



Integrated Report 2015

Fujitsu Group

Forward-Looking Statements

This Integrated Report may contain forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors: general economic and market conditions in key markets (particularly in Japan, Europe, North America and Asia, including China); rapid changes in the high-technology market (particularly semiconductors, PCs, etc.); fluctuations in exchange rates or interest rates; fluctuations in capital markets; intensifying price competition; changes in market positioning due to competition in R&D; changes in the environment for the procurement of parts and components; changes in competitive relationships relating to collaborations, alliances and technical provisions; potential emergence of unprofitable projects; and changes in accounting policies.



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FUJITSU AT A GLANCE

The Fujitsu Group provides services in more than 180 countries around the world.



Research & Development

R&D expenses

¥202.7 billion

R&D global connections
(Fujitsu Laboratories Ltd.)

11 countries globally,
104 projects

Number of patent applications

Number of patent
applications filed in Japan

3,678

Number of patent
applications filed outside Japan

3,549



Business

Revenue

¥4,753.2 billion

Datacenters

121

Service desks

74

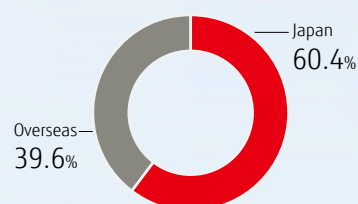
Consolidated subsidiaries

510

Number of employees

158,846

Breakdown of revenue



EMEIA

131 companies
 29,000 people
 ¥989.2 billion
 24 locations
 33 locations
 2 locations
(As of October 2015)

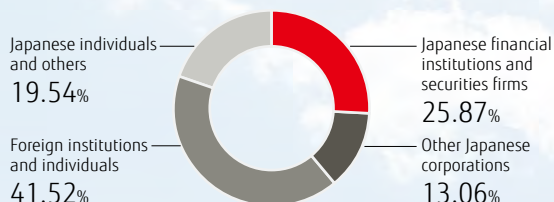
Asia

92 companies
 18,000 people
 ¥429.4 billion
 10 locations
 12 locations
 3 locations



Involvement with Stakeholders

Equity shareholdings by type of shareholder



IT services

No. 1 in Japan,
No. 5 in the world (Please refer to page 62.)

Dow Jones Sustainability World Index (Announced September 2015)

Selected 16 times

in the past
(including **four consecutive years** from 2012)

FORTUNE magazine's list of "World's Most Admired Companies"

Selected for **three consecutive years** from 2012

Japan



The Americas



Oceania



- Number of consolidated subsidiaries
- Number of employees
- Revenue
- Number of datacenters
- Number of service desks
- Number of R&D bases

(As of March 31, 2015)

Realizing Innovative Value by Creating Linking this throughout People's Lives

Masami Yamamoto

Representative Director and Chairman



Tatsuya Tanaka

Representative Director and President



New Fields with the Power of ICT and Society

Fujitsu was founded in 1935, 80 years ago.

At that time, most telephones were connected manually, and with the rapid increase in calls, the burden on people (exchange operators) had become an issue. Therefore, Fujitsu started the manufacture of automatic telephone exchange equipment as a domestic manufacturer.

Since then, Fujitsu has consistently used innovative technology in various fields, taking a human-focused approach to find solutions to problems. These efforts fostered trust that led to further value creation, enabling us to grow in step with the development of our customers and society.

As we mark our 80th year, we have adopted a new management structure. We are currently examining what we need to create now to leverage the trust we have built up in previous years, and to ensure that 20 years from now Fujitsu will have developed even further as a 100-year-old company. When considering this future, we are anchored by our most important principle of placing people at the center of our business operations, as part of our goal to facilitate human happiness.

In line with population growth, the world is facing a host of problems that threaten sustainability, such as climate change and shortages of energy and food. In October 2015, the United Nations adopted the Sustainable Development Goals (SDGs), and ICT is set to play an indispensable role in global sustainable development.

Therefore, finding ways to benefit both business and society is Fujitsu's social responsibility as well as its business opportunity.

On the other hand, the changes in our digital society will continue to accelerate in the future. Fujitsu strives to achieve sustainable growth by enhancing "connected" IoT technologies, and leading the connections of new fields such as self-driving vehicles and smart factories. Through these initiatives, we will work to create innovative value inspired by our customers and all people.

Fujitsu aims to communicate such ideas to everyone through the publication of Integrated Report, starting from this year. I hope that through this we can deepen our engagement with stakeholders in terms of purposeful dialogue, and conduct transparent management.



