

In terms of employment, we are making efforts to promote diversity and respect human rights, as well as to promote employment for people who have disabilities.

Employment Status

Number of Employees (a Consolidated: 4,495 (

Composition of Employee

| (as of April 30, 2021) | |
|---------------------------------|--|
| (Domestic: 3,901, Overseas 594) | |
| | |
| es | |

S Social

Our company is promoting social activities through

health, employment, human rights, sports, cooperation with the local

community, and more.

| | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
|-------------------------------------------|--------------------|-------------|-------------|-------------|
| Number of Employees by Type of | Regular | 3,441 | 3,473 | 3,462 |
| Employment (Persons) | Non-regular (Note) | 449 | 448 | 439 |
| Number of Overseas Employees (Persons) | | 601 | 619 | 594 |
| Total (Persons) | | 4,491 | 4,540 | 4,495 |

(Note) This includes temporary workers, contract workers, part-timers, and so on. Employees dispatched from agencies are not included.

Diversity

| | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
|-------------------------------------|--------|-------------|-------------|-------------|
| Number of Employees (Persons) Total | | 3,890 | 3,921 | 3,901 |
| Average Age (Years) | | 43.9 | 44.2 | 44.6 |
| Employees by Conder (Bereens) | Male | 3,124 | 3,156 | 3,143 |
| Employees by Gender (Persons) | Female | 766 | 765 | 758 |
| Ratio of Female Employees (%) | | 19.7% | 19.5% | 19.4% |

Employment Status

| | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
|--------------------------------------|------------------------------------|--------------------------|---------------------------|--------------------------|
| | Total Average 20 years ar 5 months | | 20 years and 7 months | 21 years and 7 months |
| Average Length of Employment (Years) | Male | 21 years and 9 months | 21 years and 10 months | 22 years and 2 months |
| | Female | 14 years and 9 months | 15 years and 5 months | 16 years and 2 months |
| Ratio of New Employees (%) | 80.6% | 84.5% | - | |

Status of New Employees (Domestic Only)

| Year Joined Company | Gender | Development | SE | CE | Sales | Staff | Manufacturing | Subtotal | Total |
|---------------------------|--------|-------------|----|----|-------|-------|---------------|----------|-------|
| 2010 | Male | 25 | 13 | 16 | 7 | 2 | 2 | 65 | 04 |
| 2018 | Female | 7 | 3 | 1 | 5 | 3 | 0 | 19 | 84 |
| 2019 | Male | 19 | 14 | 17 | 8 | 0 | 2 | 60 | 83 |
| 2019 | Female | 7 | 2 | 0 | 3 | 9 | 2 | 23 | 03 |
| 2020 | Male | 27 | 14 | 24 | 8 | 1 | 4 | 78 | 02 |
| 2020 | Female | 2 | 2 | 2 | 6 | 3 | 0 | 15 | 93 |

Diversity

In a situation where external environments are changing drastically and the path ahead is unclear, what we can see is the importance of creating synergy by demonstrating the potential of all kinds of employees with various traits, abilities, and values, and by mutually accepting each other. Thus, the PFU Group is continuing to promote diversity. We are working on diversity to achieve an environment where individuals can work with various styles of work and continue to thrive, in order to respect each person's individuality.

Labor and Management Conference for the Promotion of Diversity

At PFU, we established the "Labor and Management Conference to Support the Coexistence of Work and Family" from 2004. Mainly, this was designed to focus on the expansion of policies and systems to "make it easy to work". From 2016, to work toward the realization of an environment where all kinds of people can flourish to the fullest, including "women", "people with disabilities", and "senior citizens", we expanded and renamed it as the "Labor and Management Conference for the Promotion of Diversity". From here on, by implementing workable strategies in the PFU Group that build upon this labor and management conference, we aim to create a company where anyone can demonstrate their full potential and feel the "motivation to work".

