

Our governance

Our Purpose is “to make the world more sustainable by building trust in society through innovation.” Under this Purpose, the Fujitsu Group believes that management that lives up to the trust of customers and business partners, in which employees are encouraged to engage in activities vibrantly and proudly, and to contribute to society, is the path to our medium- to long-term growth and enhancement of corporate value. In other words, it is the way to respond to all of our stakeholders, and we are continuously strengthening corporate governance, the bedrock that supports this practice.

Interview with the Chairman of the Board of Directors



Atsushi Abe

Director
Managing Partner,
Advanced Solutions, Inc.

We spoke with Mr. Atsushi Abe, Chairman of Fujitsu's Board of Directors and also Chairperson of its Executive Nomination Committee, about the current status of strengthening corporate governance and the activities of the Executive Nomination Committee, as well as key points for discussion at the Board of Directors meetings in the fiscal year ended March 31, 2022.

Q How has Fujitsu's corporate governance changed since 2019, when you were appointed Chairman of the Board of Directors?

A A board meeting is a place where the knowledge and experience of the members and the opinions based on them are brought to the table, even if there may be conflicting opinions, and constructive discussions are held to reach a conclusion. I believe that the members now share this understanding and are able to effectively put it into practice.

Specifically, we have created several new opportunities for external directors and auditors to deepen their understanding of the Group's businesses and to create an environment in which they can fully participate in discussions based on this understanding. One of these is the "Business Overview Briefings." We hold these briefings more than 20 times a year as a forum to learn about the current status of the different business units, which are changing at a rapid pace, and to communicate directly with the heads of the business units. In addition, "private sessions," in which only external directors and auditors participate and freely exchange opinions, are held after every Board of Directors meeting. As a result of increasing such discussions, the nature of the independent directors' meetings established in 2015 has changed from an opportunity to foster understanding about the business to an opportunity to organize issues and opinions for the Board of Directors based on the understanding gained at Business Overview Briefings and other meetings.

I myself also use these "forums" to gather the opinions of external directors and auditors and share them with President Tokita in one-on-one meetings to complement discussions at Board of Directors meetings, to ensure that external directors and auditors and the executive team see eye to eye with respect to the direction Fujitsu should take and important management policies.

Q What were the key points of discussion at the Board of Directors meetings in the fiscal year ended March 31, 2022?

A Among the many themes discussed at this past fiscal year's Board of Directors meetings, the most important were setting management targets for the fiscal year ending March 31, 2023, the final year of our medium-term plan, and the focus on growth areas that is essential for the continued expansion of our corporate value in the future.

In the medium-term plan formulated five years ago, we set management targets for the Technology Solutions business, which we have positioned as our core domain, of ¥3.5 trillion in sales revenue and an operating profit margin of 10% in the final year of the plan, the fiscal year ending March 31, 2023. Although these were lofty goals, we maintained the original targets without revising them downward in order to keep up with the challenge of always reaching for higher goals, and we have implemented multifaceted measures to achieve these goals, including the reallocation of resources and internal reforms. As a result,

although it became unrealistic to maintain the original target for revenue, profitability has been steadily improving, and we believe it is possible to achieve the operating profit margin goal of 10% for the fiscal year ending March 31, 2023. We have decided to work hard this year to achieve sales revenue of ¥3.2 trillion and an operating margin of 10% in the Technology Solutions business.

Although our corporate value has been steadily increasing due to improved profitability and investors' approval of our policy of shifting our main focus to higher value-added services and software as a DX company, it is clear that our market valuation is still low compared to industry peers when looking at market capitalization multiples. In order to correct this valuation, we must show growth potential. Now that we have a clear strategy for growth around Fujitsu Uvance, a portfolio of solutions that could become our new business model, with sustainability as a business objective, the Board of Directors will be making decisions to advance that strategy expeditiously. Regarding investment, we are discussing the need to increase the weight of investment for business growth while continuing internal reforms.

We also spent time on discussions related to the security incidents that occurred in 2021 in terms of managing risks that could damage our corporate value. A third party external committee has been established to examine the cause of the incident, take follow-up actions, and discuss measures to prevent a recurrence. The Board of Directors will continue to oversee this matter, including the state of organizational management and business processes, in order to resolve the underlying issues.

Q Please also tell us about the activities of the Executive Nomination Committee.

A Based on the Group's medium- to long-term growth strategy, we have been discussing what kind of knowledge and experience the Board of Directors as a whole needs to be equipped with. The skills matrix we published in March 2022 may be considered a progress report along the way. We plan to break down the major items we published in more detail and further refine our discussions to clarify the knowledge and experience that should be enhanced for the Board of Directors, and then make recommendations that will also go into the composition of the Board of Directors.

Regarding the selection of successors, we are brushing up the existing succession plans based on the same ideas governing the composition of Board of Directors. Specifically, we are visualizing the skills that the CEO and CFO should possess by dividing them into quantitative and qualitative aspects. In addition to making it possible to select candidates that have the requisite skills, this will also clarify training plans for candidates to fill in the gaps before they are assigned to the positions in question. At the same time, we discussed whether succession planning related to the selection of successors is truly reasonable, on the view that we should eliminate those rules and customs that are inappropriate.

In June 2022, Fujitsu welcomed Ms. Catherine O'Connell as a new independent external auditor. Ms. O'Connell is an entrepreneur who has worked in the corporate departments of Japanese companies, has knowledge of Japanese business processes, and is

an entrepreneur who has established and heads a law firm in Japan. Above all, she has a sound critical mind and the ability to engage in constructive dialogue based on her knowledge and experience.

When we interviewed the current auditors regarding the appointment of a new auditor, we were told that an important quality for auditors is the "boldness" to point out problems sharply and frankly. We believe that Ms. O'Connell has the ability to do so and will contribute greatly to the future efforts of the Board of Directors and the Audit & Supervisory Board.

Q Finally, what are your future aspirations as Chairman of the Board?

A First, we will further discuss how to realize our growth strategy centering on Fujitsu Uvance. At the same time, I think we must raise such issues as what is needed to continuously improve productivity, what is required to utilize intangible assets such as human resources, and increase competitiveness. For example, I would like to discuss the level of compensation for employees as a global IT services company.

With respect to strengthening the corporate governance system, based on an analysis of the current skill composition of the Board of Directors, we will also consider specific measures to bring the Group closer to its ideal state. We also intend to seek better ways to evaluate the effectiveness of the Board of Directors, including further expansion of mutual evaluations by directors.

Interview with the Chairperson of the Compensation Committee

The Fujitsu Group has changed its policy for determining executive compensation in 2022. We spoke with Dr. Chiaki Mukai, independent director and Chairperson of the Compensation Committee, about the thinking behind the new policy and the opinions that emerged during the discussion process.

Q The evaluation indicators for bonuses and performance-linked stock compensation have been changed for executive directors. What were the reasons for revising the compensation system? What did you emphasize in the review?

A The decision to change the compensation system was based on the need to align it with the Management Direction and the human resources system.

In 2019, the Fujitsu Group set revenue and operating profit margin as financial indicators for management targets, later adding earnings per share (EPS). In 2020, Fujitsu established Customer NPS® and employee engagement as non-financial indicators, and added DX Promotion Indices the following year. However, a mechanism to reflect progress with these new indicators in the calculation of compensation had not been incorporated into the compensation system for executive directors. Specifically, changes in the evaluation system for senior executives above a certain level had preceded in incorporating non-financial indicators, so it was also necessary to align the compensation system with the evaluation system.

A compensation system that evaluates employees fairly, equitably, and transparently encourages the decision-making necessary to achieve business goals. By rewarding performance, it also serves to promote behavioral change. The current compensation system was created with an emphasis on making such ideas consistent throughout the Group.

Q At the roundtable discussion with independent directors a year ago, you mentioned that there were points that needed to be further deliberated regarding the reflection of non-financial indicators in the compensation system. What were some of the points of consideration?

A The first point of contention was that sustainability and business timelines do not necessarily coincide. Environmental, social, and governance (ESG) initiatives are not something that will produce immediate results. In addition, ESG does not have an endpoint, and there is always room for progress in response to the changing times and the demands of society. For this reason, we have decided to evaluate whether the indicators have improved as a result of progress made in our efforts since the previous year, rather than evaluating whether or not a specific absolute value has been achieved.

While this policy change aligns the compensation system with the Management Direction, we do not believe it is complete. The Compensation Committee is still discussing whether there are more appropriate evaluation indicators.



Chiaki Mukai

Director
Specially Appointed
Vice President of
Tokyo University of Science

Q Why did you add DJSI*¹ and CDP Climate Change*² which are third-party assessments on ESG, to the list of items eligible for bonus payments?

A The purpose of adding globally recognized third-party evaluations is to objectively view ourselves in the context of the standards required of a global company. Since both DJSI and CDP disclose evaluation items, we further considered that we could analyze what was not evaluated and take appropriate action. We would like to use them as benchmarks against which to examine what it takes to win in the world as a global company.

I would also like to explain a little bit about the DX Promotion Indices, which differ from non-financial indicators in terms of global recognition, in that they were established by Japan's Ministry of Economy, Trade and Industry (METI). We are proud of our role as a leader in DX in Japan, as we aim for global growth.

If our Group proceeds with its efforts based on the DX Promotion Indices, it will become a benchmark for domestic customers in Japan. We also added the indices as a management indicator as they will help us understand the level of our DX from a global perspective while keeping an overview of Japan as a whole. As the DX Promotion Indices are an appropriate management goal, the indices should naturally also be reflected in the compensation system.

Q You mentioned that the discussions in the Compensation Committee will continue. What are your thoughts on the issues that need to be addressed in the future?

A The members of the Compensation Committee agreed that it is necessary to start from the ideal image of the Fujitsu Group as a leading global company and consider a compensation system from the perspective of what is important to achieve this ideal. Policies and plans for achieving growth are updated in response to changes in the Group itself and in the business environment. As new management policies and plans are developed, we must naturally consider the compensation to reflect them. Looking beyond the current medium-term plan, which runs through to the end of March 2023, there is much work to be done.

