

To our shareholders,

Security Code (in Japan) 6702  
June 2, 2023

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

### **NOTICE OF THE 123<sup>rd</sup> ANNUAL SHAREHOLDERS' MEETING**

We hereby inform you that the 123<sup>rd</sup> Annual Shareholders' Meeting will be held as set forth below. For convening this Shareholders' Meeting, the Company has taken measures for providing information that constitutes the content of reference materials for the shareholders' meeting, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format and posted at the following websites. Therefore, we would like you to access one of the websites and confirm.

Company's website:

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

Informational materials for the shareholders' meeting (in Japanese only):

<https://d.sokai.jp/6702/teiji/>

Moreover, matters for which measures for providing information in electronic format are to be taken are also available at the website of the Tokyo Stock Exchange (TSE), in addition to the above website. Therefore, we would like you to confirm from the following:

Tokyo Stock Exchange (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please access the above TSE website, enter "Fujitsu" in "Issue name (company name)" or "6702" in "Code" and search, select "Basic information" and "Documents for public inspection/PR information" in sequence, and confirm from the "[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting]" section under "Documents for public inspection" section.)

In case of nonattendance, you may 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 by following the instructions of "Exercise of Voting Rights in Case of Nonattendance" on Page 2

- 1. Time & Date** 10:00 a.m., Monday, June 26, 2023 (The reception desk opens at 9:00 a.m.)
- 2. Venue** Shin Yokohama Prince Hotel \*The reception desk will be on the 1st floor.  
4, Shin Yokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa, Japan

### **3. Purposes of the Shareholders' Meeting**

#### **Reports:**

Business Report, Consolidated and Unconsolidated Financial Statements for the 123<sup>rd</sup> Business Period (April 1, 2022 – March 31, 2023); Auditing Reports from Accounting Auditor and Audit & Supervisory Board on Consolidated Financial Statements

#### **Agenda:**

Proposal No. 1 Election of Nine Directors

|                |  |
|----------------|--|
| Proposal No. 2 | Election of One Audit & Supervisory Board Member                                 |
| Proposal No. 3 | Determination on Compensation of Restricted Stock Unit for Independent Directors |

#### 4. Attached Materials

- (1) In accordance with laws and regulations and the provision of Article 17 of the Company's Articles of Incorporation, the Reports on the 123<sup>rd</sup> Business Period delivered to shareholders does not include the following items among the Auditing Reports, and among the "Business Report" on the 123<sup>rd</sup> business period, the "Consolidated Financial Statements" on the 123<sup>rd</sup> business period, and "Unconsolidated Financial Statements" on the 123<sup>rd</sup> business period, which are targeted for auditing when the Audit & Supervisory Board and the Accounting Auditor prepare their respective Auditing Reports. Since the following items are not included in Reports on the 123<sup>rd</sup> Business Period delivered to shareholders, please review either of the websites on Page 1.
- "Fujitsu Group Principal Offices and Plants," "Employees," "Principal Lenders," "Stock," "Stock Acquisition Rights," "Overview of Liability Limitation Agreement," "Summary of Contents of Directors and Officers Liability Insurance Policy, etc.," "Concurrent Positions of External Directors and Auditors and Their Activities," "Other Matters Regarding Management," "Basic Policy on the Control of the Company," "Policy on Decision Regarding Dividends of Surplus etc.," "Accounting Auditor" and "System to Ensure the Properness of Fujitsu Group Operations" in the "Business Report" on the 123<sup>rd</sup> business period
  - "Consolidated Statement of Financial Position," "Consolidated Statement of Profit or Loss," "Consolidated Statement of Changes in Equity," "[Unaudited] Simplified Consolidated Statement of Comprehensive Income," "[Unaudited] Simplified Consolidated Statement of Cash Flows" and "Notes to Consolidated Financial Statements" among the "Consolidated Financial Statements" on the 123<sup>rd</sup> business period
  - "Unconsolidated Balance Sheet," "Unconsolidated Profit and Loss," "Unconsolidated Statement of Changes in Net Assets" and "Notes to Unconsolidated Financial Statements" among the "Unconsolidated Financial Statements" on the 123<sup>rd</sup> business period
  - "Transcript of Accounting Auditor's Report on the Consolidated Financial Statements," "Transcript of Accounting Auditor's Report on the Unconsolidated Financial Statements" and "Transcript of Audit & Supervisory Board Audit Report" among the "Audit Reports"
- Note that, for this Shareholders' Meeting, Reports on the 123<sup>rd</sup> Business Period will be delivered to all shareholders regardless of whether they have made a request for delivery of paper-based documents.

- (2) In the case of any revisions to the matters for which measures for providing information in electronic format are to be taken, the revisions, and the matters before and after the revisions will be posted at **the websites on Page 1.**

#### 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 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 23, 2023 (Japan standard time).

[Voting via the Internet]

Please access the Company's designated online voting site (<https://evote.tr.mufg.jp/>) via a PC or mobile phone using the login ID and temporary password printed on the 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 23, 2023 (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.

[Exercise of Voting Rights by Proxy]

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

(2) Board Resolution regarding Exercise of Voting Rights

- a. Any voting right exercised by mail without indicating approval or disapproval for a particular proposal on the Voting Card will be counted as a vote for approval of the proposal.
- b. If any voting right is exercised both by mail and via the Internet, exercise via the Internet will be recognized as the valid exercise of the voting right.
- c. If any voting right is exercised more than once via the Internet, the latest exercise will be recognized as the valid exercise of the voting right.
- d. No Voting Card has been sent to those shareholders who have given consent to receive a notice by email. Any such shareholder wishing to have his or her Voting Card issued is asked to contact the Company's representative at the following address:

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

*Note:*

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

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

The terms of office for all nine Directors expire at the close of this Annual Shareholders' Meeting. Accordingly, the Company proposes the election of nine Directors including five Independent Directors. Candidates for the position of Director are listed on Pages 7 to 15. The term of office for each Director shall be until the close of next year's Annual Shareholders' Meeting.

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

In order to achieve the Company's "Our Purpose" of "making the world more sustainable by building trust in society through innovation," the Company has steadily promoted the transformation of business portfolio that contributes to improving corporate value and endeavored to expand revenue since the start of the business execution system with Mr. Takahito Tokita as Representative Director and CEO. Since it is expected to further improve corporate value by continuing such endeavors going forward, the Company has decided to continuously nominate Mr. Takahito Tokita, Representative Director and CEO, Mr. Hidenori Furuta, Representative Director and COO, and Mr. Takeshi Isobe, Director and Corporate Executive Officer, SEVP\*<sup>1)</sup> as candidates for Executive Director for this year when a new medium-term management plan starts.

Mr. Byron Gill, who is a candidate for Independent Director, is a new candidate for Director, and will replace Mr. Scott Callon who will resign at the close of this Annual Shareholders Meeting. As with Mr. Scott Callon, Mr. Byron Gill has the perspective of an institutional investor, and the Company expects that his joining the Board of Directors will further enhance discussions at the Board.

Regarding the other five Non-Executive Directors, taking the mission of the Board of Directors into account, that is, to continue monitoring of the implementation of measures for realizing Our Purpose and their progress, the Company proposes to reelect all of them.

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

| Candidate No.                  | Name            | Authority of Representation | Independent Director | Position and responsibility at the Company                                  |
|--------------------------------|-----------------|-----------------------------|----------------------|---|
| <b>Executive Directors</b>     |                 |                             |                      |   |
| 1                              | Takahito Tokita | x                           |                      | CEO* <sup>2)</sup> , Chairman of the Risk Management & Compliance Committee |
| 2                              | Hidenori Furuta | x                           |                      | COO* <sup>2)</sup>  |
| 3                              | Takeshi Isobe   |                             |                      | Corporate Executive Officer, SEVP* <sup>1)</sup> , CFO* <sup>2)</sup>       |
| <b>Non-Executive Directors</b> |                 |                             |                      |   |
| 4                              | Masami Yamamoto |                             |                      | Senior Advisor  |
| 5                              | Chiaki Mukai    |                             | x                    |   |
| 6                              | Atsushi Abe     |                             | x                    | Chairman of the Board of Directors  |
| 7                              | Yoshiko Kojo    |                             | x                    |   |
| 8                              | Kenichiro Sasae |                             | x                    |   |
| 9                              | Byron Gill      |                             | x                    |   |

**Notes:**

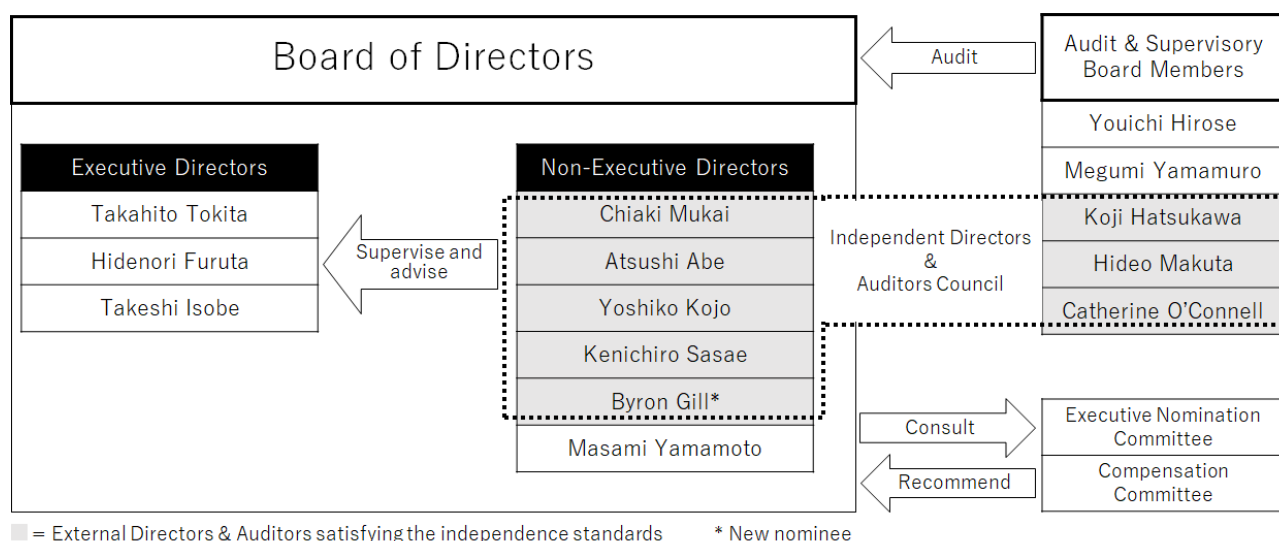
\*1) SEVP is one of the FUJITSU Levels (others include EVP and SVP), the common global criteria to show the extent of duties of officers and employees of the Fujitsu Group.

\*2) CEO, COO, and CFO are abbreviations of Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer, respectively.

### 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 (Independent Directors and Directors from within the Company who are not in charge of execution of business) 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) 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.
- b) The skills and diversity necessary for the Board of Directors shall be considered when selecting candidates for Non-Executive Director.
- c) The majority of the Board of Directors members shall be Independent Directors.
- d) Independent Directors must meet the independence standards established by the Company (hereinafter referred to as "Independence Standards").
- 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 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 composed of Independent Directors & Auditors (hereinafter, the term used for the combination of Independent Directors and Independent Audit & Supervisory Board Members), 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 who is not an Independent Director or employee of one of Fujitsu Group Companies<sup>1</sup>;
  - (2) Director, Executive Officer, Audit & Supervisory Board Member, or important employee<sup>2</sup> of a Major Shareholder<sup>3</sup> of Fujitsu;
  - (3) Director, Executive Officer, Audit & Supervisory Board Member, or important employee<sup>2</sup> of a Major Lender<sup>4</sup> 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 a Significant Amount of Monetary Benefits<sup>5</sup> or other property as an individual, or as a Director, Executive Officer, Audit & Supervisory Board Member, or important employee<sup>2</sup> of a small corporation, etc. that can be regarded as an individual, other than the compensation as a Director or Audit & Supervisory Board Member from Fujitsu; or
  - (7) Director, Executive Officer, Audit & Supervisory Board Member, or important employee<sup>2</sup> of a Major Business Partner<sup>6</sup> of Fujitsu
  
2. A person who does not have a Close Relative<sup>7</sup> will be independent, wherein a Close Relative meets one of following, at present or at any time within the preceding three years:
  - (1) Executive Director, Non-Executive Director<sup>8</sup>, or important employee of Fujitsu Group Companies;
  - (2) Director, Executive Officer, Audit & Supervisory Board Member, or important employee<sup>2</sup> of a Major Shareholder of Fujitsu;
  - (3) Director, Executive Officer, Audit & Supervisory Board Member, or important employee<sup>2</sup> of a Major Lender to Fujitsu;
  - (4) Partner or employee of accounting auditor of Fujitsu;
  - (5) Director, Executive Officer, Audit & Supervisory Board Member, or Corporate Executive Officer mutually exchanged between Fujitsu and another company
  - (6) A person who receives a Significant Amount of Monetary Benefits or other property as an individual, or as a Director, Executive Officer, Audit & Supervisory Board Member, or important employee<sup>2</sup> of a small corporation, etc. that can be regarded as an individual, other than the compensation as a Director or Audit & Supervisory Board Member from Fujitsu; or
  - (7) Director, Executive Officer, Audit & Supervisory Board Member, or important employee<sup>2</sup> of a Major Business Partner of Fujitsu.

