

To our shareholders,

Security Code (in Japan) 6702  
May 31, 2011  
Masami Yamamoto,  
President and Representative  
Director  
Fujitsu Limited  
1-1, Kamikodanaka 4-chome  
Nakahara-ku, Kawasaki-shi  
Kanagawa  
Japan

**NOTICE OF CONVOCATION OF THE 111<sup>th</sup> ANNUAL SHAREHOLDERS' MEETING**

You are cordially invited to attend the 111<sup>th</sup> Annual Shareholders' Meeting, to be held as set forth below. If you are unable to attend the Annual Shareholders' Meeting, please exercise your voting rights using any of the methods explained in Section 5 of this notice after reviewing the attached reference materials. For shareholders who wish to vote by mail, we must receive the enclosed Voting Card by 6:00 p.m. Wednesday, June 22, 2011, Japan time. Shareholders who wish to vote using the Internet must complete the process by 6:00 p.m. Wednesday, June 22, 2011, Japan time. For details, please refer to Section 5 of this notice.

1. **Date & Time**          June 23, 2011; 10:00 a.m.
2. **Venue**                    Shin Yokohama Prince Hotel, Sinfonia Hall (5<sup>th</sup> Floor)  
3-4 Shin Yokohama  
Kohoku-ku, Yokohama-shi  
Kanagawa, Japan

**3. Purpose of the Shareholders' Meeting**

*Reports:*

Presentation of the Business Report, Consolidated and Unconsolidated Financial Statements for the 111<sup>th</sup> Business Period (April 1, 2010 - March 31, 2011); Report of Independent Auditor and Board of Auditors on Consolidated Financial Statements

*Resolution:*

- |                |  |
|----------------|--|
| Proposal No. 1 | Election of Eleven Directors                 |
| Proposal No. 2 | Election of One Auditor                      |
| Proposal No. 3 | Payment of Bonuses to Directors and Auditors |
| Proposal No. 4 | Revision to the Compensation of Auditors     |

**4. Reference Materials**

- (1) The Business Report, Consolidated and Unconsolidated Financial Statements for the 111<sup>th</sup> Business Period (April 1, 2010 - March 31, 2011) are attached as Exhibit A.
- (2) If there are any revisions to 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 (<http://pr.fujitsu.com/jp/ir/>).

## 5. Voting

### (1) Methods to Exercise Voting Rights

- a. If you attend the meeting in person, please submit the enclosed Voting Card to the receptionist.

If you plan to attend the Shareholders' Meeting, please be aware that the reception desk becomes very crowded around the start of the meeting, so please try to arrive and register early.

- b. If you are unable to attend the meeting, we ask that you exercise your voting rights 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 the Voting Card to the Company no later than 6:00 p.m. on Wednesday, June 22, 2011 (Japan standard time).

#### [Voting via the Internet]

Please access the Company's designated online voting site (<http://www.evotep.jp/>) via a PC or mobile phone using the login ID and temporary password printed on the enclosed Voting Card. Please indicate your approval or disapproval for each of the proposals no later than 6:00 p.m. on Wednesday, June 22, 2011 (Japan standard time), following the on-screen instructions.

#### [Exercise of Voting Rights by Proxy]

When voting rights are exercised by a proxy shareholder acting on behalf of an absent shareholder, the proxy is requested to bring their own Voting Card, the absent shareholder's Voting Card and a document authorizing the proxy's representation of the absent shareholder to the reception desk on the day of the meeting.

### (2) Exercise of Voting Rights

- a. Any voting right exercised without indicating approval or disapproval for a particular proposal 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 other parties 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 consented to receive the notice of convocation using the electronic method. 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  
7-10-11 Higashisuna, Koto-ku, Tokyo 137-8081, Japan

#### Notes:

This English version of the Notice of Convocation and reference materials is 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 Eleven Directors

The terms of office for all ten Directors expire at the close of this Shareholders' Meeting. The Company proposes the reelection of all ten existing Directors as well as that the number of Outside Directors be increased by one, for a total of eleven Directors. Continuation of the management structure commenced from last year is proposed in order to maintain management stability from a medium- to long-term perspective, and the additional Outside Director will help to further strengthen and enhance management oversight function. The Company also proposes candidate Takashi Okimoto be newly appointed as the additional Outside Director, resulting in four Outside Director candidates out of the total of eleven Director candidates.