Some members of the Board of Directors believe that a system to boost employee motivation should be introduced and the salaries of regular employees can be further raised to encourage further efforts toward growth. It is also necessary to exchange opinions with the human resources department to develop an executive compensation system that is consistent with the system for general employees. I believe that the most important task of the Executive Compensation Committee is not merely to look at the role of the executive directors, but to consider and adopt a better compensation system for the Group as a whole, and I myself feel that I deepen my understanding about the personnel system.

Q As competition for talent intensifies, what do you think is necessary for the Fujitsu Group to attract talent and continue to grow?

A There are many ways to achieve this, such as globally competitive compensation and a system that allows for autonomous career development, but I believe that expanding revenue and achieving growth are also important for attracting talent. We believe that the growth of our Group's corporate value will enhance our reputation, which in turn will provide us with opportunities to attract good global talent. To create such a good cycle, it is important to properly evaluate the work of those who contribute to growth. We believe that we need to create a system in which people who are motivated to lead the Group can develop their careers, attain promotions, and be rewarded accordingly, in order to be a company that is respected globally and that many people empathize with and want to work for.

*1 Dow Jones Sustainability Index, a global ESG investment index

*2 CDP, an international non-profit organization, conducts surveys and evaluations of climate change initiatives at the request of investors and others, and publishes the results.

Management

(As of September 1, 2022)

Executive Directors



Takahito Tokita

Representative Director
CEO, CDXO

Number of years as director: 3

Number of Fujitsu shares held:
1,364*1

Born: September 2, 1962
Apr. 1988 Joined the Company
Jun. 2014 Head of Financial Systems Unit
Apr. 2015 Corporate Executive Officer
Jan. 2019 EVP, Head of Global Delivery Group*2
Mar. 2019 Corporate Executive Officer, SEVP
Jun. 2019 Representative Director and Chief Executive Officer (CEO)*3
Chairman of the Risk Management & Compliance Committee*3
Oct. 2019 Chief Digital Transformation Officer (CDXO)*3



Hidenori Furuta

Representative Director
COO, CDPO

Number of years as director: 3

Number of Fujitsu shares held:
3,763*1

Born: December 13, 1958
Apr. 1982 Joined the Company
May 2009 Head of Manufacturing Industry Solutions Business Unit
Apr. 2012 Corporate Vice President
Apr. 2014 Corporate Senior Vice President*2
Head of Global Delivery
Apr. 2018 Corporate Executive Officer*2
SEVP, Head of Digital Services Business
Jan. 2019 SEVP, Head of Technology Solutions Business
Chief Technology Officer (CTO)
(until June 2021)
Jun. 2019 Representative Director and Chief Operating Officer (COO)*3
Apr. 2020 SEVP, Head of Global Solutions Business
Oct. 2021 Chief Data & Process Officer (CDPO)*3



Takeshi Isobe

Director
CFO

Number of years as director: 2

Number of Fujitsu shares held:
978*1

Born: July 29, 1962
Apr. 1985 Joined the Company
Jun. 2014 VP of Corporate Controller Division,
Corporate Finance Unit
Apr. 2018 Corporate Executive Officer
EVP, Head of Corporate Finance Unit
(until March 2021)
Jun. 2019 Chief Financial Officer (CFO)*3
Apr. 2020 Corporate Executive Officer, SEVP*2
Jun. 2020 Director and Corporate Executive Officer,
SEVP*2,*3

Non-Executive Directors



Masami Yamamoto

Director
Senior Advisor

Number of years as director: 12

Number of Fujitsu shares held:
10,159*1

Born: January 11, 1954
Apr. 1976 Joined the Company
Jun. 2004 Executive Vice President,
Personal Systems Business Group
Jun. 2005 Corporate Vice President
Jun. 2007 Corporate Senior Vice President
Jan. 2010 Corporate Senior Executive Vice President
Apr. 2010 President
Jun. 2010 Representative Director
President
Jun. 2015 Representative Director
Chairman (until June 2017)
Chairman of the Board of Directors
(until June 2019)
Jul. 2015 Member of the Executive Nomination
Committee and
Compensation Committee (until June 2019)
Jun. 2017 Director and Chairman (until June 2019)
Outside Director, JFE Holdings, Inc.*3
Oct. 2018 Member of Council for Promotion of
Regulatory Reform, Cabinet Office (until July 2019)
Mar. 2019 Member of Intellectual Property Strategy
Headquarters, Cabinet Office (until March 2021)
Jun. 2019 Director and Senior Advisor*3
Member of the Board of Directors
(Outside Director),
Mizuho Financial Group, Inc.*3
Jul. 2021 Member of the Executive
Nomination Committee*3



Chiaki Mukai

Director
Specially Appointed
Vice President of
Tokyo University of Science

Number of years as director: 7
Number of Fujitsu shares held:
3,295*1

Born: May 6, 1952
Apr. 1977 Staff of Department of Surgery,
Keio University School of Medicine
(until November 1985)
Aug. 1985 Payload Specialist of National Space
Development Agency of Japan*4
(until March 2015)
Jun. 1987 Visiting Scientist of Division of Cardiovascular
Physiology, Space Biomedical Research
Institute, NASA Johnson Space Center
(until December 1988)
Oct. 2014 Vice President of Science Council of Japan
(until September 2017)
Apr. 2015 Vice President, Tokyo University of Science
(until March 2016)
Jun. 2015 Director*3
Apr. 2016 Specially Appointed Vice President of
Tokyo University of Science*3
Jul. 2016 Member of the Executive Nomination Committee
(until June 2021)
Member of the Compensation Committee
(until June 2018)
Jan. 2017 Chair of the Scientific and Technical Subcommittee,
UN Committee on the Peaceful Uses
of Outer Space (COPUOS) (until January 2018)
Apr. 2018 Special Counselor of JAXA
(until March 2021)
Jul. 2018 Chairperson of the Compensation Committee*3
Mar. 2019 Outside Director, Kao Corporation*3



Atsushi Abe

Director
Managing Partner,
Advanced Solutions, Inc.
Number of years as director: 7
Number of Fujitsu shares held:
2,902*1

Born: October 19, 1953
Apr. 1977 Joined Mitsui & Co., Ltd.
Jun. 1990 Manager, Electronic Industry Department,
Mitsui & Co., Ltd.
Jan. 1993 Managing Director, Alex. Brown & Sons, Inc.*5
Aug. 2001 Managing Director and
Head of Global Corporate Finance,
Deutsche Securities, Ltd.*5
Aug. 2004 Partner & Head of Japan,
J.P. Morgan Partners Asia*7 (until March 2009)
May 2007 Board Member, Edwards Group Ltd.*8
(until October 2009)
Dec. 2009 Managing Partner, Sangyo Sosei Advisory Inc.
(until June 2022)
Feb. 2011 Board Member, ON
Semiconductor Corporation*3
Jun. 2015 Director*3
Jun. 2019 Chairman of the Board of Directors*3
Dec. 2019 Senior Advisor, Sangyo Sosei Advisory Inc.
(until June 2022)
Jul. 2021 Chairman of the Executive
Nomination Committee*3
Jul. 2022 Managing Partner, Advanced Solutions, Inc.*3

Non-Executive Directors



Yoshiko Kojo

Director
Professor, Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication
Number of years as director: 4
Number of Fujitsu shares held: 856*1

Born: June 19, 1956
Apr. 1988 Assistant Professor of International Relations, Faculty of Law, Kokugakuin University
Apr. 1991 Associate Professor of International Relations, Faculty of Law, Kokugakuin University
Apr. 1996 Associate Professor of International Relations, Department of Advanced Social and International Studies, the University of Tokyo
Jun. 1999 Professor of International Relations, Department of Advanced Social and International Relations, the University of Tokyo (until March 2020)
Oct. 2010 President, Japan Association of International Relations
Oct. 2012 Member of Advisory Board, Japan Association of International Relations*3
Oct. 2014 Member of Science Council of Japan (until September 2020)
Jun. 2018 Director*3
Jul. 2019 Member of the Executive Nomination Committee and Compensation Committee*3
Apr. 2020 Professor, Department of International Politics, Aoyama Gakuin University School of International Politics, Economics and Communication*3



Scott Callon

Director
Chief Executive Officer, Ichigo Asset Management, Ltd.
Number of years as director: 2
Number of Fujitsu shares held: 0*1

Born: December 6, 1964
Apr. 1988 MIPS Computer Systems, Inc.*9
Jan. 2003 Head of Equities, Morgan Stanley Japan Limited*10
May 2006 Chief Executive Officer, Ichigo Asset Management, Ltd.*3
Oct. 2008 Chairman and Representative Statutory Executive Officer, Asset Managers Holdings Co., Ltd.*11*3
Nov. 2008 Director and Chairman of the Board of Directors, Asset Managers Holdings Co., Ltd.*11*3
May 2012 External Audit & Supervisory Board Member, Chiyoda Co., Ltd. (until May 2020)
Mar. 2020 Chairman and Representative Director, Japan Display Inc. (until December 2020)
Jun. 2020 Director*3
Aug. 2020 Chairman of the Board of Directors, Japan Display Inc.*3
Jan. 2021 Chairman, Representative Executive Officer, CEO and Director, Japan Display Inc.*3
Jul. 2021 Member of the Executive Nomination Committee and Compensation Committee*3



Kenichiro Sasae

Director
President, The Japan Institute of International Affairs
Number of years as director: 1
Number of Fujitsu shares held: 45*1

Born: September 25, 1951
Apr. 1974 Ministry of Foreign Affairs
Mar. 2002 Director-General of Economic Affairs Bureau, Ministry of Foreign Affairs
Jan. 2005 Director-General of Asian and Oceania Affairs Bureau, Ministry of Foreign Affairs
Jan. 2008 Deputy Minister for Foreign Affairs
Aug. 2010 Vice-Minister for Foreign Affairs
Sep. 2012 Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America
Jun. 2018 President and Director General, The Japan Institute of International Affairs
Jun. 2019 Outside Director, SEIREN CO., LTD.*3
Outside Director, MITSUBISHI MOTORS CORPORATION*3
Dec. 2020 President, The Japan Institute of International Affairs*3
Jun. 2021 Director*3
Jul. 2021 Member of the Compensation Committee*3
Mar. 2022 Outside Director, Asahi Group Holdings, Ltd.*3

