Corporate Governance Report

Last Update: July 10th, 2024

Fujitsu Limited

Takahito Tokita, Representative Director & CEO

Contact: Public & Investor Relations Division

Securities Code: 6702

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

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

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

1. Basic Views

Our basic approach to corporate governance and how the company streamlines mechanism and exercises corporate governance based on this approach are described in the Corporate Governance Policy (the Policy) in the following website.

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

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

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

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

[Principle 1.4 Strategic Shareholdings]
The Company holds only those strategic shares with clear-cut objectives and meaningful significance in a positive manner. Board of Directors meetings examine the weighted average capital cost of the Company as the standard to evaluate quantitatively whether returns (quantitative factors, such as dividends and the state of transactions), or risks are well balanced with the cost. If quantitative significance in shareholdings is not detected, Board of Directors meetings will further evaluate whether there is a qualitative reason that provides backing for reasonableness to still hold those shares and discuss the continuation of such holdings.
For FY2023, the Company sold all 6 issues, and the Board of Directors meeting, held on June 21, 2024, discussed strategic shareholdings of the Company as of the end of FY2023.
The Company deals with strategic shareholders on an equal footing just like with other business partners. Even when strategic shareholders indicate their sales of shares, we do not prevent them from selling them. Said that, we sometimes call upon them the timing of sales, or ways of selling them.
In addition, for the policy for strategic shareholdings and the standard of exercising voting rights as to the strategic shareholdings, please refer to 3.(4) of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

[Supplementary Principle 2.4.1 Ensure diversity in the promotion to core human resources]
< Policies and voluntary and measurable goals for ensuring diversity >
To realize the Group's purpose, to "Make the world more sustainable by building trust in society through innovation," it is essential for the Group itself to create an environment and culture that allows each and every

employee to harness others' value systems and skills regardless of factors such as gender, nationality, age and to change the workplace into one that allows everyone to take on challenges in a fair and just manner.
To that end, our Group as a whole seeks to ultimately achieve a 50% female employee ratio at every level and to provide opportunities for personnel of various nationalities and ages to flourish, so as to proactively create an environment that provides job satisfaction for everyone.
As a first step towards achieving the above objectives, we have set a non-financial indicator to achieve a female managers ratio of 30% for the entire Group by FY2030 (16% as of the end of FY2023). In order to achieve this goal, we will promote various initiatives in all organizations.

For midcareer hires and foreign nationals, the Company performs promotions to managers based on the individual's skills, and there has been no unfavorable treatment regarding the promotions. Setting quantitative targets for managers for midcareer hires and foreign nationals could potentially impair placement of the right person in the right place; therefore, we do not set quantitative targets.

<Policies for human resource development and internal environment development to ensure diversity, and the status of their implementation >
As part of our efforts to ensure the diversity mentioned above, one of the measures taken to achieve the female managers ratio target is raising awareness among all employees and transforming management style through education and other means.
Additionally, while hiring, developing, and promoting personnel to achieve our objectives, we will also implement diverse and flexible ways of working under our Company's new work concept of "Work Life Shift" and provide support for our employees' life events.

For our Group's views on securing diversity, please refer to the websites below.
Fujitsu Group Integrated Report https://activate.fujitsu/en/about/integrated-report
Diversity, Equity and Inclusion https://www.fujitsu.com/global/about/csr/diversity/
ESG Briefing (October 12, 2023) Human Capital Management in Fujitsu
https://www.fujitsu.com/global/documents/about/ir/library/presentations/md-20231012-01.pdf

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

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

We disclosed our Medium-Term Management Plan in May 24, 2023. For our Medium-Term Management Plan, please refer to the "Medium-Term Management Plan (May 24, 2023)" published on following website.
https://www.fujitsu.com/global/about/ir/library/presentations/

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

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

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

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

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

[Supplementary Principle 3.1.3 Sustainability initiatives]
<Sustainability initiatives>
Our Group's initiatives regarding sustainability are disclosed in the Fujitsu Group Integrated Report and our Company website.
Fujitsu Group Integrated Report https://activate.fujitsu/en/about/integrated-report
Fujitsu Group's sustainability https://www.fujitsu.com/global/about/csr/index.html

<Investments in human capital>
The Company is investing in human capital based on the "People Strategy" of the medium-term management plan announced on May 24, 2023.
To create a human resource portfolio linked to our business strategy, we began the visualization of our human resource portfolio based on three axes of businesses, roles, and regions, as well as the examination of a monitoring process. At the same time, we are promoting the proactive recruitment of external human resources and the development of human resources centered on reskilling and upskilling in order to improve productivity and expand the business of our priority areas.
Furthermore, to capture and retain diverse and versatile human resources, our basic approach to remuneration is to primarily set employee wage levels based on the labor market, ensuring competitive wage levels depending on one's job responsibilities based on market benchmarking.
Through these efforts, we are working to retain and acquire human resources who will play a central role in improving our corporate value in the future, as well as promoting the acquisition of people who are ready to work and have high potential as digital natives.

Please refer to the following website for details of our medium-term management plan and human capital initiatives (FY2023 (124th term) *Yukashoken Hokokusho* (Financial Report)).
Medium-Term Management Plan:
Medium-Term Management Plan (May 24, 2023)
https://www.fujitsu.com/global/about/ir/library/presentations/
- Medium-Term Management Plan
https://www.fujitsu.com/global/documents/about/ir/library/presentations/md-20230524-01.pdf
FY2023 (124th) *Yukashoken Hokokusho* (Financial Report) (Japanese only) :
https://pr.fujitsu.com/jp/ir/secreports/2024/pdf/all.pdf

<Investments in intellectual properties>

The Company has established a purpose to “Make the world more sustainable by building trust in society through innovation” and is implementing key strategies with sustainability as the starting point, as announced in Medium-Term Management Plan on May 24, 2023.
As for investments in intellectual properties, we are working to strengthen our core technology centered on AI and create added value for our service business as part of our Technology Strategy, which is one of our key strategies. We are enhancing our efforts to secure intellectual property rights, which form the source of differentiation with other companies, as we endeavor to raise the competitiveness of our products and services. Information about our Group's investment in intellectual property is disclosed on our website.
Fujitsu’s intellectual property https://www.fujitsu.com/global/about/businesspolicy/tech/intellectualproperty/

<Risks due to climate change and earnings opportunities>
Please refer to our Company’s website regarding climate change-related risks and earnings opportunities.
TCFD-based information disclosure https://www.fujitsu.com/global/about/environment/tcfd/

[Supplementary Principle 4.1.1 The scope and content of matters delegated to the management]
For the delegation of authorities by Board of Directors to Management Executives, please refer to 2.(6) of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

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

[Supplementary Principle 4.10.1 The authority and responsibilities of the Executive Nomination Committee and the Compensation Committee]
For our view on the independence of the committee formation process regarding the Executive Nomination Committee, please refer to 2.(7) procedures and policy of Directors and Auditors nomination/dismissal. And for our view on the independence of the committee formation process regarding the Compensation Committee, please refer to 2.(8) procedures and policy of determining Directors and Auditors compensation on the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

For the authority and responsibilities of the Executive Nomination Committee and the Compensation Committee, please refer to the supplemental explanation related to voluntary committees in II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-Making, Execution of Business, and Oversight in Management 1. Organizational Composition and Operation

[Supplementary Principle 4.11.1 Appropriate combination of skills and other attributes of Directors based on factors such as the management environment and business characteristics]
Our view on the balance of knowledge, experience, and skills of the Board of Directors as a whole and on diversity and board size are stated in 2.(1) and 2.(7) of the Policy in the following website.
https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

The skill matrix of Directors and Auditors is described in the Notice of the Annual Shareholders’ Meeting. Please refer to the following website for the Notice of the Annual Shareholders’ Meeting.
https://www.fujitsu.com/global/about/ir/stock/meeting/

[Supplementary Principle 4.11.2 Situation of Directors and Auditors who are in the management at other companies]
For the situation of Directors and Auditors who are in the management at other companies, we explain about them if they fall under category of important positions in reference materials for the Annual Shareholders’ Meeting and Business Report (including Disclosed Information on the Internet at the Time of Notice of Annual Shareholders' Meeting). For reference materials for the Annual Shareholders Meeting and Business Report (including Disclosed Information on the Internet at the Time of Notice of Annual Shareholders' Meeting), please refer to the following website.

https://www.fujitsu.com/global/about/ir/stock/meeting/

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

1. Action taken in FY2023 based on the evaluation of FY2022
For effective oversight by the Board of Directors and effective discussions at the Board, the Company continued to hold the following events in FY2023 to share information on high priority items in advance with Independent Directors and Auditors in anticipation of their submission to the Board of Directors and to enhance effective communication among the board members: (1) The Independent Directors and Auditors Council to facilitate the exchange of information and formulation of opinions between them; and (2) Private sessions for only the relevant Non-Executive Directors and External Auditors as a platform to enhance communication among them.
In addition, the Company took extensive measures to raise the quality of discussions at the Board meetings, which included standardizing the formats of the materials used at the Board of Directors, setting and ensuring adherence to the rules for submitting proposal materials prior to meetings, compiling a glossary of technical terms and terms used within the Company, and ensuring that technical terms used in proposal materials were explained in footnotes.

