

Exhibit A

Reports on the 116th Business Period

FUJITSU LIMITED

Note:

This English version of *Reports on the 116th 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 offer our deepest sympathy to the people affected by 2016 Kumamoto Earthquake and wish for early recovery from the bottom of our hearts.

We welcome the opportunity to present this report on our 116th business period (covering fiscal year 2015, from April 1, 2015 to March 31, 2016).

In the management direction we announced in October 2015, we have positioned “connected services” as the business model we are pursuing. Our aim is to offer more integrated one-stop services to customers by combining services, software, and softwarized core hardware. We also identified three medium- to long-term strategies: 1) changing the structure of our business model with a focus on “connected services,” 2) seize the potential of digital innovation made possible by ICT, and 3) implement these services and innovative approaches at a global level. Once we have transformed our business model through the synergies between these three initiatives, we believe that we will be able to resolve one of Fujitsu’s fundamental issues and achieve market penetration with services that integrate everything and improve the earnings capacity of our business.

As we are in the midst of implementing these initiatives, revenue for fiscal 2015 was lower than for fiscal 2014, but we managed to achieve a certain level of profit. With respect to dividends, taking into consideration the maintaining of dividend payment while increasing the shareholders’ equity ratio on a consolidated basis, Fujitsu will pay a year-end dividend of 4 yen per share.

For details of our financial results, please refer to the rest of the report.

Going forward, we would like to demonstrate the progress of business model transformation and achievements toward the realization of our vision as soon as possible. We request the continued guidance and support of our shareholders.

June 2016

Masami Yamamoto, Chairman and Representative Director

Tatsuya Tanaka, President and Representative Director

Business Report

1. Business Overview (April 1, 2015 to March 31, 2016)

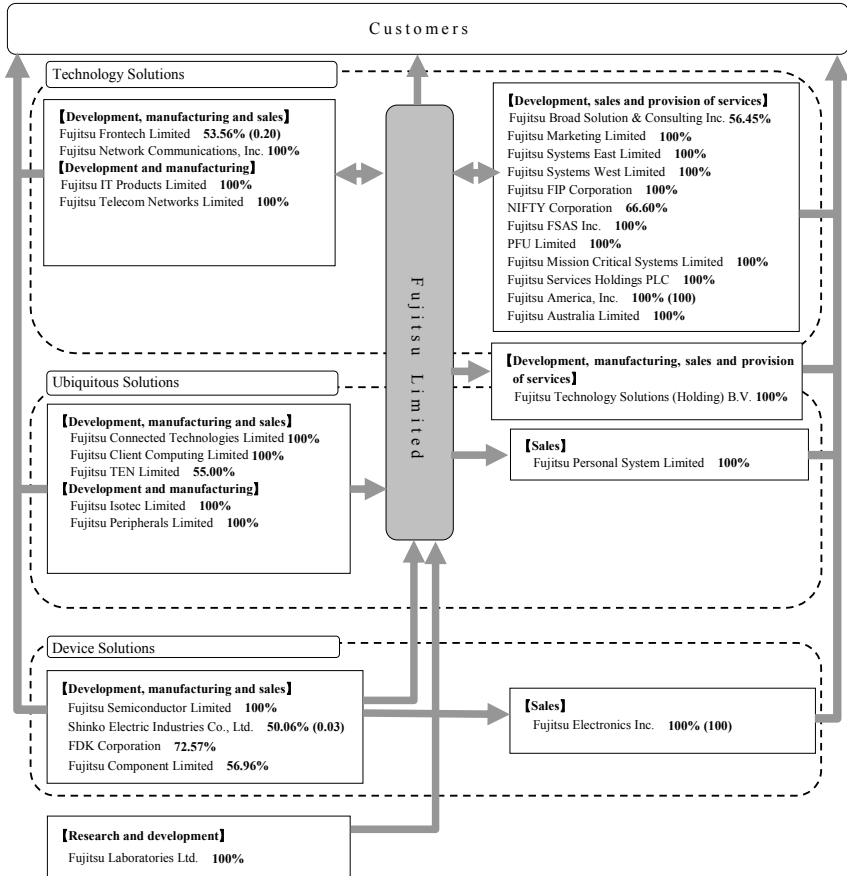
(1) Major Businesses of the Fujitsu Group (As of March 31, 2016)

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

<i>Segment</i>	<i>Main products and services</i>
Technology Solutions	<ul style="list-style-type: none"> • Systems integration services (system construction, business applications) • Consulting • Front-end technology (ATMs, POS systems, etc.) • Outsourcing services (data centers, ICT operational management, application usage and management, business process outsourcing, etc.) • Network services (business networks, internet/mobile content distribution) • System support services (information system and network maintenance and monitoring services) • Security solutions (information systems infrastructure construction and network construction) • Cloud services (IaaS, PaaS, SaaS, etc.) • Servers (mainframes, UNIX servers, mission-critical IA servers, PC servers) • Storage systems • Software (OS, middleware) • Network control systems • Optical transmission systems • Mobile phone base stations
Ubiquitous Solutions	<ul style="list-style-type: none"> • Personal computers • Mobile phones • Mobilewear (Car audio and navigation systems, Mobile communications equipment, Automotive electronics, etc.)
Device Solutions	<ul style="list-style-type: none"> • LSI Devices • Electronic components (Semiconductor packages, Batteries, Electromechanical parts, Optical transceiver modules, Printed circuit boards, etc.)

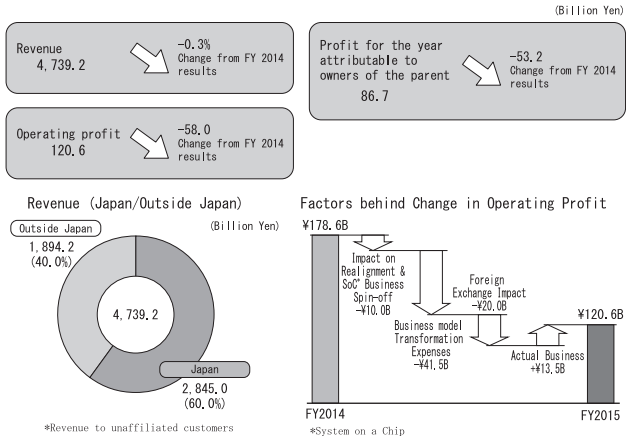
(2) The Fujitsu Group

The positioning of, and relationship between, Fujitsu Limited and its principal consolidated subsidiaries and affiliates (as of March 31, 2016) are as shown in the following chart.

**(Equity method affiliates)**

Fujitsu General Limited 44.25%, Fujitsu Leasing Co., Ltd. 20.00%, Socionext Inc. 40.00%

Note: Percentages are percentages of voting rights and figures in parentheses are indirect shareholdings, which are included in the percentages of voting rights.

