

Briefing Materials

February 25, 2021

FUJITSU

shaping tomorrow with you

The Fujitsu Group's Organizational Restructuring

*Strengthening the Solutions and Services Organization in
Japan*

Fujitsu Limited
COO & CTO
Hidenori Furuta

Fujitsu's Purpose



“Our Purpose is to make the world more sustainable by building trust in society through innovation”



Priority Issues in Achieving Our Purpose




1. Rebuilding our global business strategy
2. Strengthening issue resolution capability in Japan
3. Contributing to greater business stability
4. Becoming our customers' best DX partner

1. Reinforcing data-driven management
2. DX talent development and productivity improvement
3. Full participation and ecosystem-based DX promotion

Strengthening the Services & Solutions Business



Building a services organization unique to Fujitsu to deliver even greater value to customers and society



Further enhance existing strengths

A partner that grows together with our customers

- Highly trusted, with an unrivaled customer base, in Japan
- Accumulated knowledge and both industry and functional expertise
- The strength of integration x technology



Pursuing global growth

Global best practices

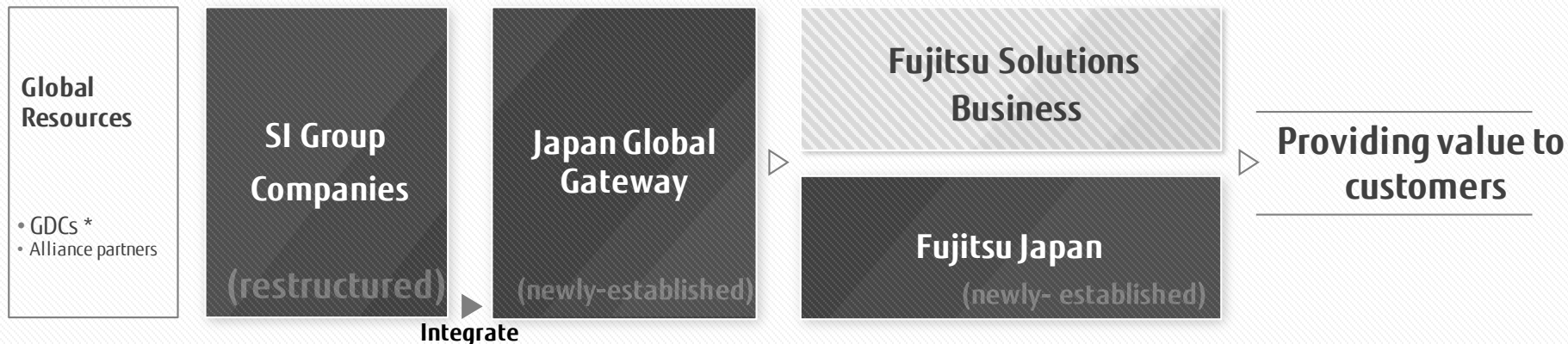
- Standardized solutions and services
- Concentrated on services focused on societal issues
- Overwhelming efficiency (speed x volume)

Creating a New Foundation for the Services Business

With customer value as the starting point, a services organization with integrated delivery and sales capabilities

01 Reforming service delivery

02 Enhancing sales unit for services in Japan



*GDC : Global Delivery Center

Creating a New Foundation for the Services Business

Bringing together capabilities spread throughout the Fujitsu Group, streamlining operations to enhance issue resolution and new business generation capabilities

Restructure SI Group Companies

- Bring together special skills spread within the Group to mobilize comprehensive strengths
- Improve earnings through greater efficiencies under the new SI structure

Japan Global Gateway

- Achieve high productivity through focus on standardization and shift in global personnel
- Support customer management investments in IT for business expansion

Full Launch of Fujitsu Japan

- Resolve Japan's societal issues through digital technologies
- Establish the dominant position in the Japanese market

01 Reforming service delivery

02 Enhancing sales unit for services in Japan

Reforming Service Delivery



Service Delivery Transformation

01

Contributing to Greater Business Stability



Fujitsu will establish a near-shore center for the Japanese market to organize and standardize the unique needs of each region or country for offshore development.