2. Evaluation of FY2023
(1) Evaluation method
For the evaluation of the Board's effectiveness in FY2023, the Company asked the members of the Board of Directors to answer a questionnaire with a five-grade evaluation as in FY2022. In addition, individual interviews were conducted with each member of the Board based on their questionnaire responses. The purpose of the interviews was to accurately comprehend the Board members' feedback on the afore-mentioned new initiatives and their awareness of challenges the Company faced, as these could not be grasped through quantitative scores and free comments, and to conduct a qualitative analysis that could lead to the consideration of meaningful actions. The questionnaire items included the evaluation of the Chairperson of the Board and self-evaluations of Directors and Auditors as well as items on the Board meetings' agenda and materials, information sharing infrastructure, and the operation of the Board meetings. The results of the evaluation of the effectiveness of the Board of Directors were reported and discussed at regular Board meetings. Furthermore, the evaluation of the Company's Board of Directors by proxy advisory firms was also reported.

(2) Evaluation
The following shows the evaluation result of the effectiveness of the Board of Directors based on the interview results and a comparison with questionnaire responses over the past five years for which comparisons were possible.
-In the questionnaire responses, the average overall evaluation scores were on an upward trend compared to the previous fiscal year. Especially, significant increases in evaluation scores were seen in (1) the determination of business strategy and effective monitoring of business execution, and (2) the distribution of proposal materials prior to meetings.
-To further improve the oversight function of the Board of Directors, we will secure sufficient time for discussions on important proposals by further improving the efficiency of the proceedings of meetings. Efforts will also be made to improve the quality of discussions at the Board meetings by improving the contents of proposal materials, distributing them well in advance, and further expanding opportunities to provide information at, for instance, the Independent Directors and Auditors Council and business overview briefings.
-The recent evaluation results included many specific opinions about the matters that should be regularly reported to the Board of Directors and the matters on which the Board of Directors should have intensive discussions from a medium- to long-term viewpoint. In response to these opinions, the Company will review the selection of agenda items and the timing of discussions so that we can provide appropriate forums for discussions.
The Company's Independent Directors stated that discussions at the Company's Board of Directors were very active and satisfactory in comparison with other companies.

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

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

[Dialogue with shareholders]
1. Main persons responding to dialogue with shareholders and investors
Medium-Term Management Plan and Financial Results Announcement: CEO and CFO
IR Day, Business Strategy Briefing and ESG Briefing: Corporate Executive Officers in charge of business unit
Visit overseas investors: CEO and CFO
Individual meeting for domestic and foreign investors: CEO, CFO, External Directors, Corporate Executive Officers in charge of business unit, and Public and Investor Relations Division

2. Overview of shareholders and investors with whom dialogue was held
Domestic and foreign institutional investors (fund managers, buy-side analysts, ESG managers, Exercise of voting rights, etc.) and Security analysts

3. Main themes of dialogue and matters of interest to shareholders and investors
Medium-Term Management Plan, Quarterly results, business portfolio transformation, growth strategy in IT service business, capital allocation, capital policy, human capital management, ESG initiatives, etc

4. Feedback to management
Details of the individual meetings (questions and opinions from the shareholders and investors) conducted by the CEO, CFO, and external directors are reported regularly to and shared with the Board of Directors, and are used to continuously improve management, business activities, and information disclosure.
In addition, the content of individual meetings (questions and opinions from the shareholders and investors) handled by the division in charge of Public and Investor Relations Division is reported to and shared with Directors and Auditors and all employees through internal SNS.

[Measures to conduct management with awareness of capital costs and stock prices]
Please refer to the following for our measures to conduct management with awareness of capital costs and stock prices.

Medium-Term Management Plan (May 24, 2023)
https://www.fujitsu.com/global/about/ir/library/presentations/
- Medium-Term Management Plan
https://www.fujitsu.com/global/documents/about/ir/library/presentations/md-20230524-01.pdf
- Medium-Term Management Plan -Revision of Segments and Financial Plan
https://www.fujitsu.com/global/documents/about/ir/library/presentations/md-20230524-02.pdf

2. Capital Structure

Foreign Shareholding Ratio	More than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (for trust)	28,558,500	15.53
Ichigo Trust Pte. Ltd.	11,183,300	6.08

Custody Bank of Japan, Ltd. (for trust)	10,142,256	5.51
GIC PRIVATE LIMITED – C	6,703,500	3.64
JP MORGAN CHASE BANK 385632	5,903,709	3.21
SSBTC CLIENT OMNIBUS ACCOUNT	3,981,813	2.16
STATE STREET BANK WEST CLIENT - TREATY 505234	3,553,001	1.93
Asahi Mutual Life Insurance Company	3,518,052	1.91
STATE STREET BANK AND TRUST COMPANY 505223	3,445,704	1.87
Fujitsu Employee Shareholding Association	3,439,808	1.87

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

Supplementary Explanation

Note 1: “Status of Major Shareholders” is stated based on shareholder registry as of March 31, 2024.

Note 2: The Company holds 23,182,336 shares of treasury stock but is not included in the major shareholders listed above. Furthermore, treasury stock is excluded when calculating the percentages of the shares owned by the Company’s major shareholders. Please note that the 23,182,336 shares in treasury stock refers to the number of shares stated in the Company’s shareholder registry. The actual number of shares the Company owned as of March 31, 2024 was 23,182,246 shares.

Notes 3: The shares held by The Master Trust Bank of Japan, Ltd. (for trust) and Custody Bank of Japan, Ltd. (for trust) pertain to the trust business by the institution.

Notes 4: In the Report of Possession of Large Volume made available for public inspection (a report on change) dated May 19, 2022, BlackRock Japan Co., Ltd. and eight (8) joint holders thereof are reported as the shareholders, but this has not been taken into account in the above "Status of Major Shareholders," as the number of shares substantially held as of March 31, 2024 has not been able to confirmed by the Company.
[Personal name or company name/number of shares held/shareholding percentage]
BlackRock Japan Co., Ltd. and eight (8) other companies / 13,254,538 shares / 6.40%

Notes 5: In the Report of Possession of Large Volume made available for public inspection (a report on change) dated June 4, 2020, Sumitomo Mitsui Trust Asset Management Co., Ltd. and one (1) joint holder thereof are reported as the shareholders, but this has not been taken into account in the above “Status of Major Shareholders,” as the number of shares substantially held as of March 31, 2024 has not been able to confirmed by the Company.
[Personal name or company name/number of shares held/shareholding percentage]
Sumitomo Mitsui Trust Asset Management Co., Ltd. and one (1) other company /10,437,099 shares / 5.04%

Note 6: “Status of Major Shareholders”, and Note 2, 4 and 5 in Supplementary Explanation mentioned above are stated at the number of shares before the stock split, although the Company conducted a stock split of its common stock at a ratio of ten (10) shares for one (1) share on April 1, 2024.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market Nagoya Stock Exchange, Premier Market

Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 300

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

N/A

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

■ Views and policies for Group management

Fujitsu manages the Fujitsu Group with the aim of achieving continuous growth and the generation of medium to long-term corporate value of the entire Group while also urging each Group company to realize its potential to the maximum extent possible. Where the Company needs to seek resources from outside because they are not available within the Group, we may utilize equity-method affiliates for purposes such as risk diversification, compliance with foreign investment regulations, or completing the process of complete acquisition or business withdrawal.
For some subsidiaries and equity-method affiliates, we publicly list them with the aim of further improving their business value through diversification of the capital procurement necessary for sustainable growth and enhancing the value of the entire Group. By publicly listing subsidiaries and equity-method affiliate, it is possible to focus on investment in specific businesses rather than just in the Group as a whole, thus contributing to diversifying investment opportunities. As there are some concerns regarding the possibility of a conflict of interest with minority shareholders and our publicly listed subsidiaries and equity-method affiliate, we respect the independence of their management and make efforts to provide advice and support to enhance the corporate value of relevant subsidiaries and equity-method affiliate by holding reporting sessions on an as-needed basis. To further promote our policies for group management, we established a department in February 2020 as a corporate function that specializes in formulating and conducting plans and measures for the most suitable group formation and corporate governance, thus handling the management of the Group including listed subsidiaries and equity-method affiliate.
Our policy is to turn non-core listed companies into strong independent businesses. We will consider their independence from the following perspectives: ensuring sustainable growth of the relevant business, maximizing the Company's asset value, and considering the best timing for independence.

