

# CORPORATE GOVERNANCE

The following Fujitsu-prepared translation of the revised Fujitsu Limited Corporate Governance Report is provided for reference only. The original Japanese-language report was filed with the Tokyo Stock Exchange on June 25, 2013 under TSE securities code 6702.

Established under Japanese law, Fujitsu adheres to the provisions of Japan's Companies Act with respect to corporate governance. The Companies Act can be viewed on the Japanese government's website.

As of June 24, 2013, Fujitsu was listed on three securities exchanges in Japan, and complies with the regulations relating to corporate governance of each exchange. Moreover, Fujitsu also observes the Principles of Corporate Governance for Listed Companies of the Tokyo Stock Exchange. These regulations and principles can be viewed on the website of each securities exchange.

## I. BASIC STANCE ON CORPORATE GOVERNANCE AND OTHER BASIC INFORMATION

### 1. Basic Stance

The Fujitsu Group's corporate philosophy is articulated as the "Fujitsu Way," comprised of our Corporate Vision, Corporate Values, Principles, and Code of Conduct. By sharing and practicing the Fujitsu Way, we aim to continuously enhance the value of the enterprise through the continuous growth and development of the Fujitsu Group.

In order to continuously raise the Fujitsu Group's corporate value, along with pursuing management efficiency it is also necessary to control the risks that arise from business activities. Recognizing that strengthening corporate governance is essential to achieving this, the Board of Directors has articulated the Basic Stance on Internal Control Framework, and these measures are continuously implemented.

Furthermore, by separating management oversight and operational execution functions, we aim to accelerate the decision-making process and clarify management responsibilities. Along with creating constructive tension between oversight and execution functions, we are further enhancing the transparency and effectiveness of management by proactively appointing external directors.

With respect to group companies, we are pursuing total optimization for the Fujitsu Group by clarifying each group company's role and position in the process of generating value for the group as a whole and managing the group to continuously enhance its corporate value.

### 2. Policy on Measures for Protecting Minority Shareholders When Carrying out Transactions with Controlling Shareholders

### 3. 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 on Japanese stock exchanges:

<Consolidated Subsidiaries>

Fujitsu Frontech Limited, Fujitsu Broad Solution & Consulting Inc., NIFTY Corporation, Shinko Electric Industries Co., Ltd., FDK Corporation, Fujitsu Component Limited.

<Equity Method Affiliates>

Fujitsu General Limited

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 nominations and compensation for members of the board, we are notified in advance regarding member of the board candidates and levels of compensation. Regarding the 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 Organizational Structure and Operation

| Type of Organization   | Company with Audit & Supervisory Board Members          |
|--|---|
| <b>[Board of Directors]</b>                                      |   |
| Number of Directors Under the Articles of Incorporation          | Up to 15  |
| Term of Directors Under the Articles of Incorporation            | 1 year  |
| Board Chair  | Chairman (except when concurrently acting as President) |
| Number of Directors  | 12  |
| Appointment of External Directors                                | Yes   |
| Number of External Directors                                     | 4   |
| Number of External Directors Designated as Independent Directors | 4   |

## Relationship with Company (1)

| Name            | Type of Affiliation | Relationship with Company *1 |   |   |   |   |   |   |   |   |
|-----------------|---------------------|------------------------------|---|---|---|---|---|---|---|---|
|                 |                     | a                            | b | c | d | e | f | g | h | i |
| Haruo Ito       | From other company  |                              |   | ○ | ○ |   |   |   | ○ | ○ |
| Takashi Okimoto | From other company  |                              |   |   | ○ | ○ |   |   | ○ | ○ |
| Shotaro Yachi   | Other               |                              |   |   | ○ |   |   |   | ○ |   |
| Miyako Suda     | 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 external director or Audit & Supervisory Board member of other company

e: Executive director or officer of other company

f: A spouse, relative within the third degree of kinship or other equivalent persons of an executive director or officer of the subject company or other company having special relationship with the subject company

g: Receives compensation or other financial 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            | Independent Director | Supplemental Explanation of Relationship  | Reason Appointed as External Director (Including reason for designation as independent director where applicable)  |
|-----------------|----------------------|---|--|
| Haruo Ito       | ○                    | <p>Senior Advisor, Fuji Electric Co., Ltd.</p> <p>Mr. Haruo Ito is a former Representative Director and current Senior Advisor of Fuji Electric Co., Ltd., a major shareholder of Fujitsu.</p> <p>Fujitsu holds 9.96% of the shares of Fuji Electric Co., Ltd., and a former representative director of Fujitsu serves as a Director of Fuji Electric. Both the former representative director and Mr. Ito were expressly recruited for their respective appointments based on the management credentials each possesses, and there is no risk that Mr. Ito's independence would be compromised in any way. Similarly, Fujitsu and the Fuji Electric Group have business dealings. However, taking into account the scale and nature of those transactions, the Company judges that Mr. Ito's independence will not be compromised.</p> | <p>Mr. Ito has many years of experience in corporate management and has extensive knowledge of the Company's business operations.</p> <p>The Fuji Electric Group, including its retirement benefit trusts, as a whole holds an 11.20% equity stake in Fujitsu. However, as approximately three years have passed since Mr. Ito's resignation from his positions as Representative Director and Director of Fuji Electric Co., Ltd., Fujitsu has determined that there is no risk of a conflict of interest in representing the interests of regular shareholders, and has reported to securities exchanges on which the Company is listed in Japan notifying them that he is an independent director, in accordance with the exchanges' listing rules.</p> |
| Takashi Okimoto | ○                    | <p>President and Representative Director, Chuo Real Estate Co., Ltd.</p> <p>Mr. Takashi Okimoto is a former Representative Director of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) which is a major lender to the Fujitsu Group. However, as the current balance of funds Fujitsu has borrowed from Mizuho Corporate Bank, Ltd. is insignificant, there is no risk that Mr. Okimoto's independence would be compromised. Mr. Okimoto is also President and Representative Director, Chuo Real Estate Co., Ltd., a company with which Fujitsu has business dealings. However, taking into account the scale and nature of these transactions, the Company judges that this business relationship will not compromise Mr. Okimoto's independence.</p>   | <p>Mr. Okimoto has many years of experience in corporate management and has deep insights into finance.</p> <p>Because the current balance of funds Fujitsu has borrowed from Mizuho Corporate Bank is insignificant, and because more than six years have passed since Mr. Okimoto's resignation from his position as Representative Director of the bank, Fujitsu has thus determined that there is no risk of a conflict of interest in representing the interests of regular shareholders. Therefore, Fujitsu has reported to securities exchanges on which the Company is listed in Japan notifying them that he is an independent director, in accordance with the exchanges' listing rules.</p>   |

