Corporate Governance Report

Last Update: June 4th, 2021

Fujitsu Limited

Takahito Tokita, Representative Director & CEO

Contact: Public & Investor Relations Division

Securities Code: 6702

https://www.fujitsu.com/global/

The corporate governance of Fujitsu Limited (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Note: This report is the latest version of our Corporate Governance Report which reflects the update to our Policy on Determining Remuneration Amounts and Calculation Methods based of the notification from Tokyo Stock Exchange. Except for the above, the contents of this report is same as the report filed on December 25th, 2020. This report is scheduled to be updated to end of fiscal 2020 after the Annual Shareholders' Meeting in June, 2021.
Our basic approach to corporate governance and how the company streamlines mechanism and exercises corporate governance based on this approach are described in the Corporate Governance Policy (the Policy) in the following website.

Corporate Governance Policy ("Policy") (English Translation)
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

Our company is implementing each of the principles of the Japan's Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1.4 Strategic Shareholdings]
The Company holds only those strategic shares with clear-cut objectives and meaningful significance in a positive manner. Board of Directors meetings examine the weighted average capital cost of the Company as the standard to evaluate quantitatively whether returns (quantitative factors, such as dividends and the state of transactions), or risks are well balanced with the cost. If quantitative significance in shareholdings is not detected, Board of Directors meetings will further evaluate whether there is a qualitative reason that provides backing for reasonableness to still hold those shares and discuss the continuation of such holdings.
For FY2019, the Company sold 53 issues, and the Board of Directors meeting, held on June 18, 2020, discussed strategic shareholdings held by the Company as of the end of March, FY2019.
The Company deals with strategic shareholders on an equal footing just like with other business partners. Even when strategic shareholders indicate their sales of shares, we do not prevent them from selling them. Said that, we sometimes call upon them the timing of sales, or ways of selling them.
In addition, for the policy for strategic shareholdings and the standard of exercising voting rights as to the strategic shareholdings, please refer to 3.(4) of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

[Principle 1.7 Related Party Transactions]

The Board of Directors performs the oversight on the transactions involving the conflict of interest by Directors in accordance with the relevant laws, regulations, and the Regulations of the Board of Directors. For the procedure framework, please refer to 2.(2)c of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

[Principle 2.6 Fulfill the function as asset owner of corporate pension]
The Company elects the one with experience of and insights into related operation as the manager of Fujitsu Corporate Pension Plan, which the Company and its subsidiaries participate in. The Company puts in place the structure where the manager is engaged in management over a long period of time. The Company also refers to an external consultant firm for advice on management.

[Principle 3.1 Full Disclosure]
(i) Company objectives (e.g., business principles), business strategies, and business plans
In Fujitsu Way, our company shows the purpose of our existence in society, our values, and principles (code of conduct) for how each employee should behave.
For Fujitsu Way, please refer to the following website.
https://www.fujitsu.com/global/about/philosophy/index.html

We disclosed our Management Direction in September 26, 2019. For our Management Direction, please refer to the following website.
https://www.fujitsu.com/global/about/ir/library/presentations/

(ii) The Basic approach to corporate governance and guidelines
The basic approach to corporate governance and how the company streamlines mechanism and exercises corporate governance based on this approach are described in the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

(iii) Board policies and procedures in determining the remuneration of the senior management and Directors
For the policies and procedures in determining the compensation of the Directors and Auditors (hereinafter, the term used for the combination of Directors and Audit & Supervisory Board Members), please refer to 2.(8) of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

(iv) Board policies and procedures in the appointment and dismissal of senior management and candidates nomination of Directors and Auditors
For the policies and procedures in the appointment and/or dismissal of Directors and Auditors, please refer to 2.(7) of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

Given the term of the Company's director is one year, the Company will not dismiss a Director during one's tenure as a general rule, but the Company consider whether the Director should be re-elected or not during the appointment process.
The Company delegates management execution authority to Corporate Executive Officer in accordance with the Policy on the Internal Control System. According to Representative Director's proposal, the Board of Directors' meeting makes a resolution on appointment of Corporate Executive Officer. According to Representative Director's proposal, the Board of Directors' meeting may dismiss relevant Corporate Executive Officer for lack of competency as defined by Agreement of Corporate Executive Officer

(v) Explanations with respect to the individual appointments and/or dismissal and nominations
For the individual appointments and/or dismissal and nominations of Directors and Auditors, the Company explains the reasons in the reference materials for the Annual Shareholders' Meeting. Regarding the reference materials for the Annual Shareholders' Meeting, please refer to the following website.
https://www.fujitsu.com/global/about/ir/stock/meeting/
Appointment and/or dismissal of Corporate Executive Officer are disclosed on the website whenever required.

[Supplementary Principle 4.1.1 The scope and content of matters delegated to the management]

For the delegation of authorities by Board of Directors to Management Executives, please refer to 2.(6) of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

[Principle 4.9 Independence Standards and Qualification for Independent Directors]
The Company provides in 2. (1)c, f of the Policy that Independent Directors and Independent Audit & Supervisory Board Members shall qualify for our Independence Standards. For Independence Standards, please refer to the Appendix of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

[Supplementary Principle 4.11.1]
The view on the appropriate balance between knowledge, experience and skills of the Board of Directors as a whole, and on diversity and appropriate board size]
For our view on the appropriate balance between knowledge, experience and skills of the Board of Directors as a whole, and on diversity and appropriate board size, please refer to 2.(1), (7) of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

[Supplementary Principles 4.11.2 Situation of Directors and Auditors who are in the management at other companies]
For the situation of Directors and Auditors who are in the management at other companies, we explain about them if they fall under category of important positions in reference materials for the Annual Shareholders' Meeting and Business Report. For reference materials for the Annual Shareholders Meeting, please refer to the following website.
https://www.fujitsu.com/global/about/ir/stock/meeting/
For Business Report, please refer to the following website.
https://www.fujitsu.com/global/about/ir/library/reports/

[Supplementary Principle 4.11.3 Summary of the results of analysis and evaluation for effectiveness of Board of Directors as a whole]
It is stipulated in the Policy (2.(3)d) that the Board of Directors analyzes and evaluates the performance of the board of directors meetings every year to maintain and improve their effectiveness, which is publicized in our website (https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf).

1. Action taken in FY2019 based on the evaluation of FY2018
Arrangements were made following FY2018 to help increase report efficiency, such as monthly results reports, which would enable the Board of Directors meetings to spend more time on the discussion of matters that should be focused on. Additionally, Independent Directors and Auditors continued to hold the Independent Directors and Auditors Council in an effort to facilitate exchange of information and formulation of opinions between them.

2. Evaluation of FY2019
(1) Evaluation method
In evaluation of FY2019, considering that Independent Director Abe took up the post of Chairman of the Board of Directors, an anonymous questionnaire to assess the position was conducted in February 2020 to hear opinions from the members of the Board. Additionally, in June 2020, an anonymous questionnaire with the five-grade evaluation was conducted as an appraisal of the effectiveness of the Board of Directors as a whole. The opinions of each questionnaire were respectively reported in regularly-scheduled meetings of the Board of Directors followed by discussions on the results. When discussing the evaluation of the effectiveness of the Board of Directors as a whole in June, evaluation of the Board of Directors of the Company from proxy-advisory firms was also reported.

(2) Evaluation
As a result of the above, the following evaluations were made.
- Although some improvements in materials for Board of Directors meetings were observed, there is room for improvement in the method of information provided and the volume of the materials.

- It is important to further enhance opportunities to obtain information and to communicate outside of the Board of Directors meetings, including the Independent Directors and Auditors Council. As a new effort, private sessions by Independent Directors and Auditors will be held to enhance communication.
- It is important to continue and to strengthen efforts to deepen discussion in the Board of Directors meetings, including making use of the above opportunities, on matters concerning important issues of the Group that should be focused on.

