(TRANSLATION FOR REFERENCE ONLY)

To our shareholders,

Security Code (in Japan) 6702
June 4, 2021
Takahito Tokita
Representative Director and CEO
Fujitsu Limited
1-1, Kamikodanaka 4-chome,
Nakahara-ku, Kawasaki-shi,
Kanagawa, Japan

NOTICE OF THE 121st ANNUAL SHAREHOLDERS' MEETING

We hereby inform you that the 121st Annual Shareholders' Meeting will be held as set forth below.
In order to help prevent the spread of the novel coronavirus disease (COVID-19) and mitigate the risk of infection, you are strongly advised to refrain from attending the Shareholders' Meeting and instead to exercise your voting rights by mail or via the Internet in advance.
Please review the attached Reference Materials for the Annual Shareholders' Meeting and exercise your voting rights in advance by following the instructions of "Exercise of Voting Rights in Case of Nonattendance" on Page 2.

1. Time & Date 10:00 a.m., Monday, June 28, 2021 (The reception desk opens at 9:00 a.m.)

2. Venue Shin Yokohama Prince Hotel *The reception desk will be on the 1st floor.
4, Shin Yokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa, Japan

3. Purposes of the Shareholders' Meeting

Reports:

Business Report, Consolidated and Unconsolidated Financial Statements for the 121st Business Period (April 1, 2020 – March 31, 2021); Auditing Reports from Accounting Auditor and Audit & Supervisory Board on Consolidated Financial Statements

Agenda:

Proposal No. 1	Election of Nine Directors
Proposal No. 2	Election of One Audit & Supervisory Board Member
Proposal No. 3	Election of One Substitute Audit & Supervisory Board Member
Proposal No. 4	Revision to the Amount of Monetary Compensation for Directors
Proposal No. 5	Revision to the Amount and Specific Details of Performance-based Stock Compensation Plan for Directors

4. Attached Materials

(1) The Business Report and Consolidated and Unconsolidated Financial Statements for the 121st Business Period are attached as Exhibit A.

(2) The following items are provided on the Company's website (https://www.fujitsu.com/global/about/ir/) in accordance with Japanese laws and regulations, and Article 17 of the Articles of Incorporation; they are not included in Exhibit A:

a) Fujitsu Group Principal Offices and Plants
b) Employees
c) Concurrent Positions of External Directors and Auditors and Their Activities
d) System to Ensure the Properness of Fujitsu Group Operations
e) Notes to Consolidated Financial Statements

f) Unconsolidated Statements of Changes in Net Assets, and Notes to Unconsolidated Financial Statements

(3) In the case of any revisions to the Reference Materials for the Annual Shareholders' Meeting, Business Report, or Consolidated Financial Statements or Unconsolidated Financial Statements, they will be posted on the Company's website (https://www.fujitsu.com/global/about/ir/).

5. Voting

(1) Exercise of Voting Rights in Case of Nonattendance

If you are not attending the Shareholders' Meeting, we ask you to exercise your voting rights by using one of the following methods.

[Voting by mail]

Please complete the enclosed Voting Card, indicating your approval or disapproval for each of the proposals, and return it to reach the Company no later than 6:00 p.m. on Friday, June 25, 2021 (Japan standard time).

[Voting via the Internet]

Please access the Company's designated online voting site (https://evote.tr.mufg.jp/) via a PC or mobile phone using the login ID and temporary password printed on the enclosed Voting Card. Please indicate and submit your approval or disapproval for each of the proposals no later than 6:00 p.m. on Friday, June 25, 2021 (Japan standard time), following the on-screen instructions.

Please note that the input of neither login ID nor temporary password is required when you access the voting site by reading the QR code (for the first-time login only).

[Exercise of Voting Rights by Proxy]

Voting rights can be exercised by a proxy shareholder, so long as the proxy is a shareholder who is able to exercise his or her voting rights at the Shareholders' Meeting. The absent shareholder's Voting Card, along with a document authorizing the proxy's representation of the absent shareholder, should be passed to the proxy, and we ask that the proxy present these materials along with the proxy's own Voting Card, to the reception desk on the day of the meeting.

(2) Board Resolution regarding Exercise of Voting Rights

a. Any voting right exercised by mail without indicating approval or disapproval for a particular proposal on the Voting Card will be counted as a vote for approval of the proposal.
b. If any voting right is exercised both by mail and via the Internet, exercise via the Internet will be recognized as the valid exercise of the voting right.
c. If any voting right is exercised more than once via the Internet, the latest exercise will be recognized as the valid exercise of the voting right.
d. Any institutional or other shareholder who holds the Company's shares on behalf of others may cast split votes. In this case, a written notice of the diverse exercise of voting rights and reasons must be submitted to the Company no later than three days before the Shareholders' Meeting.
e. No Voting Card has been sent to those shareholders who have given consent to receive a notice by email. Any such shareholder wishing to have his or her Voting Card issued is asked to contact the Company's representative at the following address:

Contact: Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation
Mailing address: P.O. Box 29, Shin-Tokyo Post Office, 137-8081, Japan

Note:

This English version of the Notice and attached materials is a translation for reference only. The style of this English version differs slightly from the original Japanese version.

REFERENCE MATERIALS FOR THE ANNUAL SHAREHOLDERS' MEETING

Proposal No. 1 Election of Nine Directors

The terms of office for all nine Directors expire at the close of this Shareholders' Meeting. Accordingly, the Company proposes the election of nine Directors including five Independent Directors. Candidates for the position of Director are listed on Pages 6 to 14. The term of office for each Director shall be until the close of next year's Annual Shareholders' Meeting.

The candidates for Director were recommended by the Executive Nomination Committee after consideration in accordance with the "Structural framework" and the "Procedures and policy of Directors and Auditors nomination/dismissal" stipulated in the Company's Corporate Governance Policy, and approved by the Board of Directors. In addition, for the purpose of materializing the discussion on the mid- to long-term Management Direction in the Board of Directors, the nomination of the candidates for Executive Directors was conducted from a standpoint of electing candidates with a company-wide perspective and who can meet expectations that shareholders have for this position.

In fiscal 2019, the Company defined the reason it exists in society, "Our Purpose," as "to make the world more sustainable by building trust in society through innovation." With this as a starting point, the Company is proactively working to enhance the sustainability of society. To this end, in addition to the financial targets of "revenue of ¥3.5 trillion and operating profit margin of 10% for Technology Solutions in fiscal 2022" set in September 2019, the Company has set new indicators to evaluate non-financial activities in consideration of various stakeholders such as society, customers, and employees, and started initiatives to achieve the targets of such indicators. To accelerate these initiatives for this fiscal year, the Company has decided to continuously nominate Mr. Takahito Tokita, Representative Director and CEO, Mr. Hidenori Furuta, Representative Director and COO, and Mr. Takeshi Isobe, Director and Corporate Executive Officer, SEVP, as candidates for Executive Director.

Further, Mr. Kenichiro Sasae, who is a candidate for Independent Director, is a new candidate for Director. Mr. Sasae will replace Mr. Jun Yokota who will resign at the close of this Annual Shareholders' Meeting. The Company expects him to provide oversight and advice from a fair and objective standpoint based on his extensive knowledge and practical experience in international politics and economics. Regarding the other five Non-Executive Directors, taking the mission of the Board of Directors into account, that is, to continue monitoring of the implementation of measures for realizing Our Purpose and their progress, the Company proposes to reelect all of them.

[Planned Board Structure after the approval at the Shareholders' Meeting]

Candidate No.	Name	Authority of Representation	Independent Director	Position and responsibility at the Company
Executive Directors				
1	Takahito Tokita	○		CEO[*1)], CDXO[*2)], Chairman of the Risk Management & Compliance Committee
2	Hidenori Furuta	○		COO[*1)], CTO[*1)]
3	Takeshi Isobe			Corporate Executive Officer, SEVP, CFO[*1)]
Non-Executive Directors				
4	Masami Yamamoto			Senior Advisor
5	Chiaki Mukai		○	
6	Atsushi Abe		○	Chairman of the Board of Directors
7	Yoshiko Kojo		○	
8	Scott Callon		○	
9	Kenichiro Sasae		○	

Notes:

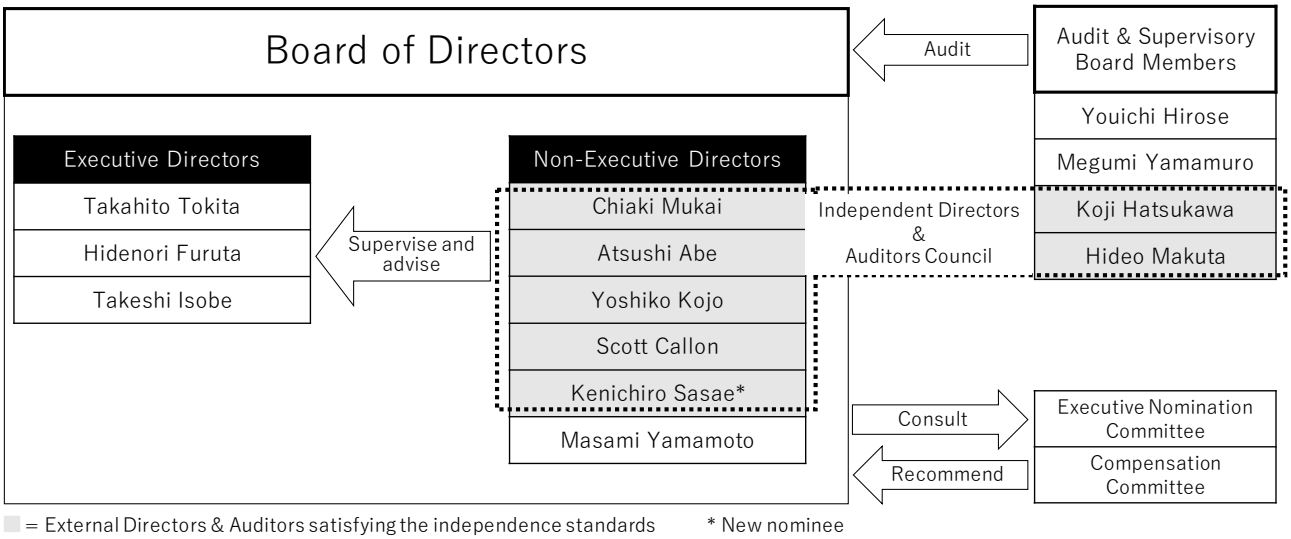
**1) CEO, COO, CTO and CFO are abbreviations of Chief Executive Officer, Chief Operating Officer, Chief Technology Officer and Chief Financial Officer, respectively.*

**2) CDXO is an abbreviation of Chief Digital Transformation Officer; the Company positions DX (digital transformation) as utilization of digital technologies and data to deliver innovative services and transform business processes.*

Framework of Fujitsu's Corporate Governance Structure (Reference)

The Company outlines the following rules to ensure the effective oversight and advice from a diverse perspective of Non-Executive Directors to Executive Directors on their business execution as part of the Board of Directors function while taking advantage of the Company with the Audit & Supervisory Board system:

a) Same number or more Non-Executive Directors responsible for oversight are appointed as Executive Directors responsible for business execution.
b) Independent Directors are appointed as the core members of Non-Executive Directors, and at least one Non-Executive Director is appointed from within the Company.
c) Independent Directors must meet the independence standards established by the Company (hereinafter referred to as "Independence Standards").
d) In nominating Non-Executive Director candidates, the Company takes account of the background of candidates and their insight into the Company's business.
e) The Company has the Audit & Supervisory Board Members' external audit and oversight on the Board of Directors, the voluntary Executive Nomination Committee and Compensation Committee composed mainly of Non-Executive Directors and Auditors (hereinafter, the term used for the combination of Non-Executive Directors and Audit & Supervisory Board Members), and the Independent Directors & Auditors Council, all of which function to complement the Board of Directors.
f) Independent Audit & Supervisory Board Members shall be the External Audit & Supervisory Board Members who meet the Independence Standards.



Stance on Independence of External Directors & Auditors (Reference)

The Company states its Independence Standards for External Directors & Auditors in the Corporate Governance Policy, which was established by the resolution of the Board of Directors in December 2015.

Independence Standards for External Directors & Auditors

1. A Director and Auditor will be independent if none of the following are met, at present and/or in the past:

(1) Director or employee of one of Fujitsu Group Companies[1];
(2) Director, Executive Officer, Audit & Supervisory Board Member, or important employee[2] of a Major Shareholder[3] of Fujitsu;
(3) Director, Executive Officer, Audit & Supervisory Board Member, or important employee[2] of a Major Lender[4] to Fujitsu;
(4) Partner or employee of accounting auditor of Fujitsu;
(5) Director, Executive Officer, Audit & Supervisory Board Member, or Corporate Executive Officer mutually exchanged between Fujitsu and another company;
(6) A person who receives Significant Amount of Monetary Benefits[5] or other property other than the compensation as a Director or Audit & Supervisory Board Member from Fujitsu; or
(7) Director, Executive Officer, Audit & Supervisory Board Member, or important employee[2] of a Major Business Partner[6] of Fujitsu

2. A person who does not have a Close Relative[7] will be independent, wherein a Close Relative meets one of following, at present or at any time within the preceding three years:

(1) Executive Director, Non-Executive Director[8], or important employee of Fujitsu Group Companies;
(2) Director, Executive Officer, Audit & Supervisory Board Member, or important employee[2] of a Major Shareholder of Fujitsu;
(3) Director, Executive Officer, Audit & Supervisory Board Member, or important employee[2] of a Major Lender to Fujitsu;
(4) Partner or employee of accounting auditor of Fujitsu;
(5) Director, Executive Officer, Audit & Supervisory Board Member, or Corporate Executive Officer mutually exchanged between Fujitsu and another company
(6) A person who receives Significant Amount of Monetary Benefits or other property other than the compensation as a Director or Audit & Supervisory Board Member from Fujitsu; or
(7) Director, Executive Officer, Audit & Supervisory Board Member, or important employee[2] of a Major Business Partner of Fujitsu.