|               |   |   |
|---------------|---|---|
| Shotaro Yachi | ○ | Mr. Yachi has deep political and economic insights from a global perspective based on his many years of involvement in foreign policy at the Ministry of Foreign Affairs of Japan. Furthermore, Mr. Yachi is not a major shareholder nor has he held an executive management position with a major trading partner of the Company. Since the Company believes he is independent, the Company has reported to securities exchanges on which the Company is listed in Japan notifying them that he is an independent director, in accordance with the exchanges' listing rules.   |
| Miyako Suda   | ○ | Ms. Suda has insights into monetary policy and management insights from a global perspective. As noted above, Ms. Suda is the sibling of a former representative director of a subsidiary of Fujitsu. However, approximately four years has passed since the retirement of her sibling from the position of representative director. During this time the sibling has had no involvement with the executive management of the Fujitsu Group. Moreover, Ms. Suda has never been a major shareholder, nor has she held an executive management position with a major trading partner of the Company, and Fujitsu has thus determined that there is no risk of a conflict of interest in representing the interests of regular shareholders, and has reported to securities exchanges on which the Company is listed in Japan notifying them that she is an independent director, in accordance with the exchanges' listing rules. |

### [Audit & Supervisory Board Members]

|   |         |
|---|---------|
| Existence of Audit & Supervisory Board  | Yes     |
| Number of Audit & Supervisory Board Members Under the Articles of Incorporation | Up to 5 |
| Number of Audit & Supervisory Board Members                                     | 5       |

### Coordination between Audit & Supervisory Board Members, Accounting Auditors, and Internal Auditing Division

The accounting auditor, Ernst & Young ShinNihon LLC, reports to the Audit & Supervisory Board concerning the audit plan and results. The accounting auditor also conducts exchange of opinions when needed and carries out coordinated audits of business operations.

The Corporate Internal Audit Unit (with 55 members) serves as an internal audit group. This unit audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Corporate Internal Audit Unit reports once a month as a rule to the standing members of the Audit & Supervisory Board on the audit plans and results of internal audits, including matters relating to group companies, and makes regular reports (once every quarter as a rule) to the Audit & Supervisory Board and the accounting auditors.

|   |     |
|---|-----|
| Appointment of External Audit & Supervisory Board Members   | Yes |
| Number of External Audit & Supervisory Board Members  | 3   |
| Number of External Audit & Supervisory Board Members Designated as Independent Audit & Supervisory Board Member | 3   |

### Relationship with Company (1)

| Name            | Type of Affiliation         | Relationship with Company *1 |   |   |   |   |   |   |   |   |  |
|-----------------|-----------------------------|------------------------------|---|---|---|---|---|---|---|---|--|
|                 |                             | a                            | b | c | d | e | f | g | h | i |  |
| Megumi Yamamuro | Attorney                    |                              |   |   | ○ |   |   |   |   | ○ |  |
| Hiroshi Mitani  | Attorney                    |                              |   |   | ○ |   |   |   |   | ○ |  |
| Koji Hatsukawa  | Certified public accountant |                              |   |   | ○ |   |   |   |   | ○ |  |

\*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 external director or Audit & Supervisory Board member of other company

e: Executive director or officer of other company

f: A spouse, relative within the third degree of kinship or other equivalent persons of an executive director or officer of the subject company or other company having special relationship with the subject company

g: Receives compensation or other financial 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            | Independent Audit & Supervisory Board Member | Supplemental Explanation of Relationship | Reason Appointed as External Audit & Supervisory Board Member (Including reason for designation as an independent Audit & Supervisory Board Member where applicable)  |
|-----------------|--|--|---|
| Megumi Yamamuro | ○  |  | Mr. Yamamuro has extensive experience in the legal field and extensive knowledge of legal matters, including Japan's Companies Act. Mr. Yamamuro has never been a major shareholder nor has he held an executive management position with a major business partner of the Company. Since the company believes he is independent, the Company has reported to securities exchanges on which the Company is listed in Japan notifying them that he is an independent Audit & Supervisory Board member, in accordance with the exchanges' listing rules.   |
| Hiroshi Mitani  | ○  |  | Mr. Mitani has a deep understanding of not only legal affairs, but also of economic, social, and other factors that affect the management of a company due to his service as a public prosecutor and as a member of the Fair Trade Commission. Mr. Mitani has never been a major shareholder nor has he held an executive management position with a major business partner of the Company. Since the Company he is independent, the Company has reported to securities exchanges on which the Company is listed in Japan notifying them that he is an independent Audit & Supervisory Board member, in accordance with the exchanges' listing rules. |
| Koji Hatsukawa  | ○  |  | Mr. Hatsukawa has a wealth of auditing experience as a certified public accountant, and he has broad knowledge of corporate accounting. PricewaterhouseCoopers Aarata, where Mr. Hatsukawa served as CEO, has not performed accounting audits for Fujitsu. Fujitsu has thus determined that there is no risk of a conflict of interest in representing the interests of regular shareholders, and has reported to securities exchanges on which the Company is listed in Japan notifying them that he is an independent Audit & Supervisory Board member, in accordance with the exchanges' listing rules.  |

### [Independent Directors/Audit & Supervisory Board Members]

Number of Independent Director/Audit & Supervisory Board members: 7

### Other Issues Relating to Independent Director/Audit & Supervisory Board Members

All external Director/Audit & Supervisory Board members qualified to serve as independent Director/Audit & Supervisory Board members are identified as such.