Management Direction
Briefing July 2020

Acknowledging Current Issues

IT Services Market

- Shortage of IT engineers in Japan
- Unique structure of IT industry in Japan
- Further contributions to customers' DX

Knowledge and Skills

- Skills and knowledge are dispersed
- Customers retaining in-house expertise for own specifications
- Lack of agility in allocation of expert resources

Organization within Fujitsu

- Organizational silos (mini-Fujitsu units)
- Functional overlaps among units and dispersal of personnel

Gap in sense of urgency between internal transformation and customers' DX needs

Mission of Japan Global Gateway



Achieve high productivity through focus on standardization in IT services and shift in global personnel

Shift customer IT spending toward management investments in IT for business expansion, such as in DX and new business

Global knowledge sharing

Globalization

Diversity

For Growth

New areas, such as DX and new business

Shift toward high-level talent in DX area

Standardized hybrid and agile organization

Improving productivity and quality through use and development of global personnel

For Stability

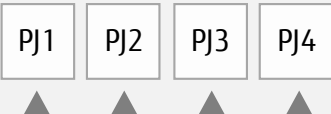
Scope of Services and Functions/Roles

- Providing shared services through comprehensive standardization, company-wide integration of talent pool

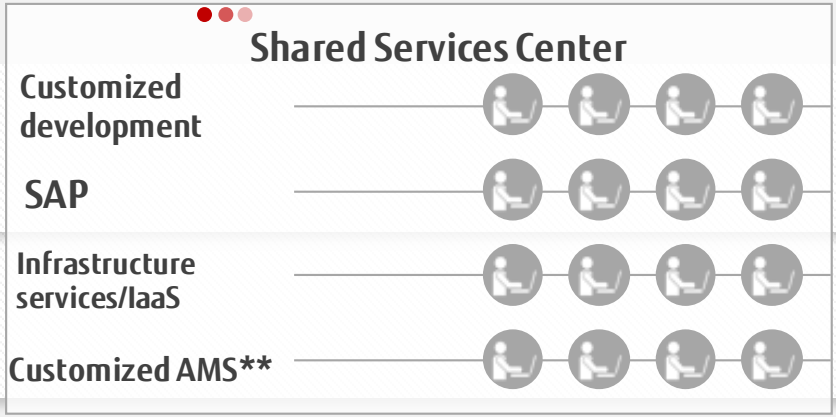
Shared services model

JGG Shared Services Center takes end-to-end responsibility for systems development and maintenance

Onsite
(customer
locations)