Candidates for the position of Directors are stated as follows:

(※New Candidate Director)

| <i>Candidate No.</i>   | <i>Name and date of birth</i>           | <i>Personal history, positions at the Company</i>   | <i>Number of shares of the Company held by the candidate</i> |
|--|---|---|--|
| 1  | Michiyoshi Mazuka<br>(October 17, 1943) | <p>Apr. 1968 Joined Fujitsu FACOM Co., Ltd.<br/> Apr. 1971 Joined the Company<br/> Jun. 2001 Member of the Board (until June, 2002)<br/> Jun. 2002 Corporate Vice President<br/> Apr. 2003 Corporate Senior Vice President<br/> Jun. 2005 Member of the Board<br/> Corporate Executive Vice President<br/> Jun. 2006 Corporate Senior Executive Vice President and Representative Director<br/> Jun. 2008 Chairman and Representative Director<br/> Sep. 2009 Chairman, President and Representative Director<br/> Oct. 2009 Member of the Executive Nomination and Compensation Committees (to present)<br/> Apr. 2010 Chairman and Representative Director (to present)</p> <p>Attended 100% of the Board of Directors' meetings held during the year under review.</p> | 34,000   |
| [Important positions at other corporations/institutions]<br>None   |   |   |  |
| [Reasons for Appointment and Term of Office]<br>Michiyoshi Mazuka has served as Chairman, President and Representative Director and to leverage that experience for the continued growth of Fujitsu and to promote continuity in management, the Company believes he should remain in his current positions, of Chairman and Representative Director and therefore proposes his reappointment.<br>At the close of this Shareholders' Meeting, Michiyoshi Mazuka will have served as a Director for seven years. In addition, he currently serves as Chairman of the Board of Directors' meeting and as a member of the Executive Nomination and Compensation Committees. |   |   |  |
| [Comments on Special-interest Relationships]<br>Michiyoshi Mazuka is a Chairman, Optoelectronics Industry and Technology Development Association (OITDA) which promotes the optoelectronic industry and technology. Fujitsu does have software-related business dealings with OITDA, which in fiscal 2010 amounted to 10 million yen.  |   |   |  |

| Candi-<br>date<br>No.   | Name and<br>date of birth  | Personal history, positions at the Company  | Number of<br>shares of the<br>Company held<br>by the candidate |
|---|--|---|--|
|   | Masami Yamamoto<br>(January 11, 1954)                            | Apr. 1976 Joined the Company<br>Jun. 2004 Executive Vice President, Personal Systems<br>Business Group<br>Jun. 2005 Corporate Vice President<br>Jun. 2007 Corporate Senior Vice President<br>Jan. 2010 Corporate Senior Executive Vice President<br>Apr. 2010 President<br>Jun. 2010 President and Representative Director<br>(to present)  | 14,000   |
| 2   | [Important positions at other corporations/institutions]<br>None |   |  |
| [Reasons for Appointment and Term of Office]<br>Masami Yamamoto's management experience includes five years of experience as a Corporate Executive Officer and one year of experience as President and Representative Director. He also has experience on the frontlines of technological innovation as an engineer leading the development of PCs and x86 servers. The Company proposes that Masami Yamamoto be appointed as a Director on the grounds that, amid such trends as globalization and the advent of cloud computing, his experience and insight make him an ideal person to lead the Company.<br>At the close of this Shareholders' Meeting, Masami Yamamoto will have served as a Director for one year. |  |   |  |
| [Comments on Special-interest Relationships]<br>Masami Yamamoto has no special-interest relationships with the Company.   |  |   |  |
| 3   | Kazuo Ishida<br>(September 19, 1950)                             | Apr. 1974 Joined the Company<br>Jun. 2003 Group President, Outsourcing Business Unit<br>Jun. 2004 Corporate Vice President<br>Jun. 2006 Corporate Senior Vice President<br>Jun. 2008 Corporate First Senior Vice President<br>Apr. 2010 Corporate Senior Executive Vice President<br>Principal responsibility for ICT Services<br>Business<br>(to present)<br>Jun. 2010 Corporate Senior Executive Vice President and<br>Director<br>(to present) | 7,000  |
| [Important positions at other corporations/institutions]<br>None  |  |   |  |
| [Reasons for Appointment and Term of Office]<br>The Company proposes that Kazuo Ishida be appointed as a Director on the grounds that he has long experience in the ICT services business, a Company mainstay business, and because he has continued to lead the services business group since his appointment as a Corporate Vice President. The appointment of Kazuo Ishida will promote faster management decision-making and forward-looking innovations needed in the business environment facing Fujitsu.<br>At the close of this Shareholders' Meeting, Kazuo Ishida will have served as a Director for one year.  |  |   |  |
| [Comments on Special-interest Relationships]<br>Kazuo Ishida 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>   | <i>Number of shares of the Company held by the candidate</i> |
|--|---------------------------------------|---|--|
| 4  | Masami Fujita<br>(September 22, 1956) | <p>Apr. 1980    Joined the Company</p> <p>Dec. 2001    General Manager, Secretary's Office</p> <p>Jun. 2006    Corporate Vice President</p> <p>Jun. 2009    Corporate Senior Vice President</p> <p>Apr. 2010    Corporate Senior Executive Vice President<br/>Principal responsibility for Corporate Affairs<br/>(to present)</p> <p>Jun. 2010    Corporate Senior Executive Vice President and<br/>Director<br/>(to present)</p> <p>Attended 100% of the Board of Directors' meetings held during the year under review.</p> | 11,000   |
| [Important positions at other corporations/institutions]<br>None   |                                       |   |  |
| <p>[Reasons for Appointment and Term of Office]</p> <p>The Company proposes that Masami Fujita be appointed as a Director on the grounds that he has lengthy experience leading the Company's human resources division, and that he has been in charge of human resources, general affairs, and legal affairs since his appointment as Corporate Executive Officer, giving him invaluable experience relating to the Company's corporate governance and business execution. The appointment of Masami Fujita will promote faster management decision-making and forward-looking innovations needed in the business environment facing Fujitsu.</p> <p>At the close of this Shareholders' Meeting, Masami Fujita will have served as a Director for one year.</p> |                                       |   |  |
| <p>[Comments on Special-interest Relationships]</p> <p>Masami Fujita has no special-interest relationships with the Company.</p>   |                                       |   |  |