[Supplementary Principles 4.14.2 Training policy for Directors and Auditors]
For training policy for Directors and Auditors, please refer to 2.(9)b of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

[Principle 5.1 Policy for a Constructive Dialog with Shareholders]
For our policy for a constructive dialog with shareholders, please refer to 3.(2) of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

2. Capital Structure

Foreign Shareholding Ratio	More than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (for trust)	17,199,100	8.59
Ichigo Trust Pte. Ltd.	14,899,500	7.44
Custody Bank of Japan, Ltd. (for trust)	11,555,900	5.77
Fuji Electric Co., Ltd.	5,949,856	2.97
Fujitsu Employee Shareholding Association	4,616,356	2.31
Custody Bank of Japan, Ltd. (for trust 5)	4,020,300	2.01
BNYM TREATY DTT 15	3,677,396	1.84
Asahi Mutual Life Insurance Company	3,518,052	1.76
Custody Bank of Japan, Ltd. (for trust 7)	3,359,400	1.68
STATE STREET BANK AND TRUST COMPANY 505103	3,218,071	1.61

Controlling Shareholder (except for Parent Company)	N/A
Parent Company	N/A

Supplementary Explanation

Notes 1: The shares held by The Master Trust Bank of Japan, Ltd. (for trust), Custody Bank of Japan, Ltd. (for trust) , Custody Bank of Japan, Ltd.(for trust 5) and Custody Bank of Japan, Ltd. (for trust 7) pertain to the trust business by the institution.

2: In the Report of Possession of Large Volume made available for public inspection (a report on change) dated April 21, 2020, BlackRock Japan Co., Ltd. and five (5) joint holders thereof are

reported as the shareholders, but this has not been taken into account in the above "Status of Major Shareholders," as the number of shares substantially held as of September 30, 2020 has not been able to confirmed by the Company.

[Personal name or company name/number of shares held/shareholding percentage]

BlackRock Japan Co., Ltd. and five (5) other companies /109,990,492 shares / 5.31%

3: In the Report of Possession of Large Volume made available for public inspection (a report on change) dated June 4, 2020, Sumitomo Mitsui Trust Asset Management Co., Ltd. and one (1) joint holders thereof are reported as the shareholders, but this has not been taken into account in the above "Status of Major Shareholders," as the number of shares substantially held as of September 30, 2020has not been able to confirmed by the Company.

[Personal name or company name/number of shares held/shareholding percentage]

Sumitomo Mitsui Trust Asset Management Co., Ltd. and one (1) other companies /10,437,099 shares / 5.04%

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, First Section Nagoya Stock Exchange, First Section
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

N/A

5. Other Special Circumstances which may have Material Impact on Corporate Governance

■ Views and policies for Group management

Fujitsu manages the Fujitsu Group with the aim of achieving continuous growth and the generation of medium- to long-term corporate value of the entire Group while also urging each Group company to realize its potential to the maximum extent possible.

For some subsidiaries, we publicly list them with the aim of further improving their business value through diversification of the capital procurement necessary for sustainable growth and enhancing the value of the entire Group. By publicly listing subsidiaries, it is possible to focus on investment in specific businesses rather than just in the Group as a whole, thus contributing to diversifying investment opportunities. As there are some concerns regarding the possibility of a conflict of interest with minority shareholders and our publicly listed subsidiaries, we respect the independence of their management and make efforts to provide advice and

support to enhance the corporate value of relevant subsidiaries by holding reporting sessions on an as-needed basis. To further promote our policies for group management, we established a department in February 2020 as a corporate function that specializes in formulating and conducting plans and measures for the most suitable group formation and corporate governance, thus handling the management of the Group including listed subsidiaries.
Our policy is to turn non-core listed companies into strong independent businesses. We will consider their independence from the following perspectives: ensuring sustainable growth of the relevant business, maximizing the Company's asset value, and considering the best timing for independence.

■Significance of each listed subsidiary

[Significance of owning listed subsidiaries]
Listed subsidiaries of the Company include the following two companies: FDK Corporation, and Shinko Electric Industries Co., Ltd. As previously described in the policies for Group management, we consider that the following is the common significance of owning these two publicly listed companies: by adding the ability to raise capital through direct financing from the capital market, we can enhance the possibilities of sustainable growth and business value, which leads to providing investment opportunities in specific businesses rather than in our entire Group.
Our Group hereafter will concentrate our management resources on Technology Solutions so as to further transform ourselves into a DX company.
Our policy is to turn non-core listed companies into strong independent businesses. The Board of Directors will verify specific details to be considered concerning the maintenance of the listing of each listed subsidiary.

[Measures to ensure the effectiveness of corporate governance]
Fujitsu understands that our publicly listed subsidiaries make efforts to enhance corporate governance and provides support for these efforts. We recommend our listed subsidiaries become a Company with an Audit and Supervisory Committee to strengthen corporate governance. Accordingly, in all listed subsidiaries are ensured their independence by appointing Independent Directors and Directors dispatched from the Company maximize the corporate value of theirs.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with the Audit & Supervisory Board Member

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	Up to 15
Term of Office Stipulated in Articles of Incorporation	1
Chairperson of the Board	External Director
Number of Directors	9
Number of External Directors	5
Number of Independent Directors	5

External Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*

		a	b	c	d	e	f	g	h	i	j	k
Jun Yokota	Other											
Chiaki Mukai	Other								○			
Atsushi Abe	From another company											
Yoshiko Kojo	Academic											
Scott Callon	Other								○			

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director/Audit & Supervisory Board Member
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company External Directors and Auditors are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

External Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Jun Yokota	○	-	Mr. Jun Yokota had no direct company management experience before he assumed the position of Director of the Company, but having served as Japan's ambassador to Israel and Belgium, and having served as Special Representative of the Government of Japan in charge of the Japan-EU Economic Partnership Agreement negotiations, he is an expert in international economic negotiations and brings a global perspective to political and economic discussions. Since becoming the Chairman of the Executive Nomination Committee in the previous year, he has been leading discussion about the qualifications required for candidates for Director with

			the aim of optimizing the composition of the Company's Board of Directors. Because the Company expects Mr. Yokota to continue to be able to provide oversight and advice from a fair and objective global perspective based on his past experiences, he has been reappointed as an External Director. Mr. Yokota has never been a major shareholder nor has he held a position involved in business execution of a major business partner of the Company. Therefore, Fujitsu considers Mr. Yokota to be independent and designates him as an Independent Director.
Chiaki Mukai	○	Ms. Chiaki Mukai is the Vice President of the Tokyo University of Science. There are business transactions between Fujitsu and Academic Corporation Tokyo University that operates the university, with which in fiscal 2019 the sum of transactions was about ¥13 million.	Although Ms. Mukai had not been directly involved with company management before she assumed the position of Director of the Company, she has an impressive personal history as a doctor who became Japan's first female astronaut, and she exemplifies the Company's spirit of taking on challenges at the cutting edge of science. And she led discussion about executive compensation in her capacity as the chairperson of the Compensation Committee. Because the Company expects that she will continue to be able to provide oversight and advice from a fair and objective global perspective based on broad knowledge of science and technology, she has been re-appointed as an External Director. As noted on the left, Fujitsu has business transactions with Academic Corporation Tokyo University of Science that operates the Tokyo University of Science, where Ms. Mukai serves as Vice President. However, taking into account the scale of our sales, the amount of transactions is immaterial and does not constitute a conflict of interest. Consequently, Fujitsu considers Ms. Mukai to be independent and has designated her as an Independent Director.
Atsushi Abe	○	-	Through many years of experience in investment banking and private equity, Mr. Atsushi Abe has gained a deep understanding of the ICT industry and mergers and acquisitions. Since he became the Chairman of the Board