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

In order to achieve stable growth far into the future, the Company is addressing three issues: 1) shifting Fujitsu's business framework to focus on services, 2) expansion of revenue in the area of innovation, and 3) strengthening of growth potential in the global market. Based on this recognition, the Company is targeting business model transformation responsive to rapid change in the market. Under this strategy, the Company commenced transformation aimed at growth in the next generation, including realignment of the overseas business (EMEIA and North America), the network business and the ubiquitous solutions business, and recorded business model transformation expenses.

Consolidated revenue for fiscal 2015 was 4,739.2 billion yen, essentially unchanged from fiscal 2014. In Japan, revenue from network products and PCs declined, but revenue from system integration services increased. Outside Japan, revenue from network products declined, but results benefited from foreign exchange movements. The ratio of revenue outside Japan was 40.0%, an increase of 0.4 percentage points compared to fiscal 2014, in part because of the positive impact of foreign exchange movements.

Fujitsu recorded an operating profit of 120.6 billion yen, down 58.0 billion yen from fiscal 2014, despite the impact of higher revenue from system integration services. In addition to the recording of business model transformation expenses, an increase in procurement costs for US-dollar denominated components at sites in Europe owing to weakening of the euro against the US dollar was a negative factor. In addition, lower revenue from network products had an impact.

Net financial expenses were 7.2 billion yen, representing a deterioration of 18.9 billion yen from fiscal 2014. The Company recorded a net loss on foreign exchange in fiscal 2015 because of the sharp increase in the value of the yen toward the end of the fiscal year. Net

income from investments accounted for using the equity method was 18.4 billion yen, an increase of 9.9 billion yen from fiscal 2014, partly because of the transfer of Fujitsu's system LSI device design and development business to an affiliate.

As a result, income before income taxes was 131.8 billion yen, down 67.0 billion yen from fiscal 2014.

Profit for the year attributable to owners of the parent was 86.7 billion yen, down 53.2 billion yen from fiscal 2014.

b) Comparison of FY 2015 Results and Initial Projections

(Billion Yen)

	<i>Projections at Start of Fiscal Year</i>	<i>FY 2015 Results</i>	<i>Divergence</i>
Revenue	¥4,850.0	¥4,739.2	¥ -110.7
Operating profit	150.0	120.6	-29.3
Profit for the year attributable to owners of the parent	100.0	86.7	-13.2

At the beginning of fiscal 2015, Fujitsu had projected revenue of 4,850.0 billion yen, anticipating a solid expansion in the services field. Operating profit and profit for the year attributable to owners of the parent were projected to be 150.0 billion yen and 100.0 billion yen, respectively, taking into consideration the impact of business model transformation expenses and an increase in component procurement costs at sites in Europe in line with the weakening of the euro against the US dollar.

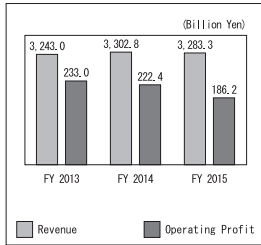
Despite robust revenue from services in Japan, revenue fell short of the projection by 110.7 billion yen, because of a decrease in demand for network products and PCs in Japan and outside Japan.

Operating profit fell short of the projection by 29.3 billion yen. In addition to the impact of lower revenue from network products, the shortfall reflected higher business model transformation expenses in North America etc. than envisaged in the plan.

Profit for the year attributable to owners of the parent fell short of the projection by 13.2 billion yen, reflecting a lower operating profit.

c) Overview by Business Segment

Technology Solutions



*Revenue include intersegment sales.

	FY 2013	FY 2014	FY 2015
Breakdown of Revenue			
Services	2,627.2	2,706.2	2,765.1
System Platforms	615.7	596.5	518.1
Breakdown of Operating Profit			
Services	173.8	177.2	163.9
System Platforms	59.2	45.2	22.3

In accordance with the management direction, the Company is focusing its resources on the Technology Solutions segment, which is the Company's mainstay business.

The Company has started initiatives to expand the digital innovation business, which is a new growth field, including establishment of an organization devoted to digital services by consolidating divisions related to core technologies including IoT, the cloud, mobile and big data.

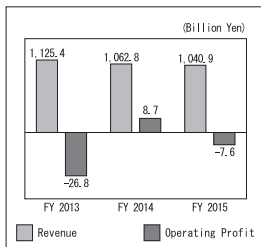
Revenue in the Technology Solutions segment amounted to 3,283.3 billion yen, essentially unchanged from fiscal 2014 (a decrease of 0.6%).

Revenue in Japan remained on a par with fiscal 2014. Revenue in the Services sub-segment rose due to growth in system integration services on higher investment by customers in the financial services sector and public sector. Revenue from infrastructure services was also solid, primarily from outsourcing services. In the System Platforms sub-segment, however, revenue from mobile phone base stations and optical transmission systems declined due to continuing investment constraints by telecommunications carriers. In addition, in server-related business, despite growth in x86 servers, revenue fell, particularly from mainframe-related business, due to a reduction in large-scale deals.

Revenue outside Japan fell 1.9%. In the Services sub-segment, although revenue in Asia rose, revenue in the UK declined as it was an off-demand period for large-scale deals, as well as weakness in the US. In the System Platforms sub-segment, although there was higher revenue from x86 servers in Europe, overall revenue declines in optical transmissions systems in North America, as investments by telecommunications carriers continued to be constrained with respect to relevant segments of Fujitsu's business.

The segment posted an operating profit of 186.2 billion yen, a decline of 36.2 billion yen compared to fiscal 2014. The decline was the result of recording 35.9 billion yen in business model transformation expenses (30.7 billion yen related to business outside Japan, and 5.1 billion yen for network business realignment). Excluding the expenses for business model transformation, despite the adverse impact of lower revenue from network products and the impact of component procurement cost increases for hardware products due to foreign exchange movements, operating profit was essentially unchanged from fiscal 2014 because of greater cost efficiencies and the impact of higher Services revenue in Japan.

Ubiquitous Solutions



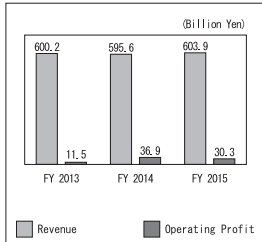
*Revenue include intersegment sales.