■ Significance of each listed subsidiary and equity-method affiliate

[Significance of owning listed subsidiaries and equity-method affiliate]
Listed subsidiaries of the Company include the following two companies: FDK Corporation, and Shinko Electric Industries Co., Ltd. Listed equity-method affiliate of the Company is Fujitsu General Limited.

A. Shinko Electric Industries Co., Ltd.
The company's core business is the development, production, and sale of semiconductor packages. The company supplies products to semiconductor manufacturers in Japan and overseas.
As previously described in the policies for Group management, we consider that the following is the significance of owning publicly listed subsidiary: the perspectives of holding the ability to raise capital through direct financing from the capital market, maintaining and improving the motivation of its employees,

and hiring of talented people, we can enhance the possibilities of sustainable growth and business value, which leads to providing investment opportunities in specific businesses rather than in our entire Group.
Based on the afore-mentioned policy of independence and for improving the corporate value of the company, we, together with the company, examined various options without being restricted by the current capital structure. As a result, we signed an agreement with JICC-04, Ltd. (hereinafter, JICC) on the assignment of the company's shares based on a resolution made at the Board of Directors meeting held on December 12, 2023. Under this agreement, (1) necessary procedures required by the competition authorities in Japan and overseas and the authorities responsible for investment laws, regulations and so on, will be completed, and (2) JICC will make a takeover bid of the company's shares, which we will accept, thereby transferring the company shares it owns to JICC.
The transfer of the company's shares is designed to accelerate our portfolio transformation efforts in line with the business model and portfolio strategy of Medium-Term Management Plan (released on May 24, 2023).

B. FDK Corporation
The company operates mainly in the battery and electronic component business.
As previously described in the policies for Group management, we consider that the following is the common significance of owning publicly listed subsidiary: the perspectives of holding the ability to raise capital through direct financing from the capital market, maintaining and improving the motivation of its employees, and hiring of talented people, we can enhance the possibilities of sustainable growth and business value, which leads to providing investment opportunities in specific businesses rather than in our entire Group.
Our Group hereafter will concentrate our management resources on Technology Solutions so as to further transform ourselves into a DX company.
Our policy is to turn non-core listed companies into strong independent businesses. The Board of Directors will verify specific details to be considered concerning the maintenance of the listing of each listed subsidiary.

C. Fujitsu General Limited
The company mainly develops, manufactures, and sells air conditioners, information and communication systems, and electronic devices.
As previously described in the policies for Group management, we consider that the following is the common significance of owning publicly listed equity-method affiliate: the perspectives of holding the ability to raise capital through direct financing from the capital market, maintaining and improving the motivation of its employees, and hiring of talented people, we can enhance the possibilities of sustainable growth and business value, which leads to providing investment opportunities in specific businesses rather than in our entire Group.
Our Group hereafter will concentrate our management resources on Technology Solutions so as to further transform ourselves into a DX company.
Our policy is to turn non-core listed equity-method affiliate into strong independent businesses. The Board of Directors will verify specific details to be considered concerning the maintenance of the listing of the listed equity-method affiliate..

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

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

1. Organizational Composition and Operation

Organization Form	Company with the Audit & Supervisory Board Member

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	Up to 15

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

External Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Chiaki Mukai	Other								○			
Yoshiko Kojo	Academic											
Kenichiro Sasae	Other											
Byron Gill	From another company											
Takuya Hirano	From another company								△			

* Categories for "Relationship with the Company"

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

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

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

External Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Chiaki Mukai	○	The Company has business transactions with Academic	Although Ms. Chiaki Mukai has not previously been involved with company

		Corporation Tokyo University of Science that operates Tokyo University of Science, where Ms. Mukai serves as its Vice President. Considering that the value of transactions between the said Academic Corporation and Fujitsu in FY2023 (i.e., payments and receipts related to the continuous provision/procurement of products and services) accounts for less than 1% of consolidated net sales (education activity revenue) of both parties, the Company considers that it is not significant enough to affect the independence of Ms. Mukai as the Company's Independent Director.	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, she will, the Company believes, be able to fulfill the oversight function and the role as an External Director. Furthermore, the Company considers that there is no concern about a conflict of interest with general shareholders given that Ms. Mukai does not violate the independence criteria stipulated in the Tokyo Stock Exchange Listing Guidelines and satisfies each of the Independence Standards of Independent Directors stipulated by the Company.
Yoshiko Kojo	○	-	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, 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 ESG management based on her deep insight. Therefore, the Company believes that she will be able to fulfill the oversight function and the role as an External Director. Furthermore, the Company considers that there is no concern about a conflict of interest with general shareholders given that Ms. Kojo does not violate the independence criteria stipulated in the Tokyo Stock Exchange Listing Guidelines and satisfies each of the Independence Standards of Independent Directors stipulated by the Company.
Kenichiro Sasae	○	-	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 be able to provide oversight and advice from a fair

			and objective global perspective based on his knowledge and experience. Therefore, the Company believes that he will be able to fulfill the oversight function and the role as an External Director. Furthermore, the Company considers that there is no concern about a conflict of interest with general shareholders given that Mr. Sasae does not violate the independence criteria stipulated in the Tokyo Stock Exchange Listing Guidelines and satisfies each of the Independence Standards of Independent Directors stipulated by the Company. The Japan Institute of International Affairs, where he serves as President, and the Company have no business dealings.
Byron Gill	○	-	Mr. Byron Gill is currently serving as Managing Partner at Indus Capital Partners, LLC., which is an institutional investor specializing in Asian markets, after having worked for a foreign securities company. He has a wealth of experience as an institutional investor in conducting dialogues with invested companies, in addition to the knowledge about finance and investment. The Company expects that he will continue to fulfill his role of providing oversight and advice from a fair and objective perspective, while also providing feedback of shareholder and investor opinions to the Company's management. Therefore, the Company believes that he will be able to fulfill the oversight function and the role as an External Director.

			Furthermore, the Company considers that there is no concern about a conflict of interest with general shareholders given that Mr. Gill does not violate the independence criteria stipulated in the Tokyo Stock Exchange Listing Guidelines and satisfies each of the Independence Standards of Independent Directors stipulated by the Company. Indus Capital Partners, LLC, where he serves as Managing Partner, and the Company have no business dealings and is not a Major Shareholder as defined by the Independence Standards established by the Company.
Takuya Hirano	○	The Company has business transactions with Microsoft Japan Co., Ltd., for which Mr. Takuya Hirano served as its President and CEO until August 2019. Given the size and nature of these transactions, the Company considers that there is no concern about a conflict of interest with general shareholders. In addition, a reasonable time has elapsed since his resignation as its President and CEO. Consequently, the company considers that these transactions are not significant enough to affect the independence of Mr. Hirano as the Company's Independent Director.	Mr. Takuya Hirano has served as a senior management for many years at global technology companies, including Microsoft Japan Co., Ltd. and Microsoft Corporation (the US), and he has extensive knowledge, as well as management and practical experience, in the technology industry. Based on this knowledge and experience, the Company expects that he will be able to provide oversight and advice from a fair and objective perspective. Therefore, the Company believes that he will be able to fulfill the oversight function and the role as an External Director. Furthermore, the Company considers that there is no concern about a conflict of interest with general shareholders given that Mr. Hirano does not violate the independence criteria stipulated in the Tokyo Stock Exchange Listing Guidelines and satisfies each of the Independence Standards of Independent Directors

			stipulated by the Company. Three Fields Advisors, LLC, where he serves as Co-founder, and the Company have no business dealings.

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

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Executive Nomination Committee	Compensation Committee
All Committee Members	3	3
Full-time Members	0	0
Inside Directors	1	0
External Directors	2	3
External Experts	0	0
Other	0	0
Chairperson	External Director	External Director

Supplementary Explanation

<Executive Nomination Committee and Compensation Committee>
The Company has established the Executive Nomination Committee and the Compensation Committee as advisory bodies for its Board of Directors for the process of nominating Directors and Audit & Supervisory Board Members, for ensuring the transparency and objectivity of its process for determining executive compensation, to enable efficient and substantial discussions, as well as to ensure the fairness in the structure and level of executive compensation.

The Executive Nomination Committee deliberates on the candidates for Director and Audit & Supervisory Board Member positions in accordance with the Framework of Corporate Governance Structure and the Procedures and Policy for the nomination and dismissal of Directors and Auditors stipulated in the Policy, and it provides its recommendations or proposal to the Board of Directors. In addition, the Compensation Committee provides its recommendations or proposal on 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, as stipulated in the Policy.

