

June 9, 2000

To Our Shareholders:

Naoyuki Akikusa, President  
FUJITSU LIMITED  
1-1, Kamikodanaka 4-chome,  
Nakahara-ku, Kawasaki  
Kanagawa  
Japan

**NOTICE OF CONVOCATION OF  
THE 100TH ANNUAL SHAREHOLDERS' MEETING**

You are cordially invited to attend the 100th Annual Shareholders' Meeting.

If you are unable to attend the meeting, you may vote by mail. In order to exercise your rights by mail, please study the attached materials, then sign and return the enclosed documents, indicating your approval or disapproval of the proposals.

**1. Date :** 10:00 a.m., Thursday, June 29, 2000

**2. Place :** The first floor of the main building, Kawasaki Research and Manufacturing Facilities, FUJITSU LIMITED  
1-1, Kamikodanaka 4-chome,  
Nakahara-ku, Kawasaki  
Kanagawa  
Japan

**3. Objectives of the Meeting**

**Reports:** **Presentation of the Business Report, Balance Sheet, and Statement of Income for the 100th Business Period (from April 1, 1999, to March 31, 2000)**

**Agenda:**

- |                       |  |
|-----------------------|--|
| <b>Proposal No. 1</b> | <b>Appropriation of Retained Earnings for the 100th Business Period</b>    |
| <b>Proposal No. 2</b> | <b>Partial Amendments in Article of Incorporation</b>                      |
| <b>Proposal No. 3</b> | <b>Election of Five Members of the Board</b>                               |
| <b>Proposal No. 4</b> | <b>Election of One Auditor</b>   |
| <b>Proposal No. 5</b> | <b>Granting Stock Options to Members of the Board and Employees</b>        |
| <b>Proposal No. 6</b> | <b>Presentation of Retirement Allowances to the Retiring Board Members</b> |

(The reports are attached as Exhibit A. The agenda are continued in the following pages.)

Notes:

- (1) Those attending the meeting are requested to present the enclosed Document for Exercise of Voting Rights to the receptionist.
- (2) This English version Notice of Convocation and Reference Material are based on the separate Japanese version. The style of the English version differs slightly from the Japanese version.

**REFERENCE MATERIAL FOR THE EXERCISE OF VOTING RIGHTS**

1. Total number of shares held by shareholders entitled to vote: 1,947,731,000
2. Proposals and References

**Proposal No. 1: Appropriation of Retained Earnings for the 100th Business Period**

It is recommended that retained earnings be appropriated as stated on the following Reports on the 100th Business Reports (Exhibit A page A-20), with regard to the severe business environment forecast for Japan and overseas, as well as reinforce the Company resources.

The year-end dividend will be ¥5 per share, resulting in an annual dividend of ¥10 per share. This includes the interim dividend of ¥5 per share, which was distributed on December 1, 1999.

**Proposal No. 2: Partial Amendments in Article of Incorporation**

It is proposed to amend the present Article of Incorporation as follows.

Particulars of the amendment

(Underlined parts are amended)

Present Articles	Proposal for Amendment	Reason for Amendment
Articles 6 to 37. (text omitted)	<p><u>Article 6.(Granting Stock Options)</u>  <u>The Company may grant stock options to Members of the Board or employees in accordance with Article 280-19 of the Commercial Code.</u></p> <p>Articles 6 to 37 are renumbered from Articles <u>7</u> to <u>38</u>. The text is not changed.</p>	<p>It is newly established that the Company may grant stock options to Members of the Board or employees.</p> <p>The article numbers of Article 6 and the following articles of the current Articles of Incorporation are renumbered as a result of insertion of the new Article 6.</p>

**Proposal No. 3: Election of Five Members of the Board**

Messrs. Michio Naruto, Takesi Maruyama, Masuo Tanaka, Michio Fujisaki, and Yoshiro Yoshioka will retire at the close of this Annual Shareholders' Meeting. It is proposed that five Members of the Board be elected to fill vacancies.

The candidates are listed below.

