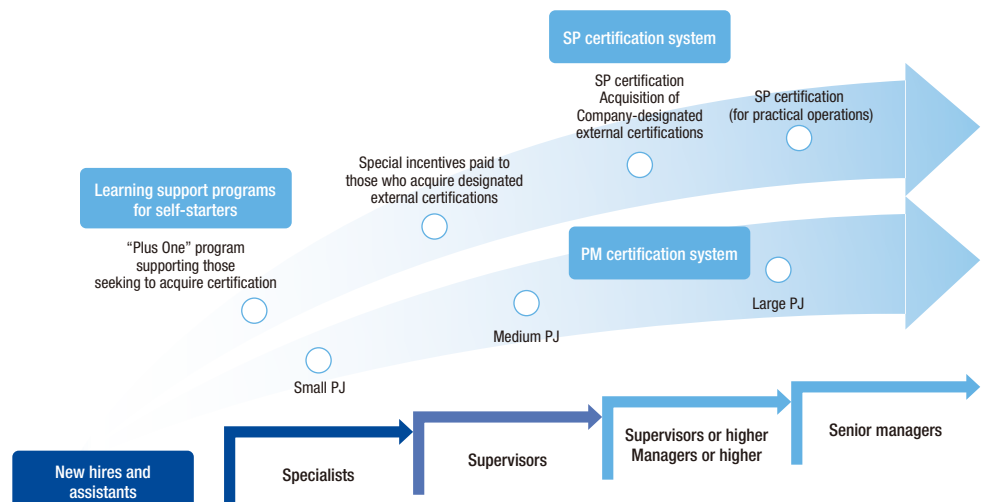
Changes in annual wages

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 fully realize their competencies. 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

For example, employees who have acquired Company-designated certification are granted special incentives based on our learning support programs for self-starters. In addition, the PM certification system is used to recognize employees with track records in project management, while the SP certification system recognizes those with specialist skills. These two systems also grant incentives upon certification. We maintain robust systems like these to encourage employees to raise their technical capabilities.



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 skill acquisition. Thus, our PM certification system is aimed at helping employees raise their project management capabilities and certifying those satisfying requirements for each stage.

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.

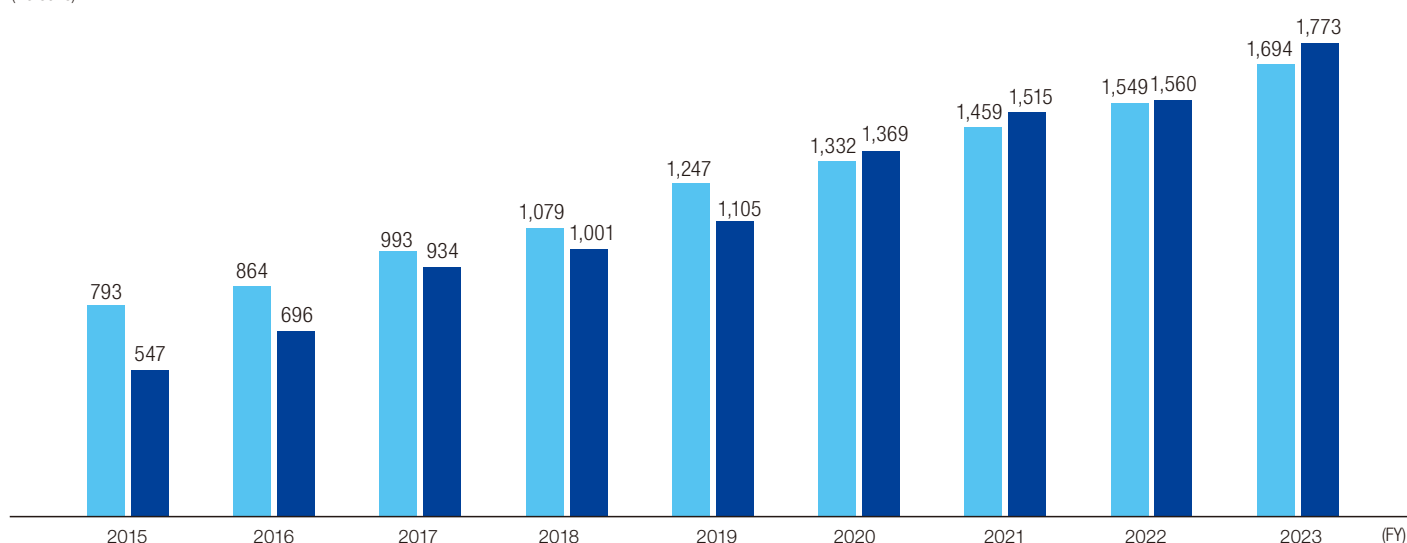
At FUJI SOFT, employees are also allowed to switch their track even midway through their career path. For example, engineers who had been engaged in management can shift their focus to the pursuit of specialist technical skills. Providing for the development of cross-track careers is yet another unique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

Career development and personnel system

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

Trend in the number of certified SPs / PMs

■ Certified SPs ■ Certified PMs
(Persons)



Working environment and employee benefit programs

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.

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.



Social insurance and asset building assistance systems

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.

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.

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.

The same wage for the same work

The FUJI SOFT Group applies the principle of the same wage for the same work, irrespective of gender or employment status of the recipients, in accordance with laws on part-time and term-contract employment, temporary worker dispatch and other forms of employment. This ensures that the Group realizes equality and fairness in wage setting.

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 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.

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.

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.

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))

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.

Diversity & inclusion (D&I) initiatives

We strive to provide a workplace in which a diverse range of human resources can feel safe, accepted and empowered to work vibrantly even as they remain true to their authentic selves. This means that we respect the personality and uniqueness of each employee, irrespective of race, religion, gender, sexual orientation, gender identity, nationality, disability or other attribute. To promote D&I, we develop hiring, training and workstyle systems designed to enable these employees to achieve success, so that each individual can attain a higher level of productivity that will, in turn, translate into positive effects on the Company's overall business management.

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"> • We strive to achieve the following targets by the end of March 31, 2026. • Raise the ratio of women in leadership positions (supervisory or higher positions) to 16.5% or higher • Raise the ratio of women in managerial positions (manager or higher positions) to 9.5% or higher • Allow more than 30% of employees to work from home on an ongoing basis (maintain a situation where employees are free to flexibly engage in remote work based on their varying lifestyle needs) • Maintain the ratio of male employees who take childcare-related leave at 30% or more (promote the ongoing utilization of relevant programs) • Offer programs aimed at helping employees strike a balance between work and child rearing as well as assisting women in their career development efforts (ultra-flex 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.) • The L-Career Promotion Project was established in August 2021 as an organization tasked with accelerating women's empowerment via a cross-departmental approach
Initiatives to empower older employees to remain key workforce components	<ul style="list-style-type: none"> • Rehiring all employees who reach age 65 and wish to continue working • 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 their fields of specialty, with due consideration given to their status as pension recipients and their health. • 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.
Initiatives to develop global human resources	<ul style="list-style-type: none"> • Proactively hiring foreign nationals in step with the expansion of our global operations • 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 • The number of foreign national employees now amounts to 271 from 22 countries (as of December 2023).
Initiatives to support members of the LGBT community	<ul style="list-style-type: none"> • Providing educational programs aimed at enhancing employee understanding of the LGBT 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 • Instituted in-house guidelines to handle an employee's process of gender transition

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 an active role. In line with its management philosophy of "Independence & Contribution" and aspiration to be a "Company Offering Lifelong Career Opportunities," 90% of FUJI SOFT KIKAKU's current workforce comprises individuals holding disability certificates, and around half of these individuals have mental disabilities. At FUJI SOFT KIKAKU, people with mental, physical, intellectual, developmental or other disabilities work cooperatively, engaging mainly in tasks centered on PC operations.

In addition, leveraging know-how accumulated over the decades regarding the employment of people with disabilities, in 2014 this subsidiary opened a tutoring school in Kamakura City, Kanagawa Prefecture with the aim of supporting people with disabilities who seek to be employed and thus achieve economic independence. This institution is currently 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 in a range of businesses.

In 2024, 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 themselves thus playing

central roles in efforts to help create a society in which any individual with a disability can earn success.

The subsidiary has garnered a solid reputation at home and abroad for its initiatives to ensure that employees with disabilities are able to support each other in the course of pursuing their duties. Moreover, a number of employees with disabilities have been promoted to manager level, enhancing 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 workstyles to align with the new normal since 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.

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.



Examples of the empowerment of, and social contribution by, FUJI SOFT KIKAKU employees with disabilities

Special-purpose subsidiary FUJI SOFT KIKAKU honors the uniqueness of individuals with disabilities and aims to become a “Company Offering Lifelong Career Opportunities” so that each can achieve personal growth and contribute to society through their duties. This company also became the first in Kanagawa Prefecture to be certified as an excellent business operator in terms of employing people with disabilities under the “Monisu” certification system and is publicizing mechanisms it has created to enable such persons to thrive in their workplaces.

▶ Nishiaizu Shiitake Farm, run by FUJISOFT KIKAKU, became dual-award winner in both the raw shiitake mushroom and dried shiitake mushroom categories, for the second consecutive year, at a mushroom show held as part of the Fukushima Forestry Festival

On October 21, 2023 (Sat.), representatives from Nishiaizu Shiitake Farm, run by FUJI SOFT KIKAKU, participated in the “Fukushima Prefecture Mushroom Show” held in Koriyama City under the auspices of the Fukushima Prefecture Forestry, Timber and Greening Association.

This was the eighth time the mushroom show has taken place since the occurrence of the Great East Japan Earthquake and the subsequent accident at TEPCO’s Fukushima Daiichi Nuclear Power Plant. The event has been held to facilitate the reconstruction of local communities affected by the earthquake and reinvigorate the production of mushrooms across the prefecture. Among the 69 raw mushrooms entries, the log cultivation and mushroom bed cultivation categories accounted for 15 and 54 entries, respectively, while the dried mushroom category welcomed 14 entries.