			of Directors in the previous year, he has been managing proceedings objectively from his perspective as an investor gained through his experience to date and dialogues with institutional investors and has been leading discussion. Because the Company expects that, in addition to being able to provide oversight and advice from a shareholder and investor perspective, Mr. Abe will continue to contribute to timely and decisive management decision-making, and has been re-appointed as an External Director. Mr. Abe has never been a major shareholder nor has he held a position involved in business execution of a major business partner of the Company. Therefore, Fujitsu considers Mr. Abe to be independent and designates him as an Independent Director.
Yoshiko Kojo	○	-	Although Ms. Kojo had no direct company management experience before she joined the Board, she served in important positions, including the President of the Japan Association of International Relations, and her research has for many years focused mainly on the impact of economic entities, including private companies, on international politics. The Company expects that she will be able to provide extensive advice and oversight concerning the Company's responses to change in the external environment during a dramatic transition of international politics and initiatives for SDGs) based on her deep insight. Therefore, she has been re-appointed as an External Director. Ms. Kojo has never been a major shareholder nor has she held a position involved in business execution of a major business partner of the Company. Therefore, Fujitsu considers Ms. Kojo to be independent and designates her as an Independent Director.
Scott Callon	○	Mr. Scott Callon is the Chairman and Representative Director, of Japan Display Inc. There are business	Mr. Scott Callon is Chairman and Representative Director of Japan Display Inc. Business transactions between Fujitsu and Japan Display Inc. indicate that in FY2019 the sum of their transactions was about ¥330 million.

		transactions between Fujitsu and Japan Display Inc. that in fiscal 2019 the sum of transactions was about ¥ 330 million.	From his past experiences, the Company expects Mr. Callon to be able to provide oversight and advice from a shareholder and investor perspective and has designated him as an External Director. As noted on the left, Fujitsu has business transactions with Japan Display Inc., where Mr. Callon serves as Chairman and Representative Director. However, taking into account the scale of our sales, the amount of transactions is immaterial and does not constitute a conflict of interest. Additionally, Ichigo Trust Pte. Ltd., which jointly holds voting rights with Ichigo Asset Management, Ltd. where Mr. Callon serves as Chief Executive Officer, is our principal shareholder, though it does not fall under major shareholders stipulated in our Independence Standards. As he has never held a position involved in business execution of a major business partner of the Company,. Fujitsu considers Mr. Callon to be independent and designates him as an Independent Director.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Executive Nomination Committee	Compensation Committee
All Committee Members	3	3
Full-time Members	0	0
Inside Directors	0	0
External Directors	3	3
External Experts	0	0
Other	0	0
Chairperson	External Director	External Director

Supplementary Explanation

<Executive Nomination Committee and Compensation Committee>
The Company has established the Executive Nomination Committee and the Compensation Committee as advisory bodies for its Board of Directors to ensure the transparency and objectivity of its process for

nominating Directors and Audit & Supervisory Board Members and its process for determining executive compensation as well as to ensure the fairness of the method and level of executive compensation.

The Executive Nomination Committee deliberates about candidates for Director and Audit & Supervisory Board Member positions in accordance with the Framework of Corporate Governance Structure and the Procedures and Policy for nomination/dismissal of Directors and Auditors stipulated in the Company's Corporate Governance Policy* and provides its recommendations to the Board of Directors.

In addition, the Compensation Committee provides its recommendations about the level of base compensation and the method for calculating performance-based compensation to the Board of Directors in accordance with the Procedures and Policy of Determining Directors and Auditors Compensation stipulated in the Company's Corporate Governance Policy. Base compensation, and performance target setting and the paid amount linked to performance-based compensation for each Director and Auditor will be determined by the Representative Director and CEO with approval from the Compensation Committee.

Each committee consists of three Independent Directors, appointed in July, 2020. Members of the 2 committees are as follows. Additionally, the secretariats of both committees are operated by the Company's HR and legal departments.

< Executive Nomination Committee >
Chairperson: Jun Yokota (Independent Director)

Members: Chiaki Mukai
Yoshiko Kojo

< Compensation Committee >
Chairperson: Chiaki Mukai (Independent Director)

Members: Jun Yokota
Yoshiko Kojo

In FY2019, the Executive Nomination Committee met two times to discuss the election of Representative Directors including the CEO, the nomination of candidates for Director, etc. and provide its recommendations to the Board of Directors. The Compensation Committee met three times to discuss compensation for Directors and Auditors, bonuses, etc. and provide its recommendations to the Board of Directors.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	4

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The accounting auditor, Ernst & Young ShinNihon LLC, reports to the Audit & Supervisory Board concerning the audit plan and results. The accounting auditor also conducts exchanges of opinions when needed and carries out coordinated audits.

The Internal Control & Audit Office serves as an internal audit group. This office audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Internal Control & Audit Office reports once a month, as a rule, to full-time members of the Audit & Supervisory Board on auditing plans for and results of internal audits, including matters relating to Group companies, and makes regular reports, once every quarter as a rule, to the Audit & Supervisory Board and accounting auditors.

Appointment of External Audit & Supervisory Board Members	Appointed
Number of External Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	2

External Audit & Supervisory Board Member's Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Koji Hatsukawa	CPA										△			
Hideo Makuta	Lawyer													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Audit & Supervisory Board Member of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board Member
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board Member himself/herself only)
k. Executive of a company, between which and the Company External Directors and Auditors are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
m. Others

External Audit & Supervisory Board Member's Relationship with the Company (2)

Name	Designation as Independent Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Koji Hatsukawa	○	Mr. Hatsukawa is a former CEO of PricewaterhouseCoopers Aarata. Fujitsu and PricewaterhouseCoopers Aarata have sales business dealings associated with services of the Company, which in fiscal 2019 amounted to about ¥ 0.6 million.	Mr. Hatsukawa has been appointed as an External Audit & Supervisory Board Member because he has a wealth of auditing experience at global corporations as a certified public accountant, and he has broad knowledge of corporate accounting. As noted on the left, PricewaterhouseCoopers Aarata, where Mr. Hatsukawa served as CEO, has a business relationship with Fujitsu, but it is considered immaterial and not constituting a conflict of interest when taking into account the size of Fujitsu's total sales. PricewaterhouseCoopers Aarata has not performed accounting audits for Fujitsu. Fujitsu has thus determined that there is no risk of a conflict of interest in representing the interests of regular shareholders. Therefore, Fujitsu considers him to be independent and has designated Mr. Hatsukawa as an Independent Audit & Supervisory Board Member.
Hideo Makuta	○	-	Mr. Hideo Makuta has no direct company management experience, but has profound insight into not only legal but also economic and social matters affecting corporate management, gained through his career as a public prosecutor and as a commissioner of the Japan Fair Trade Commission. Therefore, Fujitsu considers him to be

			independent and has designated Mr. Makuta as an Independent Audit & Supervisory Board Member.

[Independent Directors & Auditors]

Number of Independent Directors & Auditors	7

Matters relating to Independent Directors & Auditors

All External Directors and Auditors qualified to serve as Independent Directors & Auditors are identified as such.

[Incentives]

Incentive Policies for Directors	Performance-based Compensation

Supplementary Explanation

Executive compensation is comprised of the following: "Base Compensation," specifically a fixed monthly salary in accordance with position and responsibilities; "Bonuses" that are compensation linked to short-term business performance; and "Performance-based Stock Compensation," which is a long-term incentive that emphasizes a connection to shareholder value. At the 107th Annual Shareholders' Meeting held on June 22, 2007, a resolution terminating the retirement allowance system for executives was passed.

Details of the Performance-based Compensation are described below.

<Outline of Bonuses>
The Company, in an attempt to give incentives to Executive Directors to achieve their performance targets for a fiscal year, has adopted an on-target bonus system that reflects their achievement level of performance targets for the fiscal year in their compensation.

(1) Outline of the System
At the start of a fiscal year, the Company will present to Executive Directors a base amount of bonus in accordance with their respective performance targets, responsibilities and titles. When the fiscal year is over, each applicable person will be paid the amount that is calculated by multiplying the base amount of bonus by the coefficient in accordance with the achievement level of performance targets.

