

Matters Subject to Measures for Electronic
Provision (Matters Excluded from Paper-
Based Documents Delivered Upon Request)
at the Time of Notice of the 125th Annual
Shareholders' Meeting

Fujitsu Limited

Note:

This English version of *Matters Subject to Measures for Electronic Provision (Matters Excluded from Paper-Based Documents Delivered Upon Request) at the Time of Notice of the 125th Annual Shareholders' Meeting* is a translation for reference only. The style of this English version differs slightly from the original Japanese version.

1. Fujitsu Group Principal Offices and Plants (As of March 31, 2025)**(1) Fujitsu Limited**

Registered office	4-1-1, Kamikodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa
Domestic business offices	Sapporo Hub (Sapporo-shi), Sendai Hub (Sendai-shi), Saitama Hub (Saitama-shi), Fujitsu Uvance Kawasaki Tower (Kawasaki-shi), Kanazawa Hub (Kanazawa-shi), Nagoya Hub (Nagoya-shi), Osaka Hub (Osaka-shi), Hiroshima Hub (Hiroshima-shi), Fukuoka Hub (Fukuoka-shi)
Software / Services	Aomori Systems Laboratory (Aomori-shi), Ichigaya Office (Chiyoda-ku, Tokyo), Fujitsu Solution Square (Ota-ku, Tokyo), Fujitsu Technology Park (Kawasaki-shi), Kouchi Fujitsu Technoport (Nankoku-shi, Kochi)
R&D / Plants	Oyama Plant (Oyama-shi, Tochigi), Nasu Plant (Otawara-shi, Tochigi), Fujitsu Development Center (Kawasaki-shi), Numazu Plant (Numazu-shi, Shizuoka), Kyushu R&D Center (Fukuoka-shi)

(2) Subsidiaries

Japan	Fujitsu Japan Limited (Kawasaki-shi), Fujitsu Network Solutions Limited (Kawasaki-shi), Fujitsu Defense & National Security Limited (Kawasaki-shi), Ridgelinez Limited (Chiyoda-ku, Tokyo), TRANSTRON Inc. (Yokohama-shi), Fsas Technologies Inc. (Kawasaki-shi), Fujitsu Frontech Limited (Inagi-shi, Tokyo), Fujitsu Telecom Networks Limited (Oyama-shi, Tochigi), Fujitsu Personal System Limited (Kawasaki-shi)
Outside of Japan	Fujitsu Technology Solutions (Holding) B.V. (Netherlands), Fujitsu Services Holdings PLC (U.K.), Fujitsu North America, Inc. (U.S.), Fujitsu Australia Limited (Australia), Fujitsu Asia Pte. Ltd. (Singapore), GK Software SE (Germany), Fujitsu Network Communications, Inc. (U.S.)

Note: Fujitsu FSAS Inc. changed its trade name to Fsas Technologies Inc. as of April 1, 2024.

(3) Data centers

Data centers	Tohoku Data Center (Miyagi), Tatebayashi Data Center (Gunma), Tokyo Data Center (Kanagawa), Yokohama Data Center (Kanagawa), Yokohama Kohoku Data Center (Kanagawa), Nagano Data Center (Nagano), Chubu Data Center (Aichi), Osaka Data Center (Osaka), Osaka Senri Data Center (Osaka), Akashi Data Center (Hyogo), Shikoku Data Center (Kochi), Kyushu Data Center (Fukuoka), global data centers (around the world)
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2. Employees (As of March 31, 2025)**(1) Employees of the Fujitsu Group**

	<i>Segment</i>	<i>Number of employees</i>	<i>Change from end of previous period</i>
Continuing operations	Service Solutions	79,725	(12,532)
	Hardware Solutions	15,485	4,168
	Ubiquitous Solutions	309	(32)
	Inter-segment Eliminations / Corporate	11,499	113
	Discontinued operations	5,725	(2,501)
	Total	112,743	(10,784)

Note: The Company has classified “Device Solutions” into discontinued operations since the period under review. Change of discontinued operations from the end of the previous period was calculated by comparing with the number of employees of Device Solutions at the end of the previous period.

(2) Employees of Fujitsu Limited

	<i>Segment</i>	<i>Number of employees</i>	<i>Change from end of previous period</i>
Continuing operations	Service Solutions	23,782	397
	Hardware Solutions	2,417	(1,627)
	Ubiquitous Solutions	95	(14)
	Inter-segment Eliminations / Corporate	8,556	170
	Total	34,850	(1,074)
<i>Average age</i>		43.1	<i>Average years of employment</i> 18.2

3. Principal Lenders (As of March 31, 2025)

(Millions of yen)

<i>Lender</i>	<i>Loan amount</i>
MUFG Bank, Ltd.	54,971
Sumitomo Mitsui Banking Corporation	21,110
The Hachijuni Bank, Ltd.	14,000
Sumitomo Mitsui Trust Bank, Limited	2,934
Mizuho Bank, Ltd.	1,712

Note: The Company has classified "Device Solutions" into discontinued operations since the period under review. The above loan amounts also include loans for discontinued operations.

4. Stock (As of March 31, 2025)

(1) Number of Authorized Shares:	5,000,000,000 shares
(2) Number of Outstanding Shares:	2,071,108,450 shares
(3) Stated Capital:	325,638,181,205 yen
(4) Number of Shareholders:	112,393 (+21,004 compared to the end of previous period)

Note: Based on the resolution at the meeting of the Board of Directors held on January 31, 2024, the Company effected a 10-for-1 common stock split, effective April 1, 2024, and at the same time, amended the Company's Articles of Incorporation regarding the number of authorized shares. This results in an increase of 4,500,000,000 shares in the number of authorized shares and an increase of 1,863,997,605 shares in the number of outstanding shares.

(5) Principal Shareholders

<i>Name of shareholder</i>	<i>Number of shares held (thousands)</i>	<i>Percentage of shares held (%)</i>
The Master Trust Bank of Japan, Ltd. (for trust)	302,337	17.01
Custody Bank of Japan, Ltd. (for trust)	121,861	6.86
Ichigo Trust Pte. Ltd.	60,000	3.38
STATE STREET BANK AND TRUST COMPANY 505001	55,964	3.15
JP MORGAN CHASE BANK 385632	55,645	3.13
STATE STREET BANK AND TRUST COMPANY 505103	37,467	2.11
STATE STREET BANK WEST CLIENT - TREATY 505234	36,404	2.05

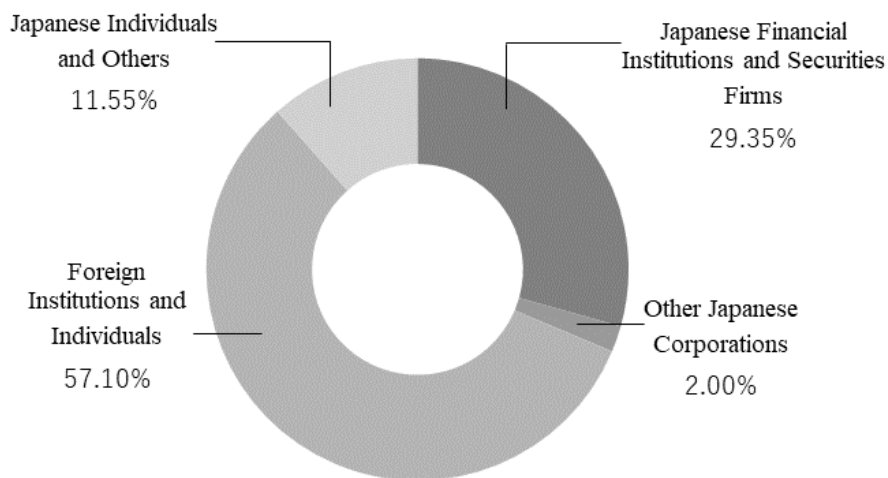
(TRANSLATION FOR REFERENCE ONLY)

<i>Name of shareholder</i>	<i>Number of shares held (thousands)</i>	<i>Percentage of shares held (%)</i>
Fujitsu Employee Shareholding Association	31,137	1.75
GOVERNMENT OF NORWAY	29,127	1.64
Asahi Mutual Life Insurance Company	26,380	1.48

Notes:

1. The investment ratio is calculated after exclusion of treasury stock holdings (293,767,505 shares).
2. The shares held by The Master Trust Bank of Japan, Ltd. (for trust) and Custody Bank of Japan, Ltd. (for trust) pertain to their trust business.

< Equity Shareholdings by Type of Shareholder >



(6) Shares Granted as Consideration for Duties Performed by the Company's Directors and Audit & Supervisory Board Members during the Period under Review

	<i>Number of shares granted</i>	<i>No. of grantees</i>
Directors (excluding External Directors)	64,871	3
External Directors	1,500	1
Audit & Supervisory Board Members	—	—

Note: The details of our stock compensation are described in "b) Compensation of Directors and Audit & Supervisory Board Members" on page A-18 of the Reports on the 125th Business Period.

(7) Important Matters Concerning the Stock

At a meeting of the Board of Directors held on April 25, 2024, the Company resolved to repurchase its common stock up to either a maximum of 150 million shares or a maximum aggregate purchase value of 180 billion yen during the period from May 1, 2024 to March 31, 2025 and purchased approximately 62.65 million shares of its common stock with the aggregate purchase value of approximately 179.9 billion yen during the period under review.

5. *Stock Acquisition Rights*

As of March 31, 2025, no stock acquisition right was granted as consideration for duties performed by the Company's Directors and Audit & Supervisory Board Members, and no stock acquisition right was granted to employees during the period under review as consideration for their duties.

6. *Overview of the Liability Limitation Agreement*

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

Note: Non-executive Directors as of March 31, 2025 refer to External Directors, and Non-Executive Chairman, Member of the Board Hidenori Furuta.

7. *Summary of the Contents of Directors and Officers Liability Insurance Policy, etc.*

The Company has concluded directors and officers liability insurance policies with some insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act. A summary of the contents of the policies and other information shall be as follows.

(1) Scope of the insured

Directors, Audit & Supervisory Board Members, Corporate Executive Officers, etc. of the Company and its consolidated subsidiaries (excluding listed subsidiaries)

(2) Summary of the contents of the insurance policies

The policies shall cover damages and legal costs, etc. incurred by the insured due to claims for damages, etc., arising from acts (including omissions) committed by the insured in an official capacity. However, in order not to compromise the proper enforcement of duties by the insured, no compensation shall be payable in the event of any claims for damages, etc. are made arising from profits or advantage being obtained illegally, or arising from dishonest acts, etc. The Company pays all premiums and the insured does not pay anything.

8. Concurrent Positions of External Directors and Audit & Supervisory Board Members and Their Activities (As of March 31, 2025)

Classification	Name	Companies at which concurrent positions are held and the positions held
		Major activities, outline of duties performed in relation to roles expected of External Directors
External Director	Chiaki Mukai	Specially Appointed Vice President of Tokyo University of Science
		Attended 100% of the Board of Directors Meetings held during the period under review. As the Company expected that she would provide fair and objective oversight and advice based on broad knowledge of science and technology and a global perspective, she appropriately fulfilled her role as an External Director of the Company by providing oversight and advice to the Board of Directors of the Company concerning business execution from diverse perspectives. She also played a leading role in enhancing deliberations as the Chairperson of the Executive Nomination Committee.
	Yoshiko Kojo	Professor of Department of International Politics, School of International Politics, Economics and Communication, Aoyama Gakuin University
		Attended 100% of the Board of Directors Meetings held during the period under review. As the Company expected that she would provide oversight and advice concerning the Company's responses to change in the external environment during a dramatic transition of international politics and initiatives for ESG management based on in-depth knowledge of international politics, she appropriately fulfilled her role as an External Director of the Company by providing oversight and advice to the Board of Directors of the Company concerning business execution from said perspectives. Additionally, she contributed to invigorating meetings of the Board of Directors lively and operating such meetings effectively and increasing corporate value, as Chairperson of the Board of Directors. She also participated in active discussions as a member of the Executive Nomination Committee.
	Kenichiro Sasae	President, The Japan Institute of International Affairs Outside Director, SEIREN CO., LTD. Outside Director, MITSUBISHI MOTORS CORPORATION Outside Director, Asahi Group Holdings, Ltd.
		Attended 100% of the Board of Directors Meetings held during the period under review. As the Company expected that he would provide oversight and advice from a global perspective based on his in-depth knowledge and practical experience of international politics and economics, he appropriately fulfilled his role as an External Director of the Company by providing fair and objective oversight and advice to the Board of Directors of the Company concerning business execution from said perspectives. He also participated in active discussions as a member of the Compensation Committee.
	Byron Gill	Managing Partner, Indus Capital Partners, LLC
		Attended 100% of the Board of Directors Meetings held during the period under review. In addition to providing oversight and advice from a fair and objective standpoint based on his extensive experience in dialogue with portfolio companies, as an institutional investor, he is expected to provide feedback from shareholders and investors to the Company's management, and he appropriately fulfilled his role as an External Director of the Company by providing oversight and advice to the Board of Directors of the Company concerning business execution from said perspectives. He also played a leading role in enhancing deliberations as the Chairperson of the Compensation Committee.

(TRANSLATION FOR REFERENCE ONLY)

<i>Classification</i>	<i>Name</i>	<i>Companies at which concurrent positions are held and the positions held Major activities, outline of duties performed in relation to roles expected of External Directors</i>
External Director	Takuya Hirano	Co-founder, Three Fields Advisors, LLC Outside Director, Yokogawa Electric Corporation Outside Director, Renesas Electronics Corporation
		Attended 100% of the Board of Directors Meetings held after taking office. As the Company expected that he would provide oversight and advice from a fair and objective perspective based on his abundant knowledge and experience of corporate management and practical operations in the technology industry, he appropriately fulfilled his role as an External Director of the Company by providing oversight and advice to the Board of Directors of the Company concerning business execution from said perspectives. He also participated in active discussions as a member of the Compensation Committee.
External Audit & Supervisory Board Member	Koji Hatsukawa	Certified Public Accountant External Director (Director who is an Audit & Supervisory Committee member), Takeda Pharmaceutical Company Limited
		Attended 93.3% (14 out of 15) of the Board of Directors Meetings and 88.9% (8 out of 9) of the Audit & Supervisory Board Meetings held during the period under review. He contributed comments mainly from the standpoint of an expert in matters relating to finance and accounting based on his wealth of experience in auditing global companies as a Certified Public Accountant.
	Hideo Makuta	Lawyer Outside Audit & Supervisory Board Member, Daicel Corporation
		Attended 93.3% (14 out of 15) of the Board of Directors Meetings and 100% of the Audit & Supervisory Board Meetings held during the period under review. He contributed comments based mainly upon his professional perspective gained through his practical experience as a prosecutor, Commissioner of the Japan Fair Trade Commission and lawyer concerning legal affairs and compliance, as well as his in-depth knowledge of matters associated with corporate management, such as the economy and society.
	Catherine O'Connell	Principal, Catherine O'Connell Law Outside Audit & Supervisory Board Member, TOYOTA MOTOR CORPORATION
		Attended 100% of the Board of Directors Meetings and Audit & Supervisory Board Meetings held during the period under review. She contributed comments from the standpoint of an expert in matters relating to legal affairs and compliance, based mainly on her wealth of practical experience at law offices in Japan and overseas as well as at the legal divisions of Japanese companies as an attorney at law in New Zealand.

Notes:

1. Director Kenichiro Sasae serves as President of the Japan Institute of International Affairs. The Company pays fees to the Japan Institute of International Affairs for its participation in the institute's public benefit service.
2. Director Byron Gill serves as Managing Partner of Indus Capital Partners, LLC. The Company has no business relationship or competitive relationship with Indus Capital Partners, LLC.
3. Director Takuya Hirano is a Co-founder of Three Fields Advisors, LLC. The Company has no business relationship or competitive relationship with Three Fields Advisors, LLC.
4. Ms. Catherine O'Connell, Audit & Supervisory Board Member, serves as Principal of Catherine O'Connell Law. The Company has no business relationship or competitive relationship with Catherine O'Connell Law.
5. The Company has business relationships with Academic Corporation Tokyo University of Science, SEIREN CO., LTD., MITSUBISHI MOTORS CORPORATION, Yokogawa Electric Corporation, Renesas Electronics Corporation, Takeda Pharmaceutical Company Limited, Daicel Corporation, and TOYOTA MOTOR CORPORATION. The Company has no special relationship with Asahi Group Holdings, Ltd.
6. During the period under review, the Company convened the Board of Directors Meetings 15 times (of which 3 were extraordinary meetings of the Board of Directors) and the Audit & Supervisory Board Meetings 9 times.