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

2 "Employee" exclude 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.

9 The positions listed in the Independence Standards include those corresponding positions.

| Candi-<br>date<br>No.  | Name and<br>date of birth  | Career summary, position and responsibility in the Company,<br>and significant concurrent positions outside the Company                 |  |
|--|--|---|--|
| 1  | <p>Takahito Tokita<br/>(September 2, 1962)</p> <p><i>*Reappointment</i></p> <p>[No. of Years Served as a<br/>Director*<sup>3)</sup>] 4</p> <p>[No. of the Company's<br/>Shares Held] 5,923</p> <p>[Attendance at the FY2022<br/>Board of Directors'<br/>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>Apr. 2021</p> | <p>Joined the Company</p> <p>Head of Financial Systems Unit, Integration Services Business</p> <p>Corporate Executive Officer</p> <p>Corporate Executive Officer, EVP*<sup>4)</sup></p> <p>Head of Global Delivery Group, Technology Solutions Business</p> <p>Corporate Senior Executive Vice President</p> <p>Representative Director and CEO*<sup>2)</sup> (to present)</p> <p>Chairman of the Risk Management &amp; Compliance Committee (to present)</p> <p>CDXO*<sup>5)</sup> (until March 2023)</p> <p>CEO*<sup>2)</sup> (to present)</p> |
| [Significant concurrent positions outside the Company]   |  | None  |  |
| <p>[Reasons for Nomination]</p> <p>Mr. Takahito Tokita has a wealth of experience as a systems engineer in the business for the financial sector; the decisiveness and the capabilities necessary to execute business improvements; and a good grasp of what is happening in the global business arena through his overseas experience, mainly in the Global Delivery Group whose mission is to offer uniform services throughout the world. Following his assumption of office as Representative Director and CEO, he formulated the new Management Direction and has led initiatives to transform Fujitsu from an IT company to a DX company, striving to improve corporate value and increase revenue. For this year when a new medium-term management plan starts, the Company believes it necessary for him to promote further growth of companies for the realization of Our Purpose in terms of the business operation. Therefore, the Company proposes reappointing him as an Executive Director. The Company intends to reappoint him as Representative Director and CEO, if his reappointment 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>   |  |   |  |
| <p>[Special Notice regarding the Director Candidate]</p> <p>The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If Mr. Takahito Tokita is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</p>   |  |   |  |

## Notes:

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

\*4) Regarding Corporate Executive Officers, in April 2022, we eliminated position names (Senior Executive Vice President/Executive Vice President) and changed to naming that demonstrates the scale of job responsibility using the FUJITSU Level (SEVP, EVP, SVP, etc.).

\*5) CDXO is an abbreviation of Chief Digital Transformation Office.

| Candi-<br>date<br>No. | Name and<br>date of birth   | Career summary, position and responsibility in the Company,<br>and significant concurrent positions outside the Company   |
|-----------------------|---|---|
|                       | <p>Hidenori Furuta<br/>(December 13, 1958)</p> <p><i>*Reappointment</i></p> <p>[No. of Years Served as a Director<sup>*3)</sup> 4</p> <p>[No. of the Company's Shares Held] 5,933</p> <p>[Attendance at the FY2022 Board of Directors' Meetings] 100%</p> | <p>Apr. 1982 Joined the Company</p> <p>May 2009 Head of Manufacturing Industry Solutions Business Unit</p> <p>Apr. 2012 Corporate Executive Officer</p> <p>Apr. 2014 Corporate Executive Officer, EVP<sup>*4)</sup></p> <p>Head of Global Delivery</p> <p>Apr. 2018 Corporate Executive Officer, SEVP<sup>*4)</sup></p> <p>Head of Digital Services Business</p> <p>Jan. 2019 SEVP, Head of Technology Solutions Business (until March 2020) CTO<sup>*6)</sup> (until June 2021)</p> <p>Jun. 2019 Representative Director and COO<sup>*2)</sup> (to present)</p> <p>Apr. 2020 SEVP, Head of Global Solutions Business</p> <p>Oct. 2021 CDPO<sup>*6)</sup> (until March 2023)</p> <p>[Significant concurrent positions outside the Company]</p> <p>None</p>  |
| 2                     | [Reasons for Nomination]  | <p>Mr. Hidenori Furuta has international experience due to launching Global Delivery as well as many years of experience in the systems integration business. As CTO<sup>*6)</sup> he has been supporting Mr. Takahito Tokita, Representative Director and CEO, from a technological perspective. Additionally, he has been responsible for operational process design, application, and maintenance operations, and formulated and implemented policies to promote the utilization of the data relevant to those operations as the CDPO<sup>*6)</sup> from October 2021. In view of his experience, the Company believes he is the most suitable person to continuously fulfill the role of leading the initiatives for realization of Our Purpose in terms of the business operation. Therefore, the Company proposes reappointing him as an Executive Director. The Company intends to reappoint him as Representative Director and COO<sup>*2)</sup>, if his reappointment is approved at this Shareholders' Meeting.</p> |
|                       | [Comments on Special-interest Relationships]  | Mr. Hidenori Furuta has no special-interest relationships with the Company.   |
|                       | [Special Notice regarding the Director Candidate]   | <p>The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If Mr. Hidenori Furuta is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</p>   |



## (TRANSLATION FOR REFERENCE ONLY)

| Candi-<br>date<br>No.   | Name and<br>date of birth  | Career summary, position and responsibility in the Company,<br>and significant concurrent positions outside the Company |   |
|---|--|---|---|
| 3   | <p>Takeshi Isobe<br/>(July 29, 1962)</p> <p><i>*Reappointment</i></p> <p>[No. of Years Served as a<br/>Director*<sup>3)</sup>] 3</p> <p>[No. of the Company's<br/>Shares Held] 2,441</p> <p>[Attendance at the FY2022<br/>Board of Directors'<br/>Meetings] 100%</p> | <p>Apr. 1985</p> <p>Jun. 2014</p> <p>Apr. 2018</p> <p>Jun. 2019</p> <p>Apr. 2020</p> <p>Jun. 2020</p> <p>Apr. 2022</p>  | <p>Joined the Company</p> <p>VP of Corporate Controller Division, Corporate Finance Unit</p> <p>Corporate Executive Officer<br/>Head of Corporate Finance Unit (until March 2021)</p> <p>Corporate Executive Officer, EVP*<sup>4)</sup><br/>CFO*<sup>2)</sup> (to present)</p> <p>Corporate Executive Officer, SEVP*<sup>4)</sup></p> <p>Director and Corporate Executive Officer, SEVP*<sup>4)</sup></p> <p>Director and Corporate Executive Officer, SEVP*<sup>1)</sup> (to present)</p> <p>[Significant concurrent positions outside the Company]<br/>None</p> |
| <p>[Reasons for Nomination]</p> <p>Mr. Takeshi Isobe has many years of experience in the Corporate Finance Unit of the Company. He has been responsible for the formulation and execution of the financial strategy and constructive dialogues with shareholders and investors as CFO*<sup>2)</sup>. Based on such knowledge, he has been providing advice to the management and formulating and executing Capital Allocation Policy. In this way, he has supported important decision-making concerning the Company's business execution. In view of his experience, the Company believes he is the most suitable person to continuously fulfill the role of leading the initiatives for realization of Our Purpose from a financial perspective. Therefore, the Company proposes reappointing him as an Executive Director.</p> |  |   |   |
| <p>[Comments on Special-interest Relationships]</p> <p>Mr. Takeshi Isobe has no special-interest relationships with the Company.</p>  |  |   |   |
| <p>[Special Notice regarding the Director Candidate]</p> <p>The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If Mr. Takeshi Isobe is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</p>  |  |   |   |

Note:

\*6) CTO and CDPO are abbreviations of Chief Technology Officer and Chief Data & Process Officer, respectively.

| Candi-<br>date<br>No.  | Name and<br>date of birth   | Career summary, position and responsibility in the Company,<br>and significant concurrent positions outside the Company   |
|--|---|---|
| 4  | <p>Masami Yamamoto<br/>(January 11, 1954)</p> <p><i>*Reappointment</i></p> <p>[No. of Years Served as a Director*<sup>3)</sup>] 13</p> <p>[No. of the Company's Shares Held] 10,182</p> <p>[Attendance at the FY2022 Board of Directors' Meetings] 100%</p> | <p>Apr. 1976 Joined the Company</p> <p>Jun. 2004 Vice Head of 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 and President</p> <p>Jun. 2015 Representative Director and Chairman (until June 2017)<br/>Chairman of the Board of Directors (until June 2019)</p> <p>Jul. 2015 Member of the Executive Nomination Committee and<br/>Compensation Committee (until June 2019)</p> <p>Jun. 2017 Director and Chairman (until June 2019)<br/>Outside Director, JFE Holdings, Inc. (to present)</p> <p>Oct. 2018 Member of Council for Promotion of Regulatory Reform, Cabinet<br/>Office (until July 2019)</p> <p>Mar. 2019 Member of Intellectual Property Strategy Headquarters, Cabinet<br/>Office (until March 2021)</p> <p>Jun. 2019 Director and Senior Advisor of the Company (to present)<br/>Member of the Board of Directors (Outside Director), Mizuho<br/>Financial Group, Inc. (to present)</p> <p>Jul. 2021 Member of the Executive Nomination Committee of the Company<br/>(to present)</p> <p>[Significant concurrent positions outside the Company]<br/>Outside Director, JFE Holdings, Inc.<br/>Member of the Board of Directors (Outside Director), Mizuho Financial Group,<br/>Inc.</p> |
| <p>[Reasons for Nomination]</p> <p>Mr. Masami Yamamoto has experience in business execution, having served as Representative Director and President for five years, and as Representative Director and Chairman for two years. At the same time, serving in key positions in the business community and at governmental institutions, he has been engaged in external activities that advance the interests of the Japanese IT industry and contribute to enhancement of the Company's presence in the international community. The Company believes he is ideally suited to fulfill the role of being responsible for oversight of business execution and providing advice based on his experience and knowledge. Therefore, the Company proposes reappointing him as a Non-Executive Director.</p> <p>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]</p> <p>Mr. Masami Yamamoto has no special-interest relationships with the Company.</p>   |   |   |
| <p>[Special Notice regarding the Director Candidate]</p> <p>An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Mr. Masami Yamamoto. The Company plans to extend the agreement if he is reappointed at this Shareholders' Meeting*<sup>7)</sup>.</p> <p>The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</p>   |   |   |

Note:

\*7) The maximum liability for damages in accordance with the agreement limiting liability concluded between the Company and Non-Executive Directors and Audit & Supervisory Board Members is the minimum liability amount stipulated by laws and regulations.