Audit & Supervisory Board Members



Youichi Hirose

Audit & Supervisory Board Member
Number of years as Audit & Supervisory Board Member: 5
Number of Fujitsu shares held: 3,090*1

Born: March 5, 1958
Apr. 1981 Joined the Company
Jun. 2009 Vice President, Corporate Controller, Corporate Finance Unit (until June 2014)
Apr. 2012 Executive Vice President
Vice Head of Corporate Finance Unit (until March 2014)
May 2013 Corporate Vice President (until March 2017)
Apr. 2014 Head of Corporate Finance Unit
Apr. 2017 Executive Advisor
Jun. 2017 Audit & Supervisory Board Member*3
Jun. 2018 External Audit & Supervisory Board Member, FUJITSU GENERAL LIMITED*3



Megumi Yamamuro

Audit & Supervisory Board Member
Number of years as Audit & Supervisory Board Member: 2
Number of Fujitsu shares held: 0*1

Born: March 8, 1948
Apr. 1974 Assistant Judge, Tokyo District Court
Apr. 1984 Judge, Tokyo District Court
Apr. 1988 Professor, The Legal Training and Research Institute of Japan
Apr. 1997 Judge, Tokyo High Court
Jul. 2004 Admitted as lawyer
Participated in CAST Law PC.*12*3
Oct. 2004 Professor, University of Tokyo Graduate Schools for Law and Politics (until September 2010)
Jun. 2005 External Audit & Supervisory Board Member (until June 2020)
Jun. 2013 External Audit & Supervisory Board Member, Yachiyo Industry Co., Ltd. (until June 2020)
Jul. 2013 Member of the Executive Nomination Committee and Compensation Committee (until July 2016)
Jun. 2020 Audit & Supervisory Board Member*3



Koji Hatsukawa

Audit & Supervisory Board Member
CPA
Number of years as Audit & Supervisory Board Member: 9
Number of Fujitsu shares held: 1,813*1

Born: September 25, 1951
Mar. 1974 Joined Price Waterhouse Accounting Office
Jul. 1991 Representative Partner, Aoyama Audit Corporation
Apr. 2000 Representative Partner, Chuo Aoyama PricewaterhouseCoopers
Oct. 2005 Director, Chuo Aoyama PricewaterhouseCoopers Manager of International Operations
May 2009 CEO, PricewaterhouseCoopers Aarata*13 (until May 2012)
Jun. 2012 Audit & Supervisory Board Member, The Norinchukin Bank (until June 2021)
Jun. 2013 Audit & Supervisory Board Member*3
Jun. 2016 External Director, Audit & Supervisory Committee member, Takeda Pharmaceutical Company Limited*3

Audit & Supervisory Board Members



Hideo Makuta

Audit & Supervisory Board Member

Advisor, Nagashima Ohno & Tsunematsu

Number of years as Audit & Supervisory Board Member: 2

Number of Fujitsu shares held: 0*1

Born: February 6, 1953

Apr. 1978 Public Prosecutor, Tokyo District Public Prosecutors Office

Dec. 2006 Chief Prosecutor, Niigata District Public Prosecutors Office

Apr. 2010 Chief Prosecutor, Chiba District Public Prosecutors Office

Aug. 2011 Director, Criminal Affairs Department, Supreme Public Prosecutors Office

Jul. 2012 Commissioner, Japan Fair Trade Commission (until June 2017)

Sep. 2017 Registered as a Lawyer Advisor, Nagashima Ohno & Tsunematsu*3

Apr. 2019 Commissioner, Contract Monitoring Committee, Japan Atomic Energy Agency*3

Jun. 2020 Audit & Supervisory Board Member*3
External Audit & Supervisory Board Member, Daicel Corporation*3



Catherine O'Connell

Audit & Supervisory Board Member

Principal, Catherine O'Connell Law

Number of years as Audit & Supervisory Board Member: Newly appointed

Number of Fujitsu shares held: 0*1

Born: February 10, 1967

Nov. 1994 Anderson Lloyd Barristers & Solicitors

Mar. 2012 Head of Legal, Molex Japan LLC

Jun. 2017 Representative Director, O'Connell Consultants (until December 2017)

Jan. 2018 Principal, Catherine O'Connell Law*3

Jun. 2022 Audit & Supervisory Board Member*3

*1 Number of shares held as of March 31, 2022

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

*3 To present

*4 Currently, the Japan Aerospace Exploration Agency (JAXA)

*5 Currently, Raymond James & Associates, Inc.

*6 Currently, Deutsche Securities Inc.

*7 Currently, Unitas Capital

*8 Currently, Atlas Copco

*9 Currently, MIPS

*10 Currently, Morgan Stanley MUFG Securities Co., Ltd.

*11 Currently, Ichigo Inc.

*12 Currently, URYU & ITOGA

*13 Currently, PricewaterhouseCoopers Aarata LLC

Representative Directors / Corporate Executive Officers

Representative Director
CEO, CDXO

Takahito Tokita

Representative Director
COO, CDPO

Hidenori Furuta

Director and Corporate Executive Officer
SEVP, CFO

Takeshi Isobe

Corporate Executive Officers

Vivek Mahajan

Taizo Takahashi

Ryuji Kushida

Megumi Shimazu

Shunsuke Onishi

Hiroyuki Tsutsumi

Shunsuke Baba

Masahiro Ohta

Yumiko Kajiwara

Hiroki Hiramatsu

Kyoko Mizuguchi

Taeko Yamamoto

Yuzuru Fukuda

Junichi Saito

Yuuichi Koseki

Hirota Hara

Shingo Mizuno

Rupert Lehner

Yoshinami Takahashi

Kazushi Koga

Tim White

Hirohisa Yamaguchi

Masaru Yagi

Ryuichi Kubota

Tsuneo Hayashi

Masuo Yasuda

Paul Patterson

Mikihito Saito

Graeme Beardsell

For more information on responsibilities of representative directors and corporate executive officers, please visit the following website:
<https://www.fujitsu.com/global/about/corporate/management/>

Corporate governance

Basic approach to corporate governance

The Company regards corporate governance as a critical mechanism to fulfill the senior management team's mission in a manner befitting shareholders' trust. This mission is based on Our Purpose, and enables a form of business management that, rather than pursuing short-term profits, earns the trust of customers and business partners, motivates employees to work with vitality and pride, and contributes to society. Through such business management, the Company will grow and enhance corporate value over the medium to long term.

Structural framework

The Company endeavors to ensure that the oversight and advice from the diverse perspectives of non-executive directors (the term used for the combination of independent directors and non-executive directors appointed from within the Company) are reflected in the management execution of executive directors, as part of the Board of Directors' function while leveraging the advantages of a company with an Audit & Supervisory Board system. (For specific measures, please see "1. Overview of corporate governance structure.") Based on a decision made by the Board of Directors in December 2015, the Company has established a basic policy, "Corporate Governance Policy," summarizing its approach to corporate governance. From the standpoint that corporate governance is for ensuring better management, we constantly review the policy to ensure that it does not become rigid or lose its relevance, discuss it with the Board of Directors as appropriate, and strive to maintain the best corporate governance system at all times.

Corporate Governance Policy
<https://www.fujitsu.com/global/about/ir/library/governance/governancereport-b-en-20211223.pdf>

For further details on corporate governance, please visit the following website:
 (About Fujitsu > Sustainability > Corporate Governance):
<https://www.fujitsu.com/global/about/csr/governance/>

Initiatives taken to strengthen corporate governance

Reduced directors' terms to one year
 To further clarify directors' management responsibilities

2006

Established the Independent Directors & Auditors Council
 To support independent directors and Audit & Supervisory Board members, who maintain a certain degree of separation from the execution of business activities, in consistently gaining a deeper understanding of Fujitsu's business

2009

Established the Executive Nomination Committee and Compensation Committee
 To ensure the transparency and objectivity of the process for choosing candidates for executives and the process of determining compensation, and to ensure an appropriate compensation system and level

Established Corporate Governance Policy
 To explain to shareholders basic policies on the establishment and operation of systems in light of basic approaches to corporate governance

2015

Introduced performance-based stock compensation plan
 To incentivize executive directors to improve medium- to long-term corporate value and to promote shareholder-oriented business management

2017

Appointed independent director as chairman of the Board
 Independent directors are appointed as chairman of the Board, chairperson of the Executive Nomination Committee, and chairperson of the Compensation Committee in order to strengthen the supervisory function.

2018

Abolished senior executive advisor/ advisor system
 To clarify management responsibility and strengthen corporate governance, Fujitsu will enter into commission contracts with retiring officers, who will be known as "senior advisors" or "senior fellows," on an individual basis and subject to a resolution of the Board of Directors, in cases where such treatment of retiring officers is indispensable as they are to be appointed as an officer of an unaffiliated organization, or where it is judged the individual is particularly useful for Fujitsu's business operations.

2019

Made independent directors a majority on the Board of Directors
 Among nine directors, five independent directors constitute a majority. Our aim is to increase the transparency and objectivity of deliberations.

