

To our shareholders,

Security Code (in Japan) 6702
May 29, 2020

Takahito Tokita
Representative Director
CEO
Fujitsu Limited
1-1, Kamikodanaka 4-chome,
Nakahara-ku, Kawasaki-shi
Kanagawa, Japan

NOTICE OF THE 120th ANNUAL SHAREHOLDERS' MEETING

We hereby inform you that the 120th Annual Shareholders' Meeting will be held as set forth below.

In order to help prevent the spread of COVID-19 and mitigate the risk of infection of shareholders, you are strongly advised to refrain from attending the Shareholders' Meeting and instead to exercise your voting rights by mail or via the Internet in advance.

Please review the attached Reference Materials for the Annual Shareholders' Meeting and exercise your voting rights in advance by following the instruction on the "Exercise of Voting Rights in case of Nonattendance" on Page 2.

1. **Time & Date** 10:00 a.m., Monday, June 22, 2020 (The reception desk opens at 9:00 a.m.)
2. **Venue** Shin Yokohama Prince Hotel *The reception desk is on the 1st floor.
4, Shin Yokohama 3-chome
Kohoku-ku, Yokohama-shi
Kanagawa, Japan

3. Purposes of the Shareholders' Meeting

Reports:

Overview of the 120th Business Period (April 1, 2019 – March 31, 2020) Business Report, Consolidated and Unconsolidated Financial Statements; Auditing Reports from Accounting Auditor and Audit & Supervisory Board on Consolidated Financial Statements

Agenda:

- | | |
|----------------|---|
| Proposal No. 1 | Election of Nine Directors |
| Proposal No. 2 | Election of Two Audit & Supervisory Board Members |
| Proposal No. 3 | Election of One Substitute Audit & Supervisory Board Member |

4. Attached Materials

- (1) The Business Report, Consolidated and Unconsolidated Financial Statements for the 120th Business Period are attached as Exhibit A.
- (2) The following items are provided online on the Company's website (<https://www.fujitsu.com/global/about/ir/>) in accordance with Japanese laws and regulations, and Article 17 of the Articles of Incorporation, and not included in Exhibit A:
 - a) Fujitsu Group Principle Offices and Plants
 - b) Employees;
 - c) Full text of Policy on the Internal Control System;
 - d) Overview of the Status of Operation of the System to Ensure the Properness of Fujitsu Group Operations

- e) Notes to Consolidated Financial Statements; and
 - f) Unconsolidated Statements of Changes in Net Assets, and Notes to Unconsolidated Financial Statements.
- (3) In the case of any revisions to the Reference Materials for the Annual Shareholders' Meeting, the Business Report, Consolidated Financial Statements or Unconsolidated Financial Statements, they will be posted online on the Company's website (<https://www.fujitsu.com/global/about/ir>).

5. Voting

(1) Exercise of Voting Rights in case of Nonattendance

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

[Voting by mail]

Please complete the enclosed Voting Card, indicating your approval or disapproval for each of the proposals, and return it to reach the Company no later than 6:00 p.m. on Friday, June 19, 2020 (Japan standard time).

[Voting via the Internet]

Please access the Company's designated online voting site (<https://evote.tr.mufg.jp/>) via a PC, smartphone or mobile phone using the login ID and temporary password printed on the enclosed Voting Card. Please indicate and submit your approval or disapproval for each of the proposals no later than 6:00 p.m. on Friday, June 19, 2020 (Japan standard time), following the on-screen instructions.

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

[Exercise of Voting Rights by Proxy]

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

(2) Board Resolution regarding Exercise of Voting Rights

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

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

Note:

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

REFERENCE MATERIALS FOR THE ANNUAL SHAREHOLDERS' MEETING**Proposal No. 1 Election of Nine Directors**

The terms of office for all eight Directors expire at the close of this Shareholders' Meeting. The Company proposes the election of nine Directors including five Independent Directors. Candidates for the position of Director are listed on Pages 6 to 13. The term of office for each Director shall be until the close of the next year's Annual Shareholders' Meeting.

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

In the previous year, the Company launched a new management structure led by CEO Mr. Takahito Tokita and began Group-wide initiatives to transform Fujitsu from an IT company to a DX^{*1)} company under the new Management Direction so as to offer greater value to society. To accelerate these initiatives began in the previous year, the Company has decided to nominate Representative Director and CEO Mr. Takahito Tokita and Representative Director and COO Mr. Hidenori Furuta as candidates for Executive Director. In addition, the Company has decided to nominate Mr. Takeshi Isobe, who has been supporting CEO Mr. Takahito Tokita since the launch of the new management structure, in his capacity as CFO^{*2)}, as a new candidate for Executive Director.

Mr. Scott Callon, who is a candidate for Independent Director, is a new candidate for Director. The Company expects that discussion at the Board of Directors will be enriched by the addition of Mr. Callon, who has a perspective of an institutional investor, to the Board as a Non-Executive Director.

Regarding the other five Non-Executive Directors, taking into account the mission of the Board of Directors, that is, to continue monitoring of the implementation of measures for achieving transformation and their progress under the new management structure launched in the previous year, the Company proposes to reelect all of them.

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

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

Notes

*1) Digital transformation. Utilization of digital technologies and data to deliver innovative services and transform business processes

*2) Chief Financial Officer

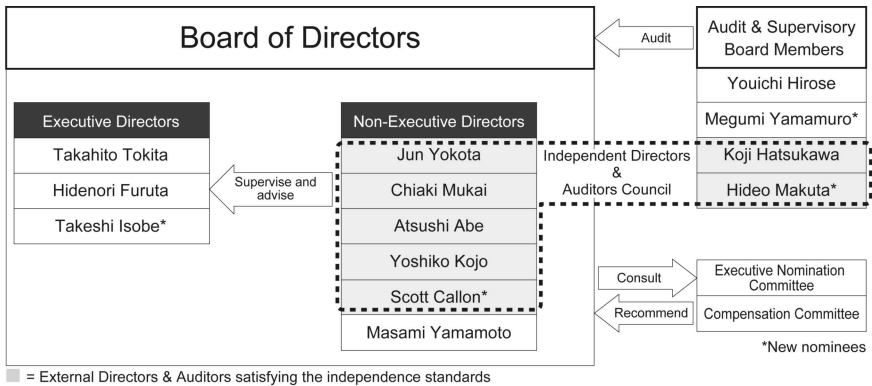
*3) Chief DX Officer

*4) Chief Technology Officer

Framework of Fujitsu's Corporate Governance Structure (Reference)

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

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



Stance on Independence of External Directors & Auditors (Reference)

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

Independence Standards for External Directors & Auditors

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

- (1) Director or employee of one of Fujitsu Group Companies¹;
 - (2) Director, Executive Officer, Audit & Supervisory Board Member, or important employee² of a Major Shareholder³ of Fujitsu;
 - (3) Director, Executive Officer, Audit & Supervisory Board Member, or important employee² of a Major Lender⁴ to Fujitsu;
 - (4) partner or employee of accounting auditor of Fujitsu;
 - (5) Director, Executive Officer, Audit & Supervisory Board Member, or Corporate Executive Officer mutually exchanged between Fujitsu and another company;
 - (6) a person who receives Significant Amount of Monetary Benefits⁵ or other property other than the compensation as a Director or Audit & Supervisory Board Member from Fujitsu;
- or
- (7) Director, Executive Officer, Audit & Supervisory Board Member, or important employee² of a Major Business Partner⁶ of Fujitsu

2. A person who does not have a Close Relative⁷ will be independent, wherein a Close Relative meets one of following, at present or at any time within the preceding three years:

- (1) Executive Director, Non-Executive Director⁸, or important employee of Fujitsu Group Companies;
 - (2) Director, Executive Officer, Audit & Supervisory Board Member, or important employee² of a Major Shareholder of Fujitsu;
 - (3) Director, Executive Officer, Audit & Supervisory Board Member, or important employee² of a Major Lender to Fujitsu;
 - (4) partner or employee of accounting auditor company of Fujitsu;
 - (5) Director, Executive Officer, Audit & Supervisory Board Member, or Corporate Executive Officer mutually exchanged between Fujitsu and another company
 - (6) a person who receives Significant Amount of Monetary Benefits or other property other than the compensation as a Director or Audit & Supervisory Board Member from Fujitsu;
- or
- (7) Director, Executive Officer, Audit & Supervisory Board Member, or important employee² of a Major Business Partner of Fujitsu.

1 "Fujitsu Group Companies" means Fujitsu Limited and its subsidiaries.

2 Excluding an Independent Director or an Independent Auditor of a Major Shareholder, Lender, or Business Partner

3 "Major Shareholder" indicates a shareholder who holds at least 10 percent of the voting rights of Fujitsu nominally or substantially.

4 "Major Lender" indicates the lender in the group's major lenders listed in the latest business report of Fujitsu.

5 "Significant Amount of Monetary Benefits" means the sum of annual compensation for expert services and donation equal to or more than 10 million yen.

6 "Major Business Partner" means a company with whom Fujitsu Group Companies made a business transaction within the preceding three fiscal years and the total amount of the transaction exceeds 1% of consolidated sales revenue of either Fujitsu or that company.

7 "Close Relative" means a family, spouse, or cohabiter within the second degrees of kinship (as stipulated in the Civil Code of Japan).

8 This condition applies only when judging the independence of Fujitsu's External Audit & Supervisory Board Member or a nominee thereof.

Candi- date No.	Name and date of birth	Personal history, positions at the Company	
1	<p>Takahito Tokita (September 2, 1962)</p> <p><i>*Reappointment</i></p> <p>[No. of Years Served as a Director*5)] 1</p> <p>[No. of the Company's Shares Held] 1,000</p> <p>[Attendance at the FY2019 Board of Directors' Meetings] 100%</p>	<p>Apr. 1988</p> <p>Jun. 2014</p> <p>Apr. 2015</p> <p>Jan. 2019</p> <p>Mar. 2019</p> <p>Jun. 2019</p> <p>Oct. 2019</p>	<p>Joined the Company</p> <p>Head of Financial Systems Unit, Integration Services Business</p> <p>Corporate Executive Officer</p> <p>EVP, Head of Global Delivery Group, Technology Solutions Business</p> <p>SEVP</p> <p>Representative Director and CEO (to present)</p> <p>Chairman of the Risk Management & Compliance Committee (to present)</p> <p>CDXO³⁾ (to present)</p>
		<p>[Important positions at other corporations/institutions]</p> <p>None</p>	
<p>[Reasons for Appointment]</p> <p>Mr. Takahito Tokita has a wealth of experience as a systems engineer in the business for the financial sector and is decisive and has the capabilities necessary to execute business improvements. In addition, he has a good grasp of what is happening in the global business arena through his overseas experience, including his position as the Head of the Global Delivery Group whose mission is to offer uniform services throughout the world. Following his assumption of office as Representative Director and CEO in June 2019, he formulated the new Management Direction and has led initiatives to transform Fujitsu from an IT company to a DX⁴⁾ company. In order to further accelerate these initiatives, the Company believes his leadership is necessary. Therefore, the Company proposes that reappointing him as an Executive Director. The Company intends to reappoint him as Representative Director and CEO, if his appointment is approved at this Shareholders' Meeting.</p>			
<p>[Comments on Special-interest Relationships]</p> <p>Mr. Takahito Tokita has no special-interest relationships with the Company.</p>			

Note

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

<i>Candidate No.</i>	<i>Name and date of birth</i>	<i>Personal history, positions at the Company</i>
2	Hidenori Furuta (December 13, 1958) <i>*Reappointment</i> [No. of Years Served as a Director ^{*5)} 1 [No. of the Company's Shares Held] 1,453	Apr. 1982 Joined the Company May 2009 Head of Manufacturing Industry Solutions Business Unit Apr. 2012 Corporate Vice President Apr. 2014 Corporate Senior Vice President Head of Global Delivery Apr. 2018 Corporate Executive Officer SEVP, Head of Digital Services Business Jan. 2019 SEVP, Head of Technology Solutions Business CTO ^{*4)} (to present) Jun. 2019 Representative Director and COO (to present) Apr. 2020 SEVP, Head of Global Solutions Business (to present)
		[Attendance at the FY2019 Board of Directors' Meetings] 100%
		[Important positions at other corporations/institutions] None
		[Reasons for Appointment] Mr. Hidenori Furuta has many years of experience in the systems integration business that involves establishing systems in collaboration with customers and led the Digital Service Business that involves creating new businesses through co-creation of value with customers and partners. He also has a wealth of international experience, including management of Global Delivery whose mission is to offer uniform services throughout the world. As CTO ^{*4)} he has been supporting CEO Mr. Takahito Tokita from a technological perspective. In view of his experience, the Company believes he is the most suitable person to fulfill the role of leading the initiatives for transformation to a DX ^{*1)} company in terms of the business operation. Therefore, the Company proposes that reappointing him as an Executive Director. The Company intends to reappoint him as Representative Director and COO, if his appointment is approved at this Shareholders' Meeting.
	[Comments on Special-interest Relationships] Mr. Hidenori Furuta has no special-interest relationships with the Company.	