Representative Director and Chairman
Masami Yamamoto



Representative Director and President
Tatsuya Tanaka

PERFORMANCE HIGHLIGHTS

Fujitsu Limited and Consolidated Subsidiaries

*The Fujitsu Group adopted International Financial Reporting Standards (IFRS) in fiscal 2014. Figures for fiscal 2013 are presented based on both Japanese GAAP and IFRS.

Fiscal year ended March 31

FINANCIAL DATA

	2006	2007	2008	2009
Net sales (revenue)	¥4,791,416	¥5,100,163	¥5,330,865	¥4,692,991
Net sales (revenue) outside Japan	1,591,574	1,825,255	1,923,621	1,499,886
Percentage of sales outside Japan (%)	33.2	35.8	36.1	32.0
Operating profit	181,488	182,088	204,989	68,772
Operating profit margin (%)	3.8	3.6	3.8	1.5
Net profit (loss) (profit (loss) attributable to owners of the parent)	68,545	102,415	48,107	(112,388)
Cash flows from operating activities	¥ 405,579	¥ 408,765	¥ 322,072	¥ 248,098
Cash flows from investing activities	(234,684)	(151,083)	(283,926)	(224,611)
Free cash flow	170,895	257,682	38,146	23,487
Cash flows from financing activities	(207,840)	(234,953)	62,325	(47,894)

Inventories	¥ 408,710	¥ 412,387	¥ 383,106	¥ 306,456
Monthly inventory turnover rate (times)	0.88	0.93	1.03	0.98
Total assets	3,807,131	3,943,724	3,821,963	3,221,982
Owners' equity (equity attributable to owners of the parent)	917,045	969,522	948,204	748,941
Return on equity (%)	7.7	10.9	5.0	(13.2)
Owners' equity ratio (equity attributable to owners of the parent ratio) (%)	24.1	24.6	24.8	23.2
Return on assets (%)	1.8	2.6	1.2	(3.2)
Interest-bearing loans	928,613	745,817	887,336	883,480
D/E ratio (times)	1.01	0.77	0.94	1.18
Net D/E ratio (times)	0.55	0.31	0.36	0.47
R&D expenses	241,566	254,095	258,717	249,902
Capital expenditure	249,999	305,285	249,063	167,690
Depreciation	169,843	202,825	200,509	223,975

Amounts per share of common stock (yen)

Net profit (loss) (profit (loss) attributable to owners of the parent)	¥ 32.83	¥ 49.54	¥ 23.34	¥ (54.35)
Dividends	6	6	8	8
Owners' equity (equity attributable to owners of the parent)	443.20	469.02	458.31	362.30

NON-FINANCIAL DATA (ESG INDICATORS)

Environmental

Trends in total greenhouse gas emissions (whole group globally) (10,000 tons)	159.8	153.0	189.4	166.8
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Social

Number of employees	158,491	160,977	167,374	165,612
Percentage of female managers (non-consolidated) (%)	1.8	2.2	2.4	2.9

Governance

Percentage of external directors (non-consolidated) (%)	20.0	20.0	20.0	20.0
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POINT 1

Operating profit

Operating profit increased year on year, mainly reflecting improved profitability in the mobile phone business and increased sales for system integration, as well as the recording of one-time restructuring expenses for LSIs and mobile phones in fiscal 2013. However, the result was lower than the initial target due to the impact of a decline in revenue, as well as factors such as an increase in PC component costs at our European sites following the euro's depreciation against the US dollar.

POINT 2

Net profit (loss) (profit (loss) attributable to owners of the parent)

Profit attributable to owners of the parent exceeded the initial target of ¥125.0 billion. This result reflects the increase in operating profit and an increase in financial income attributable to exchange rate gains associated with the yen's depreciation and other factors, as well as a lighter-than-expected tax burden.