| Candi-<br>date<br>No. | Name and<br>date of birth  | Career summary, position and responsibility in the Company,<br>and significant concurrent positions outside the Company   |
|-----------------------|--|---|
| 5                     | <p>Chiaki Mukai<br/>(May 6, 1952)</p> <p><i>*Reappointment</i><br/><i>*Independent Director</i></p> <p>[No. of Years Served as a<br/>Director*<sup>3)</sup>] 8</p> <p>[No. of the Company's<br/>Shares Held] 3,526</p> <p>[Attendance at the FY2022<br/>Board of Directors'<br/>Meetings] 100%</p> | <p>Apr. 1977 Staff of Department of Surgery, Keio University School of<br/>Medicine (until November 1985)</p> <p>Aug. 1985 Payload Specialist of National Space Development Agency of<br/>Japan*<sup>8)</sup> (until March 2015)</p> <p>Jun. 1987 Visiting Scientist of Division of Cardiovascular Physiology, Space<br/>Biomedical Research Institute, NASA Johnson Space Center (until<br/>December 1988)</p> <p>Oct. 2014 Vice President of Science Council of Japan (until September 2017)</p> <p>Apr. 2015 Vice President, Tokyo University of Science (until March 2016)</p> <p>Jun. 2015 Director of the Company (to present)</p> <p>Apr. 2016 Specially Appointed Vice President of Tokyo University of Science<br/>(to present)</p> <p>Jul. 2016 Member of the Executive Nomination Committee of the Company<br/>(until June 2021)<br/>Member of the Compensation Committee (until June 2018)</p> <p>Jan. 2017 Chair of the Scientific and Technical Subcommittee, UN Committee<br/>on the Peaceful Uses of Outer Space (COPUOS) (until January<br/>2018)</p> <p>Apr. 2018 Special Counselor of JAXA (until March 2021)</p> <p>Jul. 2018 Chairperson of the Compensation Committee of the Company (to<br/>present)</p> <p>Mar. 2019 Outside Director, Kao Corporation (to present)</p> <p>[Significant concurrent positions outside the Company]<br/>Specially Appointed Vice President of Tokyo University of Science<br/>Outside Director, Kao Corporation</p> |
|                       |  | <p>[Reasons for Nomination and Overview of Expected Role]<br/>Although Ms. Chiaki Mukai has not previously been involved with company management other than having served as an external director, she has an impressive personal history as a doctor who became Asia's first female astronaut, and exemplifies the Company's spirit of taking on challenges at the cutting edge of science. As well as providing oversight and advice concerning business execution from diverse perspectives, she led discussion about executive compensation in her capacity as the Chairperson of the Compensation Committee. Because the Company expects that she will continue to be able to provide oversight and advice from a fair and objective global perspective based on broad knowledge of science and technology, the Company proposes reappointing her as an Independent Director.</p>  |
|                       |  | <p>[Comments on Special-interest Relationships and the Independence of the Candidate]<br/>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 2022 amounted to approximately 2 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 6) 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]<br/>An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Ms. Chiaki Mukai. The Company plans to extend the agreement if she is reappointed at this Shareholders' Meeting*<sup>7)</sup>.<br/>The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If she is reappointed, she will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</p>  |

Note:

\*8) Currently, the Japan Aerospace Exploration Agency (JAXA)

| Candi-<br>date<br>No.  | Name and<br>date of birth   | Career summary, position and responsibility in the Company,<br>and significant concurrent positions outside the Company  |
|--|---|--|
| 6  | <p style="text-align: center;">Atsushi Abe</p> <p style="text-align: center;">(October 19, 1953)</p> <p><i>*Reappointment</i><br/><i>*Independent Director</i></p> <p>[No. of Years Served as a Director*<sup>3)</sup>] 8</p> <p>[No. of the Company's Shares Held] 3,134</p> <p>[Attendance at the FY2022 Board of Directors' Meetings] 100%</p> | <p>Apr. 1977 Joined Mitsui &amp; Co., Ltd.</p> <p>Jun. 1990 Manager, Electronic Industry Department, Mitsui &amp; Co., Ltd.</p> <p>Jan. 1993 Managing Director, Alex. Brown &amp; Sons, Inc.*<sup>9)</sup></p> <p>Aug. 2001 Managing Director and Head of Global Corporate Finance, Deutsche Securities, Ltd.*<sup>10)</sup></p> <p>Aug. 2004 Partner &amp; Head of Japan, J.P. Morgan Partners Asia*<sup>11)</sup> (until March 2009)</p> <p>May 2007 Board Member, Edwards Group Ltd.*<sup>12)</sup> (until October 2009)</p> <p>Dec. 2009 Managing Partner, Sangyo Sosei Advisory Inc. (until June 2022)</p> <p>Feb. 2011 Director, ON Semiconductor Corporation (to present)</p> <p>Jun. 2015 Director of the Company (to present)</p> <p>Jun. 2019 Chairman of the Board of Directors (to present)</p> <p>Dec. 2019 Senior Advisor, Sangyo Sosei Advisory Inc. (until June 2022)</p> <p>Jul. 2021 Chairperson of the Executive Nomination Committee of the Company (to present)</p> <p>Jul. 2022 Managing Partner, Advanced Solutions, Inc. (to present)</p> <p>[Significant concurrent positions outside the Company]<br/>Managing Partner, Advanced Solution, Inc.<br/>Director, ON Semiconductor Corporation</p> |
| <p>[Reasons for Nomination and Overview of Expected Role]</p> <p>Through many years of experience in investment banking and private equity, Mr. Atsushi Abe has gained a deep understanding of the ICT industry and mergers and acquisitions. As the Chairman of the Board of Directors, he has been managing proceedings objectively from his perspective as an investor gained through his experience to date and dialogues with institutional investors. Additionally, he has led discussions on the qualities required for candidates for Director and Audit &amp; Supervisory Board Member of the Company and the succession plans for the management among others as the Chairperson of the Executive Nomination Committee since July 2021. Because the Company expects that, in addition to being able to provide oversight and advice from a shareholder and investor perspective, he will continue to contribute to timely and decisive management decision-making. Therefore, the Company proposes reappointing him as an Independent Director.</p> <p>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]</p> <p>Mr. Atsushi Abe has no special-interest relationships with the Company.</p> <p>Advanced Solutions, Inc., where he serves as Managing Partner, and the Company have no business dealings. ON Semiconductor Corporation, where he serves as Director, and the Company have sales business dealings, but sales transactions in fiscal 2022 amounted to approximately 160 thousand yen. In light of the scale of the Company's sales, this is not considered material. 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 6) 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]</p> <p>An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Mr. Atsushi Abe. The Company plans to extend the agreement if he is reappointed at this Shareholders' Meeting*<sup>7)</sup>.</p> <p>The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</p>   |   |  |

Notes:

\*9) Currently, Raymond James & Associates, Inc.

\*10) Currently, Deutsche Securities Inc.

\*11) Currently, Unitas Capital

\*12) Currently, Atlas Copco

| Candi-<br>date<br>No.  | Name and<br>date of birth   | Career summary, position and responsibility in the Company,<br>and significant concurrent positions outside the Company   |
|--|---|---|
| 7  | <p>Yoshiko Kojo <sup>*13)</sup></p> <p>(June 19, 1956)</p> <p><i>*Reappointment</i><br/><i>*Independent Director</i></p> <p>[No. of Years Served as a Director<sup>*3)</sup>] 5</p> <p>[No. of the Company's Shares Held] 1,081</p> <p>[Attendance at the FY2022 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 of Japan (until September 2020)</p> <p>Jun. 2018 Director of the Company (to present)</p> <p>Jul. 2019 Member of the Executive Nomination Committee and Compensation Committee (to present)</p> <p>Apr. 2020 Professor of Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication (to present)</p> <p>[Significant concurrent positions outside the Company]<br/>Professor of Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication</p> |
| <p>[Reasons for Nomination and Overview of Expected Role]</p> <p>Although Ms. Yoshiko Kojo has not previously been involved with company management other than having served as an external director, she served in important positions including the President of the Japan Association of International Relations. Her research has for many years focused mainly on the impact of economic entities, including private companies, on international politics. The Company expects that she will be able to provide extensive advice and oversight concerning the Company's responses to change in the external environment during a dramatic transition of international politics and initiatives for ESG management based on her deep insight. Therefore, the Company proposes 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 6) 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 Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Ms. Yoshiko Kojo. The Company plans to extend the agreement if she is reappointed at this Shareholders' Meeting<sup>*7)</sup>.</p> <p>The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If she is reappointed, she will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</p>                                 |   |   |

Note:

\*13) The name of Yoshiko Kojo in the domiciliary register is Yoshiko Kugu.

| Candi-<br>date<br>No. | Name and<br>date of birth   | Career summary, position and responsibility in the Company,<br>and significant concurrent positions outside the Company  |
|-----------------------|---|--|
| 8                     | <p style="text-align: center;">Kenichiro Sasae<br/>(September 25, 1951)</p> <p><i>*Reappointment</i><br/><i>*Independent Director</i></p> <p>[No. of Years Served as a Director*<sup>3)</sup>] 2</p> <p>[No. of the Company's Shares Held] 139</p> <p>[Attendance at the FY2022 Board of Directors' Meetings] 92.3%</p> | <p>Apr. 1974    Joined Ministry of Foreign Affairs</p> <p>Mar. 2002    Director-General of Economic Affairs Bureau, Ministry of Foreign Affairs</p> <p>Jan. 2005    Director-General of Asian and Oceania Affairs Bureau, Ministry of Foreign Affairs</p> <p>Jan. 2008    Deputy Minister for Foreign Affairs</p> <p>Aug. 2010    Vice-Minister for Foreign Affairs</p> <p>Sep. 2012    Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America</p> <p>Jun. 2018    President and Director General, The Japan Institute of International Affairs</p> <p>Jun. 2019    Outside Director, SEIREN CO., LTD. (to present)<br/>Outside Director, MITSUBISHI MOTORS CORPORATION (to present)</p> <p>Dec. 2020    President, The Japan Institute of International Affairs (to present)</p> <p>Jun. 2021    Director of the Company (to present)</p> <p>Jul. 2021    Member of the Compensation Committee (to present)</p> <p>Mar. 2022    Outside Director of Asahi Group Holdings, Ltd. (to present)</p> <p>[Significant concurrent positions outside the Company]<br/>President, The Japan Institute of International Affairs<br/>Outside Director, SEIREN CO., LTD.<br/>Outside Director, MITSUBISHI MOTORS CORPORATION</p> |
|                       |   | <p>[Reasons for Nomination and Overview of Expected Role]</p> <p>Although Mr. Kenichiro Sasae has not previously been involved with company management other than having served as an external director, he has served in important positions including the Vice-Minister for Foreign Affairs, Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America, and currently as the President of the Japan Institute of International Affairs. He has extensive knowledge and practical experience in international politics and economics. As the international situation becomes more complicated these days, the Company expects that he will be able to provide oversight and advice from a fair and objective global perspective based on his knowledge and experience. Therefore, the Company proposes reappointing him as an Independent Director.</p>   |
|                       |   | <p>[Comments on Special-interest Relationships and the Independence of the Candidate]</p> <p>Mr. Kenichiro Sasae has no special-interest relationships with the Company. The Japan Institute of International Affairs, where he serves as President, and the Company have no business dealings. He is neither a Major Shareholder nor has he held an executive management position with a major trading partner of the Company, and thus the Company believes that he satisfies the Independence Standards (Refer to Page 6) 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]</p> <p>An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Mr. Kenichiro Sasae. The Company plans to extend the agreement if he is reappointed at this Shareholders' Meeting<sup>*7)</sup>. The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is appointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</p>  |

| Candi-<br>date<br>No. | Name and<br>date of birth   | Career summary, position and responsibility in the Company,<br>and significant concurrent positions outside the Company  |
|-----------------------|---|--|
| 9                     | Byron Gill* <sup>14)</sup><br><br>(December 29, 1968)<br><br>*New appointment<br>*Independent Director<br><br>[No. of the Company's<br>Shares Held] 0   | Sep. 1991 Joined Saison Corporation<br>Jul. 1997 Vice President, Nikko Salomon Smith Barney Limited * <sup>15)</sup><br>Aug. 1999 Chief Representative, Japan Branch, Soros Global Advisors, LLC<br>Aug. 2000 Founding Partner, Indus Capital Partners, LLC.<br>Japan Representative, Indus Capital Advisors, Inc.<br>Jul. 2016 Managing Partner, Indus Capital Partners, LLC. (to present)<br>[Significant concurrent positions outside the Company]<br>Managing Partner, Indus Capital Partners, LLC.  |
|                       |   | [Reasons for Nomination and Overview of Expected Role]<br>Mr. Byron Gill is currently serving as Managing Partner at Indus Capital Partners, LLC., which is an institutional investor specializing in Asian markets, after having worked for a foreign securities company. He has a wealth of experience as an institutional investor in conducting dialogues with invested companies, in addition to the knowledge about finance and investment. In view of his experience, the Company expects that he will play a role in providing oversight and advice from a fair and objective perspective, as well as in providing feedback of shareholder and investor opinions to the Company's management. Therefore, the Company proposes appointing him as an Independent Director.   |
|                       |   | [Comments on Special-interest Relationships and the Independence of the Candidate]<br>Mr. Byron Gill has no special-interest relationships with the Company.<br>Indus Capital Partners, LLC. and the Company have no business dealings. Indus Capital Partners, LLC., where he serves as Managing Partner, is not a Major Shareholder as defined by the Independence Standards (Refer to Page 6) 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 Audit & Supervisory Board Member. Additionally, he has declared that he would fulfill his duties as a Director for the Company and for all the shareholders of the Company. |
|                       | [Special Notice regarding the Director Candidate]<br>The Company plans to conclude an agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act with Mr. Byron Gill if he is appointed at this Shareholders' Meeting* <sup>8)</sup> .<br>The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is appointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal. |  |

Notes:

\*14) The name of Byron Gill in the domiciliary register is Byron Gill Edward.