After a comprehensive screening process focused on assessing presenters’ shiitake mushrooms for quality, shape, packaging and other factors, raw mushrooms produced by Nishiaizu Shiitake Farm were chosen to win Fukushima Mushroom Association Chairman’s Award for the second consecutive year in the mushroom bed cultivation category. Moreover, this farm was also granted Fukushima Prefecture Forestry, Timber and Greening Association Chairman’s Award in the dried mushroom category.



Award ceremony

▶ Four employees chosen to receive awards under the Fiscal 2023 Kanagawa Prefectural Award Ceremony for Excellent Technicians

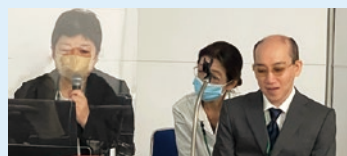
Once a year, Kanagawa Prefecture, home to FUJI SOFT KIKAKU, grants awards to local technicians with excellent skills and techniques. Furthermore, the prefecture commends technicians who have served as prefectural representatives and performed outstandingly in the “Skills Grand Prix,” “National Skills Competition,” “Skills Olympics,” “National Skill Competition for persons with disabilities” (Abilympics) or “International Abilympics.”

One FUJI SOFT KIKAKU employee was invited to attend the award ceremony and was commended as a local worker with outstanding server administration skills, while three others, who won medals in the 42nd International Abilympics, were similarly commended for their respective accomplishments in the PC assembly, website development and spreadsheet calculation categories.

▶ Three employees won prizes at the 43rd Abilympics

The 43rd Abilympics was held from November 17, 2023 (Fri.) through November 19, 2023 (Sun.) at an international exhibition hall in Aichi Prefecture. This event is intended to enable people with disabilities to pit their techniques, which they have nurtured at their daily workplaces, against one another. Among the 369 contestants who participated in event’s 25 categories were four employees from FUJI SOFT KIKAKU competing in two categories, with three of them winning prizes in both categories.

Gold prize: DTP category **Silver prize:** PC assembly category
A “good effort” prize: PC assembly category



Speakers at the presentation meeting

▶ An employee with complete blindness participates in a presentation meeting focused on vocational rehabilitation

In November 2023, a FUJI SOFT KIKAKU employee who serves as an in-house masseuse spoke at a presentation meeting held at TOKYO BIG SIGHT to share research findings and practical applications related to vocational rehabilitation.

▶ Hands-on programming classes held at an elementary school

On December 21, 2023 (Thur.), December 22, 2023 (Fri.) and January 12, 2024, FUJI SOFT KIKAKU employees with disabilities provided hands-on programming classes at an elementary school in Yokohama City. With these employees serving as lecturers, a total of 186 students, including members of the school’s PC club, as well as three classes of fourth graders and three classes of fifth graders, took part in the events.



Hands-on programming class

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 to identify issues to be addressed and thereupon 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

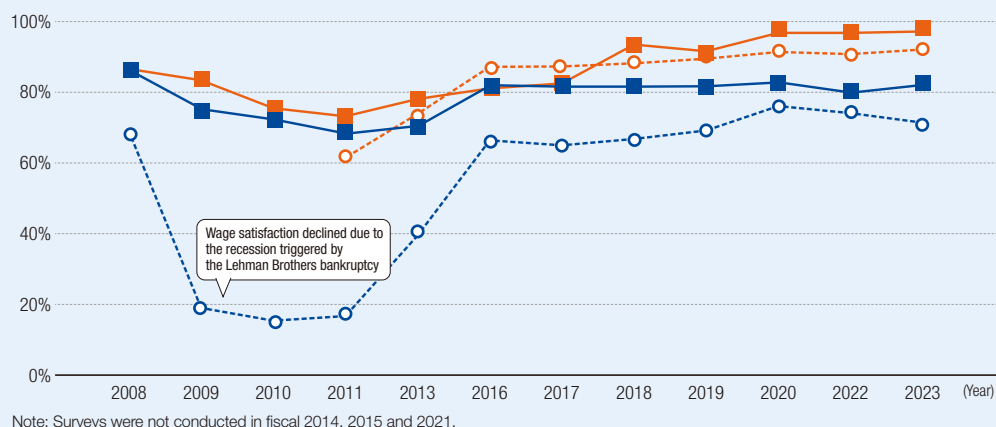
Ranking	Surveyed items	Satisfaction ratio
1	Working systems (flex and other diverse workstyle options)	97%
2	An inclusive environment supportive of diverse employees irrespective of gender, age, etc.	92%
3	Internal accessibility to corporate information	91%
4	Management policy	90%
5	Disclosure of department 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



Note: The above articles pertain to activities held in February 2023.

Establishment of counseling desks

With the aim of creating a workplace environment that is friendly to all employees, we have set up counseling desks tasked with providing support covering a range of needs. Through these desks, we also respond to inquiries from employees regarding inappropriate conduct, remarks and actions, as well as ethics- and manner-related issues, with the aim of helping to resolve issues, enabling employees to confirm in-house rules and regulations, and otherwise offering counseling. These counseling systems are available to all employees as well as partner company employees. Moreover, an internal reporting system is in place to handle reports on alleged misconduct, harassment or other compliance violations as we aim to ensure that cases considered to affect human rights violations and risks are robustly addressed.

Various counseling desks

Our counseling desks are available to full-time employees, term-contract employees, temporary employees, locally hired overseas employees, senior staff, super-senior staff and partner employees.

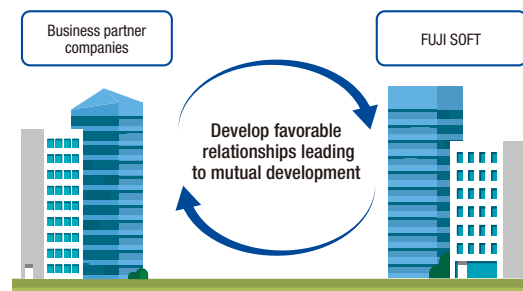
- | | |
|--|--|
| ■ Labor- and career-related counseling Employee counseling desk | ■ Counseling on physical and mental health Health counseling desk |
| ■ Comprehensive counseling offered by female counselors on female-specific issues Female employee counseling desk | ■ Legal affair counseling Legal affair counseling desk |
| ■ Counseling for partner company employees Counseling desk for partner company employees | ■ Tax affair counseling Tax affair counseling desk |
| ■ Comprehensive counseling for members of the LGBT community LGBT counseling desk | ■ Counseling on Company-furnished housing and dormitories Company-furnished housing and dormitory counseling desk |
| | ■ Counseling on software licenses Software license counseling desk |

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

To ensure continued mutual development, we engage with those partner companies with whom we pursue cooperative activities on a regular basis. For example, we host “Partner Company Policy Presentation Meetings” and “Partner Company Business Negotiation Meetings” to provide briefings on our policies and relay information regarding projects.

We also hold “Partner Company Gratitude Meetings” 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

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.

Number of business partner companies

2,455

(As of December 2023)

Declaration of Partnership Building

In April 2024, FUJI SOFT announced its “Declaration of Partnership Building.” Based on this declaration, we will push ahead further with developing relationships with partner companies while pursuing mutual growth and prosperity. At the same time, we will strive to involve the entire supply chain in promoting collective efforts to resolve social issues.



Compliance initiatives undertaken in the course of partner company transactions

In the course of transactions with partner companies, FUJI SOFT is engaged in the initiatives listed below to maintain compliance with relevant laws and regulations, including those related to the protection of subcontractors, dispatched workers and SMEs.

Education

To instill the knowledge needed to maintain the appropriateness of transactions with partner companies, we provide each employee with e-learning on a quarterly basis.

Inspections

We conduct inspections of contracts with partner companies to confirm whether transactions with these companies are appropriate and, if necessary, we provide guidance to correct shortfalls.

Checks-and-balances

We maintain check-and-balance mechanisms designed to support periodic monitoring aimed at preventing the violation of laws and regulations, including those related to the protection of subcontractors, dispatched workers and SMEs.

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



The Robot-Sumo Tournament originated in the mind of Hiroshi Nozawa, the founder of FUJI SOFT. Based on his aspiration to inspire future leaders in the manufacturing sector to pursue their 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 2023, we held the All Japan Robot-Sumo Tournament, which included regional screening rounds held for the first time in four years. In addition to those from Japan, participants included engineers from 17 countries overseas and the Grand Final to determine the World Champion *Yokozuna* was held in Ryogoku Sumo Hall. We also held a pre-tournament event featuring the “500g Class,” a new category

introduced in fiscal 2022. This category was similarly a roaring success with a great number of participants.

The the robotics industry is expected to see accelerated growth as countries around the globe confront pressing needs to address labor shortages and improve productivity in step with the momentum toward digital transformation (DX). Accordingly, robotics education will become more 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 Steering 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. In this year, the Ministry of Education, Science and Culture (now Ministry of Education, Culture, Sports, Science and Technology) began 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. An offshoot of robot sumo, Robot American football pits 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 Monodzukuri 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 due to the spread of COVID-19.
2022	The tournament resumed, with the most recent round held at Ryogoku Sumo Hall with countermeasures to prevent COVID-19 infections. A pre-tournament match featuring the “500g Class,” a newly established category, was also held.
2023	The tournament involved regional elimination rounds and was joined by contestants from countries abroad for the first time in four years.



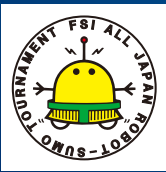
A champion team on the first overseas tour in 1998



A robot American football game



Autonomous robots fighting in the 2019 round of the tournament



Robot sumo wrestlers from around the globe gathered at Ryogoku Sumo Hall, sumo wrestling's holiest site, to determine the World Champion *Yokozuna*!