						Yen (millions)	Year-on-year change (%)
2010	2011	2012	2013	2014	2014 (IFRS)	2015 (IFRS)	2015 (IFRS)/ 2014 (IFRS)
¥4,679,519	¥4,528,405	¥4,467,574	¥4,381,728	¥4,762,445	¥4,762,445	¥4,753,210	-0.2
1,748,304	1,587,363	1,506,096	1,498,215	1,801,491	1,801,491	1,879,981	4.4
37.4	35.1	33.7	34.2	37.8	37.8	39.6	
94,373	132,594	105,304	88,272	142,567	147,275	178,628	21.3
2.0	2.9	2.4	2.0	3.0	3.1	3.8	
93,085	55,092	42,707	(79,919)	48,610	113,215	140,024	23.7
¥ 295,389	¥ 255,534	¥ 240,010	¥ 71,010	¥ 175,532	¥ 176,502	¥ 280,149	58.7
1,020	(142,108)	(190,830)	(161,481)	(128,873)	(128,938)	(200,516)	-
296,409	113,426	49,180	(90,471)	46,659	47,564	79,633	67.4
(405,310)	(166,933)	(138,966)	100,384	(44,794)	(46,217)	(17,327)	-
¥ 322,301	¥ 341,438	¥ 334,116	¥ 323,092	¥ 330,202	¥ 330,202	¥ 313,882	-4.9
1.04	1.02	1.01	1.00	1.07	1.07	1.11	
3,228,051	3,024,097	2,945,507	2,920,326	3,079,534	3,105,937	3,271,121	5.3
798,662	821,244	841,039	624,045	573,211	566,515	790,089	39.5
12.0	6.8	5.1	(11.8)	8.1	23.2	20.6	
24.7	27.2	28.6	21.4	18.6	18.2	24.2	
2.9	1.8	1.4	(2.7)	1.6	3.7	4.4	
577,443	470,823	381,148	534,967	519,640	560,243	578,492	3.3
0.72	0.57	0.45	0.86	0.91	0.99	0.73	
0.20	0.14	0.14	0.40	0.38	0.46	0.27	
224,951	236,210	238,360	231,052	221,389	222,516	202,722	-8.9
126,481	130,218	140,626	121,766	122,282	122,863	140,697	14.5
164,844	141,698	131,577	116,565	115,180	115,929	121,207	4.6
¥ 45.21	¥ 26.62	¥ 20.64	¥ (38.62)	¥ 23.49	¥ 54.71	¥ 67.68	23.7
8	10	10	5	4	4	8	100
386.79	396.81	406.42	301.57	277.03	273.79	381.88	39.5
131.3	118.5	109.8	101.4	94.8	94.8	89.7	-5.4
172,438	172,336	173,155	168,733	162,393	162,393	158,846	
3.1	3.5	3.7	4.0	4.3	4.3	4.6	
30.0	30.0	36.4	33.3	27.3	27.3	36.4	

POINT 3

Owners' equity ratio (equity attributable to owners of the parent ratio)

The owners' equity ratio fell below 20% at the end of fiscal 2013 due to recording an unfunded amount of defined benefit plans on the balance sheet. However, by the end of fiscal 2014 it had recovered to 24.2%. The result reflects the recording of net profit as well as an improvement in the funded status of defined benefit plans due to strong performance in plan asset management.

POINT 4

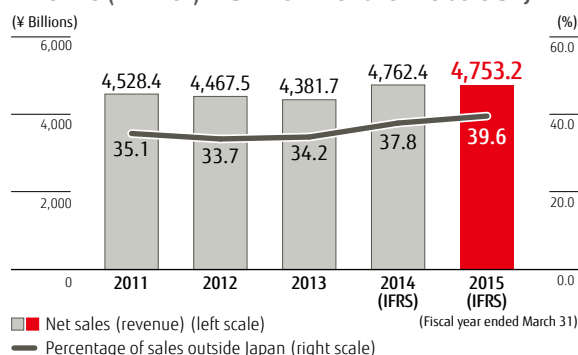
Dividends

Operating profit and net profit for fiscal 2014 both increased year on year. However, owners' equity (equity attributable to owners of the parent) has yet to recover to the level before recording the unfunded amount of defined benefit plans on the balance sheet. Moreover, earnings in fiscal 2015 are forecast to decline from fiscal 2014, reflecting deterioration in performance at some European sites due to the impact of the euro's rapid depreciation against the US dollar and plans for strategic investments to accelerate business model transformation.

In light of this situation, the year-end dividend for fiscal 2014 was ¥4 per share as announced in January 2015. Combined with the interim dividend of ¥4 per share, the annual dividend for fiscal 2014 was ¥8 per share.