Revenue in the Ubiquitous Solutions segment was 1,040.9 billion yen, a decrease of 2.1% from fiscal 2014. Revenue in Japan fell by 3.8%. For both enterprise and consumer PCs, revenue declined as the cycle of higher demand for upgrades resulting from the ending of support for an operating system had peaked in the first quarter of fiscal 2014. For mobile phones, although smartphone revenue increased both for consumer phones and enterprise phones, overall revenue fell due in part to the decline in unit sales of feature phones. Revenue outside Japan rose by 1.4%. Unit sales of PCs in Europe fell, but revenue in the Mobilewear sub-segment rose, primarily in Europe and the US.

The Ubiquitous Solutions segment posted an operating loss of 7.6 billion yen, a decrease of 16.4 billion yen from fiscal 2014. For PCs, in addition to lower revenue, sites in Europe and Japan suffered from higher procurement costs for components due to the continuing weakness of the yen and the euro against the US dollar. As a result, the PC business experienced a significant deterioration in profitability.

For mobile phones, the deterioration was caused by the impact of lower revenue and the impact of expenses incurred in the first half of fiscal 2015 to deal with a defective mobile phone model despite efforts to increase product development efficiencies and implementation of cost-saving measures. Operating profit in the Mobilewear sub-segment rose due to the effect of higher revenue. Business model transformation expenses amounting to 5.6 billion yen were recorded.

Device Solutions



*Revenue include intersegment sales.

Revenue in the Device Solutions segment amounted to 603.9 billion yen, up 1.4%, due in part to the effects of the weak yen.

The segment posted an operating profit of 30.3 billion yen, down 6.5 billion yen from fiscal 2014. Despite the impact of higher US dollar-denominated sales of both LSI devices and electronic components in the first half due to the continuing weakness of the yen against the US dollar, operating profit declined due to the impact of transferring the system LSI device business to an affiliate, as well as the impact of revenue declines due to lower total demand for smartphones and PCs, especially in the second half.

(TRANSLATION FOR REFERENCE ONLY)

		<i>Billion yen</i>		
		FY 2013 <i>(114th)</i>	FY 2014 <i>(115th)</i>	FY 2015 <i>(Current period)</i>
Technology Solutions	Revenue			
	Unaffiliated customers	¥3,192.9	¥3,252.3	¥3,222.6
	Intersegment	50.0	50.4	60.7
	Total	<u>¥3,243.0</u>	<u>¥3,302.8</u>	<u>¥3,283.3</u>
	Operating profit [As % of revenue]	<u>¥233.0</u> [7.2%]	<u>¥222.4</u> [6.7%]	<u>¥186.2</u> [5.7%]
Ubiquitous Solutions	Revenue			
	Unaffiliated customers	¥987.9	¥923.3	¥917.7
	Intersegment	137.4	139.4	123.2
	Total	<u>¥1,125.4</u>	<u>¥1,062.8</u>	<u>¥1,040.9</u>
	Operating profit (loss) [As % of revenue]	<u>¥(26.8)</u> [(2.4%)]	<u>¥8.7</u> [0.8%]	<u>¥(7.6)</u> [(0.7%)]
Device Solutions	Revenue			
	Unaffiliated customers	¥547.7	¥540.1	¥550.8
	Intersegment	52.5	55.5	53.0
	Total	<u>¥600.2</u>	<u>¥595.6</u>	<u>¥603.9</u>
	Operating profit [As % of revenue]	<u>¥11.5</u> [1.9%]	<u>¥36.9</u> [6.2%]	<u>¥30.3</u> [5.0%]
Other/ Elimination and Corporate	Revenue			
	Unaffiliated customers	¥33.8	¥37.3	¥48.0
	Intersegment	(240.1)	(245.4)	(236.9)
	Total	<u>¥(206.3)</u>	<u>¥(208.0)</u>	<u>¥(188.8)</u>
	Operating profit (loss) [As % of revenue]	<u>¥(70.5)</u> -	<u>¥(89.5)</u> -	<u>¥(88.3)</u> -

Other/Elimination and Corporate

The “Other/Elimination and Corporate” includes Japan's next-generation supercomputer project; facility services and the development of information services for Fujitsu Group companies; and welfare benefits for Fujitsu Group employees, as well as strategic expenses such as basic research and joint costs associated with Group management conducted by the parent company.

This segment recorded an operating loss of 88.3 billion yen, an improvement of 1.1 billion yen from fiscal 2014. While strategic investments were expanded in fields such as next-generation cloud platforms for using IoT, the operating loss narrowed on progress in expense efficiencies.

(4) Consolidated Asset and Profit (Loss) Situation for the Most Recent Three Fiscal Years

<i>Billion yen, except where stated</i>			
<i>Fiscal Year (Business period)</i>	IFRS		
	FY 2013 (114th)	FY 2014 (115th)	FY 2015 (Current period)
Revenue	¥4,762.4	¥4,753.2	¥4,739.2
Japan Total (included in Revenue)	2,960.9	2,873.2	2,845.0
Overseas Total (included in Revenue)	1,801.4	1,879.9	1,894.2
Operating Profit	147.2	178.6	120.6
Profit for the Year			
Attributable to Owners of the Parent	113.2	140.0	86.7
Basic Earnings per share [yen]	54.71	67.68	41.94
Total Assets	3,105.9	3,271.1	3,226.3
Equity Attributable to Owners of the Parent	566.5	790.0	782.7
Equity per Share Attributable to Owners of the Parent [yen]	273.79	381.88	378.37
Free Cash Flow	47.5	79.6	88.7
<i>Billion yen, except where stated</i>			
J-GAAP			
<i>Fiscal Year (Business period)</i>	FY 2012 (113th)	FY 2013 (114th)	
Net Sales	¥4,381.7	¥4,762.4	
Japan Total (included in Net Sales)	2,883.5	2,960.9	
Overseas Total (included in Net Sales)	1,498.2	1,801.4	
Operating Income	88.2	142.5	
Ordinary Income	98.4	140.6	
Net income (loss) Attributable to Shareholders of the Parent	(79.9)	48.6	
Net income (loss) per Share [yen]	(38.62)	23.49	
Total Assets	2,920.3	3,079.5	
Net Assets	752.4	702.4	
Shareholders' Equity per Share [yen]	301.57	277.03	
Free Cash Flow	(90.4)	46.6	

Notes:

1. Pursuant to Article 120, Paragraph 1 of the Ordinance of Companies' Accounting, consolidated financial statements have been prepared in accordance with IFRS from the 115th Term onward.
2. Free cash flow: Total of cash flows from operating and investing activities
3. For calculation of "Shareholders' Equity per Share," "Subscription Rights to Shares" and "Non-Controlling interests" are deducted from "Net Assets."

