Fujitsu Limited
July 25, 2024

Notice of Disposal of Treasury Stock as Stock Compensation

Kawasaki, July 25, 2024 – Fujitsu Limited announced that it resolved at the Board of Directors meeting held today to dispose of treasury stock as stock compensation (hereinafter referred to as "the Treasury Stock Disposal") as stated below.

1. Outline of Disposal in Japan

(1) Disposal date	August 22, 2024
(2) Class and number of shares to be disposed of	Common stock of the Company 574,616 shares
(3) Disposal price	2552.5 yen per share
(4) Total of disposal price	1,466,707,380 yen
(5) Scheduled allottee	1. Directors and Employees (*1) of the Company 124 people 421,678 shares 2. Directors and Employees (*2) of the Company's subsidiaries in Japan 44 people, 152,938 shares Total: 168 people, 574,616 shares *1. "Directors" includes Executive Directors and Non-Executive Directors, and "Directors and Employees" includes 7 retirees *2. "Directors" includes Executive Directors, and "Directors and Employees" includes 9 retirees
(6) Other matters	This Treasury Stock Disposal is subject to the Securities Registration Statements taking effect in accordance with the Financial Instruments and Exchange Act.

2. Outline of Overseas Disposal

(1) Disposal date	August 22, 2024
(2) Class and number of shares to be disposed of	Common stock of the Company 142,209 shares
(3) Disposal price	2552.5 yen per share
(4) Total of disposal price	362,988,477 yen
(5) Scheduled allottee	1. Directors, etc. and Employees of the Company's overseas subsidiaries 6 people, 80,462 shares

	2. Persons seconded to and/or permanently transferred to overseas subsidiaries of the Company 12 people, 61,747 shares Total: 18 people, 142,209 shares
(6) Other matters	This Treasury Stock Disposal is subject to the Securities Registration Statements taking effect in accordance with the Financial Instruments and Exchange Act.

3. Purpose and Reasons for Disposal

The Company has adopted (1) a performance-based stock compensation plan for Eligible Directors, etc. (to be defined later) of the Company and some of the Company's subsidiaries, (2) a restricted stock unit plan for the Company's Non-Executive Directors (Independent Directors and Directors from within the Company who do not execute operations; The same applies hereinafter.). The disposal of treasury stocks in Japan and overseas will be conducted based on the aforementioned plans and resolution of the Board of Directors meeting held on July 25, 2024. The monetary compensation claims based on these plans will be provided to the eligible persons, who are intended allottees under the performance-based stock compensation plan and the restricted stock unit plan, and the common stock of the Company (hereinafter referred to as "the Company shares") will be allocated to them in return for investment in kind as contributed assets of the monetary compensation claims.

(1) Performance-based Stock Compensation Plan

The Company resolved at the Board of Directors meeting held on April 28, 2017 to introduce a plan (hereinafter referred to as the "Plan" in this paragraph) under which the Company shares will be allotted as compensation linked to performance to Executive Directors (Representative Directors and Directors who double as Corporate Executive Officers; The same applies hereinafter.). Subsequently, it was resolved at the 117th Annual Shareholders' Meeting held on June 26, 2017 that the Company shares to be used as a nonmonetary compensation shall be up to 300 million yen per year and that the total number of shares to be allocated shall be up to 430,000 shares per year (*1). In addition, the following were resolved as partial revisions to the Plan.

(i) At the 121st Annual Shareholders' Meeting held on June 28, 2021, it was resolved again that the upper limit of the compensation amount related to the Plan will be 1.2 billion yen a year and that the total number of shares to be allocated will be up to 750,000 shares (*1) a year, as well as the specific details of the Plan.

(ii) At the 122nd Annual Shareholders' Meeting held on June 27, 2022, it was resolved that EPS (earnings per share) would be added to the indicators of performance achievement for the fiscal year 2022 and onward and that a portion of the compensation would be paid in cash equivalent to the tax obligation, with the remainder in monetary compensation claims for the allocation of the Company shares.

(iii) At the 124th Annual Shareholders' Meeting held on June 24, 2024, it was resolved that the upper limit of the compensation amount related to the Plan will be revised to 2.5 billion yen a year and the total

number of shares to be allocated will be revised to up to 1 million shares a year. It was also resolved that the Company's TSR (total shareholder return) will be added as an evaluation indicator for the compensations for fiscal 2024 and onward and that consolidated sales revenue will be excluded from the indicators of performance achievement.