Shared Services Center

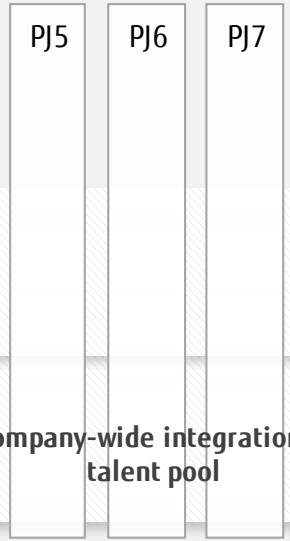


Japan Global Gateway

GDCs in each country*

Project-based model

Consolidate within JGG the project teams that plan the use of GDCs

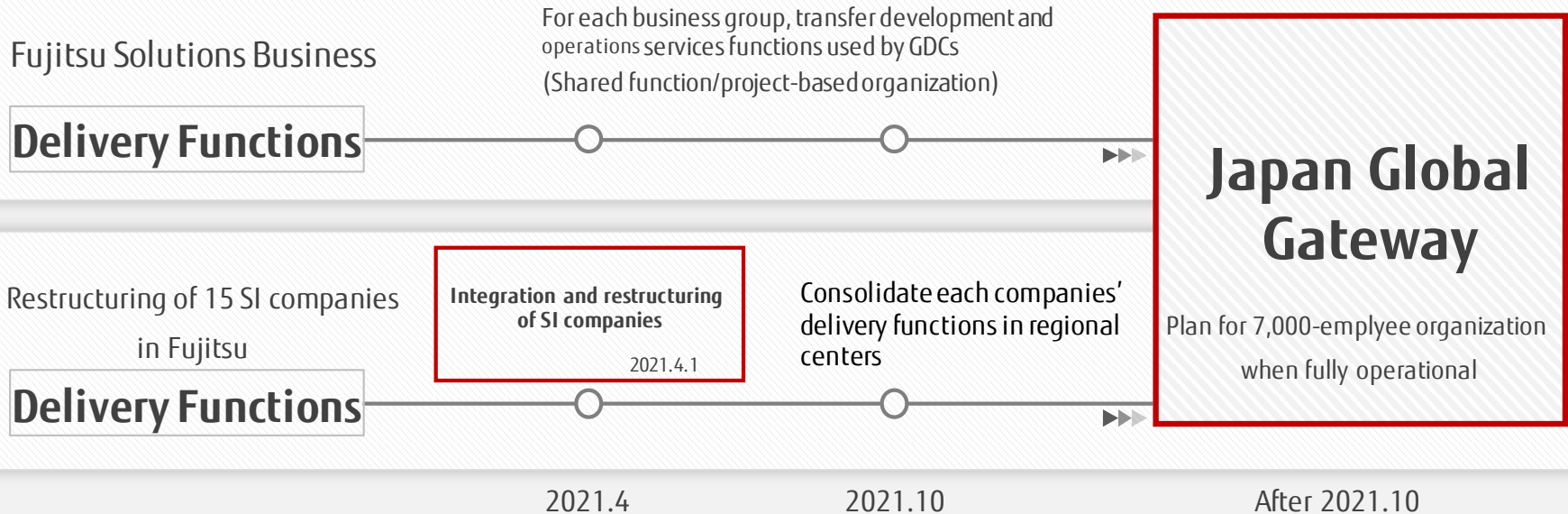


*GDC : Global Delivery Center

**AMS : Application Managed Service

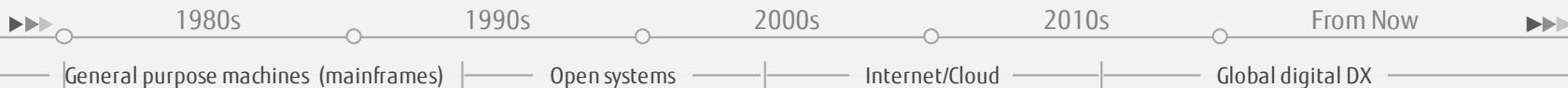
Consolidation of the Delivery Functions within the Fujitsu Group

- To accelerate the transformation, we will first restructure Fujitsu's SI companies



Restructuring of SI Companies: Transition to Date

While providing support during the growth of Fujitsu's services business, these companies were formed and became part of the Fujitsu Group based on respective strengths that were not present in the Fujitsu parent company entity



Organization of SE companies

Period of establishing SE companies

To cope with the sudden expansion of SI business, SE companies were established in each region throughout Japan

Sudden business expansion
Shortage of SE resources

Integration of companies and consolidation of functions

Issues due to the fact that the company is subdivided become apparent, and reorganization is carried out to improve efficiency and strengthen the management system

Intensified competition with vendors from specialized industries
Concentration of business in major urban areas

Bundled organization by industry

Reformed structure to create a bundled organization along industry lines

Shift toward services
Enhance global capabilities

Enhancing core organization's capabilities

Building new service delivery organization to expand digital and global business

New-Normal

SI business environment

Restructuring of SI Companies: Objectives



Enhance competitiveness by mobilizing comprehensive strengths

Expand business
by consolidating
strengths and
mobilizing the
Fujitsu Group's
comprehensive
strengths

Enhance
comprehensive
strengths by activating
organizational
capabilities and
resources

Improve earnings generation through greater efficiencies

Expand profitability
by putting new SI
organization in place
and improving
productivity

Make corporate
administration and
management more
efficient to reduce
costs

Leverage Comprehensive Strengths to Enhance Offerings

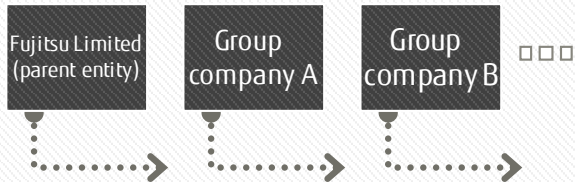


Generate services with global appeal through comprehensive strengths, bringing together the Fujitsu Group's strengths

