



SUSTAINABILITY REPORT 2022

FUJI SOFT INCORPORATED



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Challenge & Creation

In May 1970, the precursor of FUJI SOFT was launched by founder Hiroshi Nozawa, who looked into the future potential of computers, along with his two students. Having celebrated its 52nd anniversary in May 2022, the FUJI SOFT Group now consists of 14,956 Group employees (as of December 2021), 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."

The FUJI SOFT Group's corporate philosophy and sustainability initiatives

Our Basic Philosophy is "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." Guided by this philosophy, we have been engaged in business activities while staying conscious of social contribution and environmental protection.



Founder: Hiroshi Nozawa,
Director & Executive Advisor

Moving forward, we will push ahead with sustainability initiatives even as we remain true to our founding spirit, with the aim of contributing to the sustainability of the Earth's environment and the sound development of society.

1986

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



1970

1980

1999

Net sales exceeded ¥50.0 billion

1993

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



1990

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



2012

Released "Mirai School Station," an ICT system for educational use



Released "FSMobile" data communication terminal



2008

Released middleware for digital television broadcasting receivers



2010

2018

Net sales exceeded ¥200.0 billion on the back of robust performance by the SI business involving machinery control, licensing sales and solutions for internet service providers and financial institutions, etc.

2021 Released "FAMoffice" virtual office space

2022 Began providing "FAMcampus" virtual educational space



2020

"Fude Gourmet" sold more than 60 million units (cumulative total)

2018

FSDTV series sold more than 40 million units (cumulative total)

2020

FSMobile series sold more than 1 million units (cumulative total)



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

- The network business launched
- ISO9001 certification (an international standard for quality assurance) obtained

1996

- Company name changed to FUJI SOFT ABC Incorporated upon merger with ABC Co., Ltd.

Growth period (1997-2010)

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

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.

1999

- Made CYBERNET SYSTEMS Co., Ltd. a subsidiary

2001

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

2002

- Acquired the Privacy Mark

2003

- Tokyo Data Center launched



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

- Opened an endowed course on regenerative medicine at the University of Tokyo's Faculty of Medicine
- Ranked 10th in the *Nikkei Shinbun*'s ranking of companies with comfortable workplaces

2006

- Company name changed to FUJI SOFT Incorporated
- Adopted a new symbol

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 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

- Vincoram 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

- Completion of the Shiodome Building
- scheduled (Minato Ward, Tokyo)

Top Message

Sustainability Activity Policy

Basic Philosophy

Aiming to become a corporate group that contributes to society

- provides satisfaction to customers
- initiates eco-friendly activities
- and believes in a comfortable and rewarding environment

Medium-term Policy

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



Satoyasu Sakashita

President & Representative Director

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

Looking at the Japanese economy, despite the lingering effect of supply chain disruption caused by the COVID-19 pandemic and semiconductor shortages, economic recovery has progressed in manufacturing and other sectors. On the other hand, interest rate hikes undertaken by Europe and the United States in response to inflation worries are increasingly resulting in the depreciation of the yen, while geopolitical problems arising from the situation in Ukraine have triggered surges in energy costs. These and other factors, in turn, are leading to an emerging sense of concern regarding future economic activities.

In the information service industry, however, business sentiment remains strongly positive toward the utilization of digital technologies involving digital transformation (DX) and other measures aimed at raising productivity, improving operational efficiency and innovating business models in the context of operational and business reforms. Although the impact of global inflation, prolonged supply chain disruption and other negative factors still requires careful assessment, demand is consistently solid for system investment, with robust expectations for expanding future investment.

Under these circumstances, the Group has striven to accommodate changes affecting our customers. While implementing remote work and other thoroughgoing safety measures to control the workforce spread of new COVID-19 variants, we are flexibly allocating management resources to align with fluctuations in the market environment amid the ongoing trend toward DX. Furthermore, we have been supporting digitization while helping customers increase the added value of their operations in the areas of DX, 5G and AIS-CRM. The last of these is our collective term for AI, IoT, Security, Cloud, Robot, Mobile and AutoMotive—key technology areas that we have been working on for some time. Proactively striving to approach our customers' business fields through these pursuits, we have also reallocated internal human resources and facilitated collaboration among departments while undertaking necessary research investment. Moreover, we have established our own specialized unit to promote DX. The experience and know-how gained by this unit has, in turn, informed the provision of our services, which are also backed by in-house collaboration with the consulting division as well as external collaboration with companies specializing in ultra-upstream fields and digital marketing. In these and other ways, we have been actively working to expand and improve our multi-layered IT services and systems in order to provide customers with fully integrated services from upstream to downstream.

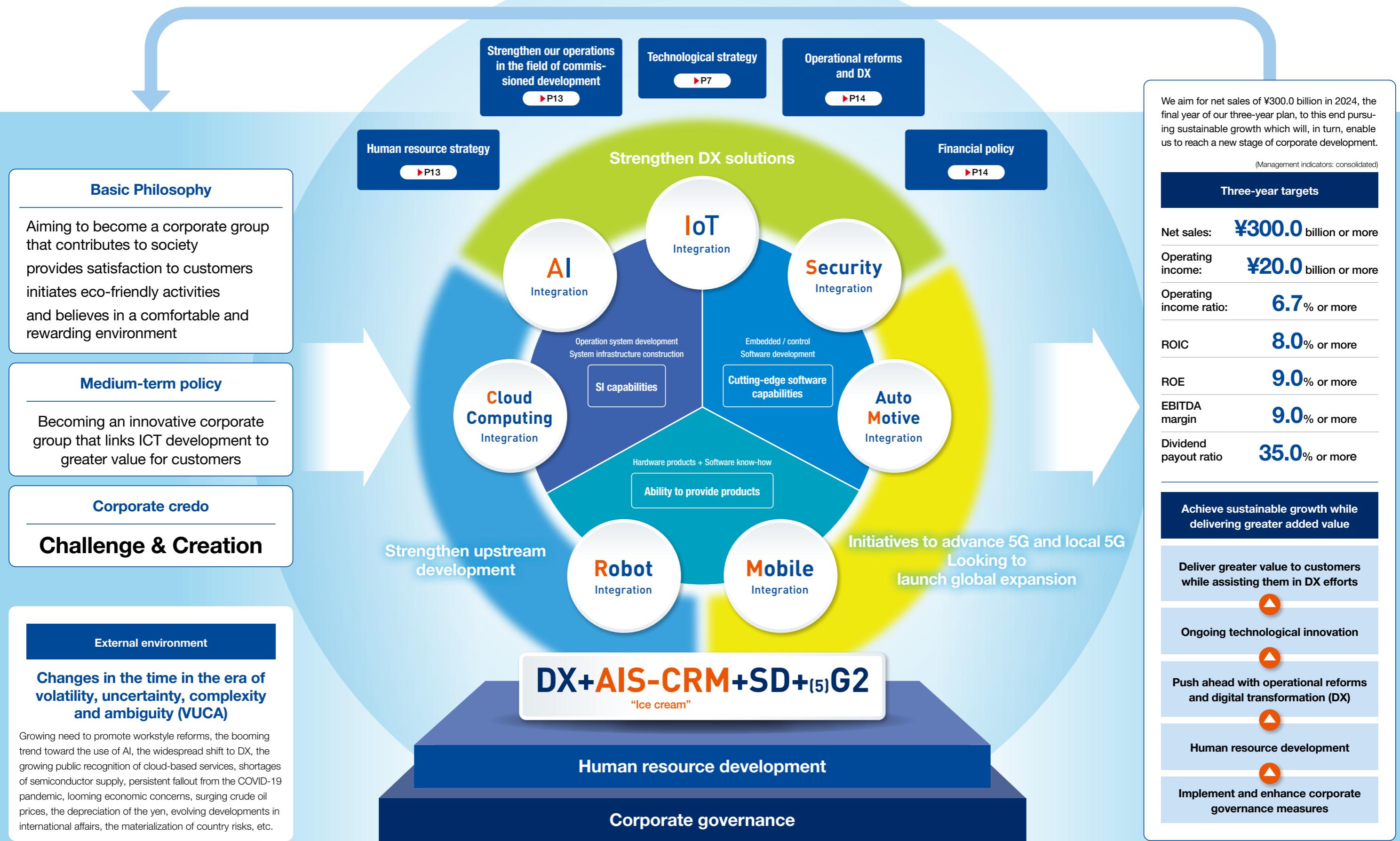
In the course of pursuing sustainable corporate growth and improvement in corporate value, FUJI SOFT has remained focused on fulfilling its vital mission of contributing to society through a variety of corporate activities. Our Basic Philosophy encompasses environmental, social and governance (ESG) issues and underpins our commitment to fulfilling our social responsibilities even as we aim for further business development. Over the course of its history, FUJI SOFT has also nurtured distinctive strengths in the development of embedded and control software, the development of operation software and the provision of products and services. Having celebrated the 52nd anniversary of its founding, the Company now boasts solid standing in these three fields that are expected to become increasingly integral and inextricably linked with social development. In addition to focusing on these fields, FUJI SOFT is poised to advance AIS-CRM, with the aim of delivering greater added value through its business operations. To provide customers with stronger assistance in their DX efforts, we are simultaneously enhancing our service, design and IT consulting units while stepping up alliances with external corporations. By doing so, we are endeavoring to enhance our capabilities to offer integrated services starting from the upstream stage. Lastly, we will tirelessly work to enhance our expertise in 5G and other cutting-edge technologies while proactively pursuing business expansion overseas. We will thus secure steady corporate growth and improvement in corporate value even as we contribute to sound social development.

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Satoyasu Sakashita
President & Representative Director

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

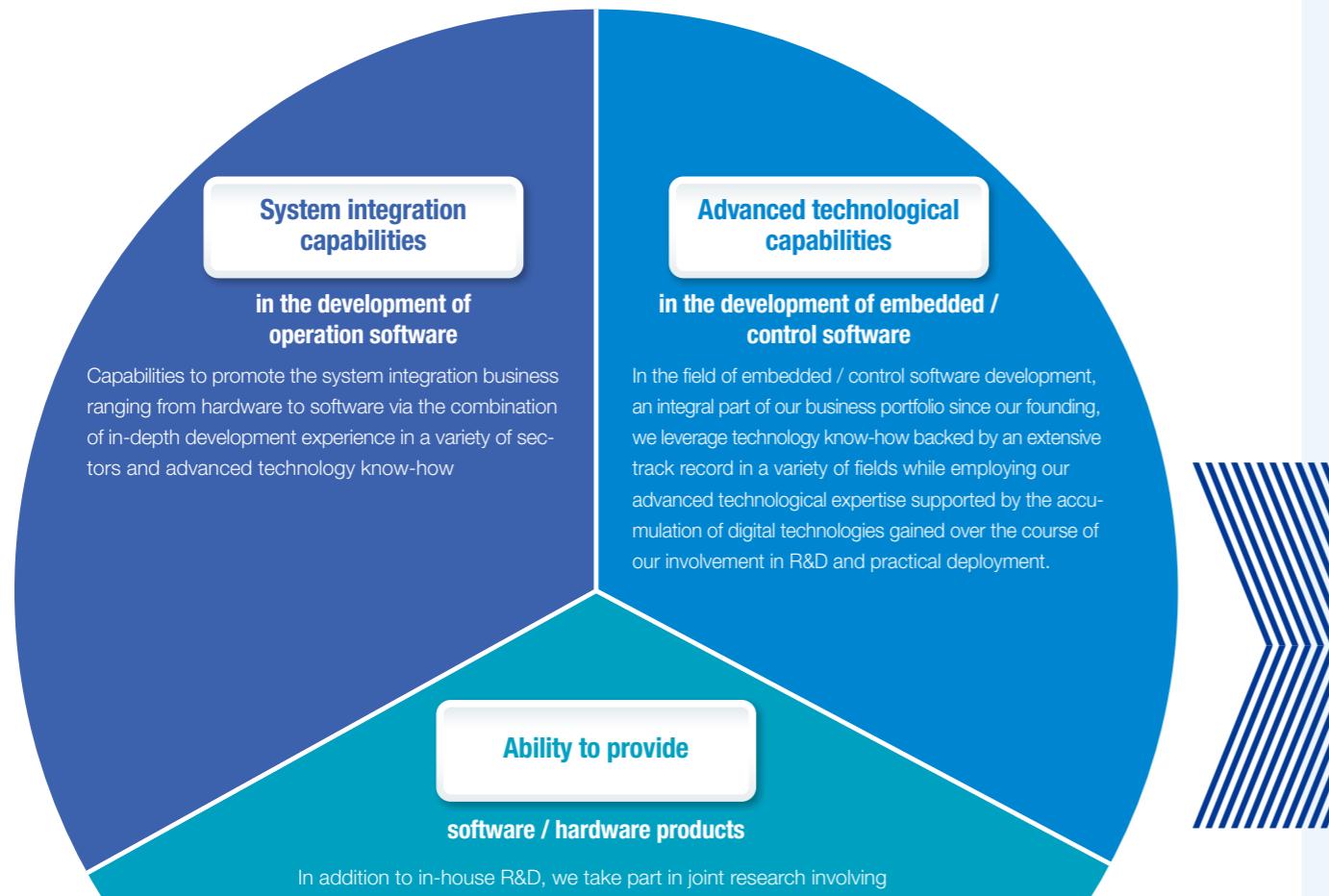
The FUJI SOFT Group's Value Creation Process



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 technological capabilities. At the same time, we have developed operation software for use by customers in logistics, manufacturing, financial and other sectors, to this end accumulating our 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 the era of global competition. In addition to the two strengths named above, we have nurtured robust ability to provide products in the course of our involvement in R&D and joint development. Thus, FUJI SOFT now boasts three strengths which, in turn, enable it to achieve sustainable growth.



Main products developed by FUJI SOFT



Main partnerships*

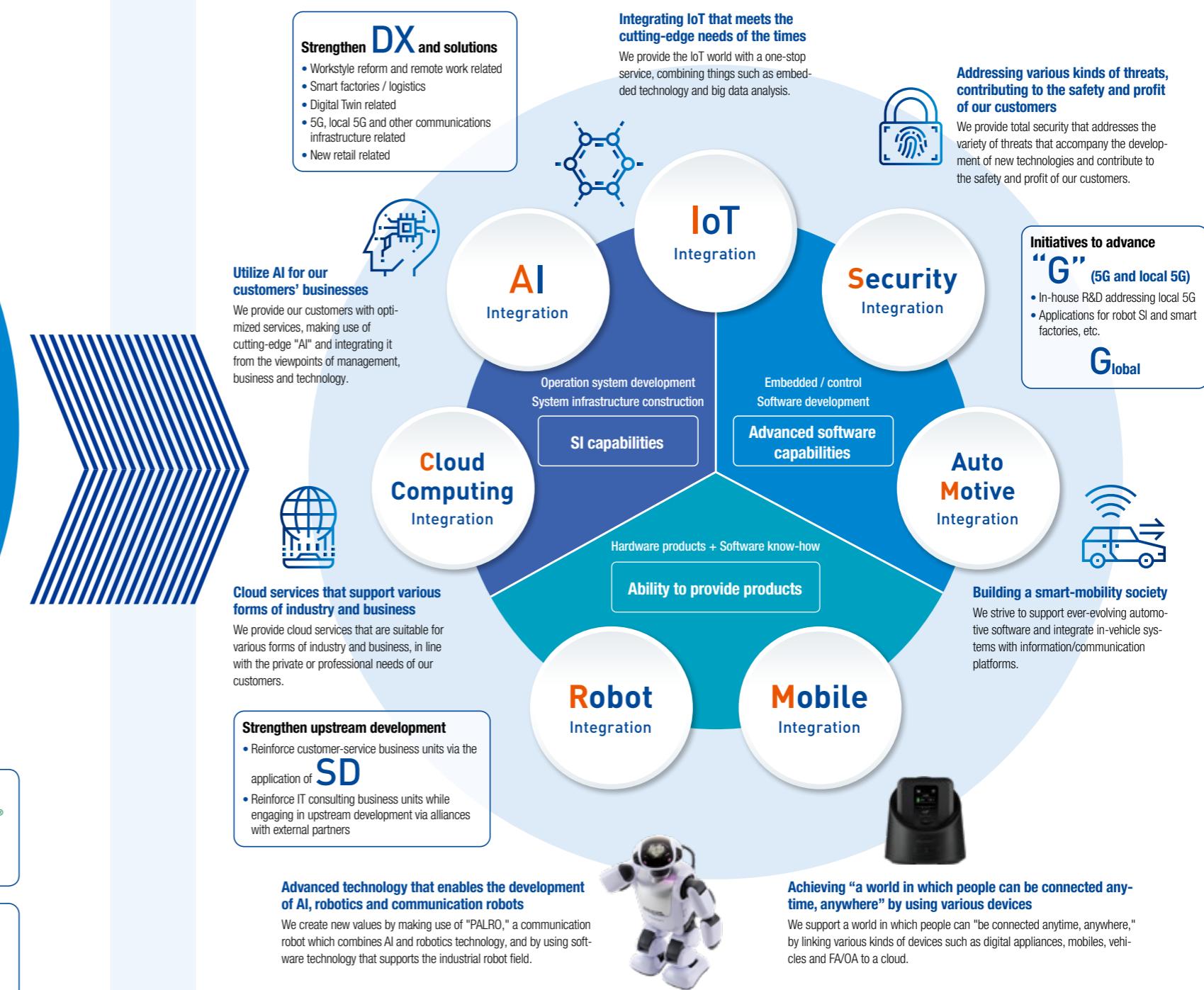


* As of December 2022. Relevant trademarks, including registered trademarks, belong to FUJI SOFT partners.