Financial Data

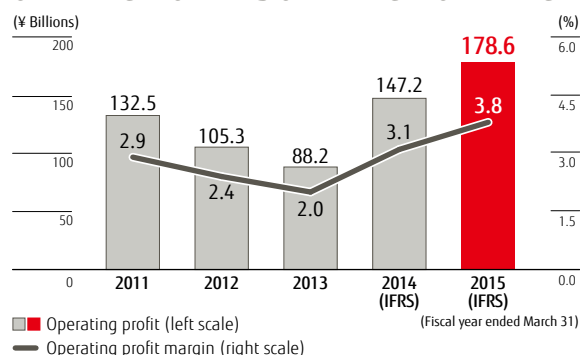
NET SALES (REVENUE) AND PERCENTAGE OF SALES OUTSIDE JAPAN



Percentage of sales outside Japan **+1.8 percentage points**

Revenue decreased 0.2% year on year. Excluding the impact of foreign-exchange fluctuations, revenue decreased by 3.0%. The percentage of sales outside Japan climbed 1.8 percentage points to 39.6% due to the effect of foreign-currency exchange rates.

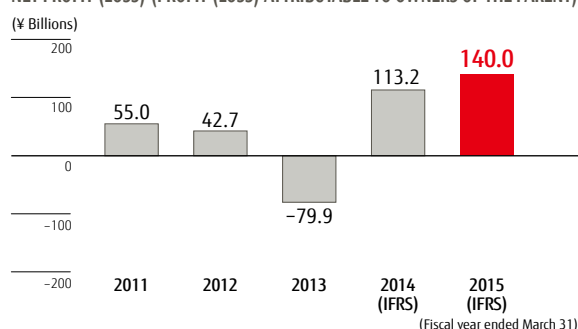
OPERATING PROFIT AND OPERATING PROFIT MARGIN



Operating profit margin **+0.7 of a percentage point**

The operating profit margin improved by 0.7 of a percentage point year on year, mainly reflecting improved profitability in the mobile phone business and increased sales for system integration, as well as the recording of business restructuring expenses for LSIs and mobile phones in fiscal 2013.

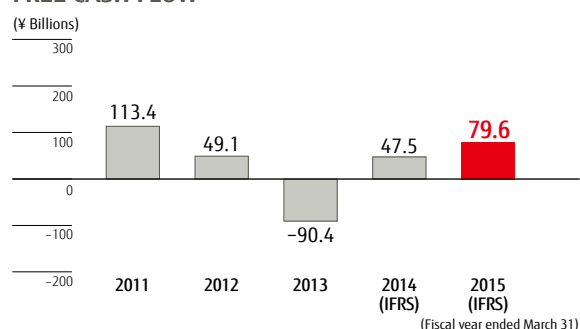
NET PROFIT (LOSS) (PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT)



Net profit (loss) (profit (loss) attributable to owners of the parent) **+¥26.8 billion**

Net profit (profit attributable to owners of the parent) increased by ¥26.8 billion year on year, surpassing the initial target of ¥125.0 billion, mainly due to improved financial income associated with the yen's depreciation, in addition to increased operating profit.

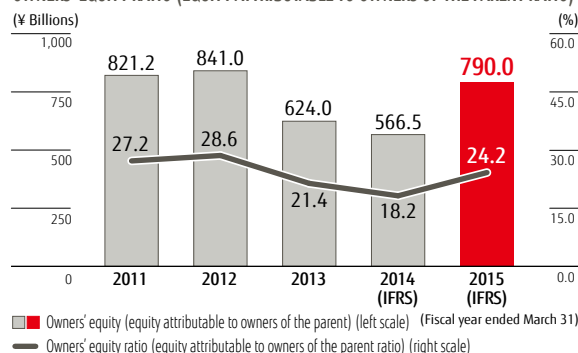
FREE CASH FLOW



Free cash flow **+¥32.0 billion**

Free cash flow saw a year-on-year increase in net cash inflows of ¥32.0 billion, driven by Fujitsu's highest net profit to date of ¥140.0 billion and a decline in cash outlays for restructuring compared with the previous fiscal year.