### [Incentives]

Implementation Status of Incentive Policies for Directors: Introduced compensation plan linked to the performance of the company

### Supplemental Explanation

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. At the 107th Annual Shareholders' Meeting held on June 22, 2007, a resolution terminating the retirement allowance system for directors was passed.

Stock Option Eligibility: —

### [Compensation of Directors]

Disclosure of Individual Director's Compensation: Partial disclosure only

## Supplemental Explanation

Total consolidated compensation is disclosed for individual directors and Audit & Supervisory Board members only if they were paid 100 million yen or more.

No individual directors or Audit & Supervisory Board members met this criteria in fiscal 2012.

For fiscal 2012, total compensation to directors and Audit & Supervisory Board members was as follows:

- Directors 13 people, 479 million yen (Base compensation of 436 million yen and stock-based compensation of 42 million yen)
  - Of which, compensation paid to external directors: 4 people, 45 million yen (Base compensation of 45 million yen)
- Audit & Supervisory Board members 6 people, 138 million yen (Base compensation of 138 million yen)
  - Of which, compensation paid to external Audit & Supervisory Board members: 3 people, 63 million yen (Base compensation of 63 million yen)

\*1 The above includes directors and Audit & Supervisory Board members who resigned in fiscal 2012.

\*2 The limit on remuneration to directors (including external directors) was resolved to be 600 million yen per year at the 106th Annual Shareholders' Meeting held June 23, 2006. The limit on remuneration to Audit & Supervisory Board members (including external Audit & Supervisory Board members) was resolved to be 150 million yen per year at the 111th Annual Shareholders' Meeting held June 23, 2011. The Company is paying the compensation shown in the above table.

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Policy on Calculation and Determination of Compensation Amounts: Yes

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## Disclosed Policy on Calculation and Determination of Compensation Amounts

### 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: "Basic 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.

#### Basic Compensation

- Basic compensation is paid to all directors and Audit & Supervisory Board members, in accordance with position and responsibilities, as compensation for work responsibilities with regard to management oversight and the carrying out of executive responsibilities.

#### Stock-based Compensation

- Stock-based compensation, intended for directors responsible for carrying out executive duties, is a long-term performance incentive, with the amount to be paid determined based on a qualitative evaluation of medium- to long-term initiatives.
- Stock-based compensation is to be paid for the purchase of the Company's own shares. These purchases are to be made through the Director Stock Ownership Plan. Shares purchased for this purpose are to be held by each director for the term of his or her service.

#### Bonuses

- Bonuses are short-term performance incentives to be paid to directors who carry out executive responsibilities. The amount of a bonus is to reflect business performance in the respective fiscal year.
- As a specific method to calculate a bonus, Fujitsu will adopt a "Profit Sharing model" which uses consolidated operating income and consolidated net income as an index. However, bonuses will not be paid in the event of negative net income recorded under non-consolidated accounting.

In accordance with a resolution of the Annual Shareholders' Meeting, the total amount of basic 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.

### [Support Structure for External Directors and External Audit & Supervisory Board Members]

Certain staff members of the Secretary Office are responsible for providing support to external directors and external Audit & Supervisory Board members. In addition, the Legal Unit (Secretariat of Board of Directors' meeting) and the Audit & Supervisory Board Members' Office (Secretariat of Audit & Supervisory Board meetings) are also responsible for providing support to external directors and external Audit & Supervisory Board members. This responsibility involves complying with requests from external directors and external Audit & Supervisory Board members to provide and explain information about Fujitsu or the entire Fujitsu Group that is required for management oversight or audits. Depending on the information, relevant business unit managers are made available to provide additional explanations. We also provide a dedicated webpage for all board members (directors and Audit & Supervisory Board members) to use to access and discuss material relevant to Board of Directors' meetings, such as agenda items, before meetings are held in order to allow board members to gain a proper understanding of the material.

The above measures are intended to provide indirect support to help external directors and external Audit & Supervisory Board members provide effective management oversight and auditing of the execution of duties throughout the entire Fujitsu Group by facilitating mutual communication during internal audits, statutory audits, and accounting audits.

## 2. Issues Relating to Functions for Business Execution, Auditing, Oversight, Nominating, and Compensation Decisions (Overview of Current Corporate Governance Structure)

### Overview of Current Structure

The Company has a Board of Directors to serve as a body for overseeing management. The Board of Directors is responsible for management oversight, supervising the business execution functions of the President and Representative Director and the Management Council, an executive organ under its authority. Moreover, external members of the board are actively recruited for positions in the Board of Directors in order to strengthen its oversight function. The Management Council deliberates upon fundamental policies and strategy regarding business management, as well as makes decisions on important matters regarding business execution. Issues discussed by the Management Council and a summary of its discussions are reported to the Board of Directors, which makes decisions on items of particular importance. In principle, the Management Council meets three times a month, but meetings may be convened whenever necessary.

The company has an Audit & Supervisory Board that performs the auditing function. The auditing function is carried out by Audit & Supervisory Board members, who review the Board of Directors as well as business execution functions and attend important meetings, including meetings of the Board of Directors as well as the Management Council. The Audit & Supervisory Board Members' Office provides support for the audits by the Audit & Supervisory Board members, and in order to promote the independence and effectiveness of the auditing, the Company holds discussions with Audit & Supervisory Board members prior to selecting candidates for positions in the division. Personnel with the appropriate qualifications are selected as division staff candidates, and as a general rule, as full-time staff.