An Environment where Women Can Flourish

The PFU Group strives to create a work environment that establishes a flexible system where employees can continue to work even after life events such as getting married or having children, and supports networking between female employees. Utilizing the easy-to-work environment formed through this, we are shifting from "support for coexistence" to "support for successful career formation" to further advance the success of women.

Formulation of a "Plan for Action" on the Act on the Promotion of Female Participation and Career Advancement in the Workplace

To promote female participation and career advancement in the workplace, PFU has formulated a general business action plan based on the act on the promotion of female participation and career advancement, and has established goals for improving the ratio of women in leadership and management roles.

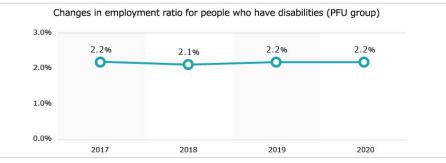
Out-of-Company Certifications/Awards (PFU Limited)

- ✓ Eruboshi certification
 - Certified in 2019, level 3
- ✓ Other Ishikawa Advancement of Men and Women's Cooperative Participation Declarative Enterprise, "Class for Acceleration of Women's Participation"

on m"

Employment for People with Disabilities

At the PFU Group, we promote employment opportunities for people with disabilities, with which each individual can maximize their full potential regardless of whether someone has a disability. Further, in accordance with the "PFU Way", we endeavor to build a bright and energetic workplace environment that respects individuality, shows kindness to others, and has a lively exchange of communication.



*From fiscal 2017, we received authorization for business group calculation exception and reported our group consolidated employment rates

Governance

In the PFU Group, we are advancing the development of methods for the coexistence of work with childbirth/childrearing, nursing care, and medical treatment.

Follow-up between Childcare Leave and

We provide information regularly to employees

who are on childcare leave. Additionally, we hold

seminars every year with the aim to support the

Formulation of a "Plan for Action" on the Law

for Measures to Support the Raising of the

To promote the raising of the next generation,

PFU has formulated an action plan as a general

business operator based on the law for measures

to support the raising of the next generation, and

proportion of men and women who take parental

has established goals for increasing the

return to work and the building of networks.

Coming Back to Work

Next Generation

leave.

Work from Home System, Flexible Work System, and Other Expanded Work Systems

In addition to the introduction and expansion of our work from home system, we have expanded our flexible work system and established other such work systems to support the coexistence of childcare and nursing care.

System for Babysitter Fee Subsidization and Contract with Company-sponsored Nursery School

When employees have to work while their children are sick or recovering from illness, we subsidize the fees for babysitter services. Additionally, we have a contract with a company-sponsored nursery school, which employees can use on a monthly basis or when they need care for sick children.

Out-of-Company Certifications/Awards (PFU Limited)

- ✓ Kurumin certification 2007 certification/2011 certification/2013 certification
- ✓ Family friendly business department Fiscal 2005, directors of prefectural labor bureaus award (Ishikawa prefecture)
- ✓ Work-life balance grand prize 2013, excellence award Granted the "Work-life balance grand prize" excellence award
- ✓ Other

PFU Sustainability Report 2021

Kanagawa prefecture home education cooperative business partner Children of Kanagawa prefecture child raising support promotional business partner Ishikawa prefecture child raising for fathers supportive business



Human Rights

The "PFU Way", which shows the collective values of the PFU Group, regards "respect for human rights" as first and foremost in our code of conduct. Acceptance of diversity and respect for human rights creates a healthy workplace, and it is essential for each and every employee to demonstrate their maximum potential.



Particularly, conduct that qualifies as harassment is a serious problem for human rights that takes away the dignity of employees and ruins the workplace environment. At the PFU Group, conduct that qualifies as harassment is absolutely not tolerated. We are working to create a workplace environment that is safe and comfortable where all employees mutually respect one another.

Promotional System

At PFU, with the executives in charge of human resources taking the lead, we have established an executive office for the education and promotion of human rights within the human resources division. The divisions in charge at each group are linked together to promote the creation of a company environment where harassment does not occur and is not tolerated.