## (TRANSLATION FOR REFERENCE ONLY)

| <i>Candidate No.</i>  | <i>Name and date of birth</i>        | <i>Personal history, positions at the Company</i>  | <i>Number of shares of the Company held by the candidate</i> |
|---|--------------------------------------|--|--|
| 5   | Kazuhiko Kato<br>(November 13, 1951) | <p>Apr. 1976 Joined the Company</p> <p>Jun. 1996 General Manager, Controller and Accounting Division</p> <p>Jun. 2001 Member of the Board (until June, 2002)</p> <p>Jun. 2002 Corporate Vice President</p> <p>Jun. 2006 Corporate Senior Vice President</p> <p>Jun. 2008 Corporate First Senior Vice President<br/>Chief Financial Officer<br/>(to present)</p> <p>Apr. 2010 Corporate Executive Vice President</p> <p>Jun. 2010 Corporate Executive Vice President and<br/>Director</p> <p>Attended 100% of the Board of Directors' meetings held during the year under review.</p> | 21,000   |
| [Important positions at other corporations/institutions]<br>None  |                                      |  |  |
| [Reasons for Appointment and Term of Office]<br>The Company proposes that Kazuhiko Kato be appointed as a Director on the grounds that he has lengthy experience leading the Company's accounting division. Kazuhiko Kato was appointed to the Board of Directors in 2001, prior to the Company's switch to the Corporate Executive Officer system in 2002, and since then he has been in charge of the corporate strategy and business development division. He also served as Chief Financial Officer, giving him invaluable experience relating to the Company's corporate governance and business execution. The appointment of Kazuhiko Kato will promote faster management decision-making and forward-looking innovations needed in the business environment facing Fujitsu. At the close of this Shareholders' Meeting, Kazuhiko Kato will have served as a Director for two years. |                                      |  |  |
| [Comments on Special-interest Relationships]<br>Kazuhiko Kato has no special-interest relationships with the Company.   |                                      |  |  |