The Board of Directors has 12 members, comprising eight internal directors and four external directors, and the Audit & Supervisory Board has five members, comprising two internal Audit & Supervisory Board members and three external Audit & Supervisory Board members. In order to better define the management responsibility of the directors, their terms were reduced from two years to one year in accordance with a resolution at the June 23, 2006 Annual Shareholders' Meeting.

In addition, the Corporate Internal Audit Unit (with 55 members) serves as an internal audit group. This Unit audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Corporate Internal Audit Unit reports once a month as a rule to the standing members of the Audit & Supervisory Board on the audit plans and results of internal audits, including matters relating to group companies, and makes regular reports (once every quarter as a rule) to the Audit & Supervisory Board and the accounting auditors.

The accounting auditor, Ernst & Young ShinNihon LLC, reports to the Audit & Supervisory Board concerning the audit plan and results. The accounting auditor also conducts exchange of opinions when needed and carries out coordinated audits of business operations. The four certified public accountants associated with Ernst & Young ShinNihon LLC who performed the accounting audit were Yasunobu Furukawa, Yuichi Mochinaga, Tsuyoshi Saita, and Akiyuki Matsumoto. In addition, they were assisted by a further 37 certified public accountants, 31 accounting assistants, and another 62 persons, all associated with Ernst & Young ShinNihon LLC.

The Fujitsu Way Promotion Council promotes internal control relating to the Fujitsu Way and financial reporting in the Fujitsu Group and forms the core of operations to upgrade and evaluate internal control for the Group. During internal control audits by the accounting auditor and statutory auditors, the Fujitsu Way Promotion Council holds regular meetings to provide and explain information as required. The council also provides and explains information to assist the Corporate Internal Audit Unit in performing internal audits.

The Company established an Executive Nomination Committee and Executive Compensation Committee as advisory bodies to the Board of Directors in order to ensure the transparency and objectivity of the process for choosing candidates for executives, determining their compensation and ensuring that the compensation system and levels are appropriate. The Executive Nomination Committee takes into consideration the current business climate and anticipated trends, and makes recommendations on candidates (draft) for executives, choosing candidates having objectivity in making management decisions, foresight and perceptiveness, and a superior character. The Compensation Committee is tasked with making recommendations on executive salaries and methods for calculating bonuses linked to financial performance, taking into consideration compensation levels at other companies with similar business activities, business scale, and other factors. The aim of this activity is to retain superior management talent, and provide effective incentives for improving the Company's financial performance.

## 3. Reasons for Selecting the Current Corporate Governance Structure

The current structure clarifies the management responsibility of the members of the board, who, after their election at the annual meeting of shareholders, become involved in making decisions about important matters concerning the management of the Company. Furthermore, the current structure maintains the robustness and efficiency of governance by having the dual features of (1) the mutual monitoring by the members of the Board of Directors, and (2) the audits by the Audit & Supervisory Board members. At the time of the introduction in Japan of the corporation-with-committees governance system, Fujitsu was using the company with Audit & Supervisory Board members system, and since the Audit & Supervisory Board members were performing the auditing function effectively, we have continued to use the system.

The Company maintains the robustness of its governance system by having an effective auditing function in which Audit & Supervisory Board members who are independent of the management perform objective audits, by actively appointing external directors, and by having established the Executive Nomination Committee, Executive Compensation Committee and an internal audit organization. Finally, to further improve efficiency, we have established a Management Council, which has accelerated decision-making and management execution.

### III. IMPLEMENTATION OF POLICIES REGARDING SHAREHOLDERS AND OTHER STAKEHOLDERS

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

|  | Supplemental Information   |
|--|--|
| Distribute invitation notices to Annual Shareholders' Meeting early  | To give shareholders sufficient time to exercise voting rights, we make efforts to send invitation notices three weeks prior to the Annual Shareholders' Meeting.  |
| Schedule Annual Shareholders' Meeting to avoid busiest days of overlap with other corporations' annual meetings                          | 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.   |
| Utilize electronic methods for exercise of voting rights   | To improve convenience and facilitate the exercise of voting rights for shareholders who are unable to attend the Annual Shareholders' Meeting, since the Annual Shareholders' Meeting held in June 2002 we have accepted the exercise of voting rights through electronic methods, and since the Annual Shareholders' Meeting held in June 2006 we have been using a platform to allow institutional investors to electronically exercise voting rights.                                    |
| Participation in Electronic Proxy Voting Platform and Other Measures to Enhance the Proxy Voting Environment for Institutional Investors | Fujitsu participates in the electronic proxy voting platform operated by Investor Communications Japan (ICJ) as part of its efforts to enhance the proxy voting environment for institutional investors.   |
| Availability of English-language Notice of Convocation of Annual Shareholders' Meeting (summary of Japanese)                             | Fujitsu creates an English-language Notice of Convocation of the Annual Shareholders' Meeting (contents correspond to the Japanese invitation and business report) and sends the notice to foreign investors in order to promote a wider understanding of the proposals presented at the shareholders' meeting. The notice is disclosed on the Company website the same day it is sent to shareholders as part of our policy to disclose information in a prompt, accurate, and fair manner. |
| Other  | To clarify the results of voting at the Annual Shareholders' Meetings, in addition to public notification of the results of the Shareholders' Meetings, beginning with the Annual Shareholders' Meeting held in June 2010, Fujitsu began posting the numbers of votes for and against each resolution on its website.  |