(5) Key Challenges Ahead

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

Against a backdrop of increasingly sophisticated data devices and networks, the use of ICT is growing in all areas of society and the economy. As a result, the structure of many markets is undergoing change, with the creation of new businesses that transcend traditional industry boundaries. As consumer behavior changes and global competition accelerates, companies are increasingly employing new technologies to transform their businesses or gain competitive advantage. Expectations are high for the new role ICT can play in contributing to the creation of a prosperous society and the resolution of various social issues, such as disaster prevention, energy, the environment, and healthcare.

In this environment, the Fujitsu Group aims to become a true service company with technology solutions as its core. Moving forward on its own transformation, and supporting the business of its customers, the Fujitsu Group aims to use ICT to contribute to the creation of a prosperous society. To do so, the company seeks to expand ICT usage areas through business and social innovation, while also expanding its business globally.

In the area of business, Fujitsu is promoting business innovations that leverage new digital technologies for the IoT era. At the same time, Fujitsu seeks to generate social innovation to help bring about the realization of its vision of a Human Centric Intelligent Society, a more prosperous society that will be comfortable for people.

To expand its business globally, Fujitsu is continuing to further evolve the matrix organization between its business segments and the Regions, which are geographical regions of the Fujitsu Group worldwide. Fujitsu will accelerate its growth by further promoting coordination across the globe, including Japan, and fully utilize offshore capabilities by expanding its Global Delivery organization.

To achieve these objectives, Fujitsu will also continue its concerted efforts at research and development of next-generation technologies and at upfront investments aimed at achieving digital transformation.

As it strives to meet the challenges discussed above through ongoing efforts, the Fujitsu Group will further pursue the transformation of its operations in order to continue to earn the confidence of customers and society as a global enterprise contributing to the creation of a pleasant and secure networked society.

(6) Capital Expenditures

Capital expenditures in fiscal 2015 totaled 156.0 billion yen, an increase of 10.9% compared with fiscal 2014.

In the Technology Solutions segment, capital expenditures amounted to 80.8 billion yen. The main item was expansion of data centers in Japan and outside Japan.

In the Ubiquitous Solutions segment, capital expenditures amounted to 9.5 billion yen, primarily for reinforcement of production and design & development facilities for mobilewear.

In the Device Solutions segment, capital expenditures amounted to 55.6 billion yen, primarily for production equipment for LSI devices and, in the Electronic Components sub-segment, production equipment for semiconductor packages.

Capital expenditures other than those for the above segments amounted to 10.0 billion yen.

(7) Capital Procurement

Pursuant to a resolution of the Board of Directors meeting held on April 30, 2015, financing was raised via the issuance of 30.0 billion yen worth of bonds (Series 37 unsecured bonds (20.0 billion yen) and series 38 unsecured bonds (10.0 billion yen)) effective on July 22, 2015.

(8) Significant Realignment

Effective February 1, 2016, the Company transferred the businesses concerned with notebook PCs and desktop PCs and the mobile phones business to newly established subsidiaries, Fujitsu Client Computing Limited and Fujitsu Connected Technologies Limited, respectively, by company split.

(9) Principal Lenders (As of March 31, 2016)

<i>Lender</i>	<i>Loan amount (million yen)</i>
Development Bank of Japan Inc.	30,000
Mizuho Trust & Banking Co., Ltd.	30,000
The Bank of Yokohama, Ltd.	24,000
Mitsubishi UFJ Trust and Banking Corporation	23,500
Sumitomo Mitsui Trust Bank, Ltd	22,000

2. Company Overview**(1) Stock (As of March 31, 2016)**

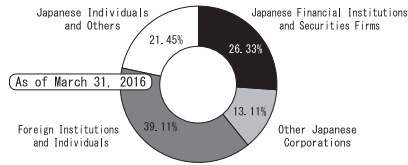
- a) Number of Authorized Shares: 5,000,000,000
- b) Number of Outstanding Shares: 2,070,018,213
- c) Stated Capital: ¥324,625,075,685
- d) Shares Issued during the Business Period: There was no issuance of shares during the business period.
- e) Number of Shareholders: 161,279 (8,180 increase from the end of FY2014)
- f) Principal Shareholders

Name	Shareholder's investment in Fujitsu Limited		Fujitsu Limited's investment in the shareholders	
	Number of shares held (thousands)	Percentage of shares held (%)	Number of shares held (thousands)	Percentage of shares held (%)
Fuji Electric Co., Ltd.	228,391	11.04	74,333	10.41
Japan Trustee Services Bank, Ltd. (for trust)	86,296	4.17	-	-
The Master Trust Bank of Japan, Ltd. (for trust)	73,514	3.55	-	-
Fujitsu Employee Shareholding Association	55,430	2.68	-	-
Mizuho Bank, Ltd.	36,963	1.79	-	-
Asahi Mutual Life Insurance Company	35,180	1.70	-	-
Japan Trustee Services Bank, Ltd. (for trust 9)	32,240	1.56	-	-
State Street Bank and Trust Company 505225	29,252	1.41	-	-
State Street Bank West Client Treaty 505234	28,692	1.39	-	-
State Street Bank and Trust Company 505001	28,387	1.37	-	-

Notes:

- The investment ratio is calculated after exclusion of treasury stock holdings.
- The shares held by Japan Trustee Services Bank, Ltd. (for trust), The Master Trust Bank of Japan, Ltd. (for trust), and Japan Trustee Services Bank, Ltd. (for trust 9) pertain to the trust business by the institution.
- Of the shares held by Fuji Electric Co., Ltd., 118,892 thousand shares are trust properties that are trusted to Mizuho Trust & Banking Co., Ltd. and re-trusted to Trust & Custody Services Bank, Ltd. as retirement benefit trust assets. The voting rights involved in these shares are set forth to be exercised upon order of Fuji Electric Co., Ltd.
The shares of Fujitsu Limited held by Fuji Electric Co., Ltd. and its consolidated subsidiaries total 231,875 thousand shares (representing an ownership stake of 11.21%), including 118,892 thousand shares held as retirement benefit trust assets.
- Of the shares held by the Mizuho Bank, Ltd., 4,250 thousand shares are trust properties that are trusted to Mizuho Trust & Banking Co., Ltd., and re-trusted to Trust & Custody Services Bank, Ltd., as retirement benefit trust assets. The voting rights involved in these shares are set forth to be exercised upon order of Mizuho Bank, Ltd.

g) Equity Shareholdings by Type of Shareholder



Note:

The 118,892 thousand shares of Fujitsu Limited stock held by Fuji Electric Co., Ltd. and its consolidated subsidiaries as retirement benefit trust assets are categorized under the shareholdings of "Other Japanese Corporations".

(2) Stock Acquisition Rights

1. As of March 31, 2016, no Stock Acquisition Right has been granted as part of the compensation paid to Directors and Audit & Supervisory Board Members.
2. No Stock Acquisition Right was granted in fiscal 2015 as part of the compensation paid to employees.