Executive Nomination Committee consists of three Non Executive Directors (including two Independent Directors) and Compensation Committee consists of three Independent Directors. The Members of the 2 committees appointed in June 2024 are as follows. Additionally, the secretariats of both committees are operated by the Company's HR and legal departments.

< Executive Nomination Committee >
Chairperson: Chiaki Mukai (Independent Director)
Members: Yoshiko Kojo
Hidenori Furuta

< Compensation Committee >
Chairperson: Byron Gill (Independent Director)
Members: Kenichiro Sasae
Takuya Hirano

In FY2023, the Executive Nomination Committee met nine times and the Compensation Committee met seven times. The Executive Nomination Committee considered a proposal for the election of Representative Directors, including the CEO, and proposals for the election of candidates for Directors, Audit & Supervisory Board Members, and the Chairman of the Board of Directors, etc. The Compensation Committee discussed the revision to the level of compensation of Directors, revision to the performance-related compensation for the Executive Directors and the introduction of share-based compensation for the Non-Executive Directors. And each Committee provided its findings to the Board of Directors by the end of the period under review.
The Executive Nomination Committee also considered the succession plan for the CEO], etc. and the selection of candidates for External Directors and Audit & Supervisory Board Members, and conducted a peer-review of Non-Executive Directors, while the Compensation Committee discussed the amount of compensation paid to each Executive Director for the period under review.

[Audit & Supervisory Board Members]

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

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

The Internal Control & Audit Office, our internal audit group, makes reports on auditing plans to the full-time Audit & Supervisory Board members, the Audit &Supervisory Board, and the Accounting Auditor. As for the results of internal audits, all of the results are reported to the full-time Audit & Supervisory Board members, while important matters are reported to the Board of Directors, the Audit & Supervisory Board, and the Accounting Auditor.
Additionally, Ernst & Young ShinNihon LLC, the Company's accounting auditor, reports auditing plans and its results to the Audit & Supervisory Board. Opinions are exchanged as necessary, and audits are conducted in cooperation with each other.
Regarding our internal control, based on the "Policy on the Internal Control System," the Risk Management & Compliance Committee develops and operates the risk management system and the compliance system, while the division in charge of internal control develops and operates the internal control system for financial reporting. They report to the members of the Audit & Supervisory Board as necessary.

Appointment of External Audit & Supervisory Board Members	Appointed
Number of External Audit & Supervisory Board Members	3
Number of Independent Audit & Supervisory Board Members	3

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

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

Hideo Makuta	Lawyer													
Catherine O'Connell	Lawyer													

* Categories for "Relationship with the Company"

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

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

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

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

Name	Designation as Independent Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Koji Hatsukawa	○	The Company has business transactions with PricewaterhouseCoopers Aarata for which Mr. Koji Hatsukawa served as it's CEO until May 2012. Given the size and nature of these transactions, the Company considers that there is no concern about a conflict of interest with general shareholders. In addition, a reasonable time has elapsed since his resignation as its CEO. Consequently, the Company considers that these transactions are not significant enough to affect the independence of Mr. Hatsukawa as the Company's Independent Director.	Mr. Koji Hatsukawa has a wealth of experience in auditing global companies as a Certified Public Accountant, and he has extensive knowledge about corporate accounting. While his tenure as an Audit & Supervisory Board Member will have been eleven years as of the close of the 124th Annual Shareholders' Meeting, he satisfies independence standards. Accordingly, the Company believes that he will be able to fulfill the oversight function and the role as an Independent Audit & Supervisory Board Member. Furthermore, the Company considers that there is no concern about a conflict of interest with general shareholders given that Mr. Hatsukawa does not violate the independence criteria stipulated in the Tokyo Stock Exchange Listing Guidelines and satisfies each of the Independence Standards of Independent Directors stipulated by the Company.
Hideo Makuta	○	-	Although Mr. Hideo Makuta has not previously been involved with company management other than having served as an external director, he served as a prosecutor and a Commissioner of the Japan Fair Trade Commission, and has in-depth knowledge not only of law but also of other matters associated with corporate management, such as the economy and society. Therefore, the Company believes that he will be able to fulfill the oversight

			function and the role as an External Audit & Supervisory Board Member. Furthermore, the Company considers that there is no concern about a conflict of interest with general shareholders given that Mr. Makuta does not violate the independence criteria stipulated in the Tokyo Stock Exchange Listing Guidelines and satisfies each of the Independence Standards of Independent Directors stipulated by the Company.
Catherine O'Connell	○	-	Ms. Catherine O'Connell is an attorney at law in New Zealand. She has a wealth of practical experience at law offices in Japan and overseas as well as at the legal divisions of Japanese companies. She possesses the legal and compliance knowledge required of Audit & Supervisory Board Members of the Company. She also possesses deep insight into issues related to internationality and gender. The Company expects that she will audit and supervise business execution from diverse perspectives. Therefore, the Company believes that she will be able to fulfill the oversight function and the role as an External Audit & Supervisory Board Member. Furthermore, the Company considers that there is no concern about a conflict of interest with general shareholders given that Ms. O'Connell does not violate the independence criteria stipulated in the Tokyo Stock Exchange Listing Guidelines and satisfies each of the Independence Standards of Independent Directors stipulated by the Company.

[Independent Directors & Auditors]

Number of Independent Directors & Auditors	8

Matters relating to Independent Directors & Auditors

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

[Incentives]

Incentive Policies for Directors	Performance-based Compensation

Supplementary Explanation

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

Details of Performance-based Compensation are described below.

(1) Details of performance indicators for the calculation basis and reason for selecting them
(a) Bonuses
In order to provide Executive Directors with an incentive to achieve their performance targets for a single fiscal year, the Company has selected revenue, operating profit and core free cash flow (Note 1) of the consolidated financial results, which are financial management target indicators for the Company, as evaluation indicators. In addition, the Company has selected "Customer NPS®," (Note 2) "Employee Engagement," (Note 3) and diverse leadership (ratio of female managers), which are non-financial management target indicators for the Company, and the third-party assessments on ESG initiatives, as evaluation indicators to enhance the commitment of Executive Directors to achieving their management targets.
(Note 1) core free cash flow: Free Cash Flows excluding special items, such as from sales of businesses, acquisitions, and business model transformation expenses.
(Note 2) Customer NPS®: Abbreviation for Net Promoter Score. It is an indicator to measure "customer loyalty," which presents the degrees of trust and attachment of customers to companies, products, and services, in order to understand the degree of improvement and depth of the customer experience (CX).
(Note 3) Employee Engagement: An indicator to present willingness and attachment to work voluntarily and independently, and to contribute to the Company, with empathy for the Company's direction and Purpose.

(b) Performance-based Stock Compensation
In order to provide Executive Directors with an incentive to increase corporate value over the medium to long term as well as to further promote management from the perspective of shareholders, the Company has selected operating profit, EPS (profit for the year per share) and TSR (total shareholder return) of the consolidated financial results, which are financial management target indicators for the Company, as evaluation indicators.
(Note) Operating profit and profit for the year in EPS, which are evaluation indicators for "a. Bonuses" and "b. Performance-based Stock Compensation," are adjusted operating profit and adjusted profit for the year (an indicator that represents an actual profit from the core business calculated by deducting profits and losses from business restructurings, structural reforms, M&A, etc., and one-off profits and losses from changes in regulations). This was set as the financial targets in the Company's medium-term management plan.

(2) Calculation method
(a) Bonuses
At the beginning of each fiscal year, the Company will present the Executive Directors with evaluation indicators and evaluation method including their performance targets, and a base bonus amount in accordance with their positions, and responsibilities. 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 in accordance with the following elements: the degree of achievement of the performance targets for the respective fiscal year based on the revenue, operating profit and core free cash flow of the Company's consolidated financial results; the evaluation result in "Customer NPS®," "Employee Engagement," and diverse leadership (ratio of female managers), which are set out as nonfinancial management target indicators; and acquisition of the highest evaluation from a third-party assessment organization on ESG initiatives. No bonus will be paid if the degree of achievement of the performance targets is less than the preset lower limit. In addition, if the degree of

achievement of the performance targets 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 its evaluation method of their performance upon their appointment. This consists of a base unit number of shares that is determined in accordance with their positions and responsibilities, a performance judging period (three fiscal years), evaluation indices, and performance targets. The number of units of shares to be granted to Executive Directors shall be calculated for each fiscal year and at the end of the performance judging period by multiplying the base unit number of shares by a coefficient obtained based on a comparison of the Company's consolidated operating profit and EPS (Earnings Per Share) with its performance targets during the performance judging period (three fiscal years) and based on a comparison of the Company's TSR (Total Shareholder Return) with the growth rate of TOPIX and the TSR of the pre-selected peer group. For the Executive Directors who have continuously remained eligible for this scheme during the performance judging period and who fulfill certain other requirements predetermined by the Board of Directors, the total number of shares to be granted shall be calculated at the close of the performance judging period with each unit of shares mentioned above as one share of the Company. A portion of the total number of shares shall be paid in cash for the amount equivalent to taxes and other dues payable by the eligible recipients under this scheme. The remainder shall be allocated in shares of the Company. At that time, monetary compensation claims and cash equivalent to market value of the total number of shares mentioned above are provided to each eligible person. Each eligible person invests in kind all these monetary compensation claims in allocated shares to acquire shares of the Company. The proportion of the amount paid in cash out of the total shares is determined by the Board of Directors, taking into consideration the tax obligation and other financial burden above of each applicable eligible person.
The Executive Directors may transfer acquired shares of the Company to third parties at their own discretion unless they violate regulations regarding insider trading.