(Example) Enhancing our solutions business in areas with a digital focus

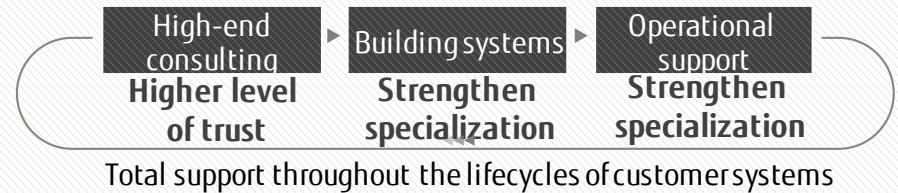
Provision of individual services

Services business of each individual companies



Bringing together the knowledge of each company and integrating the strengths of offerings

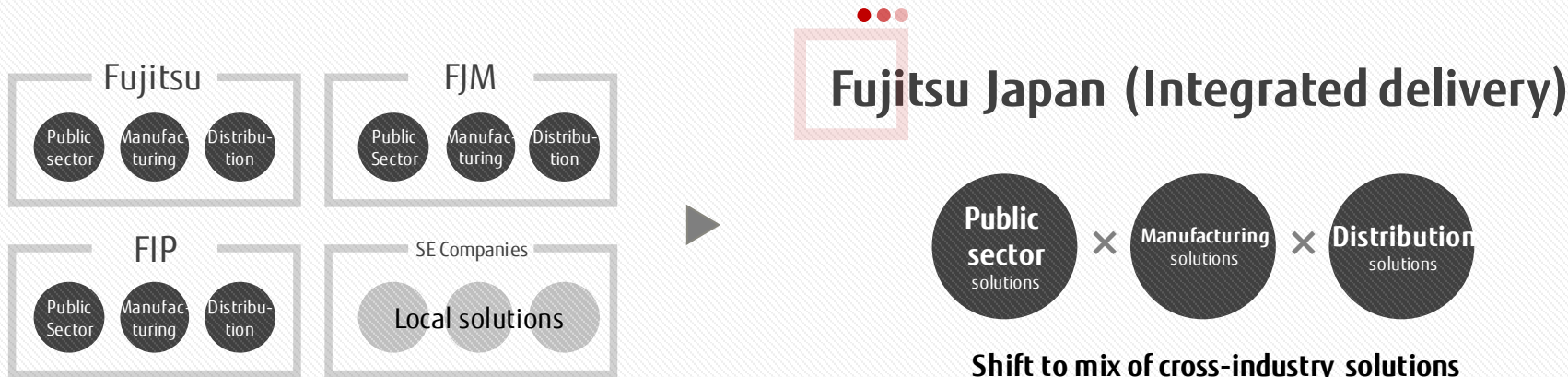
Concentrating business resources to further enhance existing services strengths



Leverage Comprehensive Strengths to Enhance Offerings

- Enhance cross-industry-based delivery for previously unreachable areas

(Example) Enhancing cross-industry business through delivery integration



Each company had its own packaged solutions and delivery capabilities and provided individualized services

New areas, such as DX business and digital government business (local governments, healthcare, education x manufacturing, distribution)