2020

Comprehensively revised the "Basic Policy on Corporate Governance" in line with the revision of the Corporate Governance Code
 To achieve a higher level of governance expected of a company on the Prime Market and to achieve further sustainable growth and increase corporate value over the medium to long term

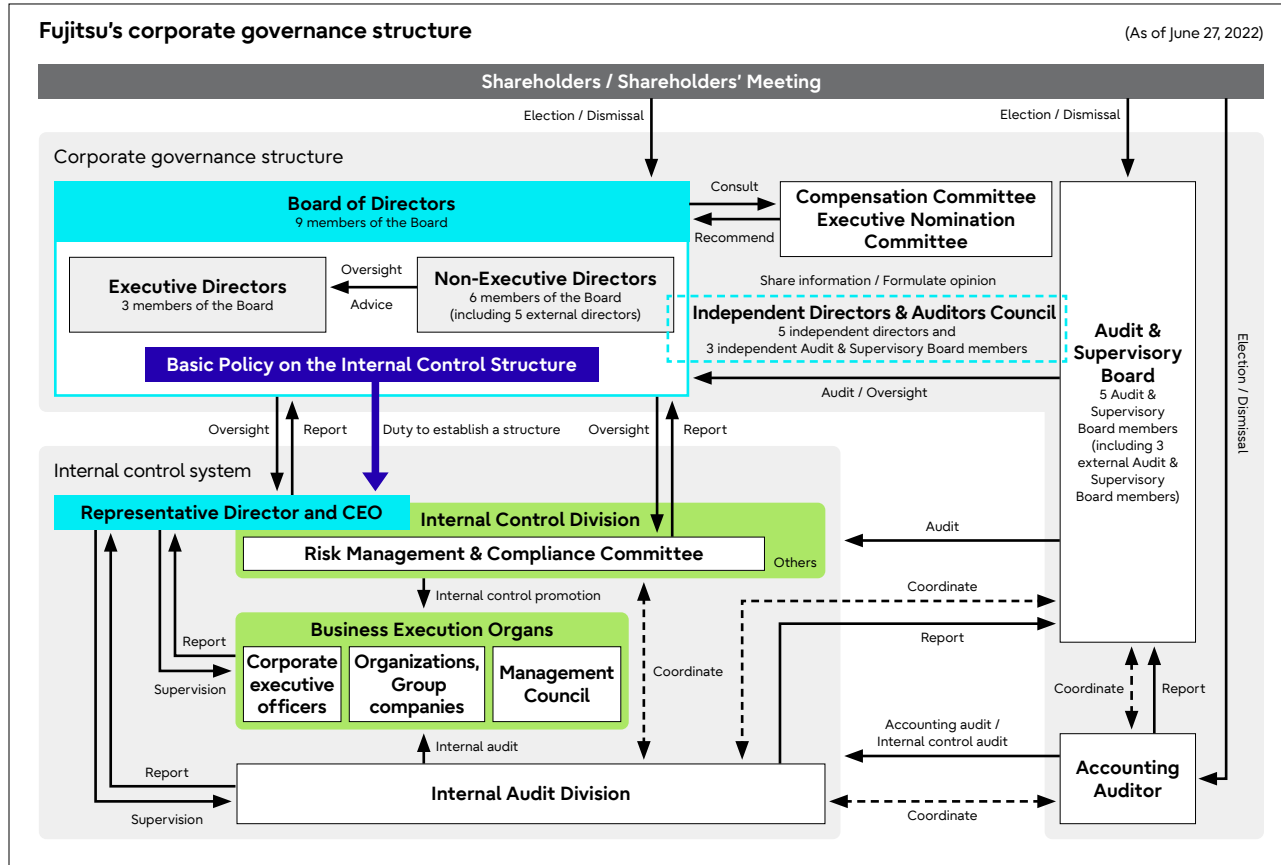
2021

Revised the executive compensation system
 To make the compensation system more transparent and further link it to business performance and shareholder value by adding EPS and non-financial indicators to the evaluation indicators of executive compensation

2022

For the complete Corporate Governance Policy, please visit the following website.
<https://www.fujitsu.com/global/about/ir/library/governance/governancereport-b-en-20211223.pdf>

1. Overview of corporate governance structure



Roles and composition of key boards, committees, and councils

| | |
|---|---|
| <p>Board of Directors</p> | <ul style="list-style-type: none"> • Serves as a body for making important decisions and overseeing management • Mainly oversees and acts in an advisory capacity in relation to the management execution of executive directors • Composed mainly of non-executive directors, with a majority of the Board of Directors consisting of independent directors • At least one non-executive director appointed from within the Company • Proactive appointment of independent directors to the position of non-executive director • One-year term of office for directors • As of June 27, 2022, the Board of Directors is composed of nine members, of whom three are executive and six are non-executive directors (including five independent directors). The Board of Directors is chaired by an independent director. |
| <p>Audit & Supervisory Board</p> | <ul style="list-style-type: none"> • From an independent position, audits and provides oversight of the Board of Directors as well as management execution functions and conducts accounting audits • Four-year term of office for Audit & Supervisory Board members • As of June 27, 2022, the Audit & Supervisory Board comprises five members, of whom two are full-time Audit & Supervisory Board members and three are external Audit & Supervisory Board members. |
| <p>Executive Nomination Committee and Compensation Committee</p> | <ul style="list-style-type: none"> • Serve as advisory bodies to the Board of Directors • The Executive Nomination Committee deliberates on candidates for director and Audit & Supervisory Board member positions in accordance with the Structural Framework of the Corporate Governance Structure and the Procedures and Policy of Directors' and Auditors' Nomination/Dismissal stipulated in the Company's Corporate Governance Policy, and submits recommendations to the Board of Directors. • The Compensation Committee submits recommendations on the level of base compensation and the method for calculating performance-based compensation to the Board of Directors in accordance with the Procedures and Policy of Directors' and Auditors' Nomination/Dismissal stipulated in the Company's Corporate Governance Policy. • As of July 27, 2022, the Executive Nomination Committee comprises three independent directors and one non-executive director; the Compensation Committee comprises four independent directors. (For details on committee members, please see "Members of the Board of Directors and Audit & Supervisory Board" on page 81.) • As of July 27, 2022, both committees are chaired by independent directors. |
| <p>Independent Directors & Auditors Council</p> | <ul style="list-style-type: none"> • Serves as a framework under which independent directors and independent Audit & Supervisory Board members share information and further their understanding of the Company's businesses. Council members discuss the medium- and long-term direction of the Company, share information, and exchange viewpoints so that all members can formulate their own opinions. • Is composed of all independent directors and independent Audit & Supervisory Board members |

2. Directors / Audit & Supervisory Board members

Independence standards for external directors and auditors

The Company has established independence standards and evaluates the independence of external directors and auditors based on these standards.

For details on independence standards, please visit the following website for the corporate governance policy.
<https://www.fujitsu.com/global/about/ir/library/governance/governancereport-b-en-20211223.pdf>

Skills of directors and Audit & Supervisory Board members

Fujitsu, as a global company making the world more sustainable by building trust in society through innovation, has identified requisite qualities including diversity and the necessary skills for the Board of Directors and Audit & Supervisory Board members to provide appropriate advice and supervision in their respective roles, and summarizes and discloses the qualities and skills in a matrix.

Skills matrix of the Board of Directors and Audit & Supervisory Board members (As of June 27, 2022)

| | Name | Nationality | External | Skills matrix | | | | |
|----------------------|-----------------|---------------|----------|----------------------|------------------------|--------|------------|---------------------------|
| | | | | Corporate management | Finance and investment | Global | Technology | ESG, academia, and policy |
| CEO | Takahito Tokita | Japan | | ○ | | ○ | ○ | |
| COO | Hidenori Furuta | Japan | | ○ | | ○ | ○ | |
| CFO | Takeshi Isobe | Japan | | ○ | ○ | ○ | | |
| Senior Advisor | Masami Yamamoto | Japan | | ○ | | ○ | ○ | |
| Independent Director | Chiaki Mukai | Japan | ○ | | | ○ | ○ | ○ |
| Independent Director | Atsushi Abe | Japan | ○ | | ○ | ○ | ○ | |
| Independent Director | Yoshiko Kojo | Japan | ○ | | | ○ | | ○ |
| Independent Director | Scott Callon | United States | ○ | ○ | ○ | ○ | | |
| Independent Director | Kenichiro Sasae | Japan | ○ | | | ○ | | ○ |

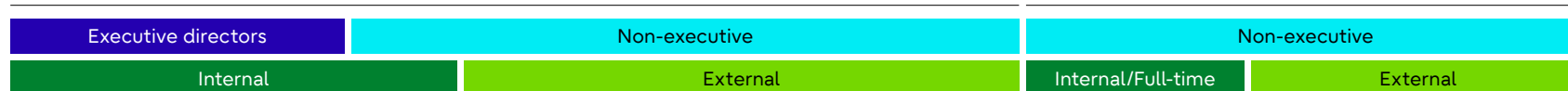
| | Name | Nationality | External | Skills matrix | | |
|--|---------------------|-------------|----------|------------------------------|------------------------|-------------------|
| | | | | Legal affairs and compliance | Finance and accounting | Operating process |
| Full-time Audit & Supervisory Board Member | Youichi Hirose | Japan | | | ○ | ○ |
| Full-time Audit & Supervisory Board Member | Megumi Yamamuro | Japan | | ○ | ○ | |
| Audit & Supervisory Board Member | Koji Hatsukawa | Japan | ○ | | ○ | ○ |
| Audit & Supervisory Board Member | Hideo Makuta | Japan | ○ | ○ | ○ | |
| Audit & Supervisory Board Member | Catherine O'Connell | New Zealand | ○ | ○ | | |

Members of the Board of Directors and Audit & Supervisory Board

(As of June 27, 2022)

 Male
  Female
 ● Chairperson ○ Member

9 members of the Board of Directors



5 members of the Audit & Supervisory Board

| | Takahito Tokita | Hidenori Furuta | Takeshi Isobe | Masami Yamamoto | Chiaki Mukai | Atsushi Abe | Yoshiko Kojo | Scott Callon | Kenichiro Sasae | Youichi Hirose | Megumi Yamamuro | Koji Hatsukawa | Hideo Makuta | Catherine O'Connell |
|--|-----------------|-----------------|---------------|-----------------|--------------|-------------|--------------|--------------|-----------------|----------------|-----------------|----------------|--------------|---------------------|
| Executive Nomination Committee | | | | ○ | | ● | ○ | ○ | | | | | | |
| Compensation Committee | | | | | ● | | ○ | ○ | ○ | | | | | |
| Independent Directors & Auditors Council | | | | | ○ | ○ | ○ | ○ | ○ | | | ○ | ○ | ○ |



Appointment of external directors and auditors

Fujitsu actively appoints external directors and auditors to increase management transparency and further improve efficiency.

Fujitsu determines independence based on the independence standards as introduced on page 81. All external directors and auditors have been registered with and accepted as independent directors and Audit & Supervisory Board members by the financial instruments exchanges on which Fujitsu is listed in Japan.