9. Other Matters Regarding Management

(1) Executive Nomination Committee and Compensation Committee

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

The Executive Nomination Committee deliberates about candidates for Director and Audit & Supervisory Board Member positions in accordance with the “Structural framework” and the “Procedures and policy of Directors and Auditors nomination/dismissal” stipulated in the Company’s Corporate Governance Policy and provides its findings or recommendations to the Board of Directors. In addition, the Compensation Committee deliberates about the level of base compensation, the method for calculating performance-based compensation, etc. in accordance with the “Procedures and policy of determining Directors and Auditors compensation” stipulated in the Company’s Corporate Governance Policy and provides its findings or recommendations to the Board of Directors.

Members of the Executive Nomination Committee and the Compensation Committee were as follows as of March 31, 2025:

<Executive Nomination Committee>

Chairperson	Chiaki Mukai
Committee Members	Yoshiko Kojo and Hidenori Furuta

<Compensation Committee>

Chairperson	Byron Gill
Committee Members	Kenichiro Sasae and Takuya Hirano

After the selection of the above committee members in June 2024, the Executive Nomination Committee met 10 times and the Compensation Committee met 6 times by the end of period under review. The Executive Nomination Committee considered a proposal for the election of Representative Directors, including the CEO, and proposals for the election of candidates for Directors, Audit & Supervisory Board Members, and the Chairperson of the Board of Directors, etc. The Compensation Committee discussed the level of compensation of Directors, details of evaluation indicators in the performance-related compensation for the Executive Directors, etc. And each Committee provided its findings to the Board of Directors by the end of the period under review.

The Executive Nomination Committee also considered the skill matrix, the succession plan for the CEO, etc. and the selection of candidates for External Directors and Audit & Supervisory Board Members, and conducted a peer-review of Non-Executive Directors, while the Compensation Committee also discussed the scope of disclosure of executive compensation.

Note: The full text of the Corporate Governance Policy is available at the Company’s website.

(<https://www.fujitsu.com/global/about/ir/library/governance/governancereport-b-en.pdf>)

(2) Independent Directors & Auditors Council

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

In the period under review, the Independent Directors and Auditors Council met 12 times. The members continuously discussed on important management matters such as progress in management policies and business restructuring of the Company and the Fujitsu Group including mergers and acquisitions and shared information and exchanged viewpoints. In addition, in cases of setting prior explanation of important matters that required resolutions at meetings of the Board of Directors as an agenda, a new framework was set up in which a body was structured as a meeting for prior explanation, and full-time Audit & Supervisory Board Members attended as observers. Said meeting was held twice during the period under review.

10. Basic Policy on the Control of the Company

Based on the fundamental recognition that the increase in corporate value creates the defensive power as a consequence, the Company is focusing on increasing corporate value and does not adopt any specific anti-takeover measures at this time.

In the case that an acquisition offer is made to the Company, the Board of Directors takes appropriate action based on the recognition that the shareholders determine where the control of the Company lies.

11. Policy on Decision Regarding Dividends of Surplus etc.

Article 40 of the Company's Articles of Incorporation grants the Board of Directors the authority to distribute surplus. As part of its basic policy on the exercise of this authority, the Company believes that a portion of surplus should continue to be paid to stable dividends of surplus to shareholders based on sustainable business growth, in accordance with the Company's capital allocation policy. In addition, while balancing the funding needs, the Company will flexibly repurchase the Company's own shares using surplus funds.

12. Accounting Auditor

(1) Name of the Accounting Auditor: Ernst & Young ShinNihon LLC

(2) Remuneration to be Paid to the Accounting Auditor

(Million yen)

a. Amount of remuneration, etc. as an accounting auditor for the period under review	581
b. Total amount of cash and other proprietary benefits that the Company and its subsidiaries should pay to the accounting auditor	1,024

Notes:

1. The Company does not clearly differentiate the amounts of compensation for an audit under the Companies Act from an audit under the Financial Instruments and Exchange Act. The Amount stated in a. thus includes the compensation for the audit under the Financial Instruments and Exchange Act.
2. Some subsidiaries of the Company receive an audit from an audit corporation other than the accounting auditor of the Company.
3. The Audit & Supervisory Board, in accordance with the Company's Standards for Nomination and Evaluation of Accounting Auditor, evaluated the performance of auditing by the accounting auditor in fiscal 2023 and, reflecting the evaluation results, reviewed appropriateness of the audit plan for fiscal 2024 in terms of the time spent on auditing and staffing, the status of execution of duties by the Accounting Auditor, and the estimated amount of remuneration. As a result, the Audit & Supervisory Board gave consent pursuant to Article 399, paragraph (1) of the Companies Act concerning compensation for the accounting auditor.

(3) Contents of Non-Audit Services

The Company commissioned the accounting auditor to provide services mainly concerning assurance report on internal control over the Company's cloud service, which fall outside the scope of audit and attestation services under Article 2, paragraph (1) of the Certified Public Accountants Act, and paid fees.

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

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

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

13. System to Ensure the Properness of Fujitsu Group Operations

(1) Policy on the Internal Control System

1. Objective

To continuously increase the corporate value of the Fujitsu Group, it is necessary to pursue management efficiency and control risks arising from business activities. Recognizing this, the Directors who are entrusted with the management of the Company by the shareholders, present to the shareholders, who have entrusted authority in them, the policy regarding a) how to practice and promote the Fujitsu Way, the principles that underlie the Fujitsu Group's conduct, and b) what systems and rules are used to pursue management efficiency and control the risks arising from the Company's business activities in the application of their management approach, as described below.

2. Systems to Ensure that Directors Carry Out Their Responsibilities Efficiently

(1) Business Execution Decision-Making and Business Execution Structure

- a. The Company has Corporate Executive Officers (hereafter, the Representative Directors and Corporate Executive Officers are referred to collectively as "Senior Management") who share business execution authority with the Representative Director, CEO, and the Corporate Executive Officers carry out decision-making and business execution in accordance with their responsibilities.
- b. The Company has a Chief Financial Officer who is responsible for managing finance and accounting for the Fujitsu Group.
- c. The Company has a Management Council made up of Representative Directors and Corporate Executive Officers to assist the Representative Director, CEO in decision-making.
- d. The Representative Director, CEO puts in place systems and procedures (Management Council rules, systems for approvals, etc.) needed for decision-making by Senior Management and employees entrusted by Senior Management with authority.
- e. The Representative Director, CEO reports financial and business results at each regularly-scheduled meeting of the Board of Directors, makes periodic reports to the Board of Directors on the operational status of the "Policy on the Internal Control System," and receives confirmation that operations are being undertaken correctly.

(2) System to Promote More Efficient Operations

- a. The Company has an organization that uses reforms to the Fujitsu Group's business processes to promote higher productivity, lower costs, and expenditure controls, and it pursues more efficient management.

3. Rules and Other Systems Relating to Managing the Risk of Losses

(1) System for Managing the Risk of Losses in General

- a. The Company aims to maintain the business continuity of the Fujitsu Group, increase its corporate value, and sustainably expand its business activities. In order to deal with risks that pose a threat to achieving these goals, the Company has a Risk Management & Compliance Committee, which oversees risk management for the entire Fujitsu Group. The Company also assigns certain departments to be responsible for specific kinds of risks, and has appropriate systems in place for risk management.
- b. The Risk Management & Compliance Committee constantly assesses and verifies risks that might cause losses to the Fujitsu Group. When risks are identified in business operations, it works to control the risk, such as by formulating preventative measures, and attempts to minimize the loss that might result.
- c. To minimize losses from any risks that arise, the Risk Management & Compliance Committee, through the systems described in paragraph "a" above, periodically analyzes any risks that have arisen, reports on them to the Board of Directors and any other relevant person or organization, and takes action to prevent a recurrence of such risks.

(2) Systems for Managing the Specific Risks of Losses

In addition to the Risk Management & Compliance Committee, the Company has risk management systems that include the following to deal with specific risks of losses it identifies in its business operations.

a. Risk Management System for Defects in Products and Services

- The Company has a quality-assurance system designed to analyze defects in Fujitsu Group products and services and prevent them from recurring. In particular, it has an organization that continuously works to improve quality, contracts, and rules to ensure that social infrastructure systems run reliably.

b. Management System for Contracted Development Projects

- To prevent the emergence of unprofitable projects among its contracted development projects, such as systems integration projects, the Company has a specialized organization that monitors risks relating to project negotiations and project execution.
- This specialized organization creates a monitoring process for contract amounts, contract terms, quality, expenses, deadlines and other relevant items, and monitors projects under consistent conditions.
- Based on the results of this monitoring, the specialized organization issues corrective recommendations to relevant projects.

c. Security System

- The Company has an organization to deal with cyber-terrorism, unauthorized use, and data breaches in the services it provides.

(3) Responses to Management Risks

a. System to Manage Financial Risks

- Financial risks are under the purview of the Chief Financial Officer.

b. Systems to Manage Other Forms of Management Risk

- Other forms of management risks, including market trends and price competition, are handled by each department according to a division of responsibilities established by the Representative Director, CEO.

4. Systems to Ensure that Business Execution of Directors and Employees Complies with Laws, Regulations and Articles of Incorporation

(1) Compliance System

a. Senior Management adheres to the Code of Conduct in the Fujitsu Way as a basic philosophy for compliance issues, including compliance with laws, regulations and the articles of incorporation, and proactively promotes the Group's overall compliance based upon its ethics as Senior Management.

b. The Risk Management & Compliance Committee has purview over compliance matters for the Fujitsu Group, which it executes as follows.

- It ensures scrupulous adherence to the Code of Conduct in the Fujitsu Way among all Fujitsu Group employees through ongoing educational efforts.
- It clarifies the laws and regulations that relate to the Fujitsu Group's business activities and establishes internal rules, education, and oversight systems to ensure compliance with them to promote compliance throughout the Group.
- When Senior Management or employee recognizes a serious compliance violation or when a situation may appear to present one relating to the performance of the responsibilities of Senior Management or an employee, the Risk Management & Compliance Committee makes such person immediately report such fact to the Committee via the normal chain of command.
- To ensure that compliance problems can be discovered quickly and handled appropriately through an alternative communications channel apart from the normal chain of command, it establishes and operates an internal reporting system that safeguards the reporter.
- The Risk Management & Compliance Committee immediately reports serious compliance violations or situations that may appear to present one to the Board of Directors and any other relevant person or organization.

(2) System to Ensure Proper Financial Reporting

- a. The Company has, apart from the organization that prepares financial reports, an organization under the Chief Financial Officer responsible for establishing, operating, and evaluating internal control over Fujitsu Group financial reporting, to ensure the effectiveness and reliability of financial reports.
- b. These organizations create rules for establishing, operating, and evaluating internal control over the unified accounting policies shared throughout the Fujitsu Group and financial reporting.
- c. The organization responsible for establishing, operating, and evaluating internal control over financial reporting periodically reports to the Board of Directors and any other relevant person or organization the results of evaluations on the effectiveness of the internal control.

(3) System for Information Disclosure

The Company has a system to ensure timely and fair disclosure of company information.

(4) Internal Auditing System

- a. The Company has an organization that conducts internal audits of business execution (the “Internal Auditing Organization”), and ensures its independence.
- b. The Internal Auditing Organization establishes internal auditing rules and conducts audits based on those rules.
- c. The Internal Auditing Organization liaises with internal auditing organizations in other Group companies to internally audit the Fujitsu Group as a whole.
- d. The results of internal audits are periodically reported to the Board of Directors, Audit & Supervisory Board Members and other relevant person or organization of the Company and of other relevant Group companies.

5. System for Storing and Managing Information in Accordance with the Execution of Directors’ Responsibilities

- a. Senior Management assigns people with the responsibility for storing and managing documents, and, in accordance with internal rules, appropriately stores and manages the following documents (including electronic records) related to the execution of Senior Management’ responsibilities, along with other important information.
 - Minutes of Annual Shareholders’ Meetings and related materials.
 - Minutes of Board of Directors Meetings and related materials.
 - Other minutes and related materials involved in important decision-making meetings.
 - Approval documents and related materials involving Senior Management decisions.
 - Other important documents that relate to the performance of Senior Management’s responsibilities.
- b. To verify the status of business execution, Directors and Audit & Supervisory Board Members have access at any time to the documents in paragraph “a” above, and people with the responsibility for storing and managing documents establish systems to enable Directors and Audit & Supervisory Board Members to access the documents at any time in response to requests for the documents by Directors or Audit & Supervisory Board Members.

6. System to Ensure the Properness of Fujitsu Group Operations

- a. In addition to creating and instituting the above systems and rules for the Fujitsu Group, the Company establishes systems for receiving reports from the Senior Management of Group companies on matters relating to their business execution. Moreover, the Company guides, supports, and supervises the establishment of efficient, legal, and appropriate business execution systems of Group companies.
- b. The Company institutes standard rules regarding the delegation of authority from the Representative Director, CEO to Group companies, such as the scope of decision-making authority and the decision-making process relating to important matters at Group companies.
- c. The Representative Director, CEO determines what each Group company’s divisional area of responsibility is, and the Corporate Executive Officer who is responsible for the business execution for each divisional area, verifies the implementation and compliance with paragraphs “a” and “b” above through each Group company’s president, CEO, etc.
- d. The Senior Management of the Company and other Group companies share information on Fujitsu Group management strategies and on issues relating to the achievement of Group goals through periodical meetings or other sufficient measures, and cooperate on Group business management.

7. System to Ensure the Properness of Audits by the Audit & Supervisory Board Members

(1) Ensuring the Independence of Audit & Supervisory Board Members

- a. The Company has an Auditing Support Division with employees assigned to assist Audit & Supervisory Board Members in carrying out their duties. Appropriate employees with the ability and expertise required by the Audit & Supervisory Board Members are assigned to the Division.
- b. In order to ensure the independence of the employees in the Auditing Support Division and to ensure that they will implement the instructions of Audit & Supervisory Board Members, Senior Management shall receive the consent of Audit & Supervisory Board Members on matters relating to the appointment, transfer and compensation of employees in the Auditing Support Division.
- c. In principle, Senior Management does not assign employees in the Auditing Support Division to other divisions or duties.

In instances, however, where a need arises to give dual assignments to employees with specialized knowledge in response to requests from Audit & Supervisory Board Members, care is given to ensuring their independence in accordance with paragraph “b” above.

(2) Reporting System

- a. Senior Management of Fujitsu and Group companies provides the Audit & Supervisory Board Members with the opportunity to attend important meetings.
- b. In cases where risks arise that could affect management or financial results, or when there is an awareness of major compliance violations or the possibility of major compliance violations in connection with the execution of business activities, Senior Management of Fujitsu and Group companies immediately report them to the Audit & Supervisory Board Members.
- c. Senior Management of Fujitsu and Group companies periodically report to the Audit & Supervisory Board Members on the status of business execution.
- d. Senior Management of Fujitsu and Group companies shall not subject senior management or employees to adverse treatment for the reason that reports were submitted in accordance with paragraphs “b” or “c” above.

(3) Ensuring the Effectiveness of Audits by the Audit & Supervisory Board Members

- a. Senior Management of Fujitsu and Group companies periodically exchange information with the Audit & Supervisory Board Members.
- b. With respect to expenses incurred by Audit & Supervisory Board Members in the execution of their duties in accordance with Article 388 of the Companies Act, Senior Management shall determine the methods for processing the requests stipulated in Article 388.
- c. The Internal Auditing Organization periodically reports audit results to the Audit & Supervisory Board Members.

(2) Overview of the Status of Operation of the System to Ensure the Properness of Fujitsu Group Operations

1. Systems to Ensure that Directors Carry Out Their Responsibilities Efficiently

The Company has Corporate Executive Officers who share business execution authority with the Representative Director, CEO, and the Corporate Executive Officers carry out decision-making and business execution in their responsibilities that are determined when they are elected at meetings of the Board of Directors. In addition, CEO has Chief Financial Officer (CFO) in place, makes CFO supervise the finance and accounting of the Fujitsu Group and appoints other chief officers (CxO) out of Corporate Executive Officers to execute duties, in accordance with Rules Relating to Division of Duties and Authority to have them execute their responsible duties.

Moreover, the Company holds the Management Council twice a month, in principle, and assists the Representative Director, CEO in decision-making. The Management Council consists of the minimum number of members, which include the CEO. By operating the Management Council as a body that enables timely discussion of and important decision-making on the matters concerning business execution, the Council facilitates decision-making by Representative Directors and enhances the efficiency and the speed of management. In addition, the Company has, in order to further increase the speed of management, established the approval standard accompanied by extensive delegation of duties from the Representative Directors to other executives and employees. The Representative Director, CEO and the Executive Directors

report financial and business results at each regularly-scheduled meeting of the Board of Directors.