Candi-date No.	Name [date of birth]	Profile and Primary position or title	Numbers of shares of the Company held by the candidate
1	Kuniaki Suzuki [August 28, 1945]	Jul. 1969 Joined the Company Jun.1995 Group President, Sales & Marketing Promotion Group Dec. 1996 Group Senior Vice President, Marketing Group Aug.1997 Group President, Western-Japanese Regional Sales Group Apr. 2000 Group President, Marketing Group (Present title)	2,000
2	Taketoshi Ishii [August 20, 1944]	Apr. 1967 Joined the Company Jun.1994 General Manager, Distribution & Service Sales Div. Jun. 1997 Group Senior President, Sales Group, Distribution & Information System Jun.1998 Group Exective Vice President, Sales Group, Distribution & Information System Jun.1999 Group President, Sales Group, Distribution & Information Systems Apr. 2000 Group Exective Vice President, Industries & Financial Sales Group (Present title)	4,000
3	Masamichi Ogura [June 30, 1946]	Apr. 1969 Joined the Company Jun.1993 General Manager, Administration & Business Promotion Group, Electronic Devices Oct. 1996 Group Senior Vice President, Administration & Business Promotion Group, Electronic Devices Jun.1998 Group President, Administration & Business Promotion Group, Electronic Devices Apr. 2000 Group Vice President, Electronic Devices Group (Present title)	3,460
4	Toshihiro Nishimura [September 1, 1946]	Sept.1973 Joined the Company Jun. 1996 General Manager, Systems Engineering Div. II, Systems Engineering Group Jun. 1998 Group Snior Vice President, Systems Engineering Group Jun. 1999 Group Exective Vice President, Systems Engineering Group (Present title)	2,000

Candi- date No.	Name [date of birth]	Profile and Primary position or title	Numbers of shares of the Company held by the candidate
5	Hiroaki Takeichi [December 6, 1947]	Apr. 1971 Joined the Company Apr. 1992 Senior Vice President, Fujitsu Network Switching of America, Inc. (currently, Fujitsu Network Communications, Inc.) Nov. 1995 General Manager, Integrated Systems Div. Telecommunication Network Systems Group, Fujitsu Limited Jun. 1999 Group Senior Vice President, Network Systems Group Apr. 2000 Group President, Network Systems Group (Present title)	5,000

#### **Proposal No. 4: Election of One Auditor**

It is proposed that one Auditor be elected newly in order to inforce the auditrial structure.

The candidate is listed below.

Name [date of birth]	Profile or primary position	Numbers of shares of the Company held by the candidate
Katsuhiko Kondo [September 5, 1937]	Apr. 1960 Joined the Dai-Ichi Bank, Limited (currently, the Dai-Ichi Kangyo Bank, Limited) Feb. 1995 Deputy President of the Dai-Ichi Kangyo Bank, Limited Apr. 1996 President of the Dai-Ichi Kangyo Bank, Limited Jun. 1997 Advisor, the Dai-Ichi Kangyo Bank, Limited (Present title)	0

Note:

Mr. Katsuhiko Kondo satisfies the requirements for external auditor as defined by Item 1, Article 18 of the “Law Regarding Exceptional Rules of the Commercial Code Concerning Auditing, etc. of Stock Corporations.”

#### **Proposal No. 5: Granting Stock Options to Members of the Board and Employees**

It is proposed that the Company, subject to affirmative resolution of Proposal No.2 “Partial amendments in Article of Incorporation” in accordance with of Article 280-19 of the Japanese Commercial Code and the Article 6 of Articles of Incorporation of the Company, grant stock options to Members of the Board and employees in the following manner in order to encourage their incentive and morale to improve the business performance of the Company and to increase the enterprise value for the benefit of shareholders.

## (Outline of the stock option)

## 1. Qualified persons

Qualified persons are Members of the Board and executives from the management layer just below Board Member as of the Shareholders' Meeting as listed in the register below. However, the five candidates for Board Members nominated under Proposal No.3, "Election of Five Members of the Board," will be qualified if they are elected as Board Members.