*1. The number of shares after the stock split is stated as converted since the Company implemented a ten-for-one stock split with an effective date of April 1, 2024.

In addition to Executive Directors of the Company, the following persons are also subject to the Plan (eligible persons for the Plan are hereinafter referred to as "Eligible Directors, etc."):

- Executive Officers of the Company (based on the resolution made at the Board of Directors meeting held on April 28, 2017) (*2)
- Executive Directors and Executive Officers, etc. of some of the Company's subsidiaries in Japan (based on the resolution made at the Board of Directors meeting held on April 28, 2017) (*3)
- Employees certified as SVP (responsibility-based classification of Fujitsu Level at the Company and some of the Company's subsidiaries in Japan) (as resolved at the management meetings held on December 16, 2019).
- Employees certified as VP (responsibility-based classification of Fujitsu Level at the Company and some of the Company's subsidiaries in Japan) (as resolved at the management meetings held on March 23, 2020)
- Directors and employees certified as SVP or above (responsibility-based classification of Fujitsu Level at some of the Company's overseas subsidiaries) (as resolved at the Fujitsu Global Compensation Committee meeting held on December 5, 2017, and based on the approval of the Executive Officer, in charge of human resources dated March 18, 2024) (*4)

*2. Fujitsu has previously replaced Japan-specific executive job position titles with the title "Corporate Executive Officer." Fujitsu will continue to include those who became Eligible Directors, etc. due to those changes in the Plan. For some of the executives, the length of the performance judgment period for the Plan was changed to one year on November 29, 2019, with the approval of the Representative Director and CEO.

*3. Pursuant to the provision of the Articles of Incorporation of the Company's subsidiaries in Japan, the Company determines compensation, bonuses and other proprietary interests that the Company's subsidiaries in Japan grant their Directors, as consideration of execution of duties.

*4. For Directors and employees of some of its overseas subsidiaries, the Company had introduced a plan under which the Company shares will be provided as compensation based on performance-based stock units and non-performance-based restricted stock units, but has integrated the aforementioned plan into the Plan from April 2024.

The performance-based stock compensation plan for Eligible Directors, etc. is based on the above resolutions

and decisions. Overview of the Plan is as below:

<Overview of the Performance-based Stock Compensation Plan>

The Company has adopted the Plan not only to give Eligible Directors, etc. mid- and long-term incentives for improving corporate value but also to further facilitate company management from a shareholders' perspective.

(i) Overview of the Plan

The Company will present to Eligible Directors, etc. a base number of stock units in accordance with their duties and responsibilities, a performance judging period (three fiscal years), and the evaluation method including evaluation indicator and performance targets in advance. The number of stock units is calculated by multiplying base number of stock units by a coefficient according to the performance results such as the level of performance achievement, is fixed at each fiscal year and is at the end of the performance evaluation period. When the performance evaluation period is over, and on the conditions that the person has been at a position that is applicable for the Plan throughout the performance evaluation period and that certain other requirements previously determined by the Board of Directors have been met, each applicable person is paid in cash the amount equivalent to a portion of the total number of shares that is allocated to the applicable person to pay for the tax obligation and other financial burden to be borne by Eligible Directors, etc. as a result of the payment of compensation under the Plan, with the remainder of the allocated shares. At that time, monetary compensation claims and cash equivalent to market value of the above total shares are provided to Eligible Directors, etc.

Eligible Directors, etc. shall then contribute in kind all of these monetary compensation claims in allocated shares to acquire the Company shares. 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 Director, etc.

Eligible Directors, etc. may transfer the Company shares acquired at their own discretion unless they violate insider trading regulations.

(ii) Evaluation indicators and coefficient (*5) (*6)

・Executive Directors and Executive Officers within the group of Eligible Directors, etc. (*7):

A coefficient is set up within a certain range according to pre-determined performance achievement levels vis-á-vis the indicators of sales revenue, operating profit and EPS (Earnings Per Share) in the Company's consolidated financial results.

・Employees, etc. certified as SVP or VP (Fujitsu Level) within the group of Eligible Directors, etc.:

A coefficient is set up within a certain range according to pre-determined performance achievement levels, vis-á-vis the indicators of sales revenue, operating profit using sales revenue and operating income in the Company's consolidated financial results.

*5 Operating profit and income in EPS are based on adjusted operating profit and adjusted net income, which are financial targets set in our medium-term management plan. These adjusted figures represent

the actual profit and income from our core business, calculated by deducting profits and losses from business restructuring, structural reforms, M&A, and one-off profits and losses due to regulatory changes.