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

DX+AIS-CRM+SD+(5)G2 "Ice cream"

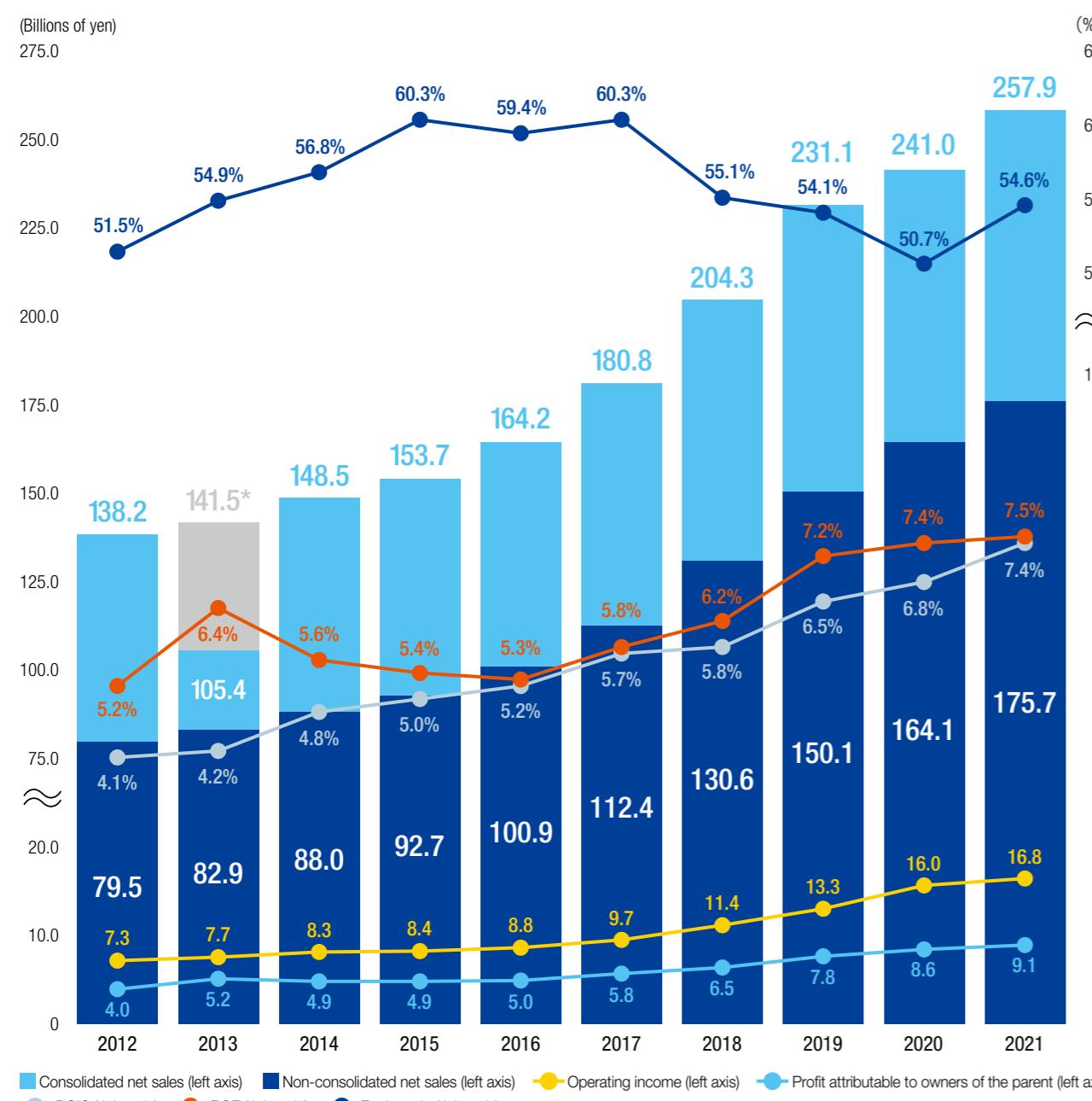
FUJI SOFT has positioned "AIS-CRM," the abbreviation of AI, IoT, Security, Cloud, Robot, Mobile and AutoMotive, as innovative technology areas deserving its utmost priority. Through the integration of technologies and solutions we have nurtured for years, we will create new kinds of added value and business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



10-Year Summary of Operating Results and Our Future Direction

Over the course of its history spanning 51 years, FUJI SOFT has navigated radical changes in the socio-economic environment. These have included devastating economic stagnation under the influence of the radical depreciation of the yen in the 1980s, the collapse of the bubble economy which, in turn, led to the “Heisei Recession” in the 1990s, and global economic recessions triggered by the Lehman Brothers bankruptcy in 2008, not to mention the 2020 outbreak of the COVID-19 pandemic. However, FUJI SOFT has nevertheless worked to accumulate its technical expertise, knowledge, experience and know-how while strengthening and increasing the sophistication of its capabilities backed by these assets. By doing so, we have adopted to radical changes named above and thereby succeeded in achieving steady corporate growth.

In the past decade, we have focused on technology areas collectively referred to as “AIS-CRM” (AI, IoT, Security, Cloud, Robot, Mobile and AutoMotive), launching full-scale operations related to “CRM” and “AIS” in 2011 and 2018, respectively. Since then, we have earned a track record in these fields, a testament to our strength arising from unique management strategies. These enable us to constantly evolve and update FUJI SOFT in order to take on new business challenges, demonstrate creativity, achieve growth and realize innovation. Looking ahead, we will continue to pursue sustainable growth even as we strive to fulfill roles expected of a company listed on the Prime Market.



Note: Figures for the fiscal year ended December 31, 2013 have been retrospectively converted to 12-month operating results as the close of the actual fiscal year coincided with changes in the Group's fiscal year-end.

Basic concepts

An aggressive management approach upheld since the founding of FUJI SOFT

- Take on challenges in new fields, demonstrate creativity, achieve growth and realize innovation
- Focus on securing growth in revenues and profit
- Aim for qualitative improvement as well as quantitative expansion

A “diminishing equilibrium” model focused solely on securing efficiency and profitability rather than striving for corporate growth

We reject this model as FUJI SOFT is still in the process of development.

Our growth over the course of recent 10 years

Robust corporate growth and improvement in corporate value

- Increase the number and otherwise strengthen the hiring of human resources while investing in them
- Promote securing “prime” projects
- Take on new technological challenges
- Expand product sales (on a stand-alone basis)
- Execute product strategies (in collaboration with external partners)
- Enhance Group operations (respect the uniqueness of each company while also prizing collaboration)
- Pursue global strategies
- Control administrative costs

	2012	2021	Growth rate
Net sales	¥138.2 billion	¥257.9 billion	1.9 times
Operating income	¥7.35 billion	¥16.8 billion	2.3 times
Operating income ratio	5.3%	6.5%	1.2 times
Profit for the period	¥4.0 billion	¥9.1 billion	2.3 times
ROE	5.2%	7.5%	1.4 times
ROIC	4.1%	7.4%	1.8 times
Equity capital	¥78.9 billion	¥125.0 billion	1.6 times
Stock price	¥1,200 to ¥1,300	¥5,020 to ¥6,300	Around 5 times

Future direction

Remaining true to the venture spirit, we take on challenges and demonstrate creativity even as we engage in steadfast corporate behavior as a major IT firm.

Pursue ongoing growth while ensuring conformity with requirements for those listed in the Prime Market

- Attain growth in both revenues and profit
- Constantly improve operating income ratio
- Incorporate ROE, ROIC and EBITDA margin into management indicators
- Review our dividend payout ratio
- Maintain financial soundness (equity ratio, etc.)

Initiatives undertaken by the FUJI SOFT Group to improve its corporate value

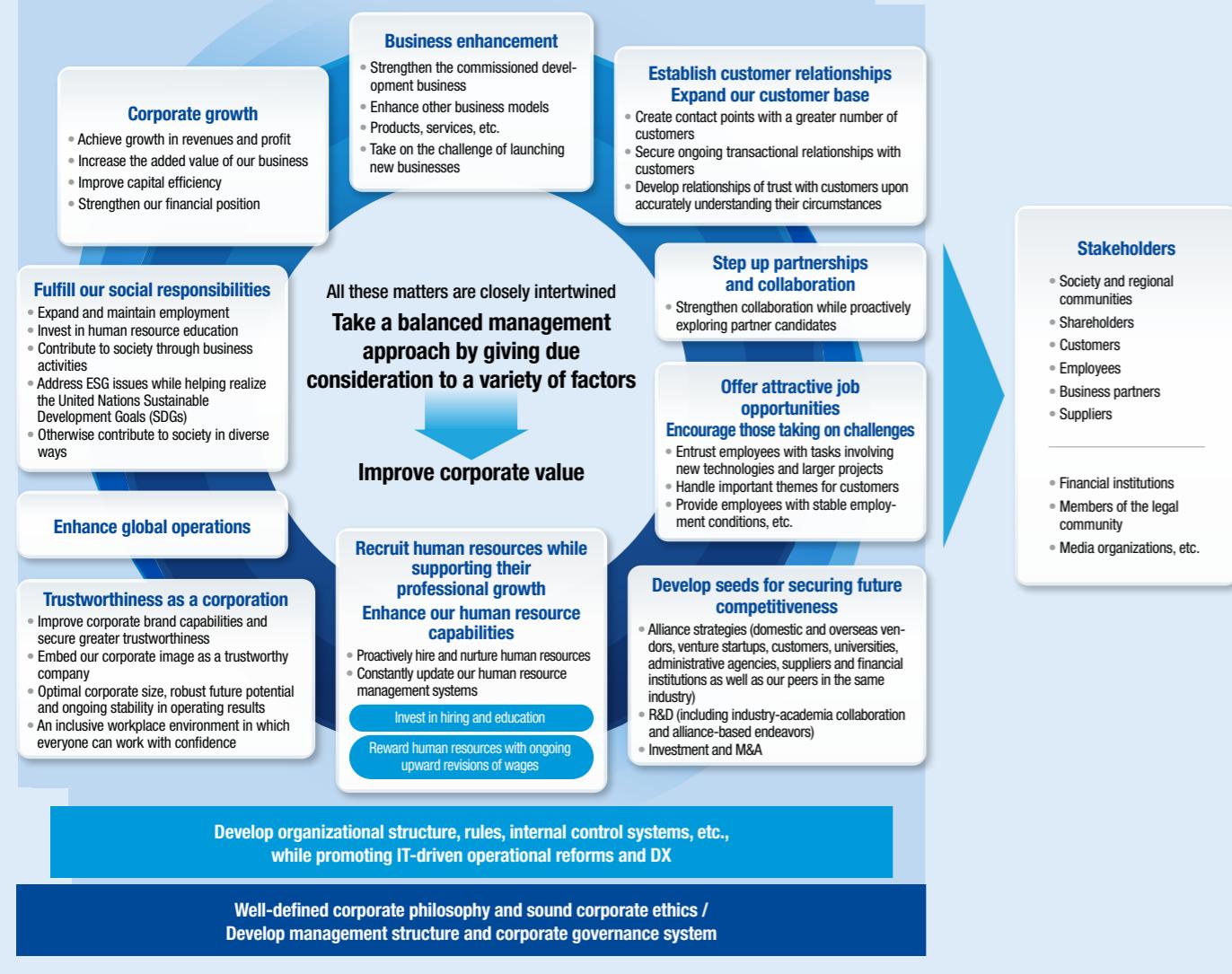
Priority issues to be addressed by FUJI SOFT to realize greater corporate value

In line with our medium-term policy, we aim to become an innovative corporate group that links ICT development to greater value for customers. To this end, we consider it necessary to secure the five mechanisms described below. These mechanisms will support sustainable growth as well as increase the value our business creates. We, therefore, expect them to enable us to take the lead in DX via the utilization of digital technologies in aspects of both IT and OT.* In these ways, we will deliver greater value to customers and society as a whole even as we contribute to innovation.

Deliver greater value to customers while assisting them in DX efforts	Take full advantage of DX technologies to strengthen existing businesses and establish novel business schemes
Ongoing technological innovation	Further advance AIS-CRM while proactively entering new fields
Push ahead with operational reforms and digital transformation (DX)	Pursue DX-driven operational reforms while rolling out our accumulated know-how on DX to customers
Human resource development	Nurture individuals equipped with fundamental capabilities to adapt to diverse changes in technologies and businesses as well as robust creativity enabling them to handle complex circumstances
Implement and enhance corporate governance measures	Secure conformity with the governance-related requirements of our Prime Market listing while constantly enhancing corporate governance

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

How we are navigating toward improvement in corporate value



Corporate Value Improvement Committee

The FUJI SOFT Group aims to become an innovative corporate group that links ICT development to greater value for customers. In line with this aim, the Group has built an organizational structure that enables it to respond quickly to changes in the business environment, enhancing its corporate governance by ensuring management soundness and efficiency and increasing management transparency.

Moreover, we intend to seriously take heed of opinions and suggestions voiced by a broad range of shareholders in the course of constructive dialogue and incorporate their input to deliver greater value to our stakeholders. To that end, we have established the Corporate Value Improvement Committee.

- Enhance our governance structure in terms of objectivity and effectiveness
- Improve capital efficiency and increase value delivered to customers, to this end reviewing composition of our asset holdings and capital allocations
- Step up shareholder communications by enhancing the transparency of information disclosure and taking a proactive approach to shareholder dialogue

Operational structure for the Corporate Value Improvement Committee

Working groups (WGs) placed under the Corporate Value Improvement Committee

The WGs are tasked with research into and the verification of individual issues in line with committee policies, while the committee itself deliberates drafts submitted by these WGs.

Corporate Value Improvement Committee

WGs on the upgrading of corporate governance

1. Corporate Governance Verification Working Group (WG)

This WG verifies issues associated with the current governance structure and deliberates points to be improved, with the aim of enhancing the objectivity and effectiveness of this structure.

2. Shareholder and Investor Relations WG

This WG verifies methods used for shareholder and investor dialogue and engages in discussion regarding how to realize optimal modes of information disclosure, including the disclosure of non-financial information, and how to update our IR and SR activities.

Collaboration with the Sustainability Conference

WGs on management and financial strategy

3. Business Verification WG

This WG verifies business strategies being executed thus far, with the aim of discussing capital allocation policies along with deliberating long-term direction of relevant endeavors.

4. Corporate Group Verification WG

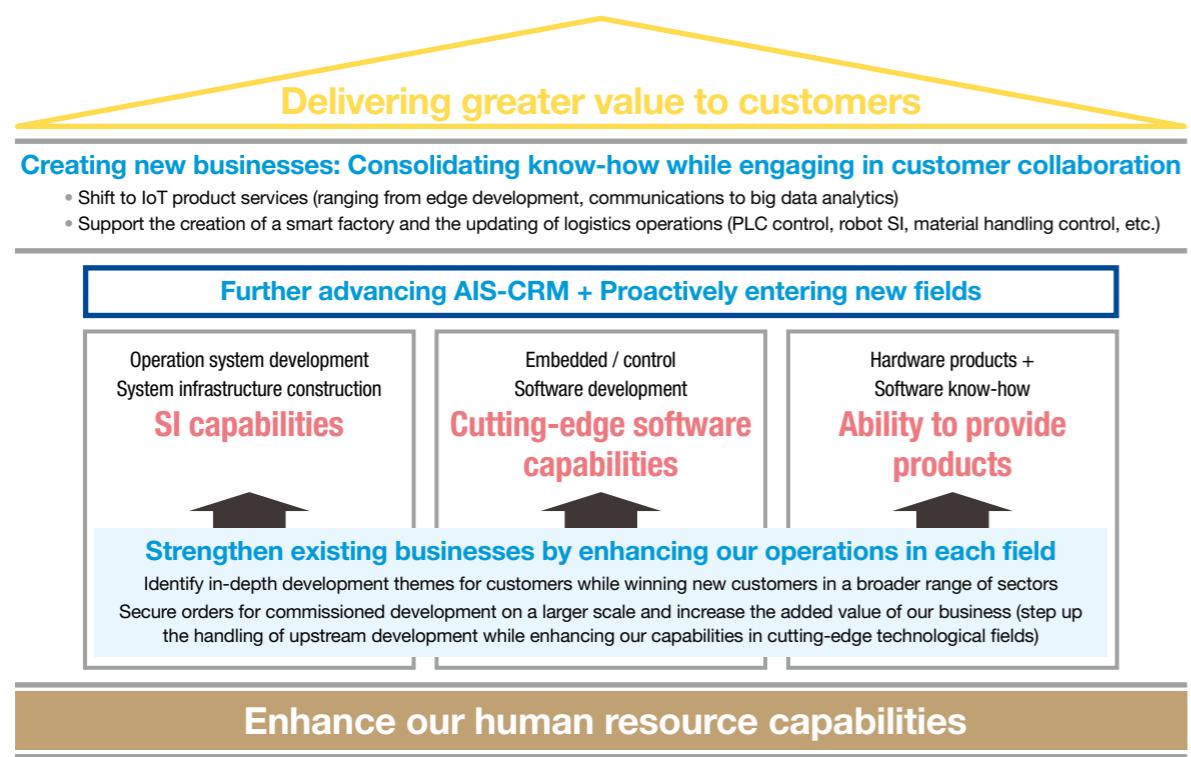
This WG is tasked with the fresh verification of rationale for subsidiaries' listing on the stock exchange, thereby deliberating the future policies for such listings.

5. Real Estate Verification WG

This WG provides the fresh verification of rationale for the FUJI SOFT Group's holdings of real estate properties from a perspective of capital efficiency and, if necessary, reviews the portfolio of such holdings.