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1 “Fujitsu Group Companies” means Fujitsu Limited and its subsidiaries.
2 Excluding an Independent Director or an Independent Auditor of a Major Shareholder, Lender, or Business Partner
3 “Major Shareholder” indicates a shareholder who holds at least 10 percent of the voting rights of Fujitsu nominally or substantially.
4 “Major Lender” indicates the lender in the group’s major lenders listed in the latest business report of Fujitsu.
5 “Significant Amount of Monetary Benefits” means the sum of annual compensation for expert services and donation equal to or more than 10 million yen.
6 “Major Business Partner” means a company with whom Fujitsu Group Companies made a business transaction within the preceding three fiscal years and the total amount of the transaction exceeds 1% of consolidated sales revenue of either Fujitsu or that company.
7 “Close Relative” means a family, spouse, or cohabiter within the second degrees of kinship (as stipulated in the Civil Code of Japan).
8 This condition applies only when judging the independence of Fujitsu’s External Audit & Supervisory Board Member or a nominee thereof.

<table>
<tr><th>Candi-date No.</th><th>Name and date of birth</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th></tr>
<tr><td rowspan="6">1</td><td rowspan="2">Takahito Tokita

(September 2, 1962)

*Reappointment

[No. of Years Served as a Director*3)] 2

[No. of the Company's Shares Held] 1,000

[Attendance at the FY2020 Board of Directors' Meetings] 100%</td><td>Apr. 1988 Joined the Company
Jun. 2014 Head of Financial Systems Unit, Integration Services Business
Apr. 2015 Corporate Executive Officer
Jan. 2019 Corporate Executive Officer
EVP, Head of Global Delivery Group, Technology Solutions Business
Mar. 2019 Corporate Senior Executive Vice President
Jun. 2019 Representative Director and CEO*1) (to present)
Chairman of the Risk Management & Compliance Committee (to present)
Oct. 2019 CDXO*2) (to present)</td></tr>
<tr><td>[Significant concurrent positions outside the Company]
None</td></tr>
<tr><td colspan="2">[Reasons for Nomination]
Mr. Takahito Tokita has a wealth of experience as a systems engineer in the business for the financial sector, is decisive, and has the capabilities necessary to execute business improvements. In addition, he has a good grasp of what is happening in the global business arena through his overseas experience, including his position as the Head of the Global Delivery Group whose mission is to offer uniform services throughout the world. Following his assumption of office as Representative Director and CEO, he formulated the new Management Direction and has led initiatives to transform Fujitsu from an IT company to a DX company.
Aiming to contribute to solving social issues, the Company defined Our Purpose, the reason it exists in society, and is going to work on all corporate activities to realize this as a purpose-driven company. In order to further accelerate these initiatives, the Company believes his leadership is necessary. Therefore, the Company proposes reappointing him as an Executive Director.
The Company intends to reappoint him as Representative Director and CEO, if his reappointment is approved at this Shareholders' Meeting.</td></tr>
<tr><td colspan="2">[Comments on Special-interest Relationships]
Mr. Takahito Tokita has no special-interest relationships with the Company.</td></tr>
<tr><td colspan="2">[Special Notice regarding the Director Candidate]
The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If Mr. Takahito Tokita is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</td></tr>
</table>

Note:

**3) "No. of Years Served as a Director" is as of the close of this Shareholders' Meeting.*

<table>
<tr><th>Candi-date No.</th><th>Name and date of birth</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th></tr>
<tr><td rowspan="5">2</td><td rowspan="2">Hidenori Furuta

(December 13, 1958)

*Reappointment

[No. of Years Served as a Director[*3)]] 2

[No. of the Company's Shares Held] 2,133

[Attendance at the FY2020 Board of Directors' Meetings] 100%</td><td>Apr. 1982 Joined the Company
May 2009 Head of Manufacturing Industry Solutions Business Unit
Apr. 2012 Corporate Executive Officer
Apr. 2014 Corporate Executive Officer, EVP
Head of Global Delivery
Apr. 2018 Corporate Executive Officer, SEVP
Head of Digital Services Business
Jan. 2019 SEVP, Head of Technology Solutions Business (until March 2020)
CTO[*1)] (to present)
Jun. 2019 Representative Director and COO[*1)] (to present)
Apr. 2020 SEVP, Head of Global Solutions Business</td></tr>
<tr><td>[Significant concurrent positions outside the Company]
None</td></tr>
<tr><td colspan="2">[Reasons for Nomination]
Mr. Hidenori Furuta has many years of experience in the systems integration business that involves establishing systems in collaboration with customers, and led the Digital Service Business that involves creating new businesses through co-creation of value with customers and partners. He also has a wealth of international experience, including management of Global Delivery whose mission is to offer uniform services throughout the world. As CTO[*1)] he has been supporting Mr. Takahito Tokita, Representative Director and CEO, from a technological perspective. In view of his experience, the Company believes he is the most suitable person to fulfill the role of leading the initiatives for transformation to a DX company and realization of Our Purpose in terms of the business operation. Therefore, the Company proposes reappointing him as an Executive Director.
The Company intends to reappoint him as Representative Director and COO, if his reappointment is approved at this Shareholders' Meeting.</td></tr>
<tr><td colspan="2">[Comments on Special-interest Relationships]
Mr. Hidenori Furuta has no special-interest relationships with the Company.</td></tr>
<tr><td colspan="2">[Special Notice regarding the Director Candidate]
The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If Mr. Hidenori Furuta is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</td></tr>
</table>

<table>
<tr><th>Candi-date No.</th><th>Name and date of birth</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th></tr>
<tr><td rowspan="5">3</td><td rowspan="2">Takeshi Isobe

(July 29, 1962)

*Reappointment

[No. of Years Served as a Director*3)] 1

[No. of the Company's Shares Held] 325

[Attendance at the FY2020 Board of Directors' Meetings] 100%</td><td>Apr. 1985 Joined the Company
Jun. 2014 VP of Corporate Controller Division, Corporate Finance Unit
Apr. 2018 Corporate Executive Officer
Head of Corporate Finance Unit (until March 2021)
Jun. 2019 Corporate Executive Officer, EVP
CFO*1) (to present)
Apr. 2020 Corporate Executive Officer, SEVP
Jun. 2020 Director and Corporate Executive Officer, SEVP (to present)</td></tr>
<tr><td>[Significant concurrent positions outside the Company]
None</td></tr>
<tr><td colspan="2">[Reasons for Nomination]
Mr. Takeshi Isobe has many years of experience in the Corporate Finance Unit of the Company. He has been responsible for the formulation and execution of the financial strategy and constructive dialogues with shareholders and investors as CFO*1) since the launch of the new management structure led by Mr. Takahito Tokita, Representative Director and CEO. Based on such knowledge, he has been providing advice to the management from a financial perspective. In this way, he has supported important decision-making concerning the Company's business execution. In view of his experience, the Company believes he is the most suitable person to fulfill the role of leading the initiatives for transformation to a DX company and realization of Our Purpose from a financial perspective. Therefore, the Company proposes reappointing him as an Executive Director.</td></tr>
<tr><td colspan="2">[Comments on Special-interest Relationships]
Mr. Takeshi Isobe has no special-interest relationships with the Company.</td></tr>
<tr><td colspan="2">[Special Notice regarding the Director Candidate]
The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If Mr. Takeshi Isobe is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</td></tr>
</table>

<table>
<tr><th>Candi-date No.</th><th>Name and date of birth</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th></tr>
<tr><td rowspan="3">4</td><td rowspan="2">Masami Yamamoto

(January 11, 1954)

*Reappointment

[No. of Years Served as a Director*3)] 11

[No. of the Company's Shares Held] 10,140

[Attendance at the FY2020 Board of Directors' Meetings] 100%</td><td>Apr. 1976 Joined the Company
Jun. 2004 Vice Head of Personal Systems Business Group
Jun. 2005 Corporate Vice President
Jun. 2007 Corporate Senior Vice President
Jan. 2010 Corporate Senior Executive Vice President
Apr. 2010 President
Jun. 2010 Representative Director and President
Jun. 2015 Representative Director and Chairman (until June 2017)
Chairman of the Board of Directors (until June 2019)
Jul. 2015 Member of the Executive Nomination Committee and Compensation Committee (until June 2019)
Jun. 2017 Director and Chairman (until June 2019)
Outside Director, JFE Holdings, Inc. (to present)
Oct. 2018 Member of Council for Promotion of Regulatory Reform, Cabinet Office (until July 2019)
Mar. 2019 Member of Intellectual Property Strategy Headquarters, Cabinet Office (until March 2021)
Jun. 2019 Director and Senior Advisor of the Company (to present)
Member of the Board of Directors (Outside Director), Mizuho Financial Group, Inc. (to present)</td></tr>
<tr><td>[Significant concurrent positions outside the Company]
Outside Director, JFE Holdings, Inc.
Member of the Board of Directors (Outside Director), Mizuho Financial Group, Inc.</td></tr>
<tr><td colspan="2">[Reasons for Nomination]
Mr. Masami Yamamoto has experience in business execution, having served as Representative Director and President for five years, and as Representative Director and Chairman for two years. At the same time, serving in key positions in the business community and at governmental institutions, he has been engaged in external activities that advance the interests of the Japanese IT industry and contribute to enhancement of the Company's presence in the international community. The Company believes he is ideally suited to fulfill the role of being responsible for oversight of business execution and providing advice based on his experience and knowledge. Therefore, the Company proposes reappointing him as a Non-Executive Director.
The Company intends to reappoint him as Director and Senior Advisor, if his appointment is approved at this Shareholders' Meeting.</td></tr>
<tr><td colspan="2">[Comments on Special-interest Relationships]
Mr. Masami Yamamoto has no special-interest relationships with the Company.</td></tr>
<tr><td colspan="2">[Special Notice regarding the Director Candidate]
An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Mr. Masami Yamamoto. The Company plans to extend the agreement if he is reappointed at this Shareholders' Meeting*4).
The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</td></tr>
</table>

Note:

**4) The maximum liability for damages in accordance with the agreement limiting liability concluded between the Company and Non-Executive Directors and Audit & Supervisory Board Members is the minimum liability amount stipulated by laws and regulations.*

Candi-date No.	*Name and date of birth*	*Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company*
5	Chiaki Mukai (May 6, 1952) **Reappointment* **Independent Director* [No. of Years Served as a Director[*3)]] 6 [No. of the Company's Shares Held] 3,086 [Attendance at the FY2020 Board of Directors' Meetings] 100%	Apr. 1977 Staff of Department of Surgery, Keio University School of Medicine (until November 1985) Aug. 1985 Payload Specialist of National Space Development Agency of Japan[*5)] (until March 2015) Jun. 1987 Visiting Scientist of Division of Cardiovascular Physiology, Space Biomedical Research Institute, NASA Johnson Space Center (until December 1988) Oct. 2014 Vice President of Science Council of Japan (until September 2017) Apr. 2015 Vice President, Tokyo University of Science (until March 2016) Jun. 2015 Director of the Company (to present) Apr. 2016 Specially Appointed Vice President of Tokyo University of Science (to present) Jul. 2016 Member of the Executive Nomination Committee (to present) Member of the Compensation Committee (until June 2018) Jan. 2017 Chair of the Scientific and Technical Subcommittee, UN Committee on the Peaceful Uses of Outer Space (COPUOS) (until January 2018) Apr. 2018 Special Counselor of JAXA (until March 2021) Jul. 2018 Chairperson of the Compensation Committee of the Company (to present) Mar. 2019 Outside Director, Kao Corporation (to present) [Significant concurrent positions outside the Company] Specially Appointed Vice President of Tokyo University of Science Outside Director, Kao Corporation
	[Reasons for Nomination and Overview of Expected Role] Although Ms. Chiaki Mukai has not previously been involved with company management other than having served as an external director, she has an impressive personal history as a doctor who became Asia's first female astronaut, and exemplifies the Company's spirit of taking on challenges at the cutting edge of science. As well as providing oversight and advice concerning business execution from diverse perspectives, 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, the Company proposes reappointing her as an Independent Director.	
	[Comments on Special-interest Relationships and the Independence of the Candidate] Ms. Chiaki Mukai has no special-interest relationships with the Company. Academic Corporation Tokyo University of Science that operates Tokyo University of Science, where she serves as Specially Appointed Vice President, and the Company do have sales business dealings that in fiscal 2020 amounted to approximately 61 million yen. In light of the scale of the Company's sales, however, this is not considered material. Thus, she satisfies the Independence Standards (Refer to Page 5) established by the Company. In accordance with listing regulations, the Company has reported to the securities exchanges on which the Company is listed in Japan that she is an Independent Director.	
	[Special Notice regarding the Director Candidate] An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Ms. Chiaki Mukai. The Company plans to extend the agreement if she is reappointed at this Shareholders' Meeting[*4)]. The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If she is reappointed, she will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.	