#### 2. Investor Relations Activities

|   | Supplemental Information  | Explanation by Company Representatives |
|---|---|--|
| Creation and Publication of Disclosure Policy | <p>Fujitsu has established the following disclosure policy and made the policy available on its website.</p> <p><b>Disclosure Policy</b><br/>The Fujitsu Group's corporate philosophy is articulated as the "Fujitsu Way," comprised of our Corporate Vision, Corporate Values, Principles, and Code of Conduct. By sharing and practicing the Fujitsu Way, we aim to continuously enhance the value of the enterprise through the continuous growth and development of the Fujitsu Group. Our basic policy on disclosure is to enhance our management transparency by appropriate and timely disclosure of our business activities and financial information. This ensures that investors, shareholders, and all other stakeholders can understand how we are performing in enhancing our corporate value.</p> <p><b>Basic Policy on Information Disclosure</b><br/>Fujitsu emphasizes fairness and continuity in disclosure of information, in accordance with the Financial Instruments and Exchange Act and other laws and regulations, as well as the rules of the exchanges on which its shares are listed. Moreover, our policy is to be proactive in disclosing any information that we judge to be effective for helping shareholders, investors and other stakeholders to deepen their understanding of Fujitsu, even if such disclosure is not required by laws, regulations, or other rules.</p> <p><b>Methods of Information Disclosure</b><br/>Fujitsu uses prescribed information disclosure methods (TDnet, EDINET, etc.) to disclose information which it is required to disclose by law or regulation. Following disclosure, materials containing the disclosed information may be made available on the Company's website if deemed necessary. The Company may also disclose information which it is not required to disclose by law or regulation. In these cases, the Company will disclose the information as necessary, using an appropriate method of disclosure (press release, website disclosure, seminar presentation, etc.) based on the contents.</p> <p><b>Forward-looking Statements</b><br/>Forward-looking statements included in disclosed information are based on management's views and assumptions at the time the information was disclosed. A variety of changes in the internal and external business environment may cause actual results to differ materially from those expressed or implied in such statements. The Company strives to enhance the accuracy of forward-looking statements, and in cases where its outlook changes, the Company discloses the change as necessary using an appropriate disclosure method.</p> <p><b>Silent Period</b><br/>The Company institutes a silent period beginning the day after its quarterly financial settlement date until the day of the financial results announcement as a way to prevent financial information from being disclosed prior to the formal announcement. During the silent period, the Company does not respond to inquiries regarding its financial results. If the possibility arises that the Company's financial results will differ significantly from previous forecasts, however, the Company will disclose the change appropriately during the silent period.</p> |  |

| Supplemental Information                                      |   | Explanation by Company Representatives |
|---|---|--|
| Regular Presentations to Individual Investors                 | Although currently we do not hold presentations for individual investors, we have a dedicated IR website for individual investors (in Japanese). In addition, through the inquiry form on our IR website and other measures, we are working to improve relations with individual investors.   | No                                     |
| Regular Presentations to Analysts and Institutional Investors | We hold regular presentations, including presentations by the president on our management direction, presentations by the president and 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.              | Yes                                    |
| Regular Presentations to Foreign Investors                    | The CFO meets with foreign institutional investors regularly. 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.  | Yes                                    |
| Posting of IR Materials to Website                            | We post the Yukashoken Hokokusho (Financial Report) in Japanese and Jigyo Hokoku (Business Report) in Japanese and English, the Annual Report in Japanese and English, Tanshin (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. |  |
| Unit Dedicated to IR Activities                               | The officer in charge of IR activities is the CFO; the division in charge of IR activities is the Public and Investor Relations Division.   |  |
| Other   | In addition to the above, along with posting materials from presentations made to institutional investors and securities analysts on our website, we broadcast streaming audio of these presentations.  |  |

### 3. Initiatives in Consideration of the Position of Stakeholders

| Supplemental Explanation   |   |
|--|---|
| Internal Company Rules Reflecting Consideration for the Position of Stakeholders | The philosophy and principle of the Fujitsu Way, the guide for the actions of the Group and its employees, is to bring about a prosperous future that fulfills the dreams of people throughout the world. As part of our Values, we strive to meet the expectations of all stakeholders, including customers, shareholders, investors, business partners, and employees.  |
| Activities Promoting CSR and Environmental Protection                            | <p>In all its business activities, by implementing the Fujitsu Way in light of the expectations and needs of multiple stakeholders, the Fujitsu Group contributes to the sustainable development of society and the planet.</p> <p>Fujitsu became a signatory to the UN Global Compact in December 2009, and has declared its intention to strengthen Corporate Social Responsibility (CSR) activities from a global perspective. In addition, the Fujitsu Group set out a CSR policy in December 2010 that identifies five priority issues to be tackled.* Since 2011, Fujitsu and 117 of its Group companies in and outside of Japan have inventoried their activities in accordance with ISO 26000, an international standard for social responsibility. Based on these results, Fujitsu will work to further enhance its efforts, and promote CSR activities that are an integral part of business management from a global perspective.</p> <p>With respect to environmental activities, the Fujitsu Way clearly states that "in all our actions, we protect the environment and contribute to society." This is a value that Fujitsu continues to actively strive to achieve. From fiscal 2013, Fujitsu has newly formulated Stage VII of the Fujitsu Group Environmental Action Plan, and started the next three years' activities. Fujitsu also extended its environmental management system to overseas consolidated subsidiaries, receiving integrated global ISO 14001 certification.</p> <p>Our Approach to CSR <a href="http://www.fujitsu.com/global/about/responsibility/">http://www.fujitsu.com/global/about/responsibility/</a><br/> * Corporate Social Responsibility Policy and Five Priority Issues<br/> <a href="http://www.fujitsu.com/global/about/responsibility/philosophy/policies/">http://www.fujitsu.com/global/about/responsibility/philosophy/policies/</a></p> |
| Policies to Promote the Provision of Information to Stakeholders                 | 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 and 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 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 disclose the information in a manner that is prompt, accurate, and fair.  |