\*15) Currently Citigroup Global Markets Japan Inc.

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

The term of office for Mr. Koji Hatsukawa, Independent Audit & Supervisory Board Member, will expire at the close of this Annual Shareholders' Meeting. Accordingly, the Company proposes the election of one Audit & Supervisory Board Member. The candidate for Audit & Supervisory Board Member is stated below.

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

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

| <i>Name and date of birth</i>  | <i>Career summary, position in the Company, and significant concurrent positions outside the Company</i>   |
|--|--|
| <p>Koji Hatsukawa<br/>(September 25, 1951)</p> <p><i>*Reappointment<br/>*Independent Audit &amp; Supervisory Board Member</i></p> <p>[No. of Years Served as an Audit &amp; Supervisory Board Member*<sup>16)</sup>]10</p> <p>[No. of the Company's Shares Held] 1,954</p> <p>[Attendance at the FY2022 Board of Directors' Meetings] 100%</p> <p>[Attendance at the FY2022 Audit &amp; Supervisory Board Meetings] 100%</p> | <p>Mar. 1974 Joined Price Waterhouse Accounting Office</p> <p>Jul. 1991 Representative Partner, Aoyama Audit Corporation</p> <p>Apr. 2000 Representative Partner, ChuoAoyama PricewaterhouseCoopers</p> <p>Oct. 2005 Director and Manager of International Operations, ChuoAoyama PricewaterhouseCoopers</p> <p>May 2009 CEO, PricewaterhouseCoopers Arata*<sup>17)</sup> (until May 2012)</p> <p>Jun. 2012 Audit &amp; Supervisory Board Member, The Norinchukin Bank (until June 2021)</p> <p>Jun. 2013 Audit &amp; Supervisory Board Member of the Company (to present)</p> <p>Jun. 2016 External Director (Audit &amp; Supervisory Committee member), Takeda Pharmaceutical Company Limited (to present)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Certified Public Accountant</p> <p>External Director (Audit &amp; Supervisory Committee member), Takeda Pharmaceutical Company Limited</p> |
| <p>[Reasons for Nomination]</p>  | <p>Mr. Koji Hatsukawa has a wealth of experience in auditing global companies as a Certified Public Accountant, and he has extensive knowledge about corporate accounting. While his tenure as an Audit &amp; Supervisory Board Member will have been ten years as of the close of this Annual Shareholders' Meeting, he satisfies independence standards (Refer to Page 6), and his continued serving as an Audit &amp; Supervisory Board Member will contribute to effective audit at the Company, and to ensuring the diversity in the tenure at the Audit &amp; Supervisory Board due to the relatively short tenure of other independent Audit &amp; Supervisory Board Members. Accordingly, the Company proposes reappointing him as an Independent Audit &amp; Supervisory Board Member.</p>  |
| <p>[Comments on Special-interest Relationships and the Independence of the Candidate]</p>  | <p>Mr. Koji Hatsukawa has no special-interest relationships with the Company. PricewaterhouseCoopers Arata*<sup>19)</sup>, where he served as CEO, has not conducted accounting audit of the Company, and therefore, is not considered so material as to have special-interest relationships. 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 6) 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 Audit &amp; Supervisory Board Member Candidate]</p>   | <p>An agreement limiting liability for damages under Article 423, paragraph (1) of the Companies Act has been concluded between the Company and Mr. Koji Hatsukawa. The Company plans to extend the agreement if he is reappointed at this Shareholders' Meeting*<sup>8)</sup>.</p> <p>The Company plans to conclude a directors and officers liability insurance contract with an insurance company. It covers the damages and dispute costs that the insured may bear if they receive a claim for damages as a result of serving as director or officer. If he is reappointed, he will be included as an insured in the insurance contract. We also plan to renew the contract with the same content at the next contract renewal.</p>   |



*Notes:*

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

*\*17) Currently, PricewaterhouseCoopers Arata LLC*

**(Reference) Skill Matrix of the Company's Director and Audit & Supervisory Board Member**

Fujitsu, as a global company making the world more sustainable by building trust in society through innovation, has identified requisite qualities including diversity and the necessary skills for Directors and Audit & Supervisory Board Members to execute business and provide appropriate advice and supervision in their respective roles. Fujitsu has nominated the candidates for Director and Audit & Supervisory Board Member as described above based on such requisites.

Below is the skill matrix of the Company's Directors and Audit & Supervisory Board Members (planned) after this Shareholders' Meeting.

|                      | Name            | External | Diversity |             | Skill Matrix         |                        |        |            |                           |
|----------------------|-----------------|----------|-----------|-------------|----------------------|------------------------|--------|------------|---------------------------|
|                      |                 |          | Gender    | Nationality | Corporate management | Finance and investment | Global | Technology | ESG, academia, and policy |
| CEO                  | Takahito Tokita |          | Male      | JP          | X                    |                        | X      | X          |                           |
| COO                  | Hidenori Furuta |          | Male      | JP          | X                    |                        | X      | X          |                           |
| CFO                  | Takeshi Isobe   |          | Male      | JP          | X                    | X                      | X      |            |                           |
| Senior Advisor       | Masami Yamamoto |          | Male      | JP          | X                    |                        | X      | X          |                           |
| Independent Director | Chiaki Mukai    | X        | Female    | JP          |                      |                        | X      | X          | X                         |
| Independent Director | Atsushi Abe     | X        | Male      | JP          |                      | X                      | X      | X          |                           |
| Independent Director | Yoshiko Kojo    | X        | Female    | JP          |                      |                        | X      |            | X                         |
| Independent Director | Kenichiro Sasae | X        | Male      | JP          |                      |                        | X      |            | X                         |
| Independent Director | Byron Gill      | X        | Male      | US          |                      | X                      | X      |            |                           |

|  | Name                | External | Diversity |             | Skill Matrix                 |                        |                   |
|--|---------------------|----------|-----------|-------------|------------------------------|------------------------|-------------------|
|  |                     |          | Gender    | Nationality | Legal affairs and compliance | Finance and accounting | Operating process |
| Full-time Audit & Supervisory Board Member | Youichi Hirose      |          | Male      | JP          |                              | X                      | X                 |
| Full-time Audit & Supervisory Board Member | Megumi Yamamuro     |          | Male      | JP          | X                            | X                      |                   |
| Audit & Supervisory Board Member           | Koji Hatsukawa      | X        | Male      | JP          |                              | X                      | X                 |
| Audit & Supervisory Board Member           | Hideo Makuta        | X        | Male      | JP          | X                            | X                      |                   |
| Audit & Supervisory Board Member           | Catherine O'Connell | X        | Female    | NZ          | X                            |                        |                   |

### **Proposal No. 3 Determination on Compensation of Restricted Stock Unit for Independent Directors**

#### 1. Reasons for proposal and reasons justifying the revisions

The amount of compensation for Independent Directors of the Company was resolved to be up to 150 million yen a year at the 121<sup>st</sup> Annual Shareholders' Meeting held on June 28, 2021, and the Company has paid the base compensation to Independent Directors as monetary compensation within the upper limit.

In order to provide incentives for Independent Directors to share values from the perspective of shareholders and to continuously improve corporate value, the Company would like to introduce a new stock compensation plan with ex-post provision on the condition of continued service (Restricted Stock Unit; hereinafter referred to as the "Plan") for Independent Directors(\*).

Accordingly, based on the above objectives, the Company seeks approval for the specific contents of the Plan as well as for the establishment of the compensation of the Plan within 100 million yen a year (with the total number of the Company stock allocated to be less than 6,000 shares a year), in addition to the upper limit on the above monetary compensation, after comprehensively considering various matters including the contributions by Independent Directors to the Company, as well as taking into account of the duties and the current number of Independent Directors and their possible future increases, in reference to the compensation scheme of benchmark companies that are engaged in business globally.

For individual compensations of Independent Directors after the introduction of the Plan, the composition ratio of monetary compensation and stock compensation shall be established by the decision of the Board of Directors, after the deliberations by the Compensation Committee on the appropriate level, taking into account of the duties of Independent Directors.

In addition, the ratio of the Company stock to be allocated in each fiscal year set forth in item 2 below is about 0.002% (the ratio to the outstanding shares is about 0.028% in the case of issuing the Company shares for the number at such upper limit over ten years) with a minimal dilution ratio, and therefore, the content of this proposal is deemed appropriate.

The Company has in place the policy for determining the content of compensation, etc. for individual directors (Basic Policy on Executive Compensation) as stated on Page A-14 of the "Reports on the 123<sup>rd</sup> Business Period." If this proposal is approved, the policy will be changed as stated on Page A-18, in order to be consistent with the approved content. The Basic Policy on Executive Compensation and the Plan with the content in line with the Policy have been determined at the Board of Directors meeting by receiving a report after the deliberations by the Compensation Committee, and its content is considered to be appropriate.

The Company currently has nine Directors, and the Plan is applicable to five Independent Directors among such Directors. There will be no change in the number of the applicable Independent Directors for the Plan, even if Proposal No. 1 "Election of Nine Directors" is approved as originally proposed at this Shareholders' Meeting.

\*The Company has already introduced the performance-based stock compensation (Performance Share) for Executive Directors after shareholders' approval at the 117<sup>th</sup> Annual Shareholders' Meeting held on June 26, 2017; however, for Independent Directors eligible for the Plan, it has been made a stock compensation system not linked to performance from the standpoint of appropriately securing supervision and advice on management from an objective perspective.

#### 2. Amount of compensation and specific details of the Plan

##### (1) Overview of the Plan

The Company determines the number of stock units to be granted to Independent Directors (hereinafter referred to as the "Eligible Persons") for each fiscal year and the period of continued service (three years). Upon the completion of the period of continued service, on the condition of fulfilling the certain requirements set forth in advance by the

Board of Directors, including having been in the position of Independent Director continuously for such period, the Eligible Persons shall be paid cash equivalent to the tax obligation arising for them due to the granting of compensation under the Plan, and allocated the Company shares, in accordance with the number of above Stock Units. At the time, the Eligible Persons shall be provided with monetary compensation claims and cash equivalent to the market value of the Company shares at the same number of the above Stock Units, and shall receive the allocation of the Company shares by contributing in kind all of the former monetary compensation claims to the Company. The proportion of the amount paid in cash out of the number of above Stock Units is determined by the Board of Directors, taking into consideration the tax obligation of each applicable Eligible Person.

Eligible Persons may transfer acquired shares of the Company at their own discretion unless they violate insider trading regulations.

- (2) Total amount of monetary compensation claims and cash pertaining to the Plan, maximum number of shares to be allotted

As stated above in Item 1., the upper limit of the total amount of monetary compensation claims and cash paid to the Eligible Persons under the Plan is set up to 100 million yen per year. The total number of allocated shares of the Company is set to be within 6,000 shares a year.

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

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

- (4) Payment amount per share

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

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

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

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

- (6) Others

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

# Reports on the 123<sup>rd</sup> Business Period

## Fujitsu Limited

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Note:

This English version of *Reports on the 123<sup>rd</sup> 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 would like to sincerely thank you for your continued support.

We welcome the opportunity to present this report on our 123<sup>rd</sup> business period (covering fiscal year 2022, from April 1, 2022 to March 31, 2023).

The Company has defined its Purpose as “to make the world more sustainable by building trust in society through innovation,” and we strive to create value for our customers and contribute to business growth and stability while engaging in the transformation of ourselves by further practicing DX (digital transformation) within the Company.

Starting from the social issues that need to be resolved in order to realize an ideal world, the Group is working to provide new value and contribute to realizing both business transformation and a sustainable society by continuously creating innovations with a digital technology platform from a cross-industry perspective.

In fiscal 2022, we further promoted business centered on Fujitsu Uvance, the global business brand for creating a sustainable world.

In addition, in order to further boost the shift to DX and globalization in our customers’ businesses, we have focused on various measures, including the transformation of the style used in sales discussions based on the design thinking of business producers in Japan who lead DX and the standardization of development for solutions and services using uniform methods worldwide.