(3) Management**a) Directors and Audit & Supervisory Board Member (As of March 31, 2016)**

<i>Position</i>	<i>Name</i>	<i>Areas of Responsibility</i>	<i>External Director/ Member</i>	<i>Independent Director/ Member</i>
Chairman and Representative Director	Masami Yamamoto	Member of the Executive Nomination Committee and Compensation Committee		
President and Representative Director	Tatsuya Tanaka			
Representative Director and SEVP, Head of Global Corporate Functions	Masami Fujita	Compliance and Risk Management		
Director	Norihiko Taniguchi	Overall Business Promotion		
Director	Hidehiro Tsukano	CFO, Constructive Dialogues with Shareholders and Investors		
Director	Duncan Tait	Global Business		
Director	Michiyoshi Mazuka			
Director	Tatsuzumi Furukawa	Chairman of the Executive Nomination Committee and Compensation Committee		
Director	Miyako Suda		○	○
Director	Jun Yokota	Member of the Executive Nomination Committee and Compensation Committee	○	○
Director	Chiaki Mukai		○	○
Director	Atsushi Abe		○	○
Audit & Supervisory Board Member	Kazuhiro Kato			
Audit & Supervisory Board Member	Akihiko Murakami			
External Audit & Supervisory Board Member	Megumi Yamamuro	Member of the Executive Nomination Committee and Compensation Committee	○	○
External Audit & Supervisory Board Member	Hiroshi Mitani		○	○
External Audit & Supervisory Board Member	Koji Hatsukawa		○	○

Notes:

1. Independence of Directors and Audit & Supervisory Board Members is judged based on the Company's independence standards. (For details, please refer to page 5.)
2. Director Michiyoshi Mazuka concurrently serves as an unaffiliated director of Nippon Concrete Industries Co., Ltd.
3. Audit & Supervisory Board Member Kazuhiko Kato has lengthy experience with the company, including former service as the Company's Chief Financial Officer, and he has extensive knowledge of finance and accounting. He concurrently serves as an external director for Fujitsu General Limited. Audit & Supervisory Board Member Hiroshi Mitani served as a Public Prosecutor and as a Commissioner of the Fair Trade Commission, and because of his abundant experience of economic affairs, he has extensive knowledge of finance and

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accounting. Audit & Supervisory Board Member Koji Hatsukawa has a wealth of experience in auditing global companies as a Certified Public Accountant, and he has extensive knowledge about finance and accounting.

4. Masami Fujita resigned from his position as a Representative Director and SEVP, Head of Global Corporate Functions as of March 31, 2016, and his current position is Director.

b) Overview of Liability Limitation Agreement

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

*Non-Executive Directors are External Directors and Director Michiyoshi Mazuka and Director Tatsuzumi Furukawa.

c) Compensation of Directors and Audit & Supervisory Board Members

Section	No. of qualified persons	Types of Compensation (Million yen)				Amount Paid (Million yen)
		Base compensation	Stock-based compensation	Bonuses	Miscellaneous	
a. Directors	16	413	35	85	—	534
b. External Directors (included in a.)	6	51	—	—	—	51
c. Audit & Supervisory Board Members	5	114	—	—	—	114
d. External Audit & Supervisory Board Members (included in c.)	3	38	—	—	—	38

Notes:

1. Includes Directors who resigned in fiscal 2015.
2. The limit on compensation to Directors was resolved to be 600 million yen per year at the 106th Annual Shareholders' Meeting held on June 23, 2006, and the limit on compensation to Audit & Supervisory Board Member was resolved to be 150 million yen per year at the 111th Annual Shareholders' Meeting held on June 23, 2011. The Company is paying the compensation shown in the above table, which is within these limits.

d) Policy on the Determination of Executive Compensation

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

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

Executive Compensation Policy

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

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

Base Compensation

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

Stock-based Compensation

- Stock-based compensation shall be granted to Directors who carry out executive duties as a long-term incentive in accordance with their position, for the purpose of purchasing the Company’s own shares.
- Purchases of the Company’s own shares shall be made through the Director Stock Ownership Plan. Shares purchased for this purpose shall be held by each Director for the term of his or her service.

Bonuses

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

In accordance with a resolution of the Annual Shareholders’ Meeting, the total amount of Base Compensation, Stock-based Compensation and Bonuses shall not exceed 600 million yen per year for Directors and 150 million yen per year for Audit & Supervisory Board Members.

(Reference)

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

e) Concurrent Positions of External Directors and Audit & Supervisory Board Members and Their Activities (As of March 31, 2016)

Section	Name	Companies at which concurrent positions are held and the positions held
		Activities
External Director	Miyako Suda	Special Advisor, the Canon Institute for Global Studies External Director, Meiji Yasuda Life Insurance Company Outside Statutory Auditor, Ube Industries, Ltd.
		Attended 100% of the Board of Directors Meetings held during fiscal 2015, and contributed comments from a global perspective based upon her extensive knowledge of international macroeconomics and monetary policy.
	Jun Yokota	Special Advisor to the Chairman of KEIDANREN
		Attended 100% of the Board of Directors Meetings held during fiscal 2015, and contributed comments from a global perspective based upon his extensive knowledge of international politics and economics.
	Chiaki Mukai	Vice President of Tokyo University of Science
		Attended 100% of the Board of Directors Meetings held since her appointment, and contributed comments from a global perspective based upon her extensive knowledge of science and technology.
	Atsushi Abe	Managing Partner, Sangyo Sosei Advisory Inc. Board Member, ON Semiconductor Corporation
		Attended 100% of the Board of Directors Meetings held since his appointment, and contributed comments from a perspective of investors and a global perspective based upon his in-depth knowledge of investment.
External Audit & Supervisory Board Member	Megumi Yamamuro	Special Counsel, URYU & ITOGA Outside Director (Audit and Supervisory Committee Member), Advantest Corporation External Auditor, NIFTY Corporation External Audit & Supervisory Board Member, Yachiyo Industry Co., Ltd.
		Attended 100% of both the Board of Directors Meetings and the Audit & Supervisory Board Meetings held during fiscal 2015, and contributed comments based upon his professional perspective as a lawyer.
		Hiroshi Mitani
	Koji Hatsukawa	Lawyer
		Attended 100% of both the Board of Directors Meetings and the Audit & Supervisory Board Meetings held during fiscal 2015, and contributed comments based upon his profound insight into not only legal but also economic and social matters affecting corporate management.
		Certified Public Accountant Audit & Supervisory Board Member, the Norinchukin Bank External Audit & Supervisory Board Member, Accordia Golf Co., Ltd.
Attended 100% of both the Board of Directors Meetings and the Audit & Supervisory Board Meetings held during fiscal 2015, and contributed comments from the standpoint of an expert in matters relating to finance and accounting based on his wealth of experience in auditing global companies.		

