The Fujitsu Group Environmental Vision

In light of the escalating global commitment to achieving carbon neutrality, the Fujitsu Group has set clear targets: to reduce the greenhouse gas (GHG) emissions from its own operations (Scope 1 and 2) to be 'net-zero equivalent' by FY2030, and to reach net-zero greenhouse gas emissions (*1) across its entire value chain by FY2040.
In addition to reducing environmental impacts across its own operations and supply chain, Fujitsu is leveraging technology to help address the challenges faced by customers and society and is thus taking strong steps towards achieving a sustainable future.

- (*1) Net-zero greenhouse gas emissions: Achieving a state where greenhouse gas emissions are reduced by at least 90% in the target year in comparison to the base year, and the residual emissions (of 10% or less) are neutralized by removing them permanently from the atmosphere through technologies such as Direct Air Capture (DAC) or by afforestation.

The Importance of Responding to Climate Change

The Intergovernmental Panel on Climate Change (IPCC) Special Report "Global Warming of 1.5°C" articulated the need to limit warming to 1.5 °C above pre-industrial levels and to achieve carbon neutrality by 2050. With social roles expanding and additional demands placed on companies to tackle climate change, in October 2021 the Science Based Target Initiative (SBTi) (*2) launched the world's first Net-Zero Standard for companies to set net-zero strategies.
In order to resolve issues related to climate change, the Fujitsu Group decided to revise its previous commitment to "zero CO_2 emissions by 2050", pursuing instead a more ambitious vision that requires the Group to look beyond social trends and become the very embodiment of a leading AI company that delivers carbon neutrality.
The Fujitsu Group Environmental Vision comprises three pillars, namely, Value chain: Achieve net-zero emissions, Mitigation: Contribute to a carbon-neutral society, and Adaptation: Contribute to climate change adaptation measures. The Fujitsu Group will be quick to leverage advanced AI technologies to tackle its own net-zero strategies, and will make the resulting expertise available as Fujitsu Group solutions for customers and society. In so doing, the Group aims to leverage its own business activities to contribute to climate change mitigation and adaptation.

- (*2) Science Based Target Initiative (SBTi): An initiative jointly established by the United Nations Global Compact, the World Resources Institute (WRI), and other organizations in 2015. It encourages companies to set GHG emission reduction targets consistent with science-based evidence to the level required by the Paris Agreement, validating targets that comply with criteria including indirect emissions not only within the company but also in the supply chain.

Concept: Three pillars of the Fujitsu Climate and Energy Vision



Value chain: Achieve Net-zero Emissions



Mitigation: Contribute to a Carbon-Neutral Society

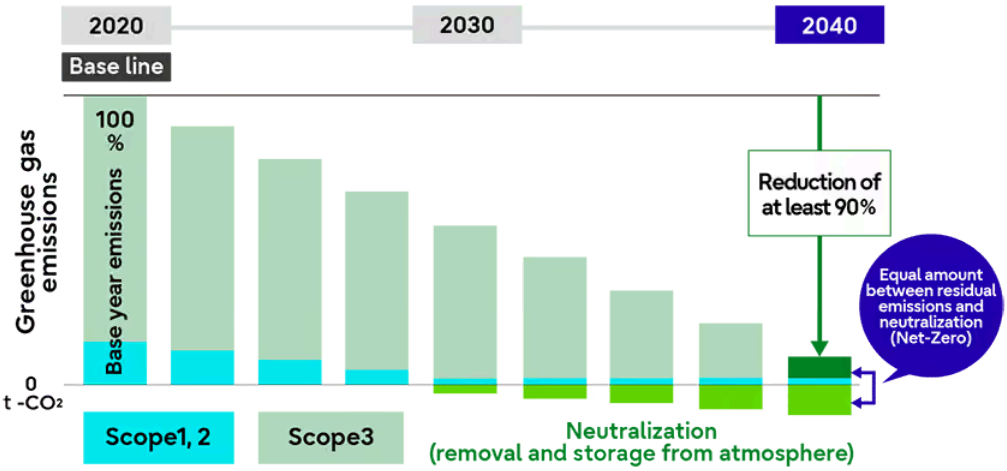


Adaptation: Contribute to Climate Change Adaptation Measures

Achieving Net-zero Emissions in the Fujitsu Group Value Chain

Fujitsu obtained SBTi Net-Zero Standard validation in 2023, a standard for global climate change measures. The Group is making progress towards its ambitious targets of achieving net-zero emissions equivalent of GHG from the Group's business activities by FY2030, and net-zero itself from the entire value chain by FY2040. To accelerate the move toward net-zero, and contribute to the realization of a sustainable society, the Group is expanding its introduction of renewable energy with additionality, among other initiatives.

Roadmap to Net-Zero



GHG reduction across the entire value chain

FY2030 targets

- Scope 1+2 emissions to net zero equivalent
- Scope 3 emissions reduced by more than 42% (compared to FY2020)

Contributing to a Carbon-neutral Society

The Fujitsu Group contributes to achieving carbon neutrality across the society by creating ecosystems with customers in a variety of industries and business sectors. By integrating AI platforms and other leading-edge technologies into a framework that transcends businesses, industries, and regional boundaries, the Group will reduce GHG emissions. This will be achieved through, for example, optimizing the use of resources and energy across society as a whole.