## 2. Identification of type of stocks (par-value or nonpar-value stock) for which the stock options are granted

Common par-value stocks of the Company

## 3. The numbers of shares for which the shares options are granted

The number of shares for which the stock options are granted shall not exceed 1,305,000 in total, and the number of shares for each qualified person is described in the register of qualified persons.

Upon stock split or consolidation after the date of the option grant, the number of unissued shares for the stock options shall be subject to adjustment in accordance with the following formula, and any fraction less than ¥1 as a result of the adjustment shall be rounded down.

$$\begin{array}{l} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{before adjustment} \end{array} \times \text{ratio of stock split or consolidation}$$

## 4. Option Price

The issue price of new shares shall be (i) the averaged closing price (including indication of any bid or offer) (fractions less than ¥1 shall be rounded up to ¥1) for the common stock of the Company in regular transactions on the Tokyo Stock Exchange on each of the 30 consecutive trading days commencing on the 45<sup>th</sup> trading day preceding the date of the option grant (excluding days no closing price were quoted) multiplied by 1.05, or (ii) the closing price on the date of the option grant (or the latest closing price immediately preceding to the date of the option grant if no closing price is quoted on the date of the option grant), whichever is higher.

In the event that the Company issues new shares at a price less than the market price (excluding the exercise of convertible bonds or subscription rights) after the date of the option grant, the issue price will be subject to adjustment in accordance with the following formula, and fractions less than ¥1 shall be rounded up to ¥1. Upon the issuance of convertible securities or securities with the warrants convertible or exercisable at conversion or exercise price less than the market price, the issue price will also be adjusted with the following formula.

$$\begin{array}{l} \text{Issue price after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Issue price} \\ \text{before} \\ \text{adjustment} \end{array} \times \frac{\begin{array}{l} \text{Number of} \\ \text{outstanding} \\ \text{shares} \end{array} + \frac{\begin{array}{l} \text{Number of newly-} \\ \text{issued shares} \end{array} \times \begin{array}{l} \text{Subscription per} \\ \text{shares} \end{array}}{\begin{array}{l} \text{Number of outstanding} \\ \text{Shares} \end{array} + \begin{array}{l} \text{Number of shares newly} \\ \text{issued} \end{array}} \times \begin{array}{l} \text{Current market price per share} \end{array}$$

Upon stock split or consolidation, the issue price will be subject to adjustment in accordance with the following formula, and any fraction less than ¥1 as a result of the adjustment shall be rounded up to ¥1.

$$\begin{array}{l} \text{Issue price after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Issue price before} \\ \text{adjustment} \end{array} \times \frac{1}{\begin{array}{l} \text{Ratio of stock split or} \\ \text{consolidation} \end{array}}$$

## 5. Option Term

From August 1, 2000 through June 29, 2010

## 6. Conditions for the exercise of the Stock Options

- (1) Qualified persons may exercise their stock options after they cease to be Members of the Board or employees of the Company. If a qualified person dies, his or her heir may exercise the option. In any case, the stock option shall be exercised in accordance with the terms and conditions stipulated in the contract for granting stock options as mentioned in the following paragraph (3).
- (2) Qualified persons may not transfer to third parties, encumber nor otherwise dispose of in any manner their stock options.
- (3) The terms and conditions for the exercise of the stock options shall be stipulated in the contracts for granting the stock options, which is executed between the Company and the qualified persons as specified in above item 1 based on a resolution at the Shareholders' Meeting and a resolution of Members of the Board.

## 7. Adjustment in case of merger, etc.

In case of merger or consolidation of the Company, stock exchange or transfer of the Company, or other relevant occurrences after the date of the option grant, the Company may adjust the number of shares subject to the option, option price, and any other terms, restrict exercise of the option, or invalidate.