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 2023

In December 2023, the All Japan Robot-Sumo Tournament was held, with the inclusion of contestants from countries abroad for the first time in four years. For the elimination and final rounds held on December 9, 2023 (Sat.) and December 10, 2023 (Sun.), respectively, A total of 140 teams gathered at Ryogoku Sumo Hall, sumo wrestling's holiest site, and engaged in heated battles to determine the World Champion *Yokozuna*. Entries included robots that had survived regional elimination rounds held at 16 locations in Japan as well as a number from 17 countries around the world. After the participants engaged in fair fights and pitted their techniques against each other in accordance with the five principles of robot sumo, they attended an interaction meeting, where they enjoyed international communications and exchanged their techniques.



A robot sumo match in the 3kg Class



Prize-winning robots in the 3kg Class



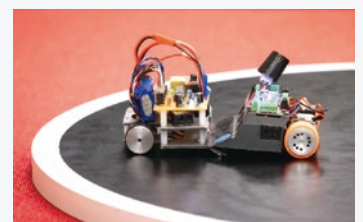
Post-match interaction

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. The number of participating robots totaled 86 and was more than three times the number in the 2022 round. Besides weight, the main differences between the 3kg and 500g classes include the scale of the ring and specific robot size requirements as well as the prohibition of sucking discs for the smaller class. Otherwise, the methods used in and rules applied to matches are the same.



A robot sumo match in the 500g Class



Robots

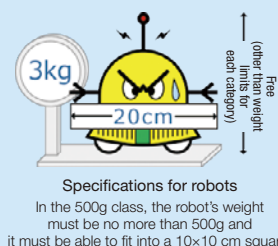
What is a robot sumo tournament?

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!



Co-sponsoring the Nationwide High School Robot Sumo Tournament 2023

FUJI SOFT co-sponsored the "Nationwide High School Robot Sumo Tournament 2023" hosted by the National Association of Technical High School Principals and helped in organizing this event.

The last round of the tournament was held on November 23, 2023 (Thur.; a national holiday) at Big Palette Fukushima (Koriyama City, Fukushima Prefecture). With 64 robots selected from a starting lineup of 174 via regional elimination rounds held in seven locations 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.



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. In recent years, our initiatives include the provision of remote-based assistance to food producers and other indirect support to disaster-hit communities.

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 2023

- Sale of specialties from Sanriku coastal regions, including Iwate Prefecture, and Nishiaizu-cho in Fukushima Prefecture as part of a business-sponsored market (Akihabara Office, August)
- Purchase of products from disaster-hit communities to support local producers (Sanriku coastal regions, including Iwate Prefecture; Uwajima City, Ehime Prefecture; Nishiaizu-cho, Fukushima Prefecture; Ueki-cho, Kumamoto City, Kumamoto Prefecture)
- Assistance to a summer evening festival held in Akihabara (August)



Specialties sold at the market and fliers advertising the event

Other social contribution activities

Cooperating with the "Nationwide Robot Programing Championship Tournament 2022" (special needs education for children with health conditions category)

On February 1, 2023 (Wed.), the "Nationwide Robot Programing 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 Programing 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 programing 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.



Robots and devices used in the tournament

FUJI SOFT's corporate support of blood donation campaigns

From July to December 2023, FUJI SOFT conducted blood donation campaigns, and a number of employees and partner employees took part, visiting blood donation centers run by the Japanese Red Cross Society or utilizing bloodmobiles. In 2023, FUJI SOFT was chosen by the society's Kanagawa Branch to receive a letter of gratitude in recognition of the Company's ongoing support of blood donation.



A letter of gratitude (Japanese Red Cross Society Kanagawa Branch)

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. Since 2023, local cleanup activities have been similarly undertaken by FUJI SOFT employees at the Shin Nagoya Building and the Head Office.



Staff engaged in cleanup activities (Head Office)



Staff engaged in cleanup activities (Shin Nagoya Office)

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 foodbank operators.

Donations to disaster victims

We provided donations as part of efforts to support the reconstruction of disaster-hit communities.

- Donations to victims of the February 2023 earthquake in southeastern Turkey (Republic of Turkey)
- Donations to communities affected by Typhoon No. 13, which struck Japan in 2023 (Ibaraki Prefecture)

Cooperating with UNICEF fundraising campaigns

In December 2023, FUJI SOFT employees participated in the UNICEF "Hand in Hand" year-end fundraising campaign, soliciting for donations in front of Sakuragi-cho Station, while PALRO, a communication robot developed by FUJI SOFT has appeared in campaign videos asking for donations.



Employees soliciting for donations



PALRO appearing in a campaign video

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 management issues 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.

Capital allocation policy

Our basic policy is to maintain financial soundness while focusing on enhancing shareholder returns and capital efficiency. With regard to the allocation of funds to growth investment and shareholder returns, we will make flexible decisions even as we carefully examine the investment opportunities available to us.

Shareholder returns

We will determine the volume of dividends for each fiscal year based on our usual earnings power, excluding extraordinary gains and losses arising from the liquidation of real estate, with a target dividend payout ratio of 35% when extraordinary items are excluded.

In addition, as set forth under the medium-term management plan 2028 (see page 5), we plan to undertake share repurchases, allocating ¥100 billion or more in cash generated by the liquidation of Company-owned real estate properties to do so.

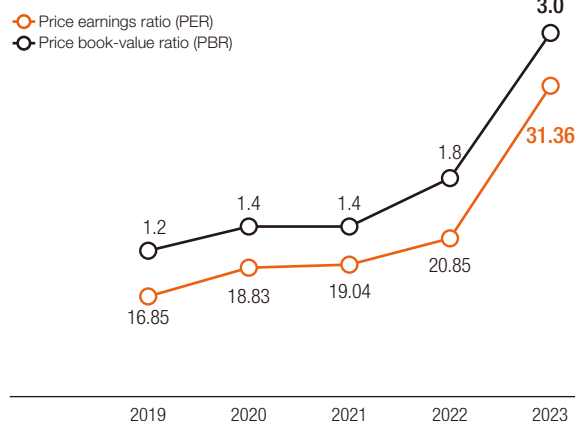
(Years ended December 31)

	2019	2020	2021	2022	2023
Book value per share (BPS) (yen)	1793.63	1901.08	1994.17	2133.94	1970.02
Earnings per share (EPS) (yen)	125.20	136.98	145.73	181.29	188.48
Equity ratio (%)	54.1	50.7	54.6	55.7	48.1
Return on equity (ROE) (%)	7.2	7.4	7.5	8.8	9.2
Dividend on equity (DOE) (%)	1.2	1.4	1.3	3.1	3.3
Dividend payout ratio (%)	16.8	18.6	17.8	35.0	36.3
Price earnings ratio (PER) (times)	16.85	18.83	19.04	20.85	31.36
Price book-value ratio (PBR) (times)	1.2	1.4	1.4	1.8	3.0
Total shareholder return (TSR) (%)	102.2	126.0	136.0	187.8	293.3

Note: On July 1, 2023, the Company executed a common stock share split of 1:2. Per-share information stated above takes this share split into account.

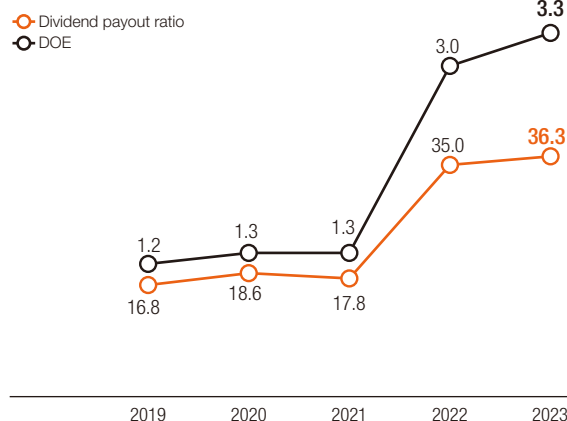
Price earnings ratio (PER)/Price book-value ratio (PBR)

(Times)



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.

Corporate governance

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 busi-

ness 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 Governance 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 12 directors, including seven 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 Companywide 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.

Evaluation of the Board of Directors’ effectiveness

With the objective of further enhancing corporate governance, FUJI SOFT’s Board of Directors annually evaluates the effectiveness of its operations and strives to make ongoing improvements based on issues identified via such evaluation.

Traditionally, this evaluation has been based on questionnaires filled out by directors and auditors. In fiscal 2023, the Board of Directors began employing an external advisory firm to refine the material covered as well as to aggregate and analyze questionnaire results.

Specifically, questionnaires were distributed to all directors and auditors to collect their feedback on the following items: the composition and operation of the Board of Directors; management and business strategies; corporate ethics and risk management; the evaluation of and amount of remuneration for top management; the quality of dialogue with shareholders and other stakeholders; and the activities of each committee. After the questionnaires were filled out by recipients during the period from December 8 to 21, 2023, the external firm aggregated and analyzed the

results and submitted a report.

The questionnaire revealed that functions of the Board of Directors and individual committees are robust. It was also confirmed that the functions afforded by each committee, along with the diverse membership of the Board of Directors, including outside directors, constitute a unique strength of the Company’s governance system.

In addition, evaluation results pertaining to the main issues identified via the previous round of evaluation are as listed below.

Issues identified via the previous round of the evaluation (1) The size and composition of the Board of Directors

It was suggested via the previous round of the evaluation that the number of directors should be reduced in the future. The latest evaluation confirmed that discussions have been under way, with the revision of organizational design and other specific options being considered. As this subject was deemed to require ongoing attention, the Board of Directors will continue to work on it to make further improvement.

Issues identified via the previous round of the evaluation (2) The content of agenda items resolved by the Board of Directors

The previous round suggested that the scope of agenda items to be resolved by and reports to be submitted to the Board should be narrowed down so that it can better focus on deliberating management strategies and the improvement of corporate value. The latest round confirmed that the Board has pushed ahead with reviewing agenda items, making tangible improvements in this regard. On the other hand, this subject was deemed to require ongoing attention. The Board will continue to work to effect further improvements.