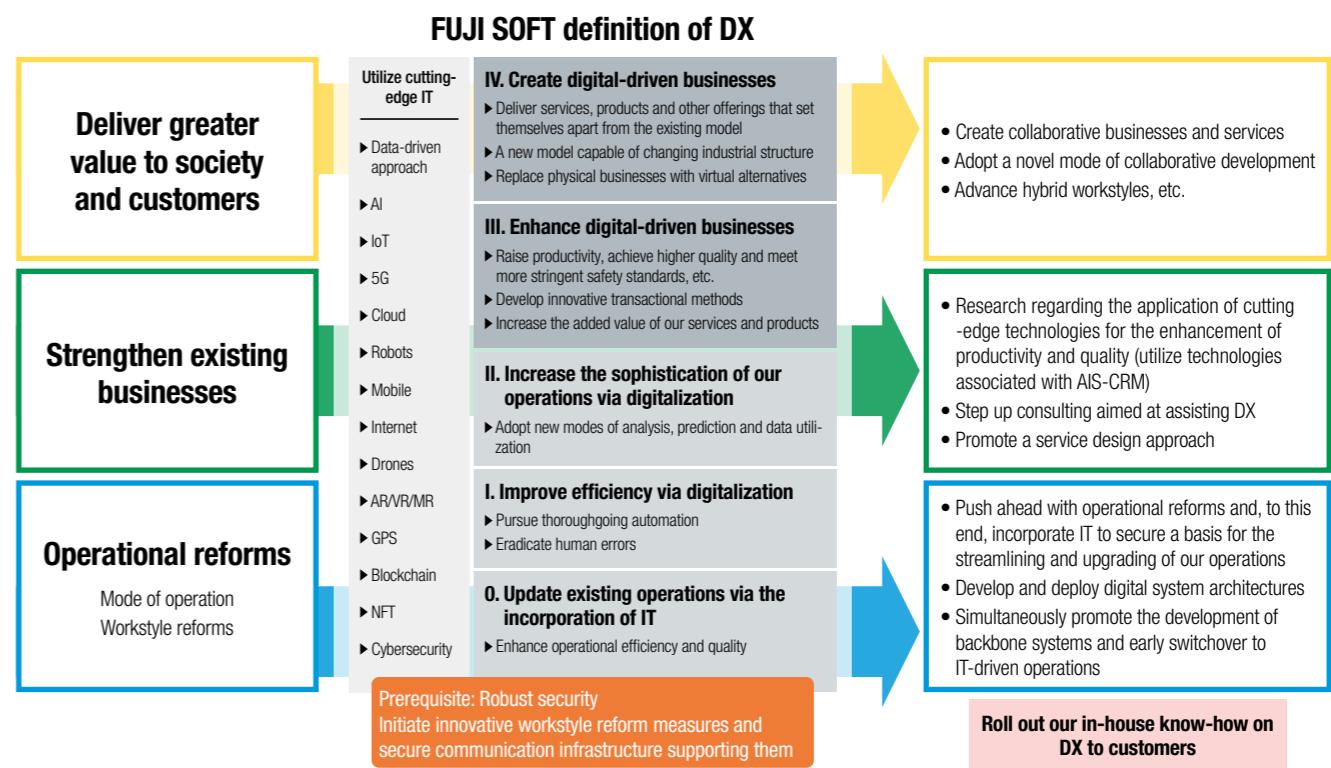
Strengthening our capabilities in the field of commissioned development

By enhancing our human resource capabilities, we strengthen our operations in each field as we increase our enterprise value by bolstering the Group's competitiveness in strategic technology fields and creating new businesses.



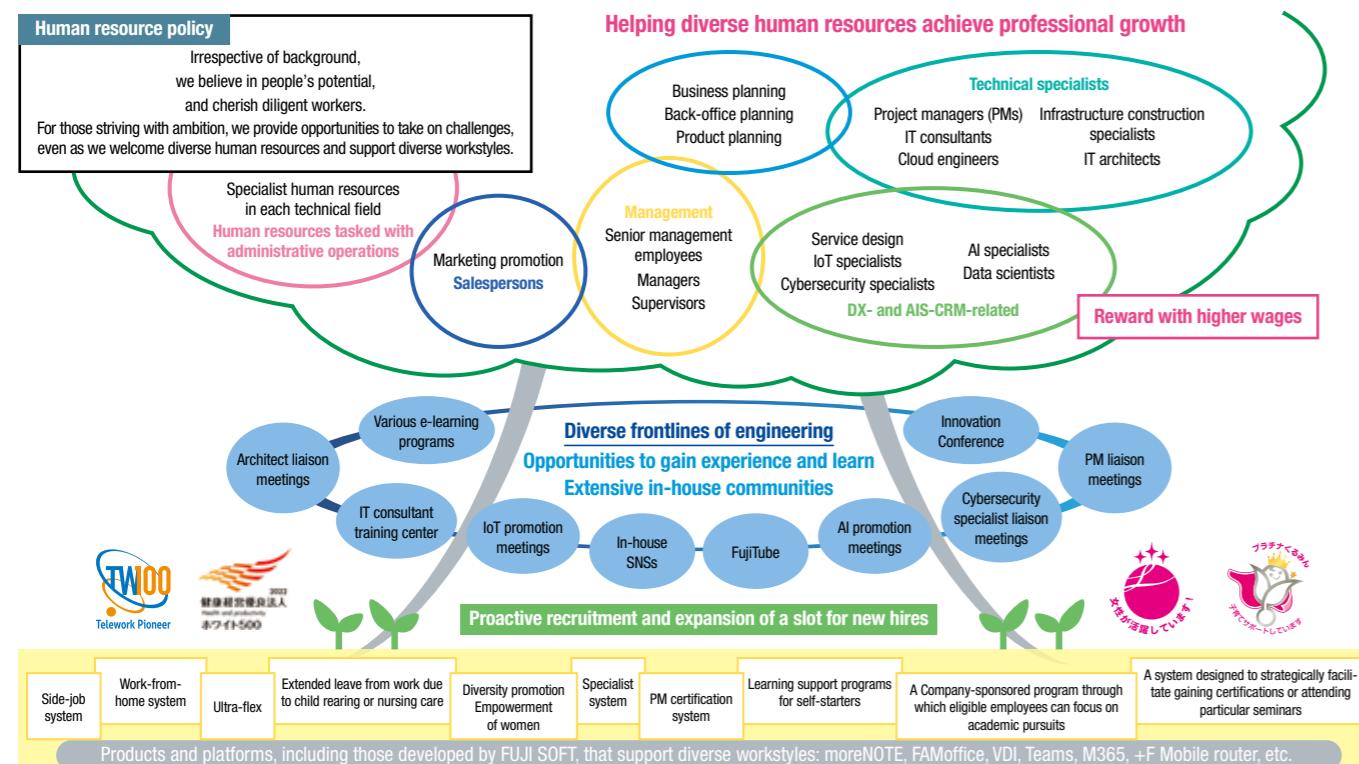
Push ahead with operational reforms and digital transformation (DX)

Tirelessly pursue operational reforms while decisively promoting the DX of our own operations



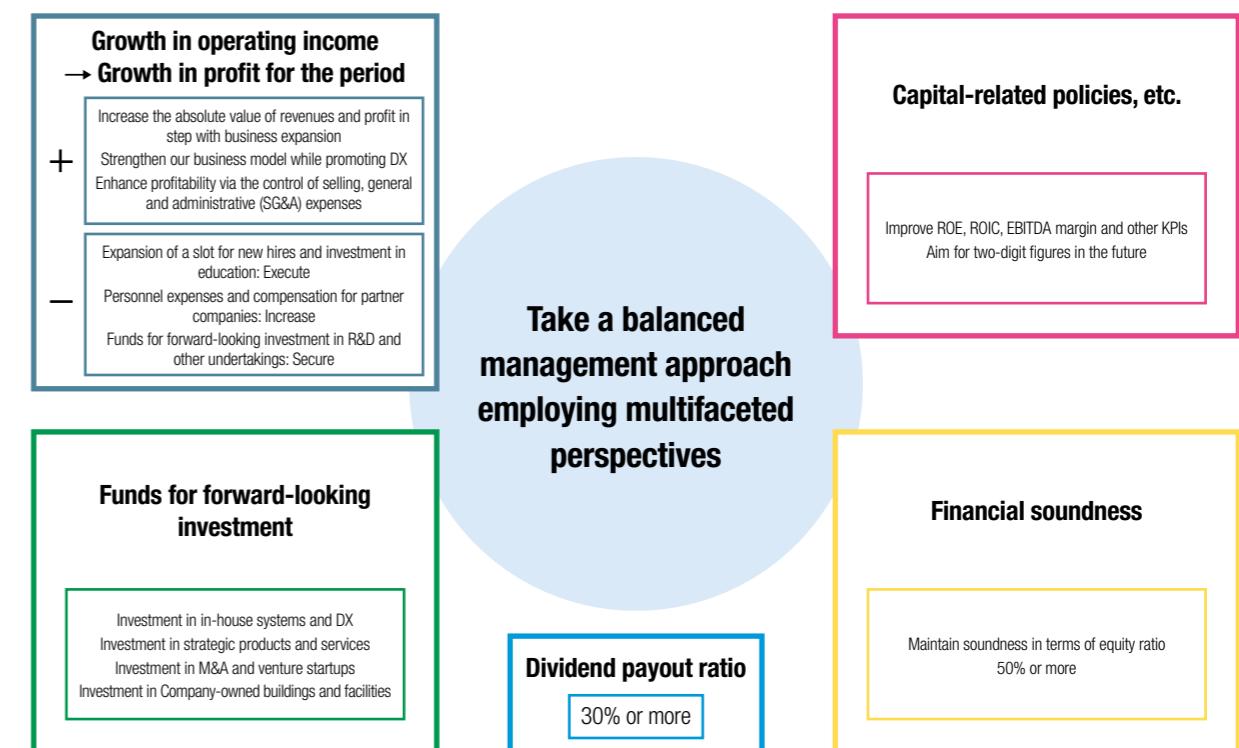
Human resource strategy

Guided by a corporate credo of “Challenge & Creation,” we aim to achieve sustainable growth as well as improvement in corporate value. To that end, we have established a human resource policy underpinned by a belief that “the success of a corporation hinges on its people.” By doing so, we help diverse human resources achieve professional growth.



Financial policy

While striving to secure ongoing growth in net sales, we are navigating toward accomplishing our financial and management targets in a way that strikes a balance between securing robust equity capital, setting aside funds for investment and achieving profitability.



Initiatives to address ESG issues

E Initiatives to reduce environmental burden

In August 1998, FUJI SOFT became the first independent software company in Japan to acquire certification under the ISO14001, an international standard for environmental preservation activities. Having positioned environmental preservation as an important management issue, we have also striven to play our part in the reduction of environmental burden in line with our environmental policy of "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."

Initiatives to introduce renewable energy and achieve decarbonization

Currently, approximately 90% of the greenhouse gas (GHG) emissions from FUJI SOFT business operations are attributable to the use of electric power. To reduce the volume of these GHG emissions, our Akihabara Office introduced energy procured from renewable energy sources in November 2021. This move enabled a considerable reduction, with our GHG emissions decreasing by approximately 2,300t-CO₂ during fiscal 2021. In the same fiscal year, the ratio of business bases that procure energy from renewable energy sources to the overall number of business bases reached approximately 10%. As a result, we were able to curb our GHG emissions by approximately 70% from our fiscal 2013 results (21,118t-CO₂), which represent the largest emission volume since fiscal 2010.

Going forward, we will strive for decarbonization across society while playing our role in collective efforts to realize Japan's national target of "reducing GHG emissions 46% by 2030 from the 2013 level and fully achieving carbon neutrality by 2050."



Akihabara Office

E&S Initiatives undertaken via our product business

"FAMoffice" is a virtual office space designed to provide users with a shared experience of working together, including casually addressing coworkers, seeking counsel from them and just chatting. Although teleworking has become widespread as a countermeasure against the COVID-19 pandemic, this workstyle has also proven beneficial in terms of reducing costs, better striking a work-life balance and other aspects. A Cabinet Office survey ("Survey on Changes in Citizens' Awareness and Behavior under the Influence of the COVID-19 pandemic") published on July 22, 2022 revealed that teleworking is now incorporated by 30.6% of workplaces nationwide, suggesting that a growing range of businesses now consider it a standard mode of working. On the other hand, issues identified by survey respondents in connection with teleworking included "difficulties in casually seeking counsel from or delivering reports to coworkers." Responses suggesting the presence of this issue accounted for 34.5%, the largest proportion, of the overall number of responses pointing out any negative aspects of teleworking. As such, teleworking is often considered to lead to the loss of communications. This could, in turn, result in a decline in productivity as well as a growing sense of isolation and other types of mental stress. There are also suggestions that teleworking erodes employee feelings of belonging and organizational pride.

A new remote workstyle designed to nurture connections and a sense of unity among employees

Virtual office space "FAMoffice"

To help address problems discussed above, we commercialized "FAMoffice" in June 2021, with an eye to introducing an innovative workstyle option compatible with teleworking and other new norms in the post-pandemic period. "FAMoffice" arose from an in-house tool that has been used by FUJI SOFT since July 2020 to resolve communication issues. "FAMoffice" not only enables users to "show up" at the virtually reproduced office space in the form of avatars, but also provides them with platforms and systems designed to make it easier for each to visualize the overall status of coworkers and casually engage in workplace communications. Once logged in via a browser, the user's avatar can be seen showing up at the virtual office, giving a sense of unity akin to that usually felt by businesspeople when working side by side with coworkers occupying nearby desks. Since the user's situation is always indicated by the avatar, other users can address him/her when it is most convenient. Furthermore, a web-based meeting is immediately launched by bringing one avatar into contact with another. Thus, users are positioned to casually initiate discussion or chat among themselves.

In Japan, worker shortages attributable to the lower birthrate and graying population have been an ongoing problem confronting the nation's workforce. Along with stagnant labor productivity, the above problem has become a subject of growing social concern in recent years. Amid changes in social structure, businesses are also being called upon to execute major reforms of conventional employment systems. Against this backdrop, developing and providing a diverse range of workstyle options is not only considered instrumental to preventing the defection of human resources in need of more time for child rearing and nursing care, but also deemed to contribute to the development of long-term careers and the enhancement of productivity. This is why FUJI SOFT has proposed a novel workstyle in which people get together at a virtual office space irrespective of their physical locations. We also believe that the fundamental mode of business creation, which requires interaction among people who bring to bear new ideas, will remain unchanged even when the norm of workstyles evolves. With a development concept of "a virtual office enabling people to get together, connect with each other and expand their circle," "FAMoffice" will thus help remote workers develop connections and foster a sense of unity among them, setting a stage for new encounters and the creation of ideas. Looking ahead, FUJI SOFT will proactively take on the resolution of issues society is now confronting by leveraging the power of ICT.



E&G Our 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 friendlier 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 their earthquake resistance while securing on-premises living infrastructure, introducing natural ventilation and contactless entrance systems, and otherwise promoting initiatives to protect the invaluable lives of employees and their assets from natural disasters and pandemics.

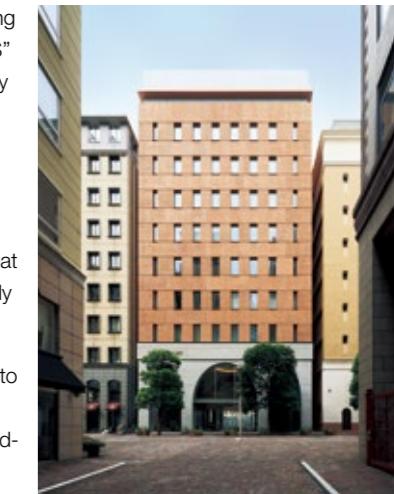
Initiatives now undertaken in the course of the construction of the Shiodome Office

Note: Wing B of the Shiodome Office was opened in April 2022 and named the Shiodome ANNEX Office, while the adjoining Wing A is scheduled for completion in 2023.

Facilities giving due consideration to environmental and community concerns

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

- With construction plans focused on securing superior energy-saving performance, we have adopted a construction design that gives due consideration to the landscapes of surrounding streets. To preserve regional biodiversity, greenery to be placed on above-ground building components will consist only of indigenous species. Moreover, the building rooftop will be covered with greenery to help mitigate the heat island phenomenon. As such, our construction project is strongly oriented to 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 which will, in turn, be used in combination with recycled water from local sewage treatment facilities to flush toilets. The above facilities are thus expected to minimize the volume of the building's tap water consumption and contribute to the preservation of regional water resources.
- Furthermore, we strive to reduce 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, our plans call for installing desiccant air conditioning systems backed by solar thermal collector panels and natural ventilation systems with automatic control functions.



Shiodome Office

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

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

S&G

Initiatives to support robust security measures

Globally, a growing range of businesses and individuals are being victimized by cyberattacks, as attackers now adopt ever more complex and sophisticated modes of operation. These attacks often transcend national borders, taking aim at diverse targets, amid such radical social change as the Ukraine situation and worldwide inflation. Against this backdrop, a number of businesses fear they are no longer fully capable of preventing the newest threats even though they have robust security measures in place to fend off conventional cyberattacks. With the increasing sophistication of attacker methods, corporations are thus facing the urgent need to upgrade their cybersecurity measures on a daily basis. Furthermore, once an attacker succeeds in penetration, the victimized business could suffer such consequences as having competitive secrets stolen, losing accessibility to data due to malicious encryption or facing demands for ransom payments from attackers in exchange for decryption. This may, in turn, jeopardize the continuity of the business itself. Accordingly, preventing cyberattacks from occurring is essential.

