

Note: The following Fujitsu-prepared translation of the Fujitsu Limited Corporate Governance Report is provided for reference only. The original Japanese-language report was filed with the Tokyo Stock Exchange on May 31, 2006 under TSE securities code 6702.

Corporate Governance

Fujitsu Limited
President and Representative Director: Hiroaki Kurokawa
Contact: Fujitsu Limited Public & Investor Relations Division
TSE Securities Code: 6702

I. Basic Stance on Corporate Governance, Capital Structure, Corporate Attributes, and other Basic Information

1. Basic Stance

We believe that pursuing management efficiency while effectively managing business risks is essential to achieving sustainable improvement in corporate value. Recognizing that stronger corporate governance is vital to realizing this goal, we have been active in appointing outside directors to help ensure sound and transparent management. At the same time, by separating management oversight and operational execution functions, we have promoted faster decision-making while further clarifying management responsibilities. The clear separation of these functions is designed to further improve management transparency and efficiency.

We manage our Group companies based on clear distinction between 1) companies that perform an assigned function in our business; and 2) companies that pursue a synergistic relationship with us based on a shared corporate strategy.

2. Capital Structure

Ratio of Shares Held by Foreign Shareholders: 20-30%

[Major Shareholders]

<u>Name</u>	<u>Number of Shares Held</u>	<u>Percentage of Shares Held</u>
The Master Trust Bank of Japan, Ltd. (trust account)	188,609,000	9.11
Japan Trustee Services Bank, Ltd. (trust account)	109,159,000	5.27
Fuji Electric Holdings Co., Ltd.	94,663,469	4.57
Fuji Electric Systems Co., Ltd.	64,908,314	3.14
Asahi Mutual Life Insurance Company	40,299,600	1.95
Fuji Electric FA Components & Systems Co., Ltd.	36,886,345	1.78
Mizuho Corporate Bank, Ltd.	32,654,030	1.58
State Street Bank and Trust Company 505103	31,314,741	1.51
Trust & Custody Services Bank, Ltd. (trust account B)	27,522,000	1.33
Fujitsu Limited Employee Stock Ownership Plan	21,698,718	1.05

3. Corporate Attributes

<u>Listed Exchanges and Sections:</u>	Tokyo, 1st Section; Osaka, 1 st Section; Nagoya, 1st Section
<u>End of Fiscal Year:</u>	March
<u>Industry:</u>	Electrical Appliances
<u>Number of Employees (consolidated):</u>	Over 1,000
<u>Annual Sales (consolidated):</u>	Over 1 trillion yen
<u>Parent Company:</u>	None
<u>Number of Consolidated Subsidiaries:</u>	Over 300

4. Other Particular Factors that May Have an Important Impact on Corporate Governance

Among our consolidated subsidiaries and equity method affiliates, the following companies are publicly listed:

[Consolidated Subsidiaries]

Fujitsu Business Systems Ltd., Fujitsu Broad Solutions & Consulting Inc., Fujitsu Frontech Ltd., Fujitsu Access Ltd., Shinko Electric Industries Co., Ltd., Fujitsu Devices Inc., Fujitsu Component Ltd.

[Equity Method Affiliates]

FDK Corporation, Fujitsu General Limited, Spansion Inc.

While we respect the autonomy of our publicly listed subsidiaries, we require them to receive our prior authorization when they use “Fujitsu” as a trade name or trademark. In addition, while they are responsible for decisions regarding director nominations and compensation, we are notified in advance regarding director candidates and level of compensation. Moreover, regarding setting of budget plans and revisions as well as financial performance, because their results impact our consolidated earnings, to the extent that it is reasonable, we are kept informed.