Note:

**5) Currently, the Japan Aerospace Exploration Agency (JAXA)*

Candi-date No.	*Name and date of birth*	*Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company*
6	Atsushi Abe (October 19, 1953) **Reappointment* **Independent Director* [No. of Years Served as a Director[*3)]] 6 [No. of the Company's Shares Held] 2,693 [Attendance at the FY2020 Board of Directors' Meetings] 100%	Apr. 1977 Joined Mitsui & Co., Ltd. Jun. 1990 Manager, Electronic Industry Department, Mitsui & Co., Ltd. Jan. 1993 Managing Director, Alex. Brown & Sons, Inc.[*6)] Aug. 2001 Managing Director and Head of Global Corporate Finance, Deutsche Securities, Ltd.[*7)] Aug. 2004 Partner & Head of Japan, J.P. Morgan Partners Asia[*8)] (until March 2009) May 2007 Board Member, Edwards Group Ltd.[*9)] (until October 2009) Dec. 2009 Managing Partner, Sangyo Sosei Advisory Inc. (to present) Feb. 2011 Director, ON Semiconductor Corporation (to present) Jun. 2015 Director of the Company (to present) Jun. 2019 Chairman of the Board of Directors (to present) Dec. 2019 Senior Advisor, Sangyo Sosei Advisory Inc. (to present) [Significant concurrent positions outside the Company] Managing Partner, Senior Advisor, Sangyo Sosei Advisory Inc. Director, ON Semiconductor Corporation
	[Reasons for Nomination and Overview of Expected Role] 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. As the Chairman of the Board of Directors, 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 discussions. Because the Company expects that, in addition to being able to provide oversight and advice from a shareholder and investor perspective, he will continue to contribute to timely and decisive management decision-making. Therefore, the Company proposes reappointing him as an Independent Director. The Company intends to reappoint him as Chairman of the Board of Directors, if his appointment is approved at this Shareholders' Meeting.	
	[Comments on Special-interest Relationships and the Independence of the Candidate] Mr. Atsushi Abe has no special-interest relationships with the Company. Sangyo Sosei Advisory Inc., where he serves as Managing Partner, and ON Semiconductor Corporation, where he serves as Director, and the Company have no business dealings. He is neither a Major Shareholder nor has he held an executive management position with a major trading partner of the Company, and does not receive monetary benefits other than the compensation as a Director of the Company, and thus, he satisfies the Independence Standards (Refer to Page 5) established by the Company. In accordance with listing regulations, the Company has reported to the securities exchanges on which the Company is listed in Japan that he is an Independent Director.	
	[Special Notice regarding the Director Candidate] An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Mr. Atsushi Abe. The Company plans to extend the agreement if he is reappointed at this Shareholders' Meeting[*4)]. The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.	

Notes:

**6) Currently, Raymond James & Associates, Inc.*

**7) Currently, Deutsche Securities Inc.*

**8) Currently, Unitas Capital*

**9) Currently, Atlas Copco*

Candi-date No.	*Name and date of birth*	*Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company*
7	Yoshiko Kojo[*10)] (June 19, 1956) **Reappointment* **Independent Director* [No. of Years Served as a Director[*3)]] 3 [No. of the Company's Shares Held] 684 [Attendance at the FY2020 Board of Directors' Meetings] 92.9%	Apr. 1988 Assistant Professor of International Relations, Faculty of Law, Kokugakuin University Apr. 1991 Associate Professor of International Relations, Faculty of Law, Kokugakuin University Apr. 1996 Associate Professor of International Relations, Department of Advanced Social and International Studies, The University of Tokyo Jun. 1999 Professor of International Relations, Department of Advanced Social and International Relations, The University of Tokyo (until March 2020) Oct. 2010 President, Japan Association of International Relations Oct. 2012 Member of Advisory Board, Japan Association of International Relations (to present) Oct. 2014 Member of Science Council of Japan (until September 2020) Jun. 2018 Director of the Company (to present) Jul. 2019 Member of the Executive Nomination Committee and Compensation Committee (to present) Apr. 2020 Professor of Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication (to present) [Significant concurrent positions outside the Company] Professor of Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication
	[Reasons for Nomination and Overview of Expected Role] Although Ms. Yoshiko Kojo has not previously been involved with company management other than having served as an external director, she served in important positions including the President of the Japan Association of International Relations. Her research has for many years focused mainly on the impact of economic entities, including private companies, and 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[*11)] based on her deep insight. Therefore, the Company proposes reappointing her as an Independent Director.	
	[Comments on Special-interest Relationships and the Independence of the Candidate] Ms. Yoshiko Kojo has no special-interest relationships with the Company. She is neither a Major Shareholder nor has she held an executive management position with a major trading partner of the Company, and thus the Company believes that she satisfies the Independence Standards (Refer to Page 5) established by the Company. In accordance with listing regulations, the Company has reported to the securities exchanges on which the Company is listed in Japan that she is an Independent Director.	
	[Special Notice regarding the Director Candidate] An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Ms. Yoshiko Kojo. The Company plans to extend the agreement if she is reappointed at this Shareholders' Meeting[*4)]. The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If she is reappointed, she will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.	

Notes

**10) The name of Yoshiko Kojo in the domiciliary register is Yoshiko Kugu.*

**11) Abbreviation of "Sustainable Development Goals."*
SDGs, adopted by the United Nations in 2015, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

<table>
<tr><th>Candi-date No.</th><th>Name and date of birth</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th></tr>
<tr><td rowspan="5">8</td><td rowspan="2">Scott Callon[*12)]

(December 6, 1964)

*Reappointment
*Independent Director

[No. of Years Served as a Director[*3)]] 1

[No. of the Company's Shares Held] 0

[Attendance at the FY2020 Board of Directors' Meetings] 100%</td><td>Apr. 1988 MIPS Computer Systems, Inc.[*13)]
Jan. 2003 Head of Equities, Morgan Stanley Japan Limited[*14)]
May 2006 Chief Executive Officer, Ichigo Asset Management, Ltd. (to present)
Oct. 2008 Chairman and Representative Statutory Executive Officer, Asset Managers Holdings Co., Ltd.[*15)] (to present)
Nov. 2008 Director and Chairman of the Board of Directors, Asset Managers Holdings Co., Ltd. (to present)
May 2012 External Audit & Supervisory Board Member, Chiyoda Co., Ltd. (until May 2020)
Mar. 2020 Chairman and Representative Director, Japan Display Inc. (until December 2020)
Jun. 2020 Director of the Company (to present)
Aug. 2020 Chairman of the Board of Directors, Japan Display Inc. (to present)
Jan. 2021 Chairman of Representative Executive Officer, CEO and Director, Japan Display Inc. (to present)</td></tr>
<tr><td>[Significant concurrent positions outside the Company]
Chief Executive Officer, Ichigo Asset Management, Ltd.
Director and Chairman of the Board of Directors, Chairman and Representative Statutory Executive Officer, Ichigo Inc.
Chairman of Representative Executive Officer, CEO and Director, and Chairman of the Board of Directors, Japan Display Inc.</td></tr>
<tr><td colspan="2">[Reasons for Nomination and Overview of Expected Role]
Having served at a foreign-owned securities firm, Mr. Scott Callon currently serves as Chief Executive Officer of Ichigo Asset Management, Ltd., a non-affiliated investment advisory firm specialized in investment in Japanese stocks, and has experience of engaging in dialogues with investees as an institutional investor. In view of his experience, the Company expects that he will be able to provide oversight and advice from a shareholder and investors' perspective. Therefore, the Company proposes reappointing him as an Independent Director.</td></tr>
<tr><td colspan="2">[Comments on Special-interest Relationships and the Independence of the Candidate]
Mr. Scott Callon has no special-interest relationships with the Company.
Ichigo Asset Management, Ltd., where he serves as Chief Executive Officer, and Ichigo Inc., where he serves as Director and Chairman of the Board of Directors, Chairman and Representative Statutory Executive Officer, and the Company have no business dealings. Japan Display Inc., where he serves as Chairman of Representative Executive Officer, CEO and Director, and Chairman of the Board of Directors, and the Company do engage in sales transactions that in fiscal 2020 amounted to approximately 380 million yen. In light of the scale of the Company's sales, however, this is not considered material. ICHIGO TRUST PTE. LTD., which is a joint owner that exercises voting rights jointly with Ichigo Asset Management, Ltd., where Mr. Callon serves as Chief Executive Officer, is a shareholder of the Company with a large ownership, but is not a Major Shareholder as defined by the Independence Standards (Refer to Page 5) established by the Company. Moreover, he has not held an executive management position with a major trading partner of the Company, and thus, he satisfies the Independence Standards established by the Company. In accordance with listing regulations, the Company has reported to the securities exchanges on which the Company is listed in Japan that he is an Independent Director. Additionally, he has declared that he would fulfill his duties as a Director for the Company and for all the shareholders of the Company.</td></tr>
<tr><td colspan="2">[Special Notice regarding the Director Candidate]
An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Mr. Scott Callon. The Company plans to extend the agreement if he is reappointed at this Shareholders' Meeting[*4)]. The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</td></tr>
</table>

Notes
**12) The name of Scott Callon in the domiciliary register is Callon Scott Anderburg.*
**13) Currently, Wave Computing*
**14) Currently, Morgan Stanley MUFG Securities Co., Ltd.*
**15) Currently, Ichigo Inc.*

<table>
<tr><th>Candi-date No.</th><th>Name and date of birth</th><th>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</th></tr>
<tr><td rowspan="4">9</td><td rowspan="2">Kenichiro Sasae

(September 25, 1951)

*New appointment
*Independent Director

[No. of the Company's Shares Held] 0</td><td>Apr. 1974 Joined Ministry of Foreign Affairs
Mar. 2002 Director-General of Economic Affairs Bureau, Ministry of Foreign Affairs
Jan. 2005 Director-General of Asian and Oceania Affairs Bureau, Ministry of Foreign Affairs
Jan. 2008 Deputy Minister for Foreign Affairs
Aug. 2010 Vice-Minister for Foreign Affairs
Sep. 2012 Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America
Jun. 2018 President and Director General, The Japan Institute of International Affairs
Jun. 2019 Outside Director, SEIREN CO., LTD. (to present)
Outside Director, MITSUBISHI MOTORS CORPORATION (to present)
Dec. 2020 President, The Japan Institute of International Affairs (to present)</td></tr>
<tr><td>[Significant concurrent positions outside the Company]
President of The Japan Institute of International Affairs
Outside Director, SEIREN CO., LTD.
Outside Director, MITSUBISHI MOTORS CORPORATION</td></tr>
<tr><td colspan="2">[Reasons for Nomination and Overview of Expected Role]
Although Mr. Kenichiro Sasae has not previously been involved with company management other than having served as an external director, he has served in important positions including the Vice-Minister for Foreign Affairs, Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America, and currently as the President of the Japan Institute of International Affairs. He has extensive knowledge and practical experience in international politics and economics. As the international situation becomes more complicated these days, the Company expects that he will able to provide oversight and advice from a fair and objective global perspective based on his knowledge and experience. Therefore, the Company proposes appointing him as an Independent Director.</td></tr>
<tr><td colspan="2">[Comments on Special-interest Relationships and the Independence of the Candidate]
Mr. Kenichiro Sasae has no special-interest relationships with the Company.
The Japan Institute of International Affairs, where he serves as President, and the Company have no business dealings.
He is neither a Major Shareholder nor has he held an executive management position with a major trading partner of the Company, and thus the Company believes that he satisfies the Independence Standards (Refer to Page 5) established by the Company. In accordance with listing regulations, the Company plans to report to the securities exchanges on which the Company is listed in Japan that he is an Independent Director.</td></tr>
<tr><td colspan="2">[Special Notice regarding the Director Candidate]
The Company plans to conclude an agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act with Mr. Kenichiro Sasae if his appointment is approved at this Shareholders' Meeting*4).
The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is appointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</td></tr>
</table>

Proposal No. 2 Election of One Audit & Supervisory Board Member

The term of office for Mr. Youichi Hirose, Audit & Supervisory Board Member, will expire at the close of this Annual Shareholders' Meeting. Accordingly, the Company proposes the election of one Audit & Supervisory Board Member. The candidate for Audit & Supervisory Board Member is stated below.
Taking into account that an important role of Audit & Supervisory Board Members is to perform compliance and accounting audits, the Company has adopted a structure for audits to be performed by two full-time Audit & Supervisory Board Members and two Independent Audit & Supervisory Board Members who have the experience and knowledge required for such audits.
The Company has already received the consent for this proposal from the Audit & Supervisory Board.