Cybersecurity measures

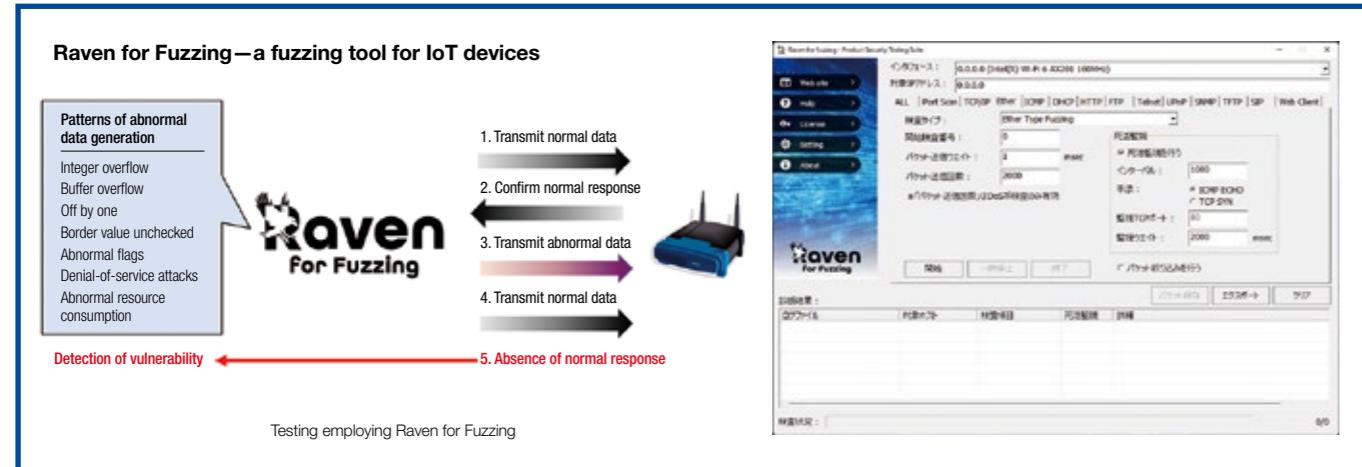
Aiming to help businesses prevent or mitigate damage arising from cyberattacks, FUJI SOFT offers robust sets of cybersecurity measures. These measures are, of course, also implemented by FUJI SOFT itself to guard against security threats. We leverage insight and know-how obtained via this implementation to offer even better security measures to our corporate customers.

In addition, introducing robust security measures and bringing an up-to-date security perspective into system development now constitutes an integral part of development projects commissioned by our customers. Accordingly, we have formulated our own rules for system development and operation to be enforced in the course of such projects so that our customers can rest assured about the security of their systems.

Strengthening security measures for IoT devices

The recent edition of the *Information Communication Whitepaper*, published by the Ministry of Internal Affairs and Communications, states that cyberattacks targeting IoT devices accounted for around half (48.8%) of cyberattack-related traffic detected in 2019. In step with the popularization of IoT, such devices are being deployed in increasing numbers. Due to excessive focus on ensuring smooth device operation or achieving higher performance, however, many of these devices are suspected of lacking sufficiently robust security measures. This makes IoT devices vulnerable targets for attackers. Device manufacturers or IoT service providers often conduct preliminary testing of IoT device security measures that involves mock cyberattacks employing actual attacker methods against the devices. These tests are considered effective and often employ “fuzzing,” which FUJI SOFT supports with “Raven for Fuzzing.”

Fuzzing involves the automatic generation of “fuzz,” a collective term for packets including various abnormalities, such as errors. With this fuzz being fed via programming, a variety of error-ridden command patterns are executed to identify factors leading to device malfunction. Vulnerability scans are a generally accepted method for determining the presence of countermeasures against known vulnerabilities, but the fuzzing test provides a better method for identifying unknown vulnerabilities through the identification of previously unknown types of errors, which are hard to predict.



A large proportion of security products marketed by other companies are made overseas. In contrast, Raven for Fuzzing is purely made in Japan, enabling our users to enjoy high operability, smooth customer support and outstanding reliability—hallmarks of “made in Japan.” Along with providing Raven for Fuzzing, FUJI SOFT can conduct fuzzing tests on behalf of customers. Thus, we also mitigate burden placed on IoT device manufacturers and distributors, playing yet another role in the strengthening of security measures.

Initiatives to ensure the secure development and operation of systems

FUJI SOFT has established “Rules for Secure Development and Operation” to enforce necessary security measures in all processes of system development, ranging from upstream to downstream, with the aim of ensuring safe and secure development and operation of systems. We also strive to nurture core human resources specializing in this field. As of October 1, 2022, a total of 203 employees are certified as Registered Information Security Specialists under a government-approved certification system.

Providing security operation center (SOC) services

SOC services are typically employed by companies as security measures where experts conduct continuous monitoring of perimeter and terminal defenses while analyzing alerts from these defense systems so that users receive real time reporting on potential threats. Features of FUJI SOFT SOC services include enhanced cyberattack detection. This added sensitivity is made possible via the use of network monitoring, AI-driven analysis and other new technologies that, in turn, enable FUJI SOFT to identify novel types of attacks that might be left unchecked by conventional security measures, including perimeter and terminal defense, amid the ongoing diversification of attacker modes of operations. Moreover, our services are compatible with a broad range of security tool configurations. For example, tools subject to monitoring can include those from multiple manufacturers. In this way, our SOC services are capable of empowering our customers to upgrade their security measures without replacing their existing defense systems.

In 2020, FUJI SOFT was chosen through a public posting by the Information-technology Promotion Agency, Japan (IPA) as a participant in the IPA-sponsored “SME Cybersecurity Measure Assistance Structure Development Project.” Specifically, under this project, our SOC-based proposal became a subject of verification testing through which we have helped SMEs in Iwate Prefecture visualize the real status of cyberattacks they are facing while conducting SOC-based security assistance services that take a locally rooted approach. Based on findings from this verification regarding SMEs’ security status and their needs for security measures, we launched “Office SOC / Home SOC,” a new line of SOC services. In December 2021, “Office SOC / Home SOC” was certified as an IPA-approved cybersecurity assistance service.*1

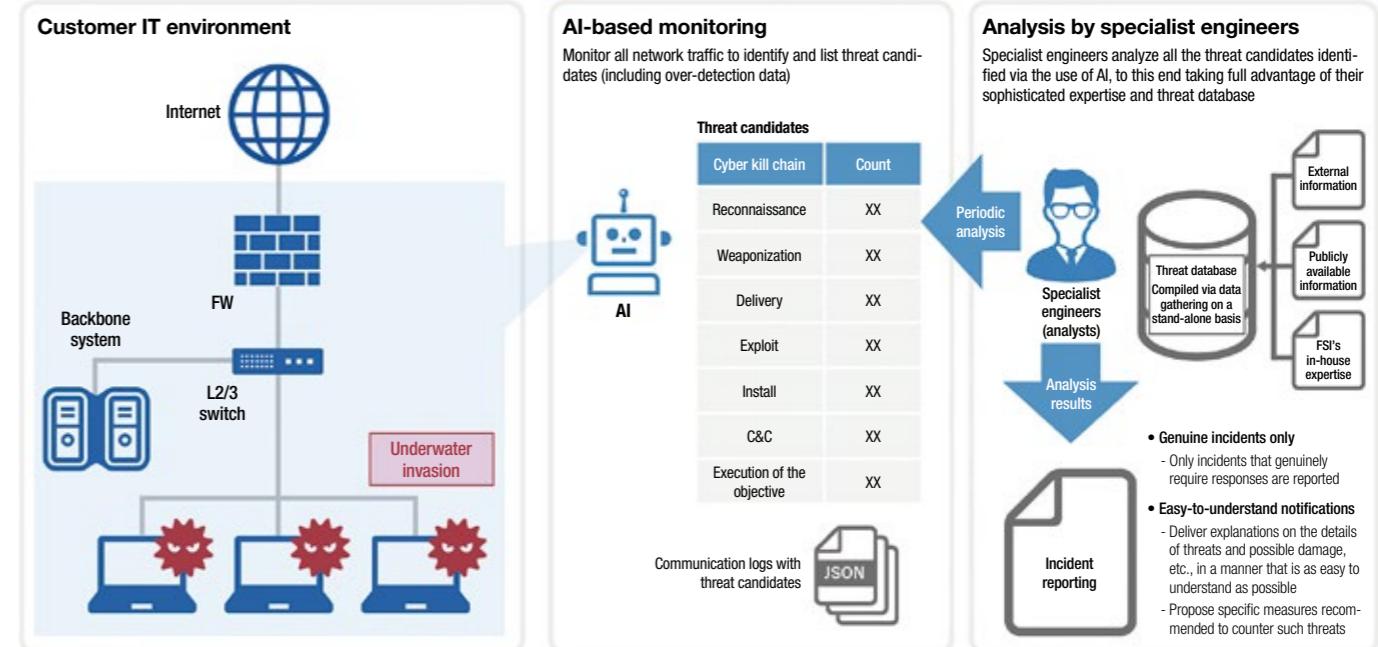
With the aim of better assisting companies in their assessments of what security measures they really need, we also developed an online free-of-charge security diagnosis service*2 available via our corporate website. Drawing on insights gleaned in the course of the above project, this service quickly furnishes security status diagnosis to users once they fill out questionnaires.

*1 Reference: Our December 23, 2021 news release titled “A Solution Supporting Computer Safety and Security for the Teleworking Era: FUJI SOFT Office SOC / Home SOC to Be Certified as an IPA-Approved Cybersecurity Assistance Service” (Japanese only)

*2 Reference: Our October 26, 2021 news release titled “FUJI SOFT Launches a Web-Based Free-of-Charge Security Diagnosis Service Designed to Help SMEs Assess the Status of Their Security Measures” (Japanese only)



Scope of SOC service implementation



E&G Initiatives to promote workstyle reforms

FUJI SOFT believes that “the success of a corporation hinges on its people.” Based on this belief, we have maintained a unique human resource policies*1 while developing a framework for recruiting diverse people, empowering their success and promoting them to positions commensurate with their roles and responsibilities. Through these endeavors, we strive to create a workplace environment that gives due consideration to differing employee needs arising from individual lifestyles.

*1 Please also refer to page 31 for the details of our human resource management policies.

Developing an inclusive environment in which employees can work with confidence

In the past few years, a growing number of businesspeople have chosen to incorporate remote workstyles due to concerns about the spread of COVID-19, with hybrid workstyles, which combine working at physical offices and working from home, becoming widespread. FUJI SOFT has been at the vanguard of utilizing virtual workstyles while aiming to provide businesses everywhere with a workplace environment that allows employees to essentially operate in ways they have been accustomed with since the pre-pandemic era. This is why we developed “FAMoffice.”

“FAMoffice” utilized by FUJI SOFT employees

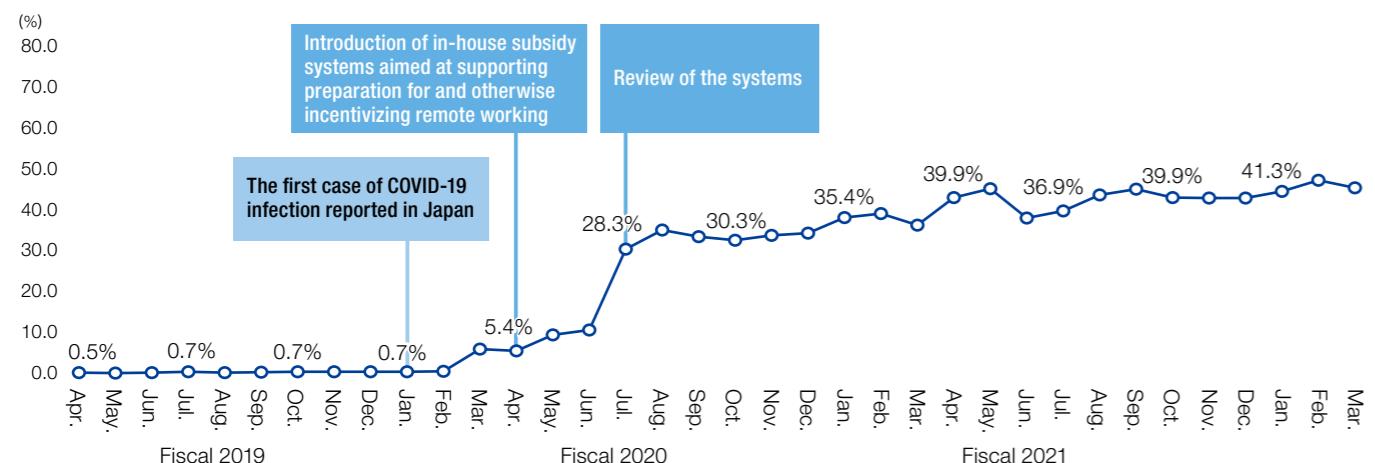
FUJI SOFT has resolved communication-related issues arising from remote working via the use of “FAMoffice.” This resulted in a rise in the ratio of FUJI SOFT employees who opt to work from home, and the ratio has remained high.

Meanwhile, the monthly ratio of FUJI SOFT employees who have opted to work entirely or mainly from home stood at 35% or higher during fiscal 2021, with an annual average of 40.2%. From January 2022 onward, this ratio has constantly surpassed 40%.

Note: Employees who work entirely from home include those commuting to the office one day or two per month. Employees who work mainly from home include those commuting to the office one day or two per week, but no more than six days per month.



Ratio of employees who have opted to work entirely or mainly from home



Going forward, we will encourage our employees to work from home on an ongoing basis while pursuing the creation of diverse workstyle options.

Under the banner of “FUJI SOFT workstyle optimization,” we will thus advocate for optimizing workstyles in step with ever-changing social conditions.

S Initiatives to ensure employment for people with disabilities

FUJI SOFT has been proactively employing people with disabilities through FUJI SOFT KUKAKU Inc., a special-purpose subsidiary.

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 stable working conditions to them. 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 since first receiving special certification.

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

Please also refer to page 30 for details on the diverse human resources who constitute our active workforce, including people with disabilities.

S Creating a workplace that empowers women

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

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

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

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

Chosen by the METI as an excellent listed company in terms of the empowerment of women, FUJI SOFT now bears the “Semi-Nadeshiko” brand.

On March 22, 2022, we were chosen by the Ministry of Economy, Trade and Industry (METI) to bear the “Semi-Nadeshiko” brand under the Nadeshiko stock labeling system sponsored by the METI in recognition of our robust track record, as a listed company, in empowering women. In fiscal 2021, only two IT companies were chosen to bear the “Semi-Nadeshiko” brand while only five were chosen as “Nadeshiko.”

FUJI SOFT included in the list of winners under the Forbes JAPAN WOMEN AWARD 2022 program

In October 2022, we were ranked ninth in the ranking of corporations with more than 1,000 employees under the sixth Forbes JAPAN WOMEN AWARD 2022 program.

The largest of its kind in Japan, this award program has been co-sponsored since 2016 by LiB, Inc. and Forbes Japan, a global business magazine, with the aim of commanding both business corporations that empower female workers to pursue leadership or other professional success as well as women who strive to blaze their career trails even as they express their personal uniqueness.

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

FUJI SOFT INCORPORATED Action Plan		
(As of March 2022)		
In accordance with the Act on the Promotion of Women's Active Engagement in Professional Life, we hereby present our action plan as outlined below even as we pursue the recruitment of diverse human resources and the adoption of diverse workstyles.		
Plan period April 1, 2021 to March 31, 2024 (three years)		
Issues	Category 1	Spread a positive employee perception about becoming a manager (make manager a coveted position)
	Category 2	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)
While striving to resolve the issues listed below, we hereby present our targets and initiatives in the following two categories as defined by the law.		
	Category 1: Provision of occupational opportunities for female workers	
	Category 2: Development of an employment environment supportive of striking a balance between work life and family life	
Targets	Category 1: Raise the ratio of women in leadership positions (supervisory or higher positions) to 15%	
	Category 2: Maintain the ratio of employees who mainly work from home at 30% or more (maintain a status in which employees can flexibly utilize the work-from-home system based on their differing lifestyle needs)	
Initiatives	Category 1	Spread a positive employee perception about becoming a manager
	Category 1	Develop a supportive environment for employees who opt to take extended leave for child rearing while nurturing managers who advocate for taking such leave
	Category 2	Encourage the proactive use of the Company's reinstatement support website
	Category 2	Develop an environment for those working from home
	Category 2	Facilitate a better work-life balance
Hold roundtable events that feature female employees who either have experience in child rearing while working or are otherwise capable of serving as career models for women while distributing newsletters and other in-house publications to communicate real-life examples of women's empowerment		
	Category 1	Along with spreading a positive employee perception about becoming a manager, we will provide managers with training, etc., to help each raise their awareness and become a “supportive boss” for employees engaged in child rearing. In this way, we will enhance the workplace understanding of women's empowerment.
	Category 2	We will provide those on extended leave with information and otherwise communicate with them so that they do not have to feel isolated from their workplaces even as we enhance the content of technical education programs available them. We will thus strengthen reinstatement support.
	Category 2	As part of efforts to help employees strike a balance between work and child rearing or nursing care, we will develop a better environment for employees working from home and thereby keep the ratio of such employees at a certain level or, where possible, increase this ratio.
	Category 2	We will maintain an in-house commendation program designed to draw attention to worker-friendly departments while considering the development of an environment that is more supportive of taking annual paid leave, with the aim of facilitating a better work-life balance.