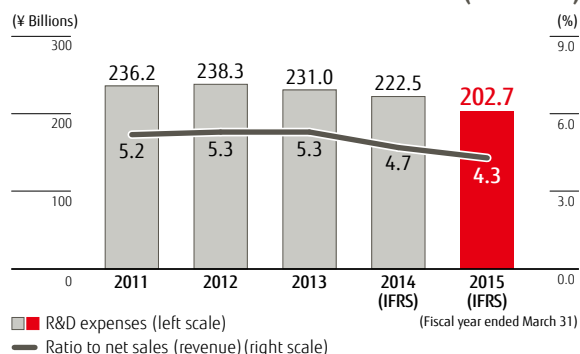
OWNERS' EQUITY (EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT) AND OWNERS' EQUITY RATIO (EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT RATIO)



Owners' equity ratio (equity attributable to owners of the parent ratio) **+6.0 percentage points**

The owners' equity ratio (equity attributable to owners of the parent ratio) recovered to 24.2% due to the recording of net profit as well as an improvement in the funded status of defined benefit plans due to strong performance in plan asset management.

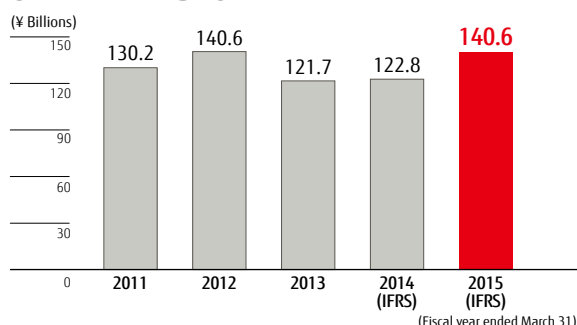
R&D EXPENSES AND RATIO TO NET SALES (REVENUE)



R&D expenses **-8.9%**

R&D expenses recorded an efficiency gain of 8.9% due to lower expenditures in the Technology Solutions, Ubiquitous Solutions, and Device Solutions segments.

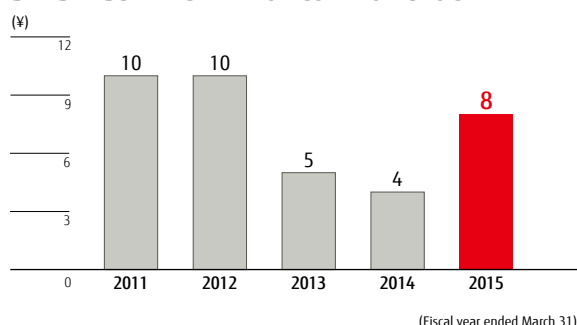
CAPITAL EXPENDITURE



Capital expenditure **+14.5% Up**

Capital expenditure increased for expanding datacenters in and outside Japan, as well as investments in LSI manufacturing facilities.

DIVIDENDS PER SHARE OF COMMON STOCK

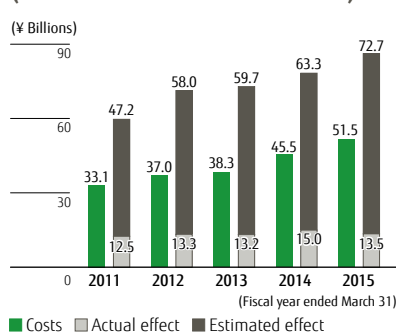


Dividends per share of common stock **+¥4 Up**

The interim and year-end dividends were both ¥4 per share, bringing the annual dividend to ¥8 per share. This represented a ¥4 increase from the previous fiscal year, when no interim dividend was paid.

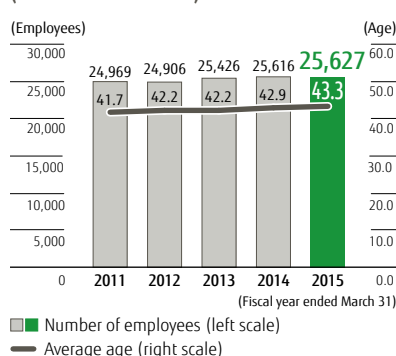
Non-Financial Data (ESG Indicators)

ENVIRONMENTAL ACCOUNTING (COSTS AND FINANCIAL EFFECT)



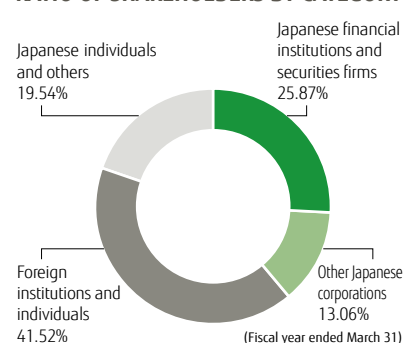
According to data collected for fiscal 2014, both costs and financial effect increased. Costs were ¥51.5 billion (up 13.0% year on year), while the financial effect was ¥86.2 billion (up 10.0% year on year).

