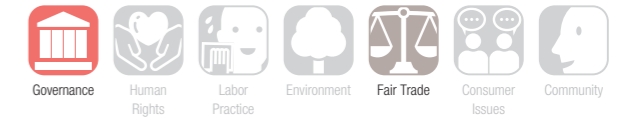


# Management System



## Social Requirements

- Ensuring management transparency
- Continually enhancing corporate ethics
- Strengthening supervisory functions

## The FDK Approach

- Strengthening corporate governance
- Ensuring compliance
- Continuously operating an internal control system

## Highlights of Management System

Number of independent outside directors  
(total number of directors: 7)

3

Attendees of compliance training course for all employees  
Total number of attendees  
(including staff at overseas sites)

5,078

Number of transmissions of compliance-related information through the company intranet

3

Number of risk survey responses

102

Number of occupational accidents

2

Occupational accident occurrence rate

0.00

Occupational accident severity rate

0.00

Number of internal reports

4

## Initiatives Supporting the Management System

### Strengthening Corporate Governance

#### Basic Concept

FDK Group reviews each measure and the management system as necessary based on the general principles of the Corporate Governance Code stipulated by the Financial Instruments Exchange and executes organizational maintenance and other necessary measures, because we believe strengthening corporate governance improves the soundness and transparency of our company and improves the value for FDK shareholders. In addition, we are striving to improve fairness and transparency through wide-ranging information disclosure, including the prompt disclosure of business information and the provision of financial information via the Internet.

Our company has introduced a corporate officer system in order to separate business decision-making and supervisory roles from business execution roles, and to strengthen the checking role of the Board of Directors.

The FDK Board of Directors is composed of four directors (excluding direc-

tors who are Audit and Supervisory Committee members) and three directors who are Audit and Supervisory Committee members.

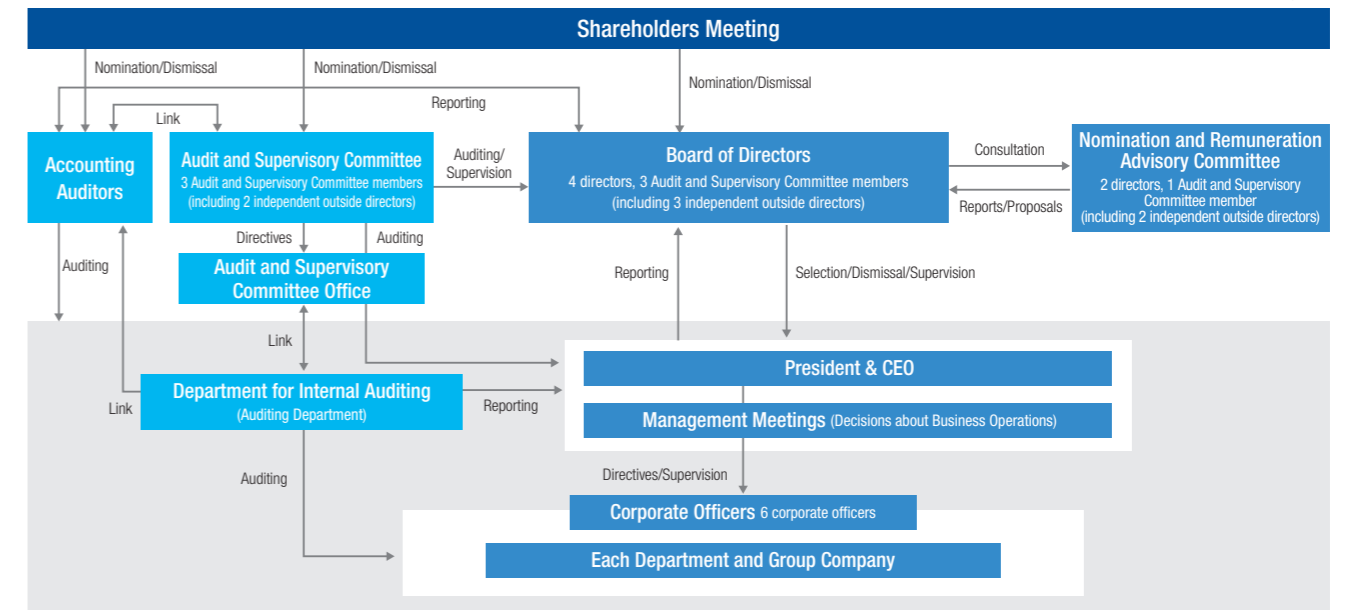
Board of Directors meetings are held once every month to determine important management matters and deliberate the progress status of performance and investigate the measures.