Fujitsu's views on the roles, functions, and specific reasons for nomination of external directors and external Audit & Supervisory Board members are as follows:

External directors

| | |
|---|--|
|  <p>Chiaki Mukai</p> | <p>Dr. Chiaki Mukai has an impressive personal history as a doctor who became Asia's first female astronaut, and she exemplifies the Company's spirit of taking on challenges at the cutting edge of science. She led discussions on executive compensation in her capacity as the chairperson of the Compensation Committee. The Company expects that she will continue to be able to provide oversight and advice as an external director from a fair and objective standpoint based on her broad knowledge of science and technology and global perspective. Fujitsu and Academic Corporation Tokyo University of Science, which operates the Tokyo University of Science where Dr. Mukai serves as vice president, had business transactions in fiscal 2021 amounting to approximately ¥2 million. Taking into account the scale of our sales, the amount of transactions is immaterial and does not constitute a conflict of interest. Therefore, Fujitsu considers Dr. Mukai to be independent.</p> |
|  <p>Atsushi Abe</p> | <p>Mr. Atsushi Abe has gained a deep understanding of the ICT industry and mergers and acquisitions through many years of experience in investment banking and private equity. As chairman of the Board of Directors, he has been managing proceedings objectively from his perspective as an investor gained through his experience to date and dialogues with institutional investors. Additionally, he has led discussions on the qualities required of candidates for director and Audit & Supervisory Board members to improve the composition of the Company's Board of Directors as the chairperson of the Executive Nomination Committee since July 2021. The Company expects that, in addition to being able to provide oversight and advice as an external director from a shareholder and investor perspective, Mr. Abe will continue to contribute to timely and decisive management decision-making. Fujitsu and ON Semiconductor Corporation, where he serves as director, had business transactions in fiscal 2021 amounting to approximately ¥300,000. Taking into account the scale of our sales, the amount of transactions is immaterial and does not constitute a conflict of interest. Mr. Abe has never been a major shareholder, nor has he held a position involved in business execution of a major business partner of the Company, and does not receive monetary benefits other than the compensation as a director of the Company. Therefore, Fujitsu considers Mr. Abe to be independent.</p> |
|  <p>Yoshiko Kojo</p> | <p>Dr. Yoshiko Kojo served in important positions, including the president of the Japan Association of International Relations, and her research has for many years focused mainly on the impact of economic entities (including private companies) on international politics. The Company expects that she will be able to provide advice and oversight as an external director concerning the Company's responses to change in the external environment during a dramatic transition of international politics and with regard to initiatives for SDGs based on her deep insight. Dr. Kojo has never been a major shareholder, nor has she held a position involved in business execution of a major business partner of the Company. Therefore, Fujitsu considers Dr. Kojo to be independent.</p> |
|  <p>Scott Callon</p> | <p>Previously, Mr. Scott Callon worked at a foreign-affiliated securities firm. Currently, he serves as the chief executive officer of Ichigo Asset Management, Ltd., an independent investment advisory firm specializing in Japanese equity investment, and has a wealth of experience as an institutional investor. After being appointed as director of the Company, he has actively engaged in dialogues with shareholders and investors. In view of his experience, the Company expects that Mr. Callon will play a role in providing oversight and advice from a shareholder and investors' perspective, as well as in providing feedback based on shareholders' and investors' opinions to the Company's management. Fujitsu and Japan Display Inc., where Mr. Callon is chairman of the board of directors, CEO, and representative executive officer, had business transactions in fiscal 2021 amounting to approximately ¥310 million. Taking into account the scale of our sales, the amount of transactions is immaterial and does not constitute a conflict of interest. Additionally, Ichigo Trust Pte. Ltd., which jointly holds voting rights with Ichigo Asset Management, Ltd., where Mr. Callon serves as chief executive officer, is our principal shareholder, although it does not fall under major shareholders stipulated in our independence standards. As he has never held a position involved in business execution of a major business partner of the Company, Fujitsu considers Mr. Callon to be independent.</p> |
|  <p>Kenichiro Sasae</p> | <p>Mr. Kenichiro Sasae has served in important positions including as the Vice-Minister for Foreign Affairs, Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America, and currently as the president of The Japan Institute of International Affairs. He has extensive knowledge and practical experience in international politics and economics. As the international situation has become more complicated in recent times, the Company expects that Mr. Sasae will be able to provide oversight and advice from a fair and objective global perspective based on his extensive knowledge and experience. Therefore, the Company expects that he will be able to fulfill his supervisory function and role as independent director. The Japan Institute of International Affairs, where Mr. Sasae serves as president, and the Company have no business relationship. As he has never held a position involved in business execution of a major business partner of the Company, Fujitsu considers Mr. Sasae to be independent.</p> |

External Audit & Supervisory Board members

| | |
|-----------------------------------|--|
| <p>Koji Hatsukawa</p> | <p>Mr. Koji Hatsukawa has been appointed as an external Audit & Supervisory Board member because he has a wealth of auditing experience at global corporations as a certified public accountant as well as broad knowledge of corporate accounting. PricewaterhouseCoopers Aarata (currently, PricewaterhouseCoopers Aarata LLC), where Mr. Hatsukawa served as CEO, has not performed accounting audits for Fujitsu. Fujitsu and PricewaterhouseCoopers Aarata had business transactions in fiscal 2021 amounting to approximately ¥400,000. Taking into account the scale of our revenue, the amount of transactions is immaterial and does not constitute a conflict of interest. Therefore, Fujitsu considers Mr. Hatsukawa to be independent.</p> |
| <p>Hideo Makuta</p> | <p>Mr. Hideo Makuta has been designated as an external Audit & Supervisory Board member because he has profound insight into not only legal but also economic and social matters affecting corporate management, gained through his career as a public prosecutor and as a commissioner of the Japan Fair Trade Commission. Therefore, Fujitsu considers Mr. Makuta to be independent.</p> |
| <p>Catherine O'Connell</p> | <p>Ms. Catherine O'Connell is an attorney at law in New Zealand. She has a wealth of practical experience at law offices in Japan and internationally as well as at the legal divisions of Japanese companies. She possesses the legal and compliance knowledge required of Audit & Supervisory Board members of the Company. She also possesses deep insight into issues related to internationality and gender. The Company expects that she will audit and supervise business execution from diverse perspectives. Therefore, Fujitsu believes that she will be able to fulfill the oversight function and the role as an external Audit & Supervisory Board member. Ms. O'Connell has never been a major shareholder, nor has she held a position involved in business execution of a major business partner of the Company. Therefore, Fujitsu considers Ms. O'Connell to be independent.</p> |

Systems for ensuring the effectiveness of the Board of Directors

In enhancing the effectiveness of the Board of Directors, the Company has focused on creating a system under which non-executive directors function effectively. Specifically, the Company believes it essential to establish a system that enables independent directors and Audit & Supervisory Board members, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of the Company's business. The Independent Directors & Auditors Council convenes on multiple occasions each year (12 times in fiscal 2021), and its members share information and exchange viewpoints so that each member can formulate their own opinions. In fiscal 2021, the members shared information and exchanged views on important management matters including the Company's Management Direction, the scope of business of the Company and of the Group as a whole. Based on the knowledge gained through the council, each independent director and Audit & Supervisory Board member provided advice to the Board of Directors. Moreover, to facilitate the operation of the Independent Directors & Auditors Council, the Company established the Independent Directors & Auditors Council Support Office in 2015. Under this system, one junior employee is assigned to support each council member so that they are able to acquire information through the support of these employees without requiring the mediation of the management execution team.

3. Executive compensation

Policy for determining executive compensation

[Method of determining the amount of remuneration for directors]

In order to make the executive compensation system more transparent, the Company established the Compensation Committee by resolution of the Board of Directors in October 2009. In addition, the policy for determining the details of individual director compensation (hereinafter referred to as the "Policy for Determination") is determined by the Board of Directors based on the report of the Compensation Committee.

In accordance with the following review of executive compensation, compensation for directors for the fiscal year ending March 31, 2023 and thereafter will be determined by resolution of the Board of Directors after deliberation by the Compensation Committee, and compensation for Audit & Supervisory Board members will be determined based on discussions by Audit & Supervisory Board members, within the total amount of compensation determined by resolution of the Annual Shareholders' Meeting, based on the framework of this Policy for Determination ("basic policy on executive compensation") after changes in accordance with said review.

The remuneration of directors and Audit & Supervisory Board members for the fiscal year ended March 31, 2022 was decided within the scope of the total amount of compensation determined by resolution of the Annual Shareholders' Meeting, and in accordance with the framework

of the policy prior to the revision of executive compensation. Compensation for each director was determined by the president and representative director subject to approval by the Compensation Committee, and compensation for each Audit & Supervisory Board member was determined based on consultation with the Audit & Supervisory Board members.

[Review of executive compensation for the fiscal year ending March 31, 2023 and thereafter]

At the Board of Directors meeting held on April 28, 2022, the Company resolved to review the compensation for executive directors for the fiscal year ending March 31, 2023 and thereafter, based on the report of the Compensation Committee. The details of the review of executive compensation for the fiscal year ending March 31, 2023 and thereafter are as follows.

| Item | Before revision | After revision |
|---|---|--|
| Bonus: Evaluation indicators | Consolidated revenue and consolidated operating profit are selected as evaluation indicators. | Non-financial indicators for management targets and third-party assessments on ESG are added to the evaluation metrics. |
| Performance-based stock compensation: Evaluation indicators | Consolidated revenue and consolidated operating profit are selected as evaluation indicators. | Earnings per share (EPS) is added as an evaluation indicator. |
| Performance-linked stock compensation: Payment method | Payment of monetary compensation receivable in an amount equivalent to the market value of the allotted shares. | Partly in cash equivalent to tax payment funds and the rest in cash equivalent to the market value of the allocated shares paid in compensation credits. |
| Process for determining individual director compensation: decision-making authority | Delegation of authority from the Board of Directors to the president and representative director to make decisions on individual director compensation subject to approval by the Compensation Committee. | Individual directors' remuneration to be determined by resolution of the Board of Directors. |

Basic policy on executive compensation

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

[Policy on the compensation system and compensation levels]

- The remuneration system for executive directors consists of the following: "base compensation," which is a fixed monthly amount in accordance with the position and responsibilities; "bonuses," which are linked to short-term business performance; and "performance-linked stock compensation," which is a medium- to long-term incentive that emphasizes the connection to shareholder value.

