Fujitsu Comparable Pension Scheme
Summary Funding Statement

for the year ending 31 March 2016

As you know from previous years, we send you a Summary Funding Statement to keep you up to date on the development of the Scheme's finances. The statement provides you with an estimate of the funding position as at 31 March 2016, the date of the most recent report by the Scheme Actuary.

This statement is for information purposes only. It does not require you to take any action.

Summary of funding position since previous Summary Funding Statement

The table below summarises the development in the funding position on an ongoing basis (excluding members' Additional Voluntary Contributions ("AVCs" or "ASCs")).

Date	Assets	Liabilities	Deficit	Funding Level
31 March 2014	£254.6m	£286.7m	£32.1m	89%
31 March 2015*	**£323.2m**	**£367.2m**	**£44.0m**	**88%**
31 March 2016	£332.7m	£381.1m	£48.4m	87%

*A formal actuarial valuation was carried out as at 31 March 2015. At other dates the funding position is estimated in the annual update that is carried out in years between formal valuations.

We have provided a brief explanation of the reasons for the change in funding levels below.

Change in the funding position from 31 March 2014 to 31 March 2015

Over the year the liabilities increased more than assets, leading to an increase in the deficit from £32.1m to £44.0m. This represents a slight fall in the funding level (less than 1%) and was primarily due to the impact of changes in market conditions and demographic experience arising from the 31 March 2015 valuation. This was partly offset by favourable returns from property and equities relative to that assumed and changes in demographic assumptions adopted for the 31 March 2015 valuation.

Change in the funding position from 31 March 2015 to 31 March 2016

Over the year the liabilities increased more than assets, leading to a small increase in the deficit from £44.0m to £48.4m. This represents a slight fall in the funding level (less than 1%) and was due to the impact of changes in market conditions and Company contributions for future accrual being insufficient relative to the 2015 valuation assumptions. This was offset partly by favourable returns from the assets.

Funding agreement following 31 March 2015 valuation

The deficit contributions agreed as part of the 31 March 2012 valaution consisted of a lump sum payment in 2013 and no further deficit contributions. As part of the agreement to the 31 March 2015 valuation the Company will make deficit contirbutions of £3.0m per annum from 1 April 2016 to 30 April 2027.

The balance of the funding shortfall is expected to be met by investment returns on the Scheme's assets, and under the assumptions made within the 31 March 2015 valuation, it is anticipated that the shortfall will be removed by 30 April 2027.

In addition, the Company will make regular contributions at rates between 30.3% and 63.0% of pensionable pay to finance ongoing accrual of benefits in respect of the various sections of the Scheme from 1 April 2016. These rates will increase on 1 April 2020 and every three years thereafter by 1.5%. The Company will pay additional amounts in respect of any members who have elected to pay normal or additional contributions through the Salary Swap program.

The Company also meets the costs of PPF and other levies in full.

The Scheme's financial health were it to be wound up

If the Scheme had discontinued as at 31 March 2015 and benefits had been secured with an insurance company, the Scheme Actuary has estimated that the additional amount needed to ensure that all members' benefits could have been paid in full was £203m. This figure is an estimate and does not represent the actual amount that would need to be paid to any specific insurer to secure the benefits. This information is shown for illustrative purposes only.

How the Scheme operates

How is my pension paid for?

The Company pays contributions to the Scheme so that the Scheme can pay pensions to members when they retire. Active members also make a contribution towards the cost of providing benefits from the Scheme. Most members participate in the Salary Swap program and give up part of their salary equivalent to the normal member contribution. The Company then makes a payment to the Scheme equal to the salary given up. Some members make their contribution through normal payroll deductions.

The assets of the Scheme are held in a common fund for the benefit of all members. They are not held in separate funds for each individual.

How is the amount the Scheme needs worked out?

The Trustee obtains regular valuations of the benefits earned by members. Using this information, the Trustee comes to an agreement with the Company on future contributions.

Pension Protection Fund

The Government has established the Pension Protection Fund (PPF) to pay compensation to members of defined benefit pension schemes when the employer becomes insolvent and when there are not enough assets in the pension scheme.

