Fujitsu’s Corporate Governance

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Fujitsu Limited
BASIC APPROACH TO FUJITSU’S CORPORATE GOVERNANCE
Non-executive directors provide effective oversight and advice from diverse perspective to executive directors in their management execution role within the Board of Directors.

① Effectiveness of oversight
At least as many non-executive directors responsible for management oversight as there are executive directors responsible for management execution.

② Effectiveness of advice
In selecting candidates for non-executive directors, consideration is given to the candidate’s background and insight into Fujitsu’s business.
Basic Approach

- Non-executive directors provide effective oversight and advice from diverse perspective to executive directors in their management execution role within the Board of Directors.

3. Complementation of the Board of Directors

- Audit & Supervisory Board members who are appointed as an independent agent provide audits and oversight from outside the Board of Directors.
- The Executive Nomination Committee, Compensation Committee, and Independent Directors & Auditors Council of its own accord, predominantly comprised of non-executive Board members.

Executive Directors
- Masami Yamamoto
- Masami Fujita
- Norihiko Taniguchi
- Tatsuya Tanaka
- Hidehiro Tsukano
- Duncan Tait

Non-Executive Directors
- Miyako Suda
- Jun Yokota
- Chiaki Mukai
- Atsushi Abe
- Michiyoshi Mazuka
- Tatsuzumi Furukawa

Audit & Supervisory Board Members
- Kazuhiko Kato
- Akihiko Murakami
- Megumi Yamamuro
- Hiroshi Mitani
- Koji Hatsukawa

Independent Directors & Auditors Council

Management Oversight Function

Consult
Recommend

Executive Nomination Committee
Compensation Committee

= Independent & External Directors & Auditors
THE BOARD OF DIRECTORS
The Director candidates were elected based on Basic Approach to Corporate Governance, while also addressing the requirements of Japan’s Corporate Governance Code.

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<th>Executive Directors</th>
<th>FY2015 Annual Shareholders’ Meeting</th>
<th>FY2016 (Scheduled)</th>
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| 6 members           | Elect candidates with a company-wide perspective and who can meet the expectation that shareholders have for Executive Directors [Roles]  
  - Holding constructive dialogues with shareholders and investors (Hidehiro Tsukano)  
  - A global business perspective (Duncan Tait)  
  - A compliance and risk management perspective (Masami Fujita)  
  - Overall perspective of business promotion (Norihiko Taniguchi) | 5 members  
  - Maintaining previous year’s policy |

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<tr>
<th>Non-Executive Directors</th>
<th>6 members (including 4 external members)</th>
<th>5 members (including 4 external members)</th>
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<td>The code stresses the activities of external directors, and as such, the Company selects candidates with a high degree of independence.</td>
<td>Reappointed those members serving on the Independent Directors &amp; Auditors Council who were involved in the formulation of Management Direction*.</td>
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*Announced October 29, 2015
THE ACTIVITIES OF EXTERNAL DIRECTORS
Expectations for oversight of business execution and for advice from diverse perspectives
Miyako Suda

Personal history

Apr 1982  Associate Professor, School of Economics, Senshu University
Apr 1988  Professor, School of Economics, Senshu University
Apr 1990  Professor, Faculty of Economics, Gakushuin University
Apr 2001  Member of the Policy Board, the Bank of Japan (until March 2011)
May 2011  Special Advisor, the Canon Institute for Global Studies (to present)
Jun 2013  Director (to present)
External Directors

Jun Yokota

Personal history

Apr 1971  Joined the Ministry of Foreign Affairs
Jan 1998  Deputy Director-General, Economic Affairs Bureau
Jun 2002  Consul-General of Japan in Hong Kong
Apr 2004  Ambassador Extraordinary and Plenipotentiary to the State of Israel
May 2009  Ambassador Extraordinary and Plenipotentiary to the Kingdom of Belgium
Oct 2012  Ambassador Extraordinary and Plenipotentiary in charge of Economic Diplomacy and of Reconstruction Assistance to Iraq (until January 2014)
Jun 2014  Special Advisor to the Chairman of KEIDANREN (to present)
Jun 2014  Director (to present)
Jul 2014  Member of the Executive Nomination Committee and Compensation Committee (to present)
Chiaki Mukai