Leadership for Human Rights Education and Promotion (Executives in Charge of Human Resources)

> Human Rights Education and Promotion Office

Departments

Affiliated Companies

Help Desk for Consultation/Reports on Human Rights

An employee should never have to struggle alone. For this reason, we have established a "help desk for consultation on harassment prevention and human rights protection" to offer advice and hear the opinions of all employees in the PFU Group, and to provide one-on-one consultation and support.

Additionally, our "compliance hotline" accepts reports on compliance violations, including human rights violations, and offers consultation.

Activities/Education to Raise Awareness of Human Rights

At the PFU Group, we use the one month leading up to "Human Rights Week" designated by the Ministry of Justice (December, yearly) as "a month to think about human rights", in which we take various actions to raise awareness of human rights.

Furthermore, starting with compliance education for employees in executive and leadership roles and human rights training taken by all relevant employees such as new recruits and recipients of promotions, we have implemented e-learning that encompasses all employees.

al Sustainability

Human Resource Development

Our Vision for Human Resources

For each employee to go forward acting professionally, we have specified "PFU's vision for human resources" as the ideal.

PFU's Policy on Human Resources

In order to be an edge solution partner who provides value to the environments of our customers, each of our employees as professionals must have the passion to repeatedly challenge themselves and continue to grow. PFU has established our vision on human resources as the guidelines for this, and we are implementing a series of human resource policies, including education, evaluation, and recruitment of human resources, in order to form a strong human resource response that provides for all of these factors.







Humanity

We face both people and work with sincerity. We follow the PFU Way and take action with altruism in our hearts.

Autonomy

We autonomously hold awareness of reformation and improvement and continue to work toward those goals. We think and make our decisions individually with the goal to improve the status quo, and take fast action to produce fruitful results.

Expertise

We have the expert knowledge and skills required to develop technologies that are the best in the world.

We are eager to improve our technologies and distribute information in the organization.

| High | Education for Fostering of Early Selected Future Leaders | By-level Education | Busi Sk Educa | cill | | oaliza ucat | ntion ion | Career Development Education | Baseline Education | Speci | vision alized ation | Self-development |
|-----------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|--------------------------------------------------|-----------------------------------------------|-------------------------------|------------------------------------|--------------------------------------|------------------|-----------------------------------------------------|--------------------------------------------------------------|
| Job Grade Low 🔪 | Management Business Leader Training Leader Training | Top Management Training Middle Management Training Leader Training Skill Up Training By-occupation Specialized Education New Recruit Common Education Prospective Employee Education | Communication Skill Training | Management & Leadership Skill Training | Overseas Assignment Preparation Education | Global Business Communication Practice | Support for Language Learning | Career Design Training | Risk & Compliance Awareness Training | Career Framework | Internal/External Specialized Education (Workshops) | Qualification Acquisition Support System On-demand Course |

Self-learning Support

(an environment in which one can learn the latest technology or business skills on demand)

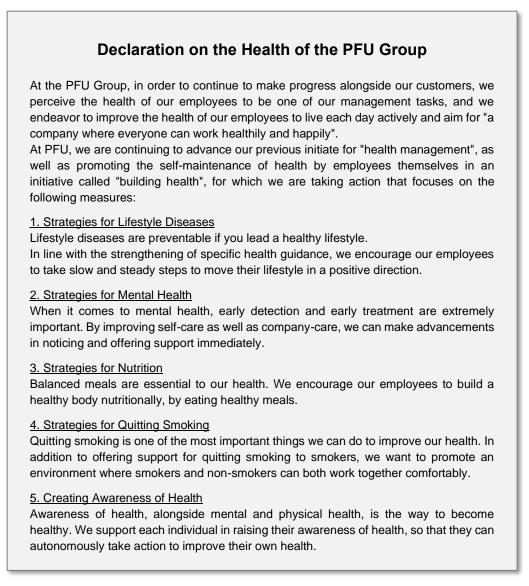
Hybrid Training

(cross-training which is comprised of online courses and classroom learning)



Declaration on Health

Based on the "Declaration on the Health of the PFU Group", we aim for "a company where everyone can work healthily and happily".