(2) Indicator of Performance Achievement Level and Coefficient
Coefficient is set up within a certain scope according to performance achievement level vis-à-vis the prearranged performance targets in terms of sales revenue and operating profit in the consolidated financial results that the Company pursues as its management target indicator. When a performance achievement level turns out to be less than the pre-determined lower limit, no bonus will be paid. When a performance achievement level exceeds the pre-determined upper limit, the amount that is calculated by multiplying the base amount of bonus by the upper limit of the pre-determined coefficient will be paid.

<Outline of Performance-based Stock Compensation>
The Company has adopted a performance-based stock compensation system (hereinafter referred to as "the System") in an attempt to give incentives to Executive Directors to enhance mid- to long-term corporate value and further promote business management from the perspective of shareholders.

(1) Overview of the Plan

The Company will present to Executive Directors the pre-determined base number of shares, the performance judging period (three fiscal years) and performance targets in accordance with their respective grades. The number of shares, which is calculated by multiplying base number of shares by a fixed coefficient according to the level of performance achievement, is fixed at each fiscal year. When the performance judging period is over, the total number of shares is allocated to each applicable person. Then, monetary compensation claims comparable to market value of allocated shares are provided to the Executive Directors. The Executive Directors invest these monetary compensation claims in allocated shares to acquire shares of the Company.
The Executive Directors may transfer acquired shares of the Company at their own discretion unless they violate regulations regarding insider trading based on laws and regulations.

(2) Indicator of Performance Achievement Level and Coefficient
Coefficient is set up within a certain scope according to performance achievement level vis-à-vis the pre-arranged performance targets in terms of sales revenue and operating profit of the Company's consolidated financial results.

(3) Paid-in Amount per Share
The paid-in amount per share allotted to Executive Directors under the System will be the fair price of shares of the Company in the paid-in period, such as a closing price on the business day of the Tokyo Stock Exchange immediately preceding the date when a Board of Directors meeting that decides the allotment takes place.

(4) Other
The handling of stock allotments in the case that Executive Directors retire, the operation of the System at the time of reorganization, the treatment of stock splits or stock consolidations in terms of the base number of shares, and other details of the System have been determined by resolutions at Board of Directors meetings.

Recipients of Stock Options	N/A

Supplementary Explanation

N/A

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors

Supplementary Explanation

Executive compensation is disclosed only for individual Directors and Auditors if they were paid ¥100 million or more consolidated compensation.

Total compensation and total compensation by type for Directors and Auditors who were paid ¥100 million or more during fiscal 2019 is as follows.

- Takahito Tokita (Representative Director and CEO)

Filing company:	¥120million	(Base compensation of ¥62 million, bonuses of ¥42 million and Performance-based Stock Compensation of ¥15 million)
Consolidated subsidiaries:	-	-
Total:	¥120 million	(Base compensation of ¥62 million, bonuses of ¥42 million and Performance-based Stock Compensation of ¥15 million)

For fiscal 2019, total compensation to Directors and Auditors was as follows:

- Directors	11 people	¥549 million	(Base compensation of ¥385 million, bonuses of ¥108 million and Performance-based Stock Compensation of ¥55 million)
Compensation paid to External Directors	4 people	¥71 million	(Base compensation of ¥71 million)
- Audit & Supervisory Board Members	5 people	¥117 million	(Base compensation of ¥117 million)
Compensation paid to External Audit & Supervisory Board Members	3 people	¥45 million	(Base compensation of ¥45 million)

*1 Includes Audit & Supervisory Board Members who resigned in fiscal 2019.

2 The limit on monetary compensation to Directors was resolved to be 600 million yen per year at the 106th Annual Shareholders' Meeting held on June 23, 2006 and the limit on non-monetary compensation was resolved to be 300 million yen per year and the total number of common stock of the Company to be allocated to be within 43,000 shares per year at the 117th Annual Shareholders' Meeting held on June 26, 2017. The limit on compensation to Audit & Supervisory Board Members was resolved to be 150 million yen per year at the 111th Annual Shareholders' Meeting held on June 23, 2011. The Company is paying the compensation shown in the above table, which is within these limits.

*The Company conducted consolidation of shares at a rate of one share for every ten shares effective October 1, 2018, and thus the number of shares after the consolidation of shares is indicated here.

*3 For performance-based stock compensation, the amount charged to expenses during fiscal 2017 is stated.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

<Summary>
To secure exceptional human resources required to manage the Fujitsu Group as a global ICT company, and to further strengthen the link between its financial performance and shareholder value, while at the same time improving its transparency, executive compensation is comprised of the following: "Base Compensation," specifically a fixed monthly salary in accordance with position and responsibilities; "Bonuses" that are compensation linked to short-term business performance; and "Performance-based Stock Compensation," which is a long-term incentive that emphasizes the connection to shareholder value.

<Base Compensation>
- Base compensation is paid to all Directors and Audit & Supervisory Board Members. A fixed monthly amount shall be determined for each executive in accordance with the position and responsibilities of each executive.

<Bonuses>
- Bonuses shall be paid to Executive Directors. The amount of a bonus shall reflect business performance in the respective fiscal year.
- As a specific method for calculating a bonus, Fujitsu shall adopt an "On Target model" that is based primarily on consolidated revenue and consolidated operating profit as indices and the amount shall be determined in accordance with the degree of achievement of the performance targets for the respective fiscal year.

<Performance-based Stock Compensation>
- Performance-based stock compensation shall be granted to Executive Directors, in order to share the profit with shareholders and as an incentive to contribute to enhancement of medium- to long-term performance.
- A base number of shares in accordance with respective rank, performance judging period (three years) and mid- to long-term performance targets in terms of consolidated revenue and consolidated operating profit, and coefficient according to performance achievement level vis-à-vis the mid- to long-term performance targets shall be set in advance. The number of shares to be allocated for each fiscal year shall be calculated by multiplying the base number of shares and the coefficient according to the performance achievement level, and the total number of shares calculated shall be allocated upon completion of the performance evaluation period.

< Composition Ratio for Each Type of Executive Compensation>
- With the aim of setting competitive compensation that contributes to securing and maintaining exceptional human resources, executive compensation shall be determined based on the financial position of the Company, comparing the compensation composition ratio and compensation levels for each executive position at other companies with similar business lines and similar scale as benchmarks.
- The ratio of performance-based compensation to the total compensation for Executive Directors shall be determined so as to strengthen the link between the Group's financial performance and shareholder value by setting the higher ratio to the higher rank.
- In the decision process, the Compensation Committee shall deliberate to ensure objectivity and validity.

[Supporting System for External Directors and Auditors]

Fujitsu supports External Directors and Auditors through the Legal, IP& Internal Control Unit (Secretariat of Board of Directors Meeting and Independent Directors & Auditors Council Support Office) and Auditing Support Division). This responsibility involves complying with requests from External Directors and Auditors to provide and explain information about Fujitsu or the entire Fujitsu Group that is required for management

oversight or audits. Depending on the information, relevant business unit managers are made available to provide additional explanations. We also provide a dedicated webpage for all board members (Directors and Audit & Supervisory Board Members) to use to access and discuss material relevant to Board of Directors Meetings, such as agenda items, before meetings are held in order to allow board members to gain a proper understanding of the materials.

[Status of Persons who have retired from Representative Director and CEO, etc.]

