

July 27, 2023

Fujitsu Limited

## **Notice regarding revision of performance-based compensation indicators for executive directors**

**Tokyo, July 27, 2023** – Fujitsu announced that it has made a resolution at its Board of Directors meeting held today to revise the remuneration of its Directors based on the report of the Compensation Committee and to revise evaluation indicators in bonuses for fiscal 2023 and beyond in order to encourage and reward the commitment of its executive directors to achieving the management goals set out in its Medium-Term Management Plan for fiscal 2023 through 2025.

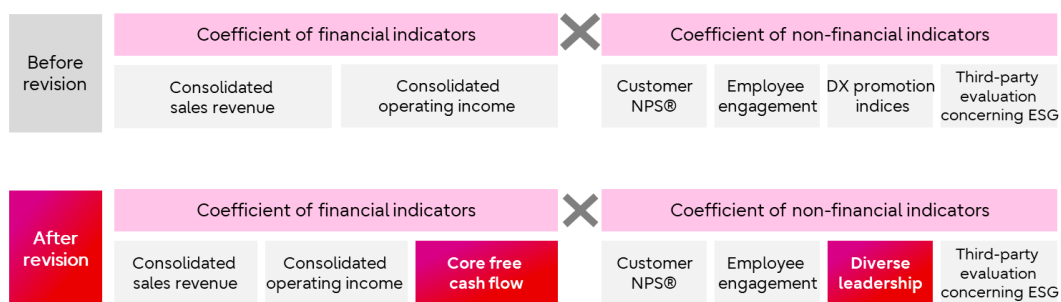
These measures aim to secure excellent talent able to lead Fujitsu toward the realization of its Purpose “to make the world more sustainable by building trust in society through innovation” and to establish a highly transparent executive compensation system linked to business performance better with shareholder value. As for performance-based compensation for executive directors, Fujitsu has established a basic policy on executive compensation that includes bonuses linked to short-term business performance, and performance-based stock compensation as a medium- to long-term incentive that emphasizes linkage with shareholder value.

### **(1) Changes in financial indicators**

In addition to the sales revenue and operating income in the consolidated financial statements, which had been selected as the evaluation index, the new "core free cash flow (Note 1)" will be used as the evaluation index to reward the enhancement of cash generation capabilities set forth in the Medium-Term Management Plan.

### **(2) Changes in non-financial indicators**

Based on the non-financial goals of the Medium-Term Management Plan, by adding diverse leadership (ratio of female managers) to the existing indicators such as Customer NPS® (Note 2), Employee Engagement (Note 3), and third-party evaluation concerning ESG (DJSI (Note 4) and CDP Climate Change (Note 5)), Fujitsu will have a compensation scheme to reward steady progress in these initiatives for its key non-financial performance priorities as well as for being included in a third-party evaluation concerning ESG and winning the highest evaluation.



## Notes

1. **Core free cash flow:** Free Cash Flows excluding special items, such as from sales of businesses, acquisitions, and business model transformation expenses.
2. **Customer NPS®:** “Customer Net Promoter Score.” An index that measures customer loyalty (the degree to which a customer is trusted or attached to a company, product, or service) in order to understand the improvement or deepening of customer experience and customer experience (CX).
3. **Employee Engagement:** An indicator of employees' willingness and attachment to work and contribute voluntarily and independently, in sympathy with the direction of the company and purpose.
4. **DJSI:** Dow Jones Sustainability Index. Global ESG Investment Index.
5. **CDP Climate Change:** The CDP, an international non-profit organization, investigates and evaluates efforts to address climate change at the request of investors, etc., and publishes the results.

## Related Links

- [Basic Policy on Executive Compensation \(revised on July 27, 2023\)](#)
- [Notice regarding revision of executive compensation \(April 28, 2022\)](#)

## About Fujitsu

Fujitsu’s purpose is to make the world more sustainable by building trust in society through innovation. As the digital transformation partner of choice for customers in over 100 countries, our 124,000 employees work to resolve some of the greatest challenges facing humanity. Our range of services and solutions draw on five key technologies: Computing, Networks, AI, Data & Security, and Converging Technologies, which we bring together to deliver sustainability transformation. Fujitsu Limited (TSE:6702) reported consolidated revenues of 3.7 trillion yen (US\$28 billion) for the fiscal year ended March 31, 2023 and remains the top digital services company in Japan by market share. Find out more: [www.fujitsu.com](http://www.fujitsu.com).

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