Enhancing Sales Unit for Services in Japan

Full Launch of Fujitsu Japan



Strengthen Service Front

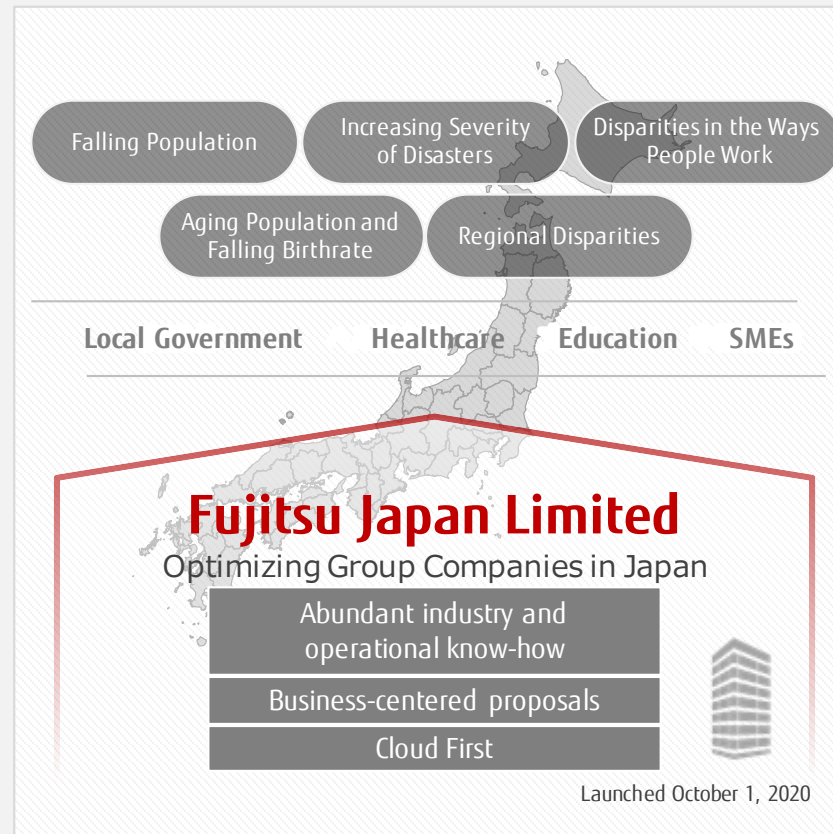
02

Strengthening Issue Resolution Capability in Japan



Strongly promoting the modernization of customer systems and the digital transformation of customer businesses

Management Direction
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Fujitsu Japan – Significance in the Name



Think about what we can do for Japan, and
“Make Japan Stronger”

Earlier than other countries, Japan is facing many of the issues that will ultimately face other advanced industrial nations. On top of that, because of restrictions in the form of laws, regulations, and norms in such field as local government, healthcare, and education, little progress is being made in business transformation and digitization.

By tailoring solutions to these issues and resolving the problem of regional disparities through digital technologies, we are committed to **making Japan more prosperous and overwhelmingly stronger.**

That is the meaning invested in “Japan” in the company name Fujitsu Japan.

We then plan to introduce the solutions generated through these activities to other countries around the world as quickly as possible as reference models.

The Mission of Fujitsu Japan

To apply and achieve Fujitsu's Purpose in Japan by resolving Japan's societal issues through digital technologies, establish a dominant position in the Japanese market, and maximize our market share, sales, and profit.

Unified point of contact
with customers

Providing one-stop service

Providing **high-quality** services
to customers and areas we
previously were unable to reach

To Customers throughout
Japan

Transforming
sales methods

Addressing societal
problems and actively
expanding DX business

Rebuilding relationships
with partners

From a focus on hardware to
a focus on SI/solutions

Steps in the Establishment of Fujitsu Japan

Step1

Launched October 1, 2020

Fujitsu Japan

Fujitsu Marketing

Fujitsu FIP

Fujitsu SEs for
private-sector businesses



Step2

Integrated April 1, 2021

Fujitsu Japan

Fujitsu Marketing

Fujitsu FIP

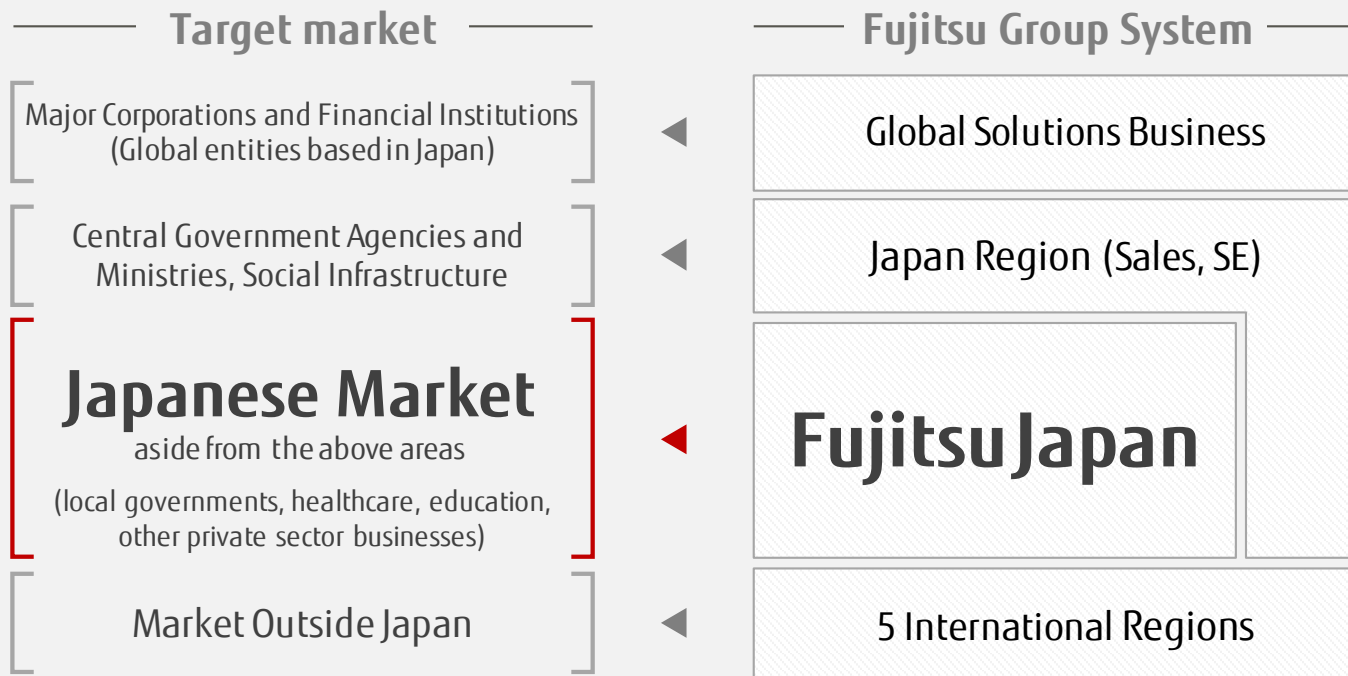
Fujitsu SEs for
private-sector businesses