- With the aim of setting competitive compensation that contributes to securing and maintaining exceptional talent, compensation levels and compensation ratio by type shall be determined based on the financial position of the Company, analyzing the compensation composition ratio and compensation levels for each executive position and responsibility at other companies with similar business lines and similar scale to those of the Company as benchmarks.
- The ratio of performance-based compensation to the total compensation for executive directors shall be determined so as to strengthen the link between the Group's financial performance and shareholder value by setting the higher ratio to the greater responsibilities.
- Individual director's remuneration shall be determined by the Board of Directors after deliberation at the Compensation Committee to ensure objectivity, transparency, and fairness.

[Base compensation]

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

[Bonuses]

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

*1 An indicator to present willingness and attachment to work voluntarily and independently, and to contribute to the Company, with empathy for the Company's direction and Purpose

*2 Net Promoter Score™, an indicator to measure "customer loyalty," which presents the degrees of trust and attachment of customers to companies, products, and services, in order to understand the degree of improvement and depth of the customer experience (CX)

*3 A set of indices intended to share recognition of the current situation and issues among related parties, such as senior management, business division, DX division, and IT division, and to provide opportunities for awareness leading to the next actions, in order to promote companies' management reforms within the framework of digital technologies defined by the Ministry of Economy, Trade and Industry

[Performance-based stock compensation]

- Performance-based stock compensation shall be granted to executive directors, in order to share the profit with shareholders and as an incentive to contribute to enhancement of medium- to long-term performance.
- As a specific indicator and calculation method, the Company shall set a base number of shares in accordance with the position and responsibilities in advance, and calculate the number of shares for each fiscal year by multiplying the base number of shares by the coefficient in accordance with the degree of achievement of the performance targets for the performance judging period (three years) based on the Company's consolidated revenue, consolidated operating profit, and EPS, which are financial management target indicators. When the performance judging period is over, a portion of the total number of shares is paid in cash for the amount equivalent to the market value, and the remainder is allocated in shares of the Company. The total amount of the "basic compensation" and "bonuses" to directors was resolved to be ¥1,200 million or less per year at the Annual Shareholders' Meeting, the "performance-based stock compensation plan" to be ¥1,200 million or less per year, and the total number of shares to be allocated to be 75,000 shares or less per year. And the "basic compensation" to Audit & Supervisory Board members shall be ¥150 million or less per year.

(Reference) Executive compensation items and payment recipients

| Recipient | Base compensation | | Bonuses | Performance-based stock compensation |
|-----------------------------------|--------------------------|--------------------------|---------|--------------------------------------|
| | For management oversight | For management execution | | |
| Non-executive directors | ✓ | — | — | — |
| Executive directors | ✓ | ✓ | ✓ | ✓ |
| Audit & Supervisory Board members | ✓ | | — | — |

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

[Bonuses]

In order to provide executive directors with an incentive to achieve their performance targets for a single fiscal year, the Company has selected revenue and operating profit of the consolidated financial results, which are financial management target indicators for the Company, as evaluation indicators. In addition, the Company has selected employee engagement, Customer NPS, and DX Promotion Indices, which are non-financial management target indicators for the Company,

and third-party assessment, the “third-party assessment on ESG initiatives (DJSI,*¹ CDP Climate Change*²),” as evaluation indicators to enhance the commitment of executive directors to achieving their performance targets.

*1 DJSI: Dow Jones Sustainability Index, a global ESG investment index

*2 CDP Climate Change: CDP, an international non-profit organization, conducts surveys and evaluations of climate change initiatives at the request of investors and others, and publishes the results.

[Performance-based stock compensation]

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

Calculation method

[Bonuses]

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

[Performance-based stock compensation]

The Company will present to executive directors a base number of shares in accordance with positions and responsibilities, performance judging period (three fiscal years), and performance targets in advance. The number of shares is calculated by multiplying the base number of shares by the coefficient in accordance with the degree of achievement of the performance targets for the performance judging period (three fiscal years) based on the Company's consolidated revenue, consolidated operating profit, and EPS according to the level of achievement of the performance targets, and is fixed for each fiscal year and upon completion of the performance judging period.

When the performance judging period is over, (1) a portion of the total number of shares is paid in cash for the amount equivalent to the applicable person's tax obligations arising from compensation paid under the performance-based stock compensation plan and (2) the remainder is allocated in shares of the Company, for each applicable person under the condition that they continue to be in the position of an applicable person in the plan throughout the performance judging period. Then, monetary compensation claims and cash equivalent to market value of the aforementioned total number of shares are provided to the executive directors. The executive directors invest the former monetary compensation claims in allocated shares to acquire them. The ratio of the portion to be paid in cash to the total number of shares shall be determined by the Board of Directors, taking into consideration the applicable person's tax obligation.

The executive directors may transfer acquired shares of the Company to third parties at their own discretion unless they violate regulations regarding insider trading.

Name or title of the persons authorized to make decisions regarding the policy for determining the amount of remuneration for executive directors or the method for calculating the amount of remuneration

The Company has established the Executive Nomination Committee and the Compensation Committee as advisory bodies to its Board of Directors for the process of nominating directors and Audit & Supervisory Board members, for ensuring the transparency and objectivity of its process for determining executive compensation, to enable efficient and substantial discussions, as well as to ensure the fairness in the structure and level of executive compensation.

The Compensation Committee provides its recommendations or proposal on the level of base compensation and the method for calculating performance-based compensation to the Board of Directors in accordance with the procedures and policy of determining directors' and auditors' compensation, as stipulated in the Corporate Governance Policy.

Based on the report issued by the Compensation Committee, an advisory body to the Board of Directors, the Board of Directors establishes this decision-making policy and determines the level of compensation for each individual director within the framework of this policy. Based on the idea that the CEO and representative director, who is the person with the highest responsibility for business execution, should make decisions based on his/her own ideas in order to realize the Management Direction decided by the Board of Directors, the authority to make decisions on the indicators used to determine compensation and the amount to be paid in accordance with the degree of target achievement in the fiscal year under review was delegated to Takahito Tokita, CEO and Representative Director, subject to approval by the Compensation Committee. However, for compensation for the fiscal year ending March 31, 2023 and thereafter, the Company has

decided that it is necessary to ensure an even higher level of objectivity, transparency, and fairness in the process of determining executive compensation than before. As part of the review of executive compensation described above, the Company has changed the process of determining executive compensation so that decisions are made by resolution at a meeting of the Board of Directors after deliberation by the Compensation Committee.

The Corporate Governance Policy stipulates that the Compensation Committee shall consist of non-executive officers, a majority of whom shall be independent external directors, and that this committee shall be chaired by an independent external director. The members of this committee, appointed in July 2021, are as follows and consist of four non-executive directors.

Chairperson: Dr. Chiaki Mukai

Members: Dr. Yoshiko Kojo, Mr. Scott Callon, Mr. Kenichiro Sasae

From the appointment of the above committee members in July 2021 through the end of the fiscal year ended March 31, 2022, the Compensation Committee met six times to discuss the revision of executive compensation details and changes in the process for determining individual compensation, and provided its recommendations to the Board of Directors.

Note: The above committee members retired due to expiration of their terms of office at the end of the Annual Shareholders' Meeting held on June 27, 2022; for the committee members appointed on June 27, 2022, please see "Members of the Board of Directors and Audit & Supervisory Board" on page 81.

4. Policy for strategic shareholdings

The Company holds only those strategic shares with clear-cut objectives and meaningful significance in a positive manner. The Board of Directors Meeting examines the weighted average capital cost of the Company as the standard to evaluate quantitatively whether returns (quantitative factors such as dividends and the state of transactions) or risks are well balanced with the cost. If quantitative significance in shareholdings is not found, the Board of Directors Meeting will further evaluate whether there is a qualitative reason that supports the rationale for continuing to hold those shares and will discuss the continuation of such holdings. In fiscal 2020, the Company sold 23 issues, and at the Board of Directors Meeting, held on June 24, 2021, the Board determined which strategic shareholdings would be held by the Company at the end of fiscal 2020.

The Company deals with strategic shareholders on an equal footing, just as it does with other business partners. Even when strategic shareholders indicate their sale of shares, we do not prevent them from selling. That said, we sometimes call upon them to consider the timing of the sale or the ways of selling their shares.

5. Views and policies for Group management and measures to ensure the effectiveness of corporate governance

Fujitsu manages the Fujitsu Group with the aim of achieving continuous growth and the generation of medium- to long-term corporate value of the entire Group, while also urging each Group company to realize its potential to the maximum extent possible.

For some subsidiaries, we publicly list them with the aim of further improving their business value through diversification of the capital procurement necessary for sustainable growth and enhancing the value of the entire Group. By publicly listing subsidiaries, it is possible to focus on investment in specific businesses rather than just in the Group as a whole, thus contributing to diversifying investment opportunities. As there are some concerns regarding the possibility of a conflict of interest with minority shareholders and our publicly listed subsidiaries, we respect the independence of their management and make efforts to provide advice and support to enhance the corporate value of relevant subsidiaries by holding reporting sessions on an as-needed basis. To further promote our policies for Group management, we established a department in February 2020 as a corporate function that specializes in formulating and conducting plans and measures for the most suitable group formation and corporate governance, thus handling the management of the Group including listed subsidiaries.

Our policy is to turn non-core listed companies into strong independent businesses. We will consider their independence from the following perspectives: ensuring sustainable growth of the relevant business, maximizing the Company's asset value, and considering the best timing for independence.

Measures to ensure the effectiveness of corporate governance

Fujitsu understands that its publicly listed subsidiaries make efforts to enhance corporate governance and provides support for these efforts. All listed subsidiaries are ensured their independence by appointing independent directors and directors dispatched from the Company to help maximize their corporate value. Also, all listed subsidiaries become a company with an Audit and Supervisory Committee to strengthen corporate governance.

6. Status of internal audits, accounting audits, and the Internal Control Division

Internal audit and accounting audit systems

[Audits conducted by Audit & Supervisory Board members]

The Audit & Supervisory Board primarily conducts examinations of the appropriateness of audit policy and plans, the audit method of the accounting auditor, the appropriateness of the audit results, and the Key Audit Matters, as well as receiving reports from the Internal Audit Division and conducting examinations of reports on important items submitted by full-time Audit & Supervisory Board members to external Audit & Supervisory Board members.