Notes:

1. Director Atsushi Abe is Managing Partner of Sangyo Sosei Advisory Inc. The Company has no business relationship with Sangyo Sosei Advisory Inc.
2. Audit & Supervisory Board Member Megumi Yamamuro is an Outside Director (Audit and Supervisory Committee Member) of Advantest

Corporation. Fujitsu holds shares of Advantest in the trust for its retirement benefit plan. Fujitsu has voting rights for these shares amounting to 11.55% of the voting rights for Advantest shares. The Company has business relationships with Advantest.

3. The Company has business relationships with Meiji Yasuda Life Insurance Company, Ube Industries, Ltd., Academic Corporation Tokyo University of Science, Yachiyo Industry Co., Ltd., The Norinchukin Bank, and Accordia Golf Co., Ltd.
4. During fiscal 2015, the Company convened Board of Directors Meetings 13 times (of which 1 was an extraordinary meeting of the Board of Directors) and 9 meetings of the Audit & Supervisory Board (of which 2 were extraordinary meetings of the Audit & Supervisory Board).
5. The amount of compensation received by External Directors or External Audit & Supervisory Board Members from the Company's subsidiaries as Directors or Audit & Supervisory Board Members of the subsidiaries totaled 7 million yen (1 External Audit & Supervisory Board Member).

f) Other matters regarding management

(i) Executive Nomination Committee and Compensation Committee

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

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

Members of the 2 committees were as follows as of March 31, 2016:

Chairman:	Tatsuzumi Furukawa
Members:	Megumi Yamamuro, Jun Yokota, Masami Yamamoto

During fiscal 2015, the Executive Nomination Committee met 5 times, discussed candidates for Director and Audit & Supervisory Board Member positions and a succession plan for the position of President in view of the environment faced by the Company and change from now on, and provided recommendations of candidates for Director and Audit & Supervisory Board Member positions (draft) to the Board of Directors.

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

(ii) Independent Directors & Auditors Council

In response to the requirements of Japan's Corporate Governance Code, which facilitates the activities of Independent Directors and Auditors, and in order to invigorate discussions on the medium- to long-term direction of the company at its Board of Directors Meetings, the Company believes it essential to establish a system which enables Independent Directors and Auditors, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of the Company's business. Based on this recognition, the Company established the Independent Directors and Auditors Council in fiscal 2015. In the Independent Directors and Auditors Council, members discuss on the medium- to long-term direction of the company and share information and exchange viewpoints so that they can each formulate their own opinions.

In fiscal 2015, the Independent Directors and Auditors Council met 7 times. The members shared information and exchanged viewpoints on the Company's management direction, Corporate Governance Policy, etc. and each members provided advice to the Board of Directors based on their knowledge.

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

(1) Amount of remuneration, etc. as an accounting auditor for the fiscal year under review	479
(2) Total amount of cash and other proprietary benefits that the Company and its subsidiaries should pay to the accounting auditor	1,309

Notes:

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

c) Contents of Non-Audit Services

Fujitsu did not commission the accounting auditor to provide any services that fall outside the scope of attestation services under Article 2, Paragraph 1 of the Certified Public Accountants Act.

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

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

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

e) Disciplinary Action against the Accounting Auditor in the Past Two Years

Outline of the disciplinary action announced by the Financial Services Agency on December 22, 2015

(i) Firm subject to disciplinary action

Ernst & Young ShinNihon LLC

(ii) Description of the disciplinary action

- Suspension from accepting new engagements for 3 months (from January 1, 2016, to

March 31, 2016)

- Operational improvement order (improvement of operational management and administration systems)

(iii) Reasons for the disciplinary action

- Certified Public Accountants of the firm had, in negligence of due care, engaged in attestation and provided assurance for the financial statements of a company containing material misstatements as if the statements contained no material misstatements
- The firm's operations are significantly inappropriate.

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

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

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

Overview of the Policy on the Internal Control System

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

- **Decision-making and Structure of Management Execution**

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

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

- **Risk Management System**

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

From April 2016 onward, the Risk Management & Compliance Committee directly reports to the Board of Directors. Also, sub-committees of the Risk Management & Compliance Committee have been established for individual Regions, which are geographical regions of the Fujitsu Group worldwide, in order to instill the risk management system and the compliance system throughout the Fujitsu Group.

- **Compliance System**

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

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

(6) Basic Policy on the Control of the Company

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

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

Article 40 of the Company's Articles of Incorporation grants the Board of Directors the authority to distribute retained earnings. As part of its basic policy on the exercise of this authority, the Company believes that a portion of retained earnings should be paid to shareholders to provide a stable return, and that a proper portion should be retained by the company to strengthen its financial base and support new business development opportunities that will result in improved long-term performance. In addition, while taking

(TRANSLATION FOR REFERENCE ONLY)

into consideration its level of profit, when a sufficient volume of internal reserves is secured, the Company aims to more proactively distribute profits to shareholders, including through share buybacks.

Topics: Research and Development

The Fujitsu Group conducts research and development on advanced technologies with the goal of bringing about a Human Centric Intelligent Society. R&D spending for fiscal 2015 totaled 179.8 billion yen. Major initiatives and their outcomes in fiscal 2015 are described below.

Human Empowerment

(1) R&D of technologies connecting people and information for vitalization of various places and advanced technologies for Internet of Things (IoT)

- Fujitsu developed user interface (UI) technology that converts an entire room into a digital space. This technology enables users to project the information on their smartphones on walls and tables, create digital sticky notes by handwriting, and share data by simple operation. A field trial is underway for application in workshops to support co-creation using ICT.
- Fujitsu developed a software platform for easy management of diverse IoT devices. By using a common Application Programming Interface (API), this enables centralized management of operating statuses and the monitoring of information required to analyze the cause of faults.

Creative Intelligence

(2) R&D of technologies for further development of artificial intelligence (AI), Fin Tech for the financial sector, and multifaceted security technologies to protect people and organizations in an information society

- Fujitsu has systematized its AI technologies as Human Centric AI Zinrai and is conducting R&D to strengthen AI services. The newly developed deep learning technology achieved 25% improvement in the accuracy of analyzing time-series data obtained from IoT devices.
- Fujitsu developed a data analysis platform for financial institutions that ensures that open data are current and facilitates data analysis. Also, we conducted a field trial for shortening the processing time for cross-border securities transactions to same-day settlement. Using big data analytics and blockchain technology, we aim to realize convenient financial systems.
- Fujitsu has developed a technology that detects targeted email attacks in real time by detecting suspicious behavior that is different from normal activity patterns of users. Combining it with network monitoring technology, risk statuses of organizations and individuals are swiftly detected.