2. Risk Management System and Compliance System

The Company positions the risk management system and the compliance system at the heart of the “Policy on the Internal Control System” and the Risk Management & Compliance Committee (the “Committee”) under the policy directly reports to the Board of Directors and is chaired by the Representative Director, CEO and consists of Executive Directors (CFO and Chief Human Resource Officer (CHRO)) and four Corporate Executive Officers (Chief Risk Management Officer (CRMO), Chief Information Security Officer (CISO), Chief Quality Officer (CQO), and General Counsel).

The Committee investigates critical risks as part of the Fujitsu Group’s potential risk management with respect to business execution risks, including compliance violations, information security issues, and defects or deficiencies in products and services. In addition, the Committee has established and operates a system that covers not only the Company but the Fujitsu Group and ensures reporting to the Committee in a timely manner when such risks arise. In accordance with such reporting, it decides measures to prevent the recognized risks in business operations from arising and handle loss caused by the risks that arose. The Committee is held every month, in principle, for the purpose of thoroughly practicing risk-management-based corporate management led by Representative Director, CEO (met 16 times during the period under review). The Committee forms a system that decides on even specific measures and carries them out promptly, including company-wide measures and response to individual events related to information security and system quality.

In the course of operating the systems described above, not to mention the case of risk occurrence, the Committee reports on activities that it performs each month to the Board of Directors and is supervised.

As a system to ensure timely reporting from the Fujitsu Group to the Committee, Regional Risk Management & Compliance Committees have been established for individual Regions, which are overseas geographical business divisions of the Fujitsu Group. These regional committees are positioned under the Committee to function so that the entire Fujitsu Group is covered.

For strengthening a risk management system, in the information security field, the Company has appointed a dedicated CISO in accordance with the Fujitsu Group Information Security Policy (Global Security Policy). Further, under the CISO, regional CISOs have been appointed in individual Regions, which are overseas geographical business divisions of the Fujitsu Group, and they formulate and implement information security measures. In the quality field, the Company has appointed CQO as the position dedicated to be responsible for quality in the whole of the Fujitsu Group, thereby responding to company-wide measures and individual events concerning system quality. In parallel, the person responsible for quality control is placed in each operational division, region and group company to supervise group-wide quality control under CQO.

Moreover, in the area of compliance, the Global Business Standards outlining the Fujitsu Way Code of Conduct (We respect human rights. We protect and respect intellectual property. We comply with all laws and regulations. We maintain confidentiality. We act with fairness in our business dealings. We do not use our position in our organization for personal gain.) in a manner befitting executives and employees are available in 14 languages and used as a guideline and standards to which all officers and employees of the Fujitsu Group should anchor their responsible business and behavior. Under the Global Business Standards, the Company has established the Global Compliance Program, and is sending out top management messages, developing rules, and implementing various education programs and awareness raising activities to maintain and improve the structure for legal compliance across the Fujitsu Group.

Regarding the internal reporting system, the Fujitsu Group has established points of contact inside and outside the Company, operated as Fujitsu Alert, to receive reports from all Group executives and employees and offer consultations. Group companies also have established and are operating their own points of contact for reporting and consultation. Based on these systems, the Fujitsu Group aims to put the Code of Conduct into practice by working a self-cleansing function against unlawful or unfair action through an early detection and remediation of it.

3. System to Ensure Proper Financial Reporting and Internal Auditing System

The organization responsible for internal control and internal audits has established the system and assesses internal control over financial reporting throughout the Fujitsu Group, and reports the activity status and assessment results to the Representative Director, CEO, CFO, Audit & Supervisory Board Members and the Board of Directors in accordance with the principles of the “Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting” published by the Business Accounting Council.

In addition, the organization responsible for the Company's internal control and internal audits has conducted internal audits in accordance with Rules relating to internal audits. The organization reports the results of all internal audits to General Counsel (Officer in charge of internal audits), CFO and full-time Audit & Supervisory Board Members each time internal audits are completed, and periodically makes a summary audit report to the Audit & Supervisory Board and accounting auditor. Further, the organization reports on internal audits to the Board of Directors.

4. System to Ensure the Properness of Fujitsu Group Operations

The systems described above cover the Fujitsu Group.

Especially for risk management and compliance systems are as outlined in item 2 above. In addition, as a part of a system to ensure the properness of Fujitsu Group operations, the Company has established the Rules for Delegation of Authority that determine authority for decision-making on important matters of Fujitsu Group companies (excluding certain subsidiaries), the decision-making process and the reporting obligations. The Company has its Group companies comply with the Rules. In this way, the Company has put in place systems for decision-making on and reporting of important matters of the Group.

The status of operation of the internal control system centering on the above is periodically reported to the Board of Directors and Audit & Supervisory Board Members.

Consolidated Statement of Financial Position

(As of March 31, 2025)

		<u>(Millions of yen)</u>
Assets		
Current assets:		
Cash and cash equivalents	Y	236,079
Trade receivables		894,877
Other receivables		60,502
Contract assets		196,759
Inventories		205,900
Others		109,422
Subtotal		1,703,539
Assets held for sale		414,042
Total current assets		<u>2,117,581</u>
Non-current assets:		
Property, plant and equipment net of accumulated depreciation		368,969
Goodwill		78,328
Intangible assets		229,196
Investments accounted for using the equity method		138,292
Other investments		122,496
Retirement benefit assets		141,472
Deferred tax assets		227,490
Others		73,984
Total non-current assets		<u>1,380,227</u>
Total assets	Y	<u><u>3,497,808</u></u>

(TRANSLATION FOR REFERENCE ONLY)

		(Millions of yen)
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade payables	Y	400,932
Other payables		378,557
Contract liabilities		174,651
Current portion of long-term debt and lease liabilities		146,992
Accrued income taxes		60,221
Provisions		32,742
Others		41,276
Subtotal		1,235,371
Liabilities directly associated with assets held for sale		116,707
Total current liabilities		1,352,078
Non-current liabilities:		
Long-term debt and lease liabilities		100,100
Retirement benefit liabilities		86,189
Provisions		23,785
Deferred tax liabilities		14,048
Others		19,541
Total non-current liabilities		243,663
Total liabilities		1,595,741
Equity		
Share capital		325,638
Capital surplus		221,596
Treasury Stock, at cost		(559,726)
Retained earnings		1,700,968
Other components of equity		52,489
Total equity attributable to owners of parent		1,740,965
Non-controlling interests		161,102
Total Equity		1,902,067
Total Liabilities and Equity	Y	3,497,808

Consolidated Statement of Profit or Loss

(from April 1, 2024 to March 31, 2025)

		(Millions of yen)
Continuing operation		
Revenue	Y	3,550,116
Cost of sales		(2,382,138)
Gross profit		1,167,978
Selling, general and administrative expenses		(887,146)
Other income		50,980
Other expenses		(66,723)
Operating profit		265,089
Financial income		11,565
Financial expenses		(11,457)
Income from investments accounted for using the equity method, net		8,248
Profit before income taxes from continuing operation		273,445
Income tax expenses		(63,870)
Profit from continuing operation		209,575
Discontinued operation		
Profit from discontinued operation		22,551
Profit for the year	Y	232,126
Profit for the year attributable to:		
Owners of the parent		219,807
Non-controlling interests		12,319
Total	Y	232,126

Consolidated Statement of Changes in Equity

(from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity Attributable to Owners of the Parent			
	Share Capital	Capital surplus	Treasury Stock, at cost	Retained earnings
Balance at April 1, 2024	325,638	239,856	(380,881)	1,487,397
Profit for the year	–	–	–	219,807
Other comprehensive income	–	–	–	–
Total comprehensive income for the year	–	–	–	219,807
Purchase of treasury stock	–	–	(180,023)	–
Disposal of treasury stock	–	–	1	–
Share-based payment transactions	–	1,491	1,177	(10)
Dividends paid	–	–	–	(49,534)
Transfer to retained earnings	–	–	–	39,874
Acquisition (disposal) of non-controlling interests	–	(16,091)	–	–
Changes in ownership interests in subsidiaries	–	(3,660)	–	3,685
Others	–	–	–	(251)
Balance at March 31, 2025	325,638	221,596	(559,726)	1,700,968

	Equity Attributable to Owners of the Parent					
	Other Components of Equity					Total Equity Attributable to Owners of the Parent
	Foreign Currency Translation Adjustment	Cash Flow Hedges	Financial Assets Measured at Fair Value through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Total Other Components of Equity	
Balance at April 1, 2024	30,757	35	49,591	–	80,383	1,752,393
Profit	–	–	–	–	–	219,807
Other comprehensive income	(6,742)	(51)	(1,998)	20,800	12,009	12,009
Total comprehensive income for the year	(6,742)	(51)	(1,998)	20,800	12,009	231,816
Purchase of treasury stock	–	–	–	–	–	(180,023)
Disposal of treasury stock	–	–	–	–	–	1
Share-based payment transactions	–	–	–	–	–	2,658
Dividends paid	–	–	–	–	–	(49,534)
Transfer to retained earnings	–	–	(19,074)	(20,800)	(39,874)	–
Acquisition (disposal) of non-controlling interests	–	–	–	–	–	(16,091)
Changes in ownership interests in subsidiaries	–	1	(26)	–	(25)	–
Others	–	–	(4)	–	(4)	(255)
Balance at March 31, 2025	24,015	(15)	28,489	–	52,489	1,740,965

(TRANSLATION FOR REFERENCE ONLY)

	Non-controlling interests	Total Equity
Balance at April 1, 2024	166,441	1,918,834
Profit	12,319	232,126
Other comprehensive income	815	12,824
Total comprehensive income for the year	13,134	244,950
Purchase of treasury stock	–	(180,023)
Disposal of treasury stock	–	1
Share-based payment transactions	–	2,658
Dividends paid	(969)	(50,503)
Transfer to retained earnings	–	–
Acquisition (disposal) of non-controlling interests	(8,407)	(24,498)
Changes in ownership interests in subsidiaries	(9,094)	(9,094)
Others	(3)	(258)
Balance at March 31, 2025	161,102	1,902,067

**[Unaudited] Simplified Consolidated Statement of Comprehensive
Income**

(from April 1, 2024 to March 31, 2025)

		<u>(Millions of yen)</u>
Profit for the year	Y	232,126
Other Comprehensive Income		12,824
Total Comprehensive Income		244,950
Total Comprehensive Income attributable to:		
Owners of the parent		231,816
Non-controlling interests		13,134
Total	Y	244,950

[Unaudited] Simplified Consolidated Statement of Cash Flows

(from April 1, 2024 to March 31, 2025)

		<u>(Millions of yen)</u>
1. Cash flows from operating activities	Y	303,882
2. Cash flows from investing activities		(89,176)
3. Cash flows from financing activities		(240,454)
4. Cash and cash equivalents at end of year	Y	320,099

- (Notes)
1. “[Unaudited] Simplified Consolidated Statement of Comprehensive Income” and “[Unaudited] Simplified Consolidated Statement of Cash Flows” are not included in the consolidated financial statements defined by the Companies Act. However, they are provided as reference.
 2. Major components of other comprehensive income are remeasurement of defined benefit plans, foreign currency translation adjustments, and financial assets measured at fair value through other comprehensive income.
 3. Free cash flow is 214,706 million yen.
Free cash flow: Total of cash flows from operating and investing activities
 4. The cash and cash equivalents at end of year of 320,099 million yen in the Simplified Consolidated Statement of Cash Flows includes cash and cash equivalents of 84,020 million yen classified as assets held for sale.

Notes to Consolidated Financial Statements

[Notes to Significant Items Concerning Preparation of Consolidated Financial Statements and Changes in Scope of Consolidation or Application of Equity Method]

1. The Company prepares for consolidated financial statements in accordance with the Regulation on Corporate Accounting (Ministry of Justice Order No. 13 of February 7, 2006 and the last amendment of Ministry of Justice Order No. 5 of February 28, 2025). The consolidated financial statements are prepared in conformity with the International Financial Reporting Standards (IFRS) as per Article 120, paragraph (1) of the Regulation on Corporate Accounting. Following the latter part of the paragraph, some disclosure items required under IFRS are omitted in these notes.

2. Scope of consolidation

This consolidated financial report is prepared with consolidation of 271 major subsidiaries. The scope of consolidation for this fiscal year has been changed in that 4 companies were added and 24 companies were subtracted. Major additions and subtractions are described below. Names of the major subsidiaries are omitted in this note because they are noted in “1. Business Overview (4) The Fujitsu Group” of the Business Report.

Newly consolidated subsidiaries as a result of acquisition or formation: 4 companies
Subtracted due to liquidation or sale: 20 companies
Subtracted due to merger: 4 companies

3. Application of the equity method

Investments in associates are accounted for using the equity method and the number of companies to which the method applies is 14.

Major associates are Fujitsu General Limited, Fujitsu Client Computing Ltd., and FLCS Co., Ltd. The scope of application of the equity method for this fiscal year has been changed in that 1 company was subtracted.

(Note) The Company does not treat JECC Corporation as an associate although the Company holds more than 20% of the outstanding shares of JECC Corporation. This is because JECC Corporation is a special corporation operated under the joint investments of 6 companies, including Japanese computer manufacturers, to develop the information processing industry in Japan.

4. Significant accounting policies

(1) Valuation standards and methods for assets

(a) Financial assets

(i) Non-derivative financial assets

Financial assets are classified as either financial assets measured at amortized cost or as financial assets measured at fair value through either profit or loss or other comprehensive income. They are classified upon initial recognition.

Financial assets are measured at fair value plus transaction costs unless these are classified as financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets are subsequently measured at amortized cost using the effective interest method less any impairment losses, and amortization charge for each period is recognized as financial income in profit or loss.

Financial assets measured at fair value

Financial assets are classified as financial assets measured at fair value unless these are measured at amortized cost. Equity instruments measured at fair value are individually designated as being measured either through profit or loss or through other comprehensive income, except for those that are held for sale, which are measured through profit or loss, and this designation must be applied continuously.

The financial assets are subsequently measured at fair value at the end of the reporting period, and the gain or loss is recognized in profit or loss or in other comprehensive income according to their classification. When a financial asset measured at fair value through other comprehensive income is derecognized, the cumulative gain or loss previously recognized through other comprehensive income is reclassified to retained earnings.

(ii) Derivative financial assets

Derivatives are initially and subsequently measured at fair value.

(b) Non-financial assets

(i) Inventories

Inventories are measured at cost. However, should the net realizable value ("NRV") at the reporting date fall below the cost, inventories are measured at the NRV, with the difference in value between the cost and the NRV, in principle, booked as cost of sales.

The cost of inventories comprises costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories of items that are interchangeable is determined by the moving average cost method or the periodic average method, whereas the cost of inventories of items that are not interchangeable is determined by the specific identification method.

NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated direct selling expenses. Inventories that are slow moving and inventories held for long-term maintenance contracts are measured at the NRV that reflects future demand and market trends.

(ii) Property, plant, and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

(iii) Goodwill

Goodwill acquired in a business combination is measured at cost less accumulated impairment losses.

(iv) Intangible assets

Intangible assets are measured at cost less accumulated amortization and impairment losses.

(v) Impairment

If there is an indication of impairment for non-financial assets other than inventories, the asset's recoverable amount is estimated and the asset is tested for impairment. Goodwill and intangible assets with indefinite useful lives are tested for impairment both annually and when there is an indication of impairment. An impairment loss is recognized if the recoverable amount of an asset or cash-generating unit is less than its carrying amount.

(2) Depreciation method for assets

(a) Property, plant, and equipment (excluding right-of-use assets)

The depreciable amount (cost less residual value) for items of property, plant, and equipment is allocated on a systematic basis over its useful life. The Group, in principle, adopts the straight-line method of depreciation reflecting the pattern of consumption (matching of costs with revenue) of the future economic benefits from the asset.

The estimated useful lives for significant categories of property, plant, and equipment are as follows:

- Buildings and structures 7 to 50 years
- Machinery and equipment 3 to 7 years
- Tools, fixtures and fittings 2 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

(b) Intangible assets (excluding right-of-use assets)

Computer Software held for sale is amortized by a method based on projected sales volume over the estimated useful life. Software for internal use and other intangible assets with finite useful lives are amortized over their respective useful lives using, in principle, the straight-line method to reflect the pattern of consumption of the expected future benefits from the assets.

The estimated useful lives are as follows:

- Software held for sale 3 years
- Software for internal use Within 10 years

Amortization methods, useful lives and residual values are reviewed and adjusted if necessary.