For the Group’s own DX, we are working on internal reforms, which include strengthening personnel and systems, such as the “OneFujitsu” program, which reformulates the internal operational processes and operational systems for strengthening data driven management into a globally integrated object, and “Work Life Shift,” which realizes a new workstyle. Furthermore, we set “Customer NPS®,” “Employee Engagement” and “DX Promotion Index,” which are evaluation indicators in non-financial area, and have continuously worked to improve the evaluation of each item.

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 2022, profits have improved due to an increase in orders for digitization and other DX-related business, and together with contributions mainly from improved productivity accompanying the standardization of development for solutions and services, both operating profit and profit for the year were the highest ever. For details of our financial results, please refer to Page A-4 of this report.

Considering these financial results, the financial position, and the business environment from now on in, as announced in April 2022, we will pay an annual dividend of 240 yen for fiscal 2022. This is our seventh consecutive year of dividend increases, and a 20 yen increase from the annual dividend for fiscal 2021.

In fiscal 2023, we will further promote creation of value offered to our customers and the transformation for this creation to realize the Purpose and to achieve our management direction based on the new medium-term management plan. Moreover, under the Company’s capital allocation policy, we will continue to pay a stable dividend while expanding the amount of shareholder returns by proactively conducting repurchases of treasury stock with an eye on our capital efficiency.

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

June 2023

Takahito Tokita, Representative Director and CEO

Notes:

1. Fujitsu Uvance: The name of our business brand, which is a combination of the two words “Universal” and “Advance,” which means “to move everything forward in a sustainable direction.”
2. Customer NPS® (Net Promoter Score): Indicators that measure “customer loyalty,” which presents the degree of trust and degree of attachment customers have toward corporations and services.
3. DX Promotion Index: Indicators established by the Ministry of Economy, Trade and Industry for evaluating the degree of maturity of the promotion status of digital management reform.

***Business Report*****1. Business Overview (April 1, 2022 to March 31, 2023)****(1) Major Businesses of the Fujitsu Group (As of March 31, 2023)**

Fujitsu Limited and its subsidiaries are engaged in providing total solutions in the ICT field, delivering various 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.

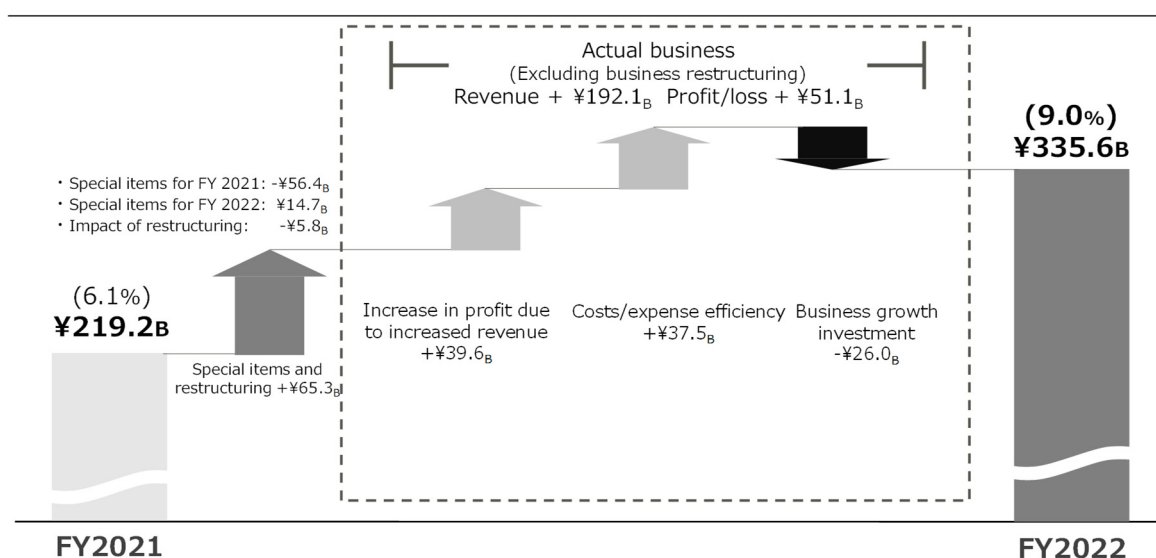
| <i>Segment</i>       | <i>Main products and services</i>   |
|----------------------|---|
| Technology Solutions | Solutions/Services<br><hr style="border-top: 1px dashed black;"/> <ul style="list-style-type: none"> <li>● Systems Integration<br/>(System Implementation, Business Application Services, etc.)</li> <li>● Consulting</li> <li>● Outsourcing Services<br/>(Data Center Services, ICT Managed Services, Application Managed Services, Business Process Outsourcing, etc.)</li> <li>● Cloud Services (IaaS, PaaS, SaaS, etc.)</li> <li>● Network Services<br/>(Business networks, etc.)</li> <li>● System Support Services<br/>(ICT System and Network Maintenance and Monitoring Services, etc.)</li> <li>● Security Solutions</li> <li>● Software (Middleware)</li> </ul> |
|                      | System Platforms<br><hr style="border-top: 1px dashed black;"/> [System Products] <ul style="list-style-type: none"> <li>● Servers<br/>(Mainframe, UNIX Server, Mission Critical IA Server, PC Server, etc.)</li> <li>● Storage Systems</li> <li>● Front-End Technology<br/>(ATM, POS Systems, etc.)</li> <li>● Software (OS)</li> <li>● Automotive Control Units and In-Vehicle Information Systems</li> </ul> [Network Products] <ul style="list-style-type: none"> <li>● Network Management System</li> <li>● Optical Transmission System</li> <li>● Mobile Base Station</li> </ul>  |
| Ubiquitous Solutions | <ul style="list-style-type: none"> <li>● PCs</li> </ul>   |
| Device Solutions     | <ul style="list-style-type: none"> <li>● Electronic Components (Semiconductor Package, Battery, etc.)</li> </ul>  |



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

| Revenue                      | Operating profit<br>[Operating profit margin]  | Profit for the year<br>attributable to owners of the parent |
|------------------------------|--|---|
| ¥3,713.7 billion             | ¥335.6 billion [9.0%]                          | ¥215.1 billion  |
| [Change from FY2021]<br>3.5% | [Change from FY2021]<br>¥116.4 billion (53.1%) | [Change from FY2021]<br>¥32.4 billion                       |

Note: Revenue to unaffiliated customers

**[Breakdown of Change in Operating Profit from FY2021]**

Consolidated revenue for fiscal 2022 was 3,713.7 billion yen, up 3.5% from fiscal 2021. Consolidated revenue from the actual business, excluding the impact of the revenue decline of 65.1 billion yen due to business restructuring, was 3,675.0 billion yen, up 5.5% from fiscal 2021. Consolidated revenue increased due to the following factors. In Technology Solutions, orders expanded for DX-related businesses, such as digitization and modernization, and there was progress in recovery from the impact of a decline in revenue due to component supply delays caused by the semiconductor shortage.

In addition, sales of our network business focusing on 5G base stations for North America were strong. In the International Regions Excluding Japan sub-segment, the service business expanded due to M&A, which also contributed to higher revenue.

Operating profit for fiscal 2022 amounted to 335.6 billion yen, an increase of 116.4 billion yen from fiscal 2021. In addition to the improvement in profits due to the impact of higher revenue in the Technology Solutions segment, profitability improved as a result of steadily taking steps to enhance productivity through standardization of development and operation using the Global Delivery Centers (GDCs) and to increase efficiency of maintenance and operation support in our infrastructure service.

Moreover, there was income of 30.8 billion yen associated with the transfer of shares of PFU Limited as a special item for fiscal 2022, plus a reaction to the spending of 65.0 billion yen on the DX human resource initiatives made in fiscal 2021, which contributed to the increase in operating profit.

Meanwhile, on the cost side, we made investments in our value creation initiatives, including the

development of Fujitsu Uvance and other offerings and the reinforcement of GDC, as well as in internal DX toward promoting self-transformation. However, operating profit marked a record high due to the significant impact of the aforesaid profit increasing factors.

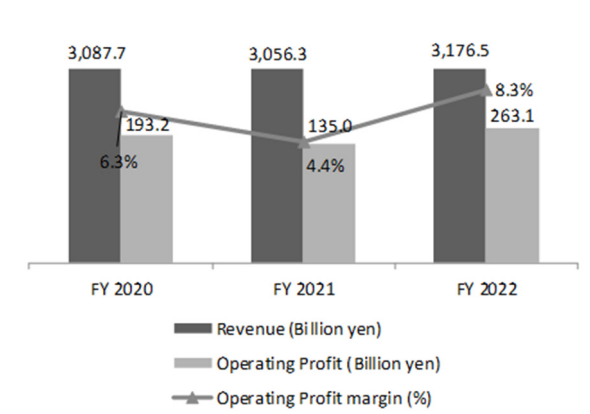
Net financial income for fiscal 2022, consisting of financial income, financial expenses, and income from investments accounted for using the equity method, net, was 36.2 billion yen, an increase of 15.4 billion yen from fiscal 2021, mainly due to recording a gain on valuation of fair value of 7.7 billion yen associated with PFU Limited becoming an equity method affiliate.

As a result, profit before income taxes for fiscal 2022 was 371.8 billion yen, an increase of 131.8 billion yen from fiscal 2021.

Profit for the year attributable to owners of the parent was 215.1 billion yen, up 32.4 billion yen from fiscal 2021, and marked a record high just as operating profit did.

*Note:*

*Global Delivery Center (GDC): Numerous sites established by the Company in different parts of the world for providing offshore development and other services.*

**b) Overview by Business Segment****Technology Solutions**

|                                       | FY 2020 | FY 2021 | FY 2022 |
|---------------------------------------|---------|---------|---------|
| <b>Breakdown of Revenue</b>           |         |         |         |
| Solutions/Services                    | 1,883.6 | 1,840.5 | 1,819.3 |
| System Platforms                      | 633.7   | 617.5   | 678.1   |
| International Regions Excluding Japan | 723.7   | 729.3   | 812.4   |
| Common                                | (153.3) | (131.0) | (133.4) |
| <b>Breakdown of Operating Profit</b>  |         |         |         |
| Solutions/Services                    | 190.7   | 188.7   | 233.7   |
| System Platforms                      | 38.8    | 56.6    | 68.9    |
| International Regions Excluding Japan | 11.6    | 23.9    | 5.9     |
| Common                                | (47.8)  | (134.4) | (45.4)  |

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

Revenue in the Technology Solutions segment in fiscal 2022 amounted to 3,176.5 billion yen, an increase of 3.9% year on year.

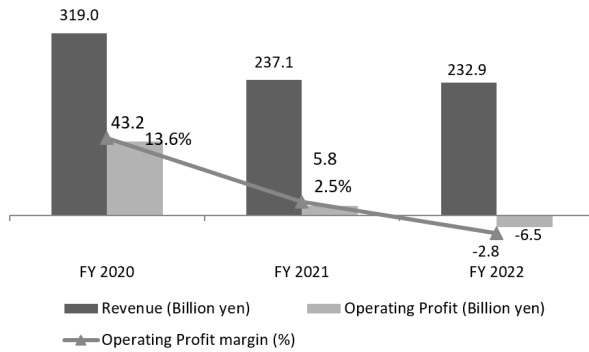
In the Solutions/Services sub-segment, although revenue decreased 1.1% from fiscal 2021, revenue from the actual business, excluding the impact of business restructuring, increased 2.5% from fiscal 2021, as sales were strong primarily with orders for core system innovation and modernization in manufacturing and logistics industries.

In the System Platforms sub-segment, revenue increased due to a steady recovery in revenue and profit & loss from the impact of component supply delays due to the semiconductor shortage since the second half of the year and higher sales of system products mainly for servers and storage systems from a year earlier, as well as the growth in sales in our network business for 5G base stations for North America and optical transmission systems.

Revenue from the International Regions Excluding Japan sub-segment increased as sales in the service business in the digital field expanded as a result of M&A and due to the foreign exchange impact.

The segment posted an operating profit of 263.1 billion yen, an increase of 128.1 billion yen from fiscal 2021. The increase was due to the following factors. In addition to the improvement in profits due to the impact of higher revenue from the actual business of Solutions/Services sub-segment and higher revenue in the System Platforms sub-segment, profitability improved as a result of enhancing productivity through standardization of development and operation using the Global Delivery Center (GDC) and increasing efficiency of maintenance and operation support in our infrastructure service.