Name and date of birth	*Career summary, position in the Company, and significant concurrent positions outside the Company*
Youichi Hirose (March 5, 1958) **Reappointment* [No. of Years Served as an Audit & Supervisory Board Member*16)] 4 [No. of the Company's Shares Held] 2,983 [Attendance at the FY2020 Board of Directors' Meetings] 100% [Attendance at the FY2020 Audit & Supervisory Board Meetings] 100%	Apr. 1981 Joined the Company Jun. 2009 VP of Corporate Controller Division, Corporate Finance Unit (until June 2014) Apr. 2012 Executive Vice President Vice Head of Corporate Finance Unit (until March 2014) May 2013 Corporate Executive Officer (until March 2017) Apr. 2014 Head of Corporate Finance Unit Apr. 2017 Executive Adviser Jun. 2017 Full-time Audit & Supervisory Board Member (to present) Jun. 2018 External Audit & Supervisory Board Member, FUJITSU GENERAL LIMITED (to present) [Significant concurrent positions outside the Company] External Audit & Supervisory Board Member, FUJITSU GENERAL LIMITED
[Reasons for Nomination] Mr. Youichi Hirose has many years of experience in the Company's finance and accounting units. In addition, having served as a full-time Audit & Supervisory Board Member of the Company since 2017, he has extensive knowledge in the Group's business and accounting policies. Therefore, the Company proposes reappointing him as a full-time Audit & Supervisory Board Member.	
[Comments on Special-interest Relationships] Mr. Youichi Hirose has no special-interest relationships with the Company.	
[Special Notice regarding the Audit & Supervisory Board Member Candidate] An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Mr. Youichi Hirose. The Company plans to extend the agreement if he is reappointed at this Shareholders' Meeting*4). The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.	

Notes

**16) "No. of Years Served as an Audit & Supervisory Board Member" is as of the close of this Shareholders' Meeting.*

Proposal No. 3 Election of One Substitute Audit & Supervisory Board Member

The effectiveness of the election of Mr. Kouichi Nanba, who was elected as a substitute Audit & Supervisory Board Member at the 120th Annual Shareholders' Meeting held on June 22, 2020 will expire at the opening of this Shareholders' Meeting. To prepare for a contingency in which the number of Audit & Supervisory Board Members falls below the minimum prescribed by laws and regulations, the Company proposes the election of one substitute Audit & Supervisory Board Member. The candidate for substitute Audit & Supervisory Board Member is stated below.
The Company has already received the consent for this proposal from the Audit & Supervisory Board.

Name and date of birth	*Career summary, position in the Company, and significant concurrent positions outside the Company*
Kouichi Nanba (September 1, 1949) **Substitute Independent Audit & Supervisory Board Member* [No. of the Company's Shares Held] 0	Apr. 1979 Assistant Judge, Tokyo District Court Apr. 1989 Judge, Chiba District Family Court Apr. 1993 Professor, The Legal Training and Research Institute of Japan Apr. 1997 Judge, Tokyo District Court Apr. 1999 Chief Judge, Tokyo District Court May 2010 Director, Kumamoto District Court Aug. 2012 Chief Judge, Tokyo High Court Oct. 2014 Registered as a Lawyer Special Counsel, Mori Hamada & Matsumoto (to present) Jun. 2019 Outside Director (Audit and Supervisory Committee Member), Advantest Corporation (to present)
	[Significant concurrent positions outside the Company] Special Counsel, Mori Hamada & Matsumoto Outside Director (Audit and Supervisory Committee Member), Advantest Corporation

[Reasons for Nomination]
Although Mr. Kouichi Nanba has not previously been involved with company management other than having served as an external director, he has served as Chief Judge of the Tokyo High Court and in other positions, and has in-depth knowledge of law. Therefore, the Company proposes reappointing him as a substitute Independent Audit & Supervisory Board Member in preparation for a contingency in which the number of Audit & Supervisory Board Members falls below the minimum prescribed by laws and regulations.

[Comments on Special-interest Relationships and the Independence of the Candidate]
Mr. Kouichi Nanba has no special-interest relationships with the Company.
He is neither a Major Shareholder nor has he held an executive management or equivalent position with a major trading partner of the Company, and thus the Company believes that he satisfies the Independence Standards (Refer to Page 5) established by the Company. Therefore, if he assumes office as an Independent Audit & Supervisory Board Member, in accordance with listing regulations, the Company plans to report to the securities exchanges on which the Company is listed in Japan that he is an Independent Audit & Supervisory Board Member.

[Special Notice regarding the Audit & Supervisory Board Member Candidate]
The Company plans to conclude an agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act with Mr. Kouichi Nanba if he assumes office as an Audit & Supervisory Board Member*4).
The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he assumes office as an Audit & Supervisory Board Member, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.

Proposal No. 4 Revision to the Amount of Monetary Compensation for Directors

The amount of compensation for Directors of the Company was resolved to be up to 600 million yen a year at the 106th Annual Shareholders' Meeting held on June 23, 2006, and the Company has paid the base compensation to Directors and bonuses to Executive Directors as monetary compensation within the upper limit up until now. This proposal is to seek approval to revise the upper limit of monetary compensation to be up to 1,200 million yen a year (of which up to 150 million yen a year for External Directors.)

Under the uncertain economic environment surrounding the Company, where the Company is required to make prompt and sophisticated managerial judgements from a global perspective, the Company needs to strengthen its competitiveness in the talent market to secure exceptional human resources. In addition to the strengthening of the competitiveness, the revision to the upper limit of the monetary compensation for Directors in this proposal aims to enhance their commitment to improving corporate value by further increasing the proportion of performance-based compensation. Based on such aims, the upper limit of the monetary compensation after the revision has been determined with reference to the compensation systems of benchmark companies operating globally.

This revision is in line with the policy on the determination of the details of compensation, etc. for individual Directors (stated on Pages A-17 to A-18 in the Business Report), which was determined by the Board of Directors following the recommendation of the Compensation Committee, which is mainly composed of External Directors. This revision has been determined by the Board of Directors where the majority is comprised of External Directors, following the recommendation based on the deliberation of the Compensation Committee. Therefore, the Company believes that the details of this proposal are appropriate.

The Company currently has nine Directors (of which five are External Directors), and there will be no change in the number of Directors and External Directors, even if Proposal No. 1 "Election of Nine Directors" is approved as originally proposed at this Shareholders' Meeting.

Proposal No. 5 Revision to the Amount and Specific Details of Performance-based Stock Compensation Plan for Directors

1. Reasons for proposal and rationale thereof

At the 117th Annual Shareholders' Meeting held on June 26, 2017, the Company obtained a resolution to introduce a performance-based stock compensation plan, known as "Performance Share," (hereinafter referred to as "the Plan") to grant to Executive Directors mid- to long-term incentives for improving corporate value, and also to further enhance management from shareholders' perspectives. At the meeting, the amount of compensation under the Plan was resolved to be up to 300 million yen a year (the total number of shares of the Company to be allocated to be within 43,000 shares a year[*17]) separately from the maximum amount of monetary compensation resolved at the 106th Annual Shareholders' Meeting held on June 23, 2006.

Based on the same reasons as those for the revision to the upper limit of monetary compensation for Directors stated in Proposal No. 4, the Company seeks approval for the revision to the amount of compensation under the Plan to be up to 1,200 million yen a year (the total number of shares of the Company to be allocated to be within 75,000 shares a year) separately from the upper limit of monetary compensation for Directors proposed in Proposal No. 4. The Company also seeks approval for specific details of the Plan, following the enforcement of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on March 1, 2021.

This revision is in line with the policy on the determination of the details of compensation, etc. for individual Directors, which was determined by the Board of Directors following the recommendation of the Compensation Committee, which is mainly composed of External Directors. This revision has been determined by the Board of Directors where the majority is comprised of External Directors, following the recommendation based on the deliberation of the Compensation Committee. Therefore, the Company believes that the details of this proposal are appropriate.

The Company currently has nine Directors (of which five are External Directors), and three Executive Directors among those applicable for the Plan. There will be no change in the number of the applicable Executive Directors for the Plan, even if Proposal No. 1 "Election of Nine Directors" is approved as originally proposed at this Shareholders' Meeting.

2. Amount of compensation and specific details of the Plan

(1) Overview of the Plan

The Company will present to Executive Directors a base number of shares in accordance with respective rank,

performance judging period (three fiscal years), and performance targets in advance. 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 and at the end of the performance judging period. When the performance judging period is over, the total number of shares is allocated to each applicable person, with the condition that the person has been applicable for the Plan throughout the performance judging period. 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.

(2) Compensation amount under the Plan and upper limit of the number of allocated shares

As stated in 1., the upper limit of the amount of monetary compensation to Executive Directors under the Plan is set up to 1,200 million yen a year. The total number of allocated shares of the Company is set to be within 75,000 shares a year.

(3) 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 revenue and operating profit of the Company's consolidated financial results.

(4) Payment amount per share

The payment amount per share allocated to Executive Directors under the Plan shall be the fair price of the Company's shares on the day of payment, such as the closing value of the share at the Tokyo Stock Exchange one business day before the date of the Board of Directors' Meeting held to decide on allocation.

(5) Condition for provision of monetary compensation claims and allocation of shares of the Company

When the performance judging period is over, with the condition that the person has been applicable for the Plan throughout the performance judging period, monetary compensation claims are provided to each Executive Director, and allocate them shares of the Company in return for investment in kind of all the monetary compensation claims. When an applicable Executive Director for the Plan loses the aforementioned position before the expiration of the judging period with the reasons deemed reasonable by the Company's Board of Directors, the Board shall reasonably adjust the number of allocated shares and the timing of allocation, as necessary.

(6) Others

Handling of the Plan at the time of realignment and others, handling of the base number of shares at the time of stock split or stock consolidation and other details of the Plan shall be determined by resolution of the Board of Directors.

Notes

**17) 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 is indicated here.*

Exhibit A

Reports on the 121st Business Period

FUJITSU LIMITED

Note:
This English version of *Reports on the 121st Business Period* is a translation for reference only. The style of this English version differs slightly from the original Japanese version.

To Our Shareholders

I would like to express my respectful condolences for those who have lost their lives to COVID-19. I would also like to express my sincere respect and thanks for healthcare professionals engaged in the treatment of patients in the front line, and those engaged in essential works for people's lives.

We welcome the opportunity to present this report on our 121st business period (covering fiscal year 2020, from April 1, 2020 to March 31, 2021).

In May 2020, we defined "Our Purpose" – "to make the world more sustainable by building trust in society through innovation." At the Management Direction Briefing in July 2020, we declared to realize Our Purpose through value creation for our customers and society in two business areas; "For Growth" which contributes to the business growth of our customers, and "For Stability" which contributes to the further stability of the business of our customers.

In order to realize Our Purpose, in the business area "For Growth," we launched Fujitsu Japan Limited in October 2020 to establish the overwhelming position in the domestic market by solving various social issues in Japan with digital technology and data. Fujitsu Japan Limited has been in the full scale of operations since April 2021. In the business area "For Stability," we have striven to strengthen the structure of the Solutions and Services business in Japan, including the consolidation of the knowledge and know-how of solutions and the development functions dispersed throughout the Group companies to the Company and Fujitsu Japan Limited, toward the improvement of productivity through the standardization of operations and the improvement of profitability in businesses through the elimination of redundant investments. In addition, we have promoted the transformation of ourselves such as the "Company-wide DX Project" and "Work Life Shift," aiming to strengthen our competitiveness in the digital era.

Convinced that these initiatives will lead to further growth of the Fujitsu Group, we will continue to pursue them.

Regarding the financial performance in fiscal 2020, revenue decreased year on year due to the impact of COVID-19, along with a reactionary decline in demand following the especially strong demand for PCs in fiscal 2019, and the impact of business reorganization. Meanwhile, both operating profit and profit for the year were the highest ever, owing to the steady improvement of profitability in our main businesses and significant progress on streamlining costs, in addition to a one-time gain from the transfer of a business and a decrease in the burden of expenses for business model transformation. For details of our financial results, please refer to Page A-4 of this report.

Considering these financial results, the financial position, and the business environment from now on in, as announced in July 2020, we will pay an annual dividend of 200 yen for fiscal 2020. This is our fifth consecutive year of dividend increases, and a 20 yen increase from the annual dividend for fiscal 2019.

In fiscal 2021, we will continue to further promote creation of value offered to our customers and transformation of ourselves to realize the Purpose. Moreover, under the capital allocation policy that we announced in July 2020, we will continue to pay a stable dividend while expanding the amount of shareholder returns by proactively conducting repurchases of treasury stock with an eye on our capital efficiency.

We would like to ask for continued support and encouragement from all shareholders.

June 2021
Takahito Tokita, Representative Director and CEO

Notes:
1. Purpose: The reason Fujitsu exists in society; the objective of corporate activities
2. Company-wide DX Project: The project to transform operating processes, organizations, and corporate culture in addition to products, services, and business models
3. DX: Digital transformation. Using digital technologies and data to deliver completely new and innovative services and transform business processes
4. Work Life Shift: A new workstyle to deliver higher productivity than ever before and keep creating innovation even under the New Normal environment

Business Report

1. Business Overview (April 1, 2020 to March 31, 2021)

(1) Major Businesses of the Fujitsu Group (As of March 31, 2021)

Fujitsu Limited and its subsidiaries are engaged in providing total solutions in the ICT field, delivering services as well as developing, manufacturing, selling, and maintaining the cutting-edge, high-performance, high-quality products and electronic devices that support these services. The main products and services of each segment are described below.