NUMBER OF EMPLOYEES AND AVERAGE AGE (NON-CONSOLIDATED)



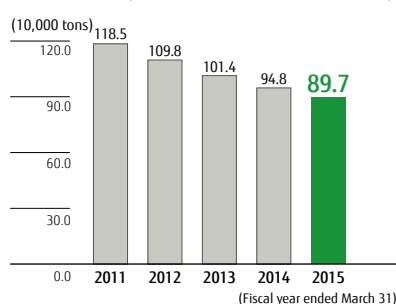
The number of employees at the end of fiscal 2014 was 25,627 (up 11 from the previous fiscal year-end), with an average age of 43.3 years (up 0.4 years from the previous fiscal year-end).

RATIO OF SHAREHOLDERS BY CATEGORY



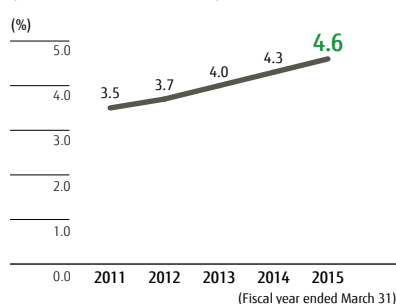
By shareholder category, share ownership by foreign institutions and individuals increased 0.98% while ownership by Japanese individuals and others declined by 1.79%.

TRENDS IN TOTAL GREENHOUSE GAS EMISSIONS (WHOLE GROUP GLOBALLY)



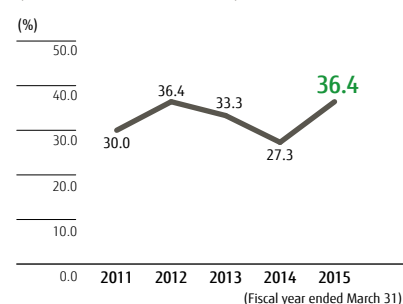
Compared to fiscal 1990 year-end levels, Fujitsu's total greenhouse gas emissions on a global basis had decreased by 33.1% as of the end of fiscal 2014, exceeding the 20% target.

PERCENTAGE OF FEMALE MANAGERS (NON-CONSOLIDATED)



Fujitsu is promoting selective training for female employees, among other initiatives, aiming to achieve a 20% ratio of women both as employees and as newly appointed managers by fiscal 2020.

PERCENTAGE OF EXTERNAL DIRECTORS (NON-CONSOLIDATED)



Fujitsu actively appoints external directors to strengthen its oversight function. As of the end of fiscal 2014, 4 of the 11 directors were external directors.

Fujitsu is steadily moving forward with its business model to drive sustainable business growth so as to better



transformation, working compete in the global arena.

Today, advances in digital technology are driving innovation in every field. At Fujitsu, we see the market needs created by this change as major business opportunities. We will partner with our customers and leverage highly specialized ICT to help them create new value through their businesses.

The management direction that we announced in October 2015 outlined the main structure of Fujitsu's business model transformation for driving sustainable business growth going forward. We will steadily promote this business model transformation to transition to a structure that supports sustainable growth and global competitiveness as an ICT company.



Representative Director and President
Tatsuya Tanaka

PROFILE

Birth: September 11, 1956
 Apr. 1980 Joined Fujitsu Limited (the Company)
 Apr. 2005 Director of the Board & Vice President, Fujitsu (China) Holdings Co., Ltd.
 Dec. 2009 Senior Vice President, Manufacturing Industry Business Unit (Responsible for Global Business)
 Apr. 2012 Corporate Vice President
 Apr. 2014 Corporate Senior Vice President
 Jan. 2015 Corporate Executive Officer SEVP
 Jun. 2015 President and Representative Director (to present)

Aspiration as the New President

- Strengthen global competitiveness and advance ICT use in new fields ➔ P.12

A Review of Fiscal 2014

- Highest ever profit for the year attributable to owners of the parent of ¥140.0 billion ➔ P.12

Earnings Forecast for Fiscal 2015

- Lower profit planned for fiscal 2015, however, we will quickly transition to a structure for sustainably generating a high level of profit ➔ P.13

Medium- to Long-Term Vision

- It is vital to promote business model transformation and steadily move forward on changing our corporate structure ➔ P.14

Market Recognition and Business Opportunities

- For certain fields developed around specified themes, we will get involved at an early stage in discussions and planning, leveraging our robust technologies and expertise ➔ P.15