Name	Title/ Position	Content of Operation	Form and Condition of Services (Fulltime/Non-Full time, Paid/Unpaid etc.)	Resignation Date from CEO, Etc.	Term
-	-	-	-	-	-

Total Number of Senior Executive Advisor (Sodanyaku)/Advisor (Komon) who have retired from Representative Director and CEO, etc.	-

Other matters

Fujitsu abolished its senior executive advisor (Sodanyaku) and advisor (Komon) system, effective March 31, 2018, in order to clarify management responsibilities and strengthen corporate governance by the resolution of its Board of Directors Meeting. Fuitsu will enter into commission contracts with retiring officers, who will be known as "senior advisors" or "senior fellows," on an individual basis and subject to a resolution of the Board of Directors, in cases where such treatment of retiring officers is indispensable as they are to be appointed as an officer of an unaffiliated organization, or where the individual's expertise in specific fields is particularly useful for Fujitsu's business operations.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions

(Overview of Current Corporate Governance System)

(1) Overview of Corporate Governance Structure

<Board of Directors>

The Company has a Board of Directors to serve as a body for making important decisions and overseeing management. The Board of Directors delegates the decision-making authority over business execution to the Representative Directors and subordinate Corporate Executive Officers to the broadest extent that is permitted by law and the Articles of Incorporation of the company and is considered to be reasonable and will mainly perform as oversight and advisory function. Moreover, the oversight function of the Board of Directors has been strengthened by actively appointing External Directors with high independence and diverse perspective. Furthermore, in order to better define the management responsibility of the Directors, their terms were reduced from two years to one year in accordance with a resolution at the June 23, 2006 Annual Shareholders' Meeting. The Board of Directors is comprised of 9 members in total: 3 Executive Directors and 6 Non-Executive Directors (including 5 External Directors).

The Company held 13 Board of Directors meetings in FY2019 (including one extraordinary Board of Directors meeting) to discuss matters including progress in the formulation of the Management Direction, business reformation and measures for implementing them as well as to decide a new management system based on the report of the Executive Nomination Committee. All Board of Directors meeting were attended by all members.

<Audit & Supervisory Board>

The Company has an Audit & Supervisory Board that performs the auditing and oversight functions. The auditing and oversight functions are carried out by Audit & Supervisory Board Members, who review the Board of Directors as well as business execution functions and attend important meetings, including meetings of the Board of Directors.

The Audit & Supervisory Board has four members, comprising two full-time Audit & Supervisory Board Members and two External Audit & Supervisory Board Members. The Company held 9 Audit & Supervisory Board meetings in FY2019, mainly to discuss audit policy and plans as well as the audit method of Accounting Auditors and the properness of the audit results. Internal Audit Departments made reports and full-time members of the Audit & Supervisory Board reported matters of importance to External Audit & Supervisory Board Members, which were discussed at Audit & Supervisory Board meetings. Except one Audit & Supervisory Board Members meeting with a single Audit & Supervisory Board Member absent, all the other meetings were attended by all Audit & Supervisory Board Members.

<Independent Directors &Auditors Council>

In response to the requirements of Japan's Corporate Governance Code, which facilitates the activities of Independent Directors and Auditors, and in order to invigorate discussions on the medium- to long-term direction of the Company at its Board of Directors Meetings, the Company believes it essential to establish a system that enables Independent Directors and Auditors, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of the Company's business. Based on this recognition, the Company established the Independent Directors and Auditors Council in FY2015, which consists of all Independent Directors (five Independent Directors and two Independent Auditors), and discusses the medium- to long-term direction of the Company, shares information, and exchanges viewpoints so that each can formulate their own opinions.

In FY2019, the Independent Directors and Auditors Council met eight times. The members discussed the Company's management direction, human resources development, the scope of business of the Company and of the Fujitsu Group, etc., and shared information while exchanging viewpoints so that each could formulate their own opinions.

(2) Status of Business Execution Organs

For the Status of Business Execution Organs, please refer IV1 .

(3) Status of Accounting Audits and Internal Audits

<Accounting Audits>

The accounting auditor, Ernst & Young ShinNihon LLC, reports to the Audit & Supervisory Board concerning the audit plan and results. The accounting auditor also conducts exchange of opinions when needed and carries

out coordinated audits. The four certified public accountants associated with Ernst & Young ShinNihon LLC who performed the accounting audit were Messrs.Yuichi Mochinaga, Yoshihiko Nakatani, Tomoko Tanabe and Kohei Koyama. In addition, they were assisted by a further 47 certified public accountants, 17 accounting assistants, and another 57 persons, all associated with Ernst & Young ShinNihon LLC.

<Internal Audits>
The Internal Control & Audit Office (with 46 members) serves as an internal audit group. This office audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Internal Control & Audit Office reports once a month, as a rule, to full-time members of the Audit & Supervisory Board on auditing plans for and results of internal audits, including matters relating to Group companies, and makes regular reports, once every quarter as a rule, to the Audit & Supervisory Board and accounting auditor.

The Internal Control & Audit Office includes a significant number of employees with specialist internal auditing knowledge, including Certified Internal Auditors (CIA), Certified Information Systems Auditors (CISA), and Certified Fraud Examiners (CFE).

(4) Overview of Limitation of Liability Contracts
The Company has entered agreements to limit the liability of Non-Executive Directors and Audit & Supervisory Board Members under Article 423, Clause 1 of the Companies Act.

The limitation of liability in such agreements shall be the minimum liability amount under the law. Limitation of liability shall be based on the premise that the Non-Executive Director or Audit & Supervisory Board Member is fulfilling their responsibility and engaging in execution of duties in good faith, and that there is no significant negligence.

3. Reasons for Adoption of Current Corporate Governance System

We believe that both direct oversight to business execution by the Non-Executive Directors and the oversight by Audit & Supervisory Board Members that stays distant from the decision making and operation of business execution should work jointly to ensure highly effective oversight performance. The company adopts “the company with Audit & Supervisory Board system” that establishes the Audit & Supervisory Board, which is composed of the Audit & Supervisory Board Members appointed as an independent agent.

The Board of Directors comprises same number or more Non-Executive Directors as Executive Directors to ensure its capacity to correct faulty, insufficient, or excessive business executions. While External Directors should be the core of Non-Executive Directors on account of their high independence, at least one Non-Executive Director is appointed from within the company to complement the External Directors’ knowledge in the business fields and the corporate culture of the company so that the efficiency of oversight performance by the Non-Executive Directors are enhanced.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	To give shareholders sufficient time to exercise voting rights, we make efforts to send invitation notices three weeks prior to the Annual Shareholders’ Meeting. Furthermore, the Notice of the Annual Shareholders’ Meeting is disclosed on the Company’s website and other media before it is sent to shareholders with a view to providing information to shareholders as quickly as possible.
Scheduling AGMs Avoiding the Peak Day	To facilitate the attendance of as many shareholders as possible, since the Annual Shareholders’ Meeting held in June 2001, we have scheduled our Annual Shareholders’ Meeting to avoid the busiest days of overlap with other corporations’ annual meetings.

Allowing Electronic Exercise of Voting Rights	To improve convenience and facilitate the exercise of voting rights for shareholders who are unable to attend the Annual Shareholders' Meeting, since the Annual Shareholders' Meeting held in June 2002, we have accepted the exercise of voting rights through electronic methods, and since the Annual Shareholders' Meeting held in June 2006, we have been using a platform to allow institutional investors to electronically exercise voting rights.
Participation in Electronic Voting Platform	Fujitsu participates in the electronic proxy voting platform operated by Investor Communications Japan (ICJ) as part of its efforts to enhance the proxy voting environment for institutional investors.
Providing Convocation Notice in English	Fujitsu creates an English-language Notice of the Annual Shareholders' Meeting (contents correspond to the Japanese version of the notice and business report) and sends the notice to foreign investors in order to promote a wider understanding of the proposals presented at the shareholders' meeting. The notice is disclosed on the Company's website the same day as the Japanese version as part of our policy to disclose information in a prompt, accurate, and fair manner.
Other	To clarify the results of voting at the Annual Shareholders' Meetings, in addition to public notification of the results of the Shareholders' Meetings, beginning with the Annual Shareholders' Meeting held in June 2010, Fujitsu began posting the numbers of votes for and against each resolution on its website. We explain security of the rights and equality of shareholders at the Annual Shareholders' Meeting in 3.(1) of the Policy in the following website. https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	Fujitsu has established the following Disclosure Policy and made the policy available on its website. [Disclosure Policy] The Fujitsu Group's corporate philosophy is articulated as the "Fujitsu Way," comprised of the purpose of our existence in society, our values and Code of Conduct. By sharing and practicing the Fujitsu Way, we aim to continuously enhance the value of the enterprise through the continuous growth and development of the Fujitsu Group. Our basic policy on disclosure is to enhance our management transparency by appropriate and timely disclosure of our business activities and financial information. This ensures that investors, shareholders, and all other stakeholders can understand how we are performing in enhancing our corporate value. <Basic Policy on Information Disclosure> Fujitsu emphasizes fairness and continuity in disclosure of information, in accordance with the Financial Instruments and Exchange Act and other laws and regulations, as well as the rules of the exchanges on which its shares are listed. Moreover, our policy is to be proactive in disclosing any information that we judge to be effective for helping shareholders, investors, and other stakeholders to deepen their understanding of Fujitsu, even if such disclosure is not required by laws, regulations, or other rules. <Methods of Information Disclosure> Fujitsu uses prescribed information disclosure methods (TDnet, EDINET, etc.) to disclose information which it is required to disclose by law or regulation. Following disclosure, materials containing the disclosed information may be made available on the Company's website if deemed