In this situation the PPF may take over the pension scheme's assets and provide benefits to the Scheme's members. However, the benefits provided by the PPF would in almost all cases be lower than the pensions that members would have received from the pension scheme.

The importance of the Company's support

The Trustee's objective is to have enough money in the Scheme to pay pensions now and in the future. However, the success of the Scheme relies on the Company's continuing support because:

- The Company has agreed to meet the annual premiums payable to the Pension Protection Fund;
- The funding level can fluctuate, and when there is a funding shortfall, the Company will usually need to pay higher pension contributions; and
- The target funding level may turn out not to be enough so the Company will need to put in more money.

What would happen if the Scheme were to be wound up?

If the Scheme winds up, it is possible that you might not get the full amount of pension you have built up, even if the Scheme is fully funded under its funding plan. However, whilst the Scheme remains ongoing, even though funding may temporarily be below target, benefits will continue to be paid in full.

If the Scheme were to start to wind up, the Company would be required to pay enough into the Scheme to enable the members' benefits to be completely secured with an insurance company. However, it might be that the Company would not be able to pay this full amount, in which case the PPF might take over the Scheme and pay benefits to members.

Further information and guidance is available on the Pension Protection Fund's website at http://www.pensionprotectionfund.org.uk/Pages/homepage.aspx or you can write to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA.

Why does the funding plan not call for full solvency at all times?

The full solvency position assumes that benefits will be secured by buying insurance policies. Insurers are obliged to take a very cautious view of the future and need to make a profit. The cost of securing pensions in this way also incorporates the future expenses involved in administration. By contrast, the Trustee's funding plan assumes that the Company will continue in business and support the Scheme.

What is the Scheme invested in?

The Trustee invests the assets of the Scheme in a Common Investment Fund (CIF) which also includes the assets of another Fujitsu pension scheme. Under such an arrangement the two pension schemes remain separate and independent entities, but each holds units in the CIF, which combines the assets of both schemes. The CIF employs specialist investment managers to invest in assets targeting a specified allocation.

In November 2016, the Trustees and Company agreed a change in the Scheme's investment strategy. The new strategy, which is now in place, is to invest 13% of the assets in equities, 6% in property, 51% in investment grade credit, 20% in liability driven investments and 10% in other fixed income assets. In addition, 85% of the sensitivity of the liabilities to changes in interest rates and inflation expectations is 'hedged' so that the impact of changes (both positive and negative) in interest rates and inflation on the shortfall should be substantially removed.

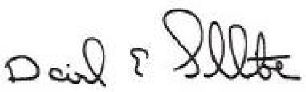
If you would like more information on the Scheme's investments, a detailed description of the investment policy can be found in a separate document produced by the CIF Trustee entitled "Investment Policy Implementation Document".

Payment to the Company and involvement of the Pensions Regulator

It is a legal requirement that this summary funding statement should inform members whether any payment has been made to the Company since the last summary funding statement. There has not been any payment to the Company out of the Scheme's funds since the last statement.

It is also a legal requirement to inform members whether the Scheme has been modified or if any directions or schedule of contributions have been imposed on the Scheme by the Pensions Regulator. There has not been any such involvement from the Pensions Regulator with the Scheme.

Please help us to keep in touch with you by telling us if you change address.



On behalf of the Trustee of the Fujitsu Comparable Pension Scheme

February 2017

Where can I get more information?

Additional information is available from the following web site (remember you need to register)

https://fujitsu.pensiondetails.co.uk

Additional information:

- **Statement of Investment Principles –** This explains how the Trustee invests the money paid into the Scheme
- **Investment Policy Implementation Document –** This provides a detailed description of the Scheme's investment policy
- **Schedule of Contributions –** This shows how much money is being paid into the Scheme
- **Annual Report and Accounts –** This shows the Scheme's income and expenditure in the year up to 31 March 2016
- **2015 Actuarial Valuation Report**
- **Member Booklets**

If you have any other questions, or would like any more information, please contact:

The Pensions Department
Fujitsu Services
Lovelace Road
Bracknell
Berkshire
RG12 8SN

Telephone: 0123 579 7788
Email: group.pensions@uk.fujitsu.com

Important: If you are thinking of leaving the Scheme for any reason, you may wish to consult an independent financial advisor, before taking any action.