*6 Under the Plan, 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 results of performance evaluation including achievement of performance targets.

*7 At the 124th Annual Shareholders' Meeting held on June 24, 2024, it was resolved that the Company's TSR (total shareholder return) will be added as an evaluation indicator for the compensations for fiscal 2024 and onward and that consolidated sales revenue will be excluded from the indicators of performance achievement. However, this offering will be made under the Plan prior to this resolution.

(iii) Condition for provision of monetary compensation claims and cash, allocation of the Company shares

When the performance judging period is over, on the conditions that the Eligible Directors, etc. have been at a position that is applicable for the Plan throughout the performance judging period and that certain other requirements previously determined by the Board of Directors have been met, monetary compensation claims and cash are paid to each Eligible Director, etc. The Company shares will be allotted to each Eligible Director, etc. by having all monetary compensation claims contributed in kind.

However, should an Eligible Director, etc. for the Plan lose the aforementioned position before the expiration of the performance judging period with reasons deemed valid by the Board of Directors, the Board of Directors shall reasonably adjust the amount of the monetary compensation claims and cash to be paid, the number and payment of allocated shares and the timing of allocation as necessary.

As for the Company's Executive Directors out of the Eligible Directors, etc., the Malus and Clawback Policy has been applied to them. If a certain event, such as significant misconduct, occurs with regard to an Executive Director of the Company, the Board of Directors may demand a reduction or return of stock compensation provided under the Plan based on its decision.

(iv) Payment amount per share

The payment amount per share allocated to the Eligible Directors, etc. under the Plan shall be the fair price of the Company's shares on the day of allocation, such as the closing value of the share at the Tokyo Stock Exchange one business day before the date of the Board of Directors' meeting held to decide about the allocation (if there is no trade on such date, the closing value on the business day immediately preceding such date).

(v) Other

Handling of the Plan at the time of measures including organizational restructuring, handling at the time of stock split or stock consolidation and other details of the Plan shall be determined by resolution of the Board

of Directors.

(2) Restricted Stock Unit Plan

At the Board of Directors meeting held on May 11, 2023, the Company resolved to introduce a non-performance-linked plan (hereinafter referred to as the "Plan" in this paragraph) under which the Company shares will be allotted as compensation to Independent Directors on condition of continued service. At the 123rd Annual Shareholders' Meeting held on June 26, 2023, it was resolved that the upper limit of the total amount of monetary compensations and cash under the Plan will not exceed 100 million yen per year and the total number of the Company shares allocated will be set to within 60,000 shares per year (*1).

In addition, at the 124th Annual Shareholders' Meeting held on June 24, 2024, it was resolved that Directors from within the Company who do not execute operations shall be newly added to those eligible for the Plan and the Plan shall be revised so that all Non-Executive Directors, including Independent Directors, will be eligible for the Plan for fiscal 2024 and onwards. Accordingly, it was also resolved that out of the upper limit of the total amount of monetary compensations and cash under the Plan, the portion for Independent Directors will not exceed 90 million yen per year and the total number of the Company shares allocated will not exceed 53,000 shares per year. Please note that this offering will be made to the retired Independent Directors who were eligible for the Plan in fiscal 2023.

The Restricted Stock Unit Plan for Non-Executive Directors is based on the above resolutions and decisions. Overview of the Plan is as below:

<Overview of the Restricted Stock Unit Plan>

The Company has adopted the Plan for Non-Executive Directors to align their viewpoint with shareholders and strengthen incentives for sustainable growth in corporate value.

(i) Overview of the Plan

The Company will determine the number of stock units to be granted to Non-Executive Directors for each fiscal year and the period of continued service (three years). Upon the completion of the period of continued service, on the condition of fulfilling the certain requirements set forth in advance by the Board of Directors, including having been in the position of Non-Executive Director continuously for such period, Non-Executive Directors shall be paid cash equivalent to the tax obligation and other financial burden arising for them due to the granting of compensation under the Plan, and allocated the Company shares, in accordance with the number of above Stock Units.

At the time, Non-Executive Directors shall be provided with monetary compensation claims and cash equivalent to the market value of the Company shares at the same number of the above Stock Units, and shall receive the allocation of the Company shares by contributing in kind all of the former monetary compensation claims to the Company. The proportion of the amount paid in cash out of the number of above Stock Units is determined by the Board of Directors, taking into consideration the tax obligation and other financial burden

of each applicable Non-Executive Director.
Non-Executive Directors may transfer the Company shares acquired at their own discretion unless they violate insider trading regulations.