Contributing to Climate Change Adaptation Measures

We will leverage AI and technologies such as digital twins to effectively reduce GHG emissions. These technologies will be used to develop offerings for building resilient social infrastructure, ensuring a stable supply of agricultural products, and mitigating food loss. Through these efforts, we aim to minimize the harm caused by climate change to society and our customers.

Environmental targets

The Fujitsu Group participates in the following initiatives with the aim of making the Fujitsu Climate and Energy Vision—its medium- to long-term environmental vision—a reality.

SBTi Net-Zero Target Validation

In 2017, the greenhouse gas (GHG) emissions reduction targets set by the Fujitsu Group for emissions from its business sites and value chain were approved by the Science Based Targets initiative (SBTi) as meeting the science-based level of ambition criteria. The SBTi was established in 2015 jointly by a number of organizations, including the World Resources Institute (WRI) and the UN Global Compact. It encourages companies to set GHG emission reduction targets that are scientifically aligned with the level of ambition required under the Paris Agreement, with the aim of limiting the global average temperature increase caused by climate change to 1.5 degrees above pre-industrial levels.
In 2021, we updated our target from 33% reduction against the base year to 71.4% by FY2030 and received acknowledgment of our 1.5 °C-aligned strategy from SBTi.
Furthermore, in 2023, we decided to further strengthen our existing target and aim for net-zero by FY2040. We also received Net-Zero target validation from the SBTi.

"Science Based Targets" logo

Net-Zero target

- To reduce GHG emissions at our business sites (Scope 1, 2) and from the entire value chain (Scope 3) by at least 90% by FY2040 against a baseline of FY2020 (*1).

- (*1) : 10% or less of residual emissions are removed and stored by technologies that directly capture CO_2 from the atmosphere or through absorption by afforestation and other means.

Global collaboration with the Climate Group through RE100

In July 2018, the Fujitsu Group became Japan's first Gold Member of RE100 (*2), an initiative which aims to significantly expand the adoption of renewable energy on a global scale. At the time, the Fujitsu Group pledged to use renewables to provide at least 40% of the electricity consumed across all global Group sites by 2030, and 100% by 2050.
In 2023, we also moved up our previous target date for achieving 100% renewable electricity under the RE100 initiative from 2050 to 2030, in order to accelerate our efforts toward carbon neutrality, while receiving SBTi's Net-Zero target validation. To achieve these targets, we are advancing our activities based

"RE100" logo

on the Environmental action plan, and since 2024, we have been working as 1 of 12 companies in the Policy Task Force, who collaborates with The Climate Group (RE100's secretariat) to cooperatively evaluate policies and regulations that will promote renewable energy procurement in Japan. As the Fujitsu Group, we will expand our procurement of renewable energy-sourced electricity for data centers outside Japan and other sites in Japan as well as around the globe. We will achieve this by considering the most appropriate means for each region. At the same time, we will invest in new power sources, including PPAs with additionality (*3). This way we will contribute to the spread of renewable energy in society as a whole.

- (*2) RE100: This is an initiative led by The Climate Group, an international NGO, in partnership with CDP, and is made up of companies that aspire to obtain 100% of the electricity they use from renewable sources.
- (*3) PPA: This stands for Power Purchase Agreement, under which consumers (primarily businesses who wish to use renewable electricity) enter into a long-term contract with a power producer or retail electricity provider to purchase electricity generated from renewable energy sources.

TCFD-Based Information Disclosure

The Task Force on Climate-Related Financial Disclosures (TCFD) was established by the Financial Stability Board at the request of the G20 with the objective of reducing the risk of instability in financial markets due to climate change. The task force announced its recommendations in June 2017, asking companies and organizations to identify and disclose the risks and opportunities arising from climate change.
The Fujitsu Group announced its support for the TCFD recommendations in April 2019 and is making every effort to disclose information to investors and various other stakeholders in line with those recommendations. Disclosures are provided via media such as financial statements, CDP(*1) questionnaires, the Integrated Report, and websites.

*1 CDP : An international nonprofit organization that conducts environmental surveys of more than 24,800 companies worldwide and acts on behalf of institutional investors with a combined US$140 trillion in assets. (As of January 2025)

Item		Response status	Reference
Governance	Oversight structure under the Board of Directors for climate-related risks and opportunities	• In the Fujitsu Group, the Sustainability Management Committee shares the risks and opportunities arising from climate change, deliberates on medium- to long-term issues, and formulates policy. The Committee reports on their findings to the Board of Directors at meetings of the Executive Management Council. To date, these findings have included matters such as the results of analyses using multiple climate change scenarios (including 1.5 °C), policy initiatives aimed at achieving net-zero GHG emissions targets and increasing the use of renewable energy, and materiality (including climate change and other environmental issues). In FY2025, we reviewed our materiality themes in conjunction with the update of our Medium- and Long-term Management Vision. The updated themes were presented to the Sustainability Management Committee for discussion, with the result that six materiality themes, including Climate Change (Planet), were reviewed and approved. These decisions are also reported to the Executive Management Council and to the Board of Directors. In the review of Materiality, Fujitsu also ensured Board involvement through measures such as summarizing opinions on the importance of climate change initiatives obtained in feedback from interviews with External Directors and the Audit & Supervisory Board and through discussions held at executive retreats that included External Directors. Through these efforts, the Board of Directors has further deepened its involvement by establishing a framework under which it both monitors and oversees the status of sustainability management, including climate change. The Board will continue to oversee climate change initiatives, focusing primarily on matters discussed by the Sustainability Management Committee, which meets twice annually. • The Risk Management & Compliance Committee regularly reports to the Board of Directors on key risks identified across the entire Group, including climate-related risks. Fujitsu has also established an Environmental Management System (EMS) based on ISO 14001, and the results of EMS activities are reported to the Board of Directors through meetings of the Executive Management Council.	• Sustainability Management in the Fujitsu Group • Corporate Governance • Environmental Management System • Risk Management