<i>Candidate No.</i>	<i>Name and date of birth</i>	<i>Personal history, positions at the Company</i>
3	Takeshi Isobe (July 29, 1962) <i>*New appointment</i> [No. of the Company's Shares Held] 60	Apr. 1985 Joined the Company Jun. 2014 VP, Corporate Controller Division, Corporate Finance Unit Apr. 2018 Corporate Executive Officer, EVP, Head of Corporate Finance Unit (to present) Jun. 2019 CFO ^{*2)} (to present) Apr. 2020 Corporate Executive Officer, SEVP (to present)
		[Attendance at the FY2019 Board of Directors' Meetings] 100%
		[Important positions at other corporations/institutions] None
		[Reasons for Appointment] Mr. Takeshi Isobe has many years of experience in the Corporate Finance Unit of the Company. In the new management structure launched in the previous year, as CFO ^{*2)} , he has been promoting formulation and execution of the financial strategy and constructive dialogues with shareholders and investors. On this basis, he has been providing business support and advice to the management team including CEO Mr. Takahito Tokita from a financial perspective. In this way, he has been deeply involved in important decision-making concerning the Company's business execution. In view of his experience, the Company believes he is the most suitable person to fulfill the role of leading the initiatives for transformation to a DX ^{*1)} company from a financial perspective. Therefore, the Company proposes that appointing him as a new Executive Director.
	[Comments on Special-interest Relationships] Mr. Takeshi Isobe has no special-interest relationships with the Company.	

Candi- date No.	Name and date of birth	Personal history, positions at the Company
4	<p>Masami Yamamoto (January 11, 1954) <i>*Reappointment</i></p> <p>[No. of Years Served as a Director^{*5)}] 10</p> <p>[No. of the Company's Shares Held] 17,341</p> <p>[Attendance at the FY2019 Board of Directors' Meetings] 100%</p>	<p>Apr. 1976 Joined the Company</p> <p>Jun. 2004 Executive Vice President, Personal Systems Business Group</p> <p>Jun. 2005 Corporate Vice President</p> <p>Jun. 2007 Corporate Senior Vice President</p> <p>Jan. 2010 Corporate Senior Executive Vice President</p> <p>Apr. 2010 President</p> <p>Jun. 2010 Representative Director President</p> <p>Jun. 2015 Representative Director Chairman (until June 2017) Chairman of the Board of Directors (until June 2019)</p> <p>Jul. 2015 Member of the Executive Nomination Committee and Compensation Committee (until June 2019)</p> <p>Jun. 2017 Director and Chairman (until June 2019) Outside Director, JFE Holdings, Inc. (to present)</p> <p>Jun. 2019 Director and Senior Advisor (to present) Member of the Board of Directors (Outside Director), Mizuho Financial Group, Inc.</p> <p>[Important positions at other corporations/institutions] Outside Director, JFE Holdings, Inc. Member of the Board of Directors (Outside Director), Mizuho Financial Group, Inc. Member, Intellectual Property Strategy Headquarters, Cabinet Office</p>
	<p>[Reasons for Appointment] Mr. Masami Yamamoto has experience in business execution, having served as Representative Director and President for five years, and as Representative Director and Chairman for two years, following which, he has fulfilled his duty concerning management oversight functions as Chairman who is a Non-Executive Director for two years. At the same time, serving in key positions in the business community and at governmental institutions, he is engaged in external activities that advance the interests of the Japanese IT industry and contribute to enhancement of the Company's presence in the international community. The Company believes he is ideally suited to fulfill the role of being responsible for oversight of business execution and providing advice based on his experience and knowledge. Therefore, the Company proposes that reappointing him as a Non-Executive Director. The Company intends to reappoint him as Director and Senior Advisor, if his appointment is approved at this Shareholders' Meeting.</p>	
<p>[Comments on Special-interest Relationships] Mr. Masami Yamamoto has no special-interest relationships with the Company.</p>		
<p>[Special Notice regarding the Director Candidate] An agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act has been concluded between the Company and Mr. Masami Yamamoto. The Company plans to extend the agreement if his reappointment is approved at this Shareholders' Meeting^{*6)}.</p>		

Note

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

Candi- date No.	Name and date of birth	Personal history, positions at the Company	
	<p style="text-align: center;">Jun Yokota</p> <p style="text-align: center;">(June 26, 1947)</p> <p><i>*Reappointment</i> <i>*Independent Director</i></p> <p>[No. of Years Served as a Director*⁵⁾] 6</p> <p>[No. of the Company's Shares Held] 815</p> <p>[Attendance at the FY2019 Board of Directors' Meetings] 100%</p>	<p>Apr. 1971</p> <p>Jan. 1998</p> <p>Jun. 2002</p> <p>Apr. 2004</p> <p>May 2009</p> <p>Oct. 2012</p> <p>Jun. 2014</p> <p>Jun. 2014</p> <p>Jul. 2014</p> <p>Jul. 2019</p>	<p>Joined the Ministry of Foreign Affairs</p> <p>Deputy Director-General, Economic Affairs Bureau</p> <p>Consul-General of Japan in Hong Kong</p> <p>Ambassador Extraordinary and Plenipotentiary to the State of Israel</p> <p>Ambassador Extraordinary and Plenipotentiary to the Kingdom of Belgium</p> <p>Ambassador Extraordinary and Plenipotentiary in charge of Economic Diplomacy and of Reconstruction Assistance to Iraq (until January 2014)</p> <p>Special Advisor to the Chairman of KEIDANREN (until May 2018)</p> <p>Director (to present)</p> <p>Member of the Executive Nomination Committee (until June 2019)</p> <p>Member of the Compensation Committee (to present)</p> <p>Chairman of the Executive Nomination Committee (to present)</p> <p>[Important positions at other corporations/institutions]</p> <p>None</p>
5	<p>[Reasons for Appointment]</p> <p>Mr. Jun Yokota had no direct company management experience before he assumed the position of Director of the Company, but having served as Japan's ambassador to Israel and Belgium, and having served as Special Representative of the Government of Japan in charge of the Japan-EU Economic Partnership Agreement negotiations, he is an expert in international economic negotiations and brings a global perspective to political and economic discussions. Since becoming the Chairman of the Executive Nomination Committee in the previous year, he has been leading discussion about the qualifications required for candidates for Director with the aim of optimizing the composition of the Company's Board of Directors. Because the Company expects that he will continue to be able to provide oversight and advice from a fair and objective global perspective based on his experience to date, the Company proposes that reappointing him as an Independent Director.</p>		
<p>[Comments on Special-interest Relationships and the Independence of the Candidate]</p> <p>Mr. Jun Yokota has no special-interest relationships with the Company. Further, he is neither a Major Shareholder nor has he held an executive management position with a major trading partner of the Company, and he satisfies the Independence Standards (Refer to Page 5) established by the Company.</p> <p>In accordance with listing regulations, the Company has reported to the securities exchanges on which the Company is listed in Japan that he is an Independent Director.</p>			
<p>[Special Notice regarding the Director Candidate]</p> <p>An agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act has been concluded between the Company and Mr. Jun Yokota. The Company plans to extend the agreement if his reappointment is approved at this Shareholders' Meeting*⁶⁾.</p>			

Candi- date No.	Name and date of birth	Personal history, positions at the Company
6	<p>Chiaki Mukai (May 6, 1952)</p> <p><i>*Reappointment *Independent Director</i></p> <p>[No. of Years Served as a Director*5] 5</p> <p>[No. of the Company's Shares Held] 2,798</p> <p>[Attendance at the FY2019 Board of Directors' Meetings] 100%</p>	<p>Apr. 1977 Staff, Department of Surgery, Keio University School of Medicine (until November 1985)</p> <p>Aug. 1985 Payload Specialist, the National Space Development Agency of Japan*7) (until March 2015)</p> <p>Jun. 1987 Visiting Scientist, Division of Cardiovascular Physiology, Space Biomedical Research Institute, NASA Johnson Space Center (until December 1988)</p> <p>Apr. 2000 Visiting Professor of the Department of Surgery, Keio University School of Medicine (to present)</p> <p>Oct. 2014 Vice President of the Science Council of Japan (until September 2017)</p> <p>Apr. 2015 Vice President of Tokyo University of Science (until March 2016)</p> <p>Jun. 2015 Director (to present)</p> <p>Apr. 2016 Specially Appointed Vice President of Tokyo University of Science (to present)</p> <p>Jul. 2016 Member of the Executive Nomination Committee (to present) Member of the Compensation Committee (until June 2018)</p> <p>Jan. 2017 Chair of the Scientific and Technical Subcommittee, UN Committee on the Peaceful Uses of Outer Space (COPUOS) (until January 2018)</p> <p>Apr. 2018 Special Counselor of the JAXA (to present)</p> <p>Jul. 2018 Chairperson of the Compensation Committee (to present)</p> <p>Mar. 2019 Outside Director, Kao Corporation (to present)</p> <p>[Important positions at other corporations/institutions] Specially Appointed Vice President of Tokyo University of Science Outside Director, Kao Corporation</p>
[Reasons for Appointment]		
<p>Although Ms. Chiaki Mukai had not been directly involved with company management before she assumed the position of Director of the Company, she has an impressive personal history as a doctor who became Asia's first female astronaut, and she 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 perspective based on broad knowledge of science and technology, the Company proposes that reappointing her as an Independent Director.</p>		
[Comments on Special-interest Relationships and the Independence of the Candidate]		
<p>Ms. Chiaki Mukai has no special-interest relationships with the Company. Academic Corporation Tokyo University of Science that operates Tokyo University of Science, where she serves as Specially Appointed Vice President, and the Company do have sales business dealings that in fiscal 2019 amounted to approximately 13 million yen. In light of the scale of the Company's sales, however, this is not considered material. Thus, she satisfies the Independence Standards (Refer to Page 5) established by the Company. In accordance with listing regulations, the Company has reported to the securities exchanges on which the Company is listed in Japan that she is an Independent Director.</p>		
[Special Notice regarding the Director Candidate]		
<p>An agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act has been concluded between the Company and Ms. Chiaki Mukai. The Company plans to extend the agreement if her reappointment is approved at this Shareholders' Meeting*6).</p>		