Number of women among directors and auditors

(As of March 2022)

	Directors	Auditors
Total (male and female)	9 persons	6 persons
Female	2 persons	1 persons



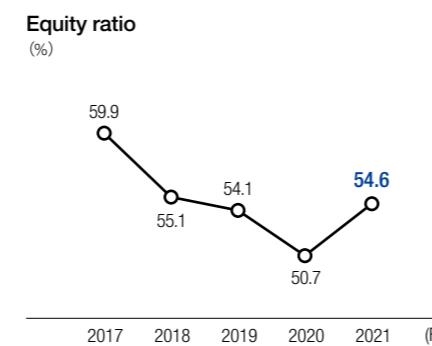
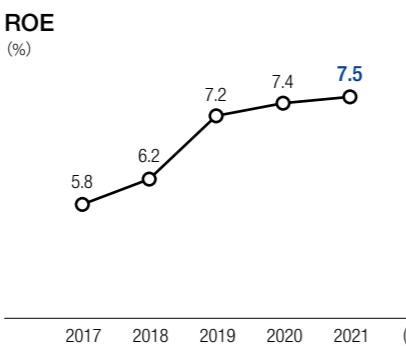
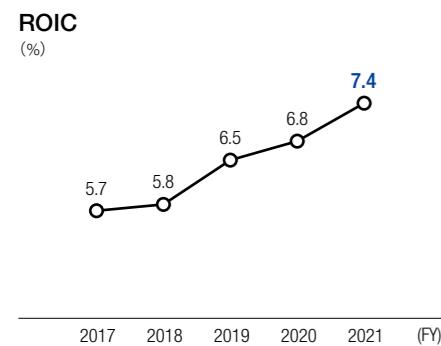
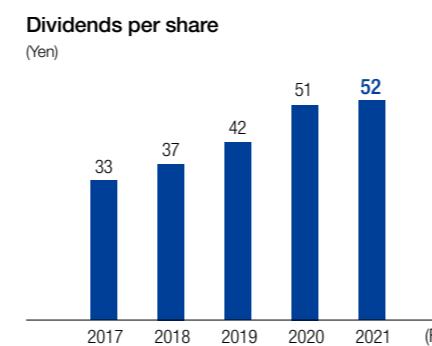
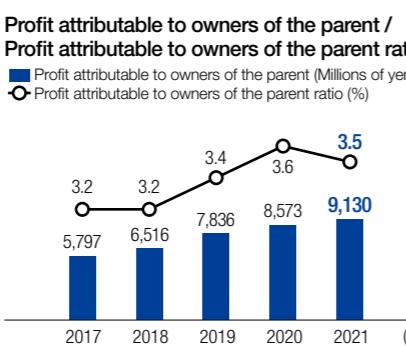
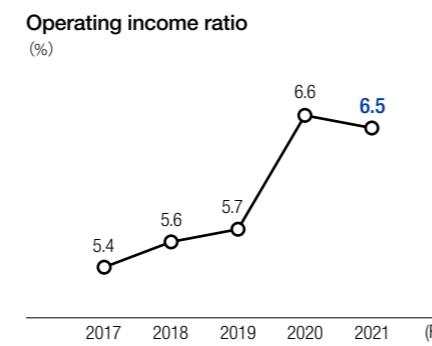
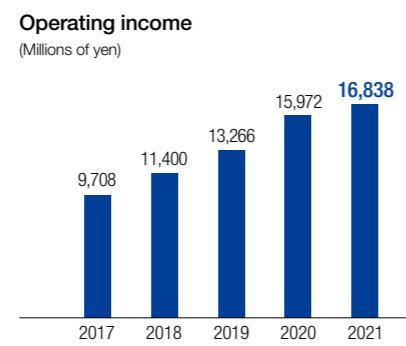
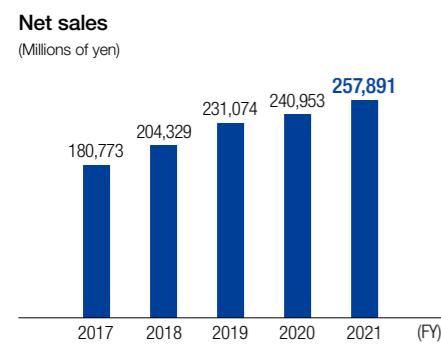
Financial Information, Data and Analysis

Financial highlights of the FUJI SOFT Group

In 2021, the Japanese economy was affected by a variety of factors, including the COVID-19 pandemic, semiconductor shortages, and supply chain problems at home and abroad. With these factors together making the external environment volatile, the negative impact across the industrial sector has been diverse and affected many. However, although the business environment still remains unclear, the growing trend toward ICT investment has continued due to the pressing need to promote workstyle reforms with an eye to better adapting to the post-pandemic new norms as well as the urgent call for digital transformation (DX) aimed at achieving business model reforms through productivity improvement and operational streamlining.

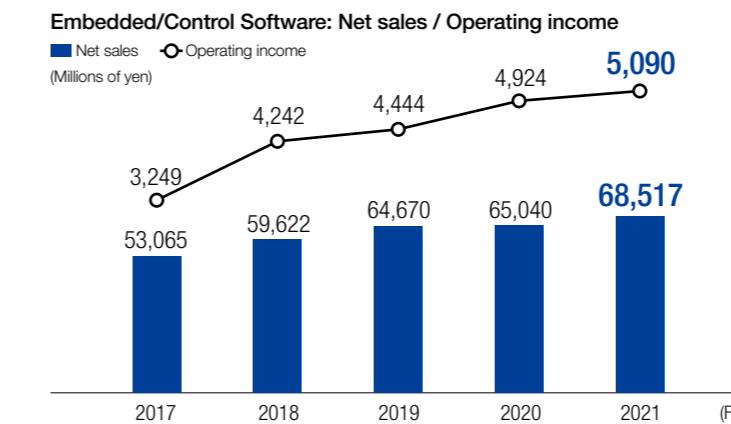
With these strong demand described above, the FUJI SOFT Group's full-year operating results for fiscal 2021 were robust. Specifically, net sales stood at ¥257,891 million, up 7.0% from the previous fiscal year. Thus, the Group achieved growth in net sales for the 10th consecutive year since fiscal 2011, when sales were down from the prior year due to the impact of global recession triggered by the Lehman Brothers bankruptcy. In addition, operating income increased in step with sales growth. Going forward, we will practice an even more precise approach to project management while stepping up customer proposals focused on delivering high-value-added services. In these ways, we will endeavor to further improve profitability.

The FUJI SOFT Group also intends to proactively undertake the investment necessary to achieve business expansion and pursue improvement in corporate value. For example, we will invest in human resource recruitment and training aimed at securing highly skilled individuals. Staying conscious of the need to balance executing investment and securing capital, the Group has striven to improve capital efficiency. As a result, we have succeeded in getting ROIC, ROE and other indicators for management efficiency on an improvement track. However, we will aim for even higher targets in this area. To this end, we have made improving these indicators a priority issue that we will tackle over the medium to long term.



Fiscal 2021: Business status of main segments

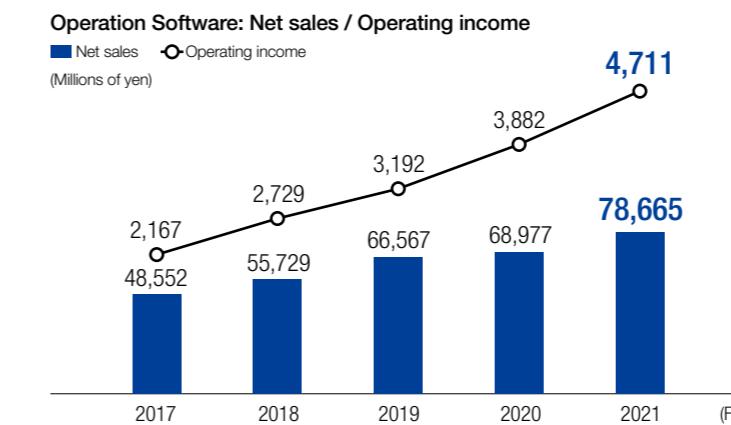
Embedded/Control Software



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 2021, business sentiment toward capital investment recovered from the restrained approach prevailing under the influence of the COVID-19 pandemic. Moreover, with rising customer needs emerging with the deployment of the 5th generation mobile communications system (5G), the Group's net sales and operating income in this segment remained robust.

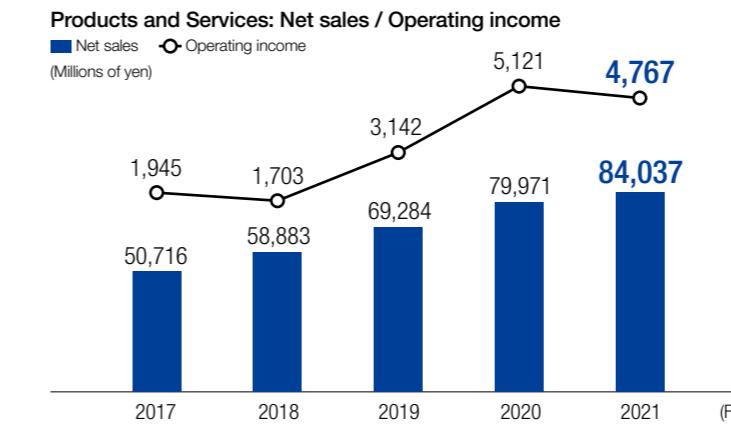
Operation Software



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 EC websites and the construction of system infrastructure for them.

In fiscal 2021, the Group was backed by robust demand associated with DX and workstyle reforms. This, in turn, led to a growing number of system development and infrastructure construction projects for financial institutions and logistics operators as well as projects requested by public agencies. Consequently, the Group enjoyed solid performance in terms of segment sales and operating income.

Products and Services



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 2021, the Group secured a large volume of PC sales in connection with the GIGA School Program promoted by the Ministry of Education, Culture, Sports, Science and Technology. Reflecting these and other positive factors, net sales were strong.

On the other hand, operating income decreased due mainly to the leveling off of sales for high-profitability FUJI SOFT products (e.g., Wi-Fi routers), which sold firmly in fiscal 2020.

Non-Financial Information and Data

Non-financial information related to human resources

Category	Item	2019	2020	2021	
Human resource-related	Status of employment	Total headcount*1	7,840	8,163	8,508
		Male	6,301	6,536	6,750
		Female	1,539	1,627	1,758
		Number of new graduates who joined the workforce	848	641	677
		Male	674	487	477
	Number of new hires	Female	174	154	200
		Number of mid-career hires	393	215	227
		Male	308	162	181
		Female	85	53	46
		Average length of service*1	Male: 9.9 years Female: 8.1 years	10.1 years 8.3 years	10.3 years 8.4 years
Diversity	Job turnover ratio (number resigning)	7.8% (624)	5.7% (476)	6.8% (590)	
	Job turnover ratio after three years of joining the workforce as new graduates	29.4%	24.4%	21.1%	
	Ratio (number) of people with disabilities	2.6% (241)	2.5% (245)	2.5% (253)	
	Ratio (number) of female managers: Target: 8.5%*2	Current status: 6.9% (41)	7.9% (46)	8.6% (55)	
	Ratio (number) of women in supervisory positions: Target: 15.0%*2	Current status: 12.3% (432)	13.2% (485)	13.9% (538)	
	Number of individuals reemployed after reaching retirement age	40	52	65	
	Number of foreign national employees*1	253	254	243	
	Monthly average of overtime hours	23 hours 26 minutes	23 hours 15 minutes	23 hours 13 minutes	
	Ratio of employees working from home*3	1.1%	26.2%	40.2%	
	Ratio of annual paid leave utilized	71.8%	67.5%	69.8%	
Work-life balance	Employee satisfaction ratio	80.3%	83.6%	83.4%	
	Extended leave from work due to child rearing	Number of employees who opted for extended leave from work due to child rearing	175	170	171
		Ratio of the above employees to the total number of eligible employees	Male: 73.9% Female: 98.2%	65.4% 100.0%	69.1% 96.6%
		Ratio of employees reinstated after extended leave from work	98.8%	97.0%	98.9%
		Average length of the extended leave period	177 days/person	173 days/person	194 days/person
	Number of employees who took special leave (cumulative total)	Nursing care leave	20	18	27
		Maternity leave	16	22	29
		Leave granted to individuals whose spouse gave birth	138	127	143
		Leave for taking care of sick child	98	39	78

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

*2 Figures are as of March 31 of each year.

*3 Based on the sum of employees who work entirely from home, including those commuting to the office one day or two per month, and employees who work mainly from home, including those commuting to the office one day or two per week.

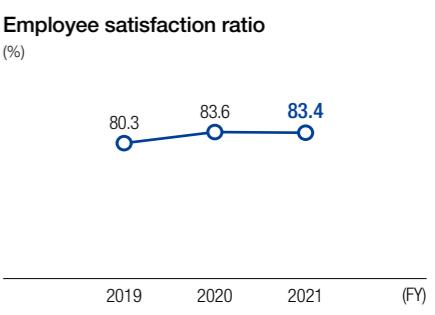
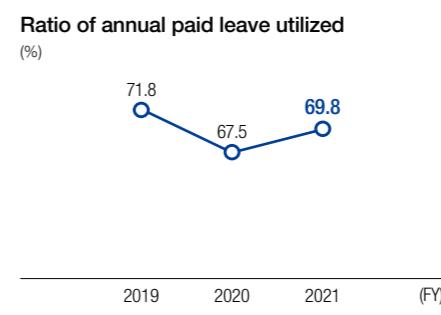
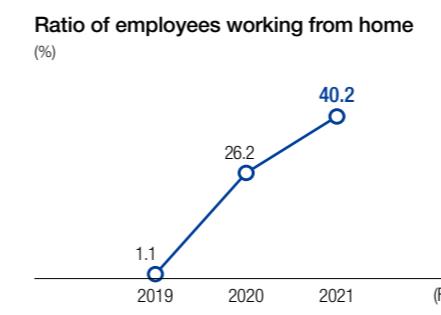
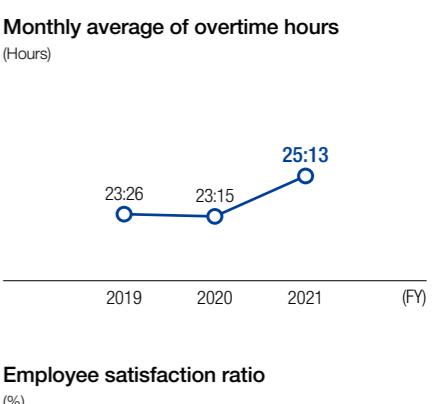
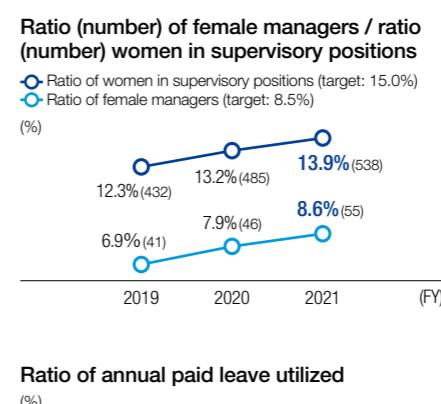
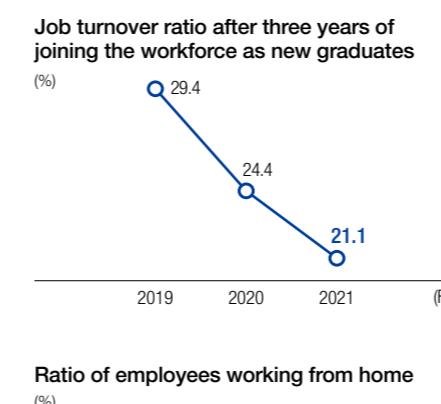
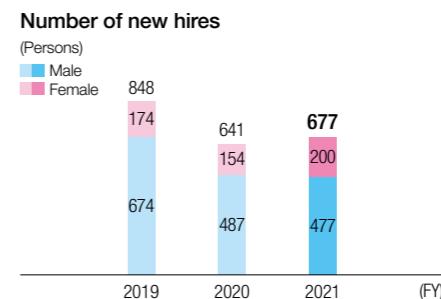
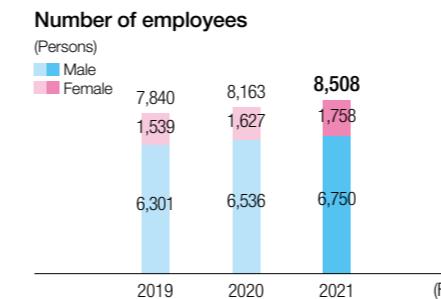
Non-financial information related to the environment

Category	Item	2019	2020	2021
	Total energy consumption	30,268,000kWh	29,534,000kWh	36,322,000kWh
	Ratio of renewable energy to total energy consumption	0	0	7.2%
Environment related	DC energy consumption	16,067,000kWh	15,892,000kWh	15,693,000kWh
	Ratio of DC energy consumption to total energy consumption	53.1%	53.8%	43.2%
	Ratio of renewable energy consumption at DCs	0	0	8.7%
	Volume of heat energy consumption (GJ)	12,116GJ	12,317GJ	12,381GJ
	Volume of CO ₂ emissions (t-CO ₂)	15,759t-CO ₂	15,512t-CO ₂	14,878t-CO ₂

Note: Volume of CO₂ emissions comprises Scope 1 + 2. Figures for 2020 and preceding years consist only of emissions from Company-owned buildings, while figures for 2021 and later include emissions from all office facilities used by FUJI SOFT.

Non-financial information related to governance

Category	Item	2019	2020	2021	
Governance related	Board of Directors	Number of meetings held	17	17	17
		All directors	100%	100%	100%
		Outside directors	100%	100%	100%
		All auditors	97%	96%	99%
		Outside auditors	96%	94%	97%
	Board of Auditors	Number of meetings held	18	18	18
		All auditors	96%	96%	99%
		Outside auditors	93%	94%	97%



Pickup (employee satisfaction ratio)

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, identify issues to be addressed and there-by plan and implement measures aimed at making improvement. Through this cycle, we are constantly striving to improve our workplace environment.

The most recent round of surveys was conducted in February 2021 and revealed that employee satisfaction is at a high level on par with the previous fiscal year (response ratio: 97.9%).

Employee satisfaction ranking

Ranking	Surveyed items	Satisfaction ratio
1	Working systems (flex and other diverse workstyle options)	97%
2	Management policy	92%
3	An inclusive environment supportive of diverse employees irrespective of gender, age, etc.	91%
4	Internal accessibility to corporate information	90%
5	Systems designed to support those working from home	89%
6	Disclosure of department policies	88%
7	Interpersonal relationships at workplaces (vis-à-vis supervisors, staff and colleagues)	87%
8	Fairness and impartiality in performance evaluation and bonus assessments	86%
9	Employee education and training	86%
10	Smoothness of annual paid leave utilization	84%
11	Employee welfare programs	83%
12	Human resource management systems	83%
13	In-house infrastructure	83%
14	Length of commuting hours	82%
15	Devices furnished to employees	82%
16	Building equipment, facilities and office environment	81%
17	Length of working hours	80%
18	Whether to find your job rewarding or feel a sense of job fulfillment	77%
19	Wages (monthly salary and bonus)	74%
20	In-house systems for specific operations*	73%
21	Robustness of systems for use by all employees	64%

* These refer to systems that can be used only by salespersons, managers and others in specific ranks or job categories.