	necessary. The Company may also disclose information which it is not required to disclose by law or regulation. In these cases, the Company will disclose the information as necessary, using an appropriate method of disclosure (press release, website disclosure, seminar presentation, etc.) based on the contents. <Forward-Looking Statements> Forward-looking statements included in disclosed information are based on management's views and assumptions at the time the information was disclosed. A variety of changes in the internal and external business environment may cause actual results to differ materially from those expressed or implied in such statements. The Company strives to enhance the accuracy of forward-looking statements, and in cases where its outlook changes, the Company discloses the change as necessary using an appropriate disclosure method. <Silent Period> The Company institutes a silent period beginning the day after its quarterly financial settlement date until the day of the financial results announcement as a way to prevent financial information from being disclosed prior to the formal announcement. During the silent period, the Company does not respond to inquiries regarding its financial results. If the possibility arises that the Company's financial results will differ significantly from previous forecasts, however, the Company will disclose the change appropriately during the silent period.
Regular Investor Briefings for Individual Investors	Although currently we do not hold presentations for individual investors, we have posted videos and Q&A session materials of Regular Investor Briefings for Analysts and Institutional Investors to our IR website. In addition, we have a dedicated investor relations website for individual investors (in Japanese), and through the inquiry form on the website and other measures, we are working to improve relations with individual investors. Additionally, we started mail distribution for individual investors from April 2018.
Regular Investor Briefings for Analysts and Institutional Investors	We hold regular presentations, including presentations by the CEO on our management direction, presentations by the CEO and CFO on our earnings results, and presentations by various senior executives on business strategy for the operations they oversee. In addition, media are always invited to the briefings by the CEO, CFO, and heads of businesses, with the understanding that individual investors can thereby obtain information through reports that appear in the media.
Regular Investor Briefings for Overseas Investors	The CFO meets with foreign institutional investors regularly. We also have IR managers stationed in Europe and the US who meet and communicate regularly with investors, not just at the time of earnings announcements. We also take materials from IR presentations held in Japan, translate them into English, and post them to our English IR website, including English translations of Q&A sessions.
Posting of IR Materials on Website	We post the *Yukashoken Hokokusho* (Financial Report) in Japanese, the *Jigyo Hokoku* (Business Report) in Japanese and English, the *Kessan Tanshin* (Financial Earnings) reports in Japanese and English, the Integrated Report in Japanese and English, and various other IR presentation materials in Japanese and English. Also posted in English and Japanese are the Fujitsu Group Sustainability Report. Additionally, all materials accompanying the invitation notice to the Annual Shareholders' Meeting are posted on our website.

Establishment of Department and/or Manager in Charge of IR	The director in charge of IR activities is the CFO; the division in charge of IR activities is the Public and Investor Relations Division.
Other	In addition to the above, along with posting materials from presentations made to institutional investors and securities analysts on our website, we broadcast streaming video of these presentations.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Under the philosophy and principle of the Fujitsu Way, our purpose is to make the world more sustainable by building trust in society through innovation. As part of our values, we strive to generate shared value for all stakeholders, including employees, customers, business partners, the community, and shareholders.
Implementation of Environmental Activities, CSR Activities etc.	Fujitsu Group's environmental activities and CSR activities are open to public through Fujitsu Group Integrated Report and our website. - Fujitsu Group Integrated Report https://www.fujitsu.com/global/about/ir/library/integratedrep/index.html - Corporate Responsibility https://www.fujitsu.com/global/about/csr/index.html
Development of Policies on Information Provision to Stakeholders	As a policy on information provision to all our stakeholders, please refer to 4. of the Corporate Governance Policy on the following website. https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf
Other	The Fujitsu Group's current status and efforts to promote women as board members and managers are disclosed in the Fujitsu Group Integrated Report and on the Company's website. - Fujitsu Group Integrated Report https://www.fujitsu.com/global/about/ir/library/integratedrep/index.html - Corporate Responsibility https://www.fujitsu.com/global/about/csr/index.html

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

[Policy on the Internal Control System]
The following Policy on the Internal Control System sets forth internal structures of the Fujitsu Group:

1. Objective
   To continuously increase the corporate value of the Fujitsu Group, it is necessary to pursue management efficiency and control risks arising from business activities. Recognizing this, the Directors who are entrusted with the management of the Company by the shareholders, present to the shareholders, who have entrusted authority in them, the policy regarding a) how to practice and promote the Fujitsu Way, the principles that underlie the Fujitsu Group's conduct, and b) what systems and rules are used to pursue management efficiency and control the risks arising from the Company's business activities in the application of their management approach, as described below

2. Systems to Ensure that Directors Carry Out Their Responsibilities Efficiently
   (1) Business Execution Decision-Making and Business Execution Structure
   - a The Company has Corporate Executive Officers (hereafter, the Representative Directors and Corporate Executive Officers are referred to collectively as "Senior Management") who share business execution authority with the Representative Director and CEO, and the Corporate Executive Officers carry out decision-making and business execution in accordance with their responsibilities.
   - b The Company has a Chief Financial Officer who is responsible for managing finance and accounting for the Fujitsu Group.
   - c The Company has a Management Council made up of Representative Directors and Corporate Executive Officers to assist the Representative Director and CEO in decision-making.
   - d The Representative Director and CEO puts in place systems and procedures (Management Council rules, systems for approvals) needed for decision-making by Senior Management and employees entrusted by Senior Management with authority.
   - e The Representative Director and CEO reports financial and business results at each regularly-scheduled meeting of the Board of Directors, makes periodic reports to the Board of Directors on the operational status of "Policy on the Internal Control System," and receives confirmation that operations are being undertaken correctly.

   (2) System to Promote More Efficient Operations
   - a The Company has an organization that uses reforms to the Fujitsu Group's business processes to promote higher productivity, lower costs, and expenditure controls, and it pursues more efficient management.

3. Rules and Other Systems Relating to Managing the Risk of Losses
   (1) System for Managing the Risk of Losses in General
   - a The Company aims to maintain the business continuity of the Fujitsu Group, increase its corporate value, and sustainably expand its business activities. In order to deal with risks that pose a threat to achieving these goals, the Company has a Risk Management & Compliance Committee, which overseas risk management for the entire Fujitsu Group. The Company also assigns certain departments to be responsible for specific kinds of risks, and has appropriate systems in place for risk management.
   - b The Risk Management & Compliance Committee constantly assesses and verifies risks that might cause losses to the Fujitsu Group. When risks are identified in business operations, it works to control the risk, such as by formulating preventative measures, and attempts to minimize the loss that might result.
   - c To minimize losses from any risks that arise, the Risk Management & Compliance Committee, through the systems described in paragraph "a" above, periodically analyzes any risks that have arisen, reports on them to the Board of Directors and any other relevant person or organization, and takes action to prevent a recurrence of such risks.