<table>
<tr><td></td><td>Role of management in assessing and managing climate-related risks and opportunities</td><td>• Fujitsu's CEO, in the role of Chair of the Sustainability Management Committee and the Risk Management & Compliance Committee, bears ultimate responsibility for all decisions made and all business conducted. The Board of Directors are responsible for oversight based on reports received from the Executive Management Council. The Chief Sustainability & Supply Chain Officer (CSSO) bears the highest level of responsibility for sustainability, and in that role proposes reforms to the Board of Directors and to senior management and conducts business that relates to sustainability.
• As of FY2022, ESG indicators that include consideration of climate change issues were added to the evaluation indicators for bonuses paid to Executive Directors.</td><td></td></tr>
<tr><td rowspan="3">Strategy</td><td>Short-, medium- to long-term climate-related risks and opportunities</td><td rowspan="2">• Based on analyses of climate change scenarios, the Fujitsu Group identifies the risks and opportunities relating to climate change and considers and promotes appropriate responses. Developing services and IT products that contribute to climate change mitigation and adaptation offers opportunities for increased sales, while factors such as physical and regulatory risks have an impact on the operating costs of Fujitsu's operations and supply chain.

Major risks
Stronger regulation (carbon tax, etc.), Stronger competition in low-carbon technologies, Insufficient responses to customer needs
→ Risk responses
Ongoing reductions in greenhouse gas emissions, Increased use of renewable energy, Information disclosure aimed at ensuring transparency in climate change strategy, etc.

Major opportunities
Supplying products / services to tackle climate change, Proposing new uses of digital technology, etc.
→ Opportunity responses
Services for climate change mitigation/adaptation (CO_2 emissions calculation, visualization, etc.), Energy-efficient products (HPC, 5G virtualization base stations, etc.)</td><td rowspan="3">• Response to Environmental Risks
• The Fujitsu Group Medium/Long-term Environmental Vision</td></tr>
<tr><td>Impacts on business, strategy, and financial planning</td></tr>
<tr><td>Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2℃ or lower scenario</td><td>• In 2021, the Fujitsu Group conducted scenario analyses out to 2050 using 1.5℃ and 4℃ scenarios, focusing on businesses likely to be impacted by climate change.
• As a result of our analysis with respect to Fujitsu's risk responses and its ability to seize opportunities by helping customers to resolve issues, our assessment showed that Fujitsu's business strategy was resilient in the medium- to long-term.</td></tr>
<tr><td>Risk Management</td><td>Climate-related risk identification and assessment process</td><td>• Group-wide risk management is conducted by the Risk Management & Compliance Committee. This committee conducts matrix analysis of the results of the risk assessments by each department in terms of impact and likelihood of occurrence. It then identifies and assesses those risks and reports its findings to the Board of Directors.</td><td>• Response to Environmental Risks</td></tr>
</table>

<table>
<tr><td rowspan="2"></td><td>Climate-related risk management process</td><td>• Fujitsu monitors risks using environmental management systems that are based on the ISO14001 standard. The Sustainability Management Committee is responsible for managing the progress of climate change measures.</td><td rowspan="2">• Environmental Management Systems
• Risk Management</td></tr>
<tr><td>Status of integration with organization-wide risk management</td><td>• The Risk Management & Compliance Committee identifies and assesses risk for the entire company, including climate change risk. It collaborates with the Sustainability Management Committee to identify, analyze, and assess risks, and then formulates and implements recurrence prevention measures.</td></tr>
<tr><td rowspan="3">Metrics and Targets</td><td>Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</td><td>• The Fujitsu Group recognizes the importance of reducing greenhouse gas (GHG) emissions and adopting renewable energy sources in addressing climate-related risks. We also believe that the deployment of innovative energy-saving technologies implemented by our company will lead to the acquisition of climate-related opportunities. We therefore use our GHG emissions and our rate of renewable energy adoption as indicators. We have set SBTi certification and RE100 targets as medium- to long-term goals and established the "Environmental Action Plan" for short-term goals. We are monitoring those indicators, managing the progress of our strategies, and conducting risk management.</td><td rowspan="3">• The Fujitsu Group Medium/Long-term Environmental Vision
• Fujitsu Group Environmental Action Plan</td></tr>
<tr><td>GHG emissions for Scope 1, 2, and 3</td><td>GHG emissions for FY2025 [unit : kton-CO_2e]
★ Indicators assured by third party
<table><tr><th colspan="2">Scope</th><th>Baseline year (FY2020)*</th><th>Result (FY2025)</th></tr><tr><td colspan="2">Scope 1</td><td>16</td><td>13</td></tr><tr><td colspan="2">Scope 2 (Market-based)</td><td>319</td><td>83</td></tr><tr><td colspan="2">Scope 3 (Across all categories)</td><td>6,813</td><td>4,586</td></tr><tr><td rowspan="2">Key categories</td><td>Category 1</td><td>3,027</td><td>2,476★</td></tr><tr><td>Category 11</td><td>3,470</td><td>1,872★</td></tr></table>* Values recalculated to align with the scope of aggregation for fiscal year 2025 based on the GHG Protocol.</td></tr>
<tr><td>Targets used by the organization to manage climate-related risks and opportunities and performance against targets</td><td>Climate-related targets and performance
<table><tr><th>Item</th><th colspan="2">Targets</th><th>FY2025 Performance</th></tr><tr><td>Reduction in own GHG emissions *1*2</td><td>Net Zero by FY2030</td><td>Environmental Vision</td><td>71.5% reduction</td></tr><tr><td>Reduction in GHG emissions in the value chain *1*3</td><td>90% reduction by FY2040</td><td>SBT Net Zero certification</td><td>34.5% reduction</td></tr><tr><td>Renewable energy usage rate</td><td>100% renewable energy in 2030</td><td>RE100 membership</td><td>67.5%★ deployment</td></tr></table>*1: vs. FY2020, *2: Scope1 + Scope2, *3: Scope1 + Scope2 + Scope3</td></tr>
</table>