Fujitsu's Vision for Society and Social Responsibility

- Leverage the power of ICT to contribute to business and social innovation, working to solve global social issues ➔ P.16

Stance on Returns To Shareholders and Dividend Policy

- In fiscal 2014, we paid an annual dividend of ¥8 per share, comprising an interim dividend of ¥4 and a year-end dividend of ¥4 ➔ P.17

Message to Shareholders and Investors

- We aim to increase corporate value by developing our business through creativity ➔ P.17

Aspiration as the New President

I believe our fundamental task is to focus clearly on the day-to-day realities of where people work, and to promote our business by providing products and services. I believe we should be a company that balances proactivity, flexibility, and a spirit of challenge to drive ICT use into new fields and further enhance our global competitiveness.

After joining Fujitsu in 1980, I was involved in various business deals in the Japanese sales divisions, including some which were major wins. After that, I worked to strengthen our sales to Japanese companies in China, and in fiscal 2014, I was involved in structural reforms as the Head of the Asia Region.

From these experiences, I have learned that the fundamental task in promoting business is to focus clearly on the frontline realities of the customer, and that of the customers' customers, in providing products and services.



Looking ahead, markets will become increasingly global. Fujitsu aims to be a globally competitive company, and we will strengthen our global competitiveness even further based on the global matrix organization that we launched in 2014.

In step with the march of globalization, our customers' business models are changing dramatically. ICT is steadily making inroads into fields where it had never been used. Keeping our focus on the realities of the front line, we will acquire a clear grasp of the changes affecting our customers. If the value we provide is not recognized by our customers, it will ultimately fail to deliver profits. It is also important as a global company to ensure that we execute this change swiftly.

Fujitsu can also leverage its strengths in new domains by working with customers to co-create new services utilizing its technologies, expertise, and experience. As a company, we aim to achieve a good balance between proactivity, flexibility, and having a mindset to take on challenges.

Fujitsu is fortunate to have superb human resources. Throughout our 80-year history, Fujitsu has worked ambitiously on various projects, building up the Company's technical capabilities, experience, expertise, and other aspects to form extremely valuable assets. I am confident that concentrating these assets in our target direction and managing them properly will create synergistic effects that will result in a stronger company.

A Review of Fiscal 2014

Having made a certain amount of progress in our structural reforms in the previous fiscal year, we positioned fiscal 2014 as a year for shifting to a growth strategy and conducted aggressive strategic investments for medium- to long-term growth. Even so, we were able to achieve steady growth in profits. Revenue was about level year on year at ¥4,753.2 billion, although this fell short of the initial target of ¥4,800.0 billion. Operating profit was ¥178.6 billion, up by more than 20% year on year, although more than ¥6.0 billion short of the initial target of ¥185.0 billion, mainly due to foreign exchange effects. Profit for the period attributable to owners of the parent hit a record high of ¥140.0 billion.

We targeted fiscal 2014 for a shift to a growth strategy, having achieved a certain amount of progress in our structural reforms of the LSI device business and mobile phone business in the previous fiscal year, and conducted aggressive strategic investments for medium- to long-term growth. These efforts were supported by the effect of improvements associated with the structural reforms

conducted in the previous fiscal year and growth in demand, mainly in the domestic services business.

Revenue was ¥4,753.2 billion, about level year on year, although lower than the initial target of ¥4,800 billion. Looking at its components, revenue grew in system integration and LSI devices but declined in PCs, mobile phones, and networks.

Operating profit was ¥178.6 billion, growing by more than 20% year on year, although more than ¥6.0 billion below the target of ¥185.0 billion, mainly due to foreign exchange effects. This result reflects improved profitability in mobile phones and the effect of increased revenue in systems integration, as well as a contributory

effect from structural reforms in the previous fiscal year.

Profit for the year attributable to owners of the parent hit a record high of ¥140.0 billion, surpassing the initial target of ¥125.0 billion by ¥15.0 billion, mainly due to higher financial income from exchange rate gains and other factors.