II. Status of Management Control Organization for Management Decision-Making, Operational Execution and Oversight, and Other Corporate Governance Structural Features

1. Matters Regarding Institutional Structure and Organizational Operation

Type of Organization: Corporation with Statutory Auditors

[Board of Directors]

Board Chair: Chairman of Company (except when serving concurrently as president of Company)

Number of Directors: 10

Appointment of Outside Directors: Yes

Number of Outside Directors: 2

• Relationship with Company (1) *UPDATED*

Name	Type of Affiliation	Relationship with Company (*1)									
		a	b	c	d	e	f	g	h	i	
Kunihiko Sawa	Other company			✓	✓				✓	✓	
Ikujiro Nonaka	Scholar				✓				✓		

*1 Categories Describing Relationship with Company

a:	From parent company
b:	From other affiliated company
c:	Major shareholder of subject company
d:	Concurrently serves as outside director or outside auditor of other company
e:	Director or executive officer of other company
f:	Close relative by blood or marriage to director or executive officer of the subject company or other designated interested party
g:	Receives compensation or other material benefit as senior executive of parent company or subsidiary of the subject company
h:	Has limited liability contract with subject company
i:	Other

• **Relationship with Company (2) *UPDATED***

Name	Supplemental Explanation of Relationship	Reason Appointed as Outside Director
Kunihiko Sawa	Advisor , Fuji Electric Holdings Co. Ltd. Fujitsu Limited and Fuji Electric Holdings have a business relationship. In addition, Fuji Electric Holdings and other companies in the Fuji Electric Group, including trust accounts for employee retirement benefits, hold 11.42% of Fujitsu Limited's shares.	Because, as former President and Representative Director of Fuji Electric Holdings Co. Ltd., he has broad understanding of Fujitsu's business.
Ikujiro Nonaka	Professor Emeritus, Hitotsubashi University	Because, as a Professor Emeritus of Hitotsubashi University, he has broad understanding of global management issues.

• **Other Issues Relating to Major Activities of Outside Directors**

In addition to the outside directors listed above, we have called upon Hiroshi Oura, Director and Senior Executive Advisor of Advantest Corporation, to fill the role of an outside director in strengthening management oversight. However, since he was once a Fujitsu employee, he does not meet the legal definition of an outside director under Japan's Commercial Code. Fujitsu Limited has a business relationship with Advantest.

In fiscal 2005, there were thirteen regularly scheduled or special meetings of the Board of Directors, and the three outside directors, including Hiroshi Oura, had an attendance rate of 90%.

[Board of Statutory Auditors]

Existence of Board of Statutory Auditors: Yes

Number of Statutory Auditors: 5

• **Coordination between Statutory Auditors and Accounting Auditors**

The statutory auditors meet with the accounting auditors during three regularly scheduled meetings each year to exchange information and advice and reach mutual understanding regarding important audit issues, risk evaluations relating to internal control audits, and other matters.

• **Coordination between Statutory Auditors and Internal Auditing Division**

The statutory auditors receive reports on the audit system and audit plans from the internal audit division at the start of each reporting period. Then, during the period, the statutory auditors get reports on the results of internal audits and exchange information and advice to reach mutual understanding with the internal auditing division.

Appointment of Outside Auditors to the Board of Statutory Auditors: Yes

Number of Outside Auditors: 3

• **Relationship with Company (1) *UPDATED***

Name	Type of Affiliation	Relationship with Company (*1)								
		a	b	c	d	e	f	g	h	i
Yoshiharu Inaba	From other company					✓			✓	
Tamiki Ishihara	From other company				✓	✓			✓	
Megumi Yamamuro	Attorney				✓				✓	

*1 Categories Describing Relationship with Company

a:	From parent company
b:	From other affiliated company
c:	Major shareholder of subject company
d:	Concurrently serves as outside director or outside auditor of other company

e:	Director or executive officer of other company
f:	Close relative by blood or marriage to director or executive officer of the subject company or other designated interested party
g:	Receives compensation or other material benefit as senior executive of parent company or subsidiary of the subject company
h:	Has limited liability contract with subject company
i:	Other