Note

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

Candi- date No.	Name and date of birth	Personal history, positions at the Company
7	<p style="text-align: center;">Atsushi Abe</p> <p style="text-align: center;">(October 19, 1953)</p> <p><i>*Reappointment</i> <i>*Independent Director</i></p> <p>[No. of Years Served as a Director*5] 5</p> <p>[No. of the Company's Shares Held] 2,405</p> <p>[Attendance at the FY2019 Board of Directors' Meetings] 100%</p>	<p>Apr. 1977 Mitsui & Co., Ltd.</p> <p>Jun. 1990 Manager, Electronic Industry Department, Mitsui & Co., Ltd.</p> <p>Jan. 1993 Managing Director, Alex. Brown & Sons, Inc.*8)</p> <p>Aug. 2001 Managing Director and Head of Global Corporate Finance, Deutsche Securities, Ltd.*9)</p> <p>Aug. 2004 Partner & Head of Japan, J.P. Morgan Partners Asia*10) (until March 2009)</p> <p>May 2007 Board Member, Edwards Group Ltd.*11) (until October 2009)</p> <p>Dec. 2009 Managing Partner, Sangyo Sosei Advisory Inc. (to present)</p> <p>Feb. 2011 Board Member, ON Semiconductor Corporation (to present)</p> <p>Jun. 2015 Director (to present)</p> <p>Jun. 2019 Chairman of the Board of Directors (to present)</p> <p>Dec. 2019 Senior Advisor, Sangyo Sosei Advisory Inc. (to present)</p> <p>[Important positions at other corporations/institutions] Managing Partner, Senior Advisor, Sangyo Sosei Advisory Inc. Board Member, ON Semiconductor Corporation</p>
		<p>[Reasons for Appointment] Through many years of experience in investment banking and private equity, Mr. Atsushi Abe has gained a deep understanding of the ICT industry and mergers and acquisitions. Since he became the Chairman of the Board of Directors in the previous year, he has been managing proceedings objectively from his perspective as an investor gained through his experience to date and dialogues with institutional investors and has been leading discussion. Because the Company expects that, in addition to being able to provide oversight and advice from a shareholder and investor perspective, he will continue to contribute to timely and decisive management decision-making, the Company proposes that reappointing him as an Independent Director. The Company intends to reappoint him as Chairman of the Board of Directors, if his appointment is approved at this Shareholders' Meeting.</p> <p>[Comments on Special-interest Relationships and the Independence of the Candidate] Mr. Atsushi Abe has no special-interest relationships with the Company. Sangyo Sosei Advisory Inc., where he serves as Managing Partner, and ON Semiconductor Corporation, where he serves as Board Member, and the Company have no business dealings. He is neither a Major Shareholder nor has he held an executive management position with a major trading partner of the Company, and does not receive monetary benefits other than the compensation as a Director of the Company, and thus, he satisfies the Independence Standards (Refer to Page 5) established by the Company. In accordance with listing regulations, the Company has reported to the securities exchanges on which the Company is listed in Japan that he is an Independent Director.</p> <p>[Special Notice regarding the Director Candidate] An agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act has been concluded between the Company and Mr. Atsushi Abe. The Company plans to extend the agreement if his reappointment is approved at this Shareholders' Meeting*6).</p>

Notes

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

*9) Currently, Deutsche Securities Inc.

*10) Currently, Unitas Capital

*11) Currently, Atlas Copco

Candi- date No.	Name and date of birth	Personal history, positions at the Company
8	<p>Yoshiko Kojo*12)</p> <p>(June 19, 1956)</p> <p><i>*Reappointment *Independent Director</i></p> <p>[No. of Years Served as a Director*5)] 2</p> <p>[No. of the Company's Shares Held] 509</p> <p>[Attendance at the FY2019 Board of Directors' Meetings] 100%</p>	<p>Apr. 1988 Assistant Professor of International Relations, Faculty of Law, Kokugakuin University</p> <p>Apr. 1991 Associate Professor of International Relations, Faculty of Law, Kokugakuin University</p> <p>Apr. 1996 Associate Professor of International Relations, Department of Advanced Social and International Studies, the University of Tokyo</p> <p>Jun. 1999 Professor of International Relations, Department of Advanced Social and International Relations, the University of Tokyo (until March 2020)</p> <p>Oct. 2010 President, Japan Association of International Relations</p> <p>Oct. 2012 Member of Advisory Board, Japan Association of International Relations (to present)</p> <p>Oct. 2014 Member of Science Council, Japan (to present)</p> <p>Jun. 2018 Director (to present)</p> <p>Jul. 2019 Member of the Executive Nomination Committee and Compensation Committee (to present)</p> <p>Apr. 2020 Professor, Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication (to present)</p> <p>[Important positions at other corporations/institutions] Professor, Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication</p>
<p>[Reasons for Appointment]</p> <p>Although Ms. Yoshiko Kojo had no direct company management experience before she joined the Board, she served in important positions, including the President of the Japan Association of International Relations, and her research has for many years focused mainly on the impact of economic entities, including private companies, on international politics. The Company expects that she will be able to provide extensive advice and oversight concerning the Company's responses to change in the external environment during a dramatic transition of international politics and initiatives for SDGs*13) based on her deep insight. Therefore, the Company proposes that reappointing her as an Independent Director.</p>		
<p>[Comments on Special-interest Relationships and the Independence of the Candidate]</p> <p>Ms. Yoshiko Kojo has no special-interest relationships with the Company. She is neither a Major Shareholder nor has she held an executive management position with a major trading partner of the Company, and thus the Company believes that she satisfies the Independence Standards (Refer to Page 5) established by the Company. In accordance with listing regulations, the Company has reported to the securities exchanges on which the Company is listed in Japan that she is an Independent Director.</p>		
<p>[Special Notice regarding the Director Candidate]</p> <p>An agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act has been concluded between the Company and Ms. Yoshiko Kojo. The Company plans to extend the agreement if his reappointment is approved at this Shareholders' Meeting*6).</p>		

Notes

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

*13) Abbreviation of "Sustainable Development Goals."

SDGs, adopted by the United Nations in 2015, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Candi- date No.	Name and date of birth	Personal history, positions at the Company
	<p style="text-align: center;">Scott Callon^{*14)}</p> <p style="text-align: center;">(December 6, 1964)</p> <p><i>*New appointment</i> <i>*Independent Director</i></p> <p>[No. of the Company's Shares Held] 0</p>	<p>Apr. 1988 MIPS Computer Systems, Inc.^{*15)}</p> <p>Jan. 2003 Head of Equities, Morgan Stanley Japan Limited^{*16)}</p> <p>May 2006 Chief Executive Officer, Ichigo Asset Management, Ltd. (to present)</p> <p>Oct. 2008 Chairman and Representative Statutory Executive Officer, Asset Managers Holdings Co., Ltd.^{*17)} (to present)</p> <p>Nov. 2008 Director and Chairman of the Board of Directors, Asset Managers Holdings Co., Ltd.^{*17)} (to present)</p> <p>May 2012 External Audit & Supervisory Board Member, Chiyoda Co., Ltd. (until May 2015)</p> <p>May 2015 External Director, Chiyoda Co., Ltd. (retiring in May 2020)</p> <p>Mar. 2020 Chairman and Representative Director, Japan Display Inc. (to present)</p> <p>[Important positions at other corporations/institutions] Chief Executive Officer, Ichigo Asset Management, Ltd. Director and Chairman of the Board of Directors, Chairman and Representative Statutory Executive Officer, Ichigo Inc. Chairman and Representative Director, Japan Display Inc.</p>
9	[Reasons for Appointment]	<p>Having served at a foreign-owned securities firm, Mr. Scott Callon currently serves as Chief Executive Officer, Ichigo Asset Management, Ltd., a non-affiliated investment advisory firm specialized in investment in Japanese stocks, and has experience of engaging in dialogues with investees as an institutional investor. In view of his experience, the Company expects that he will be able to provide oversight and advice from a shareholder and investors' perspective. Therefore, the Company proposes that appointing him as an Independent Director.</p>
	[Comments on Special-interest Relationships and the Independence of the Candidate]	<p>Mr. Scott Callon has no special-interest relationships with the Company.</p> <p>Ichigo Asset Management, Ltd., where he serves as Chief Executive Officer, and Ichigo Inc., where he serves as Director and Chairman of the Board of Directors, Chairman and Representative Statutory Executive Officer, and the Company have no business dealings. Japan Display Inc., where he serves as Chairman and Representative Director, and the Company do engage in sales transactions that in fiscal 2019 amounted to approximately 330 million yen. In light of the scale of the Company's sales, however, this is not considered material.</p> <p>ICHIGO TRUST PTE. LTD., which is a joint owner that exercises voting rights jointly with Ichigo Asset Management, Ltd., where Mr. Callon serves as Chief Executive Officer, is a shareholder of the Company with a large ownership, but is not a Major Shareholder as defined by the Independence Standards (Refer to Page 5) established by the Company. Moreover, he has not held an executive management position with a major trading partner of the Company, and thus, he satisfies the Independence Standards established by the Company. In accordance with listing regulations, the Company plans to report to the securities exchanges on which the Company is listed in Japan that he is an Independent Director. Additionally, he has declared that he would fulfill his duties as a Director for the Company and for all the shareholders of the Company.</p>
	[Special Notice regarding the Director Candidate]	<p>The Company plans to conclude an agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act with Mr. Scott Callon if his appointment is approved at this Shareholders' Meeting^{*6)}.</p>

Notes

^{*14)} The name of Scott Callon in the domiciliary register is Callon Scott Anderburg.

^{*15)} Currently, Wave Computing

^{*16)} Currently, Morgan Stanley MUFG Securities Co., Ltd.

^{*17)} Currently, Ichigo Inc.

Proposal No. 2 Election of Two Audit & Supervisory Board Members

The terms of office for Audit & Supervisory Board Member Mr. Yoshiaki Kondo, for Independent Audit & Supervisory Board Member Mr. Megumi Yamamuro, and for Independent Audit & Supervisory Board Member Mr. Hiroshi Mitani expire at the close of this Shareholders' Meeting. The Company proposes the election of two Audit & Supervisory Board Members. The candidates for the position of Audit & Supervisory Board Member are stated below on Pages 14 to 15.

Taking into account that an important role of Audit & Supervisory Board Members is to perform compliance audits and accounting audits, the Company will adopt a structure for audits to be performed by two full-time Audit & Supervisory Board Members and two Independent Audit & Supervisory Board Members who have the experience and knowledge required for such audits.

Although the number of Audit & Supervisory Board Members will be reduced by one, the audit structure will be strengthened to enable Audit & Supervisory Board Members to fulfill their important roles, and the Company believes effectiveness of governance will continue to be ensured.

The Company has already received approval for this proposal from the Audit & Supervisory Board.

Candi- date No.	Name and date of birth	Personal history, positions at the Company
1	<p>Megumi Yamamuro (March 8, 1948)</p> <p><i>*New appointment</i></p> <p>[No. of the Company's Shares Held] 0</p>	<p>Apr. 1974 Assistant Judge, Tokyo District Court Apr. 1984 Judge, Tokyo District Court Apr. 1988 Professor, The Legal Training and Research Institute of Japan Apr. 1997 Judge, Tokyo High Court Jul. 2004 Registered as a Lawyer Participated in CAST Law P.C. *18) (to present) Oct. 2004 Professor, University of Tokyo Graduate Schools for Law and Politics (until September 2010) Jun. 2005 External Audit & Supervisory Board Member (to present) Jun. 2013 External Audit & Supervisory Board Member, Yachiyo Industry Co., Ltd. (retiring in June 2020) Jul. 2013 Member of the Executive Nomination Committee and Compensation Committee, the Company (until July 2016)</p> <p>[Important positions at other corporations/institutions] Lawyer and Special Advisor, URYU & ITOGA</p>
[Reasons for Appointment]		<p>Mr. Megumi Yamamuro has extensive experience in the legal field and possesses expertise in corporate legal affairs, including the Companies Act, as well as domestic and international compliance measures. As he has served as External Audit & Supervisory Board Member for 15 years*19), he also has in-depth knowledge about Fujitsu Group's business and risk management and compliance systems, and thus the Company proposes that appointing him as an Audit & Supervisory Board Member. The Company intends to appoint him as a full-time Audit & Supervisory Board Member, if his appointment is approved at this Shareholders' Meeting.</p>
[Comments on Special-interest Relationships and the Independence of the Candidate]		<p>Mr. Megumi Yamamuro has no special-interest relationships with the Company.</p>
[Special Notice regarding the Audit & Supervisory Board Member Candidate]		<p>The Company plans to conclude an agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act with Mr. Megumi Yamamuro, if his appointment is approved at this Shareholders' Meeting*6).</p>

Notes

*18) Currently, URYU & ITOGA

*19) In June 2010, the Company reported to the securities exchanges on which the Company is listed in Japan that Mr. Megumi Yamamuro is an Independent Audit & Supervisory Board Member. Since then, he has been serving as Independent Audit & Supervisory Board Member of the Company for 10 years. He attended 100% of both the Board of Directors Meetings and the Audit & Supervisory Board Meetings held during FY 2019 in his capacity as an Independent Audit & Supervisory Board Member.