(ii) Calculation method of the number of the Company shares to be allocated and the amount of money to be paid under the Plan

The Company shall decide the number of Stock Units to be granted to Non-Executive Directors by the Board of Directors, in consideration of the duties, etc. of Non-Executive Directors. Upon the completion of the period of continued service, regarding the number of Stock Units granted to the Non-Executive Director, one unit shall be equivalent to one share, and the amount of cash to be paid and the number of Company shares to be granted to each Non-Executive Director shall be decided, based on the proportion set forth by the Board of Directors, taking into account of the tax obligation and other financial burden arising for Non-Executive Directors due to the payment of compensation under the Plan.

(iii) Condition for provision of monetary compensation claims and cash, allocation of the Company shares

On the condition that the period of continued service is over, and that the Non-Executive Director fulfills the certain requirements set forth in advance by the Board of Directors, including having been in the position of an eligible person for the Plan continuously for such period, monetary compensation claims and cash are paid to each Non-Executive Director. The Company shares will be allotted to each Non-Executive Director by having all monetary compensation claims contributed in kind.

However, should an eligible person for the Plan lose the aforementioned position before the expiration of the period of continued service with reasons deemed valid by the Board of Directors, the Board shall reasonably adjust the amount of the monetary compensation claims and cash to be paid, the number and payment of allocated shares and the timing of allocation as necessary.

(iv) Payment amount per share

The payment amount per share allocated to the eligible persons under the Plan shall be the fair price of the Company's shares on the day of allocation, such as the closing value of the share at the Tokyo Stock Exchange one business day before the date of the Board of Directors' meeting held to decide about the allocation (if there is no trade on such date, the closing value on the business day immediately preceding such date).

(v) Others

Handling of the Plan at the time of measures including organizational restructuring, handling at the time of stock split or stock consolidation and other details of the Plan shall be determined by resolution of the Board of Directors.

4. Basis of calculation of the total of disposal price and its specific contents

Fujitsu will dispose of its treasury shares to planned allotees by using the monetary compensation claims granted to them by the above systems as contributed assets. The disposal price under the Treasury Stock Disposal is set as 2,552.5 yen, which is the closing price of the Company's stock at the Tokyo Stock Exchange on July 24, 2024 (the business day prior to the date that the Board of Directors meeting made the resolution), in order to make a price free from arbitrariness.

The deviation rate of this value from the simple average closing price of stock of Fujitsu in Tokyo Stock Exchange for one month (from June 25, 2024 to July 24, 2024) 2,598 yen (round off to the first decimal place, by simply averaging the closing prices, and the same applies to the following) was -1.78% (round off to the second decimal place in calculating deviation rate, and the same applies to the following), the simple average closing price for 3 months (from April 25, 2024 to July 24, 2024) 2,452 yen was 3.94%, and the simple average closing price (*1) for 6 months (from January 25, 2024 to July 24, 2024) 2,418 yen was 5.27%.

The above price is the market price immediately before the date of determination on the Treasury Stock Disposal by the Board of Directors meeting, which is pursuant to the "guidance on handling of stock increase by third-party allotment" by the Japan Securities Dealers Association, and Fujitsu considers it rational and not unusually favorable to the recipients.

*1 The closing price prior to the day before the effective date of the stock split on which the Company implemented a ten-for-one stock split with an effective date of April 1, 2024, uses the share price after adjustment by the stock split.

5. Matters concerning the procedure required by the corporate code of conduct

The Treasury Stock Disposal does not require an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided for under Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (i) the dilution ratio is less than 25% and (ii) the Treasury Stock Disposal does not involve a change in controlling the shareholder.

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About Fujitsu

Fujitsu's purpose is to make the world more sustainable by building trust in society through innovation. As the digital transformation partner of choice for customers in over 100 countries, our 124,000 employees work to resolve some of the greatest challenges facing humanity. Our range of services and solutions draw on five key technologies: Computing, Networks, AI, Data & Security, and Converging Technologies, which we bring together to deliver

sustainability transformation. Fujitsu Limited (TSE:6702) reported consolidated revenues of 3.7 trillion yen (US$26 billion) for the fiscal year ended March 31, 2024 and remains the top digital services company in Japan by market share. Find out more: www.fujitsu.com.