**Register of qualified persons**

## 32 Members of the Board

Name	Number of stocks	Name	Number of stocks	Name	Number of stocks
Tadashi Sekizawa	100,000	Takashi Takaya	40,000	Hidetoshi Shibagaki	20,000
Naoyuki Akikusa	100,000	Hiroshi Oshima	30,000	Hiroaki Kurokawa	20,000
Keizo Fukagawa	60,000	Tatsuzumi Furukawa	30,000	Hirohisa Yabuuchi	20,000
Tadayasu Sugita	40,000	Junji Maeyama	30,000	Koichi Ota	20,000
Akira Takashima	40,000	Hiroya Madarame	30,000	Takahiko Okada	20,000
Kazunari Shirai	40,000	Masaru Takei	30,000	Kuniaki Suzuki	20,000
Tatsuhiko Otaki	40,000	Tatsushi Miyazawa	30,000	Taketoshi Ishii	20,000
Kazuto Kojima	40,000	Kunihiko Sawa	20,000	Masamichi Ogura	20,000
Akio Moridera	40,000	Ryusuke Hoshikawa	20,000	Toshiro Nishimura	20,000
Isao Suzuki	40,000	Kazuo Murano	20,000	Hiroaki Takeichi	20,000
Yuji Hirose	40,000	Noboru Ogi	20,000		

## 15 Employees

Name	Number of stocks	Name	Number of stocks	Name	Number of stocks
Katsuro Yamaji	15,000	Akikazu Yajima	15,000	Michio Atarashi	15,000
Tatsuya Yoshikawa	15,000	Yukichi Takeda	15,000	Hiromasa Kimura	15,000
Kenichi Katashiba	15,000	Michiyoshi Mazuka	15,000	Yasushi Tajiri	15,000
Yoshihiro Matsuda	15,000	Nobuyoshi Sugimoto	15,000	Tetsuo Urano	15,000
Akira Tokimasa	15,000	Toshihiko Ono	15,000	Takashi Aoki	15,000

**Proposal No. 6  
Members****Presentation of Retirement Allowances to the Retiring Board**

It is proposed that retirement allowances be presented to retiring Board Members Michio Naruto, Takesi Maruyama, Masuo Tanaka, Michio Fujisaki, and Yoshiro Yoshioka, who are retiring at the close of this meeting. These allowances shall be given in accordance with company standards in gratitude for work they have performed during their terms of office.

It is also proposed that the amount of the retirement allowances and the time and manner of the presentation be left to the discretion of Members of the Board for the retiring Board Members.

The profiles of the retiring Board Members are as follows:

Name	Profile
Michio Naruto	Jun. 1985 Member of the Board, Fujitsu Limited Jun. 1988 Senior Vice President, Fujitsu Limited Jun. 1994 Exective Vice President, Fujitsu Limited Jun. 1998 Vice Chairman, Fujitsu Limited Apr. 2000 Member of the Board, Fujitsu Limited (Present title)
Takesi Maruyama	Jun. 1990 Member of the Board, Fujitsu Limited Jun. 1994 Senior Vice President, Fujitsu Limited Jun. 1996 Exective Vice President, Fujitsu Limited Jun. 1998 Senior Exective Vice President, Fujitsu Limited Apr. 2000 Member of the Board, Fujitsu Limited (Present title)
Masuo Tanaka	Jun. 1989 Member of the Board, Fujitsu Limited Jun. 1992 Senior Vice President, Fujitsu Limited Jun. 1996 Exective Vice President, Fujitsu Limited Jun. 1998 Senior Exective Vice President, Fujitsu Limited Apr. 2000 Member of the Board, Fujitsu Limited (Present title)
Michio Fujisaki	Jun. 1989 Member of the Board, Fujitsu Limited Jun. 1994 Senior Vice President, Fujitsu Limited Jun. 1996 Exective Vice President, Fujitsu Limited Apr. 2000 Member of the Board, Fujitsu Limited (Present title)
Yoshiro Yoshioka	Jun. 1992 Member of the Board, Fujitsu Limited Jun. 1997 Senior Vice President, Fujitsu Limited Apr. 2000 Member of the Board, Fujitsu Limited (Present title)