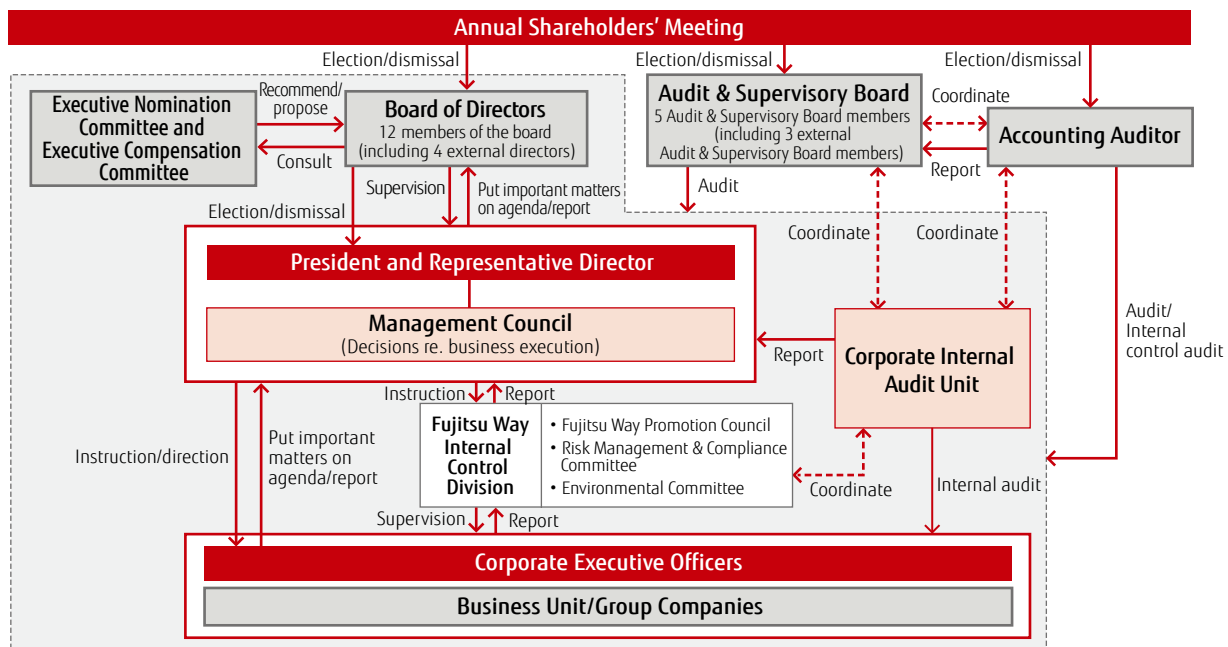


Other

Fujitsu promotes a customer-centric management perspective in order to be a trusted and valued partner to our customers. In order that all employees adopt a customer-centric mindset and apply it to their daily work, Fujitsu is deepening its commitment in each business unit to previously initiated management quality improvement activities and working to create an organizational framework to facilitate continuous improvement from a customer-centric perspective.

As one specific initiative, among those ideas and suggestions received by Fujitsu customer care centers and contact lines, those concerning real issues about systems and organizations, not individual matters, are viewed as something that should be shared throughout the Fujitsu Group. Therefore, the specific details of these problems and examples of how they have been resolved are shared at regular meetings of Fujitsu Group executives. As a result, Fujitsu has a heightened awareness of what customers are saying and can take positive action to make improvements.

#### IV. BASIC STANCE ON INTERNAL CONTROL FRAMEWORK AND STATUS OF IMPLEMENTATION



##### 1. Basic Stance on Internal Control System and Status

###### [Basic Stance on Internal Control Framework]

The Company, through a resolution by the Board of Directors, has adopted the following basic stance on the framework for internal control (resolved on May 25, 2006, and revised on April 28, 2008 and on July 27, 2012).

###### 1. Objective

The Fujitsu Way, which embodies the philosophy, values, principles, and code of conduct for the Fujitsu Group, describes the vision of the Fujitsu Group as follows: "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."

We believe that by conducting our activities in accordance with the Fujitsu Way, we maximize the value of the Fujitsu Group and enhance our contribution to the communities in which we operate and to society as a whole.

In addition, in order to continuously enhance the corporate value of the Fujitsu Group, it is necessary to pursue management efficiency and control risk arising from our business activities. Recognizing that it is essential to strengthen our corporate governance in order to accomplish this, we will continuously strive to implement the policies described below.

###### 2. Systems to ensure the appropriateness of Fujitsu and Fujitsu Group business

###### (1) System to ensure efficient business execution by directors

- a. At Fujitsu, there is a separation of the oversight and operational execution functions of management. The Board of Directors oversees the execution functions of the Management Council and other management bodies, and makes decisions on important matters. Among executive organs, the Management Council discusses and decides upon basic management policies and strategies and also decides upon

important matters regarding management execution. Matters taken up by the Management Council, including discussion items, are reported to the Board of Directors, and any important issues are decided upon by the Board of Directors.