| Candi-<br>date<br>No.  | Name and<br>date of birth               | Personal history, positions at the Company   | Number of<br>shares of the<br>Company held<br>by the candidate |
|--|---|--|--|
| 6  | Masahiro Koezuka<br>(December 14, 1951) | <p>Apr. 1974 Joined the Ministry of International Trade and Industry (currently: the Ministry of Economy, Trade and Industry)</p> <p>Jul. 2001 The Minister's Secretariat<br/>Deputy Director-General for Policy Coordination</p> <p>Jul. 2002 Director-General for Natural Resources and Energy Policy</p> <p>Jul. 2003 Cabinet Councilor</p> <p>Sep. 2005 Director-General, Industrial Science and Technology Policy and Environment Bureau</p> <p>Jul. 2006 Director-General, Commerce and Information Policy Bureau</p> <p>Jul. 2007 Commissioner, Japan Patent Office</p> <p>Sep. 2008 Advisor, Mitsui Sumitomo Insurance Company, Limited</p> <p>Aug. 2009 Advisor, Fujitsu Limited</p> <p>Apr. 2010 Corporate Executive Vice President<br/>Chief Strategic Officer<br/>(to present)</p> <p>Jun. 2010 Corporate Executive Vice President and Director<br/>(to present)</p> <p>Attended 100% of the Board of Directors' meetings held during the year under review.</p> | 11,000   |
| [Important positions at other corporations/institutions]<br>None   |   |  |  |
| [Reasons for Appointment and Term of Office]<br>The Company proposes Masahiro Koezuka as a Director because of the experience and expertise he gained during his career in the Japan Ministry of Economy, Trade and Industry, and based on this experience, for the improvements he can make to the Company's management execution. The appointment of Masahiro Koezuka will promote faster management decision-making and forward-looking innovations needed in the business environment facing Fujitsu.<br>At the close of this Shareholders' Meeting, Masahiro Koezuka will have served as a Director for one year. |   |  |  |
| [Comments on Special-interest Relationships]<br>Masahiro Koezuka has no special-interest relationships with the Company.   |   |  |  |

| Candi-<br>date<br>No.  | Name and<br>date of birth           | Personal history, positions at the Company  | Number of<br>shares of the<br>Company held<br>by the candidate |
|--|-------------------------------------|---|--|
| 7  | Hiroshi Oura<br>(February 14, 1934) | <p>Apr. 1956 Joined the Company</p> <p>Jun. 1985 Member of the Board</p> <p>Jun. 1988 Corporate Senior Vice President<br/>(until June, 1989)</p> <p>Jun. 1989 Representative Director, President, Advantest Corporation</p> <p>Jun. 2001 Representative Director, Chairman of the Board, Advantest Corporation</p> <p>Jun. 2003 Director<br/>(to present)</p> <p>Jun. 2005 Director and Senior Executive Advisor, Advantest Corporation</p> <p>Jun. 2007 Senior Executive Advisor, Advantest Corporation</p> <p>Oct. 2009 Chairman of the Executive Nomination and Compensation Committees<br/>(to present)</p> <p>Jun. 2010 Honorary Advisor, Advantest Corporation<br/>(to present)</p> <p>Attended 100% of the Board of Directors' meetings held during the year under review.</p> | 36,602   |
| [Important positions at other corporations/institutions]<br>Honorary Advisor, Advantest Corporation  |                                     |   |  |
| <p>[Reasons for Appointment and Term of Office]</p> <p>The Company proposes that Hiroshi Oura be reappointed as a Director on the grounds that he has lengthy experience in corporate management and extensive knowledge of the Company's business operations. In addition, because 14 years passed before he was reappointed as a Director after resigning from his previous positions as a Member of the Board and Corporate Senior Vice President of the Company, in overseeing in the Company's management he is able to provide management advice from a perspective that is equivalent to that of an Outside Director.</p> <p>At the close of this Shareholders' Meeting, Hiroshi Oura will have served as a Director for twelve years, including four years as an executive member from 1985 to 1989. In addition, he currently serves as Chairman of the Executive Nomination and Compensation Committees.</p> |                                     |   |  |
| <p>[Comments on Special-interest Relationships and the Independence of Candidates]</p> <p>Hiroshi Oura has no special-interest relationships with the Company.</p> <p>Although the Company has no ownership of the shares in Advantest Corporation, where Hiroshi Oura serves as Honorary Advisor, Fujitsu has the right to direct 11.63% of the voting rights of Advantest where its shares are held as assets in Fujitsu's retirement benefits trust.</p> <p>Advantest and Fujitsu do have business dealings which in fiscal 2010 amounted to 1.6 billion yen. However, taking into account the scale of Fujitsu's sales, this is not considered material.</p>   |                                     |   |  |