(c) Right-of-use assets

Right-of-use assets included in property, plant, and equipment and in intangible assets, which represent the right of a lessee to use the underlying asset for the lease term, are depreciated on a straight-line basis from the commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term.

(3) Accounting policies for provisions

A provision is recognized if, as result of a past event, the Group has a present legal or constructive

obligation that can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are discounted to present value using a pre-tax rate that reflects the time value of money and risks specific to the liability.

(4) Retirement benefit plan

Defined benefit plan

The Group's net defined benefit liability (asset) is measured at the present value of defined benefit obligation less the fair value of plan assets. The defined benefit liability in respect of each defined benefit plan is calculated separately by estimating the amount of future benefits employees have earned in return for services rendered to date and discounted to present value. The calculation is performed in each reporting period by qualified actuaries using the projected unit credit method. The discount rate used is the yield at the reporting date on high-quality corporate bonds that have maturity dates approximate to the terms of the Group's obligations that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements of the net defined benefit liability (asset) are recognized, after adjusting for tax effects, under other comprehensive income and immediately reflected in retained earnings.

Defined contribution plan

Contributions to defined contribution plans are recognized as employee costs in profit or loss in the period when the service is provided by the employee.

The risk-sharing corporate pension plan is classified as a defined contribution plan because the Group substantively has no further obligation for additional contributions.

(5) Revenue

(a) Service revenue

Supply of service usually corresponds to any of the following criteria: a) the customer simultaneously receives and consumes all of the benefits provided by the Group as the Group performs; b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date and, therefore, is a performance obligation that is satisfied over time. If the progress toward complete satisfaction of the performance obligation can be reasonably measured, revenue from a service is recognized by measuring the progress. If the progress cannot be reasonably measured, revenue from a service is recognized only to the extent of the costs incurred until such time that the outcome of the performance obligation can be reasonably measured.

Revenue under service contracts in which the Group undertakes an obligation to provide deliverables, such as turnkey contracts (systems integration etc.), is in principle recognized by the method of measuring the progress based on the costs incurred to date as a percentage of the total estimated project costs. This is because, in such service contracts, costs are incurred by the Group during the performance of the contracts, and as tasks progress, services tailored for the customer will be near completion, a state where the services are available for the customer. When milestones for the obligations to be performed by the Group are defined at contract inception, revenue is recognized based on completion of the contractual milestones.

Regarding ongoing service contracts (outsourcing service, maintenance service, etc.), services requested by the customer are provided over the contractual period. To promptly respond to customers' requests, the Group is required to always stand ready, and thus, such services are provided over a period including standby time. For this reason, revenue is recognized by measuring the progress based on the period ratio of services already provided over the whole service period. When services among outsourcing and maintenance services, etc., are charged on a per unit basis, revenue is recognized when the service is rendered and is billed or billable.

Where changes occur in the initial estimates of revenues, measure of progress, and costs incurred for a contract, the accumulated impact arising from a change of estimates is recognized in profit or loss in the period in which the changes become obvious and possible to be estimated.

(b) Hardware product revenue

Supply of stand-alone hardware products is a performance obligation satisfied at a point in time because it is usually not a performance obligation satisfied over time. In such case, at the point when the control of the asset is transferred to the customer, the amount of the transaction price allocated in proportion to the performance obligation is recognized as revenue. To determine the

point in time at which the control is transferred to the customer, the Group considers whether or not a) the Group has a present right to payment for the asset; b) the customer has legal title to the asset; c) the Group has transferred physical possession of the asset; d) the customer has the significant risks and rewards related to the ownership of the asset; and e) the customer has accepted the asset.

Revenue on hardware requiring significant services including installation, such as servers and network products, is in principle recognized upon the customer's acceptance.

Revenue on standard hardware, such as personal computers, is recognized in principle upon delivery, where the control of the hardware is transferred to the customer.

On the other hand, for commissioned manufacturing and manufacturing contracting, in cases where the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date, the Group recognizes revenue in accordance with the progress as measured using a method that faithfully depicts the completion of the performance obligation.

The Group provides various marketing programs to customers in various sales channels, such as volume discounts and sales incentives. When there is a possibility of subsequent variability in the consideration paid to these customers, the variable consideration is estimated and included in revenue to the extent that it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved. To estimate the variable consideration, the Group uses either the expected value method or the most likely amount method, selecting the method that enables the most appropriate estimate of the amount of the consideration for these rights to be obtained.

(c) Licensing revenue

For supply of licenses, revenue is recognized over time as a right to access the Group's intellectual property (a right to access) when all of the following criteria are met. If any of the criteria is not met, revenue is recognized at a point in time for a right to use the Group's intellectual property (a right to use). The criteria are a) the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights; b) the rights granted by the license directly expose the customer to any positive or negative effects of the Group's activities; and c) those activities do not result in the transfer of a good or service to the customer as those activities occur. For software, the licenses of which constitute the principal licenses of the Group, usually after supply of a license, the Group is not obligated to undertake any activities to change the form or the functionality of the intellectual property or activities to maintain the value of the intellectual

property over the license period. Since none of the above criteria is therefore not met, the revenue is recognized at a point in time as right to use.

When software is provided over a cloud service, revenue is usually recognized at the same time as the cloud service revenue as a single performance obligation.

When software is sold bundled with software support, revenue for the software and revenue for the software support are usually recognized separately as distinct performance obligations. However, when the customer is unable to receive the benefit of the software without the supply of the software support service, the revenue is recognized at the same time as the software support revenue as a single performance obligation.

For software version-up rights that are sold separately from a license, revenue is usually recognized at the time when the version-up rights are provided, treating the software and version-up rights as distinct performance obligations. On the other hand, if the software version-up rights as a part of software support are provided, their revenue is recognized at the same time as a single performance obligation.

(d) Contracts with multiple deliverables

Contracts with multiple deliverables represent one contract that consists of several kinds of goods or services, such as supply of hardware and related services or supply of software sales and support services.

Goods or services promised to a customer are identified as distinct performance obligation if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract).

To allocate the transaction price to each performance obligation in a contract with multiple deliverables on a relative stand-alone selling price basis, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to that stand-alone selling price. If a stand-alone selling price is not directly observable, it is estimated based on method such as estimated costs plus a margin approach for the respective performance obligations in the contract with multiple deliverables, and the transaction price is allocated.

(e) Agent transactions

For procurement and sales of goods and services by the Group, revenue is recognized as commission fees for transactions where the Group does not have control of the goods and services

before their transfer to the customer, in other words, transactions where the Group has arranged the procurement as the customer's agent. To determine whether or not the Group has control over goods and services before their transfer to the customer, the following aspects are considered: a) whether the Group is primarily responsible for fulfilling the promise to provide the specified good or service; b) whether the Group has inventory risk before the specified good or service is transferred to a customer, or after transfer of control to the customer; and c) whether the Group has discretion in establishing the price for the good or service.

(6) Other significant principles for the preparation of consolidated financial statements

(a) Application of a group relief system

A group relief system is applied.

(b) Discontinued operation

The Group classifies an independent business that has been disposed of or satisfied the requirements for an operation held for sales into discontinued operation.

[Notes to Accounting Estimates]

Items recorded in the consolidated financial statements with accounting estimates for this fiscal year and, that can have a significant effect on the consolidated financial statements for the next fiscal year are as follows.

1. Revenue recognition

Contract assets amounting to 196,759 million yen are recorded on the consolidated statement of financial position.

Revenue and costs under service contracts in which the Group undertakes an obligation to provide deliverables, such as turnkey contracts, are recognized by reference to the stage of completion when the outcome of the contract can be reliably estimated. Contract assets are primarily unbilled trade receivables related to revenue and are transferred to trade receivables when the customer accept the deliverables.

The Group, in principle, calculates the progress toward completion with cost incurred to date as a percentage of total estimated project costs. Total estimated project costs are estimated based on the specifications, working hours, and contract-related risks, etc., of each project. Revenue and costs can be revised due to reasons such as additional cost incurred, because revenue and costs depend on the estimates of total project revenue and costs as well as the measurement of the progress.

2. Property, plant, and equipment

Property, plant, and equipment amounting to 368,969 million yen are recorded on the consolidated statement of financial position.

Depreciation of property, plant and equipment is calculated primarily using the straight-line method, based on the estimated useful life that reflects the period in which the asset's future economic benefits are expected to be consumed. An impairment loss could be recognized if there is a decrease in the expected future cash flows from the asset as a result of underutilization of production facilities or a decrease in the capacity utilization rate associated with rapid changes in the business environment as well as business realignment.

3. Goodwill

Goodwill amounting to 78,328 million yen is recorded on the consolidated statement of financial position.

Goodwill is tested for impairment both annually and when there is an indication of impairment. An impairment loss is recognized if the recoverable amount of cash-generating unit (CGU) to which goodwill is allocated is less than its carrying amount.

The recoverable amounts of a CGU are in most cases measured at value in use. Significant assumptions in estimating value in use are future cash flows based on the Group's medium-term management plan (generally covering three years) approved by management, the long-term average growth rate for subsequent periods incorporating future uncertainties, and the discount rate based on the weighted average cost of capital. These assumptions represent management's best estimates and judgment. Impairment losses could be recognized when the assumptions are revised as a result of a change in the business environment or other changes in the circumstances.

4. Intangible assets

Intangible assets amounting to 229,196 million yen are recorded on the consolidated statement of financial position.

Computer Software held for sale is amortized by a method based on projected sales volume over the estimated useful life. Software for internal use is amortized on a straight-line basis, in principle, to reflect the pattern in which asset's future economic benefits are expected to be consumed by the Group. Impairment losses could be recognized if there is a decrease in the expected future cash flows from the asset such as sales volumes failing to meet initial projected volumes due to changes in the business environment, and there is a risk that amortization expenses for the reporting period may increase if the actual useful life is less than the original estimate.

5. Deferred tax assets

Deferred tax assets amounting to 227,490 million yen are recorded on the consolidated statement of financial position.

Decisions on the recoverability of a deferred tax asset are based on the taxable profit calculated using future business plans and a deferred tax asset is recognized for carryforward unused tax losses, unused tax credits, and deductible temporary differences to the extent that is probable that they can be utilized. If no sufficient taxable profit is considered to be available to allow the benefit of part or all of that deferred tax asset due to changes in business environment, the amount of deferred tax assets may be reduced and additional expenses may incur.

6. Provisions

Provision for restructuring

Provision for restructuring charges amounting to 13,838 million yen are recorded on the consolidated statement of financial position.

A provision is recognized for the estimated costs of restructuring such as personnel rationalization and disposal of business. The costs are estimated based on the announced plan and the additional expenses may be incurred or a reversal of expenses may be recorded when the plan is reviewed as a result of sudden change in the business environment.

Provision for loss on orders received

Provision for loss on orders received amounting to 6,725 million yen are recorded on the consolidated statement of financial position.

The Group records provisions for losses on service contracts in which the Group undertakes an obligation to provide deliverables, such as turnkey contracts, if it is probable that the total estimated project costs exceed the total estimated project revenues and the amount of losses can be reliably measured. Total estimated project costs are estimated based on the specifications, working hours, and contract-related risks, etc., of each project and the Group may revise the originally estimated total project costs due to the incurrence of additional cost, etc., as well as the possibility of incurring additional expenses or the recording of a reversal of expenses.

7. Defined benefit plan

Retirement benefit assets amounting to 141,472 million yen and retirement benefit liabilities amounting to 86,189 million yen are recorded on the consolidated statement of financial position.

The Group has both defined benefit and defined contribution retirement benefit plans. Net defined benefit liability could be worsened if the fair value of plan assets decreases as a result of deterioration of return on plan assets or if a defined benefit liability increases as a result of a

change in assumptions (such as discount rate, turnover ratio, and mortality ratio) for determining the defined benefit liability, which could lead to a reduction in equity. If changes are made to retirement benefit plans, there could be a significant impact on profit or loss.

[Notes to Consolidated Statement of Financial Position]

- | | |
|---|-------------------|
| 1. Assets pledged as collateral and liabilities associated with collateral | (Millions of yen) |
| (1) Assets pledged as collateral | |
| Balance of pledged assets | 550 |
| (Pledged assets) | Intangible assets |
| | 550 |
| (2) Liabilities associated with collateral | |
| Balance of secured debt | 1,190 |
| (Secured debts) | Provisions |
| | 1,190 |
| 2. Allowance for doubtful accounts presented net with the associated assets | |
| (1) Trade receivables | 2,948 |
| (2) Other non-current assets | 687 |
| 3. Accumulated depreciation of property, plant and equipment | 785,572 |
| (including accumulated impairment losses) | |

[Notes to Consolidated Statement of Profit or Loss]

1. Other income

16,746 million yen of gain on sales of subsidiaries' stocks was recorded. This is primarily the gain of 14,413 million yen related to the transfer of the shares of Fujitsu Communication Services Limited, a consolidated subsidiary of the Company, on February 3, 2025.

As revenue subsidy, 20,772 million yen was recorded. It is mainly the revenue from the government subsidy for the next-generation digital infrastructure construction for the Green Innovation Fund Projects, and a significant portion of the gain is included in the segment Intersegment Eliminations / Corporate.

In addition to the above, items such as 2,137 million yen of gain on sales of non-current assets are included.

- ## 2. Other expenses

The expenses of 38,563 million yen for expanding the Self-Produce Support System for executives in indirect departments and accompanying the support for part of applicable employees including employees in direct departments in building their careers outside the Group toward the human resources portfolio transformation were recorded. The Self-Produce Support System is a scheme to give a certain level of support to employees who wish to leave the Group and develop their career outside the Group.

In addition to the above, items such as 8,982 million yen of restructuring charges, 4,521 million yen of impairment losses and 2,409 million yen of relocation and removal cost are included.

[Notes to Consolidated Statement of Changes in Equity]

1. Number of shares issued at the end of this fiscal year

Common stock 2,071,108,450 shares

(Note) The Company conducted a 10-for-1 stock split of its common stock effective April 1, 2024.

2. Dividends distributed from retained earnings during this fiscal year

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors Meeting on May 29, 2024	Common stock	23,910	130	March 31, 2024	June 3, 2024
Board of Directors Meeting on October 31, 2024	Common stock	25,624	14	September 30, 2024	December 4, 2024

(Note) The Company conducted a 10-for-1 stock split of its common stock effective April 1, 2024. As for dividend per share of which the record date is prior to March 31, 2024, the amount of the actual dividends before the stock split was recorded.

3. Dividends to be distributed from retained earnings after the end of this fiscal year

Resolution	Type of stock	Total amount of dividends (Millions of yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
Board of Directors Meeting on May 28, 2025	Common stock	24,882	Retained earnings	14	March 31, 2025	June 3, 2025

[Notes to Business Combination, etc.]

1. Transfer concerning shares in a consolidated subsidiary (FDK Corporation)

With the resolution by a Board of Directors' meeting held on February 12, 2025, the Company decided to approve the tender offer agreement (the "Tender Offer Agreement") to tender to the public takeover offer (the "Tender Offer") by Silitech Technology Corporation ("Tender Offeror"), which is one of the companies that consist of PSA Group, a Taiwan-based corporate group engaged in the manufacture of electric components for the common shares ("FDK Shares") of FDK CORPORATION ("FDK"). After the conclusion of the Tender Offer Agreement, the Company tendered to the Tender Offer for all FDK Shares held by the Company. The Tender Offer ended on March 13, 2025 and was successfully completed as the total number of share certificates, etc. tendered to the Tender Offer exceeded the minimum limits of the planned number of shares to be purchased. Accordingly, part of FDK Shares held by the Company were transferred on March 21, 2025, and the Company removed FDK from the scope of consolidation and the equity-method accounting of the Company.

(1) Reason for the share transfer

Under its Medium-Term Management Plan (FY 2023 to FY 2025), which was announced on May 24, 2023, the Company posed four key strategies: "Business Model and Portfolio Strategy," "Customer Success/Regional Strategy," "Technology Strategy," and "People Strategy." This share transfer is intended to accelerate the portfolio transformation efforts of the Company in line with the "Business Model and Portfolio Strategy." The Company intends to further enhance its corporate value by allocating the cash assets acquired through this share transfer to investment in growth areas, such as Service Solutions centered on highly profitable digital and cloud services, including Fujitsu Uvance.

(2) Name of company to which shares are transferred

Silitech Technology Corporation

(3) Period of share transfer

Date resolved by the Board of Directors	February 12, 2025
Signing date of the Basic Transaction Agreement	February 12, 2025
Duration of the Public Takeover Offer	From February 13, 2025 to March 13, 2025
Share Transfer	March 21, 2025

(4) Name of consolidated subsidiary and nature of business

(a) Name of consolidated subsidiary

FDK CORPORATION

(b) Description of the business

Manufacture and sales of batteries, rechargeable batteries, and electronic components and devices, as well as their applied products.