Candi- date No.	Name and date of birth	Personal history, positions at the Company
2	<p style="text-align: center;">Hideo Makuta (February 6, 1953)</p> <p><i>*New appointment *Independent Audit & Supervisory Board Member</i></p> <p>[No. of the Company's Shares Held] 0</p>	<p>Apr. 1978 Public Prosecutor, Tokyo District Public Prosecutors Office Dec. 2006 Chief Prosecutor, Niigata District Public Prosecutors Office Apr. 2010 Chief Prosecutor, Chiba District Public Prosecutors Office</p> <p>Aug. 2011 Director, Criminal Affairs Department, Supreme Public Prosecutors Office Jul. 2012 Commissioner, Japan Fair Trade Commission (until June 2017) Sep. 2017 Registered as a Lawyer Advisor, Nagashima Ohno & Tsunematsu (to present) Apr. 2019 Commissioner, Contract Monitoring Committee, Japan Atomic Energy Agency (to present) Jun. 2019 External Director, Maeda Corporation (to present)</p> <p>[Important positions at other corporations/institutions] Advisor, Nagashima Ohno & Tsunematsu External Director, Maeda Corporation</p>
[Reasons for Appointment]		
Mr. Hideo Makuta has no direct company management experience, but having served as a prosecutor and a Commissioner of the Japan Fair Trade Commission, he 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 proposes that appointing him as an Independent Audit & Supervisory Board Member.		
[Comments on Special-interest Relationships and the Independence of the Candidate]		
Mr. Hideo Makuta has no special-interest relationships with the Company. He is neither a Major Shareholder nor has he held an executive management position with a major trading partner of the Company, and thus the Company believes that he satisfies the Independence Standards (Refer to Page 5) established by the Company. Therefore, in accordance with listing regulations, the Company plans to report to the securities exchanges on which the Company is listed in Japan that he is an Independent Audit & Supervisory Board Member.		
[Special Notice regarding the Audit & Supervisory Board Member Candidate]		
The Company plans to conclude an agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act with Mr. Hideo Makuta, if his appointment is approved at this Shareholders' Meeting*6).		

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

To prepare for a contingency in which the number of Audit & Supervisory Board Members falls below the minimum prescribed by laws and regulations, the Company proposes the election of one substitute Audit & Supervisory Board Member. The candidate for the position of substitute Audit & Supervisory Board Member is stated below. The Company has already received approval for this proposal from the Audit & Supervisory Board.

<i>Name and date of birth</i>	<i>Personal history, positions at the Company</i>
<p style="text-align: center;">Kouichi Nanba (September 1, 1949)</p> <p><i>*New appointment *Substitute Independent Audit & Supervisory Board Member</i></p> <p>[No. of the Company's Shares Held] 0</p>	<p>Apr. 1979 Assistant Judge, Tokyo District Court Apr. 1989 Judge, Chiba District Family Court Apr. 1993 Professor, The Legal Training and Research Institute of Japan Apr. 1997 Judge, Tokyo District Court Apr. 1999 Chief Judge, Tokyo District Court May 2010 Director, Kumamoto District Court Aug. 2012 Chief Judge, Tokyo High Court Oct. 2014 Registered as a Lawyer Special Counsel, Mori Hamada & Matsumoto (to present) Jun. 2019 External Director, Audit & Supervisory Committee Member, Advantest Corporation (to present)</p> <p>[Important positions at other corporations/institutions] Special Counsel, Mori Hamada & Matsumoto External Director, Audit & Supervisory Committee Member, Advantest Corporation</p>
<p>[Reasons for Appointment]</p>	<p>Mr. Kouichi Nanba has no direct company management experience, but having served as Chief Judge of Tokyo High Court and in other positions, he has in-depth knowledge of law. Therefore, the Company proposes that appointing him as a substitute Independent Audit & Supervisory Board Member in preparation for a contingency in which the number of Audit & Supervisory Board Members falls below the minimum prescribed by laws and regulations.</p>
<p>[Comments on Special-interest Relationships and the Independence of the Candidate]</p>	<p>Mr. Kouichi Nanba has no special-interest relationships with the Company. He is neither a Major Shareholder nor has he held an executive management position with a major trading partner of the Company, and thus the Company believes that he satisfies the Independence Standards (Refer to Page 5) established by the Company. Therefore, if he assumes office as Independent Audit & Supervisory Board Member, in accordance with listing regulations, the Company plans to report to the securities exchanges on which the Company is listed in Japan that he is an Independent Audit & Supervisory Board Member.</p>
<p>[Special Notice regarding the Audit & Supervisory Board Member Candidate]</p>	<p>The Company plans to conclude an agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act with Mr. Kouichi Nanba if he assumes office as Independent Audit & Supervisory Board Member*6).</p>

Exhibit A

Reports on the 120th Business Period

FUJITSU LIMITED

Note:

This English version of *Reports on the 120th Business Period* is a translation for reference only.
The style of this English version differs slightly from the original Japanese version.

To Our Shareholders

We welcome the opportunity to present this report on our 120th business period (covering fiscal year 2019, from April 1, 2019 to March 31, 2020).

Amid the growing global threat of COVID-19, first of all, I would like to express my heartfelt wishes for the safety and health of our shareholders and the early recovery of those suffering from COVID-19. While our priority is to help prevent the spread of COVID-19 by implementing remote working as widely as possible, we are continuing to offer products and services while implementing measures designed to help resolve social issues caused by the spread of COVID-19.

The Management Direction announced in September 2019 signaled that Fujitsu has embarked on transformation “from an IT company to a DX company.” This involves aiming for growth in the “digital field” encompassing the DX business based on such technologies as AI and data utilization while pursuing modernization, including migration to the cloud, which collectively constitute an essential step toward realizing DX.

To facilitate this reorientation, in January 2020 we established Ridgelinez Limited, a new company whose mission is to help customers accelerate their DX. Ridgelinez began operation in April. Moreover, to underpin Fujitsu’s own transformation into a DX company, we are also promoting reform of internal systems, such as introduction of a job-based personnel system and hiring of highly skilled professionals.

Meanwhile, in the conventional IT business field in Japan where we have built a strong business foundation, we are implementing initiatives to strengthen the structure, including the launch of a new company, which we have already announced, to achieve “overwhelming business expansion.”

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

Regarding the financial performance in fiscal 2019, profit increased from the previous year, owing mainly to an increase in revenue from businesses in Japan and an improvement in the gross margin ratio. For details of our financial results, please refer to page A-4.

Considering these financial results, the financial position, and the business environment from now on in a comprehensive manner, as announced on January 30, 2020, we will increase the year-end dividend for fiscal 2019 from the initial plan of 80 yen to 100 yen, resulting in an annual dividend of 180 yen.

With a view to flourishing in the run-up to our 2035 centenary and far into the future in a rapidly changing world, we have set the Purpose: “Make the world more sustainable by

building trust in society through innovation.” In fiscal 2020, we will further promote creation of value offered to our customers and transformation of ourselves. We would like to ask for continued support and encouragement from all shareholders.

May 2020

Takahito Tokita, CEO

Notes

1. DX: Digital transformation. Using digital technologies and data to deliver innovative services and transform business processes
2. Modernization: Transformation to a system that can respond to changes and rapidly utilize advanced technologies, while utilizing existing assets
3. Purpose: the reason for the Company’s existence

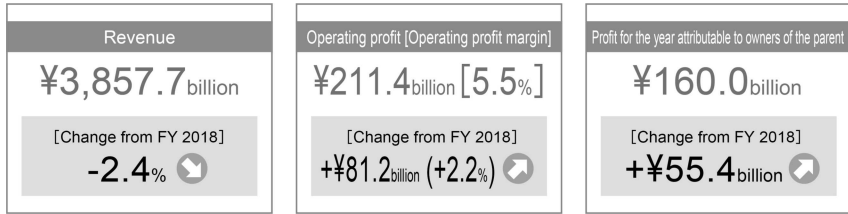
Business Report

1. Business Overview (April 1, 2019 to March 31, 2020)

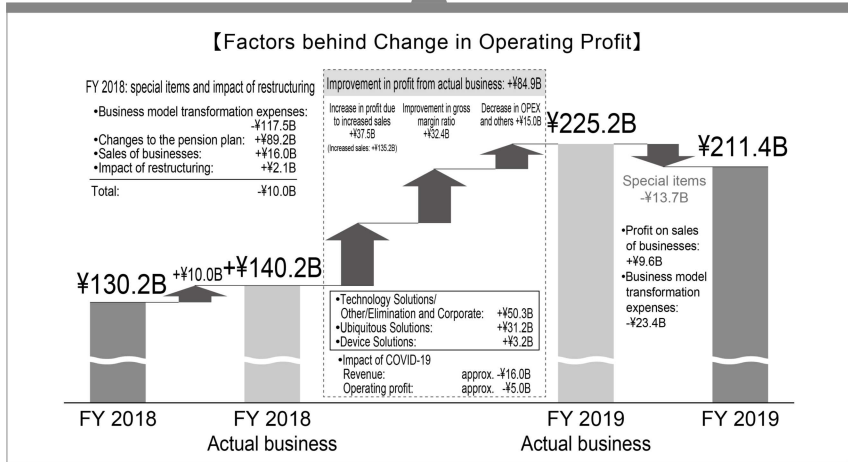
(1) Major Businesses of the Fujitsu Group (As of March 31, 2020)

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

<i>Segment</i>	<i>Main products and services</i>
Technology Solutions	<p>[Services]</p> <ul style="list-style-type: none"> ○Solutions/Systems Integration <ul style="list-style-type: none"> • Systems integration services (system construction, business applications, etc.) • Consulting • Front-end technology (ATMs, POS systems, etc.) ○Infrastructure Services <ul style="list-style-type: none"> • Outsourcing services (data centers, ICT operational management, application usage and management, business process outsourcing, etc.) • Cloud services (IaaS, PaaS, SaaS, etc.) • Network services (business networks, etc.) • System support services (information system and network maintenance and monitoring services, etc.) • Security solutions <p>[System Platforms]</p> <ul style="list-style-type: none"> ○System Products <ul style="list-style-type: none"> • Servers (mainframes, UNIX servers, mission-critical IA servers, PC servers) • Storage systems • Software (OS, middleware) ○Network Products <ul style="list-style-type: none"> • Network control systems • Optical transmission systems • Mobile phone base stations
Ubiquitous Solutions	<ul style="list-style-type: none"> • Personal computers
Device Solutions	<ul style="list-style-type: none"> • LSI Devices • Electronic components (Semiconductor packages, Batteries, etc.)

(2) Trends and Results for the Consolidated Group**a) Overview**

(Note) Revenue to unaffiliated customers



Consolidated revenue for fiscal 2019 was 3,857.7 billion yen, down 2.4% from fiscal 2018. Revenue from the businesses in Japan grew greatly centering on the Services sub-segment and the PC business. However, the decline in revenue was primarily due to the exclusion of a semiconductor sales subsidiary and an electronic device manufacturing subsidiary from the scope of consolidation in the previous year as a result of restructuring as well as the exclusion of Semiconductor Mie Plant from the scope of consolidation in the fiscal year under review.