• **Relationship with Company (2)**

Name	Supplemental Explanation of Relationship	Reason Appointed as Outside Auditor
Yoshiharu Inaba	President and CEO of Fanuc Ltd.	Because, as President and CEO of Fanuc Ltd., he has broad understanding of Fujitsu's business.
Tamiki Ishihara	Chairman of Seiwa Sogo Tatemono Co., Ltd.	Because, as a former Deputy President and Director of former Daiichi Kangyo Bank (now Mizuho Bank), we determined that he was well-qualified to audit both operational and accounting issues.
Megumi Yamamuro	Attorney and Professor of the University of Tokyo Graduate School for Law and Politics	Because, as a former judge of the Tokyo High Court, he has broad understanding of Japan's Corporate Law and regulatory compliance issues.

• **Other Issues Relating to Major Activities of Outside Auditors**

In fiscal 2005, there were thirteen regularly scheduled or special meetings of the Board of Directors, and the three outside auditors had an attendance rate of 97%.

[Incentives]

Implementation Status of Incentive Policies for Directors: Introduced stock option plan

• **Supplemental Explanation**

To achieve clear management accountability, with respect to compensation paid to directors, we utilize both fixed compensation and compensation tied to business performance (bonuses). In addition, we are currently reviewing the overall compensation scheme for directors, including the possible abolition of the retirement allowance system, with a view toward building a compensation system that will be more closely linked to business performance.

Stock Option Eligibility: Corporate directors, outside directors, employees

• **Supplemental Explanation**

Stock options were granted in 2001 and 2002.

In 2001, stock options were granted to 32 directors (including outside directors) and 15 employees.

In 2002, stock options were granted to 32 directors (including outside directors) and 18 employees.

[Compensation of Directors]

Method of Disclosure: Included in regularly filed financial and business reports.

Scope of Disclosure: Total amounts paid to corporate directors and to outside directors are separately disclosed.

• **Supplemental Explanation *UPDATED***

Compensation is divided into the categories of fixed compensation, bonuses, and retirement allowances, and we disclose the total amounts paid and the number of people receiving compensation in each category.

- Directors

Fixed compensation: 12 people, 245 million yen
Bonuses: 0 people, 0 yen
Retirement allowances: 2 people, 45 million yen

Of which, compensation paid to outside directors -- Fixed compensation: 2 people, 9 million yen

- Statutory Auditors
Fixed compensation: 7 people, 54 million yen
Bonuses: 0 people, 0 yen
Retirement allowances: 2 people, 15 million yen

Payment standard for retirement allowances is available for inspection at our registered head office.

The following decisions regarding compensation for directors and auditors were adopted at the 106th Annual Shareholders' Meeting held on June 23, 2006.

1. Bonuses for directors: 150 million yen (of which, 22 million yen for bonus payments to auditors)
2. Revised compensation amounts for directors and auditors
Directors: Up to 600 million yen per year (all directors in total)
Auditors: Up to 100 million yen per year (all auditors in total)

[Support Structure for Outside Directors (and Outside Auditors)]

- Sections Responsible for Providing Support: Secretary Office, Corporate Affairs Division (organizer of Board meetings)
- Within the Secretary Office, there are persons responsible for providing support to outside directors and outside auditors.

[Nature of Support Provided]

In response to the requests from outside directors, necessary information about the Company (or Group information) is provided and explained.

Depending on content, particular unit managers are made available to provide explanations.

Other routine support is provided as follows:

- Communication of Board meeting schedules, distribution of meeting notices and other information.
- Other secretarial assistance when visiting the Company (usually once a month for Board meetings).

2. Issues Relating to Functions for Operational Execution, Auditing, Oversight, Nominating, and Compensation Decisions

The Board of Directors is responsible for management oversight, supervising the execution functions of two executive organs under its authority, the Management Strategy Council and the Management Council.

The Management Strategy Council discusses and decides upon fundamental policies and strategy regarding business management. The Management Council makes decisions on important matters regarding operational execution. Issues discussed by the two councils and a summary of their discussions are reported to the Board of Directors, which makes decisions on items of particular importance. The Management Strategy Council generally meets once a month, while the Management Council generally meets three times a month, but meetings for either body can be convened whenever necessary.