- b. To strengthen the management oversight function, we proactively employ external directors and Audit & Supervisory Board members.
  - c. The Board of Directors clarifies the scope of authority for board directors, corporate vice presidents, and managing directors (hereafter collectively referred to as "senior management") as well as other business execution organs, and ensures that business is conducted in accordance with the division of business duties.
  - d. In performing their duties, senior management follows appropriate decision-making procedures, such as the Board of Directors Rules, Management Council Regulations, and Regulations on Corporate Decision-Making.
  - e. In addition to making employees thoroughly aware of management policies, senior management sets and achieves concrete goals in order to accomplish overall management goals.
  - f. To pursue operational efficiency, senior management promotes continuous improvement of internal control systems and reform of business processes.
  - g. By having senior management and other business execution organs provide monthly financial reports and business operation reports, the Board of Directors observes and oversees the status of achievement of management goals.
- (2) System to ensure that business execution of directors and employees complies with laws and articles of incorporation
- a. Senior management adheres to the Fujitsu Way as a basic vision for compliance issues, including compliance to laws and the articles of incorporation, and proactively promotes the Group's overall compliance on an ethical basis.
  - b. By continuously administering training, senior management instills adherence to the Fujitsu Way in employees and promotes the overall Group's compliance.
  - c. Senior management clarifies the legal and other regulations that relate to the Fujitsu Group's business activities and implements internal rules, training and oversight systems necessary to adhere to them, thereby promoting the compliance of the Group as a whole.
  - d. If senior management or employees become aware of the possibility of a major compliance violation in connection with the execution of business activities, they immediately inform the Board of Directors and the Audit & Supervisory Board members via normal reporting channels.
  - e. In order to use independent information sources outside of normal reporting channels to discover and deal appropriately with compliance problems on a prompt basis, senior management establishes and operates an internal reporting system that protects whistle-blowers.
  - f. The Board of Directors receives periodic reports on the status of business execution from executive officers and verifies that there are no compliance violations in relation to the execution of work.
- (3) Regulations and other systems relating to loss mitigation
- a. Senior management strives to maintain the Fujitsu Group's business continuity, increase its corporate value and sustainably expand its business activities. In order to deal with risks that pose a threat to achieving these goals, senior management establishes an organization to control risk management for the entire Fujitsu Group. They also assign certain departments to be responsible for each type of risk and put in place appropriate systems for managing risks.
  - b. Senior management is constantly assessing and verifying risks that might cause losses to the Fujitsu Group, and they report significant cases to the Board of Directors.
  - c. In regard to risks discovered through assessment described in b., as well as potential risks arising from the execution of business, senior management carries out risk mitigation initiatives and strives to minimize losses from risks.  
In order to minimize losses from risks that actually do arise, senior management periodically analyzes such risks through the systems described in a. above and reports them to the Board of Directors, so as to conduct activities intended to prevent the recurrence of risks.
  - d. In order to collect risk information that cannot be gathered by the methods mentioned above, an internal reporting system has been set up and is operated to ensure the protection of whistle-blowers.
- (4) Information storage and management system regarding business execution by directors
- a. In accordance with company rules, senior management shall establish an appropriate system, including appointing documentation managers, to store and manage documents relating to the execution of their business duties (including electronic documents, as with the items listed below) and other important information.
    - Minutes of shareholders' meetings and related documents
    - Minutes of Board of Directors meetings and related documents
    - Minutes and related documents for other important decision-making meetings
    - Approval documents from senior management
    - Other important documents relating to the execution of business duties by senior management
  - b. In order for directors and Audit & Supervisory Board members to verify the status of execution of business duties, there is a system enabling them to view the documents described in the above item at any time. The system also provides that, in response to requests they make to those in charge of managing documents, directors and Audit & Supervisory Board members can see the documents whenever they wish.

(5) System to ensure the appropriateness of Fujitsu Group business

- a. Using the Fujitsu Way as a foundation, in order to continuously increase the value of the Fujitsu Group, Fujitsu will provide direction and support to senior management of each Group company for setting up efficient, law-abiding and appropriate business execution systems as detailed in sections (1) through (4) above.
- b. In order to implement the above item a., the company has established common rules for the management of the group, such as the "Fujitsu Group Management Policy" that set out the roles, responsibilities, authority, and decision-making processes for each of the companies in the group.
- c. Senior management of Fujitsu and all Group companies periodically confirms issues related to Group management strategies and achievement of management goals through management update conferences and other means. In addition, Fujitsu Group Audit & Supervisory Board member deal with Fujitsu Group issues from the auditing viewpoint through Group Audit & Supervisory Board member update conferences.
- d. In regard to measures needed to resolve challenges related to achieving management goals that are identified as a result of the activities described in item c., senior management of Fujitsu and Group companies implements such measures following full discussion and, when necessary, completion of reporting to Fujitsu and approval processes specified separately.
- e. Fujitsu's internal audit organization is linked to the internal audit organization of each Group company. It carries out audits of the entire Fujitsu Group and reports periodically to the Board of Directors and Audit & Supervisory Board members of Fujitsu. Important matters regarding the audits of Group companies are reported to the Board of Directors and Audit & Supervisory Board of Fujitsu.

(6) System to ensure the appropriateness of audits by Audit & Supervisory Board members

<Ensuring independence of Audit & Supervisory Board member>

- a. Fujitsu has set up an Audit & Supervisory Board Members' Office with employees assigned to assist the Audit & Supervisory Board members in carrying out their duties. Appropriate employees with the ability and expertise required by the Audit & Supervisory Board members are assigned to the division.
- b. In order to ensure the independence of the staff in the Audit & Supervisory Board Members' Office, matters relating to their appointment, transfer and compensation are decided on the basis of prior consultation with the Audit & Supervisory Board members.
- c. In principle, senior management does not assign office staff to other divisions or duties. In instances, however, where a need arises to give dual assignments to staff with specialized knowledge in response to requests from Audit & Supervisory Board members, care is given to ensuring their independence in accordance with item b.

<Reporting system>

- a. Senior management of Fujitsu and Group companies provides the Audit & Supervisory Board members with the opportunity to attend important meetings.
- b. In cases where risks arise that could affect management or financial results, or where there is an awareness of major compliance violations in connection with the execution of business activities, senior management as well as employees of Fujitsu and Group companies immediately report on them to the Audit & Supervisory Board members.
- c. Senior management as well as employees of Fujitsu and Group companies periodically report to the Audit & Supervisory Board members on the status of business execution.

<Ensuring effectiveness of audits by Audit & Supervisory Board members>

- a. Senior management of Fujitsu and Group companies periodically exchange information with the Audit & Supervisory Board members.
- b. The internal audit organization periodically reports the results of its audits to the Audit & Supervisory Board members.
- c. The Audit & Supervisory Board members have the independent accounting auditor explain and report on accounting audits as required and periodically exchange information with the accounting auditor.

**[Status of Internal Control System]**

Fujitsu has established a department with executive responsibility for internal controls. The Company is continuing its steps to implement an even more robust operational execution structure by reviewing and revising its regulations and business operations.