Promotional System

With the directors in charge taking on the leading role, we have built a promotional system that joins together occupational health physicians, public health nurses, each group company's department in charge, health insurance associations, and local governments. Policies and yearly plans are reported at places such as board meetings, and then the PDCA cycle repeats.



Health Management (Results of Initiatives)

Strategies for Lifestyle Diseases

To prevent lifestyle diseases, PFU has been focusing on visceral fat and achieving an appropriate level of waist circumference. From fiscal 2016, we changed the focus of our efforts to increasing the ratio of individuals with a BMI within the standard range and the ratio of those provided with specific health guidance.

Strategies for Mental Health

We think creating a sense of harmony between work and life is one of the most important strategies for mental health. Mondays, Wednesdays, and salary/bonus payment days are no-overtime days at our company to encourage work-life balance. Additionally, each quarter we have each employee make a plan for when they will take their paid vacation days, to encourage the taking of paid vacation days in a planned way.

For all employees who worked outside of business hours for more than a certain level in the previous month, we require them to have a consultation with an occupational health physician to prevent mental health issues from overwork. Additionally, based on the results of stress checks, we hold individual consultations with highly stressed individuals, give communication training to managers and leaders, and hold workshops for the improvement of our organization.

Further, when employees return to work after being away from work for a certain period of time, we make sure the departments they belong to stay closely connected with medical professionals such as occupational physicians and public health nurses, and that the return to work is smoothly supported based on the situation of each individual.

Strategies for Nutrition

At the company cafeteria, "Shine Terrace", we take the concept of "a cafeteria that you want to go back to tomorrow" to provide a place with good communication and meals that take health into consideration. Each year, we hold a survey about use of the cafeteria, and we apply the results to the improvement of cafeteria management.

Additionally, we share nutritional information such as how to eat healthy meals to raise employee awareness of nutrition.

Strategies for Quitting Smoking

From October 2020, there is no smoking allowed at any time (complete smoking prohibition) at all offices in our group. This ties into reformations to the way we work, designs for how to reduce risks to the health of smokers and reduce harm from secondhand smoke, advancements in our reformed understanding of smoking, and efforts to reduce the ratio of smokers.

Information Sharing

With our company intranet and mail magazines, we share a wide range of health information with all employees of the PFU Group, such as health white papers, strategies for lifestyle diseases, strategies for infectious diseases, and information from health insurance associations, to create an environment where it is easy to obtain health-related information.

| Preventio | n of lifes | tyle disea | ses (who | le group) | | | |
|----------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Fiscal 2014 (Result) | Fiscal 2015 (Result) | Fiscal 2016 (Result) | Fiscal 2017 (Result) | Fiscal 2018 (Result) | Fiscal 2019 (Result) | Fiscal 2020 (Target) |
| Percentage of workers who succeeded in losing 3cm by the next year (out of workers over the standard range*) | 16.0% | 26.2% | ÷ | × | u. | | - |
| Percentage of workers who stayed within the standard range the next year (out of workers within the standard range*) | 92.7% | 95.3% | - | - | - | - | - |
| Percentage of workers with a BMI within the standard range | 64.9% | 65.0% | 63.0% | 64.6% | 63.8% | 63.3% | 70.0% |
| Execution ratio of specific health guidance (percentage of workers who were provided with health guidance) | 2 | 12.7% | 25.0% | 29.3% | 25.4% | 42.0% | 50.0% |

*The standard abdominal circumference range: below 85cm for male, below 90cm for female

| Average | e paid vacat | ion days ea | ich worker | took (whole | e group) |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fiscal 2014 (Result) | Fiscal 2015 (Result) | Fiscal 2016 (Result) | Fiscal 2017 (Result) | Fiscal 2018 (Result) | Fiscal 2019 (Result) |
| 13.7 days | 15.0 days | 13.9 days | 13.9 days | 15.4 days | 15.4 days |

| Ex | ecution ratio | of stress check | cs (whole grou | ip) |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fiscal 2016 (Result) | Fiscal 2017 (Result) | Fiscal 2018 (Result) | Fiscal 2019 (Result) | Fiscal 2020 (Target) |
| 88.0% | 89.0% | 91.9% | 92.2% | 100% |