| <i>Candidate No.</i>  | <i>Name and date of birth</i>                                 | <i>Personal history, positions at the Company</i>  | <i>Number of shares of the Company held by the candidate</i> |
|---|---|--|--|
| 8   | Outside Director Candidate<br>Haruo Ito<br>(November 9, 1943) | <p>Apr. 1968 Joined Fuji Electric Co., Ltd. (currently: Fuji Electric Co., Ltd.)</p> <p>Jun. 1998 Director, Fuji Electric Co., Ltd. (currently: Fuji Electric Co., Ltd.)</p> <p>Oct. 2003 President and Representative Director, Fuji Electric Systems Co., Ltd. (currently: Fuji Electric Co., Ltd.)</p> <p>Jun. 2006 President and Representative Director, Fuji Electric Holdings Co., Ltd. (currently: Fuji Electric Co., Ltd.)</p> <p>Jun. 2007 Director (to present)</p> <p>Apr. 2010 Director and Senior Advisor, Fuji Electric Holdings Co., Ltd. (currently: Fuji Electric Co., Ltd.)</p> <p>Jun. 2010 Senior Advisor, Fuji Electric Holdings Co., Ltd. (currently: Fuji Electric Co., Ltd.) (to present)</p> <p>Attended 100% of the Board of Directors' meetings held during the year under review.</p> | 19,000   |
| <p>[Important positions at other corporations/institutions]</p> <p>Senior Advisor, Fuji Electric Co., Ltd.</p> <p>Outside Director, Toko Electric Corporation</p>   |   |  |  |
| <p>[Reasons for Appointment and Term of Office]</p> <p>The Company proposes that Haruo Ito be reappointed as an Outside Director on the grounds that he has lengthy experience in corporate management and has extensive knowledge of the Company's business operations. At the close of this Shareholders' Meeting, Haruo Ito will have served as an Outside Director for four years.</p>  |   |  |  |
| <p>[Comments on Special-interest Relationships and the Independence of Candidates]</p> <p>Haruo Ito has no special-interest relationships with the Company.</p> <p>Haruo Ito is a Senior Advisor, Fuji Electric Co., Ltd., a major shareholder of Fujitsu. The Fuji Electric Group, including their retirement benefit trusts as a whole holds an 11.20% equity stake in Fujitsu, and Fujitsu also holds 10.40% of Fuji Electric's outstanding stock.</p> <p>Fuji Electric and Fujitsu do have business dealings which in fiscal 2010 amounted to 89 million yen. However, taking into account the scale of the Fujitsu's sales, this is not considered material.</p> |   |  |  |
| <p>[Special Notice regarding the Outside Director Candidate]</p> <p>Agreements limiting liability for damages under Clause 1, Article 423 of the Companies Act have been concluded between the Company and Haruo Ito. The Company plans to extend the agreements if he is elected.</p>  |   |  |  |

| Candi-<br>date<br>No. | Name and<br>date of birth   | Personal history, positions at the Company  | Number of<br>shares of the<br>Company held<br>by the candidate |
|-----------------------|---|---|--|
|                       | Outside Director<br>Candidate<br><br>Yoko Ishikura<br>(Yoko Kurita)<br><br>(March 19, 1949) | Jul. 1985 Manager of Tokyo office, McKinsey &<br>Company, Inc.<br>Apr. 1992 Professor, School of International Politics,<br>Economics and Business, Aoyama Gakuin<br>University<br>Apr. 2000 Professor, Graduate School of International<br>Corporate Strategy, Hitotsubashi University<br>Apr. 2004 Outside director, Japan Post<br>Oct. 2005 Vice President, Science Council of Japan<br>Jun. 2010 Director<br>(to present)<br>Apr. 2011 Professor, Graduate School of Media Design,<br>Keio University<br>(to present)<br><br>Attended 90% of the Board of Directors' meetings held during<br>the year under review. | 1,000  |
| 9                     |   | [Important positions at other corporations/institutions]<br>Professor, Graduate School of Media Design, Keio University<br>Outside Director, Nissin Foods Holdings Co., Ltd.  |  |
|                       |   | [Reasons for Appointment and Term of Office]<br>The Company proposes that Yoko Ishikura be appointed as an Outside Director on the grounds that, while she does not have direct corporate management experience, she has expertise for innovation and business strategies in global competition.<br>At the close of this Shareholders' Meeting, Yoko Ishikura will have served as an Outside Director for one year.   |  |
|                       |   | [Comments on Special-interest Relationships and the Independence of Candidates]<br>Yoko Ishikura has no special-interest relationships with the Company.<br>Further, she is not a major shareholder nor has she held an executive management position with a major trading partner of the Company, and therefore the Company believes she is independent.<br>Because of this, the Company reports to securities exchanges in Japan notifying them that she is an Independent Director.  |  |
|                       |   | [Special Notice regarding the Outside Director Candidate]<br>Agreements limiting liability for damages under Clause 1, Article 423 of the Companies Act have been concluded between the Company and Yoko Ishikura. The Company plans to extend the agreements if she is elected.  |  |