(c) Relationship with the Company

FDK delivers part of its products to the Company, purchases the Company's products and receives the Company's services.

(5) Summary of the transactions including legal form

Share transfer for cash

(6) Number of shares transferred, transfer price and shares held before and after transfer

Number of shares held before transfer	20,295,422 shares (Number of voting rights: 202,954) (Percentage of voting rights held: 58.82%) (Note 1)
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Number of shares transferred	14,224,400 shares (Number of voting rights: 142,244)
Transfer price	6.2 billion yen
Number of shares held after transfer	6,071,022 shares (Number of voting rights: 60,710) (Percentage of voting rights held: 17.59%) (Note 1)

(Note 1) In calculating the “Percentage of voting rights held,” as stated in the Extraordinary Report filed by FDK on March 14, 2025, the denominator in the calculation was the number of voting rights (345,052 voting rights) pertaining to 34,505,245 shares, which was the number of outstanding shares and outstanding as of December 31, 2024 (34,536,302 shares) less treasury stock (31,057 shares) held by FDK as of the same date as stated in the Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024) (Japan GAAP) filed by FDK on January 28, 2025.

(Additional Information)

1. Completion of the tender offer to shares in a consolidated subsidiary (SHINKO ELECTRIC INDUSTRIES CO., LTD.)

On December 12, 2023, the Company has concluded a basic transaction agreement with JICC-04, Ltd. (hereinafter the “Tender Offeror”), regarding a series of transactions aimed at taking the shares of SHINKO ELECTRIC INDUSTRIES CO., LTD. (hereinafter “SHINKO”) private. The transactions involve: (i) The non-application to the tender offer (hereinafter the “Tender Offer”) by the Tender Offeror for the common shares of SHINKO, a consolidated subsidiary of Fujitsu (hereinafter the “Shares of SHINKO”); (ii) Procedures for the share consolidation to be conducted by SHINKO to make Fujitsu and the Tender Offeror the only shareholders of SHINKO if the Tender Offeror is not able to acquire all of the Shares of SHINKO (excluding the Shares of SHINKO held by Fujitsu (hereinafter the “Fujitsu Sale Shares”) and the treasury shares held by SHINKO) through the Tender Offer; (iii) The provision of funds to SHINKO by the Tender Offeror, and a decrease in the amounts of the stated capital, capital reserve, and retained earnings reserve of SHINKO, for the purpose of procuring funds and a distributable amount necessary for conducting SHINKO’s acquisition of the Fujitsu Sale Shares; and (iv) The transfer of the Fujitsu Sale Shares as Fujitsu agrees to the share repurchases of SHINKO.

The Tender Offeror commenced the Tender Offer on February 18, 2025, and the Tender Offer was completed on March 18, 2025. Since the total number of shares tendered in the Tender Offer exceeded the minimum number of shares to be purchased, the Tender Offer was successfully completed.

In accordance with the completion of the Tender Offer, the Company classified the business of SHINKO and its subsidiaries as discontinued operations in this fiscal year, and recorded the profit or loss resulting from the business and other operations of SHINKO as profit from discontinued

operations. Upon the completion of the Tender Offer, Fujitsu plans to transfer the Fujitsu Sale Shares through the share repurchases of SHINKO in the fiscal year ending March 31, 2026. The impact of this on Fujitsu's non-consolidated and consolidated financial results is as follows:

- Consolidated performance

Gain on sales of subsidiaries' and affiliates' stocks (profit before income taxes from the discontinued operation) is expected to be approximately 150 billion yen.

Note: The above impact on our business performance is estimated on our assessment using available information to us at this time, and actual results may differ from the projected figures due to various factors.

2. Conclusion of Agreement on Shares of Affiliated Company (Fujitsu General Limited)

At a Board of Directors' meeting held on January 6, 2025, the Company has resolved to approve a basic transaction agreement (hereinafter the "Basic Transaction Agreement") with Paloma Rheem Holdings Co., Ltd. (hereinafter the "Offeror"), regarding a series of transactions aimed at making the shares of an affiliated company of the Company which is Fujitsu General Limited (hereinafter "FUJITSU GENERAL") private (hereinafter the transactions shall be collectively referred to as the "Transactions"). The Transactions involve (i) The non-application to the tender offer by the Offeror for the common shares of FUJITSU GENERAL (hereinafter the "Shares of FUJITSU GENERAL" and the tender offer, the "Tender Offer"); (ii) Procedures for the share consolidation (hereinafter the "Share Consolidation") to be conducted by FUJITSU GENERAL to make Fujitsu and the Offeror the only shareholders of FUJITSU GENERAL if the Offeror is not able to acquire all of the Shares of FUJITSU GENERAL (excluding the Shares of FUJITSU GENERAL held by Fujitsu (hereinafter the "Fujitsu Sale Shares") and the treasury shares held by FUJITSU GENERAL) through the Tender Offer; (iii) The provision of funds to FUJITSU GENERAL by the Offeror (hereinafter the "Financing"), and a decrease in the amounts of the stated capital, capital reserve, and retained earnings reserve of FUJITSU GENERAL (hereinafter the "Capital Decrease, Etc.") for the purpose of procuring funds and a distributable amount necessary for conducting FUJITSU GENERAL's acquisition of the Fujitsu Sale Shares; and (iv) The transfer of the Fujitsu Sale Shares as Fujitsu agrees to the share repurchases of FUJITSU GENERAL (hereinafter the "Share Transfer"). The Basic Transaction Agreement was concluded.

(1) Reason for the share transfer

Under its Medium-Term Management Plan (FY 2023 to FY 2025), which was announced on May 24, 2023, the Company posed four key strategies: "Business Model and Portfolio Strategy," "Customer Success/Regional Strategy," "Technology Strategy," and "People

Strategy.” This share transfer is intended to accelerate the portfolio transformation efforts of the Company in line with the “Business Model and Portfolio Strategy.” The Company intends to further enhance its corporate value by allocating the cash assets acquired through this share transfer to investment in growth areas, such as Service Solutions centered on highly profitable digital and cloud services, including Fujitsu Uvance.

- (2) Name of company to which shares are transferred

FUJITSU GENERAL LIMITED

- (3) Period of share transfer

Date resolved by the Board of Directors	January 6, 2025
Signing date of the Basic Transaction Agreement	January 6, 2025
Duration of the Public Takeover Offer	From April 28, 2025 to May 28, 2025 (scheduled)
Reverse Stock Split	To be implemented upon completion of the settlement of the Public Takeover Offer
Share Transfer	To be implemented upon completion of the Reverse Stock Split

- (4) Name of affiliate and nature of business

- (a) Name of affiliate

FUJITSU GENERAL LIMITED

- (b) Description of the business

Development, manufacture, and sale of air conditioners, information & telecommunication equipment, and electronic device products, and the provision of related services

- (c) Relationship with the Company

Between Fujitsu and FUJITSU GENERAL, there are transactions related to FUJITSU GENERAL’s contract manufacturing of telecommunication equipment for Fujitsu and its sales and the like to Fujitsu. There are no other significant business relationships.

- (5) Summary of the transactions including legal form

Share transfer for cash

(6) Number of shares transferred, transfer price and shares held before and after transfer

Number of shares held before transfer	46,121,000 shares (Number of voting rights: 461,210) (Percentage of voting rights held: 44.05%) (Note 1)
Number of shares transferred	46,121,000 shares (Note 2) (Number of voting rights: 461,210)
Transfer price	92.0 billion yen (Note 3)
Number of shares held after transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)

Notes:

1. The percentage of voting rights held is a percentage of 1,047,090, the total number of voting rights held by all shareholders as of September 30, 2024, as stated in Fujitsu General's 106th first-half financial report submitted on November 1, 2024.
2. The number of shares to be transferred in the Share Transfer shall be the number of Shares to be sold by the Company less the number of shares to be acquired by the Offeror as fractional shares in connection with the Reverse Stock Split.
3. The total transfer price of the Share Transfer is the Share Transfer price multiplied by the number of Shares to be sold by the Company less the number of shares to be acquired by the Offeror as fractional shares in connection with the Reverse Stock Split. Please note that the above amount is a reference amount calculated by multiplying the Share Transfer price by the number of Shares to be sold by the Company.

[Notes to Financial Instruments]

1. Policies on Financial Instruments

The Group carries out its financial activities in accordance with the “Fujitsu Group Treasury Policy” and primarily obtains funds through bank borrowing and the issuance of corporate bonds based on funding requirements of its business activities. After the adequate liquidity for its business activities has been ensured, the Group invests temporary excess funds in financial assets with low risk. The Group utilizes derivative transactions only for hedging purposes and not for speculative or dealing purposes.

“Trade receivables” and contract assets are exposed to customer credit risk. Additionally, some trade receivables are denominated in foreign currencies in conjunction with the export of products and exposed to exchange rate fluctuation risk. Other financial assets are comprised primarily of the certificates of deposit held for fund management and the shares issued by customers or other parties for the purpose of maintaining and strengthening the business relationship. Shares are exposed to market price fluctuation risk and financial risk of the Company invested. The Group also loans to business partners, etc.

“Trade payables” and other payables are generally payable within one year. Some trade payables are denominated in foreign currencies in conjunction with the import of components and exposed to exchange rate fluctuation risk. Corporate bonds and borrowings are mainly for the purpose of obtaining working capital and preparing capital expenditures. Because some of these have floating interest rates, they are exposed to interest rate fluctuation risk.

(a) Credit risk

The Group strives to mitigate collection risk in accordance with credit management standards and procedures in selling goods and providing services. For trade receivables and contract assets, a unit independent from the sales units assesses the credit standing of customers, and for trade receivables, it manages collection dates and the balance outstanding for each customer to ensure smooth collection. Regarding the loan receivable, the Group periodically assesses debtor’s financial condition and reviews the terms of the loan if needed.

The counterparties to derivative transactions are selected upon assessment of their credit risk.

The amounts of the largest credit risks as of the reporting date are indicated in the carrying amount of the financial assets that are exposed to credit risk.

(b) Liquidity Risk

The Group prepares a cash flow projection and monitors its funding requirements. The Group also strives to diversify its sources of financing in order to reduce liquidity risk.

(c) Market risk

The Group utilizes foreign exchange forward contracts in respect to trade receivables and trade payables denominated in foreign currencies to mitigate the exchange rate fluctuation risk that is

monitored by each currency respectively, currency swap contracts to mitigate the foreign currency exchange rate fluctuation risk of cash flows denominated in foreign currencies, and interest swap contracts in respect to corporate bonds and borrowings to mitigate interest rate fluctuation risk.

For the shares issued by customers or other parties, the Group regularly monitors the fair value and the financial conditions of the issuers and reviews its investment on a regular basis, taking into account its relationship with the counterparties.

The Group enters into derivative transactions based on the Group policy. Following the policies approved by the Chief Financial Officer (CFO), the finance division undertakes particular transactions, records them, and confirms the balance of transactions with counterparties. In addition, the finance division reports on the content of transactions undertaken and changes in the transaction balance to the CFO and the head of the accounting department.

2. Fair values of financial instruments and their breakdown by fair value hierarchy

The carrying amount and fair value of financial instruments as of March 31, 2025, are as follows:

The fair value hierarchy has the following levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly or indirectly.

Level 3 inputs are unobservable inputs for assets or liabilities.

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy and comparison between carrying amount and fair value

(Millions of yen)

	Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3
Assets					
Financial assets measured at fair value through profit or loss					
Derivatives	1,070	1,070	–	1,070	-
Bonds	12,243	12,243	–	–	12,243
Equity securities	8,685	8,685	2,164	–	6,521
Financial assets measured at fair value through other comprehensive income					
Equity securities	100,437	100,437	32,225	–	68,212
Total	122,435	122,435	34,389	1,070	86,976
Liabilities					
Financial liabilities measured at fair value through profit or loss					
Derivatives	1,155	1,155	–	1,155	–
Total	1,155	1,155	–	1,155	–

Notes:

1. Measurement of fair value for financial instruments:

Derivatives: The fair value is based on the prices provided by financial institutions and other appropriate valuation techniques based on information available.

Equity securities: If a quoted price in an active market is available, the fair value is based on the quoted price. If a quoted price in an active market is not available, the fair value is estimated based on discounted future cash flow or other appropriate valuation method.

Bonds (financial assets): If a quoted price in an active market is available, the fair value is based on the quoted price. If a quoted price in an active market is not available, the fair value is estimated by an appropriate valuation method based on prices provided by transacting financial institutions.

2. Lease liabilities are not included in the “Fair values of financial instruments and their breakdown by fair value hierarchy.”

(b) Financial assets and liabilities measured at amortized cost

(i) Fair value hierarchy and comparison between carrying amount and fair value

(Millions of yen)

	Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3
Assets					
Financial assets measured at amortized cost					
Bonds	359	359	–	–	359
Total	359	359	–	–	359
Liabilities					
Financial liabilities measured at amortized cost					
Long-term borrowings (non- current)	422	422	–	422	–
Total	422	422	–	422	–

Notes:

- The disclosure for the current portion of financial assets and liabilities measured at amortized cost is omitted in the notes to “Fair values of financial instruments and their breakdown by fair value hierarchy” because the carrying amount is a reasonable approximation of its fair value.
- Measurement of fair value for financial instruments:

Bonds (financial assets): If a quoted price in an active market is available, the fair value is based on the quoted price. If a quoted price in an active market is not available, the fair value is estimated by an appropriate valuation method based on prices provided by transacting financial institutions.

Long-term borrowings: The fair value of long-term borrowings is calculated by discounting the sum of future principal and interest payments to the present value at the rate expected for another loan with the same conditions at the end of the year.

[Notes to Per Share Data]

Equity attributable to owners of parent per share	979.53 yen
Basic earnings per share.....	120.93 yen
Continuing operation	113.89 yen
Discontinued operation	7.04 yen

[Notes to Revenue Recognition]**(1) Classification of revenue**

The Group classifies its revenue by region based on the location of its customers.

The relationship between revenue categorized by region and reportable segments is as follows.

The Device Solutions segment was classified as discontinued operations and removed from the reportable segments in this fiscal year.

	(Millions of yen)				
	Service Solutions	Hardware Solutions	Ubiquitous Solutions	Intersegment Eliminations / Corporate	Total
Japan	1,590,287	643,633	241,332	37,575	2,512,827
Europe	403,549	221,850	7,386	459	633,244
Americas	68,429	110,850	—	273	179,552
Asia-Pacific	107,234	68,294	1,539	42	177,109
East Asia	37,132	3,964	1,258	34	42,388
Others	4,852	144	—	—	4,996
total	2,211,483	1,048,735	251,515	38,383	3,550,116

Notes:

1. Includes revenues arising from leases because they are immaterial for the Group.
2. Others include the Middle East and Africa.
3. Service Solutions consist of the following:
 - Creating and providing global value services centered on Fujitsu Uvance
 - Provision of services to the Japanese market (including implementation of Fujitsu Uvance)
 - Provision of services in regions outside of Japan (including implementation of Fujitsu Uvance)
4. Hardware Solutions consist of the following:
 - Hardware sales and maintenance services for servers, storage systems and other hardware that form the foundation of ICT
 - Network products which offer communications infrastructure, such as mobile phone base stations and optical transmission systems
5. Ubiquitous Solutions consist of “client computing devices” such as PCs.
6. Intersegment Eliminations / Corporate primarily consist of revenue for external customers of corporate function subsidiaries providing services to the Group.

(2) Contract assets and contract liabilities

Contract assets are primarily unbilled trade receivables related to revenue recognized based on measurement of progress toward complete fulfillment of performance obligations under service contracts in which the Company undertakes an obligation to provide deliverables, such as turnkey contracts. These are transferred to trade receivables when the customer accepts the deliverables.

Contract liabilities primarily consist of advance received from customers under contracts to provide them with ongoing services. The amount of revenue recognized for this fiscal year, included in the balance of contract liabilities as of the beginning of the period is 101,191 million yen.

(3) Performance obligations

For the performance obligations for products and services in reportable segments and for how to measure the revenues from them, please refer to the “4. Significant accounting policies” under “Notes to Significant Items Concerning Preparation of Consolidated Financial Statements and Changes in Scope of Consolidation or Application of Equity Method.”

The payment terms for respective performance obligations are mainly within one year, and there are no significant transactions with long-term prepayment or post-payment terms.

Transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations at the end of the current period was 1,749,621 million yen, of which 1,113,965 million yen is expected to be recognized as revenue within one year.