Operating profit of the actual business amounted to 225.2 billion yen for fiscal 2019, an increase of 84.9 billion yen compared with the operating profit of the actual business for fiscal 2018 (140.2 billion yen), which excludes special items, such as business model transformation expenses, and the impact of restructuring. This increase was mainly attributable to the increased sales from businesses in Japan, improved gross margin ratio, and fixed cost reduction by business model transformation.

Special items for fiscal 2019 included recording of profit associated with the sale of businesses amounting to 9.6 billion yen and business model transformation expenses

amounting to 23.4 billion yen, including expenses associated with the restructuring of the overseas businesses and expenses associated with consolidation of factories in Japan. Including these special items, operating profit amounted to 211.4 billion yen, up 81.2 billion yen from fiscal 2018.

Net financial income, consisting of financial income, financial expenses, and income from investments accounted for using the equity method, net, was 17.0 billion yen, representing a decrease of 14.4 billion yen from the previous fiscal year. Financial income fell because, whereas one-time profit relating to the sale of the PC business (11.6 billion yen) was recorded in the previous fiscal year, there was no such item in the year under review.

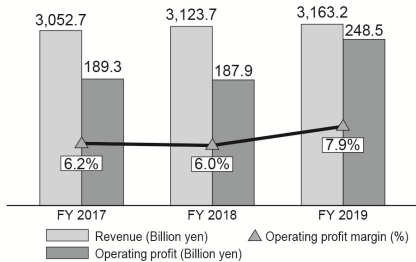
As a result, profit before income taxes was 228.5 billion yen, an increase of 66.7 billion yen from the previous fiscal year.

Profit for the year attributable to owners of the parent was 160.0 billion yen, up 55.4 billion yen from fiscal 2018.

Regarding the impacts of COVID-19 on Fujitsu's business, in addition to disruption caused to parts procurement of the System Platforms sub-segment mainly in the network products business, delay in delivery was caused owing to disruption of physical distribution in Asia. These impacts reduced revenue and operating profit by 16.0 billion yen and by 5.0 billion yen, respectively.

b) Overview by Business Segment

Technology Solutions



	FY 2017	FY 2018	FY 2019
Breakdown of Revenue			
Services	2,598.3	2,663.8	2,671.8
System Platforms	454.3	459.9	491.3
Breakdown of Operating Profit			
Services	163.4	174.0	197.1
System Platforms	25.9	13.9	51.4

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

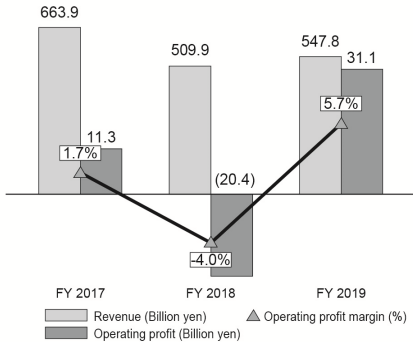
Revenue in the Technology Solutions segment amounted to 3,163.2 billion yen, an increase of 1.3% year on year. Revenue in Japan increased 6.9% year on year while revenue outside Japan decreased 10.5% year on year.

As for the Services sub-segment, revenue from Infrastructure Services decreased 6.2% year on year. In Japan, revenue from monthly fee services, such as outsourcing, was robust, but there was a decline in the aftermath of the previous year's major deals concerning infrastructure construction. Outside Japan, the decline in revenue was attributable to the withdrawal from European countries where business had been unprofitable, in addition to the impact of the strong yen against the euro and pound and lackluster sales in North America. On the other hand, Solutions/SI recorded the highest ever revenue, following the previous year, reflecting higher sales in manufacturing and distribution industries as well as in the public sector, primarily from local governments and health care services. As a result, overall revenue from the Services sub-segment increased.

Revenue from the System Platforms sub-segment increased. In System Products, in addition to an increase in sales due to a boost in mainframe deals, the start of shipping of the Fugaku next-generation supercomputer contributed to higher sales. In Network Products, sales also increased, reflecting the start of delivery of 5G base stations and an increase in deals regarding reinforcement of optical fiber networks.

The segment posted an operating profit of 248.5 billion yen, up 60.5 billion yen compared to fiscal 2018. North American business restructuring expenses (9.3 billion yen) in the Services sub-segment and expenses for consolidation of factories in Japan (4.4 billion yen) were recorded as business model transformation expenses. Profit of the actual business increased significantly from fiscal 2018 due to not only increased revenue from Solutions/SI and Network Products but also the impact of improved profitability of Infrastructure Services and improved profitability of System Products resulting from the decline in prices of key devices.

Ubiquitous Solutions

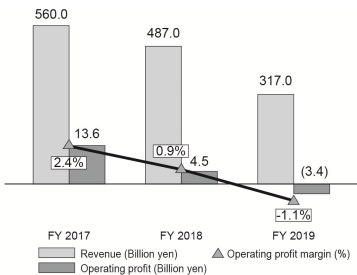


Revenue in the Ubiquitous Solutions segment was 547.8 billion yen, up 7.4% year on year. Revenue in Japan increased 13.5% year on year and revenue outside Japan decreased 6.7% year on year.

Revenue increased greatly owing to continued replacement demand in response to the end of the Windows 7 support period in addition to demand associated with workstyle reform.

Operating profit amounted to 31.1 billion yen, an increase of 51.6 billion yen from fiscal 2018. In addition to higher revenue, improved profitability resulting from the decline in prices of key devices such as memory contributed to higher profit. Also, whereas business model transformation expenses were recorded in fiscal 2018, no such item was recorded in fiscal 2019.

Device Solutions



Revenue in the Device Solutions segment amounted to 317.0 billion yen, down 34.9% year on year. The decline in revenue was primarily due to the exclusion from the scope of consolidation of a semiconductor sales company and an electronic component manufacturing company in the previous year as well as Semiconductor Mie Plant in the fiscal year under review as a result of restructuring. Revenue excluding the impact of the restructuring increased owing to increased demand for electronic components.

The segment posted an operating loss of 3.4 billion yen, representing a deterioration of 7.9 billion yen from fiscal 2018. Profit decreased owing to restructuring expenses related to the Electronic Components business and the exclusion of Semiconductor Mie Plant from the scope of consolidation. Operating profit excluding the impact of the restructuring was virtually unchanged from fiscal 2018.

Note: Revenue in each segment includes intersegment revenue.

Other/Elimination and Corporate

This segment recorded an operating loss of 64.7 billion yen, representing a deterioration of 22.9 billion yen from fiscal 2018. Special items included the recording of one-off profit associated with the changes to the pension plan (89.2 billion yen) and career shift support-related expenses (45.8 billion yen) in fiscal 2018 and the recording of one-off profit related to sale of businesses (9.6 billion yen) in fiscal 2019. Excluding these special factors, the segment loss amounted to 74.4 billion yen, a substantial improvement of 23.5 billion yen from fiscal 2018. This improvement was due to promotion of reduction of indirect expenses and greater selection and focus for upfront investments, in addition to the fixed cost reduction effect by business model transformation.

(3) Consolidated Asset and Profit (Loss) Situation for the Most Recent Four Fiscal Years*Billion yen, except where stated*

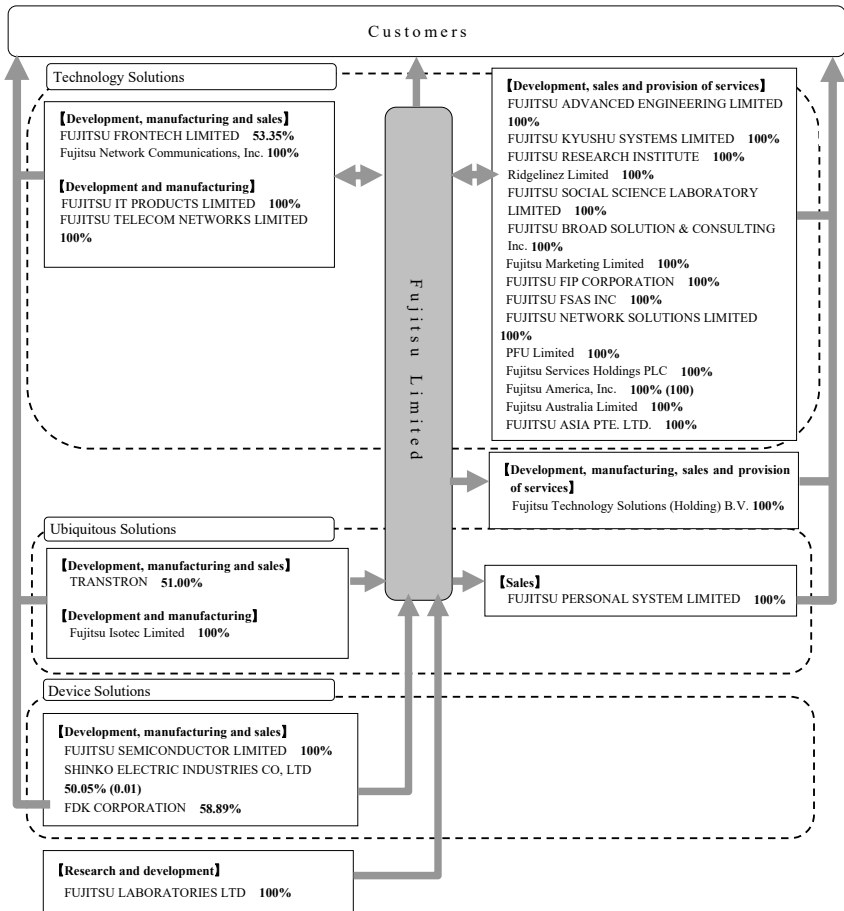
<i>Fiscal Year (Business period)</i>	<i>FY 2016 (117th)</i>	<i>FY 2017 (118th)</i>	<i>FY 2018 (119th)</i>	<i>FY 2019 (Current period)</i>
Revenue	¥4,132.9	¥4,098.3	¥3,952.4	¥3,857.7
Japan (included in Revenue)	2,671.6	2,591.5	2,517.0	2,629.2
Outside Japan (included in Revenue)	1,461.2	1,506.8	1,435.4	1,228.5
Ratio of Revenue Outside Japan [%]	[35.4]	[36.8]	[36.3]	[31.8]
Operating Profit	117.4	182.4	130.2	211.4
Operating Profit Margin [%]	[2.8]	[4.5]	[3.3]	[5.5]
Profit for the Year				
Attributable to Owners of the Parent	88.4	169.3	104.5	160.0
Basic Earnings per share [yen]	428.34	825.32	512.50	791.20
Total Assets	3,191.4	3,121.5	3,104.8	3,187.4
Equity Attributable to Owners of the Parent	881.2	1,087.7	1,132.0	1,240.9
Equity Attributable to Owners of the Parent Ratio [%]	[27.6]	[34.8]	[36.5]	[38.9]
Equity per Share attributable to Owners of the Parent [yen]	4,298.00	5,283.85	5,585.35	6,197.11
Free Cash Flow	104.8	177.8	103.5	233.0

Notes:

1. Pursuant to Article 120, Paragraph 1 of the Ordinance of Companies' Accounting, the Company prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS).
2. Free cash flow: Total of cash flows from operating and investing activities
3. On October 1, 2018, the Company conducted consolidation of shares of common stock at a rate of one share for every ten shares. Basic Earnings per share and Equity per Share attributable to Owners of the Parent have been calculated on the basis that share consolidation had been conducted at the beginning of the 117th fiscal term.

(4) The Fujitsu Group

The positioning of, and relationship between, Fujitsu Limited and its principal consolidated subsidiaries and affiliates (as of March 31, 2020) are shown below.

**(Equity method affiliates)**

FUJITSU GENERAL LIMITED 44.10%, FUJITSU LEASING Co, Ltd 20.00%, Socionext Inc. 40.00%, FUJITSU CONNECTED TECHNOLOGIES LIMITED 30.00%, FUJITSU CLIENT COMPUTING LIMITED 44.00%, FUJITSU COMPONENT LIMITED 25.00%, Fujitsu Electronics Inc. 30.00% (30.00), etc.