Governance

The Fujitsu Group has established a Sustainability Management Committee, chaired by the CEO. This committee examines medium- to long-term issues, formulates policy, shares the business risks and opportunities of climate change and decides how to address those risks and opportunities, and manages the company's progress. The committee reports on findings to the Board of Directors at meetings of the Executive Management Council. In October 2020, the committee made a key decision by revising the Fujitsu Group SBTi-aligned GHG reduction target from a 2.0°C pathway to a 1.5°C pathway. In April 2021, the new target was validated as 1.5°C-aligned by the SBTi. In October 2021, the results of scenario analyses using two external scenarios, one for 1.5°C and the other for 4°C, were reported to the Sustainability Management Committee. The findings prompted lively discussion among the committee members on topics such as the need to discuss management strategies, the selection of solutions we should prioritize, and the measurement of impacts once solutions are provided.
Within the company-wide risk management regime and with oversight by the Board of Directors, the Risk Management & Compliance Committee, chaired by the CEO, conducts risk analysis and implements responses for the entire Group, including on issues relating to climate change. This committee is also the ultimate decision-making body for risk management and reports regularly to the Board of Directors regarding major risks that have been identified, analyzed, and assessed. The Fujitsu Group has also established an Environmental Management System (EMS) based on ISO 14001, and the results of EMS activities are reported to the Board of Directors through meetings of the Executive Management Council.
To further strengthen governance relating to climate change, starting in FY2022 we added ESG-related third-party evaluations (such as the CDP climate change program[*2]) to the assessment indices for the bonuses paid to Executive Directors. (Executive compensation consists of base compensation, bonuses, and performance-linked stock compensation.)

*1 CDP climate change program: A program run by CDP to survey and assess corporate climate change initiatives and publish the results of those surveys.

Strategy

Climate Change Risks and Opportunities

We have identified the risks and opportunities of climate change for the Fujitsu Group, and considered our responses, by analyzing the business impacts of climate change using external scenarios for 2℃ of global warming in FY2018, and for warming of 1.5℃ and 4℃ in FY2021.Our aim is to address the transitional and physical risks that negatively impact Fujitsu operations and supply chains, and to identify the climate-related

risks faced by customers so that we can better make proposals that create value and grasp the business opportunities on offer.

Risks

Risk type		Term	Details	Key responses
Transition	Policy / Regulation	Short- to long-term	• Increased costs due to stronger laws and regulations relating to greenhouse gas emissions and energy use (carbon taxes, energy-saving policies, etc.) • Risk of lost corporate value if such laws or regulations are violated	• Ongoing reductions in greenhouse gas emissions (increased use of renewable energy, comprehensive energy savings) • Strict compliance with laws and regulations through EMS
	Market	Medium- to long-term	• Surging electricity prices with the shift to a carbon-neutral world (widespread electrification, etc.)	• Reduced electricity consumption by formulating internal company standards and developing innovative technology, etc.
	Technology	Medium- to long-term	• Risk of missing out on business opportunities if we fall behind in fiercely competitive technology development (energy savings, low-carbon services, etc.) and cannot meet market needs	• Promote innovation and develop products/services that address customers' climate change issues
	Reputation	Medium- to long-term	• Increased cost of responding to demands from stakeholders (investors, customers, etc.) • Negative impacts on ratings and sales due to delays in responding to external demands	• Formulation and promotion of our Medium/Long-term Environmental Vision and Environmental Action Plan • Proactive information disclosure to ensure transparency in our climate change strategy
Physical (Natural disasters etc.)	Chronic / Acute	Short- to long-term	• Increased cost of responding to changing rainfall/weather patterns, higher average temperatures, higher sea levels, droughts, etc. • Increased recovery costs when operations, including supply chains, stop due to increasingly severe abnormal weather event	• Implement measures such as greater multi-sourcing, stronger BCP measures, and conducting surveys of suppliers' business continuity systems • Assess potential water risks and undertake monitoring