The Group does not apply the practical expedient of paragraph 121 in IFRS 15 “Revenue from Contracts with Customers” and the above performance obligations amount includes the performance obligations included as components of contracts that have an original expected duration of one year or less. In addition, any consideration from contracts with customers that is not included in the transaction price is immaterial for the Group.

[Notes to Contingencies]

Fujitsu Services Ltd., the Company’s consolidated subsidiary, is responding to the UK statutory public Inquiry regarding an accounting system for the U.K. Post Office. Based on the findings of the Inquiry, we will take appropriate measures with the U.K. government, but it is difficult to predict the impact of this matter on the consolidated financial statements at this time.

[Notes to Discontinued Operations]

(1) Overview of discontinued operations

The Company classified the operations of its consolidated subsidiaries that are the constituent companies of the Device Solutions segment, including (i) SHINKO ELECTRIC INDUSTRIES CO., LTD. (hereinafter “SHINKO”), (ii) FDK Corporation (hereinafter “FDK”), (iii) Fujitsu Optical Components Limited (hereinafter “Fujitsu Optical Components”) and their subsidiaries to discontinued operation from this fiscal year due to the following reasons: Accordingly, the profit of the Device Solutions Segment was classified as profit from discontinued operation, differentiating from that of continuing operations.

(a) On December 12, 2023, the Company entered into an agreement with JICC-04 Ltd. (hereinafter “Tender Offeror”) to implement the tender offer (hereinafter the “Tender Offer”) for the common stock shares of SHINKO (the “Shares of SHINKO”) by the Tender Offeror and transfer the Shares of SHINKO held by the Company. The Tender Offer ended on March 18, 2025 and was successfully completed as the total number of share certificates, etc. tendered to the Tender Offer exceeded the minimum limits of the planned number of shares to be purchased. Please note that the Company plans to transfer the Shares of SHINKO through the acquisition of treasury shares by SHINKO in the next fiscal year. Details are as per “Notes to Business Combination, etc. (Additional Information) : 1. Completion of the tender offer to shares in a consolidated subsidiary (SHINKO ELECTRIC INDUSTRIES CO., LTD.).”

(b) The Company concluded the agreement with Silitech Technology Corporation (the “Tender Offeror”) to accept the tender offer (the “Tender Offer”) for common shares of FDK (“FDK Shares”) by the Tender Offeror on February 12, 2025, and tendered all of FDK Shares held by the Company. The Tender Offer ended on March 13, 2025 and was successfully completed as the total number of share certificates, etc. tendered to the Tender Offer exceeded the minimum limits of the planned number of shares to be purchased. Accordingly, part of FDK Shares held by the Company were transferred on March 21, 2025, and the Company excluded FDK from the scope of consolidation and the scope of the equity method of the Company. Details are as per “Notes to Business Combination, etc.: 1. Transfer concerning shares in a consolidated subsidiary (FDK Corporation).”

(c) The Company concluded the agreement with Furukawa Electric Co., Ltd. (“Furukawa Electric”) that all of the common shares of Fujitsu Optical Components Limited, held by the Company (“Shares of Fujitsu Optical Components”), be transferred to Furukawa Electric on December 12, 2024. The transfer of Shares of Fujitsu Optical Components was completed on April 1, 2025.

(2) Profit (loss) from discontinued operation (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Account	Amount
Discontinued operation	
Revenue	285,858
Cost of sales and operating expenses	(255,039)
Operating profit	30,819
Financial profit (loss)	(1,361)
Profit before income taxes from discontinued operation	29,458
Income tax expenses	(6,907)
Profit from discontinued operation	22,551

(3) Attribution of profit (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Account	Amount
Owners of the parent	
Profit from continuing operations	207,010
Profit from discontinued operation	12,797
Total	219,807
Non-controlling interests	
Profit from continuing operations	2,565
Profit from discontinued operation	9,754
Total	12,319

[Notes to Significant Events after the Reporting Period]

1. Purchase of treasury shares

At the Board of Directors' meeting held on April 24, 2025, the Company resolved matters related to the purchase of treasury shares pursuant to the provisions of Article 459, paragraph (1) of the Companies Act and its articles of incorporation, as follows.

(1) Reason for purchase of treasury shares

The repurchase is made with consideration for the current fiscal year's results, and profit and cash flow growth projected for the subsequent fiscal year, and as a result of a comprehensive review of the business environment, financial status, and improvement of capital efficiency.

(2) Details of matters concerning the purchase of treasury shares

- Type of shares to be repurchased: Common stock
- Total number of shares to be repurchased: 120 million shares (maximum) (Ratio to the total number of shares (excluding treasury shares): 6.75%)
- Aggregate purchase value: 170 billion yen (maximum)
- Purchase period: From May 1, 2025 to March 31, 2026

- Purchase method: Purchase by means of market trades on the Tokyo Stock Exchange (including purchases by means of market trades based on a discretionary investment contract with securities firms and through share repurchases outside of trading hours (ToSTNeT-3))

(Note) The Company could potentially fail to purchase an intended number of treasury shares, partially or wholly, due to drastic change in the business environment, significant increase in cash demand, and/or regulation regarding insider trading, among other reasons.

Unconsolidated Balance Sheet

(As of March 31, 2025)

		(Million yen)
Assets		
Current assets		
Cash and deposits	Y	1,432
Deposits paid		7,779
Notes receivable, trade		336
Accounts receivable, trade		532,147
Contract assets		149,881
Finished goods		28,448
Work in process		7,415
Raw materials and supplies		40,784
Advanced payments		7,895
Short-term loans to affiliated companies		13,142
Accounts receivable, other		100,660
Others		42,625
Allowance for doubtful accounts		(10,995)
Total current assets		921,556
Non-current assets		
Property, plant and equipment, net of accumulated depreciation		
Buildings		87,361
Structure		4,470
Machinery and equipment		1,325
Vehicles and delivery equipment		15
Tools, fixtures and fittings		43,819
Land		38,831
Construction in progress		10,039
Total property, plant and equipment		185,862
Intangible assets		
Software		133,992
Others		9,698
Total intangible assets		143,690
Investments and other non-current assets:		
Investment securities		68,881
Subsidiaries' and affiliates' stocks		318,830
Receivables from companies under bankruptcy or reorganization process		11
Prepaid pension costs		40,640
Deferred tax assets		211,301
Others		45,009
Allowance for doubtful accounts		(506)
Total investments and other non-current assets		684,167
Total non-current assets		1,013,720
Total assets	Y	1,935,277

	<u>(Million yen)</u>
Liabilities and net assets	
Liabilities	
Current liabilities	
Accounts payable, trade	354,499
Short-term loans to affiliated companies	124,316
Lease obligations	1,146
Accrued liability	77,834
Accrued expenses	134,551
Accrued income taxes	19,649
Contract liabilities	52,432
Deposits received	13,686
Provision for loss on orders received	1,965
Provision for product warranties	572
Provision for loss on business of subsidiaries and associates	44,085
Provision for bonuses to board members	222
Provision for restructuring	297
Provision for share-based payments	2,683
Others	3,086
Total current liabilities	<u>831,031</u>
Non-current liabilities:	
Lease obligations	2,318
Provision for product warranties	1,890
Provision for restructuring	100
Provision for share-based payments	5,344
Asset retirement obligations	7,797
Others	789
Total non-current liabilities	<u>18,240</u>
Total liabilities	<u>849,272</u>
Net assets	
Shareholders' equity	
Share capital	325,638
Capital surplus	
Legal capital surplus	1,013
Other capital surplus	101,808
Total capital surplus	<u>102,821</u>
Retained earnings	
Legal retained earnings	45,417
Other retained earnings	
Retained earnings brought forward	1,159,887
Total retained earnings	<u>1,205,304</u>
Treasury stock	<u>(559,726)</u>
Total shareholders' equity	<u>1,074,037</u>
Valuation and translation adjustments:	
Unrealized gain and loss on securities, net of taxes	11,967
Total valuation and translation adjustments	<u>11,967</u>
Total net assets	<u>1,086,004</u>
Total liabilities and net assets	<u><u>Y 1,935,277</u></u>

Unconsolidated Statement of Profit and Loss

(from April 1, 2024 to March 31, 2025)

		(Million yen)
Net sales	Y	1,817,036
Cost of sales		1,256,107
Gross profit		560,929
Selling, general and administrative expenses		459,256
Operating profit		101,672
Non-operating income:		
Interest income		281
Dividend income		84,265
Reversal of provision for loss on business of subsidiaries and associates		17,327
Other finance income		1,952
Total non-operating income		103,826
Non-operating expenses:		
Interest expenses		308
Foreign exchange losses		987
Provision of allowance for doubtful accounts		19
Bad debt loss		54
Provision for loss on business of subsidiaries and associates		4,423
Loss on investments in partnership		966
Other finance expenses		71
Total non-operating expenses		6,832
Ordinary profit		198,666
Extraordinary income:		
Gain on sales of subsidiaries' and affiliates' stocks		35,356
Gain on sales of investment securities		27,920
Gain on extinguishment of tie-in shares		5,407
Total extraordinary income		68,684
Extraordinary losses:		
Restructuring charges		24,772
Loss on sales of subsidiaries' and affiliates' stocks		2,180
Impairment losses		281
Total extraordinary losses		27,234
Income before income taxes		240,116
Income taxes:		
Income taxes - current		27,394
Income taxes - deferred		(4,272)
Total income taxes		23,122
Net profit	Y	216,994

Unconsolidated Statement of Changes in Net Assets

(from April 1, 2024 to March 31, 2025)

(Million yen)

	Share capital	Shareholders' equity					
		Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at April 1, 2024	325,638	1,013	154,506	155,519	40,464	997,380	1,037,844
Changes during period under review							
Dividends of surplus	—	—	—	—	4,953	(54,488)	(49,534)
Profit	—	—	—	—	—	216,994	216,994
Purchase of treasury stock	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	652	652	—	—	—
Decrease due to company split	—	—	(53,350)	(53,350)	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—
Total changes during period under review	—	—	(52,698)	(52,698)	4,953	162,506	167,459
Balance at March 31, 2025	325,638	1,013	101,808	102,821	45,417	1,159,887	1,205,304

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2024	(380,881)	1,138,120	28,386	28,386	1,166,506
Changes during period under review					
Dividends of surplus	—	(49,534)	—	—	(49,534)
Profit	—	216,994	—	—	216,994
Purchase of treasury stock	(180,023)	(180,023)	—	—	(180,023)
Disposal of treasury stock	1,178	1,831	—	—	1,831
Decrease due to company split	—	(53,350)	—	—	(53,350)
Net changes in items other than shareholders' equity	—	—	(16,419)	(16,419)	(16,419)
Total changes during period under review	(178,844)	(64,082)	(16,419)	(16,419)	(80,501)
Balance at March 31, 2025	(559,726)	1,074,037	11,967	11,967	1,086,004

Notes to Unconsolidated Financial Statements

[Notes to Significant Accounting Policies]

1. The Company prepares for financial statements in accordance with the Regulation on Corporate Accounting (Ministry of Justice Order No. 13 of February 7, 2006 and the last amendment of Ministry of Justice Order No. 5 of February 28, 2025).
2. Valuation standards and methods for assets
 - (1) Marketable securities
 - Shares in subsidiaries and affiliates..... Moving average cost method
 - Available-for-sale securities
 - Other than non-marketable stocks..... Market value method based on the market price on the closing date
 - Treatment of the difference between the acquisition cost and the market value
..... Booked directly to net assets
 - Calculation of costs of securities sold
..... Moving average cost method
 - Non-marketable stocks..... Moving average cost method
 - (2) Derivatives, etc.
 - Derivatives Market value method
 - (3) Inventories
 - Inventories held for sale in normal operating cycle
 - Finished goods Moving average cost method
 - Work in process Cost method determined by the specific identification method or the periodic average method
 - Raw materials and supplies Moving average cost method
 - Costs of inventories with lower profitability are written down.
3. Depreciation and amortization of non-current assets
 - (1) Property, plant, and equipment except for leased assets
 - Depreciation of tangible fixed assets except for leased assets is calculated by the straight-line method.
 - The useful lives, reflected by the likely period over which the value of asset can be realized under actual business conditions, are estimated as stated below:
 - Buildings and structures 7 to 50 years
 - Machinery and equipment 3 to 7 years
 - Tools, fixtures, and fittings 2 to 10 years
 - (2) Intangible assets except for leased assets
 - Software

- For sale.....Method based on projected sales volume over the estimated life of the product (3 years)
- For internal use.....Straight-line method based on the estimated useful life of the software (within 10 years)
- Others..... Straight-line method

(3) Leased assets

Depreciation and amortization of finance leases that do not transfer ownership of the leased property to the lessee are calculated by the straight-line method over the lease period deemed as useful lives.

4. Accounting policies for provisions

(1) Allowance for doubtful accounts

To prepare for loss on doubtful accounts such as trade receivables and loans, an estimated irrecoverable amount is provided on the basis of the actual loan loss ratio for unspecified receivables and on the basis of individual collectability for specified receivables such as loans with default possibility.

(2) Provision for loss on orders received

The estimated amount of future losses relating to customized software whose profitability potentially has deteriorated is provided at the end of this fiscal year.

(3) Provision for product warranties

To prepare for the disbursement of expenses for the free repair and exchange of products during the warranty period based on contracts, the estimated repair and exchange expenses based on the historical data are recorded when the product is sold.

(4) Provision for loss on business of subsidiaries and associates

To prepare for possible losses relating to business of subsidiaries and affiliates, an estimated amount of loss is provided, taking into account the financial conditions of individual subsidiaries and affiliates.

(5) Provision for bonuses to board members

To prepare for bonuses to board members, an estimated amount is provided.

(6) Provision for restructuring

Estimated losses from restructuring of businesses in the course of business structure improvement, etc. are recorded.

(7) Provision for retirement benefits or prepaid pension costs

To prepare for disbursement of employees' retirement benefits under the defined benefit plan, an amount based on the defined benefit obligation and plan assets at the end of this fiscal year is recognized.

Method of attributing benefit to periods of service

Benefit is attributed to periods of service under the plan's benefit formula.

Method of attributing actuarial gains and losses and past service cost

- Method of attributing past service cost

-Straight-line method (10 years)

- Method of attributing actuarial gains and losses

-An amount on a straight-line basis (over the expected average remaining service period of employees) is recognized from the year after the actuarial loss has arisen.

(8) Provision for share-based payments

To prepare for share-based payment to board members and Corporate Executive Officers, an estimated amount is provided.

5. Revenues and expenses recognition

(1) Service revenue

Supply of service by the Company is a performance obligation to be satisfied over a certain period of time because it usually corresponds to any of the following criteria: a) the customer enjoys the benefits provided by the Company as it performs its obligations under a contract with the former party; b) the Company's performance of its obligations under a contract with the customer creates or enhances an asset, causing the customer to control it in pace with the performance; or c) the Company's performance of its obligations under a contract with the customer creates an asset without an alternative use, and the former party has an enforceable right to receive payment for a portion of the performance completed by it. If the progress toward complete satisfaction of the performance obligation can be reasonably estimated, revenue from the service is recognized in accordance with the progress. If the progress cannot be reasonably estimated, while an expense incurred when satisfying the performance obligation is likely to be recovered, revenue from the service is recognized on the cost recovery method until such time that the progress of the performance obligation satisfaction can be reasonably estimated.

Revenue under service contracts in which the Company undertakes an obligation to provide deliverables, such as turnkey contracts (systems integration etc.), is in principle recognized by the method of estimating the progress based on the costs incurred to date as a percentage of the total estimated project costs. This is because, in such service contracts, costs are incurred by the Company during the performance of the contracts, and as tasks progress, services tailored for the customer will be near completion, a state where the services are available for the customer. When milestones for the obligations to be performed by the Company are defined at contract inception, revenue is recognized based on completion of the contractual milestones.

Regarding ongoing service contracts (outsourcing service, maintenance service, etc.), services requested by the customer are provided over the contractual period. To promptly respond to

customers' requests, the Company is required to always stand ready, and thus, such services are provided over a period including standby time. For this reason, revenue is recognized by estimating the progress based on the period ratio of services already provided over the whole service period. When services among outsourcing and maintenance services, etc., are charged on a per unit basis, revenue is recognized when the service is rendered and is billed or billable.

Where changes occur in the initial estimates of revenues, measure of progress, and costs incurred for a contract, the accumulated impact arising from a change of estimates is recognized in profit or loss in the period in which the changes become obvious and possible to be estimated.