The auditing function is carried out by statutory auditors, who review the Board of Directors as well as operational execution functions and attend important meetings, including meetings of the Board of Directors as well as the Management Strategy Council and Management Council.

In addition, the Corporate Internal Audit Division has been established to serve as an internal audit group. This division audits the internal affairs of the company and its affiliates, proposes

improvements in their business practices, and regularly reports its audit findings to the Management Council.

Accounting audits are carried out by four certified public accountants (Yoji Suzuki, Yuichi Mochinaga, Noriyuki Tsunoda, and Hideaki Karaki) who are employed by Ernst & Young ShinNihon.

There is no nominating committee or compensation committee.

III. Implementation of Policies Regarding Shareholders and Other Stakeholders

1. Initiatives to Enliven Annual Shareholders' Meetings and Facilitate Proxy Voting

	<u>Supplemental Information</u>
<u>Early distribution of invitation notices to Annual Shareholders' Meeting.</u>	To give shareholders sufficient time to review proxy voting materials, we try to send invitation notices three weeks prior to the Annual Shareholders' Meeting.
<u>Schedule Annual Shareholders' Meeting to avoid busiest days of overlap with other corporations' annual meetings.</u>	To facilitate the attendance of as many shareholders as possible, since the Annual Shareholders' Meeting held in June 2001 we have scheduled our Annual Shareholders' Meeting to avoid the busiest days of overlap with other corporations' annual meetings.
<u>Utilize electronic methods for voting by proxy.</u>	To improve convenience and facilitate the exercise of proxy votes for shareholders who are unable to attend the Annual Shareholders' Meeting, since the Annual Shareholders' Meeting held in June 2002 we have accepted proxy votes through electronic methods, and for the Annual Shareholders' Meeting to be held in June 2006 we are using a platform for electronic proxy voting by institutional investors.

2. Investor Relations Activities

	<u>Explanation by Company Representatives</u>	<u>Supplemental Information</u>
<u>Regular Presentations to Analysts and Institutional Investors</u>	Yes	We hold regular presentations, including presentations by the president on our management direction, presentations by the CFO on our earnings results, and presentations by various senior executives on business strategy for the operations they oversee. In addition, media are always invited to the briefings by the president, CFO, and heads of businesses, with the understanding that individual investors can thereby obtain information through reports that appear in the media.
<u>Regular Presentations to Foreign Investors</u>	Yes	The CFO meets twice a year with institutional investors in Europe and the US. We also have IR managers stationed in Europe and the US who meet and communicate regularly with investors, not just at the time of earnings announcements. We also take materials from IR presentations held in Japan, translate them into English, and post them to our English IR website, including English translations of Q&A sessions.
<u>Posting of IR Materials to Website</u>	Yes	We post the <i>Yukashoken Hokokusho</i> (Financial Report) and <i>Eigyō Hokokusho</i> (Business Report) in Japanese, the Annual Report in Japanese and English, <i>Tanshin</i> (Financial Earnings) reports in Japanese and English, and various other IR presentation materials in Japanese and English. Also posted in English and Japanese is the Fujitsu Group Sustainability Report. Additionally, all materials accompanying the invitation notice to the Annual Shareholders' Meeting are posted on our website.

<u>Unit Dedicated to IR Activities</u>	--	The director in charge of IR activities is Masamichi Ogura, CFO; the division in charge of IR activities is the Public and Investor Relations Division.
<u>Other</u>	--	Currently we do not hold presentations for individual investors, but all materials from presentations made to institutional investors and securities analysts are posted on our website along with streaming audio and video files, and we also have an inquiry form on our IR website to facilitate the flow of communications with individual investors.