Financial impact of various risks * Estimates as at FY2024

Risk type	Example of risk	Details	Term	Financial impact (JPY)	Details of financial impact
Transition	Policy carbon pricing mechanism	• Carbon taxes are progressively being introduced in the countries in which Fujitsu operates, such as Europe and the US. There is a risk of cost increases due to spending on renewable energy-related plant and equipment investment (2.1 billion yen in FY2023). • According to the IEA(*3), the US introduced a carbon tax in 2020, and that tax is expected to continue increasing until 2050. • If Fujitsu did not continue its use of renewable energy at its US facilities, comprising around 4.0% of the total power consumption across all our overseas offices, the financial impact of carbon tax costs could rise from 20 million yen to a maximum of 140 million yen.	Medium-term	Min.: 1,454,175,300 ～ Max.: 15,268,840,650	• According to the IEA, the US carbon tax that was \$20/t-CO_2 when it was introduced, is expected to rise to \$140/t-CO_2 in FY2040. If this rate is used in a simulation of the entire Fujitsu Group's Scope 1&2 emissions, the financial impact increases from 1.5 billion yen to 15.3 billion yen (calculated at an exchange rate of 141 yen to 1 USD). • In a worst case scenario, reports indicate a rise in the US carbon tax to \$210/t-CO_2 by 2050, equivalent to a financial impact of 15.3 billion yen.
Transition	Policy increased expenditure related to fluctuations in electricity rates and decarbonization levies	• In the Fujitsu Group, 80-90% of the Group's entire energy usage is consumed in datacenter operations and plant manufacturing activities. Energy use is indispensable to business activity, so any increase in business spending associated with power price fluctuations is viewed as a major risk. • Of particular concern is the transition risk posed by the additional costs involved in decarbonization. The unit cost of the FIT surcharge(*4), which was 1.40JPY/kWh in	Medium-term	3,900,000,000	• The FIT surcharge is having financial impact on Fujitsu sites in Japan. Considering that, in future, similar schemes will also have financial impact on our overseas offices, with the FIT surcharge for 2030 estimated to be 1.1 times the FY2024 unit surcharge price of 3.49 yen/kWh, the financial cost is anticipated to be around 3.9 billion yen, based on the amount of power purchased by the Fujitsu group globally (1,005,232 MWh in FY2023).

Risk type	Example of risk	Details	Term	Financial impact (JPY)	Details of financial impact
		FY2023, rose to 3.49JPY/kWh in FY2024, and is expected to rise 10% by FY2030. • If the FIT surcharge increases further in future, business spending will further increase, reducing the cost competitiveness of datacenter-related services.			
Transition	Reputation increased concern among partners and stakeholders, and negative feedback	• If Fujitsu becomes the target of negative campaigns or boycotts by NGOs due to its low ranking on climate change measures, our brand value will decline, with risks to the business such as loss of social trust and increase in cost of countermeasures. In recent years, investors and suppliers are demanding the disclosure of climate change measures and contract conditions, so effort is essential. • According to RE100, in 2022, the rate of renewable energy usage in the Services sector, to which Fujitsu belongs, was 47%. With an average RE100 achievement target of year 2026, our sector is leading other industries, and industry-specific risks are higher.	Short-term	Min.: 14,200,000,000 ～ Max.: 28,500,000,000	• With revenues of 1423.5 billion yen in our companies based outside Japan, where the influence of NGOs is greater, even an annual impact of 1% would result in a financial impact of 14.2 billion yen, and an estimated impact of 28.5 billion yen if that 1% was maintained over 2 years.

*1 IEA: An abbreviation for the International Energy Agency, an international energy organization that provides guidance on global energy policy, analyzes energy markets, and collects and publishes energy statistics.
*2 FIT surcharge: Abbreviation for the renewable energy generation promotion Feed-In-Tariff levy. A levy added to electricity charges under the Feed-in Tariff (FIT) system to support renewable energy generation.

Opportunities

Type	Term	Details	Key responses
Products / services	Short- to long-term	• Increased sales by developing and supplying products and services that are highly energy-efficient	• Development and supply of high-performance, energy-saving 5G virtualization base stations, high-

			performance, low-energy supercomputers, etc.
Market	Short- to long-term	• Seizing new market opportunities for climate change solutions created using ICT	• Development and supply of measures to calculate and visualize CO_2 emissions in supply chains and more efficiently search for new materials in the shift to zero emissions
Resilience	Short- to long-term	• Increased sales through new products and services for resilience enhancement	• Development and supply of disaster prevention information systems and AI predictive water management systems to forecast river levels during floods

Scenario Analysis

Premise

In FY2021, the Fujitsu Group conducted scenario analyses out to 2050 using scenarios for 1.5℃ and 4℃ of global warming. The analyses studied businesses likely to be impacted by climate change in the following areas: Sustainable Manufacturing (sectors studied: petrochemicals, automotive, foods, electronic device-related businesses), Trusted Society (sectors studied: public sector, transportation, energy-related businesses), and Hybrid IT (sector studied: datacenter-related businesses).