Further, the activities of Audit & Supervisory Board members include attending and stating opinions at meetings of the Board of Directors, meetings of the Independent Directors & Auditors Council, and other important meetings; reviewing important approval documents; conducting exchanges of opinions with the representative director; auditing the operations of headquarters and subsidiaries; exchanging information with the corporate auditors of subsidiaries; receiving reports from the accounting auditor; receiving reports from the Internal Audit Division on the progress and results of audits; and receiving reports from the Compliance Division on the status of in-house whistleblowing. In addition, with respect to the Key Audit Matters, we continued to hold a sufficient number of discussions and deliberations with the accounting auditor. The discussion topics were potential risks of material misstatements in the consolidated financial statements and impacts of, and developments in, material events, etc., that occurred in fiscal 2021.

Full-time Audit & Supervisory Board member Mr. Youichi Hirose has extensive knowledge of finance and accounting issues and many years of experience in the Company's finance and accounting divisions, having served as the head of the Company's Corporate Finance Unit. Full-time Audit & Supervisory Board member Mr. Megumi Yamamuro has many years of experience in the legal profession and is an expert in corporate law, including the Companies Act, and domestic and overseas compliance measures. (For overviews of the professional backgrounds of external Audit & Supervisory Board members, please see "Appointment of external directors and auditors" on page 82.)

[Internal audits]

The Internal Control & Audit Office serves as an internal audit group. This office audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Internal Control & Audit Office makes regular reports to full-time members of the Audit & Supervisory Board, the Audit & Supervisory Board, and accounting auditor on auditing plans for and results of internal audits, including matters relating to Group companies. The Internal Control & Audit Office includes 19 employees with specialist internal auditing knowledge, including certified internal auditors (CIA), and certified information systems auditors (CISA).

[Accounting audits]

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

Internal control system

[Internal Control Division]

Based on the Basic Policy on the Internal Control Structure, the Risk Management & Compliance Committee maintains and operates risk management systems, compliance systems, and internal control structures related to financial reporting and executes duties regulated under the basic policy. The status of operation of the internal control system is periodically reported to the Board of Directors.

7. Review of corporate governance in fiscal 2021

The Fujitsu Group is strengthening its corporate governance to ensure a sustainable increase in corporate value. Here, we report on the status of this initiative in fiscal 2021.

Number of meetings of key boards and committees

Board of Directors meetings
(including extraordinary meetings)

14 (2)

Audit &
Supervisory
Board meetings

9

Attendance of external directors at
Board of Directors meetings

98.6%

Dr. Chiaki Mukai: 100%; Mr. Atsushi Abe: 100%;
Mr. Jun Yokota: 100%; Dr. Yoshiko Kojo: 92.9%;
Mr. Scott Callon: 100%; Mr. Kenichiro Sasae: 100%

Attendance of external Audit & Supervisory Board members
at Board of Directors meetings

100%

Mr. Koji Hatsukawa: 100%;
Mr. Hideo Makuta: 100%

Attendance of external Audit & Supervisory Board members
at Audit & Supervisory Board meetings

100%

Mr. Koji Hatsukawa: 100%;
Mr. Hideo Makuta: 100%

Policy for determining executive compensation for the fiscal year ended March 31, 2022

The remuneration for directors and Audit & Supervisory Board members for the fiscal year ended March 31, 2022, as presented in the table below, was determined based on the policy before the review of the compensation policy for executive directors as described in "3. Executive compensation." Please refer to the following for the policy for deciding executive compensation before the review.

Fujitsu Group Integrated Report 2021
<https://www.fujitsu.com/global/about/integratedreport/2021/>

Details of remuneration

| Position | Number of recipients | Remuneration type | | | Total amount of compensation |
|--|----------------------|-------------------|--------------|--------------------------------------|------------------------------|
| | | Base remuneration | Bonuses | Performance-based stock compensation | |
| Directors (Internal) | 4 | ¥246 million | ¥100 million | ¥104 million | ¥451 million |
| External directors | 6 | ¥77 million | — | — | ¥77 million |
| Audit & Supervisory Board members (Internal) | 2 | ¥72 million | — | — | ¥72 million |
| External Audit & Supervisory Board members | 2 | ¥30 million | — | — | ¥30 million |

Notes: 1. The above includes directors and Audit & Supervisory Board members who resigned in fiscal 2021.

2. The total amount of monetary compensation for directors was resolved to be within ¥1,200 million or less per year (including ¥150 million per year for external directors) at the 121st Annual Shareholders' Meeting held on June 28, 2021. At this Annual Shareholders' Meeting, the total amount of non-monetary compensation was resolved to be ¥1,200 million or less per year and the total number of shares of common stock of the Company to be allocated was set within 75,000 shares per year. As of the close of the 121st Annual Shareholders' Meeting, the number of directors was nine (including five external directors). The Company is paying the compensation shown in the above table, which is within these limits.

3. The total amount of compensation for Audit & Supervisory Board members was resolved to be ¥150 million or less per year at the 111th Annual Shareholders' Meeting held on June 23, 2011. As of the close of the 111th Annual Shareholders' Meeting, there were five Audit & Supervisory Board members (including three external Audit & Supervisory Board members). The Company is paying the compensation shown in the above table, which is within these limits.

4. Performance-based stock compensation shows the amount that was recorded as expenses in the fiscal year ended March 31, 2022.

Evaluation of the effectiveness of the Board of Directors

To maintain and enhance the effectiveness of the Board of Directors, the Company has included annual evaluations of the Board of Directors in the Corporate Governance Policy.

Actions taken in fiscal 2021 based on the evaluation of fiscal 2020

To share information in advance with independent directors and auditors in anticipation of the review of high priority items at the Board of Directors and to enhance vital communication among the Board members, the Company continued to hold the following events in this fiscal year: (1) The Independent Directors & Auditors Council in an effort to facilitate exchange of information and formulation of opinions between them; (2) Briefings on business overview, a platform for sharing information on the Company's business from business heads on the management executive side to the independent directors and auditors; and (3) Private sessions held for only the relevant non-executive directors as a platform to enhance communication among them. In addition, the Company changed the document format and composition in light of digitization of the document and devised information provision and means of giving notice at the meetings of the Board of Directors and the Independent Directors & Auditors Council.

Fiscal 2021 evaluation method

The evaluation of fiscal 2021 includes an evaluation of the chairman and self-evaluations by directors and Audit & Supervisory Board members, and as in fiscal 2020 or before, an anonymous questionnaire with a five-grade evaluation was conducted. The results of the Board of Directors' evaluation were reported at the regular Board of Directors meeting and discussions based on the results were carried out at the meeting. Furthermore, the evaluation of the Company's Board of Directors by a proxy advisory firm was also reported. From this fiscal year, the Company conducted a mutual evaluation by executive directors and non-executive directors, including the non-executive directors from within the Company as evaluation targets, and provided feedback to each evaluation target to lead to their new awareness.

Fiscal 2021 evaluation

By comparing the results of the questionnaire for the past three years, the following evaluations were made.

- While the overall evaluation points remained unchanged, the evaluation points increased for (1) the information volume and quantity of the documents for the Board of Directors and (2) opportunities to obtain information outside the Board of Directors.
- In order to further promote the oversight function of the Board of Directors, the Company shall improve the efficiency of discussions through efficient progress of meetings and more appropriate preparation of agenda materials. In addition, the Company shall enhance discussions by creating opportunities for independent directors and auditors to receive specific details of business strategies, by utilizing the Independent Directors & Auditors Council, etc., for valid and high-quality discussions at the Board of Directors to develop a medium- to long-term plan to be scheduled in the future.

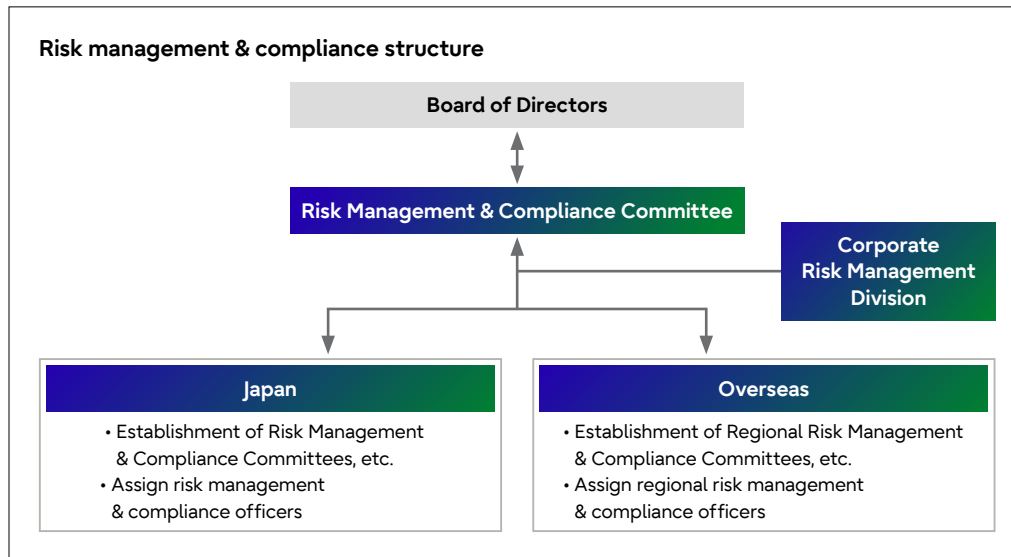
Risk management

Guidelines & structure

For the Fujitsu Group, it is an important management issue to appropriately identify and respond to risks in the Group's business operations and other activities. Accordingly, the Board of Directors formulated the Basic Policy on the Internal Control Structure. Based on this policy, the Fujitsu Group established a Risk Management & Compliance Committee reporting directly to the Board of Directors, which acts as the highest-level decision-making body on matters involving risk management and compliance.

The committee also assigns risk management & compliance officers to each of Fujitsu's divisions and to Group companies in Japan and internationally. These organizations collaborate to build a risk management and compliance structure for the entire Group, thereby guarding against potential risks and mitigating risks that have already materialized.