Issues identified via the previous round of the evaluation (3) The involvement of outside directors

It was suggested via the previous round of the evaluation that outside directors should be allowed to increase their involvement in discussions at each committee. Based on this suggestion, the chair of each committee was appointed from among outside directors. Moreover, outside directors

were included in each committee and now form the majority of their memberships. As the result of these and other measures, functions afforded by outside directors have proven effective and instrumental to each committee. In addition, the latest round of the evaluation confirmed that the functions afforded by each committee, along with the contributions of outside directors who share their insights with such committees constitute a unique strength of the Company's governance system. The Board of Directors will engage in discussions aimed at further leveraging this strength.

In addition to the ongoing issues listed above ((1) and (2)), the evaluation of the Board of Directors' operations during fiscal 2023 also confirmed that CEO succession plans, which have been discussed by the Nomination Committee, will require constant attention, while the Board's engagement in discussions regarding sustainability was deemed insufficient. Looking ahead, the Board of Directors will clearly define how it will address these issues as part of the ongoing review of agenda items. In this way, the Board will secure sufficient time to engage in meaningful discussions.

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.
- Performance-linked stock-based compensation: Determined within the limits resolved by the General Meeting of Shareholders, this compensation is granted in the form of Company shares upon the close of the medium-term management plan based on the recipient's position and the degree of achievement relative to numerical targets under said plan.
- (4) As for the composition of compensation for directors, the proportion of performance-linked compensation described in (2) above and noncash compensation, etc., described in (3) above shall be roughly 60% of maximum amount 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
 - Performance-linked share-based compensation: Granted in principle on a set schedule following the close of the medium-term management plan

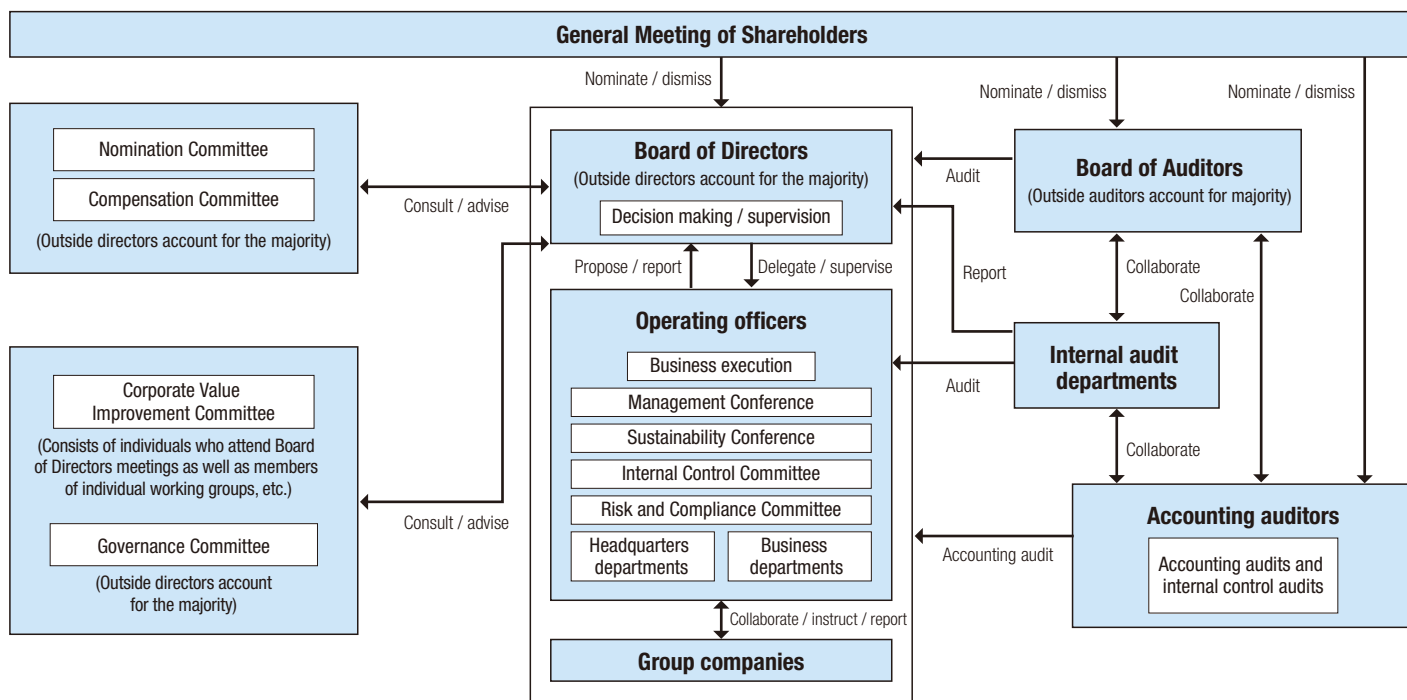
Officer remuneration for directors and auditors

Officer category	Total compensation (millions of yen)	Subtotal by category (millions of yen)			Number of recipients
		Basic compensation	Performance-linked compensation, etc.	Non-cash compensation, etc.	
Directors (outside directors)	362 (66)	177 (48)	101 (18)	83 (-)	14 (8)
Auditors (outside auditors)	30 (14)	20 (10)	9 (4)	- (-)	4 (3)

Notes:

1. Amounts paid to directors do not include the employee salaries of directors who concurrently serve as employees.
2. Includes one director who retired on March 17, 2023, and one outside auditor who retired on the same date.
3. Basic compensation includes the Company's contribution during fiscal 2023 to defined contribution pension plans for each director.
4. Performance-linked compensation, etc., is paid in cash in an amount that reflects operating income, an indicator selected to measure the degree of achievement relative to management targets, with the aim of enabling recipients to increase their awareness toward improving the operating results each fiscal year. Accordingly, this item is calculated based on annual operating income with reference to in-house standards. For the 53rd and 54th fiscal periods ended December 31, 2022 and 2023, this indicator amounted to ¥11,483 million and ¥14,085 million, respectively, with the latter amount used to determine performance-linked compensation, etc., for the 54th fiscal year.
5. Non-cash compensation, etc., consists of stock options and restricted shares.

Strengthening Our Corporate Governance Structure



Skills matrix

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 General Meeting of Shareholders held in March 2024, it was concluded that the majority of the Board of Directors (which consists of 12 directors in total) should be accounted for by outside directors (currently seven). 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.

Name						
	Satoyasu Sakashita	Tateyuki Oosako	Tadashi Tsutsui	Mari Morimoto	Masashi Umetsu	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)
Corporate management	◎	○	○	○	○	○
Business administration	○	○	◎		◎	○
Human resources	○	○	◎			
System development	◎	◎	○		○	○
Product services	◎	◎		○		◎
New businesses	○	○		○		◎
Sales	○	○	○	◎	○	
Finance & accounting	○				○	
Legal affairs	○		○			
Capital market						

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. As of March 2024, the structure of discussion bodies in place at the Company, along with the membership of each committee, is as stipulated below.

In fiscal 2023, the Nomination Committee met eight times with the attendance of all members. The Compensation Committee similarly met five times with the attendance of all members.

Nomination Committee	
Structure	An outside director serves as the chair while outside directors account for the majority of committee members
Content	Deliberates on the nomination of candidates for Representative Director & President and other officers as well as the formulation of succession plans
Chair	Takao Tsuji
Members	Satoyasu Sakashita, Tateki Ooishi , Shintaro Ishimaru

Compensation Committee	
Structure	Deliberates on various issues related to governance
Content	Deliberates on compensation and incentive systems for officers
Chair	Hikari Imai
Members	Satoyasu Sakashita, Tomoko Aramaki , Yuya Shimizu

Governance Committee	
Structure	An outside director serves as the chair while outside directors account for the majority of committee members
Content	Deliberates on various issues related to governance
Chair	Hidetaka Nishina
Members	Satoyasu Sakashita, Tadashi Tsutsui, Takao Tsuji , Hikari Imai

Corporate Value Improvement Committee	
Structure	Representative Director & President serves as the chair while committee members comprise individuals who attend Board of Directors meetings
Content	Engages in business verification aimed at improving corporate value while discussing capital allocations
Chair	Satoyasu Sakashita
Members	Tateyuki Oosako, Tadashi Tsutsui, Mari Morimoto, Masashi Umetsu, Osamu Mita, Satoshi Yagi, Hidetaka Nishina , Tateki Ooishi , Tomoko Aramaki , Yuya Shimizu , Takao Tsuji , Hikari Imai , Yukako Oshimi , Shintaro Ishimaru , Hiroyuki Kimura, Hiroshi Hirano

(blue font: outside directors and outside auditors)

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 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.

								
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)
○	◎	○	○	○	○	○		
○	◎	○	○		○	○	○	○
	○		○		○			
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◎	○	○	◎	◎	○	○		◎
	○	◎	○			○	◎	
○	○		◎	◎				

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 an officer in charge of compliance. In addition, we have set up the Legal Affairs & Audit Department to assess the implementation status of compliance-related initiatives.

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.

Declaration of our commitment to prohibiting bribery and preventing corruption, with the Board of Directors exercising direct supervision over measures aimed at preventing corruption

FUJI SOFT thoroughly enforces Compliance Rules formulated by its Board of Directors and other basic rules mandating the maintenance of strict compliance, including the prevention of bribery and all forms of corruption.

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.

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)

As of December 31, 2023

Domestic and overseas: Patent rights: 38; trademark rights: 92

Domestic: Design rights: 2

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 2014, 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.

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.”

Employee communications aimed at preventing corruption

FUJI SOFT thoroughly enforces basic rules and an employee code of conduct, both of which mandate the maintenance of strict compliance, including the prevention of bribery and all forms of corruption.

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.