Connected Infrastructure

(3) R&D of technologies to enhance performance and reliability of next-generation communication and servers to reinforce ICT infrastructure

- Fujitsu has developed 400 Gbps optical transceiver architecture to enable low-cost, high-bandwidth inter-datacenter communications over distances of roughly 100 km. This technology will be applied to next-generation large-capacity communications.
- Fujitsu is promoting R&D of domain-oriented servers for specific applications. We produced a prototype server that searches through the large volume of image data to find a designated image and we also confirmed that it could perform the search 50 times faster than general-purpose servers. Fujitsu has also developed a technology that accelerates database analysis of genomic information by a factor of 400 compared to existing methods. This technology will contribute to genomic medical research and big data analyses of molecular information.

Consolidated Statement of Financial Position

(As of March 31, 2016)

		<u>Millions of yen</u>
Assets		
Current assets:		
Cash and cash equivalents	Y	380,810
Receivables, trade		984,630
Other receivables		93,963
Inventories		298,849
Others		79,876
Subtotal		<u>1,838,128</u>
Assets held for sale		<u>5,735</u>
Total current assets		<u>1,843,863</u>
Non-current assets:		
Property, plant and equipment, net of accumulated depreciation		616,474
Goodwill		40,255
Intangible assets		164,292
Investments accounted for using the equity method		106,026
Other investments		155,010
Deferred tax assets		162,812
Others		137,571
Total non-current assets		<u>1,382,440</u>
Total assets	Y	<u><u>3,226,303</u></u>

	<u>Millions of yen</u>	
Liabilities and Equity		
Liabilities		
Current liabilities:		
Payables, trade	Y	622,334
Other payables		422,672
Short-term borrowings, current portion		
of long-term debt and lease obligations		144,667
Accrued income taxes		18,772
Provisions		57,319
Others		181,279
Total current liabilities		<u>1,447,043</u>
Non-current liabilities:		
Long-term debt and lease obligations		387,882
Net defined benefit liability		383,978
Provisions		33,353
Deferred tax liabilities		5,224
Others		42,583
Total non-current liabilities		<u>853,020</u>
Total Liabilities		<u>2,300,063</u>
Equity		
Share capital		324,625
Capital surplus		233,896
Treasury stock, at cost		(627)
Retained earnings		155,930
Other components of equity		68,958
Total equity attributable to owners of the parent		<u>782,782</u>
Non-controlling interests		143,458
Total Equity		<u>926,240</u>
Total Liabilities and Equity	Y	<u>3,226,303</u>

Consolidated Statement of Profit or Loss

(Year ended March 31, 2016)

	<u>Millions of yen</u>
Revenue	Y 4,739,294
Cost of sales	<u>(3,487,830)</u>
Gross profit	1,251,464
Selling, general and administrative expenses	(1,087,122)
Other income(expenses)	<u>(43,730)</u>
Operating Profit	<u>120,612</u>
Financial income	7,673
Financial expenses	(14,925)
Income from investments accounted for using the equity method, net	<u>18,462</u>
Profit before Income Taxes	<u>131,822</u>
Income tax expenses	<u>(41,401)</u>
Profit for the Year	Y <u><u>90,421</u></u>
Profit for the year attributable to:	
Owners of the parent	86,763
Non-controlling interests	3,658
Total	Y <u><u>90,421</u></u>

Consolidated Statement of Changes in Equity

(Year ended March 31, 2016)

(Millions of yen)

	Equity Attributable to Owners of the Parent			
	Share Capital	Capital surplus	Treasury stock, at Cost	Retained Earnings
Beginning balance	324,625	233,432	(547)	130,741
Profit for the year	-	-	-	86,763
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	-	86,763
Purchase of treasury stock	-	-	(83)	-
Disposal of treasury stock	-	-	3	-
Dividends paid	-	-	-	(16,551)
Transfer to retained earnings	-	-	-	(45,023)
Acquisition (disposal) of non-controlling interests	-	464	-	-
Changes in ownership interests in subsidiaries	-	-	-	-
Ending balance	324,625	233,896	(627)	155,930

	Equity Attributable to Owners of the Parent					
	Other Components of Equity					Total Equity Attributable to Owners of the Parent
	Foreign Currency Translation Adjustment	Cash Flow Hedges	Available-for-sale Financial Assets	Remeasurement of Defined Benefit Plans	Total Other Components of Equity	
Beginning balance	30,496	(38)	71,380	-	101,838	790,089
Profit for the year	-	-	-	-	-	86,763
Other comprehensive income	(19,188)	(348)	(13,344)	(45,023)	(77,903)	(77,903)
Total comprehensive income for the year	(19,188)	(348)	(13,344)	(45,023)	(77,903)	8,860
Purchase of treasury stock	-	-	-	-	-	(83)
Disposal of treasury stock	-	-	-	-	-	3
Dividends paid	-	-	-	-	-	(16,551)
Transfer to retained earnings	-	-	-	45,023	45,023	-
Acquisition (disposal) of non-controlling interests	-	-	-	-	-	464
Changes in ownership interests in subsidiaries	-	-	-	-	-	-
Ending balance	11,308	(386)	58,036	-	68,958	782,782

	Non-Controlling Interests	Total Equity
Beginning balance	144,308	934,397
Profit for the year	3,658	90,421
Other comprehensive income	(6,988)	(84,891)
Total comprehensive income for the year	(3,330)	5,530
Purchase of treasury stock	-	(83)
Disposal of treasury stock	-	3
Dividends paid	(3,052)	(19,603)
Transfer to retained earnings	-	-
Acquisition (disposal) of non-controlling interests	5,344	5,808
Changes in ownership interests in subsidiaries	188	188
Ending balance	143,458	926,240

[Unaudited] Simplified Consolidated Statement of Comprehensive Income

(Year ended March 31, 2016)

	<u>Millions of yen</u>	
Profit for the year	Y	90,421
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans		(48,913)
Items that will be reclassified to profit or loss		
Foreign currency translation adjustments		(18,787)
Available-for-sale financial assets		(13,587)
Share of other comprehensive income of investments accounted for using the equity method, etc.		(3,604)
		<u>(35,978)</u>
Total Other Comprehensive Income for the Year, Net of Taxes		(84,891)
Total Comprehensive Income for the Year		5,530
Total Comprehensive Income attributable to:		
Owners of the parent		8,860
Non-controlling interests		<u>(3,330)</u>
Total	Y	5,530