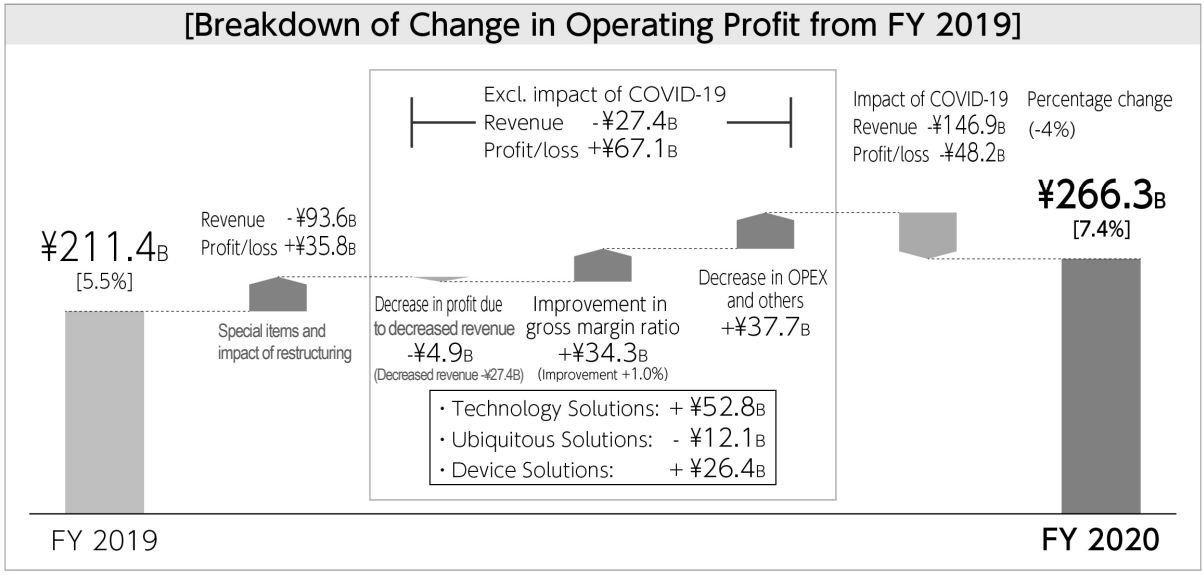
Segment	*Main products and services*
Technology Solutions	[Solutions/Services] ● Systems Integration (System Implementation, Business Application Services, etc.) ● Consulting ● Outsourcing Services (Data Center Services, ICT Managed Services, Application Managed Services, Business Process Outsourcing, etc.) ● Cloud Services (IaaS, PaaS, SaaS, etc.) ● Network Services (Business networks, etc.) ● System Support Services (ICT System and Network Maintenance and Monitoring Services, etc.) ● Security Solutions ● Software (Middleware) [System Platforms] System Products ● Servers (Mainframe, UNIX server, Mission Critical IA Server, PC server) ● Storage Systems ● Front End Technology (ATM, POS systems, etc.) ● Software (OS) ● Automotive Control Units and In-Vehicle information systems Network Products ● Network Management System ● Optical Transmission System ● Mobile Base Station
Ubiquitous Solutions	● PCs
Device Solutions	● Electronic components (Semiconductor package, battery, etc.)

(2) Trends and Results for the Consolidated Group

a) Overview

Revenue	Operating profit [Operating profit margin]	Profit for the year attributable to owners of the parent
¥3,589.7 billion	¥266.3 billion [7.4%]	¥202.7 billion
[Change from FY 2019] -6.9%	[Change from FY 2019] +¥54.8 billion (+1.9%)	[Change from FY 2019] +¥42.6 billion

Note: Revenue to unaffiliated customers



Note:

The Company revised its business segments in the first quarter of fiscal 2020. The Technology Solutions segment after the revision comprises of the four sub-segments; the "International Regions Excluding Japan" and the "Technology Solutions (Common)," in addition to the "Solutions/Services" and the "System Platforms" stated in (1) Major Businesses of the Fujitsu Group on Page A-3. For details, please refer to a press release on July 28, 2020 "Notice of Changes to Business Segments" (https://www.fujitsu.com/global/about/resources/news/press-releases/2020/0728-01.html).

Revenue and operating profit for fiscal 2018 and fiscal 2019 on Page A-6 are stated according to the new segments.

Consolidated revenue for fiscal 2020 was 3,589.7 billion yen, down 6.9% from fiscal 2019. While 5G base stations and electronic components businesses remained strong, revenue declined primarily due to the impact of COVID-19 (decline in revenue of 146.9 billion yen, mainly in the Technology Solutions segment) and a reactionary decline in demand following the PC replacement demand in fiscal 2019 as well as the impact of the transfer of the mobile phone retail store business in fiscal 2020.

Despite the impact of COVID-19 (decrease of 48.2 billion yen), operating profit recorded the highest ever at 266.3 billion yen for fiscal 2020, up 54.8 billion yen from fiscal 2019. Despite the impact of revenue decline, there were improvements in profitability of services and efficiency of expenses in addition to 5G base stations and electronic components businesses remaining strong in the actual business, excluding special items such as business model transformation expenses and the impact of restructuring.

Moreover, profit associated with the transfer of mobile phone retail store business was recorded as a special item for fiscal 2020, and there was a reduction in business model

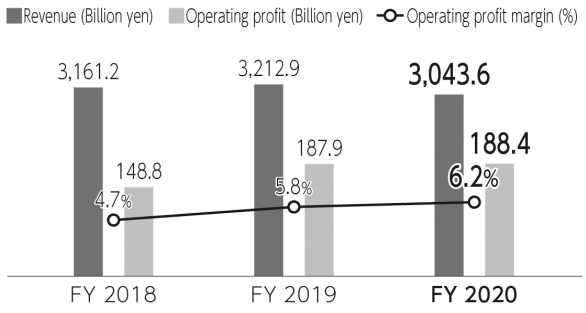
transformation expenses, both of which contributed to the increase of operating profit.

Net financial income, consisting of financial income, financial expenses, and income from investments accounted for using the equity method, net, was 25.5 billion yen, up 8.4 billion yen from fiscal 2019, attributable to the depreciation of yen toward the end of fiscal 2020 in addition to the profit relating to the initial public offering of QD Laser, Inc., which started as an internal startup company.

As a result, profit before income taxes was the highest ever at 291.8 billion yen, an increase of 63.2 billion yen from fiscal 2019.

Profit for the year attributable to owners of the parent was 202.7 billion yen, up 42.6 billion yen from fiscal 2019.

b) Overview by Business Segment
Technology Solutions



	FY 2018	FY 2019	FY 2020
Breakdown of Revenue			
Solutions/Services	1,760.2	1,883.0	1,765.9
System Platforms	625.4	647.0	665.4
International Regions Excluding Japan	861.7	766.3	723.7
Common	(86.1)	(83.5)	(111.5)
Breakdown of Operating Profit			
Solutions/Services	146.1	179.5	183.5
System Platforms	5.2	27.4	41.2
International Regions Excluding Japan	(25.7)	3.8	11.6
Common	23.2	(22.9)	(47.8)

To achieve transformation from an IT company to a DX company, the Company's basic policy is to grow the digital field (For Growth) while at the same time expanding revenue in the existing IT market (For Stability), such as conventional mission-critical systems, on foundation of the robust customer base.

Revenue in the Technology Solutions segment in fiscal 2020 amounted to 3,043.6 billion yen, a decrease of 5.3% year on year. Revenue in Japan decreased 4.8% year on year, while revenue outside Japan decreased 6.4% year on year.

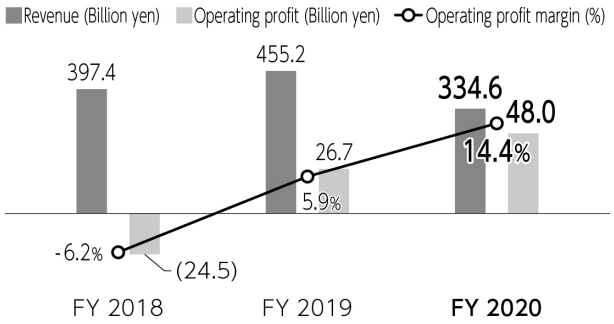
Revenue from the Solutions/Services sub-segment decreased due to a drop in sales of hardware integrated services such as PC set-up and development support which had performed well in fiscal 2019, in addition to the impact of COVID-19.

Overall revenue from the System Platforms sub-segment increased with the sales increase in Network Products reflecting an increase in deals regarding 5G base stations and reinforcement of optic fiber networks, offsetting the sales decrease in System Products due to the impact of COVID-19.

Revenue from the International Regions Excluding Japan sub-segment decreased due to the impact of COVID-19 and restructuring, despite the closing of the deal for a major public system development in Europe.

The segment posted an operating profit of 188.4 billion yen, up 0.5 billion yen compared to fiscal 2019. Operating profit was virtually unchanged from fiscal 2019 due to improvements in profitability in the Solutions/Services sub-segment and the effect of revenue increase in Network Products, despite the major impact of COVID-19.

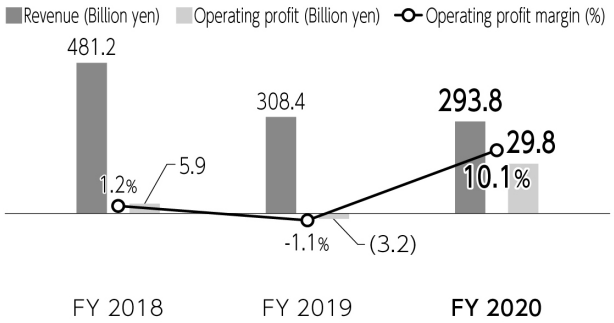
Ubiquitous Solutions



Revenue in the Ubiquitous Solutions segment was 334.6 billion yen, down 26.5% year on year. Revenue in Japan decreased 30.6% year on year and revenue outside Japan decreased 16.6% year on year. Revenue decreased greatly owing to a reactionary decline after the special demand relating to the Windows 7 in fiscal 2019 in addition to the effect of lower revenue due to the transfer of mobile phone retail store business.

Operating profit amounted to 48.0 billion yen, an increase of 21.2 billion yen from fiscal 2019. The increase was largely attributable to the profit associated with the transfer of mobile phone retail store business, and excluding the profit, operating profit decreased as a result of lower revenue.

Device Solutions



Revenue in the Device Solutions segment amounted to 293.8 billion yen, down 4.7% year on year. The decline in revenue was primarily due to the restructuring of Semiconductor Mie Plant and the print circuit board business in fiscal 2019. Revenue excluding the impact of the restructuring increased owing to increased demand for electronic components.

The segment posted an operating profit of 29.8 billion yen, representing an increase of 33.0 billion yen from fiscal 2019. Profit significantly increased partly owing to favorable market conditions for semiconductors globally.

Note: Revenue in each segment includes intersegment revenue.

(3) Consolidated Asset and Profit (Loss) Situation for the Most Recent Four Fiscal Years