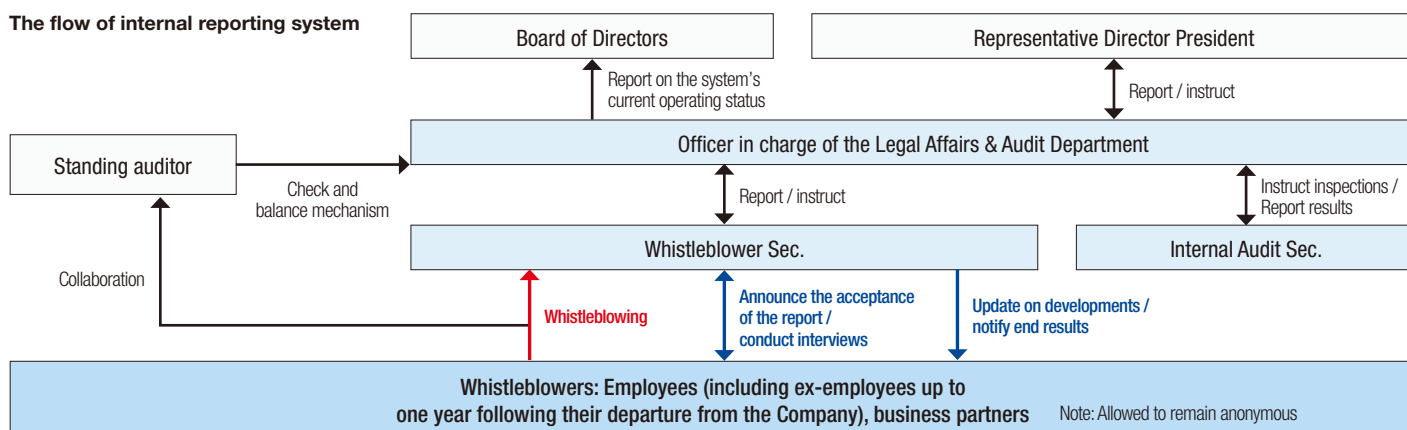


Establishing helplines for whistleblowing

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 these ways, we strive to prevent all forms of 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.

In order to secure a fair, transparent and highly effective internal reporting structure capable of protecting whistleblowers, we additionally created a dedicated helpline that utilizes external services to ensure the anonymity of whistleblowers who so request. In doing so, we are ensuring that the needs of individual whistleblowers regarding reporting methods are being given due consideration.



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, which is chaired by an officer in charge of one or more headquarters departments and attended by officers in similar positions. 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 Board of Directors, providing input to a cycle of ever improving business operations.

Response to disasters

Our Crisis Management and Disaster Prevention Headquarters is constantly maintained 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 multilayered 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, 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.



認証取得部門:インフラマネジメント部
ISO/IEC 27001 Information Security Management System
Registration number: JQA-IM1223



認証取得部門:インフラマネジメント部
ISO/IEC 27017 Cloud Service Security
Registration number: JQA-IC00311

Information security

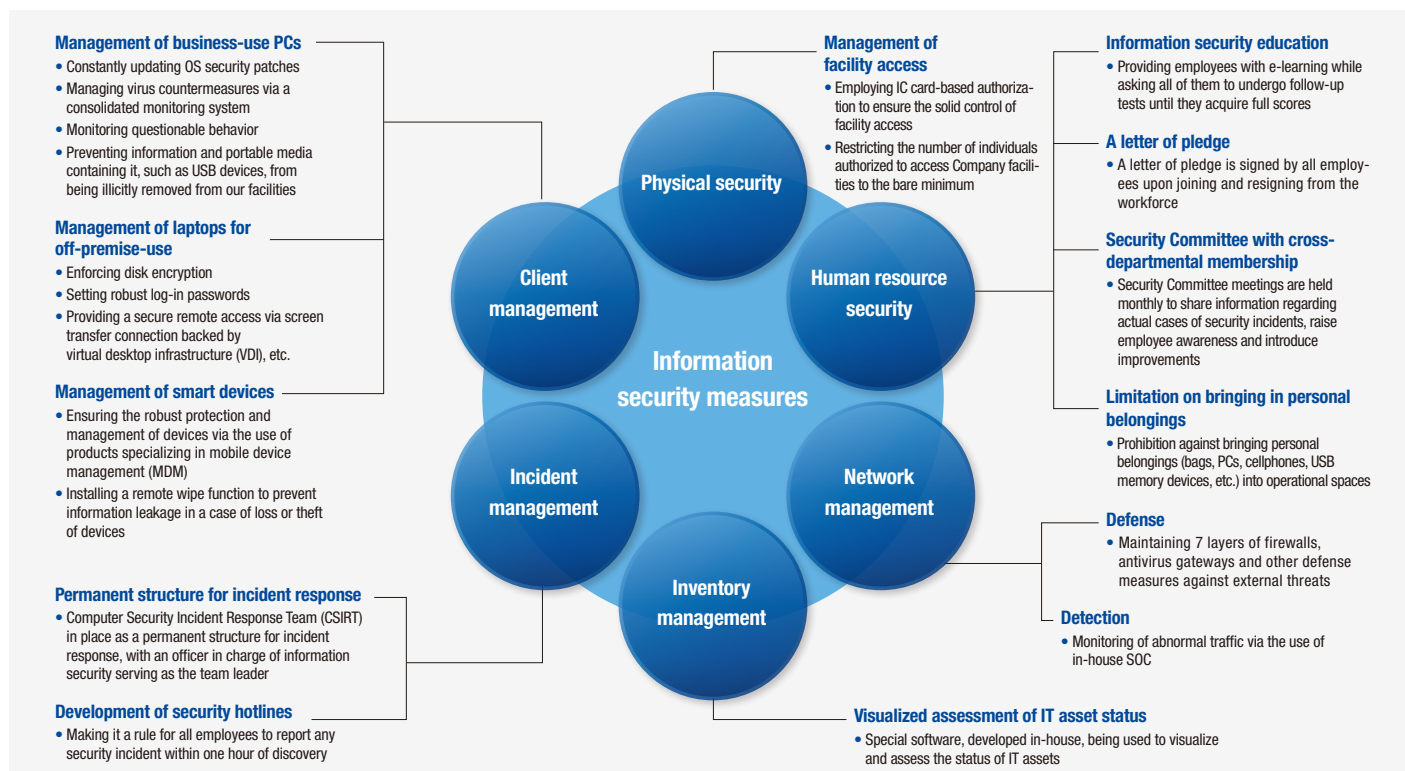
To live up to the trust society and our customers place in us, FUJI SOFT has positioned information assets as important management assets. Under the slogan of “We will fully leverage both human capabilities and technologies to ensure security,” we are doing our utmost to realize strong information security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

Information security measures supporting hybrid workstyles

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 the JIS Q 15001 Personal Information Protection Management System. We are accordingly developing robust rules and management structures regarding the protection of privacy information.



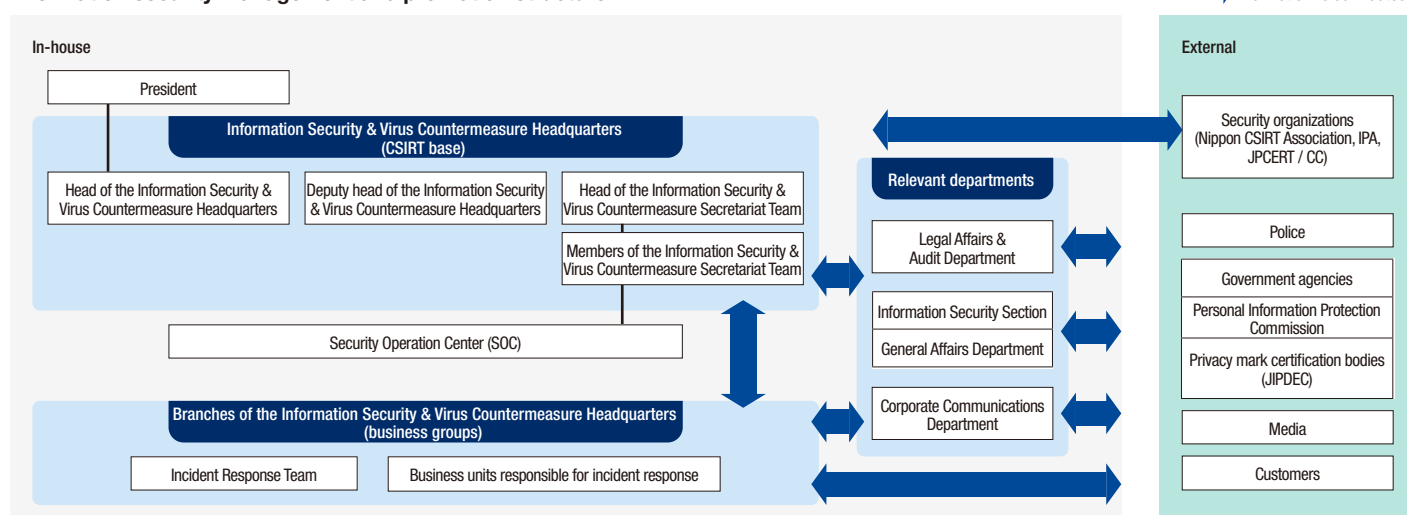
Privacy Mark JISQ15001
Registration number: 11820153

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



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, FUJII SOFT became the first independent software maker to be certified by the Japan Quality Assurance Organization under ISO 9001, 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 ISO 9001:2015, 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.



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 periodic and careful checks of development status to ensure our ability to

deal 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 the periodic monitoring of certain projects to ensure 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 front-

line 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 of development project management.

PLATON4D enables secure ticket management and configuration management, both of which are considered essential to development

operations. Through the organizational adoption of the continuous integration and continuous delivery (CI/CD) approach, we are also striving to achieve ongoing improvement in development quality and ensure a stable build/release cycle.