[Unaudited] Simplified Consolidated Statement of Cash Flows

(Year ended March 31, 2016)

	<u>Millions of yen</u>	
1. Cash flows from operating activities:		
Profit before income taxes	Y	131,822
Depreciation, amortization and impairment loss		203,123
Other, net		<u>(81,853)</u>
Net cash provided by operating activities		253,092
2. Cash flows from investing activities		(164,317)
1 + 2 [Free cash flow]		88,775
3. Cash flows from financing activities		(67,741)
4. Net increase (decrease) in cash and cash equivalents		21,034
5. Cash and cash equivalents at beginning of period		362,028
6. Effect of exchange rate changes on cash and cash equivalents		(2,252)
7. Cash and cash equivalents at end of period	Y	380,810

Unconsolidated Balance Sheet

(As of March 31, 2016)

	<u>Millions of yen</u>	
Assets		
Current assets:		
Cash and deposits	Y	49,224
Notes receivable, trade		592
Accounts receivable, trade		490,928
Marketable securities		135,000
Finished goods		49,080
Work in process		3,859
Raw materials		8,234
Advanced payments		1,277
Deferred tax assets		18,190
Accounts receivable, other		286,089
Others		14,988
Allowance for doubtful accounts		(265)
Total current assets		<u>1,057,199</u>
Non-current assets:		
Property, plant and equipment, net of accumulated depreciation:		
Buildings		89,225
Structure		3,271
Machinery		1,409
Vehicle and delivery equipment		1
Equipment		34,988
Land		63,336
Construction in progress		20,679
Total property, plant and equipment		<u>212,911</u>
Intangible assets:		
Software		67,054
Others		11,742
Total intangible assets		<u>78,796</u>
Investments and other non-current assets:		
Investment securities		118,257
Subsidiaries' and affiliates' stocks		542,269
Long-term loans to affiliated companies		703
Receivables from companies under bankruptcy or reorganization process		371
Prepaid pension cost		62,282
Others		26,978
Allowance for doubtful accounts		(1,072)
Total other non-current assets		<u>749,790</u>
Total non-current assets		<u>1,041,498</u>
Total assets	Y	<u>2,098,697</u>

	Millions of yen
Liabilities and net assets	
Liabilities	
Current liabilities:	
Electronically recorded obligations - operating	Y 11,224
Accounts payable, trade	576,780
Short-term borrowings	40,624
Current portion of long-term borrowings payable	56,724
Current portion of bonds payable	60,000
Lease obligations	1,178
Accrued liability	62,319
Accrued expenses	94,789
Accrued income taxes	1,817
Advance received	49,310
Deposits payable	19,212
Provision for construction contract losses	8,724
Provision for product warranties	2,812
Provision for loss on business of subsidiaries and associates	24,437
Provision for bonuses to board members	85
Provision for environmental measures	2,594
Others	376
Total current liabilities	1,013,013
Long-term liabilities:	
Bonds payable	200,000
Long-term borrowings	155,361
Lease obligations	2,389
Deferred tax liabilities	32,321
Provision for loss on repurchase of computers	5,896
Provision for environmental measures	3,309
Asset retirement obligations	5,528
Others	269
Total long-term liabilities	405,076
Total liabilities	1,418,089
Net assets	
Shareholders' equity:	
Common stock	324,625
Capital surplus:	
Other capital surplus	166,297
Total capital surplus	166,297
Retained earnings:	
Legal retained earnings	13,445
Other retained earnings:	
Reserves for special depreciation	28
Retained earnings brought forward	138,773
Total retained earnings	152,247
Treasury stock	(627)
Total shareholders' equity	642,542
Valuation and translation adjustments:	
Unrealized gain and loss on securities, net of taxes	38,065
Total valuation and translation adjustments	38,065
Total net assets	680,608
Total liabilities and net assets	Y 2,098,697

-UNCONSOLIDATED- (TRANSLATION FOR REFERENCE ONLY)

Unconsolidated Income Statement

(Year ended March 31, 2016)

	<u>Millions of yen</u>
Net sales	Y 2,006,830
Cost of sales	1,533,245
Gross profit	473,585
Selling, general and administrative expenses	498,564
Operating loss	(24,979)
Other income:	
Interest income	336
Dividend income	87,379
Foreign exchange gains	62
Other finance income	1,786
Total other income	89,564
Other expenses:	
Interest expense	1,129
Interest on bonds	2,034
Provision of allowance for doubtful accounts	4
Provision for loss on business of subsidiaries and associates	21,957
Other finance expences	1,972
Total other expenses	27,097
Ordinary income	37,487
Extraordinary income:	
Gain on sales of non-current assets	3,431
Gain on extinguishment of tie-in shares	754
Total extraordinary income	4,186
Extraordinary losses:	
Loss on valuation of shares of subsidiaries and associates	9,804
Loss on impairment of non-current assets	4,128
Total extraordinary losses	13,933
Income before income taxes	27,739
Income taxes:	
Current	(10,678)
Deferred	(4,077)
Total income taxes	(14,755)
Net income	Y 42,495

FUJITSU Way

The Fujitsu Way will facilitate management innovation and promote a unified direction for the Fujitsu Group as we expand our global business activities, bringing innovative technology and solutions to every corner of the globe.

The Fujitsu Way provides a common direction for all employees of the Fujitsu Group. By adhering to its principles and values, employees enhance corporate value and their contributions to global and local societies.

Corporate Vision

Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world.

Corporate Values

What we strive for :

Society and Environment	In all our actions, we protect the environment and contribute to society.
Profit and Growth	We strive to meet the expectations of customers, employees and shareholders.
Shareholders and Investors	We seek to continuously increase our corporate value.
Global Perspective	We think and act from a global perspective.

What we value:

Employees	We respect diversity and support individual growth.
Customers	We seek to be their valued and trusted partner.
Business Partners	We build mutually beneficial relationships.
Technology	We seek to create new value through innovation.
Quality	We enhance the reputation of our customers and the reliability of social infrastructure.

Principles

Global Citizenship	We act as good global citizens, attuned to the needs of society and the environment.
Customer-Centric Perspective	We think from the customer's perspective and act with sincerity.
Firsthand Understanding	We act based on a firsthand understanding of the actual situation.
Spirit of Challenge	We strive to achieve our highest goals.
Speed and Agility	We act flexibly and promptly to achieve our objectives.
Teamwork	We share common objectives across organizations, work as a team and act as responsible members of the team.

- Code of Conduct**
- We respect human rights.
 - We comply with all laws and regulations.
 - We act with fairness in our business dealings.
 - We protect and respect intellectual property.
 - We maintain confidentiality.
 - We do not use our position in our organization for personal gain.