Scenario selection	• 1.5°C, 4°C scenarios * Established with reference to information published by the IPCC, the IEA, government agencies such as the Ministry of the Environment and the Japan Meteorological Agency, and various private research organizations. For the main reference scenarios, RCP 8.5 and RCP 2.6 are used as physical scenarios, while IEA NZE 2050 (Net Zero Emissions by 2050 Scenario) and IEA STEPS (Stated Policies Scenario) are used as transition scenarios.
Target businesses	Opportunity-focused analysis: Addressing climate-related risk in client industries • Sustainable Manufacturing (sectors studied: petrochemicals, automotive, foods, electronic device-related businesses) • Trusted Society (sectors studied: public sector, transportation, energy-related businesses) Analysis of both risks and opportunities: Addressing climate-related risk in Fujitsu businesses and client industries • Hybrid IT(sector studied: datacenter-related businesses)
Period covered	2050

Analysis Steps and Details

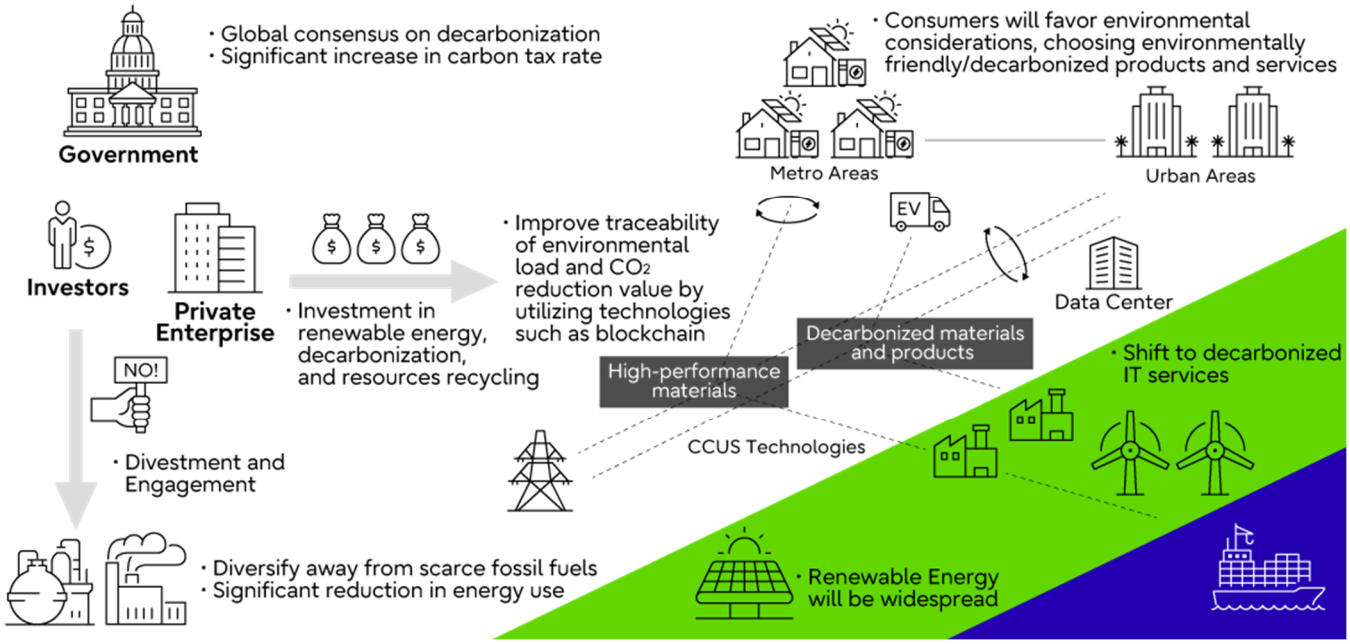
The analysis was conducted in 4 steps: assessment of risk severity, definition of scenarios, evaluation of impacts on business, and discussion of countermeasures.

We began by organizing the risks and opportunities for the target businesses based on data such as the TCFD recommendations and external reports. We also conducted workshops to look at the qualitative aspects of business impacts stemming from each risk and opportunity item from the perspectives of Fujitsu and industry generally. We rated the severity of each risk or opportunity as "High", "Medium" or "Low". We then considered the future changes in each of the items classified as having a "High" severity and defined our scenarios using data from agencies such as the IPCC, IEA, and the Ministry of the Environment, together with the evidence provided in various reports. Specifically, we held an executive input session to consider global outlooks for 2050 given temperature rises of 1.5°C and 4°C, and then went on to consider the global outlook for each of the target industries, using tools such as Five Forces analysis. (See below for the 1.5°C global outlook.)

To look at the impacts on business, we then tentatively calculated the qualitative gap between the scenarios and our existing strategies and plans with respect to risks and opportunities. For Hybrid IT (sector studied: datacenter-related businesses), we discussed how the impacts of climate change on business would affect our Profit and Loss Statement, specifically looking at which financial indicators would be impacted and in what ways. We then summarized those impacts by developing calculation logic for each impact. Both internal and external data and information were used to confirm the positive (opportunities) and negative (risks) impacts on operating profit in 2050. For example, the calculations for the 1.5℃ scenario showed rising costs due to changes in power prices, but also revealed that there will be increased demand for carbon-neutral datacenters and for datacenters generally due to increased communications traffic as the uptake of smart devices accelerates. Overall, the calculations showed that the negative financial impacts of risks will be outweighed by the positive financial benefits arising from opportunities, ultimately leading to a net positive financial impact on operating profits.

Our analysis of Sustainable Manufacturing (sectors studied: petrochemicals, automotive, foods, electronic device-related businesses) and Trusted Society (sectors studied: public sector, transportation, energy-related businesses) focused on the business opportunities arising from climate change, assuming the potential to establish new climate change-related markets and concluding that the net impact on sales in 2050 would be positive.