(Note) Under the "b. Performance-based Stock Compensation," to share value with shareholders and contribute to the sustainable enhancement of corporate value, a fixed portion is provided as a base payment in addition to the performance-linked portion. Based on this, the payment rate is calculated using a coefficient that varies between 50 and 150% depending on the level of achievement of performance targets.

Recipients of Stock Options	N/A

Supplementary Explanation

N/A

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors

Supplementary Explanation

Executive compensation is disclosed only for individual Directors and Auditors if they were paid ¥100 million or more consolidated compensation.
Total compensation and total compensation by type for Directors and Auditors who were paid ¥100 million or more during fiscal 2023 is as follows.

Filing company:
Takahito Tokita (Representative Director and CEO)
¥378million
(Base compensation of ¥82 million, bonuses of ¥58 million and Performance-based Stock Compensation of ¥237 million)

Hidenori Furuta (Representative Director and COO)
¥190million
(Base compensation of ¥57 million, bonuses of ¥37 million and Performance-based Stock Compensation of ¥95 million)
Takeshi Isobe (Director and Corporate Executive Officer, SEVP)
¥157million
(Base compensation of ¥48 million, bonuses of ¥30 million and Performance-based Stock Compensation of ¥78 million)

Consolidated subsidiaries:
-

For fiscal 2023, total compensation to Directors and Auditors was as follows:

- Directors (excluding External Directors)	4 people	¥783 million	(Base compensation of ¥246 million, bonuses of ¥125 million and Performance-based Stock Compensation of ¥411 million)
- External Directors	6 people	¥79 million	(Base compensation of ¥66 million and Restricted stock units of ¥12 million)
- Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	2 people	¥72 million	(Base compensation of ¥72 million)
- External Audit & Supervisory Board Members	3 people	¥45 million	(Base compensation of ¥45 million)

*1 The upper limit on monetary compensation to Directors was resolved to be 1,200 million yen per year (including 150 million yen per year for External Directors) at the 121st Annual Shareholders' Meeting held on June 28, 2021. The upper limit on non-monetary compensation for Executive Directors was resolved to be 1,200 million yen per year, and the total number of shares of common stock of the Company to be allocated to be within 75,000 shares per year (within 750,000 shares after the ten-for-one stock split with an effective date of April 1, 2024) at the 121st Annual Shareholders' Meeting. As of the conclusion of the 121st Annual Shareholders' Meeting, the number of directors was 9 (including 3 Executive Directors and 5 External Directors). The upper limit on non-monetary compensation for External Directors was resolved to be 100 million yen per year, separately from the amount of the above monetary compensation, and the total number of shares of common stock of the Company to be allocated to be within 6,000 shares per year (within 60,000 shares after the ten-for-one stock split with an effective date of April 1, 2024) at the 123rd Annual Shareholders' Meeting held on June 26, 2023. The Company pays the compensation shown in the above table within these limits. With respect to the non-monetary compensation of Executive Directors, a resolution was made at the 124th Annual Shareholders' Meeting held on June 24, 2024 to revise the value of the Company's common shares shall be up to 2.5 billion yen per year and the total number of allocated shares of the Company shall be within 1 million shares a year.
*2 The total amount of compensation to Audit & Supervisory Board Members was resolved to be ¥150 million or less per year at the 111th Annual Shareholders' Meeting held on June 23, 2011. The Company is paying the compensation shown in the above table, which is within these limits.
*3 For performance-based stock compensation and restricted stock units, the amount charged to expenses during fiscal 2023 is stated.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company's Board of Directors has determined the Company's approach to determining the details of individual compensation of Directors (Basic Policy on Executive Compensation) in response to the advice given by the Compensation Committee. The details of this policy related to FY2024 are described below. Compensation of Directors and Auditors in FY2023 was determined based on the framework of the Basic Policy on Executive Compensation before its revision. Please refer to *Yukashoken Hokokusho* (Financial Report) for FY2023 (124th) for the key points of the revision to compensation of Directors and the Basic Policy on Executive Compensation before its revision.
FY2023 (124th) *Yukashoken Hokokusho* (Financial Report) (Japanese only) :
https://pr.fujitsu.com/jp/ir/secreports/2023/pdf/all.pdf

<Basic Policy on Executive Compensation>
The Company has established the following basic policy on executive compensation to secure the exceptional human resources required to manage the Fujitsu Group and achieve its Purpose "Make the world more sustainable by building trust in society through innovation," and to further strengthen the link to its financial performance and shareholder value while at the same time improving its transparency.

1. Policy on the Compensation System and Compensation Levels
- 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 "Stock Compensation," which is a medium and long-term incentive that emphasizes the connection to shareholder value.
- With the aim of setting competitive compensation that contributes to securing and maintaining exceptional human resources, compensation levels and composition ratio by type shall be set based on the financial position of the Company, comparing the compensation composition ratio and compensation levels for each position and responsibility at global companies in domestic and overseas with similar business lines and similar scale as benchmarks.
- The ratio of performance-based compensation (bonuses and performance-based stock compensation) to the total compensation for Executive Directors shall be determined so as to strengthen the link to the Group's financial performance and shareholder value by setting the higher ratio to the greater responsibilities.
- Individual director's compensation shall be determined by the Board of Directors following deliberation by the Compensation Committee to ensure objectivity, transparency and fairness.

[Executive compensation items and payment recipients] *Matrix diagram is omitted.
- Executive Directors
  Base Compensation, Bonuses, Stock Compensation (Performance-based stock compensation)
- Non-Executive Directors
  Base Compensation, Stock Compensation (Restricted stock units)
- Audit & Supervisory Board Member
  Base Compensation

2. Policy on Executive Compensation Items
(1) Base Compensation
Base compensation is paid to all executives (Directors and Audit & Supervisory Board Members). A fixed monthly amount shall be paid in accordance with the position and responsibilities of each executive.

(2) 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 evaluation indicator and calculation method, the Company shall adopt an "On Target model" to determine the bonus amount to be paid by setting the base amount in accordance with the position and responsibilities in advance. The bonus amount is calculated by multiplying the base amount by the coefficient in accordance with the following elements: the degree of achievement of the performance targets for the respective fiscal year based on the Company's consolidated revenue, consolidated operating profit and core free cash flow (Note 1), which are our financial management target indicators, growth from the previous fiscal year in "Customer NPS®" (Note 2), "Employee Engagement" (Note 3), and diverse leadership (ratio of female managers), which are our non-financial management target indicators, and acquisition of the highest evaluation from a third-party assessment organization on ESG initiatives.

(Note 1) Free Cash Flows excluding special items, such as from sales of businesses, acquisitions, and business model transformation expenses.
(Note 2) Abbreviation for Net Promoter Score. It is an indicator to measure "customer loyalty," which presents the degrees of trust and attachment of customers to companies, products, and services, in order to understand the degree of improvement and depth of the customer experience (CX).
(Note 3) An indicator to present willingness and attachment to work voluntarily and independently, and to contribute to the Company, with empathy for the Company's direction and Purpose.

(3)Stock Compensation
(a) Performance-based Stock Compensation (performance share units)
- Performance shares shall be granted to Executive Directors, in order to share the profit with shareholders and as an incentive to contribute to the enhancement of medium- to long-term business performance.
- As a specific evaluation indicator and calculation method, the Company shall set a base number of stock units in accordance with the position and responsibilities in advance, and at each fiscal year and at the end of the performance judging period, the Company shall calculate the number of stock units by multiplying the base number of stock units by the coefficient in accordance with the degree of achievement of the performance targets for the performance judging period (three years) based on the Company's adjusted consolidated operating profit and adjusted EPS (profit for the year per share), which are financial management target indicators, as well as the superiority of TSR (total shareholder return) over the TOPIX growth rate and the results of comparisons with the TSRs of pre-selected peer group companies at the end of the performance judging period. When the performance judging period is over, the total number of shares is calculated, based on each stock unit being equivalent to one share of the Company, and a portion of the total number of shares is paid in cash for the amount equivalent to the eligible person's tax payment and other financial burden arising from the compensation paid, and the remainder is allocated in shares of the Company.