(2) Hardware product revenue

Supply of stand-alone hardware products is a performance obligation satisfied at a point in time because it is usually not a performance obligation satisfied over time. In such case, at the point when the control of the asset is transferred to the customer, the amount of the transaction price allocated in proportion to the performance obligation is recognized as revenue. To determine the point in time at which the control is transferred to the customer, the Company considers whether or not: a) the Company has a present right to payment for the asset; b) the customer has legal title to the asset; c) the Company has transferred physical possession of the asset; d) the customer has the significant risks and enjoys rewards related to the ownership of the asset; and e) the customer has accepted the asset.

Revenue on hardware requiring significant services including installation, such as servers and network products, is in principle recognized upon the customer's acceptance.

Revenue on standard hardware, such as personal computers, is recognized in principle upon delivery, where the control of the hardware is transferred to the customer.

On the other hand, for commissioned manufacturing and manufacturing contracting, in cases where the Company's performance creates an asset unable to be used for other purpose and it has an enforceable right to payment for performance completed to date, the Company recognizes revenue in accordance with the progress as estimated using a method that faithfully depicts the completion of the performance obligation.

The Company provides various marketing programs to customers in various sales channels, such as volume discounts and sales incentives. When there is a possibility of subsequent variability in the consideration paid to these customers, the variable consideration is estimated and accounted for under revenue solely with respect to a portion that is highly unlikely to experience, when the uncertainty is eliminated, a significant decrease in a revenue recorded until the time of the elimination. To estimate the variable consideration, the Company uses either the expected value method or the most likely amount method, selecting the method that enables the most appropriate estimate of the amount of the consideration for these rights to be obtained.

(3) Licensing revenue

For supply of licenses, revenue is recognized over time as a right to access the Company's

intellectual property (a right to access) when all of the following criteria are met. If any of the criteria is not met, revenue is recognized at a point in time for a right to use the Company's intellectual property (a right to use). The criteria are: (a) the contract stipulates, or the customer reasonably expects, that the Company will undertake activities that significantly affect the intellectual property to which the customer has rights; (b) such activities will directly affect the customer; and (c) those activities do not result in the transfer of a good or service to the customer even if those activities occur.

For software, the licenses of which constitute the principal licenses of the Company, usually after supply of a license, the Company is not obligated to undertake any activities to markedly change the form or the functionality of the intellectual property or activities to maintain the value of the intellectual property over the license period. Since none of the above criteria is therefore not met, the revenue is recognized at a point in time as right to use.

When software is provided over a cloud service, revenue is usually recognized at the same time as the cloud service revenue as a single performance obligation.

When software is sold bundled with software support, revenue for the software and revenue for the software support are usually recognized separately as distinct performance obligations. However, when the customer is unable to receive the benefit of the software without the supply of the software support service, the revenue is recognized at the same time as the software support revenue as a single performance obligation.

For software version-up rights that are sold separately from a license, revenue is usually recognized at the time when the version-up rights are provided, treating the software and version-up rights as distinct performance obligations. On the other hand, if the software version-up rights as a part of software support are provided, their revenue is recognized at the same time as a single performance obligation.

(4) Contracts with multiple deliverables

Contracts with multiple deliverables represent one contract that consists of several kinds of goods or services, such as supply of hardware and related services or supply of software sales and support services.

Goods or services promised to a customer are identified as distinct performance obligation if the customer can benefit from the good or service on its own, can enjoy benefits together with other resources that are readily available to the customer (i.e. the good or service could potentially become distinct); and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract).

When allocating the transaction price to each performance obligation in a contract with multiple deliverables in accordance with the ratio of a stand-alone selling price, the Company determines the stand-alone selling price at contract inception for the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to that

stand-alone selling price ratio. If a stand-alone selling price is not directly observable, it is estimated based on method such as estimated costs plus a margin approach for the respective performance obligations in the contract with multiple deliverables, and the transaction price is allocated.

(5) Agent transactions

For procurement and sales of goods and services by the Company, revenue is recognized as commission fees for transactions where the Company does not have control of the goods and services before their provision to the customer, in other words, transactions where the Company has arranged the procurement as the customer's agent. To determine whether or not the Company has control over goods and services before their transfer to the customer, the following aspects are considered: a) whether the Company is primarily responsible for fulfilling the promise to provide the specified good or service; b) whether the Company has inventory risk before the specified good or service is provided to a customer, or after transfer of control to the customer; and c) whether the Company has discretion in establishing the price for the good or service.

6. Other significant items concerning the preparation of unconsolidated financial statements

(1) Hedge accounting

Deferred hedge accounting is adopted.

(2) Accounting for retirement benefits

Accounting of unrecognized actuarial gains and losses and past service costs under the defined benefit plan for the unconsolidated financial statements is different from that for the consolidated financial statements.

(3) Application of a group relief system

A group relief system is applied.

[Notes to Accounting Estimates]

Items recorded in the unconsolidated financial statements with accounting estimates for this fiscal year and, that can significantly affect the unconsolidated financial statements for the next fiscal year are as follows.

1. Revenue recognition

Contract assets of 149,881 million yen are recorded on the unconsolidated balance sheet.

Please refer to the "Notes to Consolidated Financial Statements: Notes to Accounting Estimates, 1. Revenue Recognition."

2. Property, plant and equipment, net of accumulated depreciation

Property, plant, and equipment amounting to 185,862 million yen are recorded on the unconsolidated balance sheet.

Please refer to the “Notes to Consolidated Financial Statements: Notes to Accounting Estimates, 2. Property, plant, and equipment.”

3. Intangible assets

Intangible assets amounting to 143,690 million yen are recorded on the unconsolidated balance sheet.

Please refer to the “Notes to Consolidated Financial Statements: Notes to Accounting Estimates, 4. Intangible assets.”

4. Deferred tax assets

Deferred tax assets amounting to 211,301 million yen are recorded on the unconsolidated balance sheet.

Please refer to the “Notes to Consolidated Financial Statements: Notes to Accounting Estimates, 5. Deferred tax assets.”

5. Provisions

Provision for loss on orders received amounting to 1,965 million yen are recorded on the unconsolidated balance sheet.

Please refer to the “Notes to Consolidated Financial Statements: Notes to Accounting Estimates, 6. Provisions.”

Provision for loss on business of subsidiaries and associates amounting to 44,085 million yen are recorded on the unconsolidated balance sheet.

The Company recognizes an estimated amount of loss as provision, taking into account the financial conditions of individual subsidiaries and associates. Expected losses can be revised for reasons such as changes in the financial conditions of individual subsidiaries and associates and future revisions of business plans.

6. Defined benefit plan

Prepaid pension cost amounting to 40,640 million yen are recorded on the unconsolidated balance sheet.

The Company has both defined benefit and defined contribution retirement benefit plans. Additional costs may incur if the fair value of plan assets decreases as a result of a deterioration of returns on plan assets or if a defined benefit obligation increases as a result of changes in assumptions (such as discount rate, turnover ratio, and mortality ratio) for determining the defined benefit obligation.

7. Valuation of subsidiaries' and affiliates' stocks

Subsidiaries' and affiliates' stocks amounting to 318,830 million yen are recorded on the unconsolidated balance sheet.

When the real value of non-marketable equity securities declines significantly relative to the acquisition price due to deterioration in the financial condition of the issuing company, unless recoverability is supported by sufficient evidence, a substantial write-down is made and the difference in value

recognized as a loss. For stocks acquired reflecting excess earning power, the real value reflects that excess earning power, and if the excess earning power is judged to be impaired, the real value is valued reflecting the impairment of that earning power.

[Notes on Changes in the Method of Presentation]

“Reversal of provision for loss on business of subsidiaries and associates” which was included in “Other financial income” under “Other income” for the previous fiscal year, is presented as a separate item for this fiscal year onward, because its quantitative materiality increased.

“Loss on investments in partnership” which was included in “Other financial expenses” under “Non-operating expenses” for the previous fiscal year, is presented as a separate item for this fiscal year onward, because its quantitative materiality increased.

[Notes to the Unconsolidated Balance Sheet]

1. Accumulated depreciation of property, plant, and equipment	(Million yen)
Buildings	219,503
Structures.....	13,621
Machinery and equipment.....	17,277
Vehicles and delivery equipment.....	51
Equipment	144,594
Total	395,047
2. Monetary claims and obligations to subsidiaries and affiliates (excluding those separately disclosed)	
Short-term monetary claims	200,092
Long-term monetary claims	478
Short-term monetary obligations.....	357,660
Long-term monetary obligations	1,352
3. Short-term loans to affiliated companies	
The loans, primarily to Fujitsu America Inc., a subsidiary of the Company	

[Notes to the Unconsolidated Statement of Profit and Loss]

1. Transactions with subsidiaries and affiliates	
Business transactions	(Million yen)
Net sales	399,792
Purchases.....	861,167
Transactions other than business transactions	85,920

2. Reversal of provision for loss on business of subsidiaries and associates

The amount was mainly gain on reversal of provision for loss on business of subsidiaries and associates recorded with respect to the amount by which a European subsidiary's liabilities exceeded its assets.

3. Gain on sales of subsidiaries' and affiliates' stocks

The gain was mainly from the sale of shares in Fujitsu Communication Services Limited and in PFU Limited.

4. Gain on sales of investment securities

The gain was mainly from the sale of shares in Denso Ten Limited and in Fuji Electric Co., Ltd.

5. Restructuring charges

The charges are mainly from expenses for expanding and reinforcing the Self-Produce Support System for executives in indirect departments and expenses accompanying the support for part of applicable employees including employees in direct departments in building their careers outside the Group toward the human resources portfolio transformation. The Self-Produce Support System is a scheme to give a certain level of support to employees who wish to leave the Group and develop their career outside the Group.

[Notes to Unconsolidated Statement of Changes in Net Assets]

1. Number of treasury stock at the end of this fiscal year

Common stock..... 293,767,505 shares

(Note) The Company conducted a 10-for-1 stock split of its common stock effective April 1, 2024.

[Notes to Tax Effect Accounting]

Deferred tax assets are recognized primarily due to loss on valuation of shares of subsidiaries and associates, accrued bonuses and provision for loss on business of subsidiaries and associates. Deferred tax liabilities are recognized primarily due to prepaid pension cost. Deferred tax liabilities are recognized primarily due to unrealized gains on securities Valuation allowance is deducted from deferred tax assets pertaining to loss on valuation of shares of subsidiaries and associates and other items for which scheduling of the timing of the reversal is impossible.

[Notes to Business Combination, etc.]

1. Company Split with a consolidated subsidiary, Fujitsu FSAS Inc.

To strengthen the foundation of hardware business, centered on servers and storage and other product solutions, as of April 1, 2024, Fsas Technologies Inc. was launched. The Company will pursue speedy decision-making and thorough efficiency in management, and provide high value-added total solutions as a whole of the Group by consolidating the function of development,

manufacturing, sales, maintenance, and others that have previously been scattered throughout the Group to create a one-stop system.

To this end, at the board of directors of the Company held on December 26, 2023, the Company has resolved that effective April 1, 2024, its consolidated subsidiary, Fujitsu FSAS Inc. (hereinafter “FSAS”), manages the Company’s business in Japan pertaining to the development, manufacturing, sales and maintenance of servers, storage and select enterprise network products, and the business for direct sales of PCs to enterprises throughout the company split. The Company manages the maintenance business of mainframe and UNIX servers and the infrastructure construction service business of FSAS through a company split (hereinafter collectively, “Reorganization”). Absorption-type split agreement were concluded. Pursuant to this resolution, the Company implemented the Reorganization on April 1, 2024.

(Company split in which the Company is the splitting company in absorption-type split and FSAS is the successor company in absorption-type split)

(1) Summary of the company split

(a) Name of successor company and outline of the business to be split

(i) Name

Fujitsu FSAS Inc. (The trade name of Fujitsu FSAS Inc. was changed to Fsas Technologies Inc., effective April 1, 2024)

(ii) Business description

Business in Japan related to the development, manufacturing, sales, and maintenance of servers and storage (excluding mainframe and UNIX servers) hardware centered around the PC server “PRIMERGY,” mission-critical IA server “PRIMEQUEST,” and storage system “ETERNUS,” and select network products (excluding networks for telecommunication carriers) centered around the network server “IPCOM”; sales and maintenance of network products produced by alliance partners; and direct sales of enterprise PCs.

(b) Date of company split

April 1, 2024

(c) Reason of company split

To strengthen the foundation of the hardware solutions business centered on servers, storage, and other product solutions, as of April 1, 2024, The Company will integrate this business and its related functions in Japan into FSAS, which handles the planning, consulting, operation and maintenance business of ICT infrastructure. Through this integration and establishing an integrated system from development, manufacturing and sales to maintenance, the Company will clarify management responsibility in its Group companies and pursue speedy decision making and thorough efficiency in management.

This will enable both the Company and FSAS to leverage their respective strengths and provide comprehensive solutions as a whole Group, thereby increasing the value provided to the customers.

(d) Outline of the transactions including legal form

Company split in which the Company is the splitting company in absorption-type split and FSAS is the successor company in absorption-type split.

(2) Outline of the accounting treatment implemented

This company split was treated as a transaction under common control in accordance with the “Accounting Standard for Business Combinations” and “Accounting Standard for Business Divestitures,” and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.”

(Company split in which FSAS is the splitting company and the Company is the successor company)

(1) Summary of the company split

(a) Name of successor company and outline of the business to be split

(i) Name

Fujitsu Limited

(ii) Business description

Maintenance business of mainframe and UNIX servers, software support and call center business (excluding some regions and customers), and infrastructure construction services business

(b) Date of company split

April 1, 2024

(c) Reason of company split

In implementing the Company split in which the Company is the splitting company in absorption-type split and FSAS is the successor company in absorption-type split, the Company has succeeded the business of the Company’s area which FSAS had operated, in order to clarify the business area of the Company and FSAS.

(d) Outline of the transactions including legal form

Company split in which FSAS is the splitting company and the Company is the successor company

(2) Outline of the accounting treatment implemented

This company split was treated as a transaction under common control in accordance with the “Accounting Standard for Business Combinations” and “Accounting Standard for Business Divestitures,” and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.”

2. Transfer concerning shares in a consolidated subsidiary (FDK Corporation)

The description is omitted because the same information is provided in “Notes to Consolidated Financial Statements: Notes to Business Combination, etc.: 1. Transfer of shares of a consolidated subsidiary (FDK Corporation).”

(Additional Information)

1. Completion of the tender offer to shares of a consolidated subsidiary (SHINKO ELECTRIC INDUSTRIES CO., LTD.)

The description is omitted because the same information is provided in “Notes to Consolidated Financial Statements Notes concerning Business Combination (Additional Information) 1. Matters on the completion of the Public Takeover Offer of the shares of a consolidated subsidiary (SHINKO ELECTRIC INDUSTRIES).”

Please note that with the establishment of the Public Takeover Offer, the Company plans to transfer shares that the Company plans to sell through the acquisition of treasury shares by Shinko Electric Industries in the next fiscal year. The impact of this action on the Company’s business performance for the next fiscal year is as below.

- Unconsolidated performance

Gain on sales of subsidiaries’ and affiliates’ stocks (extraordinary income) of approximately 250 billion yen is expected.

(Note) The above impact on our business performance is estimated on our assessment using available information to us at this time, and actual results may differ from the projected figures due to various factors.

2. Execution of Agreement Regarding Shares of Affiliate (Fujitsu General Limited)

The description is omitted because the same information is provided in “Notes to Consolidated Financial Statements: Notes to Business Combination, etc. (Additional Information): 2. Execution of Agreement Regarding Shares of Affiliate (Fujitsu General Limited).”