**Personal history**

- **Nov 1977**  Staff, Department of Surgery, Keio University School of Medicine (until November 1985)
- **Aug 1985**  Payload Specialist, the National Space Development Agency of Japan (Currently, the Japan Aerospace Exploration Agency; JAXA) (until March 2015)
- **Jun 1987**  Visiting Scientist, Division of Cardiovascular Physiology, Space Biomedical Research Institute, NASA Johnson Space Center (until December 1988)
- **Sep 1992**  Research Instructor of the Department of Surgery, Baylor College of Medicine (until August 2011)
- **Apr 2000**  Visiting Professor of the Department of Surgery, Keio University School of Medicine (to present)
- **Sep 2004**  Visiting Professor of the International Space University (until September 2007)
- **Oct 2007**  Director, Space Biomedical Research Office, Human Space Technology and Astronaut Department of the JAXA
- **Apr 2011**  Senior Advisor to the JAXA Executive Director (until March 2015)
- **Oct 2014**  Vice President of the Science Council of Japan (to present)
- **Apr 2015**  Vice President of the Tokyo University of Science (to present)
- **Jun 2015**  Director (to present)
External Directors

Atsushi Abe

Personal history
Apr 1977 Mitsui & Co., Ltd.
Jun 1990 Manager, Electronic Industry Department, Mitsui & Co., Ltd.
Jan 1993 Managing Director, Alex. Brown & Sons, Inc. (Currently, Deutsche Bank)
Aug 2001 Managing Director and Head of Global Corporate Finance, Deutsche Securities, Ltd. (Currently, Deutsche Securities Inc.)
Aug 2004 Partner & Head of Japan, J.P. Morgan Partners Asia (Currently, Unitas Capital) (until March 2009)
May 2007 Board Member, Edwards Group Ltd. (until October 2009)
Dec 2009 Managing Partner, Sangyo Sosei Advisory Inc. (to present)
Feb 2011 Board Member, ON Semiconductor Corporation (to present)
Jun 2015 Director (to present)
Establishment of Independent Directors & Auditors Council and preparation of support structure

■ Purpose

The establishment of this Council is part of Fujitsu's initiative to strengthen its growth-oriented governance, which serves to improve profitability over a medium- to long-term horizon.

In response to the requirements of Japan's Corporate Governance Code, which facilitates the activities of Independent Officers*1, and in order to invigorate discussions on the medium- to long-term direction of the company at its Board of Directors meetings, Fujitsu believes it essential to establish a system which enables Independent Officers*1, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of Fujitsu's business. In the Independent Officers Council*2, members share information and exchange viewpoints so that they can each formulate their own opinions.

In addition, the Independent Officers Council*2 will move forward on considerations for other requirements associated with the Corporate Governance Code in pursuit of Fujitsu's own stance on corporate governance.

(Abstract from a press release dated April 30, 2015)

■ Support structure

Establishment of Independent Directors & Auditors Council Support Office

Cautionary Statement

These presentation materials and other information provided at the meeting may contain forward-looking statements that are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, but not limited to, the following factors:

• Macro-economic environments and market trends in the principle geographic markets for Fujitsu’s services and products, which are Japan, EMEIA, the Americas, Asia, Oceania and elsewhere, particularly such conditions that may effect customers’ IT spending;
• Rapid technological change, fluctuations in customer demand and intensifying price competition in IT, telecommunications, and electronic device markets in which Fujitsu competes;
• Fujitsu’s ability to dispose of non-core businesses and related assets through strategic alliances and sales on commercially reasonable terms, and the impact of losses which may result from such transactions;
• Uncertainties as to Fujitsu’s access to, or protection for, certain intellectual property rights;
• Uncertainty as to the performance of Fujitsu’s strategic business partners;
• Declines in the market prices of Japanese and foreign equity securities held by Fujitsu which could cause Fujitsu to recognize significant losses in the value of its holdings and require Fujitsu to make significant additional contributions to its pension funds in order to make up shortfalls in minimum reserve requirements resulting from such declines;
• Poor operating results, inability to obtain financing on commercially reasonable terms, insolvency or bankruptcy of Fujitsu’s customers, or any such factor that could adversely impact or preclude these customers’ ability to timely pay accounts receivables owed to Fujitsu; and
• Fluctuations in rates of exchange for the yen and other currencies in which Fujitsu makes significant sales and profits or in which Fujitsu’s assets and liabilities are denominated, particularly between the yen and Euro, British pound and U.S. dollar.