The Audit and Supervisory Committee is composed of three directors, including two outside directors, with meetings held once a month and whenever else a meeting is deemed appropriate to monitor and audit the appropriateness and validity of management. Furthermore, each Audit and Supervisory Committee member attends the Board of Directors meetings to share objective and fair insight about overall management on each matter while also auditing the appropriateness and validity of business operations of the directors according to the auditing policies formulated by the Audit and Supervisory Committee.

As a measure to enhance corporate governance aimed at actively promot-

Corporate Governance System Chart

\*As of October 1, 2022



ing compliance throughout the Group, we have established the basic principle of compliance with the law in the FDK Group Corporate Conduct Guidelines. We also abide by the FUJITSU Way, which is the common core philosophy of the Fujitsu Group.

In March 2022, FDK established a voluntary Nomination and Remuneration

Advisory Committee, the majority of whose members are independent outside directors, as an advisory body to the Board of Directors for the purpose of enhancing the fairness, transparency, and objectivity of procedures related to director nominations and compensation, etc., and further improving our corporate governance system.

### Continuously Operating an Internal Control System

#### Basic Concept

In recognition of the fact that strengthening corporate governance is essential for fulfilling our social responsibilities as a company, the FDK Group will maintain a sound and strong relationship with FDK stakeholders, from customers to suppliers, shareholders, employees, and local communities. We will implement management that complies with relevant laws and the Articles of Incorporation while ensuring the integrity of our operations and the reliability of our financial reporting. The pursuit of management efficiency and control of the various risks arising in business activities are essential to continually improve the corporate value of the FDK Group. Therefore, we promote ongoing efforts through the systems below.

#### Systems to Ensure the Appropriateness of Operations

1. Systems to ensure directors and employees perform their duties in accordance with laws, regulations and the Articles of Incorporation
2. Systems to store and manage information related to the performance of duties by directors
3. Regulations and other systems to manage risks of loss
4. Systems to ensure directors of FDK and subsidiary companies efficiently execute business

5. Systems to ensure the appropriateness of operations of the corporate group comprising the FDK Corporation and its subsidiary companies
6. Systems to ensure the appropriateness of auditing functions by Audit and Supervisory Committee members

#### (1) Officer training

FDK holds annual training for directors as well as corporate officers by an external instructor with the objective of teaching knowledge both in and outside the scope of their expertise in an effort to increase the expertise and knowledge of its directors and corporate officers.

#### (2) Board of Directors performance evaluation

FDK conducts annual Board of Directors performance evaluation in order to identify issues regarding to the Board of Directors and to enable the members of the Board of Directors to share such issues in order to make improvements to enhance the effectiveness of the Board of Directors.

FDK conducts self-evaluations by questionnaire and holds discussions based on the results of third-party analysis of questionnaires. In doing so, the Board of Directors can discuss any issues while continually working to strengthen its supervisory functions.

## Ensuring Compliance

### Basic Concept

FDK Group established the “FDK Group Corporate Conduct Guidelines” as the standard of conduct for each and every employee. The Code of Conduct that makes up one element of these guidelines clearly states that we will respect human rights, act with fairness and freedom in our business dealings, comply with all laws, regulations, and social norms, protect and respect intellectual property, handle information properly and maintain confidentiality, and not use our positions in the organization for personal gain. In this way, we will strive to earn trust from consumers and suppliers.

### Compliance Education

The FDK Group explains laws and regulations closely related to its work, from internal regulations to the Foreign Exchange Act, the Product Liability Act, Antimonopoly Act, and Personal Information Protection Law in various stratified training programs, such as new and mid-level employee training as well as new manager training, to bring about understanding in every person. In addition to the above, FDK continually conducts a variety of compliance training (including e-learning) for all of our employees. FDK also conducts training annually at each business site related to export management and subcontracting transactions. Furthermore, FDK strives to raise awareness about laws and regulations by providing employees with a broad range of information about compliance that includes information about amendments to relevant laws and regulations and with an introduction of examples about violations using the company intranet.

### Complying with Laws and Regulations Related to Business Operations

The business operations of the FDK Group must comply with a wide range of laws and regulations. In addition to this broad compliance, understanding culture and customs and clearly responding to social trends are part of comprehensive compliance from an ethical perspective.