- ▶ JAPAN-BG (Sales・SEs)
- ▶ FSAS/FNETS
Sales for Fujitsu Japan Market
- ▶ YFC、FJN、FYC、FOM

▶ Newly integrated organization and SE companies

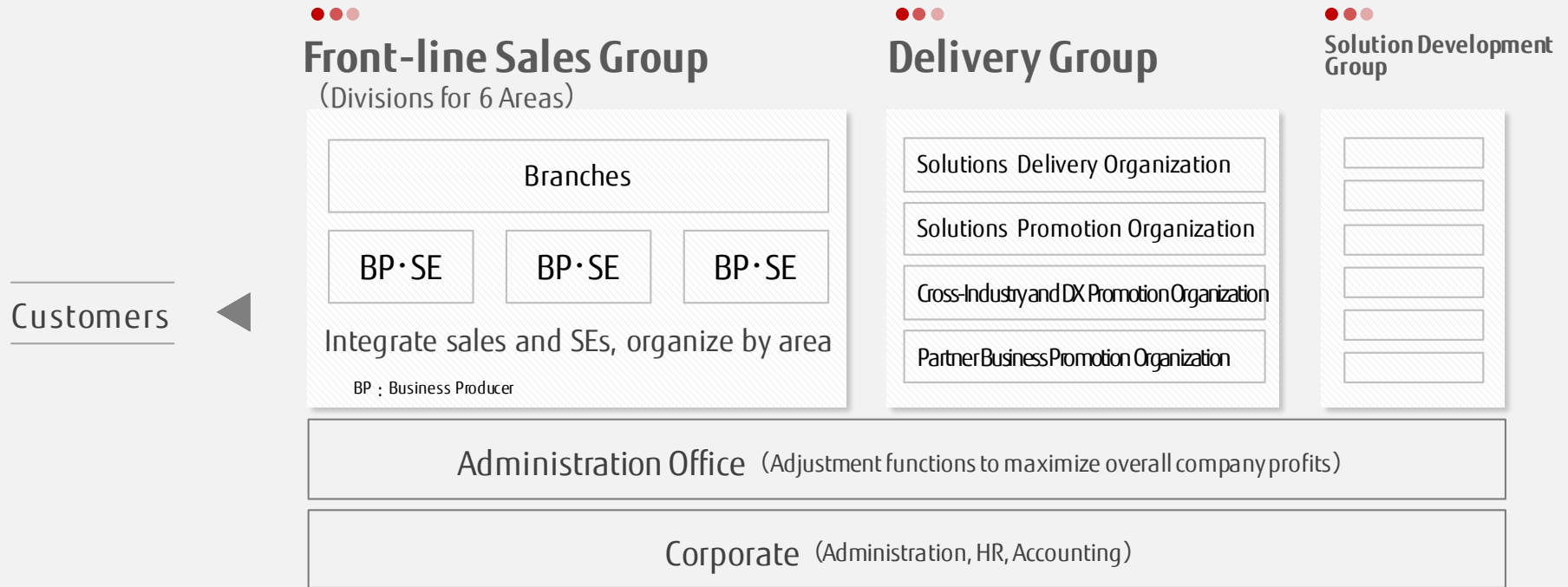
Positioning of Fujitsu Japan

- Promoting business tailored to Japan as the core company in the Japan region
- Building an organization that can quickly and flexibly address customer needs