Billion yen, except where stated

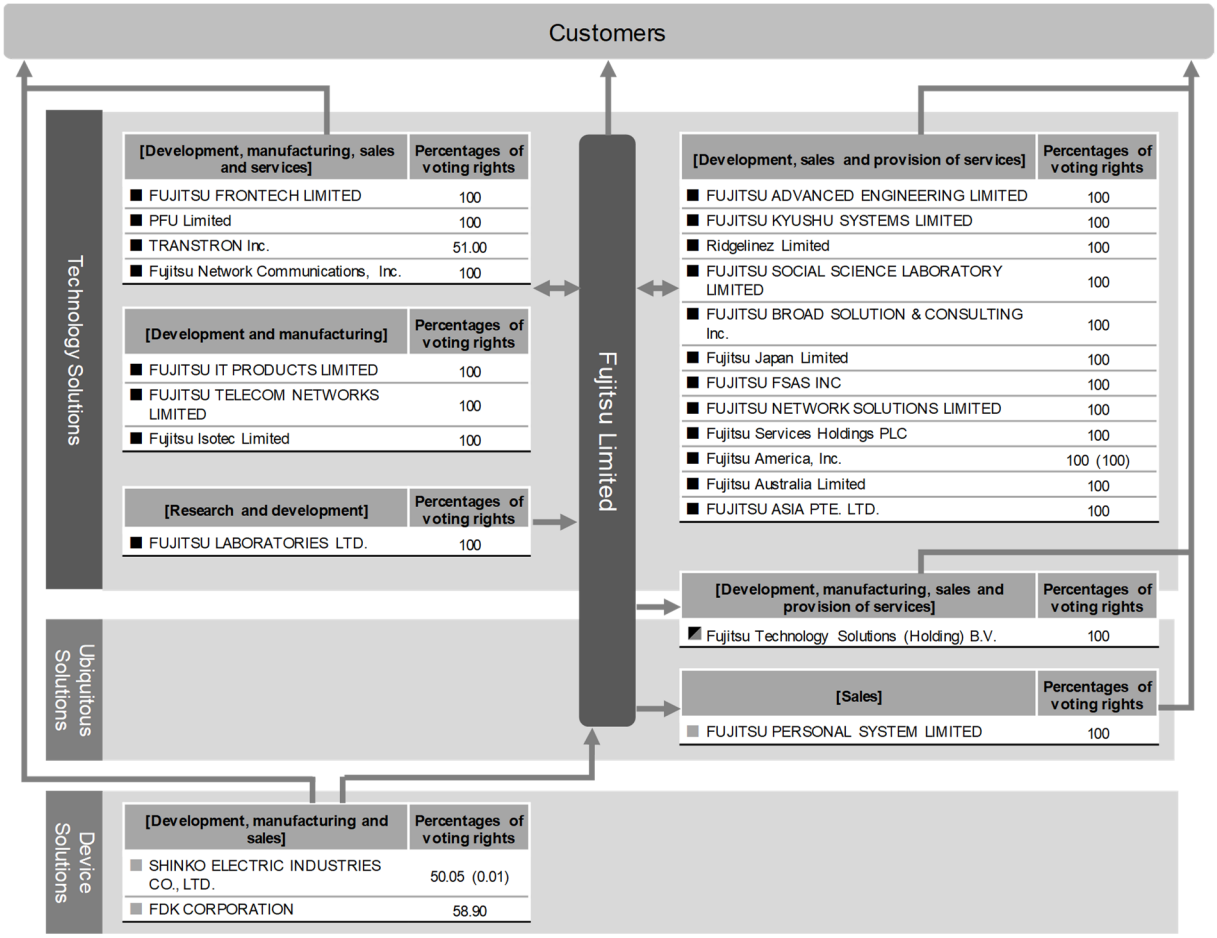
Fiscal Year (Business period)	*FY 2017 (118th)*	*FY 2018 (119th)*	*FY 2019 (120th)*	*FY 2020 (Current period)*
Revenue	¥4,098.3	¥3,952.4	¥3,857.7	¥3,589.7
Japan (included in Revenue)	2,591.5	2,517.0	2,629.2	2,417.6
Outside Japan (included in Revenue)	1,506.8	1,435.4	1,228.5	1,172.0
Ratio of Revenue Outside Japan [%]	[36.8]	[36.3]	[31.8]	[32.7]
Operating Profit	182.4	130.2	211.4	266.3
Operating Profit Margin [%]	[4.5]	[3.3]	[5.5]	[7.4]
Profit for the Year Attributable to Owners of the Parent	169.3	104.5	160.0	202.7
Basic Earnings per Share [yen]	825.32	512.50	791.20	1,013.78
Total Assets	3,121.5	3,104.8	3,187.4	3,190.2
Equity Attributable to Owners of the Parent	1,087.7	1,132.0	1,240.9	1,450.1
Equity Attributable to Owners of the Parent Ratio [%]	[34.8]	[36.5]	[38.9]	[45.5]
Equity per Share Attributable to Owners of the Parent [yen]	5,283.85	5,585.35	6,197.11	7,287.15
Free Cash Flow	177.8	103.5	233.0	236.3

Notes:

1. Pursuant to Article 120, paragraph (1) of the Regulation on Corporate Accounting, the Company prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS).
2. Free cash flow: Total of cash flows from operating and investing activities
3. On October 1, 2018, the Company conducted consolidation of shares of common stock at a rate of one share for every ten shares. Basic Earnings per Share and Equity per Share Attributable to Owners of the Parent have been calculated on the basis that share consolidation had been conducted at the beginning of the 118th fiscal term.

(4) The Fujitsu Group

The positioning of, and relationship between, Fujitsu Limited and its principal consolidated subsidiaries and affiliates (as of March 31, 2021) are shown below.



(Equity method affiliates)

FUJITSU GENERAL LIMITED **44.09%**, FUJITSU LEASING Co., Ltd. **20.00%**, Socionext Inc. **40.00%**, FUJITSU CONNECTED TECHNOLOGIES LIMITED **30.00%**, FUJITSU CLIENT COMPUTING LIMITED **44.00%**, FUJITSU COMPONENT LIMITED **25.00%**, etc.

Notes:

1. Percentages are percentages of voting rights and figures in parentheses are indirect shareholdings, which are included in the percentages of voting rights.
2. FUJITSU CLIENT COMPUTING LIMITED delivers parts of personal computers for enterprises it develops and manufactures to the Company.

(5) Significant Realignment

1) On July 1, 2020, the Company absorbed and merged with FUJITSU DESIGN LIMITED.
2) On October 1, 2020, FUJITSU FIP CORPORATION merged with Fujitsu Marketing Limited and dissolved. On October 1, 2020, Fujitsu Marketing Limited changed its trade name to Fujitsu Japan Limited.
3) On July 30, 2020, the Company started to acquire outstanding shares of FUJITSU FRONTECH LIMITED through a tender offer, and made it a wholly owned subsidiary of the Company on December 28, 2020 through prescribed procedures.
4) As of December 28, 2020, Fujitsu Electronics Inc. is not within the scope of equity method affiliates, following the transfer of its shares from FUJITSU SEMICONDUCTOR LIMITED to Kaga Electronics Co., Ltd.

(6) Capital Expenditures

Capital expenditures in fiscal 2020 totaled 87.5 billion yen, a decrease of 9.2% compared with fiscal 2019.

In the Technology Solutions segment, capital expenditures amounted to 46.6 billion yen, primarily for equipment related to the service business and office renovation associated with Borderless Office, an initiative we promote to review the usage of offices. In the Ubiquitous Solutions segment, capital expenditures amounted to 0.2 billion yen, mainly for the PC business. In the Device Solutions segment, capital expenditures amounted to 40.7 billion yen, mainly for production equipment for electronic components at Shinko Electric Industries Co., Ltd.

(7) Capital Procurement

During fiscal 2020, the Company did not engage in capital procurement by means of issuance of shares or bonds.

(8) Principal Lenders (As of March 31, 2021)

Lender	*Loan amount (million yen)*
MUFG Bank, Ltd.	38,363
Sumitomo Mitsui Banking Corporation	20,260
Mizuho Bank, Ltd.	12,437
Sumitomo Mitsui Trust Bank, Limited	11,780
The Hachijuni Bank, Ltd.	9,000

(9) Key Challenges Ahead

The Fujitsu Group has set out Our Purpose "to make the world more sustainable by building trust in society through innovation." To realize Our Purpose, the Fujitsu Group strives for sound profit and growth, while continually enhancing its corporate value.

[Market environment]

Regarding the market environment in which the Fujitsu Group operates, the existing IT market, such as conventional mission-critical systems, is expected to shrink at a moderate pace from now on. On the other hand, replacement of legacy systems and spending on modernization to increase efficiency are predicted to solidly increase. Moreover, spending on digitization, including AI, data utilization, and IoT, is expected to expand due to the effect of COVID-19 in addition to the market demand.

In these circumstances, spearheading digital transformation (DX) of companies, demand for which is rising, the Fujitsu Group aims to transform itself into a DX company that contributes to resolution of social issues. To this end, the Fujitsu Group formulated a Management Direction through discussion at the Board of Directors Meetings, the Independent Directors & Auditors Council, and other opportunities and announced it in July 2020.

[Outline of the Management Direction]

The Company defined its Purpose, "to make the world more sustainable by building trust in society through innovation," and reformulated the Fujitsu Way for the first time in 12 years. The new "Fujitsu Way," which provides the foundation of autonomous decision-making and actions for executives and employees as they work to realize the Purpose, comprises of three components; "Our Purpose," "Our Values," and the "Code of Conduct." The Company shall treat all of the Fujitsu Group's business activities as activities for achieving the Purpose.

The Fujitsu Group classified its business areas into two major categories based on value to deliver to customers. The digital field comprising of the DX business based on technologies such as AI and data utilization, and modernization including migration to the cloud that collectively represents an essential step in realizing DX, is defined as a business area "For Growth," which contributes to the business transformation and the growth of customers. Positioning the field as the growth area, the Fujitsu Group aims to grow both of its scale and profitability. The conventional IT field, including the maintenance and operation of systems as well as the provision and maintenance of products, is defined as a business area "For Stability," which contributes to the stable operation of customer IT platforms and quality improvement. In the area, the Fujitsu Group aims to raise profitability through further improved efficiency.

The Fujitsu Group will implement the following measures "For Growth."

The Fujitsu Group revised its formation to create a six-region structure including Japan to steadily implement its strategy on a global basis. Under the new structure, the Fujitsu Group will provide services optimized for each region, while implementing portfolios, account plans, and services and offerings that are common on a global basis. Regarding the technologies supporting these services, the Fujitsu Group is striving to establish strengths unique to the Fujitsu Group, and will concentrate its resources to strengthen the seven technologies defined as the key technology fields; computing, AI, 5G network, cybersecurity, cloud, data management, and IoT.

In order to develop strategic solutions to grow the DX business, with an eye to create new markets, the Company is working on the data platform business, the cross-industrial value exchange platform business utilizing tokens, and so on, while forming ecosystems with the companies that hold expertise in such business areas.

On October 1, 2020, the Company launched Fujitsu Japan Limited, a new company responsible for business in Japan to enhance its business rooted in the Japanese market. The new company will take responsibility for business in areas where factors that are unique to Japan play a major role, including local governments, education, healthcare, and medium-sized companies in the private sector.

In addition, in order to become a DX partner of its customers, the Group is implementing internal reforms to accelerate DX of the Fujitsu Group itself, including the upgrading of human resources and structure.

In order to realize data-driven management with speedy management decision-making based on data, the Company has been upgrading its processes and systems. On July 1, 2020, the Company launched the "Company-wide DX Project" to drive the initiative across the Company. On the same day, the Company also established Design Center to implement Design Management which uses Design Thinking in all kinds of business activities. The Company is also promoting "Work Life Shift" based on remote work, and will improve its personnel system and office environment to foster workstyles and mindsets that are suitable for a DX company.

To execute these initiatives, the Company will actively make necessary investments. In addition to external investments including the development of services and offerings and M&A as well as strategic investments for the expansion of the DX business in the future, the Company will also invest in the recruitment of sophisticated talent and in the strengthening of internal human resources and systems.

The Company will also strengthen its non-financial initiatives. To realize the Purpose set out by the Fujitsu Group, it is essential for the Group itself to achieve sustainable growth for the Fujitsu Group. To that end, the Group needs to build relationships of trust with all the stakeholders surrounding the Group. From that perspective, the Company will set new management indicators to evaluate non-financial activities, taking society, customers and employees into consideration.

The Company has established seven key issues under the heading of Global Responsible Business, including Human Rights, Diversity and Inclusion, Well-being, Environment, Compliance, Supply Chain, Health and Safety, and Community that the Company should focus on as a responsible global company. Each issue is related with each other, and the Company believes that focusing on these seven issues will lead to greater trust from customers and employees. For that purpose, the Company has set non-financial indicators, "net promoter score" as an indicator of trust from customers, and "employee engagement." In addition, the Company objectively measures progress in transforming its organization and culture using the Ministry of Economy, Trade and Industry of Japan's "DX Promotion Indices," and works toward continual improvements.

In order to strengthen quality management and risk management, on November 1, 2020, the Company reformed its organization with enhanced quality management function, and established CORPORATE RISK MANAGEMENT DIVISION under the CEO. The Company also launched a project to implement company-wide inspections to prevent critical system faults and started its activities. The Company will work on the stable operation and quality improvement of the IT infrastructure of its customers toward the further stabilization of their businesses.

As for the financial management targets, the Fujitsu Group aims to achieve revenue of 3.5 trillion yen and consolidated operating profit margin of 10% in the Technology Solutions in fiscal 2022.

By working on both financial and non-financial management indicators, the Fujitsu Group

seeks to make stable contribution to society and customers over the long term, and to create, as a result, a positive loop that will lead again to the Fujitsu Group's own growth.

The spread of COVID-19 is affecting the economic activities on a global basis, with a wide variety of impacts on each industry, while the prospects for recovery is still uncertain. On the other hand, the IT-related demand stemming from remote work and online education as new lifestyles is expected to expand. Leveraging its digital technologies as well as track record and knowledge in the wide range of industries, the Group will contribute to creating a safe and convenient society in which data are more complexly connected centering around people.