| <i>Candidate No.</i>   | <i>Name and date of birth</i>                                      | <i>Personal history, positions at the Company</i>  | <i>Number of shares of the Company held by the candidate</i> |
|--|--|--|--|
| 10   | Outside Director Candidate<br>Ryosei Kokubun<br>(November 1, 1953) | Apr. 1981 Assistant Professor, Faculty of Law, Keio University<br>Apr. 1985 Associate Professor, Faculty of Law, Keio University<br>Apr. 1992 Professor, Faculty of Law, Keio University (to present)<br>Oct. 1999 Director, Keio Center for Area Studies (currently: Keio Institute of East Asian Studies) (until September 2007)<br>Oct. 2005 President, Japan Association for Asian Studies (until September 2007)<br>Oct. 2006 President, The Japan Association of International Relations (until September 2008)<br>Oct. 2007 Dean, Faculty of Law, Keio University (to present)<br>Oct. 2007 Chair of the Graduate School of Law, Keio University (to present)<br>Jun. 2010 Director (to present)<br>Aug. 2010 Member of the Executive Nomination and Compensation Committees (to present) | 1,000  |
| [Important positions at other corporations/institutions]<br>Professor, Faculty of Law, Keio University   |  |  |  |
| [Reasons for Appointment and Term of Office]<br>The Company proposes that Ryosei Kokubun be appointed as an Outside Director on the grounds that, while he does not have direct corporate management experience, he does have deep understanding of politics and economics from a global perspective, especially relating to East Asia.<br>At the close of this Shareholders' Meeting, Ryosei Kokubun will have served as an Outside Director for one year.  |  |  |  |
| [Comments on Special-interest Relationships and the Independence of Candidates]<br>The Company asked Ryosei Kokubun to lecture at the second Taiwan Japan IT Business Dialogue organized by the Company and in fiscal 2010 paid him approximately 0.2 million yen as a speaker's fee. Further, he is not a major shareholder nor has he held an executive management position with a major trading partner of the Company, and therefore believes he is independent.<br>Because of this, the Company reports to securities exchanges in Japan notifying them that he is an Independent Director. |  |  |  |
| [Special Notice regarding the Outside Director Candidate]<br>Agreements limiting liability for damages under Clause 1, Article 423 of the Companies Act have been concluded between the Company and Ryosei Kokubun. The Company plans to extend the agreements if he is elected.   |  |  |  |

| <i>Candidate No.</i> | <i>Name and date of birth</i>   | <i>Personal history, positions at the Company</i>   | <i>Number of shares of the Company held by the candidate</i> |
|----------------------|---|---|--|
|                      | ※<br>Outside Director Candidate<br><br>Takashi Okimoto<br>(November 14, 1950)   | <p>Apr. 1973 Joined the Dai-ichi Bank, Ltd. (currently: Mizuho Corporate Bank, Ltd. and Mizuho Bank, Ltd.)</p> <p>Jun. 2001 Corporate Officer, the Dai-ichi Bank, Ltd. (currently: Mizuho Corporate Bank, Ltd. and Mizuho Bank, Ltd.)</p> <p>Apr. 2002 Corporate Officer, Mizuho Corporate Bank, Ltd.</p> <p>Oct. 2002 Managing Corporate Officer, Mizuho Corporate Bank, Ltd.</p> <p>Apr. 2005 Vice President, (Representative Director) Mizuho Corporate Bank, Ltd.</p> <p>Jun. 2007 Representative Director, Chairman and Corporate Officer, Orient Corporation (to present)</p> | 0  |
| 11                   | [Important positions at other corporations/institutions]<br>Representative Director, Chairman and Corporate Officer, Orient Corporation (Until June, 2011)<br>Outside Director, Daiichi Sankyo Company, Limited   |   |  |
|                      | [Reasons for Appointment and Term of Office]<br>The Company proposes that Takashi Okimoto be appointed as Outside Director on the grounds that he has lengthy experience in corporate management.<br>Takashi Okimoto is a new nominee for the position of Outside Director.   |   |  |
|                      | [Comments on Special-interest Relationships and the Independence of Candidates]<br>Takashi Okimoto has no Special-interest relationship with the company.<br>Takashi Okimoto is a Representative Director, Chairman and Corporate Officer, Orient Corporation.<br>Fujitsu holds 1.55% of Orient Corporation's outstanding stock. Orient Corporation and Fujitsu do have business dealings which in fiscal 2010 amounted to 2.9 billion yen. However, taking into account the scale of the Fujitsu's sales, this is not considered material. |   |  |
|                      | [Special Notice regarding the Outside Director Candidate]<br>The Company plans to conclude an agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act with Takashi Okimoto if he is elected.  |   |  |