3. Initiatives in Consideration of the Position of Stakeholders

	<u>Supplemental Explanation</u>
<u>Internal Company Rules Reflecting Consideration for the Position of Stakeholders</u>	As the core set of principles guiding the Fujitsu Group, <i>The FUJITSU Way</i> clearly states that part of our mission is to foster mutually beneficial relationships in our communities worldwide, and our respect for customers, shareholders and investors, and employees is articulated in our core values. In addition, with respect to our customers and other business partners, in our Code of Conduct we emphasize the need to act with fairness in all of our business dealings.
<u>Activities Promoting Environmental Protection and Corporate Social Responsibility</u>	With respect to environmental activities, in the Values section of <i>The FUJITSU Way</i> , we clearly state that “we consider environmental impact in all that we do,” and we are continuing to actively pursue activities in this area. We are currently implementing programs based on Stage IV of the Fujitsu Environmental Protection Program (fiscal 2004—2006). In March 2006, we extended our environmental management system to our overseas consolidated subsidiaries, receiving integrated global ISO14001 certification. With respect to CSR activities, based on <i>The FUJITSU Way</i> , each business unit is promoting thorough adherence to our Code of Conduct and our customer-centric management perspective in order to earn the trust and meet the expectations of our stakeholders. Further details are listed in the Fujitsu Group Sustainability Report that we publish every year.
<u>Policies to Promote the Provision of Information to Stakeholders</u>	With respect to our disclosure policies, we recognize that prompt and appropriate disclosure of company information to shareholders and investors as well as securities analysts is essential to the proper functioning of the securities markets, and we disclose information in compliance with the Securities Exchange Law and regulations of the stock exchanges on which we are listed. Even if we are not legally required to do so under the regulations, and even if the content of the information is unfavorable to Fujitsu, if we deem the information to be material to investment decisions, our basic policy is to work to disclose the information in a manner that is prompt, accurate, and fair. Moreover, in consideration of the position of customers, communities, and other stakeholders, for information we deem necessary to disclose, including information that may be unfavorable to Fujitsu, our basic policy is to work to disclose the information in a manner that is prompt, accurate, and fair.
<u>Other</u>	We are promoting a customer-centric management perspective in order to be an indispensable partner to our customers. In order that all employees adopt a customer-centric mindset and apply it to their daily work, we are deepening our commitment in each business unit to previously initiated management quality improvement activities and we are attempting to create an organizational framework to facilitate continuous improvement from a customer-centric perspective. As one example of these activities, we hold regular management update meetings, attended by the chairman, president, directors, corporate executive officers, and affiliate company presidents, in which we regularly discuss case examples of customer issues and what improvements need to be made. This enables managers in each of our units throughout the Fujitsu Group to share information on case studies, raise their consciousness regarding customer views, and actively implement improvement measures.

IV. Basic Stance on Internal Control Framework and Status of Implementation

At a meeting of the Board of Directors on May 25, 2006, the following basic stance was adopted with respect to instituting the Company’s framework for internal control.

1. Objective

The FUJITSU Way, the core set of principles guiding the Fujitsu Group, sets forth our goal of helping to solve customers' problems and contributing to society through the provision of high-quality products and services based on leading-edge technology, as well as our determination to fulfill our corporate responsibilities to stakeholders, including: customers, employees, shareholders and investors, suppliers, business partners, local communities and broader global society.

We believe that the concurrent pursuit of efficient management and the proper control of business risks are essential to achieving sustainable improvement in the corporate value of the Fujitsu Group. Recognizing that stronger corporate governance is vital to realizing this goal, we are constantly working to implement and advance the policies outlined below.