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 are 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 and the reduction of greenhouse gas (GHG) emissions from our business activities
- (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 strive, within and outside the scope of their corporate activities, to reduce the environmental burden, implement energy-saving measures and cut back on energy consumption, so that they make ongoing improvements in these areas and play their part in preventing environmental pollution, curbing global warming and otherwise preserving the global natural environment

Operating the Environmental Management System (EMS)

FUJI SOFT acquired certification under ISO 14001. Within our sustainability promotion structure, a substructure supporting the promotion of the EMS is in place under the leadership of one of the officers placed in charge of the environment. Under the leadership of one of the officers placed in charge of the environment. Under the leadership of an officer in charge of the environment, who is responsible for the 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 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 5,000 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 currently under way at the Shiodome Office*

* Wing B of the Shiodome Office was opened in April 2022 and named the Shiodome ANNEX Office, while the adjoining Wing A was completed and opened in May 2024.

Facilities giving due consideration to environmental and community concerns

Through the initiatives described below, we earned an "S" rank under the CASBEE Real Estate Certification system, which is used to comprehensively assess the environmental performance of buildings. Moreover, this office was certified as "ZEB Ready" in recognition of its superior thermal insulation and highly efficient, energy-saving facilities. Thanks to these features, the building is in conformity with a progressive ZEB Ready standard requiring a 50% or more reduction in energy consumption compared with conventional buildings.

- 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 placed on above-ground building components consists only of indigenous species. Moreover, the building rooftop is 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, in turn, is 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 strove to reduce CO₂ emissions attributable to building construction through the incorporation of concrete materials whose manufacturing process is designed to curb CO₂ emissions as well as the use of interior materials based on domestically produced wood.
- With the aim of proactively utilizing natural energy, we installed 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 is robustly resilient against earthquake-induced disasters. In addition, emergency generators are 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 focused on establishing a safe and secure building via the incorporation of effective disaster countermeasures based on robust BCPs.
- Air conditioning for working spaces is 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 are installed at the building's main entrances, while sensor-driven water faucets and sanitation equipment are in place. These features will enable contactless operations in key aspects of building utilization.
- The building's lower floors have been made 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 related to the TCFD

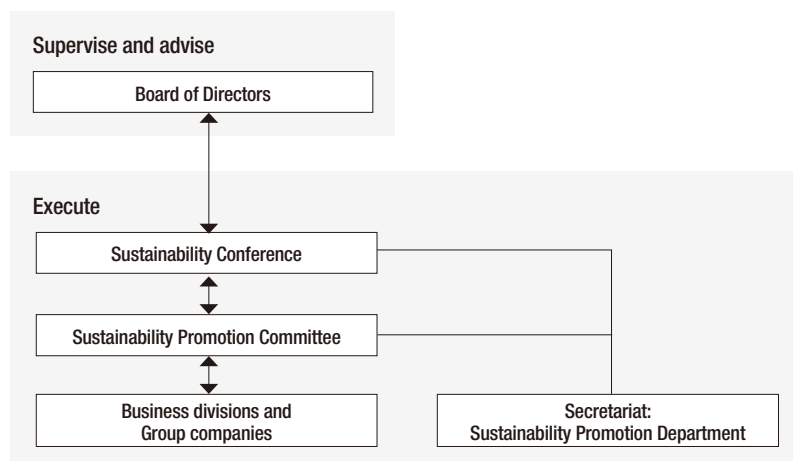
Today, environmental problems are affecting regions worldwide while increasing in severity. Because of this, businesses around the globe, including those based in Japan, are being called upon to reduce the environmental burden arising from their operations. Against this background, FUJI SOFT declared 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.

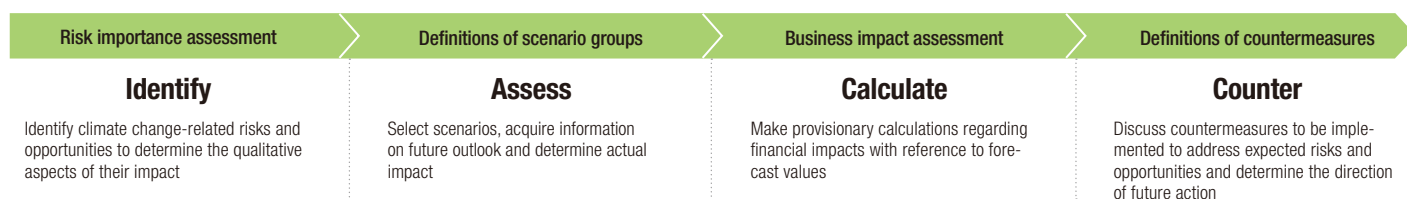


Strategy

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.

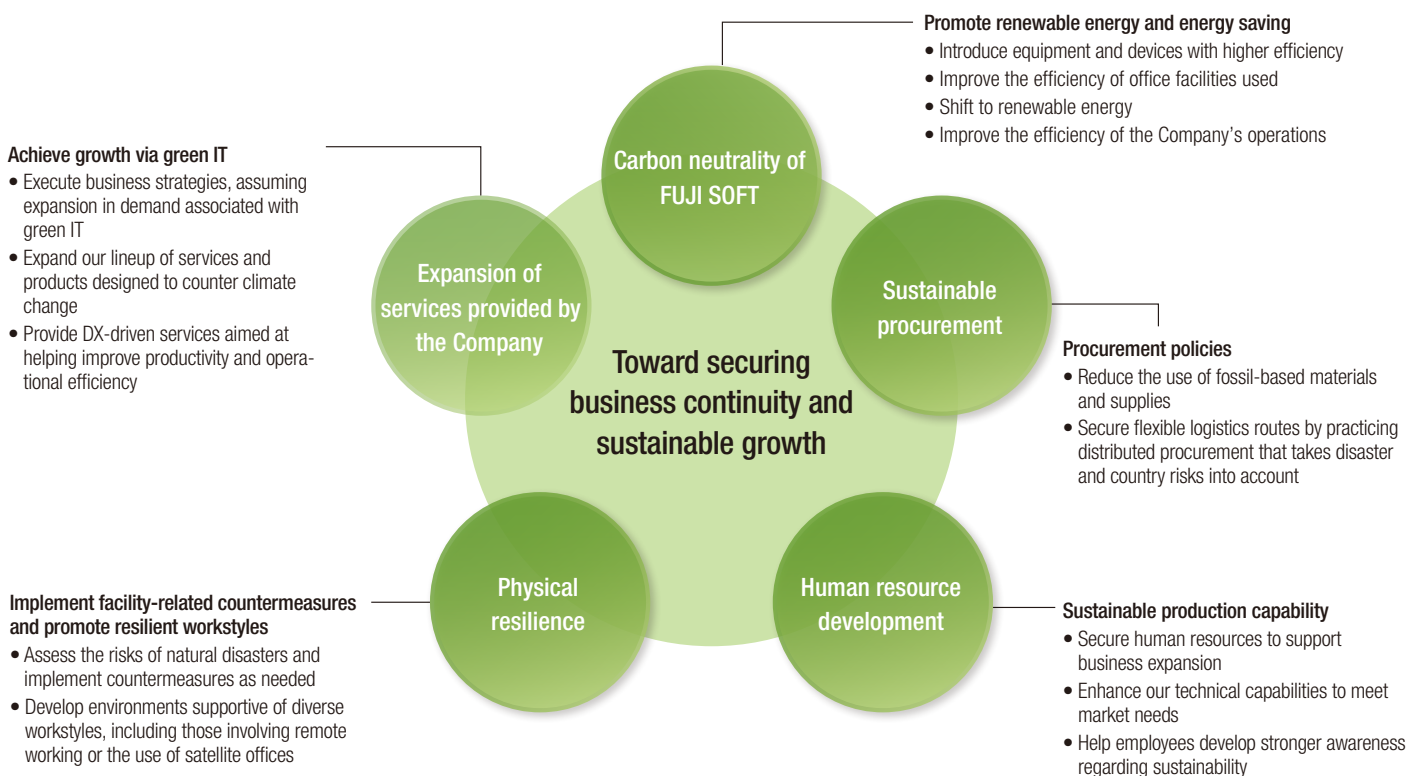
Scope of reporting: The FUJI SOFT Group (Japan and overseas)		Implementation of scenario analyses: October 2023
Item	4°C scenario	1.5°C scenario
Time frame of the scenario	2030 and 2050	
Key scenarios used as references	IEA Stated Policies Scenario IPCC RCP8.5	IEA Net Zero Emissions by 2050 Note: The 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	—
	Physical	The increasing severity of abnormal weather	<ul style="list-style-type: none"> The increasing severity of abnormal weather could cause Company-owned buildings, offices and data centers to suffer damage, leading to delays in or 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. When transactional partners suffer disaster-related damage, the Company may face a decline in sales or a difficulty in recovering rents. 	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	—
	Physical	The increasing severity of abnormal weather	<ul style="list-style-type: none"> 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. 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. 	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

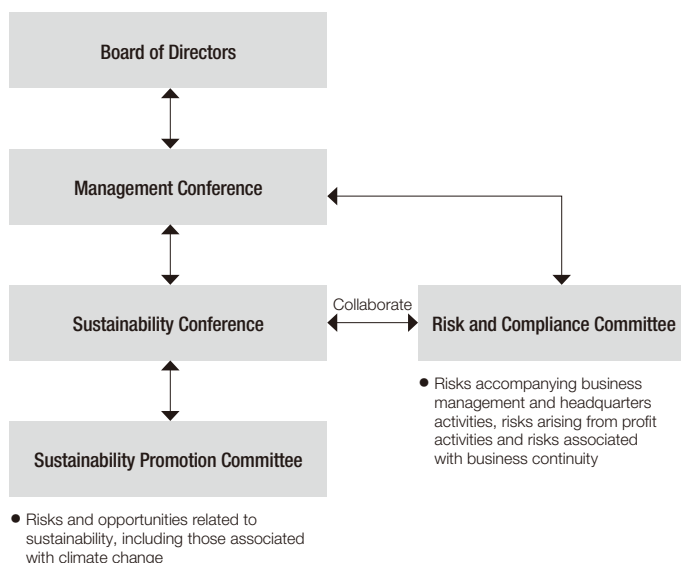
Risk management relative to climate change

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.