G Governance

S Social



Strategies for quitting smoking (whole group)

Fiscal

2017

(Result)

27.1%

5.4%

Fiscal

2018

(Result)

26.7%

4.5%

Fiscal

2019

(Result)

26.0%

4.5%

Fiscal

2020

(Target)

24.0%

4.0%

Fiscal

2016

(Result)

27.8%

5.7%

Fiscal

2014

(Result)

28.7%

5.7%

Smoking rate

(male)

Smoking rate

(female)

Fiscal

2015

(Result)

28.4%

5.3%

2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program

PFU Group Certified by "2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)"

PFU's efforts to improve health were appraised and certified by the "2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)", which is sponsored by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. PFU itself has been certified for five consecutive years since the system was launched in 2017, and all domestic companies in the PFU Group have been certified for four consecutive years.

PFU considers the health of all its employees to be an important management task and plans to keep taking a proactive approach to promote the maintenance of the health of its employees.

Yokohama Headquarters Certified by 2020 Yokohama Health and Productivity Management Accreditation (Class AAA)

The PFU Yokohama Headquarters were certified in 2020 as class AAA, an enterprise of the highest rank, by the Yokohama Health and Productivity Management Accreditation, an administration that gives certifications to enterprises that promote health in Yokohama city. The PFU Yokohama Headquarters has been consecutively certified as a class A enterprise since 2018 when the system was launched. In addition to campaigns such as "Yokohama Walking Point" initiated by Yokohama city, we want to further continue to cooperate with Yokohama city to promote health and productivity management in the future.



Ishikawa Headquarters Certified as Ishikawa Health and Productivity Management Declarative Business

The PFU Ishikawa Headquarters were certified in December 2019 as a business that promotes health and productivity management in Ishikawa prefecture, and as a health and productivity management declarative business that receives support in Ishikawa. Starting with measures to improve eating habits such as by providing a healthy menu at the company cafeteria, in order to promote health for a working generation whose risk of getting lifestyle diseases has increased, we are cooperating with Ishikawa prefecture with the aim to extend healthy lifespans.

Cooperation with the Local Community

Regional Environmental Service Activities

Each and every one of our employees plays a major role in environmental service activities by working together with the community and the local government, who are stake holders, around the company sites.

Implementation of Hama Road Supporter Activities

At the Yokohama Headquarters, we have been contributing since 2015 to the "Hama Road Supporter Activities" sponsored by Yokohama city, in which we periodically clean, beautify, and maintain the environment for the roads near the Yokohama Headquarters.

Date of activities: November 11, 2020 Location of activities: Yokohama-shi, Kanagawa

Turning the Lights Off

We turned the lights off whenever possible, from June 21 (summer solstice) to July 7 (star festival). We used our intranet for employees and digital signs to provide information that encouraged employees to turn the lights off after 8 p.m. both at work and at home. Date of activities: June 21 to July 7, 2020

Location of activities: All offices

Hometown Tax Return Gift

The "ScanSnap iX1500" was used as a hometown tax return gift for Kahoku city in Ishikawa prefecture where the Ishikawa Headquarters are located.

Settling of Agreement for Joint Development with Kahoku City to Create a City where It Is Easy to Live

On March 19th, Kahoku city and our company formed an agreement with the goal to make a good city to live in through joint development. We will use PFU's product creation and ICT technology to the fullest as we contribute the following:

- 1. Realization of a digital society
- 2. Building of regional society through utilization of new technology
- 3. Implementation of ICT and DX transformation in administration
- School education that utilizes digital technology
- 5. Other improvements to city services through digital technology



Hama Road Supporter Activities



Turning the Lights Off



ScanSnap iX1500



Signing Ceremony

Cultural Support Activities

We implement cultural support activities to contribute to the regional promotion and formation of culture. To prevent the spread of the coronavirus, we are promoting measures such as temperature checks, ventilation, thorough hand sanitation, and holding events online.