*Note:*

The maximum liability for damages in accordance with the agreement limiting liability concluded between the Company and Outside Directors is the minimum liability stipulated by the Companies Act.

## Proposal No. 2 Election of One Auditor

The term of office for Auditor Tamiki Ishihara expires at the close of this Shareholders' Meeting. We therefore propose the election of one Auditor. The Company proposes that Yoshikazu Amano, a candidate for Outside Auditor, be newly appointed. In order to strengthen the management supervisory function, if his nomination is approved, he will be appointed as a Standing Auditor.

The Company has already received approval for this proposal from the Board of Auditors.

The candidate for Auditor is as follows:

(※New Candidate Auditor)

| <i>Name and date of birth</i>  | <i>Personal history, positions at the Company</i>  | <i>Number of shares of the Company held by the candidate</i> |
|--|--|--|
| ※<br>Outside Auditor Candidate<br><br>Yoshikazu Amano<br>(March 11, 1949)  | Apr. 1972 Joined Toyota Motor Corporation<br>Jun 2002 Director, Toyota Motor Corporation<br>Jun 2003 Managing Officer, Toyota Motor Corporation<br>Jun 2007 Corporate Auditor, Toyota Motor Corporation (to present) | 0  |
| [Important positions at other corporations/institutions]<br>Corporate Auditor, Toyota Motor Corporation (Until June, 2011)   |  |  |
| [Reasons for Appointment and Term of Office]<br>The Company proposes that Yoshikazu Amano as a candidate for Outside Auditor on the grounds that he has experience in corporate management and auditing a global corporation.<br>Yoshikazu Amano is a new nominee for the position of Outside Auditor. If Yoshikazu Amano is elected, he will provide management supervision as a Standing Auditor, in order to strengthen the management supervisory function.  |  |  |
| [Comments on Special-interest Relationships and the Independence of Candidates]<br>Yoshikazu Amano has no special-interest relationships with the Company.<br>Yoshikazu Amano is a Corporate Auditor, Toyota Motor Corporation. Fujitsu holds 0.04% of Toyota Motor Corporation's outstanding stock. Toyota Motor Corporation and Fujitsu do have business dealings which in 2010 amounted to 7.5 billion yen. However, taking into account the scale of the Fujitsu's sales, this is not considered material.<br>Further, Yoshikazu Amano is not a major shareholder nor has he held an executive management position with a major trading partner of the Company, and therefore believes he is independent. If he is elected, the Company will report to securities exchanges in Japan notifying them that he is an Independent Auditor. |  |  |
| [Special Notice regarding the Outside Auditor Candidate]<br>The Company plans to conclude an agreement limiting liability for damages under Clause 1, Article 423 of the Companies Act with Yoshikazu Amano if he is elected.  |  |  |

*Note:*

The maximum liability for damages in accordance with the agreement limiting liability concluded between the Company and Outside Auditor is the minimum liability stipulated by the Companies Act.

**Proposal No. 3 Payment of Bonuses to Directors and Auditors**

It is proposed that, in consideration of the financial results for the fiscal 2010, the Company will pay a total of 101 million yen to six Directors (Outside Directors excluded) and a total of 23 million yen to two Auditors (Outside Auditors excluded).

Regarding specific amounts to be paid, the amounts for individual Directors will be determined by the Board of Directors and the amounts for individual Auditors will be determined through consultation among Auditors.