   (2) Systems for Managing the Specific Risks of Losses

In addition to the Risk Management & Compliance Committee, the Company has risk management systems that include the following to deal with specific risks of losses it identifies in its business operations.

a Risk Management System for Defects in Products and Services
- The Company has a quality-assurance system designed to analyze defects in Fujitsu Group products and services and prevent them from recurring. In particular, it has an organization that continuously works to improve quality, contracts, and rules to ensure that social infrastructure systems run reliably.

b Management System for Contracted Development Projects
- To prevent the emergence of unprofitable projects among its contracted development projects, such as systems integration projects, the Company has a specialized organization that monitors risks relating to project negotiations and project execution.
- This specialized organization creates a monitoring process for contract amounts, contract terms, quality, expenses, deadlines and other relevant items, and monitors projects under consistent conditions.
- Based on the results of this monitoring, the specialized organization issues corrective recommendations to relevant projects.

c Security System
- The Company has an organization to deal with cyber-terrorism, unauthorized use, and data breaches in the services it provides.

(3) Responses to Management Risks

a System to Manage Financial Risks
- Financial risks are under the purview of the Chief Financial Officer.

b Systems to Manage Other Forms of Management Risk
- Other forms of Management risks, including market trends and price competition, are handled by each department according to a division of responsibilities established by the Representative Director and CEO.

4. Systems to Ensure that Business Execution of Directors and Employees Complies with Laws, Regulations and Articles of Incorporation

(1) Compliance System

a Senior Management adheres to the Code of Conduct in the Fujitsu Way as a basic philosophy for compliance issues, including compliance with laws, regulations and the articles of incorporation, and proactively promotes the Group's overall compliance based upon its ethics as Senior Management.

b The Risk Management & Compliance Committee has purview over compliance matters for the Fujitsu Group, which it executes as follows.
- It ensures scrupulous adherence to the Code of Conduct in the Fujitsu Way among all Fujitsu Group employees through ongoing educational efforts.
- It clarifies the laws and regulations that relate to the Fujitsu Group’s business activities and establishes internal rules, education, and oversight systems to ensure compliance with them to promote compliance throughout the Group.
- When Senior Management or employee recognizes a serious compliance violation or when a situation may appear to present one relating to the performance of the responsibilities of Senior Management or an employee, the Risk Management & Compliance Committee makes such person immediately report such fact to the Committee via the normal chain of command.
- To ensure that compliance problems can be discovered quickly and handled appropriately through an alternative communications channel apart from the normal chain of command, it establishes and operates an internal reporting system that safeguards the reporter.
- The Risk Management & Compliance Committee immediately reports serious compliance violations or situations that may appear to present one to the Board of Directors and any other relevant person or organization.

(2) System to Ensure Proper Financial Reporting

a The Company has, apart from the organization that prepares financial reports, an organization under the Chief Financial Officer responsible for establishing, operating, and evaluating internal control over Fujitsu Group financial reporting, to ensure the effectiveness and reliability of financial reports.

b These organizations create unified accounting policies shared throughout the Fujitsu Group and rules for establishing, operating, and evaluating internal control over financial reporting.

c The organization responsible for establishing, operating, and evaluating internal control over financial reporting periodically reports to the Board of Directors and any other relevant person or organization the results of evaluations of the effectiveness the internal control.

(3) System for Information Disclosure

The Company has a system to ensure timely and fair disclosure of company information.

(4) Internal Auditing System

a The Company has an organization that conducts internal audits of business execution (the "Internal Auditing Organization"), and ensures its independence.

b The Internal Auditing Organization establishes internal auditing rules and conducts audits based on those rules.

c The Internal Auditing Organization liaises with internal auditing organizations in other Group companies to internally audit the Fujitsu Group as a whole.

d The results of internal audits are periodically reported to the Board of Directors, Audit & Supervisory Board and other relevant person or organization of the Company and of other relevant Group companies.

5. System for Storing and Managing Information in Accordance with the Execution of Directors' Responsibilities

a Senior Management assigns people with the responsibility for storing and managing documents, and, in accordance with internal rules, appropriately stores and manages the following documents (including electronic records) related to the execution of Senior Management' responsibilities, along with other important information.

- Minutes of Annual Shareholders' Meetings and related materials.
- Minutes of Board of Directors Meetings and related materials
- Other minutes and related materials involved in important decision-making meetings.
- Approval documents and related materials involving Senior Management decisions.
- Other important documents that relate to the performance of Senior Management's responsibilities.

b To verify the status of business execution, the Directors and Audit & Supervisory Board Members have access at any time to the documents in paragraph "a" above, and people with the responsibility for storing and managing documents establish systems to enable Directors Audit & Supervisory Board Members to access the documents at any time in response to requests for the documents by Directors or Audit & Supervisory Board Members.

6. System to Ensure the Properness of Fujitsu Group Operations

a In addition to creating and instituting the above systems and rules for the Fujitsu Group, the Company establishes systems for receiving reports from the Senior Management of Group companies on matters relating to their business execution.

b The Company institutes standard rules regarding the delegation of authority from the Representative Director and CEO to Group companies, such as the scope of decision-making authority and the decision-making process relating to important matters at Group companies.

c The Representative Director and CEO determines what each Group company's divisional area of responsibility is, and the Corporate Executive Officers who divide the business execution duties for each divisional area, acting through each Group company's president or CEO, implement and comply with paragraphs "a" and "b" above.

d The Senior Management of the Company and other Group companies share information on Fujitsu Group management strategies and on issues relating to the achievement of Group goals through periodical meetings or other sufficient measures, and cooperate on Group business management.

7. System to Ensure the Properness of Audits by the Audit & Supervisory Board Members

(1) Ensuring the Independence of Audit & Supervisory Board Members

a The Company has an Auditing Support Division with employees assigned to assist Audit & Supervisory Board Members in carrying out their duties. Appropriate employees with the ability and expertise required by the Audit & Supervisory Board Members are assigned to the Division.

b In order to ensure the independence of the employees in the Auditing Support Division and to ensure that they will implement the instructions of Audit & Supervisory Board Members, Senior Management shall receive the consent of Audit & Supervisory Board Members on matters relating to the appointment, transfer and compensation of employees in the Auditing Support Division.

c In principle, Senior Management does not assign employees in the Auditing Support Division to other divisions or duties. In instances, however, where a need arises to give dual assignments to employees with specialized knowledge in response to requests from Audit & Supervisory Board Members, care is given to ensuring their independence in accordance with paragraph "b" above.

(2) Reporting System

a Senior Management of Fujitsu and Group companies provide the Audit & Supervisory Board Members with the opportunity to attend important meetings.

b In cases where risks arise that could affect management or financial results, or when there is an awareness of major compliance violations, or the possibility of major compliance violations, in connection with the execution of business activities, Senior Management of Fujitsu and Group companies immediately report them to the Audit & Supervisory Board Members.

c Senior Management of Fujitsu and Group companies periodically report to the Audit & Supervisory Board Members on the status of business execution.

d Senior management of Fujitsu and Group companies shall not subject senior management or employees to adverse treatment for the reason that reports were submitted in accordance with paragraphs "b" and "c" above.

(3) Ensuring the Effectiveness of Audits by the Audit & Supervisory Board Members

a Senior Management of Fujitsu and Group companies periodically exchange information with the Audit & Supervisory Board Members.

b With respect to expenses incurred by Audit & Supervisory Board Members in the execution of their duties in accordance with Article 388 of the Companies Act, Senior Management shall determine the methods for processing the requests stipulated in Article 388.

c The Internal Auditing Organization periodically reports audit results to the Audit & Supervisory Board Members.

[Status of Operation of the Internal Control System]

1. Systems to Ensure that Directors Carry Out Their Responsibilities Efficiently

The Company has Corporate Executive Officers who share business execution authority with the Representative Director and CEO, and the Corporate Executive Officers carry out decision-making and business execution in accordance with their responsibilities.