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

The Robot-Sumo Tournament originated in the mind of Hiroshi Nozawa, founder of FUJI SOFT. Based on his aspiration to encourage future leaders of the manufacturing sector to develop their own dreams, the tournament helps young people experience the fun of skilled craftsmanship. Today, this tournament is highly regarded by universities and other educational institutions in more than 30 countries around the world as an event providing young people with prime opportunities to engage in robotics studies. Over the years, more than 80,000 people have taken part globally. Due to the impact of the COVID-19 pandemic in the past few years, however, the two most recent annual tournaments were cancelled.

Given the current circumstances, which suggest the possible containment of the pandemic, we plan to host the fiscal 2022 round of the tournament while giving due consideration to the health and safety of participants and, therefore, are implementing robust countermeasures against COVID-19 infections. In addition, we will hold a pre-tournament featuring the "500g Class," a newly established category designed to

enable a greater number of people to casually enjoy robot sumo. It is our hope that this round will attract a great number of attendees.

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

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

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

Note: As of November 2022.

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

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.**
(Rich hearts)
- 3. Exercise creativity and take on the challenge of higher technical achievements.**
(Taking on technical challenges)
- 4. Engage in interaction and fellowship with other participants.**
(Interpersonal communications)
- 5. Act as a model for younger people to help them develop dreams and hope for the future.**
(Passing down technical heritage)



All Japan Robot-Sumo Tournament 2019

History of the All Japan Robot-Sumo Tournament

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



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

Column

Introducing robot sumo on a virtual basis

The four-day World Robot Summit (WRS) 2020 spanned September 9 to 12, 2021 and was held at Aichi Sky Expo (Tokoname City, Aichi Prefecture). Due to the spread of COVID-19 infection, no spectators were allowed on site. However, to support the WRS, FUJI SOFT set up a virtual stall offering presentations of robot sumo and took other measures to help viewers understand the excitement of this sport.

Our stall featured an overview, history, rules and other explanations of the tournament, along with video recordings of past rounds, with the aim of introducing the excitement of robot sumo to visitors. At the same time, we offered programming classes using "Proro," a robot programming system we developed for educational use, and involving battles between robots programmed by participants. The live-streaming of these battles entertained a large number of viewers. In addition, more than 200 people virtually visited our stall over the course of the event period.



A programming class using "Proro"



Video footage providing an overview of the Robot-Sumo Tournament

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, 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 constantly support affected areas by leveraging experience we have gained in the course of disaster-aid activities. In fiscal 2021, however, prolonged fallout from the COVID-19 pandemic continued to hinder our employees from physically visiting and helping disaster-hit communities. Accordingly, as we did in fiscal 2020, we focused instead on implementing remote-based activities while extending indirect support to food producers and other members of disaster-hit communities.

Ongoing support of the reconstruction of disaster-hit communities

Hands-on programing class at Tanohata-mura, Shimohei-gun, Iwate Prefecture

We provided residents of Tanohata-mura with a hands-on programming class on a remote basis. Under the auspices of the municipal Board of Education, this class was conducted by employees at the Ofunato Telework Center, with five people, including three elementary school students, taking part in programing using “Proro,” a robot programing system developed by FUJI SOFT for educational use. Once robots were programmed by participants, sumo matches were initiated between their robots and those programed by FUJI SOFT employees, including headquarters employees who joined remotely from Yokohama City, providing immense excitement to all.

Our relationship with Tanohata-mura also involves our employees extending assistance to the municipal office's regional informatization project from 2015 through 2021.



Participants engaged in programming

Supporting food producers in disaster-hit communities amid the COVID-19 pandemic

With the objective of helping mitigate food loss problems that often emerge in disaster-hit communities, FUJI SOFT decided to purchase agricultural crops and specialty food products from these communities. This decision is also intended to support local farmers and other food producers. While furnishing purchased products to employees as gifts, we have also encouraged them to purchase such products themselves.

Specifically, we purchased specialty food products worth ¥940,000 over the course of a period spanning July to November 2021 from Iwate's coastal regions (the Tohoku area), where we have been engaged in community support activities to this date, as well as from Shimane Prefecture's Unnan City, which was hit by heavy rains in July 2021. During the above period, we also hosted in-house specialty food fairs on two separate occasions. These initiatives also enabled employees working at home to enjoy a refreshing variety of foods on their table.



Food products purchased for the purpose of supporting producers

Holding a handcrafting session to make paper lanterns for use in a “Light for Prayer” event in commemoration of victims of the Great East Japan Earthquake

In March 2022, we held an online handcrafting session aimed at making paper lanterns for use in “Light for Prayer 2022,” and 38 employees took part in the session. The Light for Prayer event was later held in Morioka City, Iwate Prefecture, to commemorate the 11th anniversary of the Great East Japan Earthquake.

The handcrafting session was also joined by the chair of the Light for Prayer steering committee, who shared his first-hand experience of the disaster with other attendees. This served as a valuable opportunity for our employees to learn about the dreadful damage inflicted by natural disasters while refreshing their awareness of the preciousness of human life. With participants' prayers for the restoration and future prosperity of disaster-hit communities, a total of 112 lanterns were completed and used at the commemorative event along with other lanterns offered by people around the nation.



A lantern handcrafting session

Offering donations to victims of heavy rains

After heavy rains struck western Japan in August 2021, we provided donations to Hiroshima Prefecture, where we maintain a business base. At a ceremony marking the donation, we received words of gratitude from prefectural officials, not only for our provision of donations, but also for our engagement in activities aimed at supporting the restoration of local communities.

Looking ahead, we will stay committed to continuously supporting disaster-hit communities and otherwise contributing to the prefecture through our business, along with extending our wish for the earliest possible restoration of these communities.



Presenting the list of donations at an online ceremony

Other social contribution activities

PALRO communication robot calls for the public support of Kanagawa UNICEF Association's donation campaign

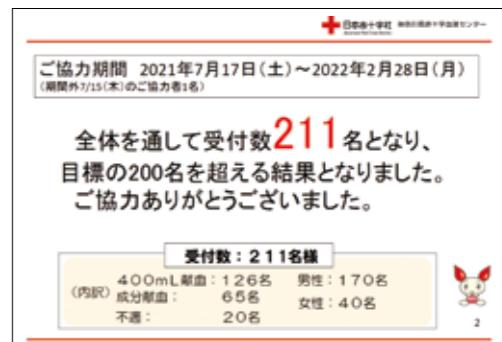
Every December, the “Hand in Hand” street fundraising campaign is conducted by the Kanagawa UNICEF Association. As in 2020, however, the most recent round of street fundraising was cancelled due to fallout from the COVID-19 pandemic and the campaign was shifted to a crowd funding event. As part of this event, people who have ties with Kanagawa Prefecture created videos calling for donations and posted them online. PALRO, a communication robot developed by FUJI SOFT, too, was featured on these videos to support fundraising.



PALRO calling for donations on a video

FUJI SOFT's corporate support of blood donation campaigns

Over the course of a period from July 7, 2021 to February 28, 2022, FUJI SOFT conducted blood donation campaigns, and a total of 211 employees cooperated with blood donations by visiting blood donation centers run by the Japanese Red Cross Society or utilizing blood-mobiles. Although we have usually set up blood donation rooms within our office spaces, the most recent round (like the previous round) of campaigns was centered on the modes of blood donations explained above due to concerns over the spread of COVID-19.



FUJI SOFT employees, participation in blood donations (photo provided by the Kanagawa Branch of the Japanese Red Cross Society Blood Center)

Column

Nishiaizu Shiitake Farm, run by FUJI SOFT KIKAKU, was chosen to receive a Gold Award for the seventh consecutive year at a mushroom show

In February 2022, the “32nd Sun Mush Show” was held in Tochigi Prefecture under the sponsorship of the Nationwide Sun Mush Producers Council. At this event, Nishiaizu Shiitake Farm, run by special-purpose subsidiary FUJI SOFT KIKAKU Inc., was chosen to receive a Gold Award for the seventh consecutive year in recognition of the production of high-quality shiitake mushrooms cultivated in mushroom beds. This mushroom show is the largest event of its kind in Japan, and attracted approximately 650 entries in 2022.

Nishiaizu Shiitake Farm is run by a workforce including people with disabilities, cultivating shiitake mushrooms that meet high quality and safety standards. In addition to securing employment opportunities for people with disabilities, this farm is focused on creating social value via the combination of agriculture and welfare. Acting in collaboration with Nishiaizu-machi, Yama-gun, Fukushima Prefecture, the farm thus strives for the vitalization of regional communities as well as the realization of an inclusive society.



Shiitake mushroom cultivation using mushroom beds

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. Since its launch in November 2012, the NPO has been based in Oshu City, Iwate Prefecture, taking a locally-rooted approach to playing its part in efforts to restore communities affected by the Great East Japan Earthquake.

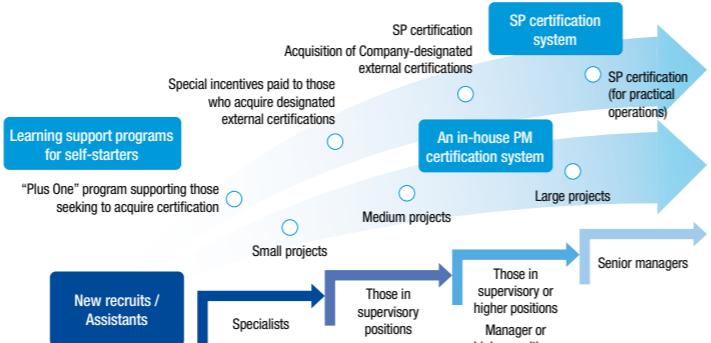
Social contribution activities undertaken in fiscal 2021

- Supporting food producers in disaster-hit communities (Ofunato City, Iwate Prefecture and Unnan City, Shimane Prefecture)
- Providing assistance to programing education in Tanohata-mura, Iwate Prefecture
- Running corporate blood donation campaigns (July 2021 to February 2022)
- Cooperating with “Hand in Hand” fundraising campaigns run by the Kanagawa UNICEF Association

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.

Overview of spontaneous career development at FUJI SOFT



A certification system measuring the degree of accomplishments in terms of management and technical skills

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

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

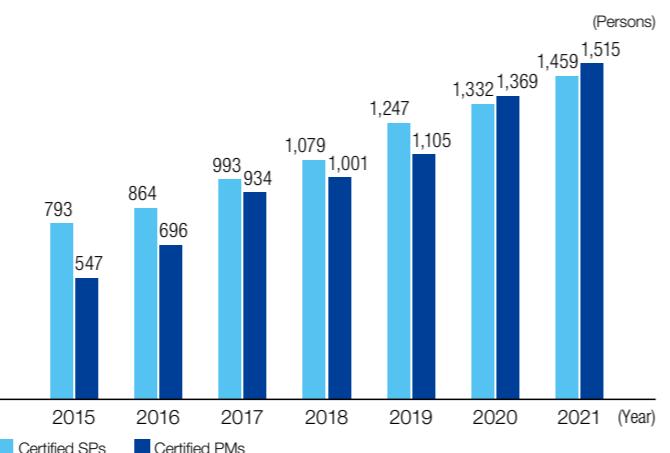
Meanwhile, the SP certification system is in place for engineers whose career orientation is focused on serving as specialists in particular front-line fields. Accordingly, this system offers a five-grade certification scheme that grants the title of "master," "senior master," "expert," "fellow" or "executive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

Career development and personnel system			
Job rank system	PM	Management	Specialist
Operating officer	Executive PM	Division manager	Executive fellow
General manager	Principal PM	General manager	Fellow
Deputy general manager	Expert PM	Manager	Expert
Manager	Professional PM	Assistant manager	Senior master
Assistant manager	Associate PM	Team leader	Master
Team leader			
Specialist			
Assistant			

Trend in the number of certified SPs / PMs



Initiatives to help employees enhance their specialist expertise and skills

FUJI SOFT has developed a robust lineup of learning support programs for self-starters. These programs are intended to encourage employees to spontaneously endeavor to enhance their skills, with special incentives granted to individuals who acquired designated external certifications. In 2007, we also introduced a system designed to strategically facilitate gaining certifications or attending particular seminars. Under this system, each department is striving to nurture employees and develop their competencies in a way aligned with its strategic goals.

Furthermore, in 2015 we launched a Company-sponsored program through which eligible employees can focus on academic pursuits. With the aim of nurturing core human resources who can respond to the diversification of business strategies, we thus allow eligible employees to enter educational institutions at home and abroad with the primary objective of acquiring academic degrees, and extend ongoing support until they complete certain curriculum.

Creating a workplace environment that empowers diverse human resources to succeed

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

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"> Aiming to raise the ratio of women in leading positions (supervisory or higher positions) to 15% by the end of fiscal 2023 (The ratio amounts to 13.6% as of April 2021.) Allowing more than 30% of employees to work from home on an ongoing basis (Maintaining a situation where employees are free to flexibly engage in remote work based on their varying lifestyle needs) Offering programs aimed at helping employees strike a balance between work and child rearing as well as assisting women in their career development efforts (Ultra-flextime 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.) An 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 elderly 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 age 65 or older are titled "super-seniors" and allowed to continue with their employment status in a way that leverages their strengths in fields of their specialty, with due consideration given to their status as pension recipients and health conditions. 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 263 from 19 countries (as of April 2021).
Initiatives to support members of the LGBTQ community	<ul style="list-style-type: none"> Providing educational programs aimed at enhancing employee understanding of the LGBTQ community so that everyone can feel safe and work vibrantly even as they stay true to their authentic selves, with a helpdesk 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 active roles. With its management philosophy consisting of "Independence & Contribution" as well as a "Company Offering Lifelong Career Opportunities," FUJI SOFT KIKAKU currently employs numerous individuals holding disability certificates who account for 90% of its workforce, and around half of these individuals have mental disabilities. At FUJI SOFT KIKAKU, people with mental, physical, intellectual, developmental or other disabilities cooperate with each other, engaging mainly in tasks involving the operation of PCs. Leveraging its know-how, accumulated over the decades, regarding the employment of people with disabilities, this subsidiary also opened a tutoring school in Kamakura City, Kanagawa Prefecture, in 2014, with the aim of supporting people with disabilities who seek to be employed and thus achieve economic independence. This institution is currently a part of a government-approved program aimed at supporting handicapped people in their transition to employment while serving as a commissioned vocational training facility for people with disabilities. Today, a great number of people who completed training at this tutoring school have turned into active workforce components of a range of businesses. Moreover, in 2021, FUJI SOFT KIKAKU was named a designated business operator cooperat-

ing with reserve self-defense officials as it provides a workplace in which people with disabilities work shoulder to shoulder with these officials.

On more than 200 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 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 "Kanagawa SDGs Partner" and otherwise endeavored to create an inclusive environment in which employees can work with confidence, to this end providing employee training and offering career development assistance while optimizing work styles to align with the new normal under the COVID-19 pandemic as well as taking great care to preserve the mental well-being of employees with disabilities. This subsidiary is thus advocating for the necessity of, and benefits arising from, creating employment for people with disabilities, acting as a model for businesses at home and abroad.

Our focus on hiring and nurturing competent human resources

The FUJI SOFT Group has 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.” Based on this belief, we have established our human resource policy, which defines people (employees) as the most valuable asset of FUJI SOFT. Because we fully understand the genuine value of our human resources, which are directly linked to corporate value, FUJI SOFT cherishes people and encourages those taking on challenges to realize their performance to the fullest. To this end, FUJI SOFT allocates considerable resources to employee education while respecting individual autonomy in the course of such education. Although FUJI SOFT provides comprehensive support to those who spontaneously take on challenges, it is also aware of its limited role as a provider of educational programs and, therefore, strives to help employees understand that professional growth can be achieved only by self-starters.

In April 2022, a total of 789 people joined our workforce as new hires. In light of fallout from the COVID-19 pandemic, a welcome ceremony for these new hires

was hosted fully online, with congratulatory speeches and briefings on headquarters departments being delivered via livestreaming or video-streaming. Subsequently, all of the new hires started working entirely from home and underwent training online. This was the third year of holding introductory training online. Although we had previously hosted joint training sessions for new hires, the content of our online training has now become robust enough for recipients to acquire business manners, basic knowledge on IT and the technical skills required for each job category solely via the completion of at-home programs. Despite the harsh environment, we are unwavering in our policy of nurturing human resources who can start out as key workforce components right after deployment to their respective business units. Therefore, we are striving to empower each new hire with unique individual strengths.

With growing public interest in teleworking and digital transformation (DX), customer needs for ICT-based solutions are expected to grow on the back of the advancement and diversification of AI, IoT and other technologies. Against this backdrop, it is now predicted that, in 2030, Japan’s business sector will face an overall shortage of 450,000 IT engineers. Looking ahead, however, FUJI SOFT will continue to proactively hire human resources while promoting the development of engineers, with the aim of maintaining sustainable corporate growth.

Human resource policy

Guided by the corporate credo “Challenge & Creation,” FUJI SOFT aims to achieve sustainable growth even as it strives to improve its corporate value and, to that end, has upheld a 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 thus 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 valuing our people irrespective of their academic background or business experience in addition to supporting those who take on challenges. In these ways, we are striving to empower employees to realize their performance to the fullest.

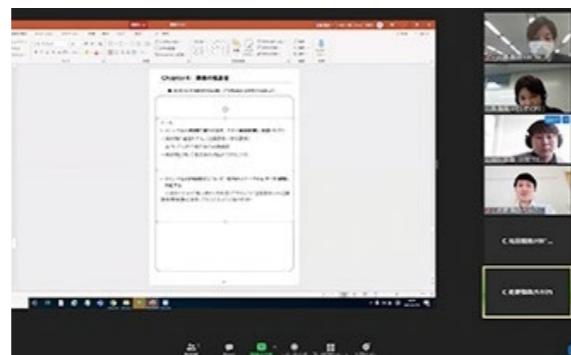
Nurturing engineers

“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. “FujiEdu” is a neologism combining FUJI SOFT and education. As suggested by its name, the system empowers us to enhance the content of in-house training sessions,



Screen layout of FujiEdu (left) and employees utilizing the system



seminars and technical presentations via the use of such functions as real-time streaming and document sharing and coordination. While “FujiEdu” thus helps employees enhance their skills, it is also designed to enable them to pursue disruptive career development. This is yet another unique feature of “FujiEdu.”