2. Framework to Ensure the Propriety of Fujitsu Limited and Fujitsu Group Business Activities

(1) System to Ensure Efficient Execution of Duties by the Board of Directors

1. Management oversight functions and operational execution functions are separated at Fujitsu. The Board of Directors supervises the Management Strategy Council, Management Council and other executive organs charged with operational execution functions. Among these executive organs, the Management Strategy Council makes decisions on fundamental matters of business direction and strategy. The Management Council makes decisions about important matters relating to operational execution. Issues discussed by the two councils and a summary of their discussions are reported to the Board of Directors, which makes decisions on matters of particular importance.
2. In order to strengthen the management oversight function, we actively use outside directors and auditors.
3. The Board of Directors clarifies matters relating to the duties of Board directors with assigned business duties, corporate executive officers, and other executive-level managers (all referred to hereafter as "senior managers"), as well as the authority of other executive bodies, and sees to it that duties are executed in accordance with the responsibilities of each position.
4. Senior managers shall make decisions regarding execution of their duties based on appropriate decision-making procedures in accordance with "Board of Directors Regulations," "Management Strategy Council Regulations," "Management Council Regulations," "Ringi Regulations," and other relevant regulations.
5. Senior managers are expected to thoroughly familiarize employees with management direction and other strategy directives and, in order to achieve business goals, to set and achieve concrete objectives.
6. In order to pursue greater operational efficiency, senior managers are expected to continuously promote the development and full implementation of internal control systems as well as the improvement of business processes.
7. The Board of Directors monitors and directs progress in the achievement of business objectives by arranging for monthly reports on financial results and business operations from senior managers and other executive organizations with business execution duties.

(2) System to Ensure that Execution of Duties by Directors and Employees Complies with Laws, Regulations and Articles of Incorporation

1. Senior managers are expected not only to uphold *The FUJITSU Way*, which includes the basic principles of compliance with laws, regulations and the Articles of Incorporation, but to also actively promote compliance by the Fujitsu Group as a whole in accordance with their ethical obligations as senior managers.
2. Senior managers shall, by carrying out ongoing educational programs and other measures, strive to ensure that employees rigorously adhere to the basic principles of *The FUJITSU Way*, and thereby promote compliance by the Fujitsu Group as a whole.
3. Senior managers shall clarify legal regulations and other rules regarding the business activities of the Fujitsu Group, as well as institute and enforce the necessary rules, training, and monitoring systems to promote compliance by the Fujitsu Group as whole.

4. In the event that senior managers or employees become aware of the possibility of a serious operations-related compliance violation, they are to immediately inform the Board of Directors and/or the Board of Auditors through regular operational reporting lines.
5. In order to enable the early discovery of potential compliance problems and their proper handling through information channels separate from regular operational reporting lines, senior managers shall establish and maintain an internal notification system that includes a structure and procedures for protecting those who raise compliance issues.
6. The Board of Directors shall receive on a periodic basis reports on the state of operations from those charged with executing them as well as confirmation that there are no compliance violations in connection with execution of business duties.

(3) Regulations and Other Structures for Managing the Risk of Losses

1. Senior managers strive to realize the continuity of Group's businesses, the growth of corporate value and the sustainable development of corporate activities. In order to deal with risks that might constitute obstacles to achieving these goals, they shall establish jurisdictions for various types of risks and put in place administrative systems to deal with them in an appropriate manner.
2. Senior managers shall regularly assess and verify risks that might result in losses to the Group and report significant issues to the Board of Directors.
3. In regard to the kind of risks identified in the preceding item, as well as other risks that might be envisioned to arise in the course of carrying out business activities, senior managers shall establish preventative and other measures to control risks and carry out activities to minimize possible losses. In addition, in order to minimize losses resulting from the elicitation of incidences of risk, along with establishing a Risk Management Committee and implementing other necessary measures, incidences of risk shall be analyzed on a periodic basis and reported to the Board of Directors, and other activities shall be carried out to prevent similar risks from arising.
4. In order to collect the kind of risk information that cannot be captured through the measures referred to above, senior managers shall put in place and maintain an internal notification system that includes protections for those who come forward with information.