2. Company Overview

(1) Stock (As of March 31, 2021)

a) Number of Authorized Shares: 500,000,000

b) Number of Outstanding Shares: 207,001,821

c) Stated Capital: ¥324,625,075,685

d) Shares Issued During the Business Period: There was no issuance of shares during the business period.

e) Number of Shareholders: 108,464 (10,030 decrease from the end of fiscal 2019)

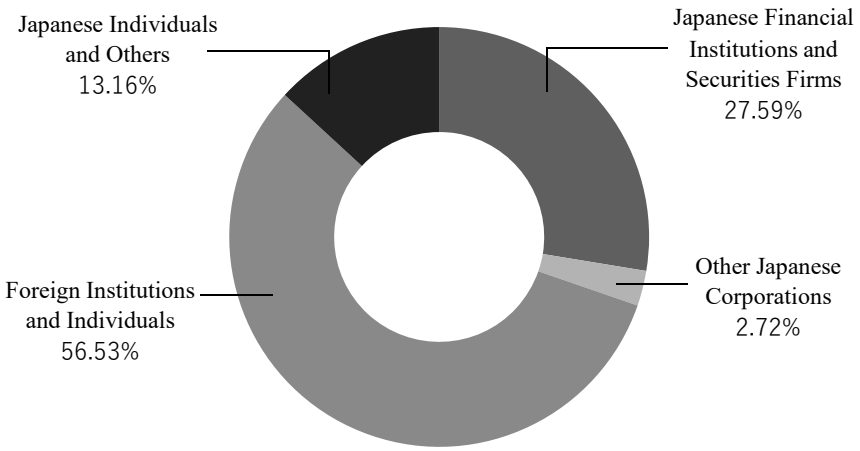
f) Principal Shareholders

Name	*Number of shares held (thousands)*	*Percentage of shares held (%)*
The Master Trust Bank of Japan, Ltd. (for trust)	16,807	8.45
Ichigo Trust Pte. Ltd.	14,899	7.49
Custody Bank of Japan, Ltd. (for trust)	10,395	5.22
GIC PRIVATE LIMITED – C	5,491	2.76
Fujitsu Employee Shareholding Association	4,442	2.23
Asahi Mutual Life Insurance Company	3,518	1.77
Custody Bank of Japan, Ltd. (for trust 7)	3,396	1.71
STATE STREET BANK WEST CLIENT - TREATY 505234	3,220	1.62
STATE STREET BANK AND TRUST COMPANY 505103	3,002	1.51
Fuji Electric Co., Ltd.	2,844	1.43

Notes:

1. The investment ratio is calculated after exclusion of treasury stock holdings (8,002,339 shares).
2. The shares held by The Master Trust Bank of Japan, Ltd. (for trust), Custody Bank of Japan, Ltd. (for trust), and Custody Bank of Japan, Ltd. (for trust 7) pertain to their trust business.

< Equity Shareholdings by Type of Shareholder >



g) Shares Granted as Consideration for Duties Performed by the Company's Directors and Auditors during Fiscal 2020

	Number of shares granted	*No. of grantees*
Directors (excluding External Directors)	945	2
External Directors	—	—
Audit & Supervisory Board Members	—	—

Note: The details of our stock compensation are described in Performance-based Stock Compensation on Pages A-20.

h) Important Matters Concerning the Stock

On January 30, 2020, the Company made a decision to repurchase its common stock up to either a maximum of 5,500,000 shares or a maximum aggregate purchase value of 50 billion yen during the period from February 3, 2020 to February 2, 2021, and purchased approximately 1,260,000 shares of its common stock with the aggregate purchase value of approximately 19.9 billion yen during fiscal 2020.

(2) Stock Acquisition Rights

As of March 31, 2021, no stock acquisition right was granted as consideration for duties performed by the Company's Directors and Auditors, and no stock acquisition right was granted to employees in fiscal 2020 as consideration for duties.

(3) Management

a) Directors and Audit & Supervisory Board Members (As of March 31, 2021)

Position	*Name*	*Areas of Responsibility*	*External Director/ Auditor*	*Independent Director/ Auditor*
Representative Director and CEO	Takahito Tokita	CDXO, Chairman of the Risk Management & Compliance Committee		
Representative Director and COO	Hidenori Furuta	CTO		
Director and Corporate Executive Officer, SEVP	Takeshi Isobe	CFO		
Director and Senior Advisor	Masami Yamamoto			
Director	Jun Yokota	Chairperson of the Executive Nomination Committee Member of the Compensation Committee	○	○
Director	Chiaki Mukai	Chairperson of the Compensation Committee Member of the Executive Nomination Committee	○	○
Director	Atsushi Abe	Chairman of the Board of Directors	○	○
Director	Yoshiko Kojo	Member of the Executive Nomination Committee and Compensation Committee	○	○
Director	Scott Callon		○	○
Audit & Supervisory Board Member	Youichi Hirose			
Audit & Supervisory Board Member	Megumi Yamamuro			
External Audit & Supervisory Board Member	Koji Hatsukawa		○	○
External Audit & Supervisory Board Member	Hideo Makuta		○	○

Notes:

1. Independence of Directors and Audit & Supervisory Board Members is judged based on the Company's independence standards. (For details, please refer to Page 5.)
2. Director and Senior Advisor Masami Yamamoto concurrently serves as a Director (external member of the board) of JFE Holdings, Inc. and a Member of the Board of Directors (Outside Director), Mizuho Financial Group, Inc.
3. Audit & Supervisory Board Member Megumi Yamamuro retired as External Audit & Supervisory Board Member due to the expiration of his term of office at the close of the 120th Annual Shareholders' Meeting held on June 22, 2020, and was newly elected and assumed office as Audit & Supervisory Board Member at that meeting. Furthermore, at the Audit & Supervisory Board Meeting held after the close of the 120th Annual Shareholders' Meeting, he was appointed and assumed office as Audit & Supervisory Board Member.
4. Audit & Supervisory Board Member Youichi Hirose has lengthy experience of finance and accounting, including former service as Head of Corporate Finance Unit of the Company, and he has extensive knowledge of finance and accounting. He concurrently serves as an External Audit & Supervisory Board Member, FUJITSU GENERAL LIMITED.
   Audit & Supervisory Board Member Koji Hatsukawa has a wealth of experience in auditing global companies as a Certified Public Accountant, and he has extensive knowledge about finance and accounting.
   Audit & Supervisory Board Member Hideo Makuta served as a Public Prosecutor and as a Commissioner of the Fair Trade Commission, and because of his abundant experience of economic affairs, he has extensive knowledge of finance and accounting.

5. Significant concurrent positions of External Directors and Auditors are described in 3. Concurrent Positions of External Directors and Auditors and Their Activities in the "Disclosed Information on the Internet at the Time of Notice of the 121st Annual Shareholders' Meeting."
6. CDXO, CTO, and CFO are abbreviations of Chief Digital Transformation Officer, Chief Technology Officer, and Chief Financial Officer, respectively.

b) Overview of Liability Limitation Agreement

The Company has entered into an agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act with each of the Non-Executive Directors and Audit & Supervisory Board Members. The maximum amount of liability for damages in accordance with the relevant agreement is the minimum liability amount stipulated by laws and regulations. The said liability limitation shall apply only when a relevant Non-Executive Director or Audit & Supervisory Board Member executes a duty that created a liability in good faith and without gross negligence.

Note:
Non-Executive Directors refer to External Directors, and Director and Senior Advisor Masami Yamamoto.

c) Compensation of Directors and Audit & Supervisory Board Members

A. Policy on the Determination of Executive Compensation

To make its executive compensation systems even more transparent, Fujitsu established a Compensation Committee based on a corporate resolution of the Board of Directors in October 2009. Compensation of Directors and Audit & Supervisory Board Members, which is aggregated in B. "Total Compensation Paid for Fiscal 2020," is determined within the scope of total compensation established by resolution of the Annual Shareholders' Meeting based on the framework of the policy on the determination of the details of compensation, etc. for individual Directors (hereinafter referred to as "The Determination Policy"), which was determined by the Board of Directors following the recommendation by the Compensation Committee. Compensation for each Director is determined by the Representative Director and CEO subject to the approval of the Compensation Committee, and compensation for each Audit & Supervisory Board Member is decided based on consultation with the Audit & Supervisory Board Members.

In addition, the Board of Directors has confirmed that it did not receive any report from the Compensation Committee that the details of compensation for individual Directors for fiscal 2020 were outside the Determination Policy, and that the determination of the details of said compensation was in conformity with the above operation. The Board of Directors therefore has judged that the compensation for individual Directors for fiscal 2020 is in line with the Determination Policy.

The details of the Determination Policy are as follows.

(a) 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.

(b) 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.

(c) 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 Bonuses, 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.

(d) 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), 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.

(e) 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.

B. Total Compensation Paid for Fiscal 2020

Section	*No. of qualified persons*	*Types of Compensation (Million yen)*			*Total Amount Paid (Million yen)*
		Base compensation	*Bonuses*	*Performance-based stock compensation*	
a. Directors	10	294	120	208	623
b. External Directors (included in a.)	5	75	—	—	75
c. Audit & Supervisory Board Members	7	105	—	—	105
d. External Audit & Supervisory Board Members (included in c.)	4	33	—	—	33
e. Total	17	400	120	208	729
f. Total External Directors/Auditors (included in e.)	9	109	—	—	109

Notes:

1. Includes Directors and Audit & Supervisory Board Members who resigned in fiscal 2020. As the displayed compensation amounts have been rounded down to millions of yen, the displayed compensation amounts in the total rows may not match the sum of the displayed compensation amounts in the Directors and Audit & Supervisory Board Members rows.
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, at the close of which the number of Directors was ten (including two External Directors). The limit on non-monetary compensation was resolved to be 300 million yen per year and the total number of shares 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, at the end of which the number of Directors was ten (including four External Directors). 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, at the close of which the number of Audit & Supervisory Board Members was five (including three External Audit & Supervisory Board Members). The Company pays the compensation shown in the above table 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 2020 is stated.

C. Matters Related to Performance-based Compensation

i) Details of performance indicators for the calculation basis and reason for selecting them

In order to provide Executive Directors with an incentive to achieve their performance targets for one fiscal year with regard to bonuses, and to provide Executive Directors with an incentive to increase corporate value over the medium to long term with regard to performance-based stock compensation as well as to further promote management from the perspective of shareholders, the Company has selected revenue and operating profit of the consolidated financial results, which are set out as management target indicators for each type of compensation, as indicators for bonuses and performance-based stock compensation.

ii) Calculation method

(a) Bonuses

At the beginning of each fiscal year, the Company will present the Executive Directors with a base bonus amount in accordance with performance targets and respective rank. Then, at the end of the relevant fiscal year, the bonus amount to be paid will be calculated by multiplying the base bonus amount by the coefficient, which was set within a certain range in accordance with the level of achievement of the performance targets set in advance. No bonus will be paid if the degree of achievement is less than the preset lower limit. In addition, if the degree of achievement exceeds the preset upper limit, the amount obtained by multiplying the base bonus amount by the preset upper limit

of the coefficient will be paid.

(b) Performance-based Stock Compensation

The Company will present to Executive Directors a base number of shares in accordance with respective rank, performance judging period (three fiscal years) and performance targets in advance. The number of shares, which is calculated by multiplying base number of shares by a fixed coefficient according to the level of achievement of the performance targets, is fixed at each fiscal year and upon completion of the performance judging period. When the performance judging period is over, the total number of shares is allocated to each applicable person under the condition that they continued to be in the position of an applicable person in the plan throughout the performance judging period. 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.

iii) Targets and actual results of performance indicators related to performance-based compensation for fiscal 2020

	Targets (Billion yen)	*Results (Billion yen)*
Consolidated revenue	3, 610.0	3,589.7
Consolidated operating profit	212.0	266.3

D. Matters Related to Delegation of Determination of Compensation for Individual Directors

Based on the recommendations from the Compensation Committee, which is an advisory body to the Board of Directors, the Board of Directors has established the Determination Policy and determines the level of compensation for individual Directors within the framework. The Company believes that the indicators used to determine compensation and the amount to be paid when the target is achieved should be decided by the Representative Director and CEO, who is in charge of business operations, based on his own ideas in order to realize the management direction decided by the Board of Directors. Thus, the Company has delegated the authority to make decisions to Takahito Tokita, Representative Director and CEO, subject to the approval of the Compensation Committee.

d) Other Matters Regarding Management

- **Executive Nomination Committee and Compensation Committee**

The Company has established the Executive Nomination Committee and the Compensation Committee as advisory bodies to its Board of Directors to ensure the transparency and objectivity of its process for nominating Directors and Audit & Supervisory Board Members and for determining executive compensation as well as to ensure the fairness of the system and level of executive compensation.

The Executive Nomination Committee deliberates about candidates for Director and Audit & Supervisory Board Member positions in accordance with the “Structural framework” and the “Procedures and policy of Directors and Auditors nomination/dismissal” 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.

Members of the Executive Nomination Committee and the Compensation Committee were as

follows as of March 31, 2021:

<Executive Nomination Committee>
Chairperson: Jun Yokota
Members: Chiaki Mukai, Yoshiko Kojo
<Compensation Committee>
Chairperson: Chiaki Mukai
Members: Jun Yokota, Yoshiko Kojo

After the selection of the above committee members in July 2020, the Executive Nomination Committee met three times by the end of fiscal 2020 and discussed the nomination of Representative Directors including CEO, candidates for Director, etc., and provided its recommendations to the Board of Directors. The Compensation Committee met twice by the end of fiscal 2020 and discussed the level of compensation for Directors and Auditors, composition ratio, etc., and provided its recommendations to the Board of Directors.

* The full text of the Corporate Governance Policy is available at the Company's website. (https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf).

- **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 enabling 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 the Independent Directors and Auditors Council, members discuss the medium- to long-term direction of the Company and share information and exchange viewpoints so that they can each formulate their own opinions.

In fiscal 2020, the Independent Directors and Auditors Council met nine times. The members shared information and exchanged viewpoints on the Company's management direction, the scope of business of the Company and of the Fujitsu Group, etc., and the Council provided advice to the Board of Directors based on the knowledge of its members.

(4) Basic Policy on the Control of the Company

Based on the fundamental recognition that the increase in corporate value creates the defensive power as a consequence, the Company is focusing on increasing corporate value and does not adopt any specific antitakeover measures at this time.