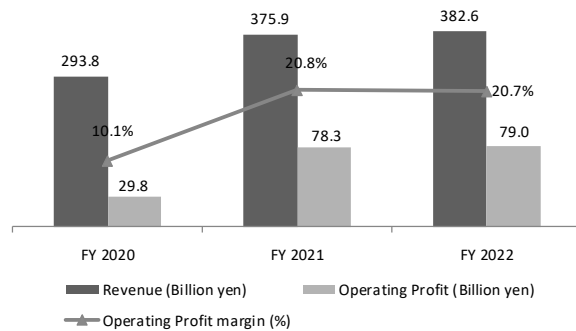
## Ubiquitous Solutions



Revenue in the Ubiquitous Solutions segment in fiscal 2022 was 232.9 billion yen, down 1.7% year on year. Revenue in Japan increased 10.6% year on year, while revenue outside Japan decreased 16.6% year on year due to lower sales of PCs in conjunction with weaker demand caused by stagnant European market conditions.

The segment recorded an operating loss of 6.5 billion yen, a decrease of 12.4 billion yen from fiscal 2021. Profit declined due to the impact of higher capital procurement costs caused by foreign exchange fluctuations.

## Device Solutions



Revenue in the Device Solutions segment in fiscal 2022 amounted to 382.6 billion yen, up 1.8% year on year. Revenue was largely unchanged from fiscal 2021 on a full-year basis because demand for semiconductors that expanded strongly up till the first half of the year declined drastically in the second half.

As a result, operating profit was also largely unchanged from fiscal 2021 at 79.0 billion yen, an increase of 0.7 billion yen from fiscal 2021.

*Note:*

*Revenue in each segment includes intersegment revenue.*

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

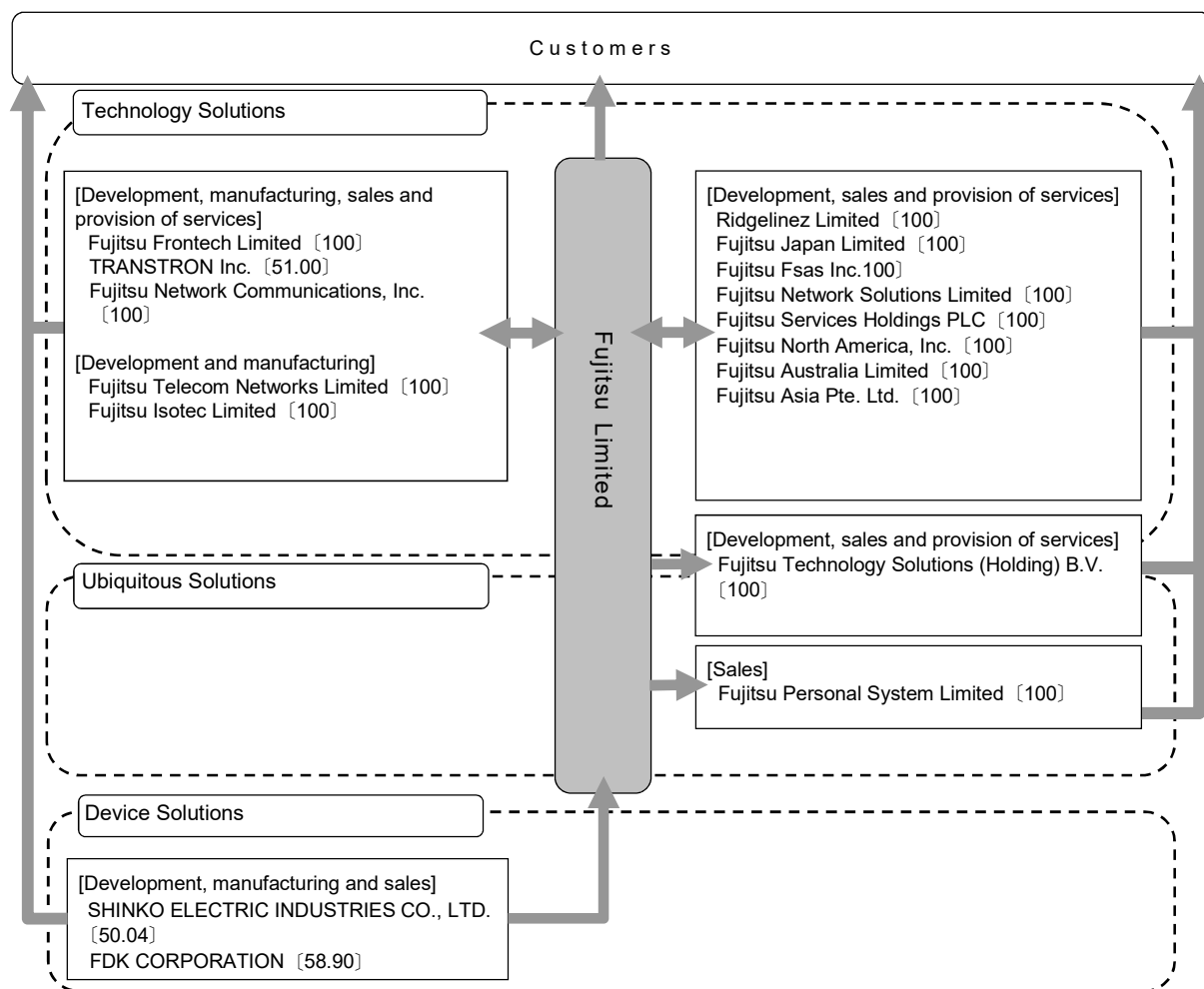
| <i>Section</i>  | <i>FY 2019<br/>(120th)</i> | <i>FY 2020<br/>(121st)</i> | <i>FY 2021<br/>(122nd)</i> | <i>FY 2022<br/>(Current<br/>period)</i> |
|---|----------------------------|----------------------------|----------------------------|---|
| Revenue   | ¥3,857.7                   | ¥3,589.7                   | ¥3,586.8                   | ¥3,713.7                                |
| Japan   | 2,629.2                    | 2,417.6                    | 2,269.8                    | 2,290.2                                 |
| Outside Japan   | 1,228.5                    | 1,172.0                    | 1,316.9                    | 1,423.4                                 |
| Ratio of Revenue Outside Japan [%]                          | [31.8]                     | [32.7]                     | [36.7]                     | [38.3]                                  |
| Operating Profit  | 211.4                      | 266.3                      | 219.2                      | 335.6                                   |
| Operating Profit Margin [%]                                 | [5.5]                      | [7.4]                      | [6.1]                      | [9.0]                                   |
| Profit for the Year Attributable to Owners of the Parent    | 160.0                      | 202.7                      | 182.6                      | 215.1                                   |
| Basic Earnings per Share [yen]                              | 791.20                     | 1,013.78                   | 924.21                     | 1,107.63                                |
| Total Assets  | 3,187.4                    | 3,190.2                    | 3,331.8                    | 3,265.5                                 |
| Equity Attributable to Owners of the Parent                 | 1,240.9                    | 1,450.1                    | 1,590.7                    | 1,586.8                                 |
| Equity Attributable to Owners of the Parent Ratio [%]       | [38.9]                     | [45.5]                     | [47.7]                     | [48.6]                                  |
| Equity per Share Attributable to Owners of the Parent [yen] | 6,197.11                   | 7,287.15                   | 8,094.70                   | 8,425.37                                |
| Free Cash Flow  | 233.0                      | 236.3                      | 189.0                      | 177.5                                   |

*Notes:*

1. Pursuant to Article 120, paragraph (1) of the Regulation on Corporate Accounting, the Company prepares consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS).
2. Free cash flow: Total of cash flows from operating and investing activities

**(4) The Fujitsu Group**

The positioning of, and relationship between, Fujitsu Limited and its principal consolidated subsidiaries and affiliates (as of March 31, 2023) are shown below.



(Equity method affiliates)

Fujitsu General Limited 44.07%, Fujitsu Client Computing Limited 44.00%, FLCS Co., Ltd. 20.00%, PFU Limited 20.00%, etc.

Notes:

1. Percentages are 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 Leasing Co., Ltd. changed its trade name to FLCS Co., Ltd. on April 1, 2022.

## **(5) Significant Realignment**

On September 1, 2022, PFU Limited became an equity method affiliate, following the transfer of its shares from the Company to Ricoh Company, Ltd.

## **(6) Capital Expenditures**

Capital expenditures in fiscal 2022 totaled 121.0 billion yen, an increase of 36.1% compared with fiscal 2021.

In the Technology Solutions segment, capital expenditures amounted to 48.6 billion yen, primarily for equipment related to the service business, and establishment of new office and office renovation associated with Borderless Office, an initiative we promote to review the usage of offices. In the Device Solutions segment, capital expenditures amounted to 72.3 billion yen, mainly for production equipment for electronic components at SHINKO ELECTRIC INDUSTRIES CO., LTD.

## **(7) Capital Procurement**

During fiscal 2022, the Company did not engage in capital procurement by means of issuance of shares or bonds.

## **(8) Key Challenges Ahead**

The Fujitsu Group has defined its Purpose as “to make the world more sustainable by building trust in society through innovation.” All of our business activities are undertaken to realize this Purpose, and to this end, the Fujitsu Group strives for sound profit and growth, while continually enhancing its corporate value.

### **[Market Environment]**

Regarding the market environment in which the Fujitsu Group operates, the existing IT market, such as conventional mission-critical systems, is expected to shrink at a moderate pace. On the other hand, replacement of legacy systems and spending on modernization are predicted to solidly increase. Moreover, spending on digitization such as the use of AI and data, etc. is expected to further expand in future in order to respond to the needs prompted by changes in social systems and lifestyles caused by the spread of COVID-19, in addition to the needs for society and businesses to grow and develop.

In these circumstances, spearheading digital transformation (DX) of companies, demand for which is rising, the Fujitsu Group pursued activities in accordance its management direction for which fiscal 2022 is the final year with the aim of transforming itself into a company that contributes to resolution of social issues.

### **[Outline of the Management Direction]**

Under the management direction for which fiscal 2022 is the final year, the Group was committed to “value creation” and “self-transformation” to achieve its management direction.

Under “Value Creation,” we designated business areas that contribute to the transformation and growth of our clients’ businesses as “For Growth” and positioned these as growth areas to expand both in scale and profitability. At the same time, the conventional IT field was defined as a business area “For Stability,” which contributes to the stable operation of customer IT platforms and quality improvement. In this area, the Fujitsu Group strived to raise profitability through further improving efficiency.

In terms of “Value Creation,” the Fujitsu Group implemented the following measures:

As part of the restructuring of our global business strategy, we selected priority accounts and worked to expand our offerings in line with a common global portfolio. In order to further enhance our agility global-wide, we reorganized regions in April 2022 to operate on a four-region structure consisting of Europe Region in which two European regions were integrated, Asia Pacific Region composed of Asia and Oceania, Americas Region, and Japan Region. In order to promote markets on a global basis, we also ensured best

assignments of persons in charge of business global-wide. We assigned the head of Solutions Business in Europe and the head of Network Business in North America. We will continue to take steps to expand our global business.

To strengthen our problem-solving capabilities in Japan, we have been continuing to strengthen our structure in order to contribute to digitalization and the resolution of social issues in Japan. We completed a training program for 8,000 business producers to lead DX by uncovering the customers' latent needs with design thinking and empathizing with our customers. These business producers are leading the efforts to reform business negotiation styles. We are also strengthening collaboration with companies and local governments as we work toward realizing a sustainable digital society. We will make the best of the benefits gained from such collaboration as we continue to aim at expanding the eco system while promoting DX, mainly in social infrastructures, in Japan.

We will also continue our efforts to further stabilize our customers' businesses.

In order to promote development based on a globally consistent methodology, we will review our service delivery levels and optimize them, while strengthening our cost competitiveness by improving efficiency. We are reinforcing manpower at the Global Delivery Center (GDC) where we carry out development and delivery by this methodology. At the same time, we are proceeding with a major efficiency enhancement of the assignment of human resources using the data analysis platform of Palantir Technologies Inc. and effective use of the platform, and will consistently adopt this process globally for expanded use. In addition, the Group will advance collaboration between Japan Global Gateway, which standardizes delivery in consideration of Japan's unique business practices and needs, and the Global Delivery Center to further support globalization of Japanese customers.

With regard to the strengthening of quality management and risk management, we are implementing measures to detect signs of decline in quality by utilizing the platform of Palantir Technologies Inc. and analyses made by AI. We will put in place dashboards and others to detect risks to increase sophistication of measures to prevent troubles in advance. Further, in strengthening the functions related to information management and information security, we are strengthening our information management rules and regulations to ensure that they are strictly enforced under our full-time Chief Information Security Officer (CISO), including the way audits are conducted.