[Notes to Transactions with Related Parties]**Subsidiaries and Affiliates**

(Millions of yen)

Type	Name of company, etc.	Percentage of voting rights	Relationship	Transactions		Transaction amount	Account	Ending balance
Subsidiary	Fsas Technologies Inc.	Ownership Direct 100%	Consignment of support services, etc., sales and maintenance of Fujitsu products Interlocking of directors	Purchase of products, consignment of support services, etc.	Purchases	278,106	Accounts payable, trade	57,062
				Agency purchase transactions, etc.		227,340	Accounts receivable, other	30,743
Subsidiary	Fujitsu Japan Limited	Ownership Direct 100%	Sales, maintenance, etc. of Fujitsu products Interlocking of directors	Sale of Fujitsu products	Net Sales	144,163	Accounts receivable, trade	34,189
				Agency purchase transactions, etc.		90,665	Contract assets Accounts receivable, other	1,753 21,817
Subsidiary	Fujitsu Personal System Limited	Ownership Direct 100%	Sale of Fujitsu products Interlocking of directors	Sale of Fujitsu products	Net Sales	131,212	Accounts receivable, trade	28,961
Subsidiary	Fujitsu Technology Solutions (Holding) B.V.	Ownership Direct 100%	Provision of information systems service to overseas customers of the Company Interlocking of directors	Underwriting of capital increase		90,882	—	—
Subsidiary	Fujitsu Defense & National Security Limited	Ownership Direct 100%	Research, manufacturing, contract, repair, maintenance, sale and construction of defense systems for customers of the Company Interlocking of directors	Manufacturing, repair and maintenance of products of the Company	Purchases	68,236	Accounts payable, trade	30,471
Subsidiary	Fujitsu ND Solutions AG	Ownership Direct 100%	Holding company of GK Software SE	Underwriting of capital increase		24,437	—	—
Subsidiary	Fujitsu Capital Ltd.	Ownership Direct 100%	Group financing Interlocking of directors	Borrowing of funds	Borrowing of funds Interest expenses	124,316 240	Short-term borrowings	124,316
Affiliate	Fujitsu Client Computing Ltd.	Ownership Direct 49%	Manufacture of PCs that are included in sales negotiations about systems sold by the Company Interlocking of directors	Manufacture of PCs	Purchases	170,367	Accounts payable, trade	32,298

(Notes)

1. Transactions listed above generally have terms of business based on arms-length.
2. The amount of transactions with Fujitsu Capital Ltd. is presented after deducting repaid amounts from borrowed amounts.

[Notes to Per Share Data]

Net assets per share	611.02 yen
Earnings per share	119.38 yen

[Notes to Revenue Recognition]

Basic information to understand revenue from contracts with customers

Please refer to “Notes to Important Matters Pertaining to Accounting Policies, 5. Revenues and expenses recognition.”

[Notes to Significant Events after the Reporting Period]

1. Purchase of treasury stock

Notes are omitted as the same information is provided in the “Notes to Consolidated Financial Statements: Notes to Significant Events after the Reporting Period: 1. Purchase of treasury shares.”

2. Establishment of a consolidated subsidiary by company split

The Company will start 1FINITY Inc., a new company that will take over the network products business, effective July 1, 2025. The Company will pursue speedy decision-making by integrating the functions of research, development, manufacturing, sale, maintenance, etc. that have been dispersed across the Group until now and establishing a one-stop system, whereby the Company will provide high value-added solutions as the whole of the Group.

To this end, the Company resolved to transfer its network products business to 1FINITY Inc., which would be established by company split anew, effective July 1, 2025, at the meeting of the Board of Directors held on April 24, 2025.

(1) Summary of the company split

(a) Name of successor company and outline of the business to be split

(i) Name

1FINITY Inc.

(ii) Business description

Research, development, design, manufacturing, sale and planning as well as maintenance and repair support of telecommunications equipment, devices and systems

(b) Date of company split

July 1, 2025

(c) Reason of company split

In this company split, a pure play company will be established to handle the operations of the network products business from research, development, manufacturing and sale to maintenance as a one-stop provider, thereby clarifying the responsibility of corporate management and speeding up management decision-making as an independent company. Furthermore, the new company aims to

promptly respond to a rapidly-changing market environment and create innovation through measures including the early provision of products that utilize cutting-edge technology to the maximum, a shift to software technology, and expansion into the AI data center market.

This will enable both the Company and 1FINITY, Inc. to leverage their respective strengths, and empower the Group as a whole, to provide total solutions that will support the transformation of society and companies, thereby leading to improved value for customers.

(d) Outline of the transactions including legal form

An incorporation-type company split in which the Company will be the splitting company and the newly established 1FINITY Inc. will be the incorporated company

(2) Outline of the accounting treatment implemented

This company split was treated as a transaction under common control in accordance with the “Accounting Standard for Business Combinations” and “Accounting Standard for Business Divestitures,” and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.”

(3) Estimated amount of net sales related to the business to be split recorded in the statement of profit or loss of the current fiscal year

Net sales: Approximately 108.9 billion yen

Copy of Audit Report by Accounting Auditor concerning Consolidated Financial Statements

Independent Auditor's Audit Report

May 14, 2025

The Board of Directors, Fujitsu Limited,

Ernst & Young ShinNihon LLC
Tokyo Office
Yoshihiko Nakatani
Certified Public Accountant
Designated Engagement Partner
Toshiyuki Matsumoto
Certified Public Accountant
Designated Engagement Partner
Miyuki Nakamura
Certified Public Accountant
Designated Engagement Partner
Manabu Yamaguchi
Certified Public Accountant
Designated Engagement Partner

Opinion

We have audited the consolidated financial statements of Fujitsu Limited for the consolidated fiscal year from April 1, 2024 to March 31, 2025, which consists of consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to the consolidated financial statements, pursuant to the provisions in Article 444, paragraph 4 of the Companies Act.

In our opinion, the above consolidated financial statements present fairly, in all material respects, the positions of assets and profit or loss in the period related to the consolidated financial statements of the Group that consists of Fujitsu Limited and its consolidated subsidiaries, in accordance with the accounting standards that omitted part of disclosure items required by the International Accounting Standards, stipulated by the provision in Article 120, the second sentence of paragraph (1) of Regulation of Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are described in “the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions concerning professional ethics in Japan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the business report and its supplementary schedules Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee Member and the Audit and Supervisory Board are responsible for overseeing the execution of the duties of Directors in the establishment and operation of the reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any opinion on the other information.

In connection with our audit of the consolidated financial statements, our responsibilities is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit and pay attention to whether there are signs of material misstatements of the other information other than such material inconsistencies.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report the fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit & Supervisory Board Member and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting standards that omit part of disclosure items, required by the International Accounting Standards, stipulated by the provisions in Article 120, the second sentence of paragraph (1) of Regulation on Corporate Accounting. These responsibilities include the establishment and operation of internal controls that management determines as necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements based on the premise of a going concern. If there is the need for disclosing matters related to going concern in accordance with the accounting standards that omit part of disclosure items required by the

International Accounting Standards, stipulated by the provisions in Article 120, the second sentence of paragraph (1) of Regulation on Corporate Accounting, management is responsible for disclosing such matters.

The Audit and Supervisory Committee Member and the Audit and Supervisory Board are responsible for overseeing the execution of the duties of Directors in the establishment and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities is to express our opinion on the consolidated financial statements in the Auditor's Report from an independent position after obtaining reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, based on the audit that we conducted. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of the consolidated financial statements.

Following the auditing standards generally accepted in Japan, we exercise professional judgement and maintain professional skepticism through the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error. In addition, design and perform audit procedures responsive to the risks of material misstatement. The selection and application of audit procedures depend on our judgement. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control to the audit in order to design appropriate audit procedures responsive to the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of the accounting policy and the application method adopted by management and the reasonableness of accounting estimates and related notes made by management.
- Conclude whether it is appropriate for management to prepare consolidated financial statements under the going concern assumption, and based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the going concern assumption. If we conclude that a material uncertainty related to the going concern assumption exists, we are required to draw attention in our audit report to notes to consolidated financial statements or if notes to consolidated financial statements related to material uncertainty is not appropriate, to express our modified opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of and notes to the consolidated financial statements comply with the accounting standards that omit part of disclosure items required by the International Accounting Standards, stipulated by the provisions in Article 120, the second sentence of paragraph (1) of Regulation on Corporate Accounting. Simultaneously, evaluate the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements appropriately represent the underlying transactions and accounting events.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Member and the Audit & Supervisory Board on the planned audit scope, timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during the audit, and other matters required by the audit standards.

We also report to the Audit & Supervisory Board Member and the Audit & Supervisory Board on the fact that we have complied with the ethical requirements regarding our independence, matters that may reasonably be thought to bear on our independence, and details of actions if countermeasures are taken to eliminate obstructions or if safeguards are applied to reduce obstructions to an acceptable level.

Conflict of Interest

Our audit firm and its designated engagement partners do not have any interest in the Company and consolidated subsidiaries which is required to be disclosed pursuant to the Certified Public Accountants Act of Japan.

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Copy of Audit Report by Accounting Auditor

Independent Auditor's Audit Report

May 14, 2025

The Board of Directors, Fujitsu Limited,

Ernst & Young ShinNihon LLC

Tokyo Office

Yoshihiko Nakatani

Certified Public Accountant

Designated Engagement Partner

Toshiyuki Matsumoto

Certified Public Accountant

Designated Engagement Partner

Miyuki Nakamura

Certified Public Accountant

Designated Engagement Partner

Manabu Yamaguchi

Certified Public Accountant

Designated Engagement Partner

Opinion

We have audited the unconsolidated financial statements of Fujitsu Limited for the 125th fiscal year from April 1, 2024 to March 31, 2025, which consists of a balance sheet, statement of profit or loss, statement of changes in equity and notes to the unconsolidated financial statements and supplementary schedules (the "unconsolidated financial statements, etc."), pursuant to the provisions in Article 436, paragraph (2)-1 of the Companies Act.

In our opinion, the above unconsolidated financial statements, etc. present fairly, in all material respects, the positions of assets and profit or loss in the period related to the unconsolidated financial statements, etc. of the Company, in accordance with the corporate accounting standards generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are described in "the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements, etc." section of our report. We are independent of the Company in accordance with the provisions concerning professional ethics in Japan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee Member and the Audit and Supervisory Board are responsible for overseeing the execution of the duties of Directors in the establishment and operation of the reporting process of the other information.

Our opinion on the unconsolidated financial statements, etc. does not cover the other information, and we do not express any opinion on the other information.

In connection with our audit of the unconsolidated financial statements, etc., our responsibilities is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, etc. or our knowledge obtained during the audit and pay attention to whether there are signs of material misstatements of the other information other than such material inconsistencies.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report the fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit & Supervisory Board Member and the Audit & Supervisory Board for the Unconsolidated Financial Statements, etc.

Management is responsible for preparation and fair presentation of the unconsolidated financial statements, etc. in accordance with the corporate accounting standards generally accepted in Japan. These responsibilities include the establishment and operation of internal controls that management determines as necessary for the preparation and fair presentation of the unconsolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the unconsolidated financial statements, etc. based on the premise of a going concern. If there is the need for disclosing matters related to going concern in accordance with the accounting standards generally accepted in Japan, management is responsible for disclosing such matters.

The Audit and Supervisory Committee Member and the Audit and Supervisory Board are responsible for overseeing the execution of the duties of Directors in the establishment and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements, etc.

Our responsibilities is to express our opinion on the unconsolidated financial statements, etc. in the auditor's report from an independent position after obtaining reasonable assurance about whether the unconsolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, based on the audit that we conducted. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of the unconsolidated financial statements, etc.

Following the auditing standards generally accepted in Japan, we exercise professional judgement and maintain professional skepticism through the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error. In addition, design and perform audit procedures responsive to the risks of material misstatement. The selection and application of audit procedures depend on our judgement. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control related to the audit in order to design appropriate audit procedures responsive to the circumstances for our risk assessments, while the purpose of the audit of the unconsolidated financial statements, etc. is not to express an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of the accounting policy and the application method adopted by management and the reasonableness of accounting estimates made by management and notes.
- Conclude whether it is appropriate for management to prepare the unconsolidated financial statements, etc. under the going concern assumption, and based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the going concern assumption. If we conclude that a material uncertainty related to the going concern assumption exists, we are required to draw attention in our audit report to notes to unconsolidated financial statements, etc. or if notes to unconsolidated financial statements, etc. related to material uncertainty is not appropriate, to express our modified opinion on the unconsolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of and notes to the unconsolidated financial statements, etc. comply with the corporate accounting standards generally accepted in Japan. Simultaneously, evaluate the presentation, structure, and content of the unconsolidated financial statements, etc. including related notes, and whether the unconsolidated financial statements, etc. appropriately represent the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Member and the Audit & Supervisory Board on the planned audit scope, timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during the audit, and other matters required by the audit standards.

We also report to the Audit & Supervisory Board Member and the Audit & Supervisory Board on the fact that we have complied with the ethical requirements regarding our independence, matters that may reasonably be thought to bear on our independence, and details of actions if countermeasures are taken to eliminate obstructions or if safeguards are applied to reduce obstructions to an acceptable level.

Conflict of Interest

Our audit firm or its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the Certified Public Accountants Act of Japan.

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Copy of Audit Report by Audit & Supervisory Board

Audit Report

In regard to Directors' execution of their duties for the 125th fiscal year from April 1, 2024 to March 31, 2025, the Audit & Supervisory Board has prepared this audit report after deliberations based on audit reports prepared by each Audit & Supervisory Board Member and reports as follows.

1. Audit methods and contents of audits by the Audit & Supervisory Board Member and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board determined the audit policies, audit plans, etc. for the fiscal year under review, received reports from each Audit & Supervisory Board Member regarding the implementation status and results of their audits, in addition to which it received reports from Directors, etc. and the Accounting Auditor regarding the status of the execution of their duties and requested explanations as necessary.
- (2) In compliance with the audit & supervisory board member audit standards established by the Audit & Supervisory Board and in accordance with the audit policies, audit plans, etc., for the fiscal year under review, each Audit & Supervisory Board Member communicated with Directors and the internal audit department, etc., strove to gather information and develop the audit environment and conducted audits using the following methods.
 - A We attended meetings of the Board of Directors and other important meetings, received reports from Directors, employees, etc. regarding the status of the execution of their duties, requested explanations as necessary, viewed important decision-making documents, etc. and inspected the status of operations and assets in the head office and main business locations. Additionally, in regard to subsidiaries, we communicated and exchanged information with Directors, Audit & Supervisory Board Members, etc. of subsidiaries and received business reports from subsidiaries as necessary.
 - B In regard to the contents of resolutions of the Board of Directors regarding the development of systems to ensure that the execution of the duties of Directors complies with laws, regulations and the article of incorporation and other systems provided in Article 100, paragraphs (1) and (3) of Regulations for Enforcement of the Companies Act as systems necessary to ensure the appropriateness of operations of the corporate group comprised of a stock company and its subsidiaries, as well as the systems developed pursuant to those resolutions (i.e. internal control systems) stated in the business report, we periodically received reports from Directors, employees, etc. regarding the status of the establishment and operation of those systems and requested explanations as necessary, and expressed our opinions in regard thereto. In regard to the internal control related to financial reporting, we received reports from Directors, etc. and Ernst & Young ShinNihon LLC regarding the evaluation of said internal control and the status of audits and requested explanations as necessary.
 - C We oversaw and verified whether the Accounting Auditor maintained an independent position and conducted an appropriate audit, received reports from the Accounting Auditor regarding the status of the execution of its duties and requested explanations as necessary. Additionally, we received notification from the Accounting Auditor that in accordance with "Quality Control Standard for Auditing" (the Accounting Standards Board of Japan), etc., it had developed "systems for ensuring proper business activities" (matters stated in the items of Articles 131 of Regulations of Corporate Accounting), and requested explanations as necessary.

Based on the above methods, we examined the business report, its supplementary schedules thereto, the unconsolidated financial statements (the balance sheet, statement of profit or loss, statement of changes in equity and notes to the unconsolidated financial statements), the supplementary schedules thereto and the consolidated financial statements (the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity and notes to the consolidated financial statements) for the fiscal year under review.

2. Results of audit

- (1) Results of audit of business report, etc. It is our opinion that:
 - A. We find that the business report and the supplementary schedules thereto accurately present the status of the Company in accordance with laws, regulations, and the articles of incorporation.
 - B. We do not find any misconduct or any material fact constituting a violation of laws, regulations, and the articles of incorporation in relation to the Directors' execution of their duties.
 - C. We find the contents of the resolutions of the Board of Directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or directors' execution of their duties relating to the internal control systems including internal control of financial reporting.
- (2) Results of audit of unconsolidated financial statements and supplementary schedules thereto
We find the methods and results of the audit by accounting auditor Ernst & Young ShinNihon LLC to be reasonable.
- (3) Results of audit of consolidated financial statements
We find the methods and results of the audit by accounting auditor Ernst & Young ShinNihon LLC to be reasonable.

May 15, 2025

The Audit & Supervisory Board, Fujitsu Limited

Full-time Audit & Supervisory Board Member

Full-time Audit & Supervisory Board Member

Youichi Hirose (seal)

Yuichi Ozeki (seal)

Audit & Supervisory Board Member	Koji Hatsukawa (seal)
Audit & Supervisory Board Member	Hideo Makuta (seal)
Audit & Supervisory Board Member	Catherine O'Connell (seal)

(Notes) The three Audit & Supervisory Board Members, Koji Hatsukawa, Hideo Makuta and Catherine O'Connell are external Audit & Supervisory Board Members, stipulated by Article 2, paragraph (16) of the Companies Act.