Transforming Fujitsu's Organizational Structure

- Major restructuring into 3 groups: Front-line Sales Groups, Delivery Groups, and Solution Development Group



Business Strategy

- Meeting revenue and profit targets and forming the foundation for the next stage of growth

Traditional IT Areas

Expand earnings of industry-specific business

- Keep ahead of policy trends (secure competitive advantage)
- Shift business from SI to packaged software

Digital Business Areas

Modernization/Cloud

Accelerate cloud business and expand share

- Shift to standardized and shared use clouds
- Use AI to add high value to offerings
- Encroach into areas of competitors/areas not yet reached

DX

Invest in growth areas

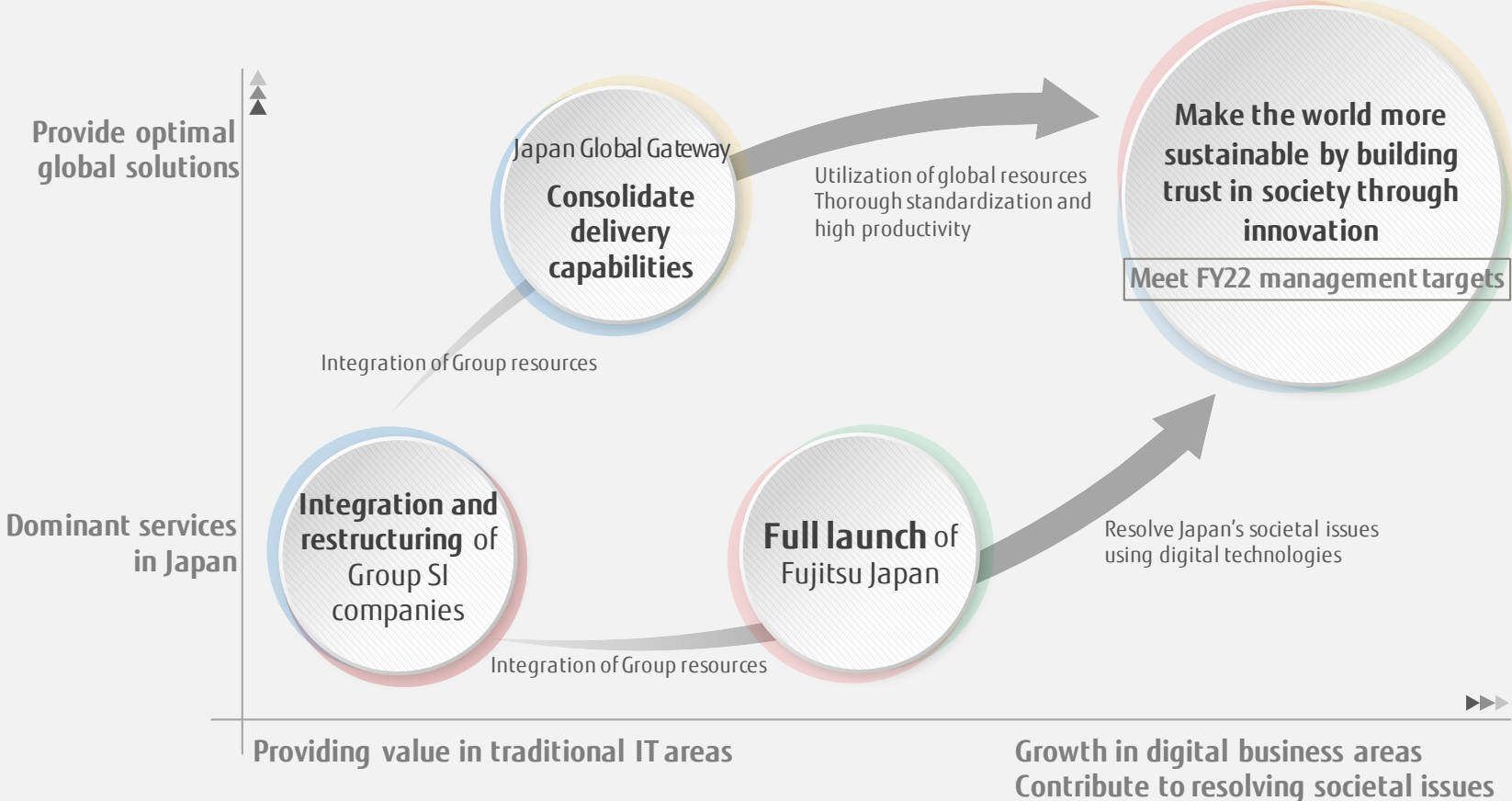
- Offerings focused on addressing societal issues
- Sales organizations to accelerate cross-industry approach
- Validate and commercialize strategic areas