Notes:

1. Percentages are percentages of voting rights and figures in parentheses are indirect shareholdings, which are included in the percentages of voting rights.
2. FUJITSU CLIENT COMPUTING LIMITED delivers parts of personal computers for enterprises it develops and manufactures to the Company.
3. Fujitsu Electronics Inc. sells parts of electronic devices developed and manufactured by the Company's subsidiaries.

(5) Significant Realignment

- 1) On April 1, 2019, the Company succeeded to the data center service business of FUJITSU FIP CORPORATION through an absorption-type company split.
- 2) On October 1, 2019, Fujitsu Semiconductor Limited (FSL), a subsidiary of the Company, completed the procedure for transfer of its entire shareholdings in Mie Fujitsu Semiconductor Limited (MIFS) to United Microelectronics Corporation. As a result, MIFS is no longer a consolidated subsidiary of the Company.
- 3) On January 1, 2020, the Company absorbed and merged with FUJITSU CIT LIMITED.
- 4) On March 31, 2020, the Company implemented a group reorganization of the semiconductor business. In line with this reorganization, FSL split its system memory business through an incorporation-type company split, transferred the assets related to the semiconductor business, owned by FSL, to AIZU FUJITSU SEMICONDUCTOR LIMITED (AFSL) through an absorption-type company split, and the Company absorbed and merged with FSL. AFSL changed its trade name to Fujitsu Semiconductor Limited.

(6) Capital Expenditures

Capital expenditures in fiscal 2019 totaled 96.4 billion yen, an increase of 15.4% compared with fiscal 2018.

In the Technology Solutions segment, capital expenditures amounted to 50.7 billion yen, primarily for data centers in and outside Japan and for the cloud service business.

In the Ubiquitous Solutions segment, capital expenditures amounted to 1.3 billion yen, mainly for the PC business.

In the Device Solutions segment, capital expenditures amounted to 42.5 billion yen, because of an increase in investment for production equipment for electronic components at Shinko Electric Industries Co., Ltd.

Capital expenditures other than those for the above segments amounted to 1.9 billion yen mainly for improvement of IT infrastructure.

(7) Capital Procurement

During fiscal 2019 the Company did not engage in capital procurement by means of issuance of shares or bonds.

(8) Principal Lenders (As of March 31, 2020)

<i>Lender</i>	<i>Loan amount (million yen)</i>
MUFG Bank, Ltd.	37,540
Sumitomo Mitsui Banking Corporation	18,941
Mizuho Bank, Ltd.	15,716
Sumitomo Mitsui Trust Bank, Limited	11,738
The Bank of Yokohama, Ltd.	10,000
The Norinchukin Bank	10,000

(9) Key Challenges Ahead

Through its constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world. To achieve this vision, the Fujitsu Group strives for sustainable profit and growth, while continually enhancing its corporate value.

[Market environment]

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

In these circumstances, spearheading digital transformation (DX) of companies, demand for which is rising, the Group aims to transform itself into a DX company that contributes to resolution of social issues. To this end, the Group formulated a new Management Direction through discussion at the Board of Directors Meetings, the Independent Directors & Auditors Council, and other opportunities and announced it in September 2019.

[Outline of the Management Direction]

The Fujitsu Group defines the DX business based on technologies, such as AI and data utilization, and modernization including migration to the cloud that collectively represent an essential step in realizing DX as the “digital field” and aims to achieve growth in it.

The Group will implement the following measures in the digital field.

To accelerate the DX business, the Group will establish a consulting company focused on DX. In formulating plans and making proposals, the new company exploits various avenues, including strategic consulting, industry-specific consulting, and solutions-based consulting, to become a one-stop provider of technology implementations using optimal services and products from Fujitsu or third-party vendors.

Computing, AI, 5G network, cybersecurity, cloud, data management, and IoT are key technologies supporting DX. Fujitsu defines these seven technologies as the key technology fields and concentrate resources to strengthen them. In addition to strengthening these technologies, the Group will make investments to create new business opportunities and promote new business. The Group will also invest in corporate venture capital and start-ups and pursue M&A as appropriate.

In addition, the Group will implement internal reform by upgrading internal processes and information infrastructure in order to accelerate DX of the Fujitsu Group.

Regarding the conventional IT business for which the Group has a strong customer base, in addition to further pursuit of efficiency improvement, Fujitsu will make a concerted effort to gain opportunities for deals in order to secure profit.

In the business outside Japan, the Group continues to promote business model transformation in order to put it on a growth track. In particular, the Group will split Europe into two regions, Northern & Western Europe and Central & Eastern Europe, and assign an executive in each region to flexibly develop businesses there.

Fujitsu will also strengthen non-financial initiatives. The Fujitsu Group positions the Sustainable Development Goals (SDGs) at the heart of its approach to management. As a responsible corporation, Fujitsu has previously promoted activities based on specific themes in various regions around the world. From now on, the Group will organize our activities around globally integrated themes. The Group will set targets in each category, such as human rights, diversity and inclusion, wellbeing, which aims for health in mind and body, the environment, ethical conduct and compliance, and community, initiating activities to resolve the issues confronting society while seeking to achieve globally sustainable growth.

Through these initiatives, the Group will vigorously promote transformation into a DX company while enhancing global competitiveness. With a view to flourishing in the run-up to its 2035 centenary and far into the future in a rapidly changing world, the Company has set the Purpose: “Make the world more sustainable by building trust in society through innovation.” The Group’s medium-term performance targets are revenue of 3,500 billion yen, which is the sum of revenue from Technology Solutions and from Other/Elimination and Corporate, and a consolidated operating profit margin of 10% for fiscal 2022.

[Initiatives for compliance]

Based on the recognition that establishment and operation of the internal control framework including the compliance system is one of the most important management matters from the viewpoint of maintaining and enhancing corporate value, the Fujitsu Group is working to ensure compliance, adhering to the Code of Conduct included in the FUJITSU Way. Having also positioned the further strengthening of initiatives about compliance as an issue to be addressed, the Fujitsu Group will continue these initiatives.

[Response to COVID-19]

In response to the spread of COVID-19, the Fujitsu Group has been making efforts to stop the spread of infection and ensure business continuity, while ensuring the safety of customers, partners, employees, and their families. At all sites, including those outside Japan, the Group is implementing measures, such as work from home, in accordance with instructions issued by the governments in the respective countries. The Group is also providing remote support to its customers by utilizing Web-based conference systems and other means. Following the instructions of the government in each country and the relevant authorities, Fujitsu will continue to implement robust measures by utilizing IT.

2. Company Overview

(1) Stock (As of March 31, 2020)

a) Number of Authorized Shares:	500,000,000
b) Number of Outstanding Shares:	207,001,821
c) Stated Capital:	¥324,625,075,685
d) Shares Issued during the Business Period:	There was no issuance of shares during the business period.
e) Number of Shareholders:	118,494 (16,045 decrease from the end of FY 2018)

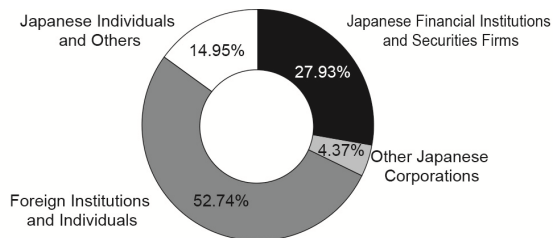
f) Principal Shareholders

Name	Shareholder's investment in Fujitsu Limited	
	Number of shares held (thousands)	Percentage of shares held(%)
Ichigo Trust Pte. Ltd.	14,899	7.44
The Master Trust Bank of Japan, Ltd. (for trust)	14,783	7.38
Japan Trustee Services Bank, Ltd. (for trust)	10,717	5.35
Fuji Electric Co., Ltd.	5,949	2.97
SSBTC CLIENT OMNIBUS ACCOUNT	5,519	2.76
Fujitsu Employee Shareholding Association	4,806	2.40
Japan Trustee Services Bank, Ltd. (for trust 5)	3,926	1.96
Japan Trustee Services Bank, Ltd. (for trust 7)	3,793	1.89
Asahi Mutual Life Insurance Company	3,518	1.76
STATE STREET BANK AND TRUST COMPANY 505103	3,505	1.75

Notes:

1. The investment ratio is calculated after exclusion of treasury stock holdings (6,754 thousand shares).
2. The shares held by The Master Trust Bank of Japan, Ltd. (for trust), Japan Trustee Services Bank, Ltd. (for trust), Japan Trustee Services Bank, Ltd. (for trust 5) and Japan Trustee Services Bank, Ltd. (for trust 7) pertain to the trust business by the institution.

< Equity Shareholdings by Type of Shareholder >



g) Important matters concerning the stock

On January 30, 2020, the Company made a decision to repurchase its common stock up to either a maximum of 5,500,000 shares or a maximum aggregate value of purchases of 50 billion yen during the period from February 3, 2020 to February 2, 2021 and purchased approximately 2,430,000 shares of its common stock with the aggregate value of purchases of approximately 29.9 billion yen during the said period.

(2) Stock Acquisition Rights

As of March 31, 2020, no Stock Acquisition Right granted as part of the compensation was held by Directors or Audit & Supervisory Board Members and no Stock Acquisition Right was granted to employees in fiscal 2019 as part of the compensation.

(3) Management**a) Directors and Audit & Supervisory Board Member (As of March 31, 2020)**

<i>Position</i>	<i>Name</i>	<i>Areas of Responsibility</i>	<i>External Director/ Auditor</i>	<i>Independent Director/ Auditor</i>
Representative Director and CEO	Takahito Tokita	CDXO, Chairman of the Risk Management & Compliance Committee		
Representative Director and COO	Hidenori Fututa	CTO, CIO		
Representative Director and SEVP	Mitsuya Yasui	CISO, CRCO		
Director and Chairman	Tatsuya Tanaka	Member of the Executive Nomination Committee and Compensation Committee		
Director and Senior Advisor	Masami Yamamoto			
Director	Kazuto Kojima			
Director	Jun Yokota	Chairman of the Executive Nomination Committee Member of the Compensation Committee	○	○
Director	Chiaki Mukai	Member of the Executive Nomination Committee Chairperson of the Compensation Committee	○	○
Director	Atsushi Abe	Chairman of the Board of Directors	○	○
Director	Yoshiko Kojo	Member of the Executive Nomination Committee and Compensation Committee	○	○
Audit & Supervisory Board Member	Yoshiki Kondo			
Audit & Supervisory Board Member	Youichi Hirose			
External Audit & Supervisory Board Member	Megumi Yamamuro		○	○
External Audit & Supervisory Board Member	Hiroshi Mitani		○	○
External Audit & Supervisory Board Member	Koji Hatsukawa		○	○

Notes:

- Independence of Directors and Audit & Supervisory Board Members is judged based on the Company's independence standards. (For details, please refer to Page 5.)
- Director and Senior Advisor Masami Yamamoto concurrently serves as an Outside Director of JFE Holdings, Inc. and a Member of the Board of Directors (Outside Director), Mizuho Financial Group, Inc.
- Audit & Supervisory Board Member Youichi Hirose has lengthy experience of finance and accounting, including former service as Head of Corporate Finance Unit of the Company, and he has extensive knowledge of finance and accounting. He concurrently serves as an External Audit & Supervisory Board Member of FUJITSU GENERAL LIMITED.
Audit & Supervisory Board Member Hiroshi Mitani served as a Public Prosecutor and as a Commissioner of the Fair Trade Commission, and because of his abundant experience of economic affairs, he has extensive knowledge of finance and accounting.
Audit & Supervisory Board Member Koji Hatsukawa has a wealth of experience in auditing global companies as a Certified Public Accountant, and he has extensive knowledge about finance and accounting.
- Representative Director and SEVP Mitsuya Yasui resigned from his position as Representative Director and SEVP on March 31, 2020.
- Director and Chairman Tatsuya Tanaka resigned from his position as Director and Chairman on March 31, 2020.
- Significant concurrent positions of External Directors and Auditors are described in e) Concurrent Positions of External Directors and Auditors and Their Activities on Page A-19.
- CDXO, CTO, CIO, CISO, and CRCO are abbreviations of Chief Digital Transformation Officer, Chief Technology Officer, Chief Information Officer, Chief Information Security Officer, and Chief Risk Compliance Officer, respectively.