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.

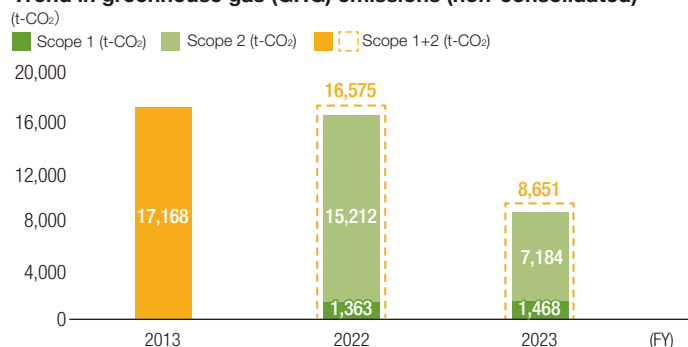
Metrics & targets

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.

Trend in greenhouse gas (GHG) emissions (non-consolidated)



Note: Figures for the period leading up to December 2022 are calculated using the method stipulated under the Energy-Saving Act. Figures for the period from 2023 onward are calculated using the emissions calculation formula specified by the GHG protocols.

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

Cutting-edge initiatives that promote workstyle reforms and provide robust career development assistance

Fiscal 2023 achievements* related to workstyle reforms and career development support designed to accommodate diverse lifestyle needs among employees

Ratio of annual paid leave utilization

68.9%

Monthly ratio of employees
who opt to work entirely/
mainly from home

average totaling 41.5%

Since 2021,
the ratio has remained
above 40%

Number of employees who took childcare leave

196

Annual average overtime hours

23 hours
54 minutes

*Achievements during the January to December 2023 period, except for the ratio of annual paid leave utilization, which is calculated based on data gleaned during the April 2023 to March 2024 period

Workstyle reforms: Initiatives undertaken thus far by FUJI SOFT

(Fiscal year)

[illegible]

Various
Certifications
and awards



Certified by Kanagawa
Prefecture as a business
corporation supportive of
children and
their sound upbringing



Included in the list of
100 forerunners
in teleworking



Certified as a Health &
Productivity Management
Outstanding Organization
(White 500)



Acquired the third level of
"Eruboshi" certification



Acquired a platinum
"Kurumin" mark



“Next Nadeshiko” corporation
supportive of dual career
couples and co-parenting

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.”

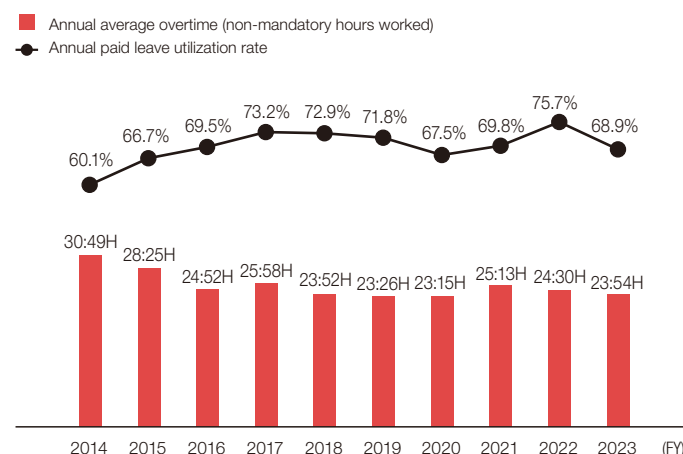
Meanwhile, a portion of annual paid leave is now called “My Holiday” to encourage employees to use their leave. Moreover, the third Friday of every month is designated Premium Friday, representing a unique initiative undertaken at FUJI SOFT to help employees strike a work-life balance.

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

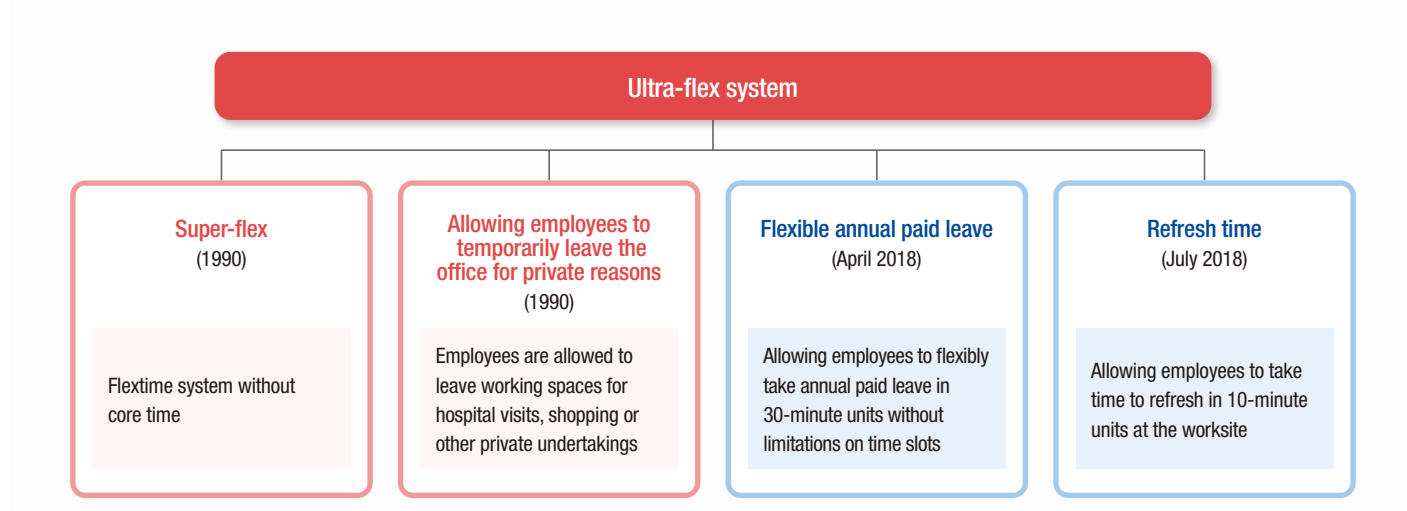
to pursue self-motivated learning or social contribution activities. The scope of eligible activities under this system encompasses a variety of undertakings, such as studying abroad to learn a foreign language and engaging in volunteer activities.

In 2022, we also introduced a donor leave system through which an employee who becomes 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 system developed by FUJI SOFT. We thus eliminated the need to commute to the office for meeting attendance, a typical issue associated with teleworking.

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.

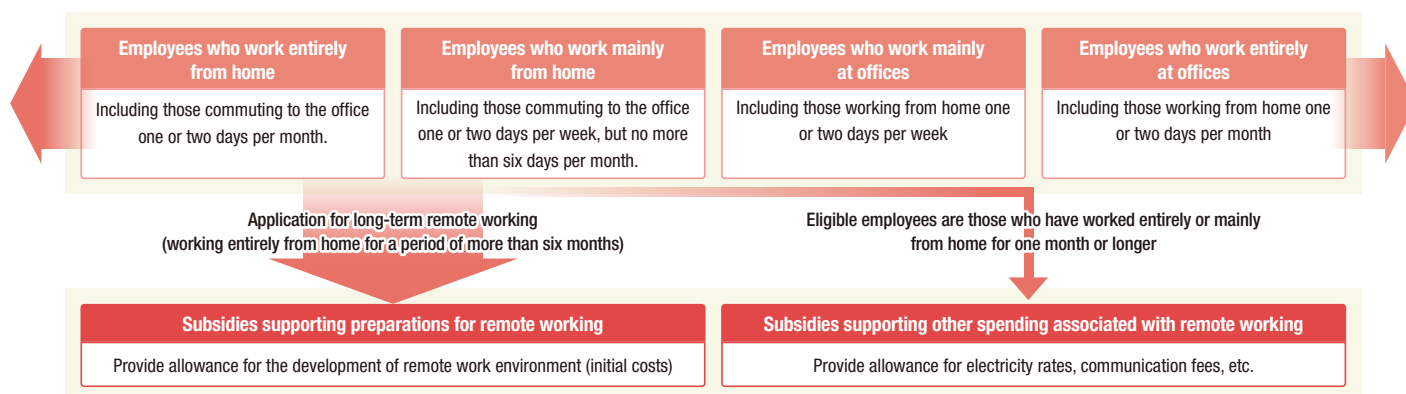
Encouraging employees to work entirely from home as part of workstyle reforms

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.

Even after the downgrading of COVID-19 to Class 5 infectious disease status, 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.

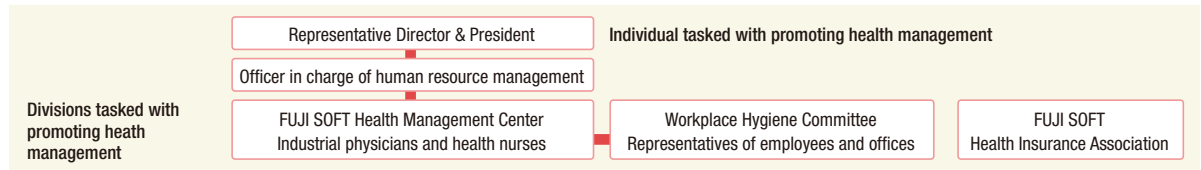
In April 2022, we revised our systems with regard to extended leave from work or other leave granted to employees engaged in child rearing or nursing care, as well as systems allowing them to shorten their working hours. These systems are now available to individuals who have worked for FUJI SOFT for 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