Finally, we held a workshop in which we organized the trends in each industry that had been identified when defining the scenarios and the direction of measures to deal with the business impacts requiring emphasis. In specific terms, during the group work we reviewed the current initiatives and gathered views on the directions that future initiatives should take, taking into account the expectations on Fujitsu in the medium- to long-term.



Global outlook of a 1.5°C “carbon-neutral world in 2050”

Analysis Results

Because we were able to confirm that the study and development directions for our business unit offerings are aligned with the opportunities shown in the scenario analyses, and that countermeasures for the identified risks are also being prepared, our assessment was that Fujitsu’s businesses are strategically resilient from a medium- to long-term perspective.

Our current themes and areas are “Carbon Neutrality” and “Resilient Supply Chains” in the Sustainable Manufacturing area, and “Sustainable Energy & Environment” and “Sustainable Transportation” in the Trusted Society area, and we are progressing with the development of our offerings.

<Opportunity Analysis>

Main Risk and Opportunity Items	Policy/regulation, markets, technology, reputation	Natural disasters

Target businesses : Sustainable Manufacturing

Sectors studied	Risk severity assessment (both 1.5℃ and 4℃)	Scenario definitions	Countermeasure considerations (in part)
Petrochemical businesses	<Policy/regulation, markets, technology, reputation> Proliferation of ICT in recycling-based business platforms in the shift to carbon-neutrality • Carbon pricing • Emissions targets • Energy-saving measures • Key product / Service price variations <Natural disasters> Increased damage to factories/supply chains due to heightened risk of natural disasters • Flooding/Changing weather patterns • More severe abnormal weather events	**1.5℃ scenario**	
		Switch to environmentally friendly products that use carbon-neutral materials throughout the supply chain, increasing portfolio reform, increased demand for greater traceability and more efficient R&D	• Visualization of CO_2 emissions throughout the supply chain, support for strategies and policies aimed at carbon-neutrality • Eco-friendly materials development solutions that use materials informatics • Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
		4℃ scenario	
		Increased demand for resilient factories and supply chains due to increasingly severe natural disasters	• Support for risk event simulation and timely provision of risk information • Rapid solutions through data-driven management (review of manufacturing systems, suppliers, SCM, etc.)

<table>
<tr><td rowspan="3">Automotive businesses</td><td rowspan="3"><Policy/regulation, markets, technology, reputation>
Stronger regulation of internal combustion engines; widespread adoption of electric vehicles, move toward carbon-neutrality in the entire product life cycle
• Carbon pricing
• Emissions targets
• Key product / Service price variations
• Proliferation of next-generation technology
• Changes in investor sentiment

<Natural disasters>
Increased damage to factories/supply chains due to heightened risk of natural disasters
• Flooding/Changing weather patterns</td><td colspan="2">1.5℃ scenario</td></tr>
<tr><td>Increased demand for services such as MaaS and greater supply chain traceability to help reduce environmental impacts through the entire life cycle</td><td>• Visualization of CO_2 emissions throughout the supply chain, support for strategies and policies aimed at carbon-neutrality
• Support for EV demand (e.g., circular management of EV batteries)
• Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
• Process automation services using digital technology, from design through to manufacturing and maintenance</td></tr>
<tr><td colspan="2">4℃ scenario</td></tr>
<tr><td>Faster rollout of internal combustion engines, increased demand for advanced technology. Also, increased demand for enhanced business continuity and stability in raw materials procurement in the face of more severe natural disasters</td><td>• Support for risk event simulation and timely provision of risk information
• Rapid solutions through data-driven management (review of manufacturing systems, suppliers, SCM, etc.)
• Engineering outsourcing service which contributes to acceleration of development processes/technology and selection of management resources</td></tr>
<tr><td rowspan="3">Food-related businesses</td><td rowspan="3"><Policy/regulation, markets, technology, reputation>
Increased awareness of ethical consumption, promotion of resource recycling and biodiversity, etc.
• Key product / Service price variations
• Proliferation of next-generation technology

<Natural disasters>
Increased damage to agriculture due to heightened risk from natural disasters and temperature rises
• Higher average temperatures
• More severe abnormal weather events</td><td colspan="2">1.5℃ scenario</td></tr>
<tr><td>Changed consumer awareness leading to increased demand for measures to deal with food waste and support for smart agriculture, certificates of origin, and environmentally friendly packaging materials</td><td>• Visualization of CO_2 emissions throughout the supply chain, support for strategies and policies aimed at carbon-neutrality
• Support for greater traceability throughout the value chain (supply-demand optimization, help with changes in consumer behavior)
• Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management</td></tr>
<tr><td colspan="2">4℃ scenario</td></tr>
<tr><td>Increased demand for "resilient agriculture" to cope with issues of stable food supply resulting from natural disasters</td><td>• Support for risk event simulation and timely provision of risk information
• Rapid solutions through data-driven management (review of manufacturing systems, suppliers, SCM, etc.)</td></tr>
</table>

Electronic device-related businesses	<Policy/regulation, markets, technology, reputation> Energy savings in factories and growth in the market for products for EVs; potential for fundamental manufacturing reforms, such as 3D printers and the "buy local" movement • Carbon pricing • Emissions targets • Key product / Service price variations • Proliferation of next-generation technology • Changes in investor sentiment <Natural disasters> Increased damage to factories/supply chains due to heightened risk of natural disasters, water shortages • Flooding/Changing weather patterns	**1.5℃ scenario**	
		Proliferation of energy/labor-saving technologies. Increased demand from radical changes to business models (demand chains, etc.)	• Visualization of CO_2 emissions throughout the supply chain, support for strategies and policies aimed at carbon-neutrality • Process automation services using digital technology, from design through to manufacturing and maintenance • Management visualization with an ESG pivot, formulation and implementation of SX measures through data-driven management
		4℃ scenario	
		Increased demand for higher labor productivity in production sites and the construction of factories and supply chains capable of handling the risks posed by natural disasters	• Process automation services using digital technology, from design through to manufacturing and maintenance • Support for risk event simulation and timely provision of risk information • Rapid solutions through data-driven management (review of manufacturing systems, suppliers, SCM, etc.)