Channel Strategy

Transformation of partner business

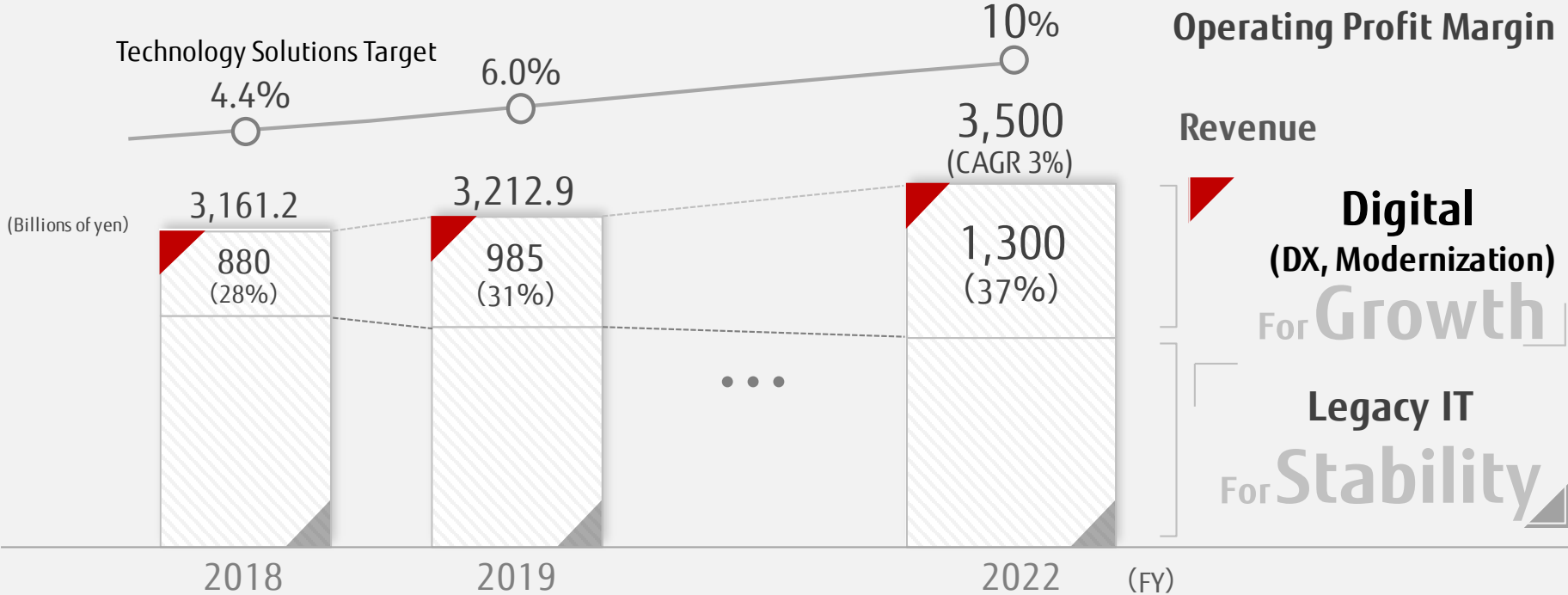
- Shift business focus from hardware to SI/solutions business
- Market-driven "sales collaboration" and development of "new solutions" for partners' areas


Toward the realization of Fujitsu's Purpose



Accelerate Execution of Growth Strategy

- Clarify the path for achieving management goals by accelerating growth strategies that take advantage of the new core of the service business





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