(b) Restricted Stock Units
- Restricted stock units (under a post-delivery type incentive plan that grants shares as compensation after confirming the right which is subject to a certain period of continuous service) shall be granted to Non-executive Directors, in order to share the profit with shareholders and as contribution to the sustainable enhancement of corporate value.
- The Company shall set a number of stock units in accordance with the position each year in advance. Upon completion of the period of continuous service (three years), the total number of shares is calculated, based on each stock unit being equivalent to one share of the Company, and a portion of the total number of shares is paid in cash for the amount equivalent to the eligible person's tax payment and other financial burden arising from the compensation paid, and the remainder is allocated in shares of the Company.

(4) Benchmark Composition Ratio for Compensation
The benchmark ratio of base compensation, bonuses, and performance-based stock compensation shall be 1:1:4 for Representative Director, CEO, and the percentage for performance-based compensation is set higher than that for other Executive Directors. In addition, the benchmark ratio of base compensation (excluding allowances) and restricted stock units for Independent Directors shall be 7:3.

(5) Stock Holding Guideline
The Company has established the Stock Holding Guideline with the aim of promoting long-term value sharing with shareholders. Directors who are eligible to receive stock compensation shall make an effort to hold at minimum the certain number of the Company's shares set for each position during their terms of office. Representative Director and CEO shall make an effort to hold the Company's shares equivalent to twice as much as the annual amount of base compensation by the time four years have passed after taking office and continue holding them during the term of office.

(6) Return of Compensation (Malus and Clawback Policy)
In the event of an inappropriate accounting treatment including material ex-post adjustments to pastyear financial results or a serious misconduct or compliance violation during the term of office, the Company may demand reduction or return of performance-based compensation (bonuses and performance-based stock compensation) to the relevant Executive Director, including a person who retired within two years, based on a decision of the Board of Directors after deliberation by the Compensation Committee.

As resolved at the Annual Shareholders' Meeting, the total amount of the "base compensation" and "bonuses" to Directors shall not exceed 1,200 million yen per year (including the portion for Independent Directors not exceeding 150 million yen per year). The amount of the "performance-based stock compensation" for Executive Directors shall not exceed 2,500 million yen per year, with the total number of shares to be allocated not exceeding 1 million shares per year. And the amount of the "restricted stock units" for Non-executive Directors shall not exceed 100 million yen per year, with the total number of shares to be allocated not exceeding 60,000 shares per year (including the portion for Independent Directors not exceeding 90 million yen per year; with the total number of the Company's shares to be allocated not exceeding 53,000 shares per year).
The amount of "base compensation" for Audit & Supervisory Board Members shall not exceed 150 million yen per year.

[Supporting System for External Directors and Auditors]

Fujitsu supports External Directors and Auditors through Corporate Governance& Compliance Unit (Secretariat of Board of Directors Meeting and Independent Directors & Auditors Council Support Office) and Auditing Support Division). This responsibility involves complying with requests from External Directors and Auditors to provide information and explain about Fujitsu or the entire Fujitsu Group that is required for management oversight or audits. Depending on the information, relevant business unit managers are made available to provide additional explanations. Furthermore, to allow board members to gain a proper understanding of the details prior to the meeting, materials relevant to the Board of Directors Meetings, such as agenda items, are shared with all board members (Directors and Audit & Supervisory Board Members) via the system.

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

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

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

Other matters

Fujitsu abolished its senior executive advisor (Sodanyaku) and advisor (Komon) system, effective March 31, 2018, in order to clarify management responsibilities and strengthen corporate governance by the resolution of its Board of Directors Meeting.

Fuitsu will enter into commission contracts with retiring officers, who will be known as "senior advisors" or "senior fellows," on an individual basis and subject to a resolution of the Board of Directors, in cases where such treatment of retiring officers is indispensable as they are to be appointed as an officer of an unaffiliated organization, or where the individual's expertise in specific fields is particularly useful for Fujitsu's business operations.

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

(Overview of Current Corporate Governance System)

(1) Overview of Corporate Governance Structure
<Board of Directors>
The Company has a Board of Directors to serve as a body for making important decisions and overseeing management. The Board of Directors delegates the decision-making authority over business execution to the Representative Directors and subordinate Corporate Executive Officers to the broadest extent that is permitted by law and the Articles of Incorporation of the Company and is considered to be reasonable, and will mainly perform its oversight and advisory functions. Moreover, the Board of Directors has been formed with Non-Executive Directors at its core so as to enable correction and remediation of errors, insufficiencies, and recklessness in business execution. And by ensuring that Independent Directors constitute the majority of the members of the Board of Directors, the oversight and advisory functions of the Board of Directors is strengthened. Furthermore, in order to better define the management responsibility of the Directors, their terms were reduced from two years to one year in accordance with a resolution at the June 23, 2006 Annual Shareholders' Meeting.
As of the date of submission of this report, the Board of Directors is comprised of 9 members in total: 3 Executive Directors and 6 Non-Executive Directors (including 5 External Directors). In FY2023, the Company held 18 Board of Directors meetings (including six extraordinary meetings) to flexibly resolve and report on the matters that come under the Board's province pursuant to the Companies Act and the Regulations of the Board of Directors of the Company. The Board identified the following six themes as the themes that it should focus on based on the business environment surrounding Fujitsu Group: 1) new medium-term management plan; 2) business portfolio transformation; 3) profitability improvement in international business; 4) quality and security issues; 5) succession planning of Directors and others; and 6) efficient monitoring methods of these themes. The Board had intensive discussions on these themes and continued monitoring them.
Furthermore, as its agenda items, the Board discussed and heard reports on shareholder returns, examinations of strategic shareholdings, the organization and operation status of internal control systems, and feedback on dialogues with shareholders and investors. For the evaluation of the effectiveness of the overall Board, the Board's Secretariat introduced individual interviews based on questionnaire responses from FY2023 and analyzed and evaluated the interviews. This allowed the Board to discuss accurate improvement measures based on the correct understanding of responses and led to efforts to improve information sharing with outside officers and to further raise the effectiveness of the Board. The Risk Management & Compliance Committee

that oversees risk management of the entire Group began holding a monthly meeting from FY2023 to ensure the speediness and effectiveness of each measure. The Board of Directors received a report on the implementation status of the Committee's tasks at every Board meeting and discussed and monitored actions taken, including preventative actions of individual quality and security issues.

Attendance at the Board of Directors meetings by Directors and Audit & Supervisory Committee Members during his/her term of office in fiscal 2023 is as follows:

(Title)	(Name)	(Attendance)
Representative Director and CEO	Takahito Tokita	18 out of 18
Representative Director and COO	Hidenori Furuta	18 out of 18
Director and Corporate Executive Officer, SEVP	Takeshi Isobe	18 out of 18
Director and Senior Advisor	Masami Yamamoto	18 out of 18
External Director	Chiaki Mukai	18 out of 18
External Director	Atsushi Abe	18 out of 18
External Director	Yoshiko Kojo	18 out of 18
External Director	Scott Callon	5 out of 6
External Director	Kenichiro Sasae	15 out of 18
External Director	Byron Gill	13 out of 13
Full-time Audit & Supervisory Board Member	Youichi Hirose	18 out of 18
Full-time Audit & Supervisory Board Member	Megumi Yamamuro	18 out of 18
External Audit & Supervisory Board Member	Koji Hatsukawa	16 out of 18
External Audit & Supervisory Board Member	Hideo Makuta	18 out of 18
External Audit & Supervisory Board Member	Catherine O'Connell	18 out of 18

<Audit & Supervisory Board>
The Company has an Audit & Supervisory Board that performs the auditing and oversight functions. The auditing and oversight functions are carried out by Audit & Supervisory Board Members, who review the Board of Directors as well as business execution functions and attend important meetings, including meetings of the Board of Directors.
The Audit & Supervisory Board has five members, comprising two full-time Audit & Supervisory Board Members and three External Audit & Supervisory Board Members.
In FY2023, the Company held 11 Audit & Supervisory Board meetings (including two extraordinary meetings), mainly to develop and resolve its audit policy and audit plans, confirm the audit plan and method of Accounting Auditors, and examine the appropriateness of their audit results and key audit matters. In addition, the Audit & Supervisory Board heard reports from the internal audit section and heard and discussed the reports on important items made by full-time Audit & Supervisory Board Members to External Audit & Supervisory Board Members. Except for one meeting where one member was absent, all Audit & Supervisory Board Members attended all Audit & Supervisory Board meetings.
In FY2023, Audit & Supervisory Board Members conducted the following activities with a focus on the building and operation of internal control systems and responses to management challenges in accordance with the approved audit policy and plans:
-Attending and expressing opinions at the Board of Directors meetings, meetings of Independent Officers, and other important meetings
-Reading important approval documents
-Exchanging opinions with Representative Directors
-Interviewing each business line at the Head Office and subsidiaries on their operations
-Hearing reports from statutory auditors of subsidiaries
-Hearing reports from Accounting Auditors
-Hearing the audit status and results from the internal audit section
-Hearing the status of whistleblowing from the compliance section
-Hearing the status of risk management and quality control

The discussion topics were potential risks of material misstatements in the consolidated financial statements and impacts of, and developments in, material events, etc. that occurred in FY2023.