Unique features of FujiEdu

- Consolidated management of all in-house training
- Procedures enabling hassle-free application for desired training programs (including proxy application and inclusion in the waiting list) and the confirmation of applicant status
- Consolidated management of each employee’s training data for the recent 10 years
- “Recommended training” page lists both mandatory and recommended programs for employees
- Supervisor accounts granted authority to check the application status of staff members
- E-learning content, real-time streaming, document coordination and other functions enabling employee training on a remote basis
- Analysis of application status, the aggregation of questionnaire results and other analytic functions

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 engineer (SE) 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 the learning of 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 aim to help employees enhance their project management capabilities. To this end, we provide project managers (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.

Every year, we hold the “Innovation Conference,” a Companywide technical conference, while periodically hosting technical presentation meetings aimed at sharing findings on new technologies and other accomplishments of in-house research among attendees. These presentation meetings also utilize an in-house SNS platform to enable everyone to take part in discussions or ask questions

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. Given these circumstances, 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 a period of one month or two. This involves instilling business manners and other basic conduct principles for everyone. Also, technical training is provided through this period to instill the essential knowledge of programming. Trainees are grouped into separate classes based on the degree of their existing technical skills. This is designed to empower all engineer candidates, including those who were arts students or lack programming experience, to acquire solid skills and become capable of completing certain tasks on a standalone basis.

New hires assigned to business units then go on to receive follow-up training in

during presentations, with the aim of facilitating audience understanding of the discussion topics. Thanks to the above initiatives, FUJI SOFT earned high external ratings and was chosen to receive a “Virtual Class Special Category Award” under the 15th Japan e-Learning Grand Award program.

All training programs, including some not described above, are now 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 through which employees 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.

the sixth month, a time when they get accustomed to actual operations. They are asked to reflect on what they have learned over the course of six months upon becoming businesspeople and brush up their modes of operations. Through these and other initiatives, we strive to help them attain ongoing growth as professionals.

In addition, we provide rank-based training aimed at enabling employees in higher ranks to acquire more sophisticated skills. For engineers, we also offer an array of non-mandatory training programs themed on logical thinking, SE theories, design theories, PM methods and other subjects in order to develop their capabilities as SEs. To help all employees raise their skills, we thus take a strategic approach to human resource development.

Once deployed at business units, new hires will be supported by their senior colleagues called “Brother & Sister” (BS) staff so that they can steadily and smoothly grow into active workforce components of FUJI SOFT. BS staff not only provide new hires with one-on-one instruction over the next year or so, they also extend comprehensive support on a broad range of matters, including those outside the scope of business operations.

Introductory training for new hires

Learning programs for would-be university graduates who received informal offers from FUJI SOFT

After issuing informal offers to potential university graduates, we provide them with educational programs centered on e-learning. This aims to equip them with a bare minimum of skill sets that would be necessary after joining the workforce. Their engagement in this pre-entrance learning also helps them interact with one another.

Introductory training for new hires

New hires undergo this training for a period of a month or two after joining the workforce. 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, to reflect on what they have learned over the course of six months as businesspeople and brush up their modes of operations.

Note: Please also refer to “Non-Financial Information and Data” featured on page 23 for detailed human resource-related data.

Returning profit to our shareholders and maximizing shareholder value

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

Returning profit and maximizing shareholder value

Our policy on the return of profit

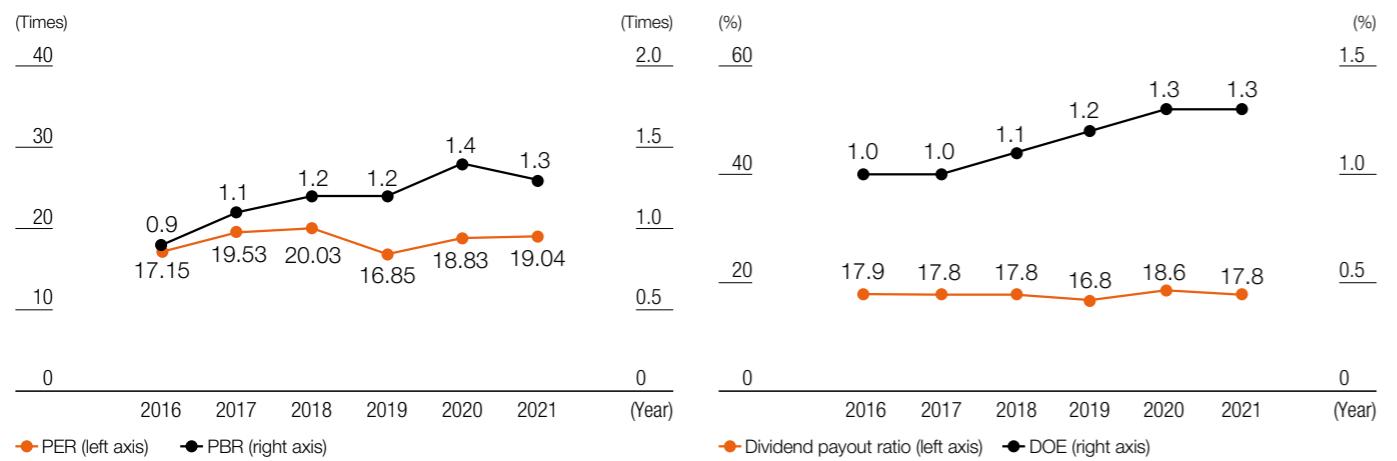
We maintain a basic policy of delivering a stable return of profit to shareholders while focusing on securing a certain level of internal reserves in preparation of future funding needs to support proactive business development or to counter unexpected business risks.

Over the course of the current medium-term management plan period

initiated in fiscal 2022, we aim to achieve a consolidated dividend payout ratio of 35% or more while giving comprehensive consideration to the growth potential and stability of our business operations, as well as capital efficiency and other factors. We will also consider share repurchases in a flexible manner in light of the status of profit and investment plans.

	(Years ended December 31)					
	2016	2017	2018	2019	2020	2021
Book value per share (BPS) (yen)	3,092.18	3,340.35	3,391.15	3,587.27	3,802.16	3,988.35
Earnings per share (EPS) (yen)	161.63	185.33	208.22	250.40	273.96	291.47
Equity ratio (%)	59.0	59.9	55.1	54.1	50.7	54.6
Return on equity (ROE) (%)	5.3	5.8	6.2	7.2	7.4	7.5
Dividend on equity (DOE) (%)	1.0	1.0	1.1	1.2	1.3	1.3
Dividend payout ratio (%)	17.9	17.8	17.8	16.8	18.6	17.8
Price earnings ratio (PER) (times)	17.15	19.53	20.03	16.85	18.83	19.04
Price book-value ratio (PBR) (times)	0.9	1.1	1.2	1.2	1.4	1.3
Year-end share price (yen)	2,772	3,620	4,170	4,220	5,160	5,550

PER / PBR



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 will take a proactive approach to ensuring the timely and appropriate disclosure of information considered to materially affect investment judgment of our shareholders and investors.

Corporate governance (as of November 30, 2022)

Basic concepts regarding corporate governance

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

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

- ① The Group has introduced the operating officer system to accelerate the speed of decision-making and strengthen the management supervisory function by clarifying the responsibility for execution of business, improving the efficiency and increasing the speed of business operations and streamlining the Board of Directors.
- ② The Group has adopted a “company with a board of auditors” structure for its institutional design. We have also established the Management Committee as a voluntary organ that comprises a majority of independent outside directors, and deliberates in advance on significant matters to be submitted to the Board of Directors. The Management Committee concurrently fulfills nomination, compensation and ethics functions.
- 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, the Board of Directors and the Board of Auditors as specified by the relevant laws and regulations. The Board of Directors consists of nine directors, including three outside directors that are designated as independent officers, based on 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 (of which one is an independent officer). The Board passes resolutions on important agenda items relating to management, in addition to matters specified by the 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 deliberative organ for matters relating to the execution of important business based on the management policy set by the Board of Directors. To contribute to deliberations at the Management Conference, the Company has also set up a strategy meeting and holds Company-wide liaison meetings for specific purposes to enable full discussion and better coordination and otherwise achieve better outcomes. Although FUJI SOFT is not a “company with committees” as defined under Japan’s Companies Act, it is equipped with the Management Committee, which concurrently fulfills the roles played by nomination, compensation and ethics committees and serves as an advisory body to the Board of Directors. With independent outside directors making up the majority, this committee is tasked with

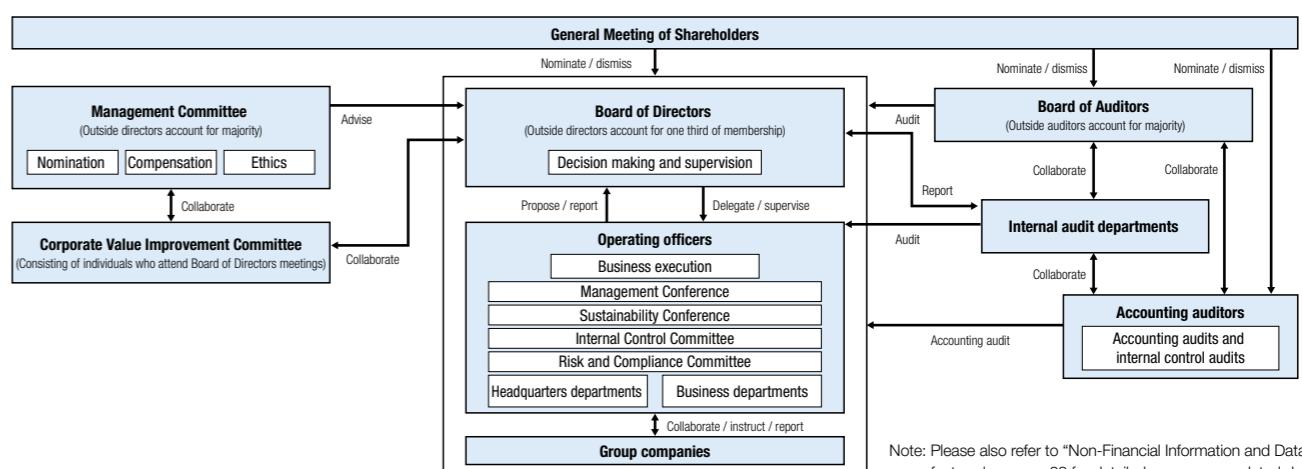
deliberating nominations of director and operating officer candidates (including those designated under succession plans), compensation for these individuals, disciplinary action and other matters from independent and objective standpoints and thus reporting its conclusions to the Board of Directors. The Board of Directors, in turn, resolves these matters after confirming that the Management Committee has first reached a consensus.

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 while coordinating with, and reporting its conclusions to, the Board of Directors.

We also maintain the Sustainability Conference, the Internal Control Committee, the Risk and Compliance Committee, the Reward and Disciplinary Committee and other bodies for the purpose of deliberating and coordinating 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, primary business departments are overseen by operating officers who are well-versed in and responsible for their operations, with the aim of securing swift business execution.



Note: For details of our corporate governance, please visit the following website or scan the QR code printed on the right.
https://www.fsi.co.jp/e/company_info/governance.html



Note: Please also refer to “Non-Financial Information and Data” featured on page 23 for detailed governance-related data.

Compliance

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

Compliance promotion structure

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

code of conduct, while ensuring thorough compliance via the appointment of a director and executive operating officer in charge of compliance and the formation of a Risk and Compliance Committee tasked with compliance promotion, along with setting up the Legal Affairs & Audit Department to assess the 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.

Establishing IP policy

The FUJI SOFT Group has positioned its intellectual properties (IPs), including copyrights, patent rights, utility models, design rights, trademarks and know-how as important management resources. Accordingly, we proactively acquire, protect and utilize IPs to maximize the value of these assets.

Our IP-related activities are also guided by our commitment to quality, delivery date and confidentiality. We therefore maintain compliance with IP-related laws and regulations while respecting viable IP rights held by third parties, with the aim of preventing infringement of these rights.

Security export control structure

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

In February 2013, we were also granted special licenses from the

Ministry of Economy, Trade and Industry (METI) regarding the comprehensive handling of export-related services and transactions in recognition of our track record in the proper management of undertakings described above.

Basic policy regarding the prevention of illicit use of competitive research expenses

We have developed in-house rules aimed at ensuring the appropriateness of operations related to the management of competitive research expenses and other public research grants in order to prevent the illicit use of such funds. Our rules are based on an August 26, 2014 decision

by the Minister of Ministry of Education, Culture, Sports, Science and Technology under the title of "Guidelines on Response to Illicit Conduct in Research Activities."

Establishing helplines for whistleblowing

We strive to ensure the effectiveness of our internal reporting system in order to prevent compliance violations or other improprieties. In the event of such occurrence, however, the system is designed to enable earlier correction and thorough remediation of the root causes within our organization. To that end, we have established an in-house helpline, through which reports are directly delivered to standing auditors; a helpline that is entirely independent from FUJI SOFT management and jointly supervised

by standing auditors and outside directors; and a helpline for Group members. To enable whistleblowers to make reports with confidence, we take every measure possible to protect whistleblowers from any detrimental treatment. Furthermore, the status of investigations launched by whistleblowing, as well as the corrective measures undertaken, is periodically reported to senior management, the Board of Directors and the Board of Auditors.

Risk management

FUJI SOFT maintains the ongoing monitoring and assessment of the status of its response to various risks arising from corporate activities 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 these risks on business management.

Risk management structure

Chaired by a director and executive operating officer, the Risk and Compliance Committee is in place at FUJI SOFT. 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 each department to minimize their impact on business management. These activities are being reported to the Management Conference to provide input to a cycle of improving business operations.

Response to disasters

We maintain our Crisis Management and Disaster Prevention Headquarters irrespective of the presence or absence of an imminent disaster, with branches at all our offices. This robust structure enables us to respond properly to typhoons, earthquakes and other disasters. When a major disaster occurs, we also utilize a dedicated website to collectively confirm the whereabouts of 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 troubles, including the unlikely occurrence of a major problem. At these centers, network status is being always monitored so that we can immediately counter emergencies.

All of our data centers have acquired certification under the ISO/IEC27001 international standard as part of our efforts to maintain data center operations that enable our customers to rest assured about their safety. Moreover, in April 2019 we additionally acquired certification under ISO/IEC27017 for one of our data centers, with the aim of better positioning customers to use our cloud-based services with peace of mind.



ISO27001 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



ISO27017 Cloud Service Security Registration number: JQA-IC00311
認証取得部門: インフラマネジメント部

Information security

To live up to the trust of society and our customers, 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 thus doing our utmost to realize strong information security and prevent information leakage and other incidents from occurring.

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 intranet. Moreover, essential clauses of the above rules are summarized into "12 Principles to Prevent Information Leakage" and "Seven Principles to

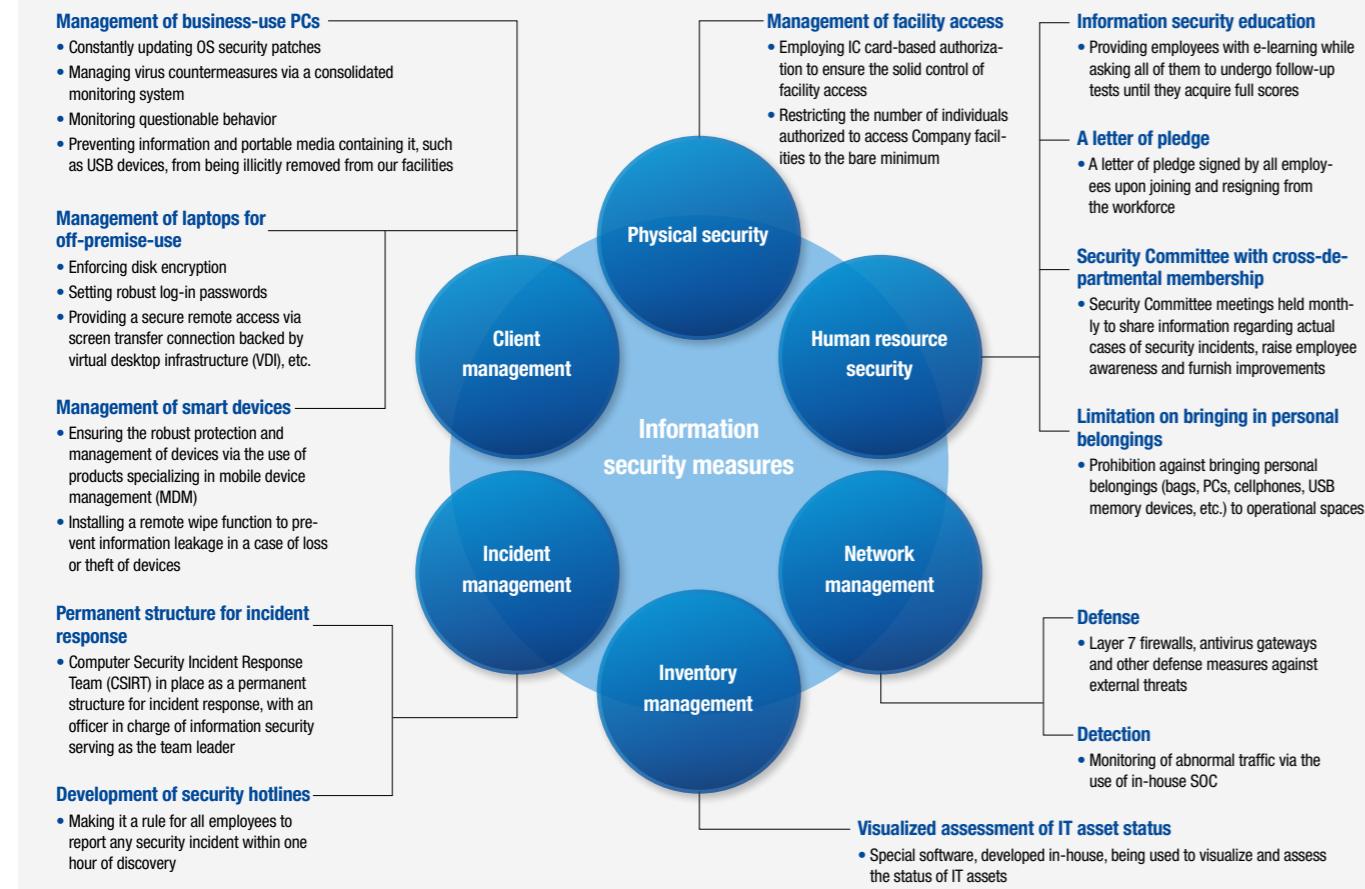
Prevent Leakage of Personal Data." Posters featuring both sets of principles are hung on the wall of every workplace to ensure they are fully understood and thoroughly practiced by all employees. Our in-house rules are also being constantly updated in step with revisions of relevant laws, including Japan's 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 thus develop human resources specializing 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 measures supporting workstyles compatible with the new normal

To prevent security lapses, FUJI SOFT has long implemented robust security measures in three areas, namely, technologies, physical facilities and human resources. Since the outbreak of the COVID-19 pandemic, we have also introduced remote access as a secure means for supporting those who have opted to work remotely, including working from home. This also involves mobile terminal management and the remote

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

Six sets of security measures



Certification under the Privacy Mark system

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



Privacy Mark
JISQ15001
Registration number: 11820153(10)

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 secure customer satisfaction as well as to realize robust quality assurance. In line with this policy, the Quality Assurance Section is tasked with spearheading quality assurance activities, providing instructions and check-and-balance functions to relevant departments.