In order to become the best DX partner of its customers, the Company defines the achievement of customers' business and reform targets as customer success and is striving to reinforce support for customers to achieve those targets. We will develop Account General Managers who centrally undertake customer support and work with customers from a medium- and long-term perspective in an organization in which the development and sales functions are unified. At the same time, we will continue to focus on solving social issues and offerings that support the sustainable management of our customers.

With regard to Fujitsu Uvance, a business brand to realize a sustainable world, we established a dedicated global organization of about 1,000 employees in April 2022. We have identified seven Key Focus Areas that include four cross-industry "Vertical Areas," which are "Sustainable Manufacturing," "Consumer Experience," "Healthy Living," and "Trusted Society," and three technology-and-solution-based "Horizontal Areas" that support customer DX, which are "Digital Shift," "Business Application," and "Hybrid IT." We will concentrate our management resources in these seven areas over the medium to long term also going forward and move forward with our efforts in establishing a structure for solution development and offering.

On the other hand, as part of its "own transformation," the Group is implementing internal reforms to accelerate DX of the Fujitsu Group itself, including the upgrading of human resources and structure.

As a measure to strengthen data-driven management, we are promoting the "OneFujitsu" program, which increases sophistication of management of the entire Group by utilizing data, to laterally across all regions. As part of this effort, in April 2022, we launched OneCRM for integration of pipeline management and implementation of a globally consistent management methodology. Also, in April of that year, OneERP+,



which integrates ERP for the entire Group, was launched in the U.K. and Ireland ahead of others, and we are making preparations for implementation in all regions around the world. In addition, we are promoting transformation of our corporate culture and even the mindset of our employees, focusing on the Company-wide DX project named “FUJITRA” with the participation of all employees. In order to increase the mobility of human resources on a global basis, we are widening the scope of application of the posting system as well as expanding the implementation of the common global “Connect” evaluation system for evaluating the contribution to realizing Our Purpose and the introduction of a job-based human resource management system. In “Work Life Shift” that fosters suitable workstyles and mindsets for a DX company, we will implement data-driven measures globally based on results of employee surveys. Furthermore, based on the knowledge that we have gained through our own efforts, we will continue to help our clients to reform the way they work.

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

In addition to handling financial aspects, the Company is also strengthening its non-financial initiatives. To realize the Purpose set out by the Fujitsu Group, it is essential for the Group itself to achieve sustainable growth for the Fujitsu Group. To that end, the Group needs to build relationships of trust with all the stakeholders surrounding the Group. From this viewpoint, the Company has set non-financial indicators such as “net promoter score” as an indicator of its trust from customers, “employee engagement” as an indicator of its bond with its employees, and the “DX Promotion Indices” set by the Ministry of Economy, Trade and Industry of Japan as an indicator of its progress in transforming its organization and culture, and has worked to make improvements. The Company will continue taking its non-financial initiatives while considering the key matters that it should address with priority.

As for the financial management targets, the Fujitsu Group aims to achieve consolidated revenue of 3,860.0 billion yen and consolidated operating profit of 340.0 billion yen for fiscal 2023.

In the aftermath of the spread of COVID-19, the Company shifted to new workstyles, primarily remote work, and continues to adopt these workstyles globally. Furthermore, with regard to the recent situation in Ukraine, the Company closed its business office in Russia in November 2022 to continue to stably provide services to customers, and completed the transfer of services that it used to provide in Russia to other locations. Furthermore, the Company is making donations to the Office of the United Nations High Commissioner for Refugees, actively hiring Ukraine nationals, and carrying out volunteer activities through employees. Leveraging its digital technologies as well as our experience and knowledge in a wide variety of industries cultivated over the years, the Fujitsu Group will contribute to creating a safe and convenient society while continuing to make swift decisions in response to the situation.

## 2. Company Overview

### (1) Management

#### a) Directors and Audit & Supervisory Board Members (As of March 31, 2023)

| <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     | CEO, CDXO, Chairman of the Risk Management & Compliance Committee                     |                                  |                                     |
| Representative Director and COO               | Hidenori Furuta     | COO, CDPO   |                                  |                                     |
| Director and Corporate Executive Officer SEVP | Takeshi Isobe       | CFO   |                                  |                                     |
| Director and Senior Advisor                   | Masami Yamamoto     | Member of the Executive Nomination Committee  |                                  |                                     |
| Director                                      | Chiaki Mukai        | Chairperson of the Compensation Committee   | ○                                | ○                                   |
| Director                                      | Atsushi Abe         | Chairman of the Board of Directors, Chairperson of the Executive Nomination Committee | ○                                | ○                                   |
| Director                                      | Yoshiko Kojo        | Member of the Executive Nomination Committee and Compensation Committee               | ○                                | ○                                   |
| Director                                      | Scott Callon        | Member of the Executive Nomination Committee and Compensation Committee               | ○                                | ○                                   |
| Director                                      | Kenichiro Sasae     | Member of the Compensation Committee  | ○                                | ○                                   |
| Audit & Supervisory Board Member              | Youichi Hirose      |   |                                  |                                     |
| Audit & Supervisory Board Member              | Megumi Yamamuro     |   |                                  |                                     |
| External Audit & Supervisory Board Member     | Koji Hatsukawa      |   | ○                                | ○                                   |
| External Audit & Supervisory Board Member     | Hideo Makuta        |   | ○                                | ○                                   |
| External Audit & Supervisory Board Member     | Catherine O'Connell |   | ○                                | ○                                   |

#### Notes:

- Independence of Directors and Audit & Supervisory Board Members is judged based on the Company's independence standards. (For details, please refer to Page 6 of the Notice of the 123<sup>rd</sup> Annual Shareholders' Meeting.)
- Director and Senior Advisor Masami Yamamoto concurrently serves as a Director (external member of the board) of JFE Holdings, Inc. and a Member of the Board of Directors (Outside Director), Mizuho Financial Group, Inc.
- Audit & Supervisory Board Member Youichi Hirose has lengthy experience of finance and accounting, including former service as Head of Corporate Finance Unit of the Company, and he has extensive knowledge of finance and accounting. He concurrently serves as an External Audit & Supervisory Board Member, Fujitsu General Limited.  
Audit & Supervisory Board Member Megumi Yamamuro has abundant experience in handling economic affairs as a judge, and he has extensive knowledge of finance and accounting.  
External 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 of finance and accounting.  
External Audit & Supervisory Board Member Hideo Makuta has abundant experience in handling economic affairs having served as a Public Prosecutor and as a Commissioner of the Fair Trade Commission, and he has extensive knowledge of finance and accounting.
- Significant concurrent positions of External Directors and Auditors are described in 8. Concurrent Positions of External Directors and Auditors and Their Activities on Page 6 of the "Matters Subject to Measures for Electronic Provision (Matters Excluded from Paper-Based Documents Delivered Upon Request) at the Time of Notice of the 123<sup>rd</sup> Annual Shareholders' Meeting."

5. CEO, CDXO, COO, CDPO, and CFO are abbreviations of Chief Executive Officer, Chief Digital Transformation Officer, Chief Operating Officer, Chief Data & Process Officer and Chief Financial Officer, respectively.
6. SEVP is one of the FUJITSU Levels (other levels include EVP and SVP) which are globally common levels that demonstrate the scale of job responsibility of corporate executives and employees of the Fujitsu Group.

b) Compensation of Directors and Audit & Supervisory Board Members

A. Policy on the Determination of Executive Compensation

To make its executive compensation systems even more transparent, Fujitsu established a Compensation Committee based on a corporate resolution of the Board of Directors in October 2009. Compensation of Directors and Audit & Supervisory Board Members, which is aggregated in B. “Total Compensation Paid for Fiscal 2022,” is determined within the scope of total compensation established by resolution of the Annual Shareholders’ Meeting based on the framework of the basic policy on executive compensation (policy on executive compensation including the policy on the determination of the details of compensation, etc. for individual Directors (hereinafter referred to as “the Determination Policy”)), which was determined by the Board of Directors following the recommendation by the Compensation Committee. Compensation for each Director is determined by resolution of the Board of Directors following the deliberation of the Compensation Committee, and compensation for each Audit & Supervisory Board Member is decided based on consultation with the Audit & Supervisory Board Members.

In determining the details of compensation of each Director for fiscal 2022, the Compensation Committee composed of independent External Directors made considerations from various viewpoints based on the Determination Policy, and the Board of Directors that received recommendation of the Compensation Committee confirmed that the determination of the details of such compensation was in accordance with the above operation and therefore confirmed that the determination was in conformity with the Determination Policy.

At the Board of Directors meeting held on May 11, 2023, the Company resolved to revise the Determination Policy on condition that it is approved at the 123<sup>rd</sup> Annual Shareholders’ Meeting held on June 26, 2023. If Proposal No. 3 indicated on Page 19 of the Notice of the 123<sup>rd</sup> Annual Shareholders’ Meeting is approved, the Determination Policy will be revised as stated on Page A-18 of this report.

The details of the Determination Policy concerning fiscal 2022 are as follows.

**Basic Policy on Executive Compensation**

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

**(a) Policy on the Compensation System and Compensation Levels**

- Executive compensation is comprised of the following: “Base Compensation,” specifically a fixed monthly salary in accordance with position and responsibilities; “Bonuses” that are compensation linked to short-term business performance; and “Performance-based Stock Compensation,” which is a medium- and long-term incentive that emphasizes the connection to shareholder value.
- With the aim of setting competitive compensation that contributes to securing and maintaining exceptional human resources, compensation levels and composition ratio by type shall be set based on the financial position of the Company, comparing the compensation composition ratio and compensation levels for each position and responsibility at other companies with similar business lines and similar scale as benchmarks.
- The ratio of performance-based compensation to the total compensation for Executive Directors shall be determined so as to strengthen the link to the Group’s financial performance and shareholder value by setting the higher ratio to the greater responsibilities.

- Individual director's compensation shall be determined by the Board of Directors following deliberation by the Compensation Committee to ensure objectivity, transparency and fairness.

**(b) Base Compensation**

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

**(c) Bonuses**

- Bonuses shall be paid to Executive Directors. The amount of a bonus shall reflect business performance in the respective fiscal year.
- As a specific evaluation indicator and calculation method, the Company shall adopt an "On Target model" to determine the bonus amount to be paid by setting the base amount in accordance with the position and responsibilities in advance. The bonus amount is calculated by multiplying the base amount by the coefficient in accordance with the following elements: the degree of achievement of the performance targets for the respective fiscal year based on the Company's consolidated revenue and consolidated operating profit, which are our financial management target indicators, growth from the previous fiscal year in employee engagement (Note 1), Customer NPS® (Note 2) and DX Promotion Indices (Note 3), which are our non-financial management target indicators, and acquisition of the highest evaluation from a third-party assessment organization on ESG initiatives.

**(d) Performance-based Stock Compensation**

- Performance-based stock compensation shall be granted to Executive Directors, in order to share the profit with shareholders and as an incentive to contribute to enhancement of medium- to long-term performance.
- As a specific evaluation indicator and calculation method, the Company shall set a base number of shares in accordance with the position and responsibilities in advance, and calculate the number of shares for each fiscal year by multiplying the base number of shares by the coefficient in accordance with the degree of achievement of the performance targets for the performance judging period (three years) based on the Company's consolidated revenue, consolidated operating profit, and EPS, which are financial management target indicators. When the performance judging period is over, a portion of the total number of shares is paid in cash for the amount equivalent to the market value, and the remainder is allocated in shares of the Company.

As resolved at the Annual Shareholders' Meeting, the total amount of the "base compensation" and "bonuses" to Directors shall not exceed 1,200 million yen per year, the amount of the "performance-based stock compensation" shall not exceed 1,200 million yen per year, and the total number of shares to be allocated shall not exceed 75,000 shares per year. And the amount of "base compensation" to Audit & Supervisory Board Members shall not exceed 150 million yen per year.

**(Reference) Executive compensation items and payment recipients**

| Recipient                                 | Base compensation        |                          | Bonuses | Performance-based stock compensation |
|---|--------------------------|--------------------------|---------|--------------------------------------|
|   | For management oversight | For management execution |         |                                      |
| Directors                                 | ○                        | —                        | —       | —                                    |
| Executive Directors                       | ○                        | ○                        | ○       | ○                                    |
| External Audit & Supervisory Board Member | ○                        |                          | —       | —                                    |

*Notes:*

1. An indicator to present willingness and attachment to work voluntarily and independently, and to contribute to the Company, with empathy for the Company's direction and Purpose.
2. Abbreviation for Net Promoter Score. It is an indicator to measure "customer loyalty," which presents the degrees of trust and attachment of customers to companies, products, and services, in order to understand the degree of improvement and depth of the customer experience (CX).
3. A set of indices intended to share recognition of the current situation and issues among related parties, such as senior

management, business division, DX division, and IT division, and to provide opportunities for awareness leading to the next actions, in order to promote companies' management reforms within the framework of digital technologies defined by the Ministry of Economy, Trade and Industry of Japan.