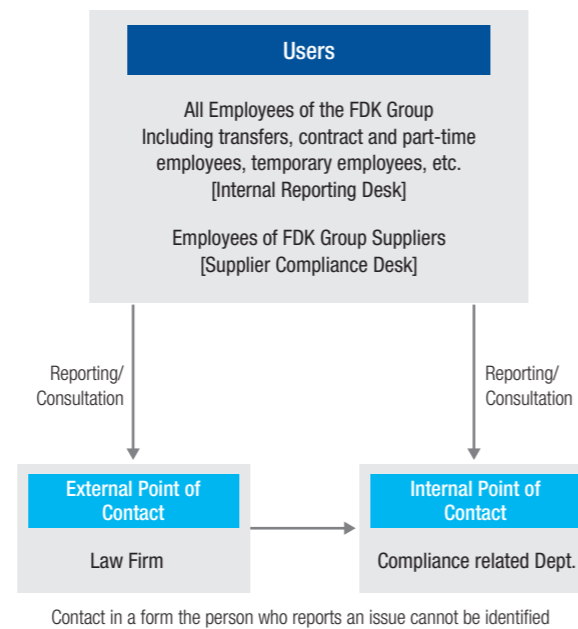
FDK has also put in place dedicated organizations for each field of compliance, such as the “Central Health and Safety Committee,” “Group Environmental Management Committee,” “Product Chemical Substances Management Committee,” “Export Management Committee,” and “Product Safety Promotion Committee,” in an effort to operate its businesses in compliance with all laws and regulations.

### Internal Reporting System

The FDK Group has put in place the proper reporting and consultation systems for compliance violations to quickly discover and take corrective actions of any such improprieties as well as use as a resource to strengthen honest and fair management in compliance with the law. FDK has established an Internal Reporting Desk and Supplier Compliance Desk. The “Internal Reporting Desk”, “Supplier Compliance Desk”, and the “Internal Reporting Regulations” guarantee anonymity of anyone who reports a violation in addition to ensuring no harm is done as a result of reporting an issue. Any issue discovered as a result of investigation into a report is immediately addressed with reform measures.

There were four reports in FY2021, which were addressed appropriately.

### Internal Reporting System



### Risk Management Initiatives

The FDK Group aims to continually improve corporate value and make contributions to customers, local communities, and all other stakeholders through its global business activities. To achieve these goals, we properly identify any potential risks resulting from our business activities and prioritize important issues requiring a response.

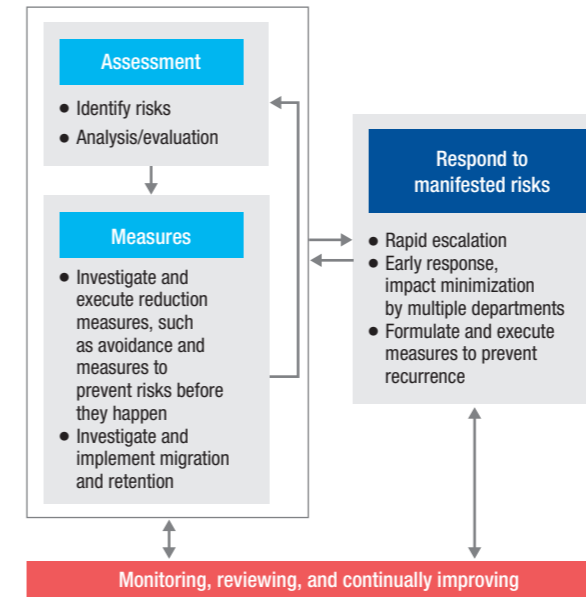
Therefore, the FDK Group has established, practices, and continually improves a Group-wide risk-management system. Our Board of Directors drafted the Basic Policy for Establishing an Internal Control System to define rules and systems that pursue management efficiency and control risks resulting from business activities. We also share this basic policy with our shareholders.

### Risk Management Process

- (1) Each department identifies potential risks inherent to business activities, and evaluates and verifies them.
- (2) Clarifies the priority of response for each risk and determine risk-control policies (avoidance, mitigation, migration, and retention of risks).
- (3) Executes measures in each department to prevent risks before they manifest in accordance with decided policies.
- (4) If a risk materializes, each department will escalate to the Risk Compliance Committee. Any issues are resolved as quickly as possible to minimize the impact through an appropriate response in cooperation with each relevant department and the Risk & Compliance Committee Secretariat as well as working to identify the underlying causes in addition to formulating and executing plans to prevent recurrence.