ISO9001 Quality Management System (QMS)

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

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



ISO9001
Quality Management System
Registration number: JQA-0910

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

Project risk management

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

invested to date. We then reach out to frontline employees to conduct interviews. Lastly, we provide them with necessary advice and instructions coupled with a roundup of all risks and issues identified through the above process. Thus, we strive to secure good project management.

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

PLATON4D standardized development management environment

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

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

Initiatives to reduce the environmental burden

In August 1998, FUJI SOFT became the first independent software company in Japan to acquire certification under the ISO14001, an international standard for environmental preservation activities.

Based on its environmental philosophy, which 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, thereby pushing ahead with resource preservation and other initiatives to make constant environmental improvement.

Our concepts on the environment

Environmental philosophy

Protecting the greenery of the Amazon

Environmental policy

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

Action guidelines

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

An example of FUJI SOFT products designed to reduce the environmental burden ("moreNOTE")

Achieving the reduction of around 1.6 million sheets in one year via 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. Once introduced, this system enabled us to cut back on a total of around 1.6 million paper sheets* in just one year. 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.

* Outcomes of paper reductions can be confirmed via a "moreNOTE" function called "Green Action."



Screen layout of "Green Action," a function designed to visualize outcomes of paper reductions

Initiatives to help realize a sustainable society

In 2022, FUJI SOFT established the Sustainability Promotion Department to push ahead with the integration of our business activities with the pursuit of environmental and social value even as we practice thorough risk management. This body was built upon a department that had previously been tasked with promoting CSR activities. With a fresh business unit now dedicated to sustainability, we will step up our initiatives to curb environmental burden.

Today, the increasing severity of climate change-induced disasters,

including heavy rains and forest fires, is inflicting a negative impact on agricultural, fishery and other industries. While these critical circumstances beset the global environment, IT technologies are becoming the subject of growing public expectations as a source of solutions. With this in mind, we will strive simultaneously for the reduction of our own environmental footprint and the creation of a carbon-neutral society via the advancement of ICT.

Initiatives to fulfill the TCFD recommendations

As part of climate change countermeasures, we have established the Sustainability Conference, which is placed 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. We are thus implementing Companywide activities in this regard. Also, relevant matters of importance are deliberated by the Sustainability Promotion Committee, chaired by a director and executive operating officer, and then reported to the Sustainability Conference. Eventually, these matters are submitted to the Board of Directors to obtain its approval.

Under the structure described above, we intend to launch the phased disclosure of "risk management," "strategy," and "metrics and targets" associated with climate change-related impact on FUJI SOFT by the end of fiscal 2023 as stipulated in recommendations from the TCFD.*

* Task Force on Climate-related Financial Disclosures

In 2015, the Financial Stability Board (FSB) announced that it recognized the future possibility of climate change inflicting a grave impact on the financial market. Following this announcement, the TCFD, under the auspices of the FSB, issued recommendations asking businesses to disclose climate change's impact on their operations in terms of "governance," "risk management," "strategy," and "metrics and targets."

Sustainability promotion structure

Board of Directors

Sustainability Conference

Sustainability Promotion Committee

Environment Committee (EMS promotion)

environment-related laws, regulations and ordinances, and preventing the occurrence of an accident or pollution that could negatively affect the environment. Moreover, internal EMS auditors conduct audits while attending the Environmental Committee to formulate audit plans and submit activity reports. In these ways, we are rallying our entire strength to make improvement and to help create a carbon-neutral society.

Operating the Environmental Management System (EMS)

Within our sustainability promotion structure, a substructure supporting the promotion of the EMS is in place. Under the leadership of an officer in charge of the environment, who is responsible for highest decision making on relevant matters, specific individuals are appointed to supervise the implementation of the EMS or implement the EMS themselves. These individuals are thus tasked with spearheading energy-saving measures through operational streamlining, ensuring compliance with

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.
- Participating in "Light Down" campaigns at offices nationwide



Column

Initiatives to contribute to neighboring communities and beautify their environment

Tokyo's Chiyoda Ward designated both June 6 and November 6 as a "Chiyoda All-Out Cleanup Day" in accordance with ward ordinances. Based on this designation, district officials engage in cleanup activities while striving to raise awareness among residents, with FUJI SOFT employees cooperating with them on both days to sweep streets around the Akihabara Building.

In the course of the 2021 round of cleanup activities, participating employees discovered a growing number of empty cans and nonwoven masks abandoned on the street, signifying the impact of the COVID-19 pandemic and restrictions against inside dining.



Note: Please also refer to "Non-Financial Information and Data" featured on page 23 for detailed environment-related data.

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

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 have made it possible for employees to join meetings from home and engage in the real-time sharing of meeting materials via the use of smartphones, tablets and other smart devices as well as "moreNOTE," a paperless meeting system developed by FUJI SOFT. We have thus eliminated the need to commute to the office for meeting attendance, which has been a typical issue

associated with teleworking. In April 2015, we made cloud PBX accessible from all of our offices, thereby establishing an environment in which employees who work from home can use internal phones via Company-furnished smartphones. Furthermore, in July 2020, we began utilizing "FAMoffice" as an in-house tool supporting the resolution of communication-related problems. This tool offers a virtual office space and helps users experience a sense of unity deriving from working side by side with colleagues, enabling them to casually seek consultation from others, engage in chatting and otherwise address those nearby. In this way, we strive to invigorate virtual workplace communications to support employees working entirely or mainly from home, who account for around 40% of total headcount.

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

All employees are eligible to use the system

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.

Flexible utilization

Because on-the-day application is accepted, the system is also compatible with BCPs in preparation for extremely bad weather or the disruption of public transportation

Enhanced working platforms

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.

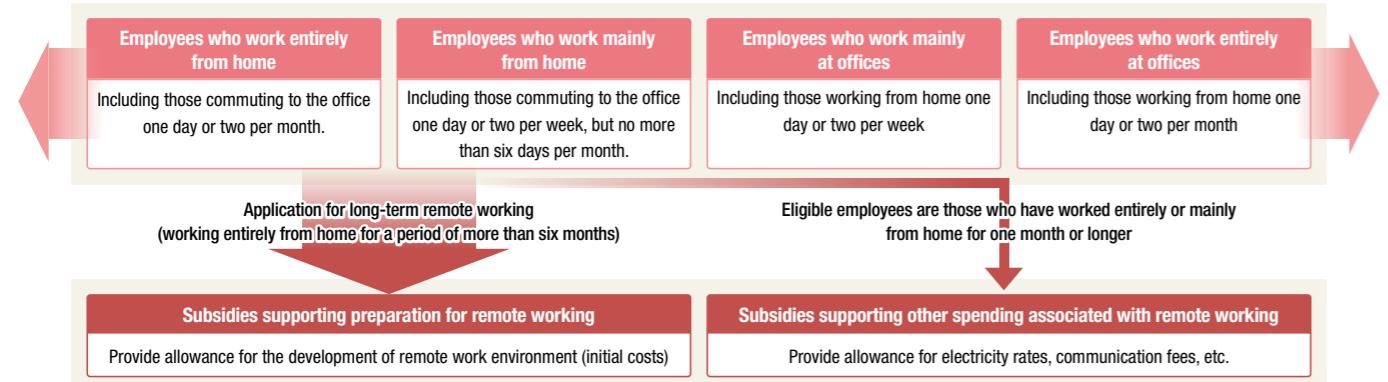
Encouraging employees to work entirely from home as part of workstyle reforms

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 a state of emergency declaration in April 2020. Building on this experience, we have defined four patterns of new working styles. For those who have chosen to work mainly from home, we thus began accepting applications for long-term

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

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

Workstyles at FUJI SOFT



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

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

system, the work-from-home system and other systems available to employees. In January 2021, we also began allowing employees to take annual paid leave in 30-minute units, even midway through 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 scope of flexibility in granting such leave under legal requirements.

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.

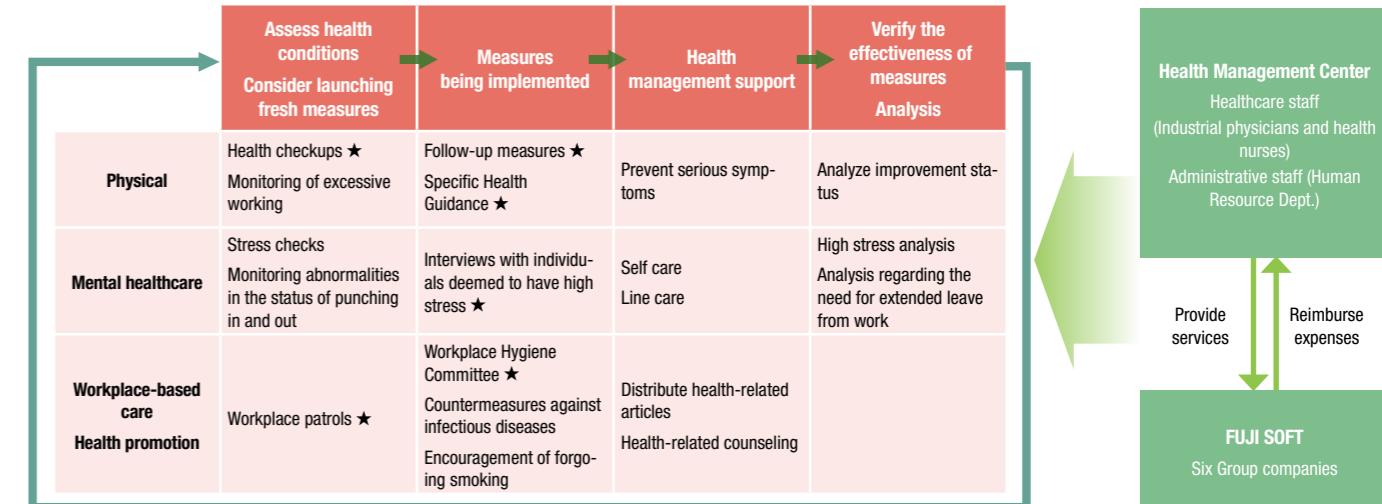
Initiatives to practice health management

FUJI SOFT has long maintained a fundamental belief that "the success of a corporation hinges on its people," which currently underpins its health management policy. This policy states that "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 physically healthy along with their families." To realize this policy, in 2014, FUJI SOFT established the Health Management Center to develop a robust structure for health management. This center is tasked with consolidating health management-related operations undertaken by each Group company and unifying the level of relevant services available to Group employees in connection with disease prevention and health promotion.

Specifically, we strive to ensure that all employees undergo health checkups and follow-up examinations while employing health nurses who are commissioned by the health insurance association to furnish Specific Health Guidance and otherwise provide advice on the prevention of serious symptoms. In this way, we endeavor to increase the ratio of employees who receive health guidance on their health issues as well as the ratio of employees who successfully improve their health condition by completing the measures recommended in health guidance. As part of our initiatives to prevent excessive working hours, we have instituted more stringent standards than legally required with regard to employees who are habitually engaged in long working hours, mandating that they undergo interviews with industrial physicians.

In April 2017, we also began granting non-smoking employees with "health promotion incentives" totaling ¥1,000 per month as part of efforts to help maintain and improve employee health. We are thus encouraging employees to quit smoking.

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



Items marked with ★ are mandatory measures stipulated by relevant laws and regulations

Health management initiatives undertaken thus far

2007–2013	2014–2019	2020 and later
<ul style="list-style-type: none"> Established a dedicated team for supporting reinstatement Established the Health Management Section at Head Office and Akihabara Office Established a health counseling desk called "doors leading to mental and physical health-related support" Reviewed systems related to absence or extended leave from work and began incorporating periods of extended leave into an employee's years of service Abolished smoking rooms from all offices (instituting even stricter separation of spaces for smokers from those for non-smokers) Introduced a "rework" program 	<ul style="list-style-type: none"> Established the FUJI SOFT Group Health Management Center Initiated the in-house provision of Specific Health Guidance via the employment of specialists commissioned by the health insurance association Began conducting stress checks Began granting non-smoking employees with "health promotion incentives" 	<ul style="list-style-type: none"> Introduced health management and absence status management systems Established the Health Management Section within the Human Resource Department Began providing health guidance aimed at preventing serious symptoms Began providing mental health-related counseling and support on a trial basis Publicly disclosed FUJI SOFT's declaration on and policies for health management as well as status of relevant initiatives via the corporate website

ing even as we strive to raise health awareness among them.

With regard to countermeasures against mental health-related issues, we have established a comprehensive support structure involving collaboration with staff specializing in industrial health. This structure is designed to ensure the prevention, early detection and proper treatment of diseases. More specifically, if an employee were to develop symptoms, specialist staff provide necessary care in addition to making well-informed judgments about the individual's reinstatement upon recovery and, then, continuing to provide follow-up counseling after reinstatement. Furthermore, we not only conduct stress checks in compliance with legal requirement but also implement unique initiatives aimed at preventing the worsening of mental health-related issues so employees do not suffer needlessly or reach a point necessitating extended leave from work. These initiatives were launched in 2021, involving the development of a workplace counseling and support structure on a trial basis. We are thus focused on both improving our working environment and providing care to employees in a way aligned with their individual needs.

Responding to changes in workstyles in the wake of the COVID-19 pandemic, we also began providing employees working from home with mental healthcare under supervision by industrial physicians and otherwise striving to help them mitigate anxieties arising from the lack of robust communications.

In recognition of its initiatives to practice health management as described above, FUJI SOFT was chosen by the Ministry of Health, Labour and Welfare (MHLW) to be named one of the "White 500" under the 2022 round of the MHLW's Health & Productivity Management Outstanding Organization Certification program.

About FUJI SOFT

Company Overview

Company name	FUJI SOFT INCORPORATED Stock listing: Prime Market, Tokyo Stock Exchange (April 4, 2022) 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: ¥175,680 million (fiscal year ended December 2021) Consolidated: ¥257,891 million (fiscal year ended December 2021)
Employees	Non-consolidated: 8,508 (fiscal year ended December 2021) Consolidated: 14,956 (fiscal year ended December 2021)

FUJI SOFT Group companies (as of December 31, 2021)

- CYBERNET SYSTEMS Co., Ltd. (Standard Market, Tokyo Stock Exchange)
- VINX Corporation (Standard Market, Tokyo Stock Exchange)
- CYBER COM Co., Ltd. (Standard Market, Tokyo Stock Exchange)
- FUJI SOFT SERVICE BUREAU INCORPORATED (Standard Market, Tokyo Stock Exchange)
- TOSHO COMPUTER SYSTEMS Co., Ltd.
- OA LABORATORY Co., Ltd.
- iDEA Consulting Inc.
- FUJI SOFT TISSUE ENGINEERING Co., Ltd.
- FUJI SOFT CHINA Corp.
- FUJI SOFT America, Inc.
- FUJI SOFT KIKAKU Inc.
- NIHON BUSINESS SOFT Inc.

Editorial policy

SUSTAINABILITY REPORT 2022 was 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. These tenets provide a basis for our Sustainability Activity Policy.

The fiscal 2022 edition of this report presents the Group's value creation story based on its medium-term management plan along with key financial and non-financial information while also containing special features designed to focus in on initiatives undertaken by FUJI SOFT to address environmental, social and governance (ESG) issues. It is our hope that this publication helps raise the expectations our readers have for FUJI SOFT in terms of its initiatives to blaze a new trail into the future to embody the unwavering spirit of "Challenge & Creation."

About the *SUSTAINABILITY REPORT* 2022

Date of issuance	December 23, 2022
Period covered	This report covers business activities undertaken between April 1, 2021 to March 31, 2022, excepting the inclusion of subsequent information in certain parts. In addition, financial information is compiled based upon the fiscal year (from January 1, 2021 to December 31, 2022).
Scope of reporting	FUJI SOFT INCORPORATED and some Group companies
References	ISO26000, the GRI Standard, Environmental Reporting Guidelines compiled by the Ministry of the Environment, and the International Integrated Reporting Framework issued by the International Integrated Reporting Council
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.

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