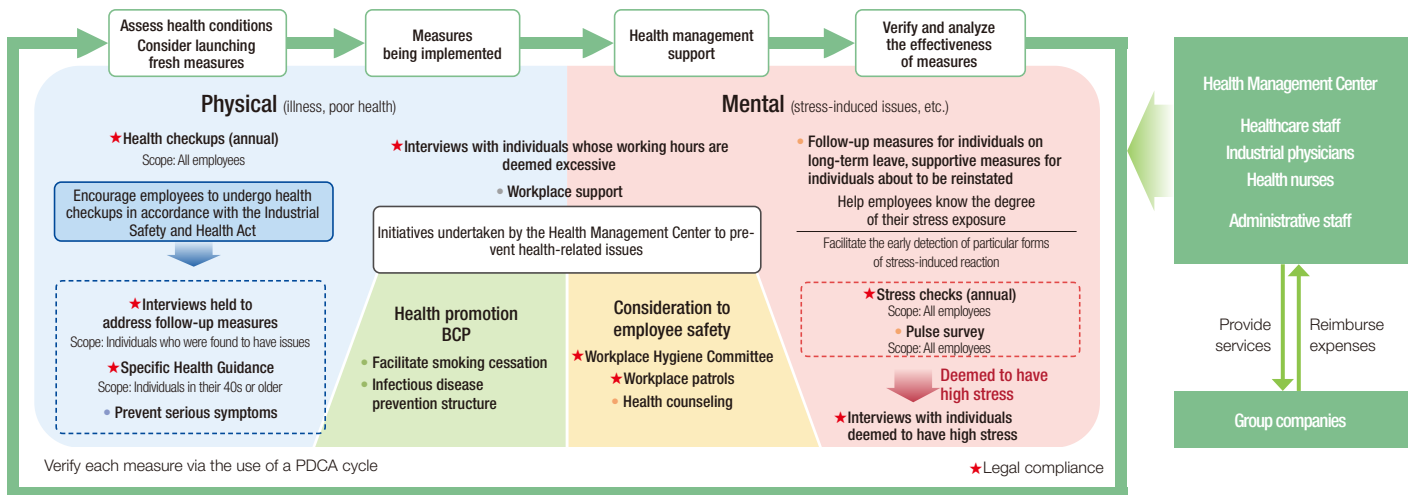
Guided by a fundamental belief that “the success of a corporation hinges on its people,” we will promote health management to create a working environment in which all employees can work safely with confidence even as they stay mentally and physical healthy along with their families.

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 provide employees with comprehensive support, starting with the prevention and early detection 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 annual stress checks, we periodically assess the status of individual employees and the workforce as a whole. 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 engagement in the health management initiatives described above, FUJI SOFT was chosen as one of the “White 500” under the Health & Productivity Management Outstanding Organization Certification program for the third consecutive year.



Non-financial information related to human resources

Category	Item		2021	2022	2023
Human resource-related	Status of employment	Full-time employees	8,436	8,904	9,334
		Male	6,681	6,985	7,302
		Female	1,755	1,919	2,032
		Part-time employees (excluding full-time)*1	72	87	101
		Male	69	79	94
		Female	3	8	7
		Number of new graduates who joined the workforce*2	677	789	809
		Male	477	573	606
		Female	200	216	203
		Number of mid-career hires*2	227	339	341
		Male	181	252	256
		Female	46	87	85
		Average length of service*1	Male 10.3 years	10.1 years	10.3 years
		Female	8.4 years	8.3 years	8.3 years
	Job turnover ratio (number resigning)*3		6.8% (590)	6.7% (609)	7.0% (667)
	Job turnover ratio three years after joining the workforce as new graduates*4		21.1%	18.3%	21.0%
	Training	Total hours spent in education and training by full-time employees (including on-the-job (OJT) training sessions)*5	682,997 hours	812,294 hours	820,344 hours
		Hours spent in education and training per full-time employee*5	81 hours	92 hours	88 hours
		Expenses for education and training (workload on in-house and external staff and relevant expenses)*5	¥542 million	¥717 million	¥668 million
		Educational and training expenses per full-time employee*5	¥64.1 thousand	¥80.9 thousand	¥71.7 thousand
	Diversity	Ratio (number) of people with disabilities Including those working at a special-purpose subsidiary*1	2.5% (253)	2.5% (275)	2.6% (294)
		Ratio (number) of female managers: Target for March 2026: 9.5%*4	8.6% (55)	9.2% (61)	9.3% (64)
		Ratio (number) of women in supervisory positions: Target for March 2026: 16.5%*4	13.9% (538)	14.9% (608)	15.8% (692)
		Number of individuals reemployed after reaching retirement age*4	65	75	87
		Number of foreign national employees*1	243	257	271
	Work-life balance	Monthly average of overtime hours*6	25 hours 13 minutes	24 hours 30 minutes	23 hours 54 minutes
		Ratio of employees working from home*6,7	40.2%	43.3%	41.5%
		Ratio of annual paid leave utilized*8	69.8%	75.7%	68.9%
		Employee satisfaction ratio*9	83.4%	—	83.3%
		Extended leave from work due to child rearing*5	181	164	196
		Ratio of utilization: Male (Ratio of male employees who took childcare leave or other leave for the purpose of child rearing)	20.0% (75.2%)	34.3% (80.6%)	41.7% (78.5%)
		Female*10	96.6%	94.9%	104.6%
		Ratio of employees reinstated after extended leave from work	98.9%	97.7%	98.3%
		Average length of the extended leave period	184 days/person	180 days/person	196 days/person
		Number of employees who took special leave (cumulative total)*6	27	19	17
		Maternity leave	29	25	20
		Leave granted to individuals whose spouse gave birth	143	90	106
		Leave for taking care of sick child	78	104	87
	Health related	Ratio of employees who underwent health checkups*8	96.1%	99.2%	99.3%
		Ratio of employees with health-related issues*8	60.3%	59.5%	55.7%
		Ratio of employees whose health conditions improved after health guidance*8	37.0%	39.9%	40.0%(forecast)
		Ratio of employees who underwent stress checks*8	94.8%	95.6%	96.4%
		Ratio of employees in high stress*11	12.6%	11.3%	9.4%
		Presenteeism (Single-Item Presenteeism Question/Productivity): An indicator for measuring the loss of productivity due to health-related issues*12	—	77.9%	77.0%
		Ratio of employees in long-term leave due to mental health issues	2.6%	2.3%	1.9%

Non-financial information related to the environment

Category	Item		2021	2022	2023
Environment related	GHG emissions	Scope 1 and 2 (volume of GHG emissions: t-CO ₂) (proportional volume of GHG emissions reduced since the benchmarking year: %)* ¹³	— (—%)	16,575 (3.0%)	8,651 (49.6%)
		Scope 1 (volume of direct GHG emissions by the Company: t-CO ₂)	—	1,363	1,468
		Scope 2 (volume of GHG emissions converted from the volume electric power, heat, steam and other energy sources procured by the Company: t-CO ₂)	—	15,212	7,184
	Energy	Total energy consumption (1,000 kWh)	31,960	33,266	31,987
		Volume of renewable energy used (1,000 kWh)	190	2,548	16,431
		(Ratio of renewable energy used: %)	(0.60%)	(7.70%)	(51.40%)
		Volume of energy used at offices, etc. (1,000 kWh)	17,828	17,052	18,048
		Volume of energy used data centers (1,000 kWh)	14,132	16,214	13,939
		Volume of heat energy consumption (GJ)	12,261	12,515	12,872
		Volume of water consumption (m ³)	66,127	69,632	81,904
	Waste emissions	Volume of waste emissions (t)* ¹⁴	192	212	272
		Volume of recycled waste (t)* ¹⁵	150	147	111

Note: These figures are based on data collected from Company-owned buildings and leased buildings during the period from April 2022 to March 2023.

Non-financial information related to governance

Category	Item		2021	2022	2022
Governance related	Board of Directors	Number of meetings held	17	22	18
		Average attendance ratio	All directors	100%	98%
			Outside directors	100%	99%
			All auditors	99%	96%
			Outside auditors	97%	94%
	Board of Auditors	Number of meetings held	18	18	18
		Average attendance ratio	All auditors	99%	96%
			Outside auditors	97%	94%
	IR interviews	Number of investors involved	49 123	51	60
		Number of events		133	163
	SR interviews	Number of investors involved		26	22
		Number of events		61	36

Other non-financial information

Category	Item		2021	2022	2022
Other	Political donations		0	0	0
	Social contribution	Expenses incurred by social contribution activities (ratio)	¥26 million (0.1%)	¥103 million (0.8%)	¥141 million (0.9%)
	Labor environment	Number of Labor Standards Act violations* ⁶	0	0	0
		Number of serious human rights violations (disclosed via the Company's news releases)* ¹⁶	0	0	0

Note: Figures not marked with an asterisk (*) pertain to the January-December period of each fiscal year.

*1 Figures are as of December 31 of each year.

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

*3 The job turnover ratio pertains to the number of resignees to the total headcount as of April 1 of each year. The number of resignees for 2020, 2021 and 2022 represents the number of individuals who left the workforce during the period from April to March of the subsequent year, while the number for 2023 represents the number of resignees during the January-December period.

*4 Figures are as of March 31 of each subsequent year.

*5 Increased in 2022, reflecting the implementation of reskilling sessions in conjunction with strategic organizational change.

*6 Figures for 2020, 2021 and 2022 represent figures pertaining to the period from April of each year to March of the subsequent year, while figures for 2023 represent figures pertaining to the January-December period.

*7 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.

*8 Figures pertain to the period from April of each year to March of the subsequent year.

*9 Figures for 2020 and 2021 are based on surveys undertaken in February of the subsequent year, while figures for 2023 are based on surveys undertaken in February of that year.

*10 The 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%.

*11 Figures for 2020, 2021 and 2022 are based on surveys undertaken in July of each year, while figures for 2023 are based on surveys undertaken in October of that year.

*12 Figures for 2022 and 2023 are based on surveys undertaken in December 2022 and July 2023, respectively.

*13 As of 2013, the cumulative total volume of greenhouse gas emissions since the benchmarking year amounted to 17,168 t-CO₂ (calculated based on a periodic report prepared at that time in accordance with Japan's Energy Saving Act).

*14 Emissions from Company-owned buildings (including emissions from tenants).

*15 Emissions from Company-owned buildings and leased buildings.

*16 The number of incidents disclosed via the Company's news releases.

