

April 28, 2017

Company: Fujitsu Limited

Representative: Tatsuya Tanaka

Representative Director & President

(Stock Code: 6702; First Section of the Tokyo Stock Exchange)

## **Fujitsu Introduces "Performance Share," a Performance-based Stock Compensation Plan**

Fujitsu Limited has resolved at its Board of Directors meeting held today to introduce a performance-based stock compensation plan, known as "Performance Share," (hereinafter referred to as "the Plan"). Introduction of the Plan is subject to shareholders' approval on establishing a non-monetary compensation framework for directors, at the 117<sup>th</sup> ordinary annual shareholders' meeting scheduled for June 26, 2017.

### 1. Objective of introducing the Plan

The Company intends to grant to Executive Directors mid- to long-term incentives for improving corporate value, and also will endeavor to further enhance management from a shareholders' perspective.

Fujitsu decided to introduce the Plan according to recommendations made by the Compensation Committee. The Plan is designed to link the compensation of Directors to the Company's mid- and long-term performance and shareholder value. The Company also believes that it is consistent with the spirit of the Corporate Governance Code.

### 2. Details on the Plan

#### (1) Overview of the Plan

At the start of the period that covers the pre-determined three-year mid- to long-term performance targets, the Company will present to Executive Directors a Base Number of Shares in accordance with respective rank, performance judging period (three years) and mid- to long-term performance targets. The number of shares, which is calculated by multiplying Base Number of Shares by a fixed coefficient according to the level of performance achievement, is fixed at each fiscal year. When the performance judging period is over, the total number of shares is allocated to each applicable person. Then, monetary compensation claims comparable to market value of allocated shares are provided to the Executive Directors. The Executive Directors invest these monetary compensation claims in allocated shares to acquire Fujitsu's shares.

The Executive Directors may transfer acquired shares of Fujitsu at their own discretion unless they violate regulations regarding insider trading.

(2) Compensation amount under the Plan and upper limit of the number of granted shares

The upper limit of the amount of monetary compensation claims to executive directors under the Plan is set up to ¥300 million a year. The total number of allocated Fujitsu shares is set to within 550,000 shares a year.

(3) Indicator of performance achievement level and coefficient

Coefficient is set up within a certain scope according to performance achievement level vis-à-vis the pre-arranged mid- to long-term performance targets in terms of sales revenue and operating profit of Fujitsu's consolidated financial results. When the coefficient turns out to be less than pre-determined lower limit, then shares are not allocated. The number of shares, calculated by multiplying Base No. of Shares by the upper limit of the pre-determined coefficient, represents that of the upper limit allocated to the applicable persons.

(4) Payment amount per share

The payment amount per share allocated to Executives under the Plan shall be the fair price of Fujitsu's shares on the day of payment, such as the closing value of share at the Tokyo Stock Exchange one business day before the date of the board of directors meeting held to decide on allocation.

(5) Others

Handling of share allocation for outgoing Executives, handling of the Plan at the time of restructuring and others, handling of the Base Number of Shares at the time of stock split or stock consolidation and other details on the Plan, shall be determined at the board of directors meeting and incorporated as regulations on the Plan.

The Plan is also available to corporate executive officers who do not concurrently hold the title of director. The Company will also consider granting, as non-performance-based compensation, Fujitsu shares to non-executive directors including external directors.

In addition to the Plan above for Executives, Fujitsu is considering introducing a scheme of providing incentives using treasury shares to embrace excellent personnel and secure those who are required to develop future businesses.

**Press Contacts**

Fujitsu Limited

Public and Investor Relations Division

Inquiries: <https://www.fujitsu.com/global/about/resources/news/presscontacts/form/index.html>

**About Fujitsu**

Fujitsu is the leading Japanese information and communication technology (ICT) company offering a full range of technology products, solutions and services. Approximately 155,000 Fujitsu people support customers in more than 100 countries. We use our experience and the power of ICT to shape the future of society with our customers. Fujitsu Limited (TSE: 6702) reported consolidated revenues of 4.5 trillion yen (US\$40 billion) for the fiscal year ended March 31, 2017. For more information, please see <http://www.fujitsu.com>.

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