(million yen)

|  | FY2008<br>(109 <sup>th</sup> term) | FY2009<br>(110 <sup>th</sup> term) | FY2010<br>(current term) |
|--|------------------------------------|------------------------------------|--------------------------|
| Consolidated Operating Income (Projection)         | 220,000                            | 80,000                             | 185,000                  |
| Consolidated Operating Income (Actual)             | 68,772                             | 94,373                             | 132,594                  |
| Consolidated Net Income (Actual)                   | -112,388                           | 93,085                             | 55,092                   |
| Bonuses to Directors<br><No. of qualified persons> | 0<br><0>                           | 72<br><5>                          | 101<br><6>               |
| Bonuses for Auditors<br><No. of qualified persons> | 0<br><0>                           | 21<br><2>                          | 23<br><2>                |

*Note:*

In fiscal year 2008, given the 112,388 million yen net loss posted as the result of the strong yen and economic recession, no resolution regarding bonus payment was proposed at the Shareholders' Meeting.

**Proposal No. 4 Revision to the Compensation of Auditors**

The amount of compensation of auditors has been capped at a maximum total of 100 million yen per year since the approval of the 106<sup>th</sup> Annual Shareholders' Meeting in 2006.

With regard to compensation of auditors, the revision of the total amount to 150 million yen is proposed, conditional upon approval of Proposal No.2, in consideration of the addition of one standing auditor in order to strengthen the management supervisory function and to secure exceptional human resources.

The Company presently has five auditors. The number of auditors will not change if Proposal No.2 is approved.

The Company has revised the Executive Compensation Policy as part of an effort towards improving corporate governance. For details, please refer to "Initiatives to Improve Corporate Governance" described on pages 15 and 16.

## Reference Initiatives to Improve Corporate Governance

At the Board of Directors' meeting held on October 28, 2009, Fujitsu resolved to establish an Executive Nomination Committee and a Compensation Committee. These committees perform an advisory role to the Board of Directors so as to ensure the transparency and objectivity of the process to select directors of Fujitsu and the process to determine executive compensation, as well as the appropriateness of compensation systems and levels. As a result of the committees' deliberations with regard to the composition of the Board of Directors' meeting (including auditors as members; the same shall apply hereinafter) and executive compensation, and based on the recommendations they submitted to the Board of Directors, Fujitsu will enhance its management oversight functions and revise its Executive Compensation Policy.

With regard to the composition of the Board of Directors' meeting, Fujitsu plans to add one outside director, thereby bringing the number of outside directors to four out of eleven members. In addition, by appointing a Standing Outside Auditor, Fujitsu will further strengthen the management oversight function performed by Outside Directors and Auditors.

The system of executive compensation is another area of focus. To secure the 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 proposes revisions to its Executive Compensation Policy, as follows.

The enforcement of this Executive Compensation Policy is conditional upon passage of Proposal No. 4 (Revision to the Compensation of Auditors) at the 111<sup>th</sup> Annual Shareholders' Meeting, and will be applied to executive compensation from the next fiscal year.

### 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; "Stock-based Compensation," which is a long-term incentive that emphasizes a connection to shareholder value; and "Bonuses" that are compensation linked to short-term business performance.

#### Base Compensation

• Base compensation is paid to all directors and auditors, in accordance with position and responsibilities, as compensation for work responsibilities with regard to management oversight and the carrying out of executive responsibilities.

#### Stock-based Compensation

• Stock-based compensation, intended for directors responsible for carrying out executive duties, is a long-term performance incentive, with the amount to be paid determined based on a qualitative evaluation of medium- to long-term initiatives.

• Stock-based compensation is to be paid for the purchase of the company's own shares. These purchases are to be made through the Director Stock Ownership Plan. Shares purchased for this purpose are to be held by each director for the term of his or her service.

#### Bonuses

• Bonuses are short-term performance incentives to be paid to directors who carry out executive responsibilities. The amount of a bonus is to reflect business performance in the respective fiscal year.

• As a specific method to calculate a bonus, Fujitsu will adopt a "Profit Sharing model" which uses consolidated operating income and consolidated net income as an index. However, bonuses will not be paid in the event of negative net income recorded under non-consolidated accounting.

(TRANSLATION FOR REFERENCE ONLY)

In accordance with a resolution of the Annual Shareholders' Meeting, the total amount of Base Compensation, Stock-based Compensation and Bonuses shall not exceed 600 million yen per year for directors and 150 million yen per year for auditors.

(Reference)

| Category           | Base Compensation              |                              | Stock-based Compensation | Bonuses |
|--------------------|--------------------------------|------------------------------|--------------------------|---------|
|                    | Management Supervision Portion | Management Execution Portion |                          |         |
| Director           | ○                              | —                            | —                        | —       |
| Executive Director | ○                              | ○                            | ○                        | ○       |
| Auditor            | ○                              |                              | —                        | —       |