PFU Creation Workshop

This is an event we have been holding since 2007 for local children in Kahoku city. In 2020, in the midst of the coronavirus epidemic, we held an event at reduced scale to teach electronic manufacturing and programming with the theme of creating a hand washing timer using IchigoJam. Event date:

August 1, 2020 (Saturday), 10 parent-child groups August 2, 2020 (Sunday), 10 parent-child groups Location:

Kahoku city Takamatsu industry and culture center

Ishikawa Uchu-no-Gakko (Space Center)

Starting from 2010, teachers and company employees in Kahoku county, Kahoku city, and Kanazawa city have been cooperating to hold activities with a theme of space and natural science. In 2020, to prevent the spread of the coronavirus, we offered courses through online schooling.

Start date of streaming:

- September 27, 2020 (Sunday) Theme of "autumn constellation story, floating objects with a dryer, continual rotation of a spinning top"
- December 6, 2020 (Sunday) Theme of "talking about stars, turning anything into a spool of thread, paper tube rockets, Da Vinci's bridge"
- January 24, 2021 (Sunday) Theme of "online special lecture on Hayabusa 2's return to earth"

Anniversary of PFU's Sixtieth Year in Business

PFU Christmas Charity Online Concert

This year, due to the coronavirus pandemic, we held an online concert. Being able to see each of the performers from a different angle than usual created a concert with a new kind of appeal. To view the concert, we took applications for a "charity viewing fee" from the general ticket sales website, and all of the profits from those sales were donated to the "Kanazawa city cultural donation fund".

This concert, which has been held since 1992, was held for the 28th time this year.

Event date: December 5, 2020 (Saturday) 15:00 to 15:00 the next day, both live and for those who missed it Location: Ishikawa Ongakudo concert hall Orchestral music: Orchestra Ensemble Kanazawa







Contribution Activities through Sports

Activities by PFU Blue Cats

We use volleyball activities to share the players' energy and bravery with the whole country, as well as to show the value of sports to children as they aim for tomorrow.

"Our Goal for Ishikawa: Let's Take Back Sports"

We participated in a film for raising awareness on how to prevent infections with other top sports teams in the prefecture.

Due to measures to prevent the spread of the coronavirus, official games for all of the top sports teams in the prefecture were suspended or canceled, and even training was put on hold as the situation continued. Thinking about what we could do now to support our hometown, Ishikawa prefecture, we gathered the power of each team to make an educational film about how to prevent infections. Their message was that they hoped we could bring back the happy days when we could enjoy sports even one day sooner.

Participating teams:

Zweigen Kanazawa / Ishikawa Million Stars / Kanazawa Samuraiz / Hokkoku Bank Honey Bee / VINCEDOR HAKUSAN / Kanazawa Gakuin Club / PFU Blue Cats

Setup of Blue Cats Fan Corner in Kahoku City Hall

On August 6th, we set up a "Blue Cats fan corner" on the wall of the first floor lobby in the Kahoku city hall. For everyone in Kahoku city and for our fans, we use it to introduce the players and staff, to announce information about matches and other information, and also to let team members respond to questions from fans on the "community board". Our hometown is Kahoku city, so we want everyone here to feel closer to the Blue Cats so that we can do our best together with our fans!

Sharing on Social Networking with All of Our Fans who Cheer Us On

To prevent the spread of the coronavirus, there have been restrictions on our ability to host volleyball classes as planned or to participate in regional volunteer activities, and since our games have also become remote matches, there have been less chances for us to respond to the support we receive from our fans.

Focusing on our official website, our team decided to "Expand our presence on social networking services!" and also launched a YouTube channel, so that the coach and players could start to share stories about their experiences, and to share timely updates about performance during games. Even if only a little, we hope that we can use this as a way to encourage young people as they grow.







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