In the case that an acquisition offer is made to the Company, the Board of Directors takes appropriate action based on the recognition that the shareholders determine where the control of the Company lies.

(5) Policy on Decision Regarding Dividends of Surplus etc.

Article 40 of the Company's Articles of Incorporation grants the Board of Directors the authority to distribute surplus. As part of its basic policy on the exercise of this authority, the Company believes that a portion of surplus should continue to be paid to stable dividends of surplus to shareholders based on sustainable business growth, in accordance with the capital allocation policy announced in July 2020. In addition, while balancing the funding needs, the Company will flexibly repurchase the Company's own shares using long-term surplus funds.

(6) Accounting Auditor

a) Name of the Accounting Auditor: Ernst & Young ShinNihon LLC

b) Remuneration to be Paid to the Accounting Auditor

(Million yen)

(1)	Amount of remuneration, etc. as an accounting auditor for fiscal 2020	483
(2)	Total amount of cash and other proprietary benefits that the Company and its subsidiaries should pay to the accounting auditor	836

Notes:

1. The Company does not clearly differentiate the amounts of compensation for an audit under the Companies Act from an audit under the Financial Instruments and Exchange Act. The Amount stated (1) thus includes the compensation for the audit under the Financial Instruments and Exchange Act.
2. Some subsidiaries of the Company receive an audit from an audit corporation other than the accounting auditor of the Company.
3. The Audit & Supervisory Board, in accordance with the Company's Standards for Nomination and Evaluation of Accounting Auditor, evaluated the performance of auditing by the accounting auditor in fiscal 2019 and, reflecting the evaluation results, reviewed appropriateness of the audit plan for fiscal 2020 in terms of the time spent on auditing and staffing, the status of execution of duties by the Accounting Auditor, and the estimated amount of remuneration. As a result, the Audit & Supervisory Board gave consent pursuant to Article 399, paragraph (1) of the Companies Act concerning compensation for the accounting auditor.

c) Contents of Non-Audit Services

The Company commissioned the accounting auditor to provide services mainly concerning assurance report on internal control over the Company's cloud service, which fall outside the scope of attestation services under Article 2, paragraph (1) of the Certified Public Accountants Act, and paid fees.

d) Policy on Decision of Dismissal and Refusal of Reappointment of the Accounting Auditor

When it is considered that the accounting auditor falls under any of the items stipulated in Article 340, paragraph (1) of the Companies Act, the Company will dismiss the accounting auditor subject to the unanimous consent of the Audit & Supervisory Board Members.

In addition to the above, the Audit & Supervisory Board will determine the content of a shareholder resolution to be proposed at an Annual Shareholders' Meeting to dismiss or refuse the reappointment of the accounting auditor, when it is deemed to be difficult for the accounting auditor to execute auditing properly because of the occurrence of events that impair its qualification, independence or expertise, or when otherwise events occur that the Audit & Supervisory Board judges make it necessary to do so.

Consolidated Statement of Financial Position

(As of March 31, 2021)

		Millions of yen
Assets		
Current assets:		
Cash and cash equivalents	Y	**481,832**
Trade receivables		**859,930**
Other receivables		**48,769**
Inventories		**237,013**
Others		**233,333**
Subtotal		**1,860,877**
Assets held for sale		**12,215**
Total current assets		**1,873,092**
Non-current assets:		
Property, plant and equipment, net of accumulated depreciation		**569,593**
Goodwill		**41,239**
Intangible assets		**120,459**
Investments accounted for using the equity method		**154,396**
Other investments		**176,891**
Deferred tax assets		**76,661**
Others		**177,875**
Total non-current assets		**1,317,114**
Total assets	Y	**3,190,206**

		Millions of yen
Liabilities and Equity		
Liabilities		
Current liabilities:		
Trade payables	Y	468,139
Other payables		358,425
Short-term borrowings, current portion of long-term debt and lease liabilities		174,268
Accrued income taxes		32,183
Provisions		60,680
Others		194,757
Subtotal		1,288,452
Liabilities directly associated with assets held for sale		1,045
Total current liabilities		1,289,497
Non-current liabilities:		
Long-term debt and lease liabilities		142,057
Retirement benefit liabilities		149,994
Provisions		26,615
Deffered tax liabilities		8,451
Others		26,687
Total non-current liabilities		353,804
Total Liabilities		1,643,301
Equity		
Share capital		324,625
Capital surplus		241,254
Treasury stock, at cost		(79,495)
Retained earnings		909,139
Other components of equity		54,616
Total equity attributable to owners of the parent		1,450,139
Non-controlling interests		96,766
Total Equity		1,546,905
Total Liabilities and Equity	Y	3,190,206

Consolidated Statement of Profit or Loss

(Year ended March 31, 2021)

		Millions of yen
Revenue	**Y**	**3,589,702**
Cost of sales		(2,509,454)
Gross profit		**1,080,248**
Selling, general and administrative expenses		(834,519)
Other income		46,748
Other expenses		(26,153)
Operating Profit		**266,324**
Financial income		14,200
Financial expenses		(3,995)
Income from investments accounted for using the equity method, net		15,326
Profit before income taxes		**291,855**
Income tax expenses		**(78,332)**
Profit for the year	**Y**	**213,523**
Profit for the year attributable to:		
Owners of the parent		202,700
Non-controlling interests		10,823
Total	**Y**	**213,523**

Consolidated Statement of Changes in Equity

(Year ended March 31, 2021)

(Millions of yen)

	Equity Attributable to Owners of the Parent			
	Share Capital	Capital surplus	Treasury stock, at Cost	Retained Earnings
Beginning balance	**324,625**	**237,654**	**(59,614)**	**735,920**
Profit for the year	-	-	-	**202,700**
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	**202,700**
Purchase of treasury stock	-	-	**(20,141)**	-
Disposal of treasury stock	-	**1**	**3**	-
Share-based payment transactions	-	**1,284**	**257**	-
Dividends paid	-	-	-	**(40,052)**
Transfer to retained earnings	-	-	-	**9,996**
Acquisition (disposal) of non-controlling interests	-	**3,064**	-	-
Changes in ownership interests in subsidiaries	-	**27**	-	**(23)**
Others	-	**(776)**	-	**598**
Ending balance	**324,625**	**241,254**	**(79,495)**	**909,139**

	Equity Attributable to Owners of the Parent					
	Other Components of Equity					
	Foreign Currency Translation Adjustment	Cash Flow Hedges	Financial Assets Measured at Fair Value through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total Other Components of Equity	Total Equity Attributable to Owners of the Parent
Beginning balance	**(30,095)**	**(289)**	**32,755**	**-**	**2,371**	**1,240,956**
Profit for the year	-	-	-	-	-	**202,700**
Other comprehensive income	**23,902**	**164**	**31,285**	**6,894**	**62,245**	**62,245**
Total comprehensive income for the year	**23,902**	**164**	**31,285**	**6,894**	**62,245**	**264,945**
Purchase of treasury stock	-	-	-	-	-	**(20,141)**
Disposal of treasury stock	-	-	-	-	-	**4**
Share-based payment transactions	-	-	-	-	-	**1,541**
Dividends paid	-	-	-	-	-	**(40,052)**
Transfer to retained earnings	-	-	**(3,102)**	**(6,894)**	**(9,996)**	-
Acquisition (disposal) of non-controlling interests	-	-	-	-	-	**3,064**
Changes in ownership interests in subsidiaries	-	-	**(4)**	-	**(4)**	-
Others	-	-	-	-	-	**(178)**
Ending balance	**(6,193)**	**(125)**	**60,934**	**-**	**54,616**	**1,450,139**

	Non-Controlling Interests	Total Equity
Beginning balance	**107,479**	**1,348,435**
Profit for the year	**10,823**	**213,523**
Other comprehensive income	**1,323**	**63,568**
Total comprehensive income for the year	**12,146**	**277,091**
Purchase of treasury stock	-	**(20,141)**
Disposal of treasury stock	-	**4**
Share-based payment transactions	-	**1,541**
Dividends paid	**(2,489)**	**(42,541)**
Transfer to retained earnings	-	-
Acquisition (disposal) of non-controlling interests	**(20,810)**	**(17,746)**
Changes in ownership interests in subsidiaries	**442**	**442**
Others	**(2)**	**(180)**
Ending balance	**96,766**	**1,546,905**

[Unaudited] Simplified Consolidated Statement of Comprehensive Income

(Year ended March 31, 2021)

		Millions of yen
Profit for the year	**Y**	**213,523**
Other Comprehensive Income		**63,568**
Total Comprehensive Income		**277,091**
Total Comprehensive Income attributable to:		
Owners of the parent		264,945
Non-controlling interests		12,146
Total	**Y**	**277,091**

Note: Major components of other comprehensive income are remeasurement of defined benefit plans, foreign currency translation adjustments, and financial assets measured at fair value through other comprehensive income.

[Unaudited] Simplified Consolidated Statement of Cash Flows

(Year ended March 31, 2021)

		Millions of yen
1. Cash flows from operating activities	**Y**	**307,947**
2. Cash flows from investing activities		**(71,561)**
1+2 [Free cash flow]		**236,386**
3. Cash flows from financing activities		**(219,626)**
4. Cash and cash equivalents at end of year	**Y**	**481,833**

Unconsolidated Balance Sheet

(As of March 31, 2021)

		Millions of yen
Assets		
Current assets:		
Cash and deposits	Y	47,895
Deposits paid		180,000
Notes receivable, trade		571
Accounts receivable, trade		609,488
Finished goods		57,564
Work in process		4,690
Raw materials		31,001
Advanced payments		3,559
Accounts receivable, other		96,627
Others		21,811
Allowance for doubtful accounts		(275)
Total current assets		1,052,935
Non-current assets:		
Property, plant and equipment, net of accumulated depreciation:		
Buildings		95,856
Structure		3,055
Machinery		1,073
Vehicle and delivery equipment		13
Equipment		43,137
Land		40,840
Construction in progress		7,115
Total property, plant and equipment		191,092
Intangible assets:		
Software		61,007
Others		6,220
Total intangible assets		67,227
Investments and other non-current assets:		
Investment securities		118,459
Subsidiaries' and affiliates' stocks		444,290
Long-term loans to affiliated companies		895
Receivables from companies under bankruptcy or reorganization process		23
Prepaid pension cost		23,979
Deferred tax assets		22,578
Others		29,768
Allowance for doubtful accounts		(580)
Total other non-current assets		639,414
Total non-current assets		897,734
Total assets	Y	1,950,670

	Millions of yen
Liabilities and net assets	
Liabilities	
Current liabilities:	
Accounts payable, trade	**426,046**
Current portion of long-term borrowings payable	**20,208**
Current portion of bonds payable	**30,000**
Lease obligations	**2,364**
Accrued liability	**40,684**
Accrued expenses	**102,798**
Accrued income taxes	**12,077**
Advance received	**77,817**
Deposits payable	**14,606**
Provision for construction contract losses	**16,001**
Provision for product warranties	**4,708**
Provision for loss on business of subsidiaries and associates	**115,208**
Provision for bonuses to board members	**120**
Provision for restructuring charges	**50**
Provision for share-based payments	**451**
Provision for environmental measures	**328**
Others	**666**
Total current liabilities	**864,141**
Long-term liabilities:	
Bonds payable	**10,000**
Long-term borrowings	**25,030**
Lease obligations	**4,416**
Provision for loss on repurchase of computers	**1,929**
Provision for share-based payments	**1,930**
Provision for environmental measures	**716**
Asset retirement obligations	**11,580**
Others	**5**
Total long-term liabilities	**55,608**
Total liabilities	**919,750**
Net assets	
Shareholders' equity:	
Common stock	**324,625**
Capital surplus:	
Other capital surplus	**167,822**
Total capital surplus	**167,822**
Retained earnings:	
Legal retained earnings	**27,065**
Other retained earnings:	
Retained earnings brought forward	**541,723**
Total retained earnings	**568,789**
Treasury stock	**(79,495)**
Total shareholders' equity	**981,741**
Valuation and translation adjustments:	
Unrealized gain and loss on securities, net of taxes	**49,178**
Total valuation and translation adjustments	**49,178**
Total net assets	**1,030,919**
Total liabilities and net assets	**Y 1,950,670**

Unconsolidated Profit and Loss Statements

(Year ended March 31, 2021)

		Millions of yen
Net sales	**Y**	**1,970,684**
Cost of sales		1,394,413
Gross profit		**576,270**
Selling, general and administrative expenses		469,894
Operating profit		**106,376**
Other income:		
Interest income		132
Dividend income		51,812
Other finance income		3,399
Total other income		**55,344**
Other expenses:		
Interest expense		343
Interest on bonds		296
Foreign exchange losses		190
Provision of allowance for doubtful accounts		18
Provision for loss on business of subsidiaries and associates		15,133
Other finance expenses		2,371
Total other expenses		**18,352**
Ordinary income		**143,367**
Extraordinary income:		
Gain on sales of investment securities		5,437
Gain on sales of subsidiaries' and affiliates' stocks		28,053
Total extraordinary income		**33,491**
Extraordinary losses:		
Impairment losses		2,430
Total extraordinary losses		**2,430**
Income before income taxes		**174,429**
Income taxes:		
Current		21,488
Deferred		(5,180)
Total income taxes		**16,307**
Net income	**Y**	**158,121**