Furthermore, we created the Corporate Risk Management Division, which reports directly to the CEO and is independent of the business divisions. This body has assumed the secretariat functions of the Risk Management & Compliance Committee and, under the leadership of the chief risk management officer (CRMO), is responsible for interpreting risk-related information and spearheading rapid, appropriate responses where required.



Risk management process

The Risk Management & Compliance Committee identifies, analyzes, and assesses the major risks associated with business activities in all Fujitsu business divisions and Group companies in Japan and other countries. (Among the Group companies, implementation is focused on 33 risks identified as particularly important.) The committee also checks the progress of measures designed to avoid, mitigate, transfer and accept such risks, and then formulates new measures or reviews existing measures.

This committee also prepares processes for dealing with risks that have eventuated despite implementation of the various preventive measures. If a critical risk arises, such as a natural disaster, a product fault or defect, a system or service problem, a compliance violation, an information security breach, or an environmental problem, the division or Group company concerned reports immediately to the Risk Management & Compliance Committee.

The committee then coordinates with the related divisions and work sites to quickly resolve the problem by taking appropriate steps, such as establishing a task force. At the same time, the committee works to identify the causes of the problem and proposes and implements measures to prevent any recurrence. For critical risks, it also reports as needed to the Board of Directors. The Risk Management & Compliance Committee checks the progress of implementation of these processes on an ongoing basis and formulates improvements.

Business risks of the Fujitsu Group

The Fujitsu Group identifies, analyzes, and assesses the risks associated with business activities and works on measures to avoid or mitigate their impact and to deal promptly with any issues that do occur.

For details on the Fujitsu Group's business and other risks, please see the risk management section in *Fujitsu Group Sustainability Data Book 2022*, disclosed on the following website.
<https://www.fujitsu.com/global/about/csr/riskmanagement/>

Main business risks

- Economic and financial market trends
- Customers
- Competitors and the industry
- Investment decisions and business restructuring
- Suppliers, alliances, etc.
- Public regulations, public policy, and tax matters
- Natural disasters and unforeseen incidents
- Finance
- Deficiencies or flaws in products and services
- Compliance issues
- Intellectual property
- Security
- Human resources
- Fujitsu Group facilities and systems
- Environment

Economic security initiatives

Establishment of Economic Security Office

In recent years, various countries have become more closely interrelated and interdependent from an economic perspective. When political conflicts arise among these countries, a wide variety of economic measures are taken, including restrictions on exports and acquisitions and the protection and development of domestic industries, which can affect such countries in various ways. In this context, economic security is a movement to review and balance economic activities from a security perspective.

In digital business fields such as AI and Network, there is also a global focus on the trends regarding economic security, both in terms of value creation and protection. As a technology company that operates globally, we are required to take these trends into account and promote our business appropriately around the world.

In order to implement appropriate Groupwide, comprehensive economic security measures, in December 2021, we appointed a senior corporate executive officer to be in charge of economic security and established the Economic Security Office.

Addressing economic security

The Economic Security Office formulates policies to be taken by the Group as a whole through a cross-section of related divisions, and regularly monitors the status of business operations. The office prevents the occurrence of risks by analyzing information related to economic security, such as geopolitical trends, policies, and legal systems, assessing related impacts, and updating the status of countermeasures taken by relevant internal departments.

These responses to economic security issues include compliance with export controls, investment management, intellectual property management, and other regulatory requirements in various countries, as well as appropriate management of emerging technologies as a technology company.

Supply chain resilience

While supply chains are becoming more diversified with the progress of globalization, rising political tensions between countries may have a significant impact on global supply chains. To control procurement risks, Fujitsu is working to maintain supply chains by securing procurement routes from multiple suppliers, encouraging and strengthening support for business continuity management (BCM) among suppliers, and maintaining appropriate inventories.

Response to the crisis in Ukraine

Considering the various circumstances related to the crisis in Ukraine, the Fujitsu Group has ceased all new orders and deliveries of products and product-related services in Russia. In order to maintain the stable continuity of services to our customers, we decided to transfer responsibility for the various services it has offered to customers outside of Russia from a service center in Russia to delivery locations in other regions as soon as possible. We will work to minimize any possible impact on customers through the implementation of business continuity plans and respond appropriately and decisively to any additional future developments.

The Group has donated US\$1 million (approximately ¥115 million) to UNHCR, the UN Refugee Agency, to provide humanitarian support for the many people displaced by the ongoing crisis in Ukraine and countries in the surrounding region. Furthermore, in the hope of improving the situation of many children suffering from the conflict, Fujitsu called for employees to donate to NGO Save the Children, with the Company matching the amount of donations collected.

Information security

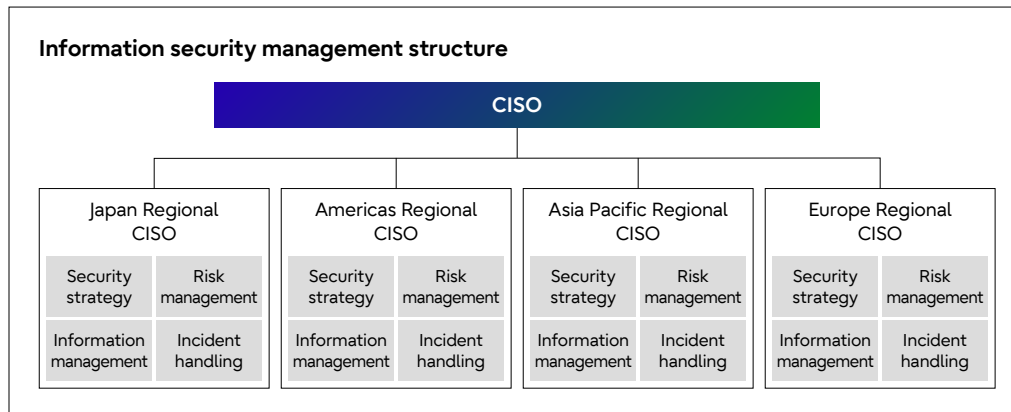
Policy

The Fujitsu Group appointed a dedicated Chief Information Security Officer (CISO) in October 2021. Under the new information security system, we are striving to secure and improve information security for our customers through our products and services, while also ensuring the information security of the entire Fujitsu Group.

Management structure

The Fujitsu Group is working on strengthening its global information security governance. We appointed Regional CISOs in each of four regions (Japan, the Americas, Europe, and Asia Pacific) who report to the Fujitsu Group CISO.

We also set up four functions to drive information security initiatives: “security strategy,” “information management,” “risk management,” and “incident handling.” We reorganized each region to hold these four functions to enable cross-region activities.



Security strategy

Fujitsu supports customers' businesses by developing and executing security strategies that foster trust with stakeholders and appropriately control security threats that may hinder our business and social activities.

Additionally, through a security framework based on global regulation standards, we foster processes and an organizational culture that continuously creates an organizational structure, measures, and operations that will serve as reference models in the global market. Moving forward, we will embrace challenges in fields where we are still inexperienced or have yet to enter.

Furthermore, in order to protect customers who use our services and products, we are strengthening the collection and accumulation of information including vulnerability information, visualization of information assets, and bill of materials information. We are also utilizing a new technology infrastructure to construct data relations for statistical analysis and decision-making by data scientists.

Information management

The Fujitsu Group in Japan implemented the Information Protection Management Systems in order to appropriately protect third-party confidential information (including personal information) and our own confidential information. We also apply a PDCA cycle where we start with “Roles & Responsibilities” and end with “Review”. In order to clarify information assets that have to be protected, we establish appropriate management according to the status of our customers and suppliers and take initiatives for protecting information. These steps are taken for the autonomous information protection activities (regulations by industry, business type, etc.) conducted by each division while unifying the classification of information on a global scale.

Furthermore, we provide various automation support tools that utilize information management dashboards to support appropriate information management. We make improvements as necessary to realize operations that are both safe and effective.

Fujitsu has established a global Personal Information Protection System to strengthen the protection of personal data. Under the leadership of the CISO organization and the Legal Division, we work with each region and Group company to comply with the laws and regulations of each country, including the GDPR.* In Japan, with the objective of protecting personal information, the Fujitsu Group obtained certification for the PrivacyMark by the Japan Information Processing and Development Center (JIPDEC) in August 2007. We are continually working to strengthen our Personal Information Protection System.

* General Data Protection Regulations

Information Protection Management Systems (7 points)



Risk management

In order to support safe, secure, and sustainable business activities by our customers, the Fujitsu Group centralizes and visualizes the IT asset management of global customer IT systems and in-house IT systems. By doing so, we quickly identify and correct security risks in the entire Group.

To raise security awareness among employees, we are enhancing our mandatory regular security e-learning program. We also set up a security help desk and provide vulnerability information and FAQs on a security information website to enable employees to easily access information.

Handling of cybersecurity incidents

As the methods of cyberattacks are becoming more sophisticated and complex, it is getting more difficult to completely prevent incidents. To this end, we shifted our incident response initiatives from “preventing security incidents” to “preparing for incidents.”

In order to respond promptly to cybersecurity incidents, knowledge in various specialized fields such as log analysis, malware analysis, and forensics is required. It is also necessary to enhance various aspects of incident handling measures including improvement of knowledge, periodic training, strengthening of security monitoring, improvement of incident response procedure, and accumulating and utilizing know-how from records of past incident handling.

The Fujitsu Group is also strengthening the key components of incident handling consisting of people, data, process, and system and is continuously improving these functions.

Components of incident handling

| | |
|--|---|
| People <ul style="list-style-type: none"> • Log analysis • Cause investigation • Impact identification, etc. | Process <ul style="list-style-type: none"> • Response flow • Incident level definition • Escalation, etc. |
| Data <ul style="list-style-type: none"> • Security sensor log • Configuration information • Threat information, etc. | System <ul style="list-style-type: none"> • Information collection/saving • Information processing/store • Automation, etc. |

We apologize for any inconvenience to our customers and other related parties caused by the unauthorized access to our project information sharing tool “ProjectWEB.”

Fujitsu will work to prevent the recurrence of similar incidents and strengthen its information security management, based on the recommendations received from the external committee established directly under the Board of Directors.

For further details on information security management, please visit the following website:
<https://www.fujitsu.com/global/about/csr/security/>