<Independent Directors &Auditors Council>

The Company has Independent Directors and Auditors Council in response to the requirements of Japan's Corporate Governance Code, which facilitates the activities of Independent Directors and Auditors, and in order to invigorate discussions on the medium- to long-term direction of the Company at its Board of Directors Meetings, the Company believes it essential to establish a system that enables Independent Directors and Auditors, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of the Company's business. Based on this recognition, the Company establish the Independent Directors and Auditors Council, which consists of all Independent Directors and Auditors (five Independent Directors and three Independent Auditors), and discusses the medium to long-term direction of the Company, shares information, and exchanges viewpoints so that each can formulate their own opinions. In FY2023, the Company held 8 Independent Directors and Auditors Council meetings. The members continuously discussed the Company's management direction and on important management matters that were associated with business restructuring including mergers and acquisitions by the Company and the Fujitsu Group, and shared information and exchanged viewpoints.

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

(3) Status of Accounting Audits and Internal Audits
<Accounting Audits>
The accounting auditor, Ernst & Young ShinNihon LLC, reports to the Audit & Supervisory Board concerning the audit plan and results. The accounting auditor also conducts exchange of opinions when needed and carries out coordinated audits. The four certified public accountants associated with Ernst & Young ShinNihon LLC who performed the accounting audit were Messrs.Yoshihiko Nakatani, Toshiyuki Matsumoto, Noriyasu Hanafuji and Manabu Yamaguchi in FY2023. In addition, they were assisted by 26 certified public accountants, 14 persons who have passed the accountant examination, and another 45 persons, all associated with Ernst & Young ShinNihon LLC.

<Internal Audits>
The Internal Control & Audit Office (with 112 members, including 46 members engaged in auditing) serves as an internal audit group. The Internal Control & Audit Office is positioned as an organization under the General Council, which is independent from the business execution divisions.
The Internal Control & Audit Office has 21 employees with specialist internal auditing knowledge, including Certified Internal Auditors (CIA) and Certified Information Systems Auditors (CISA).
Auditing plans and results of internal audits, including matters related to Group companies, are regularly reported to the Risk Management & Compliance Committee, which is chaired by the Representative Director and CEO, and are reported to the Board of Directors through the Committee. Additionally, regular reports are made to the full-time Audit & Supervisory Board members, the Audit &Supervisory Board, and the Accounting Auditor.

(4) Overview of Limitation of Liability Contracts
The Company has entered agreements to limit the liability of Non-Executive Directors and Audit & Supervisory Board Members under Article 423, Clause 1 of the Companies Act. The limitation of liability in such agreements shall be the minimum liability amount under the law. Limitation of liability shall be based on the premise that the Non-Executive Director or Audit & Supervisory Board Member is fulfilling their responsibility and engaging in execution of duties in good faith, and that there is no significant negligence.

(5) Summary of Contents of Directors and Officers Liability Insurance Policy, etc.
The Company has concluded directors and officers liability insurance policies with some insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the contents of the policies and other information is given below.
(a) Scope of the insured
Directors, Audit & Supervisory Board Members, Corporate Executive Officers, etc. of the Company and its consolidated subsidiaries (excluding listed subsidiaries)
(b) Summary of Insurance Policy Contents
The policies shall cover damages and legal costs, etc. incurred by the insured due to claims for damages arising from acts (including omissions) committed by the insured in an official capacity. However, in order not to compromise the proper enforcement of duties by the insured, no compensation etc. shall be payable in

the event of any claims arising from profits or advantage being obtained illegally, or arising from dishonest acts, etc. The Company pays all premiums and the insured does not pay anything.

3. Reasons for Adoption of Current Corporate Governance System

We believe that both direct oversight to business execution by the Non-Executive Directors and the oversight by Audit & Supervisory Board Members that stays distant from the decision making and operation of business execution should work jointly to ensure highly effective oversight performance. The company adopts "the company with Audit & Supervisory Board system" that establishes the Audit & Supervisory Board, which is composed of the Audit & Supervisory Board Members appointed as an independent agent. Moreover, the Board of Directors has been formed with Non-Executive Directors at its core so as to enable correction and remediation of errors, insufficiencies, and recklessness in business execution. And External Directors constitute the majority of the members of the Board of Directors. The core of Non-Executive Directors shall be External Directors with a high degree of independence and diverse perspectives. Moreover, at least one Non-Executive Director is appointed from within the Company to complement the External Directors' knowledge in the business fields and the culture of the Company, so that the efficiency of oversight and advice performance by the Non-Executive Directors is enhanced.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Notification of General Shareholder Meeting	To give shareholders sufficient time to exercise voting rights, we make efforts to send invitation notices three weeks prior to the Annual Shareholders' Meeting. Furthermore, the Notice of the Annual Shareholders' Meeting is disclosed on the Company's website and other media before it is sent to shareholders with a view to provide information to shareholders as quickly as possible.
Scheduling AGMs Avoiding the Peak Day	To facilitate the attendance of as many shareholders as possible, since the Annual Shareholders' Meeting held in June 2001, we have scheduled our Annual Shareholders' Meeting to avoid the busiest days of overlap with other corporations' annual meetings.
Allowing Electronic Exercise of Voting Rights	To improve convenience and facilitate the exercise of voting rights for shareholders who are unable to attend the Annual Shareholders' Meeting, since the Annual Shareholders' Meeting held in June 2002, we have accepted the exercise of voting rights through electronic methods, and since the Annual Shareholders' Meeting held in June 2006, we have been using a platform to allow institutional investors to electronically exercise voting rights.
Participation in Electronic Voting Platform	Fujitsu participates in the electronic proxy voting platform operated by Investor Communications Japan (ICJ) as part of its efforts to enhance the proxy voting environment for institutional investors.
Providing Convocation Notice in English	Fujitsu creates an English-language Notice of the Annual Shareholders' Meeting (contents correspond to the Japanese version of the notice and business report (including Disclosed Information on the Internet at the Time of Notice of the Annual Shareholders' Meeting) in order to promote a wider understanding of the proposals presented at the shareholders' meeting. The notice is disclosed on the Company's website the same day as the Japanese version as part of our policy to disclose information in a prompt, accurate, and fair manner.
Other	To clarify the results of voting at the Annual Shareholders' Meetings, in addition to public notification of the results of the Shareholders' Meetings, beginning with the Annual Shareholders' Meeting held in June 2010, Fujitsu began posting the numbers of votes for and against each resolution on its website. We explain security of the rights and equality of shareholders at the Annual Shareholders' Meeting in 3.(1) of the Policy in the following website.

	https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf

2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	We have created a Disclosure Policy and have published it on our website below. Japanese: https://pr.fujitsu.com/jp/ir/disclosure/ English: https://www.fujitsu.com/global/about/ir/policy/disclosure/
Regular Investor Briefings for Analysts and Institutional Investors	We regularly hold Medium-Term Management Plan briefings by the CEO, financial results by the CEO and CFO, and various other briefings (IR Day, R&D strategy briefings, ESG briefings, etc.) by the directors in charge. In addition, we conduct Q&A sessions for the press at the briefings to ensure that information is disseminated to individual investors through media.
Regular Investor Briefings for Overseas Investors	The CEO and CFO regularly hold individual meetings (by visiting or conducting online) with overseas institutional investors. We also have investor relations representatives stationed in New York and London, who engage in regularly communication with investors in North America and Europe. In addition, presentation materials and minutes of Q&A at various briefings are translated into English and published on our website.
Posting of IR Materials on Website	The *Yukashoken Hokokusho* (Financial Report), the Business Report, the Notice of the Annual Shareholders' Meeting, the Financial Earnings, the Integrated Report, presentation materials for various briefings and the Sustainability Data Book, etc. are published on our website below. Japanese: https://pr.fujitsu.com/jp/ir/ English: https://www.fujitsu.com/global/about/ir/
Establishment of Department and/or Manager in Charge of IR	The director in charge of IR activities is the CFO; the division in charge of IR activities is the Public & Investor Relations Office.
Other	In addition to the above, we have established a dedicated website for individual investors and are striving to improve communication with them by setting up an inquiry form to submit questions and comments. In addition, from April 2018, we started sending e-mails to individual investors to directly send them public information such as financial information and timely disclosure information from our Company.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Fujitsu Way is the principles and fundamentals of the behavior of every employee in our Group and defines the Group's purpose as making the world more sustainable by building trust in society through innovation. As part of our values, we strive to generate shared value for all stakeholders, including employees, customers, business partners, the community, and shareholders.
Implementation of Environmental Activities, CSR Activities etc.	Fujitsu Group's activities for the purpose of the contribution to sustainable development for society and the planet are open to public through Fujitsu Group Integrated Report and our website. - Fujitsu Group Integrated Report https://activate.fujitsu/en/about/integrated-report - Sustainability at Fujitsu Group https://www.fujitsu.com/global/about/csr/index.html
Development of Policies on Information Provision to Stakeholders	As a policy on information provision to all our stakeholders, please refer to 4. of the Corporate Governance Policy on the following website. https://pr.fujitsu.com/jp/ir/governance/governancereport-b-en.pdf
Other	Please refer to [Supplementary Principle 2.4.1 Ensure diversity in the promotion to core human resources] of the Disclosure Based on the Principles of the Corporate Governance Code for the current status of promotions to board members and managers for women, foreign nationals, midcareer hires, and initiatives towards the promotions.