FDK checks the progress of execution during each of these steps and makes improvements as necessary.

### Risk Management Process Chart



### Occupational Health and Safety Activities

#### FDK Group Health and Safety Policy

##### Basic Philosophy

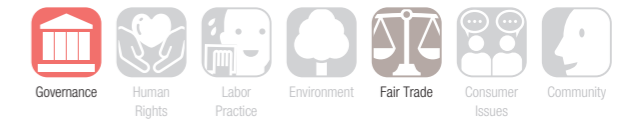
We respect and value the life and dignity of every individual as a basic philosophy. To ensure a bright future and smiles on the faces of all those who work for the FDK Group, we will continue to put safety first, to actively work to create a safe and healthy workplace, and to promote mental and physical health, aiming for zero occupational accidents and zero illnesses. Furthermore, in the course of our business activities, we will comply with relevant laws and regulations, FDK rules, and stakeholder requirements to which we have agreed.

##### Basic Policy

Based on the principle that occupational accidents must not happen, we will create a safe and comfortable workplace through ongoing improvements to the occupational health and safety management system with the participation and consultation of all employees, elimination of sources of danger, reduction of risks, and preparation for emergencies. In addition, FDK also places importance on employee mental health measures not just from the perspective of employees and their families, but also in terms of earning trust as a company, operating business smoothly, and contributing to a sustainable society. These actions have strengthened our mental health efforts.

#### Occupational Health and Safety Promotion System

The FDK Group holds quarterly meetings of the Central Health and Safety Committee, which includes the president and the chairman of the labor union, as a supervisory function for the Health and Safety Committees at each business site. The central committee shares information about activities at each business site while formulating Group-wide activity plans.



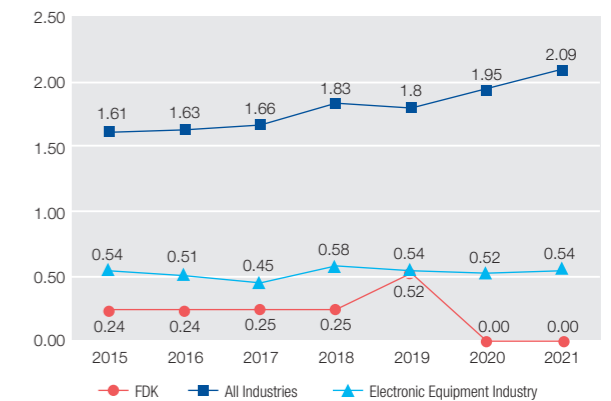
On-site Safety and Health Committee meetings are held jointly by labor and management at each business site every month to execute activities according to health and safety action plans.

Some business sites have acquired the ISO 45001 certification for occupational health and safety management. We take advantage of these management systems in an effort to realize a framework with an even higher level of occupational health and safety.

### Status of Occupational Accidents

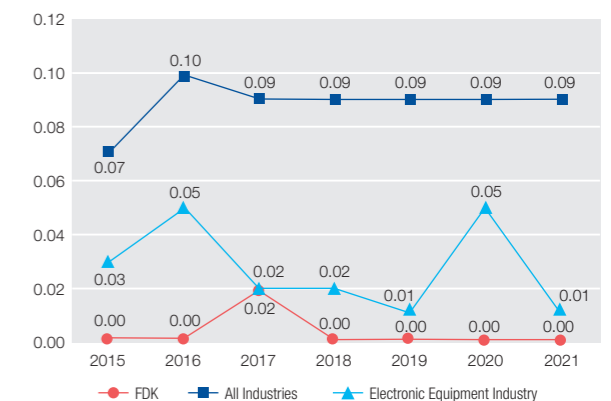
- Two occupational health and safety accidents occurred on business sites in Japan in FY 2021 (excluding traffic accidents).
- The occurrence rate was 0.00 with a severity rate of 0.00 for occupational accidents on business sites in Japan.
- Occurrence rate: (Number of deaths or injuries/total hours of operation x 1,000,000)
- Severity rate: (Number of days lost/total operation hours x 1,000)

### Changes in the Annual Occurrence Rate



Occurrence rate: Death or injury due to occupational accidents per a total of one million hours of operation.

### Changes in Annual Severity Rate



Severity rate: Number of days lost due to occupational accidents per a total of one thousand hours of operation.