The Management Council meets twice a month, in principle, and assists the Representative Director and CEO in decision-making. The Management Council consists of the minimum number of members, which include the CEO. By operating the Management Council as a body that enables timely discussion of and decision-making on any matters concerning business execution, the efficiency and the speed of management and the effectiveness of the meetings of the Management Council are enhanced.

In addition, in fiscal 2019, by integrating the rules determining the scope of delegation of duties from Representative Directors to other executives and employees and other matters and the rules on various approvals, revision of the approval standards, accompanying extensive delegation of duties, was implemented to further increase the speed of management.

2. Risk Management System and Compliance System

The Company positions the risk management system and the compliance system at the heart of the "Policy on the Internal Control System" and has established the Risk Management & Compliance Committee (the "Committee"), which supervises these systems globally and reports to the Board of Directors.
The Committee is chaired by the Representative Director and CEO and consists of Executive Directors. The Committee meets periodically and determines policies for preventing risks in business operations from arising and for countermeasures for losses caused by risks that have arisen.
The chairperson of the Committee has appointed a Chief Risk Compliance Officer (CRCO) who executes the Committee's decisions.
Regarding compliance violations and risks in business operations, including information security, the Committee has established and operates a system that covers not only the Company but the Fujitsu Group and ensures reporting to the Committee in a timely manner. It also operates the internal reporting system.
Under the Committee, the Company has appointed a Chief Information Security Officer (CISO) in accordance with the Fujitsu Group Information Security Policy (Global Security Policy). Further, under the CISO, regional CISOs have been appointed to formulate and implement information security measures.
In the course of operating the systems described above, besides reporting when risks have arisen, the Committee periodically reports the progress and results of its activities to the Board of Directors and is supervised.
Moreover, the Global Business Standards, which provide guidance on how individual employees should apply the Fujitsu Way Code of Conduct in their actions and are available in 20 languages, are applied uniformly across the Fujitsu Group. In addition to establishment and operation of compliance-related rules applicable to the entire Fujitsu Group, the Company has established the Global Compliance Program and is implementing various education programs and awareness raising activities to maintain and improve the structure for legal compliance across the Fujitsu Group.
As an initiative for information management, in January 2018 the Company applied to the Dutch Data Protection Authority (DPA) to obtain approval for its Binding Corporate Rules for Processors (BCR-P), which are common rules established across the Fujitsu Group related to the handling of personal data that customers have entrusted to Fujitsu for processing. This application is part of the Company's effort to meet the legal requirements for the protection of personal data in Europe laid out in the General Data Protection Regulation (GDPR) of the EU. The Company is responding to the authorities, as appropriate, to obtain the approval. Regarding the internal reporting system, the Fujitsu Group has established points of contact inside and outside the Company, operated as the Compliance Line/Fujitsu Alert, to receive reports from all Group employees and offer consultations. Group companies also have established and are operating their own points of contact for reporting and consultation. These systems enable early detection of unlawful action and remediation and help strengthen fair management ensuring compliance with laws and regulations.

3. System to Ensure Proper Financial Reporting

Under the direction of the Risk Management & Compliance Committee, the organization responsible for internal control and internal audits has established a system called "Eagle Innovation." In accordance with the rules established by the Company based on the principles of the Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting published by the Business Accounting Council, internal control over financial reporting throughout the Fujitsu Group is assessed. The activity statuses and assessment results are reported to the CFO and the Risk Management & Compliance Committee.

4. System to Ensure the Properness of Fujitsu Group Operations

The risk management system, the compliance system, and the system for ensuring proper financial reporting cover the Fujitsu Group.
Especially for risk management and compliance systems, Regional Risk Management & Compliance Committees have been established for individual Regions, which are geographical executive divisions of the Fujitsu Group worldwide. These regional committees are positioned under the Risk Management & Compliance Committee to function so that the entire Fujitsu Group is covered.
In addition, as a part of a system to ensure the properness of Fujitsu Group operations, the Company has established the Rules for Delegation of Authority that determines authority for decision-making of important matters of Fujitsu Group companies (excluding certain subsidiaries) and the decision-making process. The Company has its Group companies comply with the Rules. In addition, Group companies are

required to report on their operations to the Company. In this way, the Company has put in place systems for decision-making and reporting of important matters at the Group.

The status of operation of the internal control system centering on the above is periodically reported to the Board of Directors.

2. Basic Views on Eliminating Anti-Social Forces

[Basic Stance on Rejection of Antisocial Elements]
In the Fujitsu Way, the Fujitsu Group's Code of Conduct calls for respect for and compliance with laws and socially accepted rules. Accordingly, our basic stance is to take a resolute attitude toward antisocial elements and have absolutely no dealings with them.

[Preparedness Regarding Rejection of Antisocial Elements]
We maintain a system that can quickly respond when necessary by designating a centralized response department, creating a common Group manual, maintaining liaisons and exchanging information with outside legal counsel, police, and specialist organizations, as well as by carrying out training and keeping employees fully informed about the workplace.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

Under the basic approach that the increase in corporate value creates the defensive power as a consequence, the company focuses on increasing corporate value and does not adopt any specific anti-takeover measures. In case an acquisition offer is made to the company, the Board of Directors takes an appropriate action based on the recognition that the determination on the location of control of the company resides in shareholders.

2. Other Matters Concerning to Corporate Governance System

The following is the status of the Company's internal structure for timely information disclosure.

1.Internal Structure for Timely Disclosure of Corporate Information

The Company endeavors to quickly and accurately grasp information (decisions, events, and financial results) related to the business, operation, and financial performance of each of its business divisions, the organizations responsible for business operations. This information is used to improve management, and the Company uses the following deliberation and decision-making structure to ensure timely disclosure of the information in cases where the information is important and necessary for investors.

(1) The Board of Directors deals with important management matters, delegating the decision-making authority over business execution to the Representative Directors and subordinate Corporate Executive Officers to the broadest extent permitted by law and the Articles of Incorporation of the Company. Subordinate Corporate Executive Officers will carry out decision-making and business execution in accordance with their responsibilities. The Company has a Management Council made up of Representative Directors and Corporate Executive Officers to assist the Representative Director and CEO in decision-making. The Company employs the above-mentioned decision-making process for its business and operation.

(2) Each business organization reports matters of importance regarding the Company's business, operation, or financial performance to the Board of Directors and Management Council on a regular and as-needed basis. Each business organization has established a structure to conduct risk management and strives to quickly and accurately grasp information.

(3) The Corporate Finance Unit reports financial results, revisions to financial results and forecasts, dividends, and other information to the Board of Directors and Management Council, based on financial information gathered from each business organization.

The Legal, IP & Internal Control Unit and Public & Investor Relations Division jointly review decisions, events and financial results gathered as explained above in (1), (2), and (3) to confirm the timeliness and accuracy of the information. The Company's Representative Director and CEO conducts a final review of the information on an as-needed basis before the information is disclosed to investors in a timely and accurate manner. With regard to financial items and financial results included in decisions or events, CFO approves the information on an as-needed basis prior to the final review by CEO.

2. Internal System Confirmation Function for Timely Information Disclosure

(1)The Company has established the Fujitsu Way Committee and Risk Management & Compliance Committee to enhance the internal structure for timely information disclosure by providing organizational support for the gathering and reporting of risk information. These organizations support and promote the risk management activities carried out by each business division.
The Risk Management & Compliance Committee oversees a help-line system to promptly gather information on inappropriate activities within the Company, as part of the measures to prevent impropriety, including activities related to information disclosure.

(2)The Company has established an Internal Control & Audit Office to audit the status of the internal control function and internal events (including risk information).
The Internal Control & Audit Office continuously audits the risk management structure of each business division and contributes to the maintenance and improvement of the accuracy and appropriateness of information regarding the business, operation, and financial performance of the entire Group, including subsidiaries.

【Corporate Governance Structure】

*Number inside parenthesis refers to number of Directors and/or Audit & Supervisory Board Members