b) Overview of Liability Limitation Agreement

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

Notes: Non-Executive Directors refer to External Directors, Director and Chairman Tatsuya Tanaka, Director and Senior Advisor Masami Yamamoto, and Director Kazuto Kojima.

c) Compensation of Directors and Audit & Supervisory Board Members

Section	No. of qualified persons	Types of Compensation (Million yen)			Amount Paid (Million yen)
		Base compensation	Bonuses	Performance-based stock compensation	
a. Directors	11	385	108	55	549
b. External Directors (included in a.)	4	71	—	—	71
c. Audit & Supervisory Board Members	5	117	—	—	117
d. External Audit & Supervisory Board Members (included in c.)	3	45	—	—	45

Notes:

- Includes Directors who resigned in fiscal 2019.
- The limit on monetary compensation to Directors was resolved to be 600 million yen per year at the 106th Annual Shareholders' Meeting held on June 23, 2006 and the limit on non-monetary compensation was resolved to be 300 million yen per year and the total number of common stock of the Company to be allocated to be within 43,000 shares* per year at the 117th Annual Shareholders' Meeting held on June 26, 2017. The limit on compensation to Audit & Supervisory Board Members was resolved to be 150 million yen per year at the 111th Annual Shareholders' Meeting held on June 23, 2011. The Company is paying the compensation shown in the above table, which is within these limits.
*The Company conducted consolidation of shares at a rate of one share for every ten shares effective October 1, 2018, and thus the number of shares after the consolidation of shares is indicated here.
- For performance-based stock compensation, the amount charged to expenses during fiscal 2019 is stated.

d) Policy on the Determination of Executive Compensation

To make its executive compensation systems even more transparent, Fujitsu established a Compensation Committee based on a corporate resolution of the Board of Directors in October 2009.

Compensation of Directors and Audit & Supervisory Board Members is determined in accordance with the Executive Compensation Policy below, which was determined by the Board of Directors following the recommendation by the Compensation Committee.

Executive Compensation Policy

To secure exceptional human resources required to manage the Fujitsu Group as a global ICT company, and to further strengthen the link between its financial performance and shareholder value, while at the same time improving its transparency, Fujitsu establishes its Executive Compensation Policy as follows.

Executive compensation is comprised of the following: “Base Compensation,” specifically a fixed monthly salary in accordance with position and responsibilities; “Bonuses” that are compensation linked to short-term business performance; and “Performance-based Stock Compensation,” which is a long-term incentive that emphasizes the connection to shareholder value.

Base Compensation

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

Bonuses

- Bonuses shall be paid to Directors who carry out executive responsibilities. The amount of a bonus shall reflect business performance in the respective fiscal year.
- As a specific method for calculating Bonuses, Fujitsu shall adopt an “On Target model” that uses consolidated revenue and consolidated operating profit as indices and the amount shall be determined in accordance with the degree of achievement of the performance targets for the respective fiscal year.

Performance-based Stock Compensation

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

In accordance with the resolution of the Shareholders’ Meeting, the total amount of Base Compensation and Bonuses (monetary compensation) for Directors shall not exceed 600 million yen per year, Performance-linked Stock Compensation (non-monetary compensation) shall not exceed 300 million yen per year, and the total number of shares to be allocated shall not exceed 43,000 shares* per year. The Base Compensation for Audit & Supervisory Board Members shall not exceed 150 million yen per year.

(Reference) Types of Executive Compensation and Eligibility

Category	Base Compensation		Bonuses	Performance-based Stock Compensation
	Management Oversight Portion	Business Execution Portion		
Directors	○	-	-	-
Executive Directors	○	○	○	○
Audit & Supervisory Board Members	○		-	-

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

e) Concurrent Positions of External Directors and Auditors and Their Activities (As of March 31, 2020)

Section	Name	Companies at which concurrent positions are held and the positions held
		Activities
External Director	Jun Yokota	Attended 100% of the Board of Directors Meetings held during fiscal 2019, and contributed comments from a global perspective based upon his extensive knowledge of international politics and economics.
		Specially Appointed Vice President of Tokyo University of Science Outside Director, Kao Corporation
	Chiaki Mukai	Attended 100% of the Board of Directors Meetings held during fiscal 2019, and contributed comments from a global perspective based upon her extensive knowledge of science and technology.
		Managing Partner, Senior Advisor, Sangyo Sosei Advisory Inc. Board Member, ON Semiconductor Corporation
	Atsushi Abe	Attended 100% of the Board of Directors Meetings held during fiscal 2019, and contributed comments from a global perspective and the perspective of investors based upon his in-depth knowledge of investment and the result of dialogue with institutional investors. Since he became the Chairman of the Board of Directors last year, he has been managing proceedings objectively and leading discussion.
		Professor of International Relations, Department of Advanced Social and International Relations, the University of Tokyo
Yoshiko Kojō	Attended 100% of the Board of Directors Meetings held during fiscal 2019, and contributed comments from a global perspective based upon her in-depth knowledge of international politics.	
External Audit & Supervisory Board Member	Megumi Yamamuro	Special Counsel, URYU & ITOGA Outside Audit & Supervisory Board Member, Yachiyo Industry Co., Ltd.
		Attended 100% of both the Board of Directors Meetings and the Audit & Supervisory Board Meetings held during fiscal 2019, and contributed comments based upon his professional perspective as a lawyer.
	Hiroshi Mitani	Lawyer
		Attended 100% of both the Board of Directors Meetings and the Audit & Supervisory Board Meetings held during fiscal 2019, and contributed comments based upon his profound insight into not only legal but also economic and social matters affecting corporate management.
	Koji Hatsukawa	Certified Public Accountant External Director, Audit & Supervisory Committee member, Takeda Pharmaceutical Company Limited Audit & Supervisory Board Member, the Norinchukin Bank
		Attended 100% of the Board of Directors Meetings and 88.9% (8/9) of the Audit & Supervisory Board Meetings held during fiscal 2019, and contributed comments from the standpoint of an expert in matters relating to finance and accounting based on his wealth of experience in auditing global companies.

Notes:

1. Director Atsushi Abe serves as Managing Partner of Sangyo Sosei Advisory Inc. The Company has no business relationship or competitive relationship with Sangyo Sosei Advisory Inc.

2. The Company has business relationships with Academic Corporation Tokyo University of Science, Kao Corporation, Yachiyo Industry Co., Ltd., Takeda Pharmaceutical Company Limited, and The Norinchukin Bank.
3. During fiscal 2019, the Company convened Board of Directors Meetings 13 times (of which 1 was an extraordinary meeting of the Board of Directors) and 9 meetings of the Audit & Supervisory Board.

f) Other Matters regarding Management

• Executive Nomination Committee and Compensation Committee

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

The Executive Nomination Committee deliberates about candidates for Director and Audit & Supervisory Board Member positions in accordance with the Framework of Corporate Governance Structure and the Procedures and Policy for nomination/dismissal of Directors and Auditors stipulated in the Company's Corporate Governance Policy* and provides its recommendations to the Board of Directors. In addition, the Compensation Committee provides its recommendations about the level of base compensation and the method for calculating performance-based compensation to the Board of Directors in accordance with the Procedures and Policy of Determining Directors and Auditors Compensation stipulated in the Company's Corporate Governance Policy.

Members of the Executive Nomination Committee and the Compensation Committee were as follows as of March 31, 2020:

<Executive Nomination Committee>

Chairman: Jun Yokota
Members: Chiaki Mukai, Yoshiko Kojo, Tatsuya Tanaka

<Compensation Committee>

Chairperson: Chiaki Mukai
Members: Jun Yokota, Yoshiko Kojo, Tatsuya Tanaka

After the selection of the above committee members in July 2019, the Executive Nomination Committee met 2 times by the end of fiscal 2019 and discussed the election of Representative Directors including the CEO, the nomination of candidates for Director, etc. and provided its recommendations to the Board of Directors. The Compensation Committee met 3 times by the end of fiscal 2019 and discussed compensation for Directors and Auditors, bonuses, etc. and provided its recommendations to the Board of Directors.

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

* Member of the Executive Nomination Committee and Compensation Committee Tatsuya Tanaka retired from these positions on March 31, 2020 in line with his resignation from his position as Director and Chairman.

• **Independent Directors & Auditors Council**

In response to the requirements of Japan's Corporate Governance Code, which facilitates the activities of Independent Directors and Auditors, and in order to invigorate discussions on the medium- to long-term direction of the company at its Board of Directors Meetings, the Company believes it essential to establish a system enabling Independent Directors and Auditors, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of the Company's business. Based on this recognition, the Company established the Independent Directors and Auditors Council. In the Independent Directors and Auditors Council, members discuss the medium- to long-term direction of the company and share information and exchange viewpoints so that they can each formulate their own opinions.

In fiscal 2019, the Independent Directors and Auditors Council met 8 times. The members shared information and exchanged viewpoints on the Company's management direction, human resources development, the scope of business of the Company and of the Fujitsu Group, etc. and the Council provided advice to the Board of Directors based on the knowledge of its members.

(4) Basic Policy on the Control of the Company

Based on the fundamental recognition that the increase in corporate value creates the defensive power as a consequence, the Company is focusing on increasing corporate value and does not adopt any specific antitakeover measures. In the case that an acquisition offer is made to the Company, the Board of Directors takes appropriate action based on the recognition that the determination of the location of control of the Company resides in shareholders.

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

Article 40 of the Company's Articles of Incorporation grants the Board of Directors the authority to distribute retained earnings. As part of its basic policy on the exercise of this authority, the Company believes that a portion of retained earnings should be paid to shareholders to provide a stable return, and that a proper portion should be retained by the company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance. In addition, while taking into consideration its level of profit, when a sufficient volume of internal reserves is secured, the Company aims to more proactively distribute profit to shareholders, including through share buybacks.

(6) Accounting Auditor**a) Name of the Accounting Auditor:** Ernst & Young ShinNihon LLC**b) Remuneration to be Paid to the Accounting Auditor***(Million yen)*

(1) Amount of remuneration, etc. as an accounting auditor for the fiscal year under review	385
(2) Total amount of cash and other proprietary benefits that the Company and its subsidiaries should pay to the accounting auditor	800

Notes:

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

c) Contents of Non-Audit Services

The Company commissioned the accounting auditor to provide services mainly concerning obtaining of certification for the Company's cloud service, which are services that fall outside the scope of attestation services under Article 2, Paragraph 1 of the Certified Public Accountants Act, and paid fees.

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

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

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

(7) System to Ensure the Properness of Fujitsu Group Operations

The Board of Directors resolved pursuant to Clause 5, Article 362 of the Companies Act, the Policy on the Internal Control System prescribed in Item 6 of Clause 4, Article 362 of the Companies Act and in each Item of Clauses 1 and 3, Article 100 of the Enforcement Regulations of the Companies Act. The full text of the Policy on the Internal Control System and the Overview of the Status of Operation of the System to Ensure the Properness of Fujitsu Group Operations can be accessed on the Company's website at the following link:

<https://www.fujitsu.com/global/about/ir/library/reports/>

Overview of the Policy on the Internal Control System

The Policy on the Internal Control System sets forth internal structures of the Fujitsu Group, including the following.

- Decision-making and Structure of Management Execution

By dividing the management execution authority of the Representative Director and CEO, who is the chief executive officer, among the corporate executive officers, and by establishing a Management Council to assist in the Representative Director and CEO's decision-making, the Company aims to enhance management effectiveness.