## B. Total Compensation Paid for Fiscal 2022

| Section  | No. of qualified persons | Types of Compensation(Million yen) |         |                                      | Total Amount Paid (Million yen) |
|--|--------------------------|------------------------------------|---------|--------------------------------------|---------------------------------|
|  |                          | Base compensation                  | Bonuses | Performance-based stock compensation |                                 |
| a. Directors   | 9                        | 325                                | 124     | 277                                  | 726                             |
| b. External Directors (included in a.)                         | 5                        | 79                                 | —       | —                                    | 79                              |
| c. Audit & Supervisory Board Members                           | 5                        | 113                                | —       | —                                    | 113                             |
| d. External Audit & Supervisory Board Members (included in c.) | 3                        | 41                                 | —       | —                                    | 41                              |
| e. Total   | 14                       | 438                                | 124     | 277                                  | 840                             |
| f. Total External Directors/Auditors (included in e.)          | 8                        | 120                                | —       | —                                    | 120                             |

## Notes:

1. Since the amounts of remuneration are rounded down to the nearest million yen, the total amount of each remuneration listed in the “Type of Compensation” column for each category of Director or Audit & Supervisory Board Members, etc., may not match the amount listed in the “Total Amount Paid” column.
2. The upper limit on monetary compensation to Directors was resolved to be 1,200 million yen per year (including 150 million yen per year for External Directors) at the 121st Annual Shareholders’ Meeting held on June 28, 2021. The upper limit on non-monetary compensation was resolved to be 1,200 million yen per year and the total number of shares of common stock of the Company to be allocated to be within 75,000 shares per year at the 121st Annual Shareholders’ Meeting. As of the conclusion of the 121st Annual Shareholders’ Meeting, the number of directors was 9 (including 5 External Directors). The upper 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. As of the conclusion of the 111th Annual Shareholders’ Meeting, the number of Audit & Supervisory Board Members was 5 (including 3 External Audit & Supervisory Board Members). The Company pays the compensation shown in the above table within these limits.
3. For performance-based stock compensation, the amount charged to expenses during fiscal 2022 is stated.

## C. Matters Related to Performance-based Compensation for Fiscal 2022

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

**(a) Bonuses**

In order to provide Executive Directors with an incentive to achieve their performance targets for a single fiscal year, the Company has selected revenue and operating profit of the consolidated financial results, which are financial management target indicators for the Company, as evaluation indicators. In addition, the Company has selected employee engagement, Customer NPS®, and DX Promotion Indices, which are non-financial management target indicators for the Company, and third-party assessment, the “third-party assessment on ESG initiatives (DJSI (Note 1), CDP Climate Change (Note 2)),” as evaluation indicators to enhance the commitment of Executive Directors to achieving their performance targets.

## Notes:

1. DJSI: Abbreviation for Dow Jones Sustainability Index. A global ESG investment index.
2. CDP Climate Change: CDP, an international non-profit organization, conducts surveys and evaluations of climate change initiatives at the request of investors and others, and publishes the results.

**(b) Performance-based Stock Compensation**

In order to provide Executive Directors with an incentive to increase corporate value over the medium to long term as well as to further promote management from the perspective of shareholders, the Company has selected revenue, operating profit, and EPS of the consolidated financial results, which are financial management target indicators for the Company, as evaluation indicators.

## ii) Calculation method

**(a) Bonuses**

At the beginning of each fiscal year, the Company will present the Executive Directors with a base bonus amount in accordance with performance targets, positions, and responsibilities. Then, at the end of the relevant fiscal year, the bonus amount to be paid will be calculated by multiplying the base bonus amount by the coefficient in accordance with the following elements: the degree of achievement of the performance targets for the respective fiscal year based on the Company's consolidated revenue and consolidated operating profit; growth from the previous fiscal year in employee engagement, Customer NPS®, and DX Promotion Indices, which are set out as non-financial management target indicators; and acquisition of the highest evaluation from a third-party assessment organization on ESG initiatives. No bonus will be paid if the degree of achievement of the performance targets is less than the preset lower limit. In addition, if the degree of achievement of the performance targets exceeds the preset upper limit, the amount obtained by multiplying the base bonus amount by the preset upper limit of the coefficient will be paid.

**(b) Performance-based Stock Compensation**

The Company will present to Executive Directors a base number of shares in accordance with their duties and responsibilities, a performance judging period (three fiscal years), and performance targets in advance. The number of shares is calculated by multiplying the base number of shares by the coefficient in accordance with the degree of achievement of the performance targets for the performance judging period (three fiscal years) based on the Company's consolidated revenue, consolidated operating profit, and EPS, and is fixed for each fiscal year and upon completion of the performance judging period. When the performance judging period is over, (1) a portion of the total number of shares is paid in cash for the amount equivalent to the applicable person's tax obligations arising from compensation paid under the performance-based stock compensation plan and (2) the remainder is allocated in shares of the Company, for each applicable person under the condition that they continue to be in the position of an applicable person in the plan throughout the performance judging period. At that time, monetary compensation claims and cash equivalent to market value of the total number of shares mentioned above are provided to Executive Directors. The Executive Directors invest these monetary compensation claims in allocated shares to acquire shares of the Company. The proportion of the amount paid in cash out of the total shares is determined by the Board of Directors, taking into consideration the tax obligation of each applicable Executive Director.

## iii) Targets and actual results of performance indicators related to performance-based compensation for fiscal 2022

|                               | <i>Targets(Billion yen)</i> | <i>Results(Billion yen)</i> |
|-------------------------------|-----------------------------|-----------------------------|
| Consolidated revenue          | 3,720.0                     | 3,713.7                     |
| Consolidated operating profit | 400.0                       | 335.6                       |

## [Reference] Basic Policy on Executive Compensation (if Proposal No. 3 is approved)

While the Determination Policy for fiscal 2022 is as stated on Page A-14 of this report, if Proposal No. 3 is approved at the 123<sup>rd</sup> Annual Shareholders' Meeting held on June 26, 2023, the said Policy will be revised as below.

**Basic Policy on Executive Compensation**

The Company has established the following basic policy on executive compensation to secure the exceptional human resources required to manage the Fujitsu Group and achieve its Purpose "to make the

world more sustainable by building trust in society through innovation,” and to further strengthen the link to its financial performance and shareholder value while at the same time improving its transparency.

### 1. Policy on the Compensation System and Compensation Levels

- Executive compensation is comprised of the following: “Base Compensation,” specifically a fixed monthly salary in accordance with position and responsibilities; “Bonuses” that are compensation linked to short-term business performance; and “Stock Compensation,” which is a medium- and long-term incentive that emphasizes the connection to shareholder value.
- With the aim of setting competitive compensation that contributes to securing and maintaining exceptional human resources, compensation levels and composition ratio by type shall be set based on the financial position of the Company, comparing the compensation composition ratio and compensation levels for each position and responsibility at other companies with similar business lines and similar scale as benchmarks.
- The ratio of performance-based compensation (bonuses and performance-based stock compensation) to the total compensation for Executive Directors shall be determined so as to strengthen the link to the Group’s financial performance and shareholder value by setting the higher ratio to the greater responsibilities.
- Individual director’s compensation shall be determined by the Board of Directors following deliberation by the Compensation Committee to ensure objectivity, transparency and fairness.

[Matrix diagram of executive compensation items and payment recipients]

| Recipient                                       | Base compensation(1)           |                                | Bonuses<br>(2,6) | Stock compensation                                      |                                     |
|---|--------------------------------|--------------------------------|------------------|---|-------------------------------------|
|   | For<br>management<br>oversight | For<br>management<br>execution |                  | Performance-<br>based stock<br>compensation<br>(3a,5,6) | Restricted<br>stock units<br>(3b,5) |
| Executive Directors<br>(4)                      | ○                              | ○                              | ○                | ○   | —                                   |
| External Directors<br>(4)                       | ○                              | —                              | —                | —   | ○                                   |
| Directors other than<br>the above               | ○                              | —                              | —                | —   | —                                   |
| External Audit &<br>Supervisory Board<br>Member | ○                              |                                | —                | —   | —                                   |

### 2. Basic Policy on Executive Compensation Items

#### (1) Base compensation

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

#### (2) Bonuses

- Bonuses shall be paid to Executive Directors. The amount of a bonus shall reflect business performance in the respective fiscal year.
- As a specific evaluation indicator and calculation method, the Company shall adopt an “On Target model” to determine the bonus amount to be paid by setting the base amount in accordance with the position and responsibilities in advance. The bonus amount is calculated by multiplying the base amount by the coefficient in accordance with the following elements: the degree of achievement of the performance targets for the respective fiscal year based on the Company’s consolidated revenue and consolidated operating profit, which are our financial management target indicators, growth from the previous fiscal year in employee engagement (Note 1), Customer NPS® (Note 2) and DX Promotion Indices (Note 3), which are our non-financial management target indicators, and acquisition of the highest evaluation from a third-party assessment organization on ESG initiatives.

Notes:

1. An indicator to present willingness and attachment to work voluntarily and independently, and to contribute to the



Company, with empathy for the Company's direction and Purpose.

2. Abbreviation for Net Promoter Score. It is an indicator to measure "customer loyalty," which presents the degrees of trust and attachment of customers to companies, products, and services, in order to understand the degree of improvement and depth of the customer experience (CX).
3. A set of indices intended to share recognition of the current situation and issues among related parties, such as senior management, business division, DX division, and IT division, and to provide opportunities for awareness leading to the next actions, in order to promote companies' management reforms within the framework of digital technologies defined by the Ministry of Economy, Trade and Industry of Japan.

### **(3) Stock Compensation**

#### **a) Performance-based Stock Compensation (performance shares)**

- Performance shares shall be granted to Executive Directors, in order to share the profit with shareholders and as an incentive to contribute to the enhancement of medium- to long-term business performance.
- As a specific evaluation indicator and calculation method, the Company shall set a base number of shares in accordance with the position and responsibilities in advance, and calculate the number of shares for each fiscal year by multiplying the base number of shares by the coefficient in accordance with the degree of achievement of the performance targets for the performance judging period (three years) based on the Company's consolidated revenue, consolidated operating profit, and EPS, which are financial management target indicators. When the performance judging period is over, a portion of the total number of shares is paid in cash for the amount equivalent to the market value, and the remainder is allocated in shares of the Company.

#### **b) Restricted Stock Units**

- Restricted stock units (under a post-delivery type incentive plan that grants shares as compensation after confirming the right which is subject to a certain period of continuous service) shall be granted to External Directors, in order to share the profit with shareholders and as contribution to the sustainable enhancement of corporate value.
- The Company shall set a number of stock units in accordance with the position each year in advance, and with the elapse of the period of continuous service (three years), a portion of the number of shares is paid in cash for the amount equivalent to the market value, and the remainder is allocated in shares of the Company.

### **(4) Benchmark Composition Ratio for Compensation**

The benchmark ratio of base compensation (only for the portion for management execution and excluding the portion for management oversight), bonuses, and performance-based stock compensation shall be 1:1:3 for Representative Director and CEO, and the percentage for performance-based compensation is set higher than that for other Executive Directors. In addition, the benchmark ratio of base compensation (excluding allowances) and restricted stock units for External Directors shall be 7:3.

### **(5) Stock Holding Guideline**

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

### **(6) Return of Compensation (Malus and Clawback Policy)**

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

As resolved at the Annual Shareholders' Meeting, the total amount of the "base compensation" and "bonuses" to Directors shall not exceed 1,200 million yen per year (including the portion for External Directors not exceeding 150 million yen per year). The amount of the "performance-based stock compensation" for Executive Directors shall not exceed 1,200 million yen per year, with the total number of shares to be allocated not exceeding 75,000 shares per year. And the amount of the "restricted stock units" for External Directors shall not exceed 100 million yen per year, with the total number of shares to be allocated not exceeding 6,000 shares per year, as resolved at the 123<sup>rd</sup> Annual Shareholders' Meeting. The amount of "base compensation" for Audit & Supervisory Board Members shall not exceed 150 million yen per year.