(4) Systems for Retaining and Managing Information Relating to Execution of Directors' Duties

1. Based on company policies, senior managers shall delegate persons with the responsibility for retaining and managing the following documents (including in digital form) relating to the execution of directors' duties:
 - Minutes of Annual Shareholders' meetings and related materials
 - Minutes of Board of Directors' meetings and related materials
 - Minutes of other meetings involving important decision-making bodies along with related materials
 - Documents and related materials authorized by senior managers
 - Other important documents relating to management execution of senior managers
2. In order for directors or statutory auditors to verify the status of issues relating to operational execution of duties, they shall have access as needed to the documents listed in the previous item, and the persons responsible for retaining and managing these documents shall put systems in place to ensure that directors and statutory auditors can have access to them when they are requested.

(5) Systems for Ensuring the Propriety of Fujitsu Group Business Activities

1. In order to continuously improve the corporate value of the Fujitsu Group, the Company shall, in accordance with *The FUJITSU Way*, provide guidance and support to ensure that proper systems are in place throughout the Fujitsu Group to efficiently and properly adhere to points (1) through (4) above.
2. Specifically, in regard to the issues mentioned in the previous item, we shall prepare a set of Fujitsu Group Management Regulations that specify each company's role, responsibilities, lines of authority, decision-making procedures, and other matters.
3. Senior managers from Fujitsu Limited and Fujitsu Group companies shall meet regularly for updates on the Group's management direction and to address issues relating to achieving

business performance targets. In addition, the statutory auditors of Fujitsu Group companies shall meet to address issues facing the Fujitsu Group from an audit perspective.

4. Senior managers from Fujitsu Limited and each Group company shall formulate policies to resolve any obstacles relating to meeting business performance targets identified in the previous item, and implement appropriate policies after a thorough discussion of the issues. If necessary, Fujitsu Limited shall receive reports or applications for approval as shall be specified separately in the Fujitsu Group Management Regulations.
5. The Company's internal audit division shall coordinate with each Group company's internal audit division to perform internal audits of the entire Fujitsu Group. Findings will be regularly reported to the boards of directors and/or statutory auditors of Fujitsu Limited and the subject Group company.

(6) Systems for Ensuring the Propriety of Audits by Statutory Auditors

[Provisions to Ensure Independence]

1. The Company shall staff the Statutory Auditors' Office with employees to help the statutory auditors perform their duties. Employees selected for this purpose shall have the capabilities and knowledge needed to meet the requirements of the statutory auditors.
2. To ensure the independence of the employees assigned to the Statutory Auditors' Office, senior managers shall consult in advance with the statutory auditors regarding personnel issues for these employees, including promotions, transfers, and compensation.
3. As a general principle, senior managers shall not have employees assigned to the Statutory Auditors' Office assume concurrent responsibilities with other units. If, however, the statutory auditors request the assistance of employees with specialized expertise, necessitating concurrent responsibilities for those employees, the provisions in the preceding item ensuring independence shall apply to those employees.

[Provisions for Reporting]

1. Senior managers from Fujitsu Limited and each Group company will provide opportunities for statutory auditors to attend important meetings.
2. Senior managers and employees from Fujitsu Limited and each Group company shall immediately notify the statutory auditors of any incidences of risk that impact management or financial performance, or if they become aware of evidence of major compliance violations relating to the conduct of business activities.
3. Senior managers and employees from Fujitsu Limited and each Group company shall make periodic reports to the statutory auditors on issue relating to the execution of business operations.

[Provisions to Ensure Effectiveness]

1. Senior managers from Fujitsu Limited and each Group company shall regularly exchange information with the statutory auditors.
2. The internal audit division shall regularly report their findings to the statutory auditors.
3. The statutory auditors shall, on an as-needed basis, receive presentations or reports from the accounting auditors on their accounting audit findings and shall, on a regular basis, exchange information.

Please refer to the attached diagram.

V. Other

1. Provisions Relating to Takeover Defenses

At the present time, no specific provisions relating to takeover defenses have been introduced.

Because raising corporate value is, in the end, the best defense against potential takeovers, we are focusing our efforts on raising corporate value.

Going forward, placing first priority on corporate value and shareholder profits, we will remain vigilant to social trends and changes in the environment, and we will continually advance our consideration of protective measures.

2. Other Provisions Relating to Corporate Governance

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