IV. Matters Related to the Internal Control System

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

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

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

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

on the operational status of "Policy on the Internal Control System," and receives confirmation that operations are being undertaken correctly.

(2) System to Promote More Efficient Operations

a The Company has an organization that uses reforms to the Fujitsu Group's business processes to promote higher productivity, lower costs, and expenditure controls, and it pursues more efficient management.

3. Rules and Other Systems Relating to Managing the Risk of Losses

(1) System for Managing the Risk of Losses in General

a The Company aims to maintain the business continuity of the Fujitsu Group, increase its corporate value, and sustainably expand its business activities. In order to deal with risks that pose a threat to achieving these goals, the Company has a Risk Management & Compliance Committee, which overseas risk management for the entire Fujitsu Group. The Company also assigns certain departments to be responsible for specific kinds of risks, and has appropriate systems in place for risk management.

b The Risk Management & Compliance Committee constantly assesses and verifies risks that might cause losses to the Fujitsu Group. When risks are identified in business operations, it works to control the risk, such as by formulating preventative measures, and attempts to minimize the loss that might result.

c To minimize losses from any risks that arise, the Risk Management & Compliance Committee, through the systems described in paragraph "a" above, periodically analyzes any risks that have arisen, reports on them to the Board of Directors and any other relevant person or organization, and takes action to prevent a recurrence of such risks.

(2) Systems for Managing the Specific Risks of Losses

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

a Risk Management System for Defects in Products and Services

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

b Management System for Contracted Development Projects

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

c Security System

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

(3) Responses to Management Risks

a System to Manage Financial Risks

- Financial risks are under the purview of the Chief Financial Officer.

b Systems to Manage Other Forms of Management Risk

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

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

(1) Compliance System

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

b The Risk Management & Compliance Committee has purview over compliance matters for the Fujitsu Group, which it executes as follows.

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

(2) System to Ensure Proper Financial Reporting

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

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

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

(3) System for Information Disclosure

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

(4) Internal Auditing System

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

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

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

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

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

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

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

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

6. System to Ensure the Properness of Fujitsu Group Operations

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

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

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

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

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

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

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

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

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

(2) Reporting System

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

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

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

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

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

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

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

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

[Status of Operation of the Internal Control System]

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

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

The Management Council meets twice a month, in principle, and assists the Representative Director and CEO in decision-making. The Management Council consists of the minimum number of members, which include the CEO. By operating the Management Council as a body that enables timely discussion of and decision-making on any matters concerning business execution, the Council facilitates decision-making by Representative Directors and enhances the efficiency and the speed of management. In addition, the Company has, in order to further increase the speed of management, improved the approval standard accompanied by extensive delegation of duties from the Representative Directors to other executives and employees and established a framework that allows the CEO to appoint a CxO responsible for the business execution of key operations.

2. Risk Management System and Compliance System

The Company positions the risk management system and the compliance system at the heart of the "Policy on the Internal Control System" and the Risk Management & Compliance Committee (the "Committee") under the policy reports to the Board of Directors and is chaired by the Representative Director and CEO and consists of four Executive Directors.

The Committee investigates critical risks as part of the Fujitsu Group's potential risk management with respect to business execution risks, including compliance violations, information security issues, and defects or deficiencies in products and services. In addition, the Committee has established and operates a system that covers not only the Company but the Fujitsu Group and ensures reporting to the Committee in a timely manner when such risks arise. In accordance with such reporting, it decides measures to prevent the recognized risks in business operations from arising and handle loss caused by the risks that arose. In the course of operating the systems described above, besides the case of risk occurrence, the Committee periodically reports the progress and results of its activities to the Board of Directors and is supervised.

As a system to ensure timely reporting from the Fujitsu Group to the Committee, Regional Risk Management & Compliance Committees have been established for individual Regions, which are overseas geographical business divisions of the Fujitsu Group. These regional committees are positioned under the Committee to function so that the entire Fujitsu Group is covered.

In the information security field, the Company has appointed a dedicated Chief Information Security Officer (CISO) in accordance with the Fujitsu Group Information Security Policy (Global Security Policy). Further, under the CISO, regional CISOs have been appointed in individual Regions, which are overseas geographical business divisions of the Fujitsu Group, and they formulate and implement information security measures.

Moreover, the Global Business Standards outlining the Fujitsu Way Code of Conduct (We respect human rights. We protect and respect intellectual property. We comply with all laws and regulations. We maintain confidentiality. We act with fairness in our business dealings. We do not use our position in our organization for personal gain.) in a manner befitting executives and employees are available in 20 languages and used as a guideline on compliance at the Fujitsu Group. Under the Global Business Standards, the Company has established the Global Compliance Program, and is sending out top management messages, developing rules, and implementing various education programs and awareness raising activities to maintain and improve the structure for legal compliance across the Fujitsu Group.

Regarding the internal reporting system, the Fujitsu Group has established points of contact inside and outside the Company, operated as the Compliance Line/Fujitsu Alert, to receive reports from all Group

executives and employees and offer consultations. Group companies also have established and are operating their own points of contact for reporting and consultation. Based on these systems, the Fujitsu Group aims to put the Code of Conduct into practice by working a self-cleansing function against unlawful or unfair action through an early detection and remediation of it. During the period under review, the following measures were taken to strengthen the risk management and compliance systems for the purpose of thorough CEO-led risk management: (1) a new Chief Quality Officer (CQO) was appointed as the person responsible for quality for the entire Group, (2) the CQO was added as a member of the Committee. The Committee now meets monthly to decide on and promptly implement specific measures, including company-wide measures for information security and system quality, as well as responses to individual events.

3. System to Ensure Proper Financial Reporting
The organization responsible for internal control and internal audits has established the system and assesses internal control over financial reporting throughout the Fujitsu Group, and reports the activity status and assessment results to the Representative Director and CEO, Chief Financial Officer, Audit & Supervisory Board Members and the Board of Directors in accordance with the principles of the "Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting" published by the Business Accounting Council. During the period under review, the organization in charge of internal control and internal audit of the Company underwent an "External Assessment of the Internal Audit Division" conducted by the Institute of Internal Auditors Japan in order to improve the internal audit function.

4. System to Ensure the Properness of Fujitsu Group Operations
The systems described above cover the Fujitsu Group.
Especially for risk management and compliance systems are as outlined in item 2 above. In addition, as a part of a system to ensure the properness of Fujitsu Group operations, the Company has established the Rules for Delegation of Authority that determine authority for decision-making on important matters of Fujitsu Group companies (excluding certain subsidiaries), the decision-making process and the reporting obligations. The Company has its Group companies comply with the Rules. In this way, the Company has put in place systems for decision-making on and reporting of important matters of the Group.

The status of operation of the internal control system centering on the above is periodically reported to the Board of Directors and Audit & Supervisory Board Members.

2. Basic Views on Eliminating Anti-Social Forces

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

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

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

Under the basic approach that the increase in corporate value creates the defensive power as a consequence, the company focuses on increasing corporate value and does not adopt any specific policy (anti-takeover

measures). In case an acquisition offer is made to the company, the Board of Directors takes an appropriate action based on the recognition that the determination on the location of control of the company resides in shareholders.

2. Other Matters Concerning to Corporate Governance System

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

1.Internal Structure for Timely Disclosure of Corporate Information

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

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

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

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

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

2. Internal System Confirmation Function for Timely Information Disclosure

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

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

【Corporate Governance Structure】

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