Target businesses : Trusted Society

Sectors studied	Risk severity assessment (both 1.5℃ and 4℃)	Scenario definitions	Countermeasure considerations (in part)
Public sector, transportation, energy-related businesses	<Policy/regulation, markets, technology, reputation> The values by which we select cities and services, such as environmental concerns, will changes as we shift to carbon neutrality • Carbon pricing • Emissions targets • Key product / Service price variations <Natural disasters> Increased damage to cities, buildings, and infrastructure due to heightened risk from natural disasters • Flooding/Changing weather patterns • More severe abnormal weather events	**1.5℃ scenario**	
		Increased demand for quantifying and visualizing new values, such as environmental concerns, and the digitalization of urban and energy infrastructure	• Services/solutions related to prediction and regulation of the energy supply-demand balance using real-time data as green energy is used to transition to a carbon neutral society
		4℃ scenario	
		Increased demand for resilient urban infrastructure	• Construction of Digital Twin platforms, enhanced use of simulations, optimization of urban infrastructure that caters for population flows and individuals, support for resilience in transport and logistics, disaster prevention/minimization

<Risk & Opportunity Analysis>

Target businesses : Hybrid IT

Sectors studied	Risk severity assessment (both 1.5℃ and 4℃)	Scenario definitions	Countermeasure considerations (in part)
Datacenter-related businesses	<Policy/regulation, markets, technology, reputation> Traceability of environmental values, datacenter electrification, and the adoption of smart technology will all progress • Emissions targets • Key product / Service price variations • Proliferation of next-generation technology • Changes in investor sentiment <Natural disasters> Increased damage to datacenters due to heightened risk from natural disasters • Higher average temperatures • More severe abnormal weather events	**1.5℃ scenario**	
		Energy savings and environmental concerns become the standard for service selection by customers, and carbon neutrality in datacenters themselves becomes a source of competitive strength	• Highly energy-efficient datacenters
		4℃ scenario	
		Increased demand for resilient datacenters. Disaster risk for Fujitsu-owned datacenters is also increasing and countermeasures are needed	• Disaster recovery center services in case disasters occur • Resilient earthquake-proof datacenters equipped with every security measure

* The above scenario analyses are intended to verify the strategic resilience of Fujitsu businesses based on an assumed hypothesis and are positioned as one simulation that takes into account future uncertainties.

Risk Management

As part of our company-wide risk management system, we have established the Risk Management and Compliance Committee to identify, assess and manage risks across the entire Fujitsu Group, including those related to climate change. To conduct company-wide risk assessments on a regular basis, the committee prepares tools, distributes them to each Risk Management & Compliance Officer and gathers responses. The departments in charge of each risk across the company utilize these tools to conduct assessments on items such as the impact and likelihood of occurrence related to risk threats and the status of countermeasures, and they also provide responses regarding those risk threats. Climate change-related risk assessments are conducted by all relevant departments, using information collected from across the company, based on the expertise of each department in areas such as policy, reputation, natural disasters, the supply chain, and products and services. The Risk Management and Compliance Committee conducts an integrated matrix analysis of the assessments returned by each department with respect to impact severity and likelihood, and then identifies high-priority risks at the company-wide level. The results of this analysis are reported to the Board of Directors.
The Sustainable Management Committee shares the business risks, opportunities, and countermeasures resulting from climate change, and manages their progress. The Fujitsu Group has also established environmental management systems based on the ISO 14001 standard. Under these systems, we monitor regulatory compliance and other risks.

Metrics and Targets

★ Indicators assured by third party

In 2017, the Fujitsu Group obtained 2°C-aligned certification from the SBTi for its GHG emissions reduction targets, and in 2021 we were granted 1.5°C-aligned certification for our revised targets. To accelerate our efforts towards carbon-neutrality, we set new targets to achieve net-zero emissions from our business activities by FY2030 and net-zero emissions through our entire value chain by FY2040 and were granted net-zero certification by the SBTi. In line with the SBT updates, we have also revised our RE100 renewable energy target, bringing our target of 100% renewables by 2050 forward by 20 years and aiming to achieve 100% renewable energy by 2030.
As of FY2025, Fujitsu achieved a 71.5% reduction in GHG emissions (Scope 1 and 2) in FY2025, on the way to Net Zero by FY2030 (against a FY2020 baseline). We also achieved a 34.5% reduction in GHG emissions (Scope 1, 2 and 3) across the entire value chain in FY2025, on the way to our targeted 90% reduction by FY2040 (against a FY2020 baseline).
We increased our renewable energy usage rate to 67.5%★in FY2025, on the way to our targeted 100% usage by 2030.