In addition, Fujitsu has established the Fujitsu Way, consisting of a Corporate Vision, Corporate Values, Principles, and Code of Conduct, which guides the Group and its employees in their daily activities.

To accelerate the implementation and entrenchment of the Fujitsu Way and to ensure the appropriateness of business operations, Fujitsu is promoting the development and evaluation of its internal control structure. This effort is led by the Fujitsu Way Promotion Council. In addition, two other groups were established and tasked with pursuing more robust and efficient business execution: the Risk Management & Compliance Committee and the Environmental Committee. The functions of each are described below:

• Fujitsu Way Promotion Council

The Fujitsu Way Promotion Council promotes the inculcation and implementation of the Fujitsu Way. In addition, it has also been promoting Project EAGLE, which is a company-wide activity for building an internal compliance system for effective and reliable financial reporting in compliance with the Financial Instruments and Exchange Act, and by which the company has been able to promote the implementation and evaluation of internal control. By establishing a promotion organization dedicated to this endeavor, the Council has been working to extend it across the Group. Along with improving deficiencies, the goals of the project also include achieving greater efficiency through the pursuit of business process reforms across the Group.

- Risk Management & Compliance Committee

The Risk Management & Compliance Committee appoints risk management executives in all business units and companies throughout the Group in and outside of Japan to form a structure for conducting risk management and compliance for the entire Group.

The Risk Management & Compliance Committee maintains regular communication with the risk management executives, identifies, analyzes, and evaluates the risks of business activities, and formulates and reviews measures to deal with risks. It also reports important risks to the Management Council and the Board of Directors' meeting.

If a critical risk materializes, the department or Group company concerned reports immediately to the Risk Management & Compliance Committee. The committee coordinates with the relevant divisions and workplaces to swiftly resolve the problem using appropriate measures. At the same time, the Risk Management & Compliance Committee strives to identify the causes of the problem and propose and implement measures to prevent a reoccurrence. Additionally, the committee reports as appropriate to the Management Council and the Board of Directors.

- Environmental Management Committee

This committee is responsible for checking and promoting the environmental protection activities of the Fujitsu Group, which are based on the Fujitsu Group Environmental Policy and the Fujitsu Group Environmental Protection Program.

As a result of the Project EAGLE initiative to build an internal control system for effective and reliable financial reporting, in fiscal 2012 the accounting auditors, Ernst & Young ShinNihon LLC, issued their opinion that the Fujitsu Group has effective internal controls for its financial reporting.

## 2. Basic Stance and Preparedness for Rejection of Antisocial Elements

### [Basic Stance on Rejection of Antisocial Elements]

In the Fujitsu Way, the Fujitsu Group's Code of Conduct calls for respect for and compliance with laws and socially accepted rules. Accordingly, our basic stance is to take a resolute attitude toward antisocial elements and have absolutely no dealings with them.

### [Preparedness Regarding Rejection of Antisocial Elements]

We maintain a system that can quickly respond when necessary by designating a centralized response department, creating a common Group manual, maintaining liaisons and exchanging information with outside legal counsel, police, and specialist organizations, as well as by carrying out training and keeping employees fully informed about the workplace.

## V. OTHER

### 1. Adoption of Takeover Defense Measures

|  |    |
|--|----|
| Adoption of Takeover Defense Measures: | No |
|--|----|

#### Supplemental Explanation

Because raising corporate value is ultimately the best defense against potential takeovers, we are focusing our efforts on raising corporate value. At the present time, we have not put in place any takeover defense measures.

### 2. Other Provisions Relating to Corporate Governance

The following is the status of the Company's internal structure for timely information disclosure.

#### 1. Internal Structure for Timely Disclosure of Corporate Information

The Company endeavors to quickly and accurately grasp information (decisions, events, and financial results) related to the business, operation, and financial performance of each of its business divisions, the organizations responsible for business operations. This information is used to improve management, and the Company uses the following deliberation and decision-making structure to ensure timely disclosure of the information in cases where the information is important and necessary for investors.

(1) Important management matters deliberated and decided by the Management Council.

Among the matters deliberated by the Management Council, items of significant importance are decided by the Board of Directors.

Each business division conducts business under the control of the Management Council and the Board of Directors, which are the decision-making bodies.

(2) Each business division reports matters of importance to the Company's business, operation, or financial performance to the Management Council or the Board of Directors on a regular and as-needed basis.

Each business division endeavors to establish a structure to conduct risk management within its own organization. Under this structure, each business division controls the gathering of information within its organization and is constantly enhancing its structure to quickly and accurately grasp and report on events and other risk information.

- (3) The Corporate Finance Unit reports financial results, revisions to financial results and forecasts, dividends and other information to the Board of Directors, based on financial information gathered from each business division.

Based on information disclosure regulations, the Legal Unit and Public & Investor Relations Division jointly review decisions, events, and financial results gathered as explained above to confirm the timeliness and accuracy of the information in relation to disclosing it to investors. The Company's representative director and president conducts a final review of the information before the information is disclosed to investors in a timely and accurate manner. With regard to financial results and financial items included in decisions or events, the chief financial officer (CFO) approves the information prior to the final review by the representative director and president.

## 2. Internal System Confirmation Function for Timely Information Disclosure

- (1) The Company has established the Fujitsu Way Promotion Council and Risk Management & Compliance Committee to enhance the internal structure for timely information disclosure by providing organizational support for the gathering and reporting of risk information. These organizations support and promote the risk management activities carried out by each business division. The Risk Management & Compliance Committee oversees a help-line system to promptly gather information on inappropriate activities within the Company, as part of the measures to prevent impropriety, including activities related to information disclosure.
- (2) The Company has established a Corporate Internal Audit Unit to audit the status of the internal control function and internal events (including risk information). The Corporate Internal Audit Unit continuously audits the risk management structure of each business division and contributes to the maintenance and improvement of the accuracy and appropriateness of information regarding the business, operation, and financial performance of the entire Group, including subsidiaries.