In addition, the framework makes clear that the Representative Director and CEO bears responsibility for the construction and operation of an internal control framework, and the Board of Directors shall fulfill its oversight responsibility by appropriately examining the operation of the internal control framework.

- Risk Management System

The Company shall establish a Risk Management & Compliance Committee, and in addition to preparing systems to control the overall risk of financial losses of the Fujitsu Group, the Company shall also prepare systems for managing risks pertaining to defects and failures in products and services, as well as systems for managing contracted development projects, information security, and financial risk.

- Compliance System

Primarily through the Risk & Management Compliance Committee, the Company shall promote the preparation of the internal rules, education, and oversight systems required for compliance with the Code of Conduct set forth by the FUJITSU Way, and also with laws and regulations concerning the business activities of the Fujitsu Group.

The Company shall also prepare management systems to ensure the appropriateness of financial reporting, as well as systems for information disclosure and internal auditing.

Consolidated Statement of Financial Position

(As of March 31, 2020)

	<u>Millions of yen</u>	
Assets		
Current assets:		
Cash and cash equivalents	Y	451,857
Receivables, trade		879,454
Other receivables		93,428
Inventories		238,070
Others		214,130
Subtotal		<u>1,876,939</u>
Assets held for sale		14,182
Total current assets		<u><u>1,891,121</u></u>
Non-current assets:		
Property, plant and equipment, net of accumulated depreciation		570,170
Goodwill		36,709
Intangible assets		107,213
Investments accounted for using the equity method		150,719
Other investments		131,765
Deferred tax assets		106,636
Others		193,112
Total non-current assets		<u>1,296,324</u>
Total assets	Y	<u><u>3,187,445</u></u>

	<u>Millions of yen</u>	
Liabilities and Equity		
Liabilities		
Current liabilities:		
Payables, trade	Y	478,970
Other payables		390,917
Short-term borrowings, current portion of long-term debt and lease obligations		199,450
Accrued income taxes		50,652
Provisions		51,769
Others		192,767
Subtotal		<u>1,364,525</u>
Liabilities directly associated with assets held for sale		1,083
Total current liabilities		<u>1,365,608</u>
Non-current liabilities:		
Long-term debt and lease obligations		206,119
Net defined benefit liability		190,353
Provisions		30,652
Deffered tax liabilities		10,370
Others		35,908
Total non-current liabilities		<u>473,402</u>
Total Liabilities		<u>1,839,010</u>
Equity		
Share capital		324,625
Capital surplus		237,654
Treasury stock, at cost		(59,614)
Retained earnings		735,920
Other components of equity		2,371
Total equity attributable to owners of the parent		<u>1,240,956</u>
Non-controlling interests		107,479
Total Equity		<u>1,348,435</u>
Total Liabilities and Equity	Y	<u>3,187,445</u>

Consolidated Profit and Loss Statements

(Year ended March 31, 2020)

		<u>Millions of yen</u>
Revenue	Y	3,857,797
Cost of sales		(2,748,479)
Gross margin		1,109,318
Selling, general and administrative expenses		(864,685)
Other income		19,258
Other expenses		(52,408)
Operating Profit		211,483
Financial income		7,381
Financial expenses		(5,094)
Income from investments accounted for using the equity method, net		14,794
Profit before income taxes		228,564
Income tax expenses		(68,238)
Profit for the year	Y	160,326
Profit for the year attributable to:		
Owners of the parent		160,042
Non-controlling interests		284
Total	Y	160,326

Consolidated Statement of Changes in Equity

(Year ended March 31, 2020)

(Millions of yen)

	Equity Attributable to Owners of the Parent			
	Share Capital	Capital surplus	Treasury stock, at Cost	Retained Earnings
Beginning balance	324,625	235,455	(29,556)	576,857
Cumulative effects of changes in accounting policies	-	-	-	-
Balance as of the beginning of the year reflecting changes in accounting policies	324,625	235,455	(29,556)	576,857
Profit for the year	-	-	-	160,042
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	160,042
Purchase of treasury stock	-	(12)	(30,101)	-
Disposal of treasury stock	-	-	43	-
Share-based payment transactions	-	529	-	-
Dividends paid	-	-	-	(32,429)
Transfer to retained earnings	-	-	-	33,586
Acquisition (disposal) of non-controlling interests	-	(502)	-	-
Changes in ownership interests in subsidiaries	-	(187)	-	222
Others	-	2,371	-	(2,358)
Ending balance	324,625	237,654	(59,614)	735,920

	Equity Attributable to Owners of the Parent					
	Other Components of Equity					
	Foreign Currency Translation Adjustment	Cash Flow Hedges	Financial Assets Measured at Fair Value through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total Other Components of Equity	Total Equity Attributable to Owners of the Parent
Beginning balance	(15,694)	8	40,360	-	24,674	1,132,055
Cumulative effects of changes in accounting policies	-	-	-	-	-	-
Balance as of the beginning of the year reflecting changes in accounting policies	(15,694)	8	40,360	-	24,674	1,132,055
Profit for the year	-	-	-	-	-	160,042
Other comprehensive income	(14,401)	(297)	(5,913)	31,930	11,319	11,319
Total comprehensive income for the year	(14,401)	(297)	(5,913)	31,930	11,319	171,361
Purchase of treasury stock	-	-	-	-	-	(30,113)
Disposal of treasury stock	-	-	-	-	-	43
Share-based payment transactions	-	-	-	-	-	529
Dividends paid	-	-	-	-	-	(32,429)
Transfer to retained earnings	-	-	(1,691)	(31,895)	(33,586)	-
Acquisition (disposal) of non-controlling interests	-	-	-	-	-	(502)
Changes in ownership interests in subsidiaries	-	-	-	(35)	(35)	-
Others	-	-	(1)	-	(1)	12
Ending balance	(30,095)	(289)	32,755	-	2,371	1,240,956

	Non-Controlling Interests	Total Equity
Beginning balance	121,575	1,253,630
Cumulative effects of changes in accounting	-	-
Balance as of the beginning of the year reflecting changes in accounting policies	121,575	1,253,630
Profit for the year	284	160,326
Other comprehensive income	(1,339)	9,980
Total comprehensive income for the year	(1,055)	170,306
Purchase of treasury stock	-	(30,113)
Disposal of treasury stock	-	43
Share-based payment transactions	-	529
Dividends paid	(2,900)	(35,329)
Transfer to retained earnings	-	-
Acquisition (disposal) of non-controlling	323	(179)
Changes in ownership interests in subsidiaries	(10,650)	(10,650)
Others	186	198
Ending balance	107,479	1,348,435

[Unaudited] Simplified Consolidated Statement of Comprehensive Income

(Year ended March 31, 2020)

	<u>Millions of yen</u>	
Profit for the year	Y	160,326
Other Comprehensive Income		<u>9,980</u>
Total Comprehensive Income		<u>170,306</u>
Total Comprehensive Income attributable to:		
Owners of the parent		171,361
Non-controlling interests		<u>(1,055)</u>
Total	Y	<u>170,306</u>

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

[Unaudited] Simplified Consolidated Cash Flows

(Year ended March 31, 2020)

	<u>Millions of yen</u>	
1. Cash flows from operating activities	Y	<u>347,263</u>
2. Cash flows from investing activities		<u>(114,206)</u>
1+2 [Free cash flow]		<u>233,057</u>
3. Cash flows from financing activities		<u>(193,164)</u>
4. Cash and cash equivalents at end of period	Y	<u>453,036</u>

Note: Starting from this fiscal year, the Group has adopted IFRS 16 Leases. As a result of the adoption of the said standard, cash flows from operating activities increased by 57,825 million yen and cash flows from financing activities decreased by the same amount.

Unconsolidated Balance Sheet

(As of March 31, 2020)

	<u>Millions of yen</u>	
Assets		
Current assets:		
Cash and deposits	Y	105,837
Notes receivable, trade		1,018
Accounts receivable, trade		612,122
Marketable securities		140,000
Finished goods		61,579
Work in process		5,618
Raw materials		15,969
Advanced payments		1,307
Accounts receivable, other		114,291
Others		20,303
Allowance for doubtful accounts		(311)
Total current assets		<u>1,077,735</u>
Non-current assets:		
Property, plant and equipment, net of accumulated depreciation:		
Buildings		96,462
Structure		3,134
Machinery		1,117
Vehicle and delivery equipment		13
Equipment		47,638
Land		42,915
Construction in progress		7,614
Total property, plant and equipment		<u>198,896</u>
Intangible assets:		
Software		53,894
Others		8,233
Total intangible assets		<u>62,127</u>
Investments and other non-current assets:		
Investment securities		74,679
Subsidiaries' and affiliates' stocks		434,918
Long-term loans to affiliated companies		1,110
Receivables from companies under bankruptcy or reorganization process		2
Prepaid pension cost		33,045
Deferred tax assets		29,314
Others		30,309
Allowance for doubtful accounts		(559)
Total other non-current assets		<u>602,821</u>
Total non-current assets		<u>863,845</u>
Total assets	Y	<u><u>1,941,581</u></u>

	<u>Millions of yen</u>
Liabilities and net assets	
Liabilities	
Current liabilities:	
Accounts payable, trade	430,898
Current portion of long-term borrowings payable	45,098
Current portion of bonds payable	35,000
Lease obligations	2,918
Accrued liability	49,970
Accrued expenses	110,042
Accrued income taxes	36,596
Advance received	78,107
Deposits payable	14,616
Provision for construction contract losses	16,465
Provision for product warranties	5,162
Provision for loss on business of subsidiaries and associates	102,851
Provision for bonuses to board members	108
Provision for restructuring charges	489
Provision for share-based payments	159
Others	525
Total current liabilities	<u>929,012</u>
Long-term liabilities:	
Bonds payable	40,000
Long-term borrowings	45,238
Lease obligations	5,605
Provision for loss on repurchase of computers	2,849
Provision for share-based payments	558
Provision for environmental measures	1,049
Asset retirement obligations	9,312
Others	4,291
Total long-term liabilities	<u>108,905</u>
Total liabilities	<u>1,037,918</u>
Net assets	
Shareholders' equity:	
Common stock	324,625
Capital surplus:	
Other capital surplus	167,669
Total capital surplus	<u>167,669</u>
Retained earnings:	
Legal retained earnings	23,059
Other retained earnings:	
Retained earnings brought forward	427,659
Total retained earnings	<u>450,719</u>
Treasury stock	<u>(59,614)</u>
Total shareholders' equity	<u>883,399</u>
Valuation and translation adjustments:	
Unrealized gain and loss on securities, net of taxes	20,263
Total valuation and translation adjustments	<u>20,263</u>
Total net assets	<u>903,662</u>
Total liabilities and net assets	<u>Y 1,941,581</u>

Unconsolidated Profit and Loss Statements

(Year ended March 31, 2020)

	<u>Millions of yen</u>
Net sales	Y 2,092,098
Cost of sales	1,508,231
Gross profit	583,867
Selling, general and administrative expenses	471,678
Operating profit	112,189
Other income:	
Interest income	161
Dividend income	68,623
Reversal of provision for loss on business of subsidiaries and associates	24,852
Other finance income	1,715
Total other income	95,352
Other expenses:	
Interest expense	416
Interest on bonds	467
Foreign exchange losses	1,341
Provision of allowance for doubtful accounts	364
Provision for loss on business of subsidiaries and associates	21,273
Other finance expenses	2,336
Total other expenses	26,199
Ordinary income	181,342
Extraordinary income:	
Gain from merger	21,246
Gain on sales of investment securities	11,057
Gain on sales of subsidiaries' and affiliates' stocks	6,165
Total extraordinary income	38,470
Extraordinary losses:	
Loss on sales of subsidiaries' and affiliates' stocks	8,961
Impairment losses	3,813
Total extraordinary losses	12,774
Income before income taxes	207,037
Income taxes:	
Current	26,767
Deferred	(1,928)
Total income taxes	24,839
Net income	Y 182,198