Fiscal 2014 Financial Results

		Fiscal 2013 (IFRS)	Fiscal 2014 (IFRS)	(Billions of yen) Change
Consolidated Results	Revenue	4,762.4	4,753.2	-9.2
	Operating Profit	147.2	178.6	31.3
	Profit Attributable to Owners of the Parent	113.2	140.0	26.8
Operating Profit (by Sector)	Technology Solutions	233.0	222.4	-10.6
	Ubiquitous Solutions	-26.8	8.7	35.6
	Device Solutions	11.5	36.9	25.3

Earnings Forecast for Fiscal 2015

For fiscal 2015, we are expecting revenue of ¥4,880.0 billion and operating profit of ¥150.0 billion. For operating profit, we are anticipating a year-on-year decrease of ¥28.6 billion after factoring in strategic investments for accelerating business model transformation and higher procurement costs for components due to the euro's further depreciation against the US dollar. Although we expect profit to decline in fiscal 2015, we feel that we need to make strategic investments at this time to ensure a swift transition to a structure capable of consistently generating high profits.

We recognize two pressing issues to be addressed promptly in fiscal 2015.

The first is to realize the recovery of upfront investments made over the past few years as quickly as possible and step up the earning power of existing businesses while expanding new businesses.

The second issue is to establish a business model that can follow a growth trajectory without being swayed by external factors, while reaffirming the strengths of our product business. In fiscal 2014, the product business was buffeted by foreign exchange fluctuations, particularly a deterioration in profits in our European operations due to the depreciation of the euro. We will work quickly to establish a business model that overcomes these structural issues.

For fiscal 2015, we plan to achieve revenue of ¥4,880.0 billion, up 2.7% year on year, mainly through expansion of the services business in the Technology Solutions segment. However, we expect a ¥28.6 billion decrease in operating profit to ¥150.0 billion. This plan factors in strategic investments for accelerating the abovementioned business model transformation, along with the impact of increased component procurement costs, mainly in the Ubiquitous Solutions segment for PCs and other products due to the further depreciation of the euro against the US dollar.

Although we expect profit to decline year on year, we feel that strategic investments at this time are a necessary step to ensure a swift transition to a structure capable of sustainably generating high profits.

Fiscal 2015 Full-Year Consolidated Forecast

		Fiscal 2014 (Actual)	Fiscal 2015 (Forecast)	Change	(Billions of yen) Change (%)
Revenue		4,753.2	4,880.0	126.7	2.7
Operating Profit (Operating Profit Margin)		178.6 (3.8%)	150.0 (3.1%)	-28.6 (-0.7 percentage points)	-16.0
Profit Attributable to Owners of the Parent		140.0	100.0	-40.0	-28.6

Medium- to Long-Term Vision

In our management direction announced in October 2015, we explained the structure of our ongoing business model transformation. We have set medium- to long-term operating result targets using figures that will clearly identify Fujitsu as a global player among ICT companies, having changed its structure by promoting business model transformation. We place importance not on simply achieving numerical targets, but ensuring that the change in structure is complete.

In our management direction announced in October 2015, we explained the structure of our ongoing business model transformation. Our next step is to concentrate management resources on Technology Solutions, where we have a competitive advantage, and enhance our competitiveness through global development of “connected services,” involving services, software, and core hardware with a software focus.

In carrying out this business model transformation, we have set consolidated operating results targets that will clearly identify Fujitsu as a global player among ICT companies. We will prioritize innovations for advancing towards these targets, placing importance not on simply achieving the numerical targets, but ensuring that the change in structure is complete.

Setting medium-term plans every three years, as we have up until now, is no longer a realistic approach. Instead, we will implement major changes toward achieving our vision, and set numerical targets that will demonstrate that this vision has been

achieved. Fujitsu will advance to fulfill this vision through management that reevaluates the plan in detail each year. Moreover, we plan to disclose whether the plans have been executed successfully each year.

Consolidated Financial Targets—To Be

Operating profit margin	▶ over 10%
Free cash flow	▶ over ¥150 billion
Owners' equity ratio*	▶ over 40%
Ratio of sales outside Japan	▶ over 50%

* Owners' equity ratio: Equity attributable to owners of the parent ratio



Market Recognition and Business Opportunities

Today, governments and corporations are harnessing the evolution of digital technology to improve service quality and make their business models more competitive. In every field, competition is intensifying as players seek breakthrough innovations that will supersede conventional methods, and expectations are growing for ICT services that offer higher added value. For certain fields developed around specified themes, we will get involved at an early stage in discussions and planning, leveraging our robust technologies and expertise to contribute fundamentally to customers' businesses as a long-standing and trusted ICT partner.

Governments and corporations today are rushing to respond to changes wrought by the evolution of digital technology, and striving to harness that evolution to improve service quality and make their business models more competitive. In every field, competition is intensifying as players seek breakthrough innovations that will transform conventional methods.

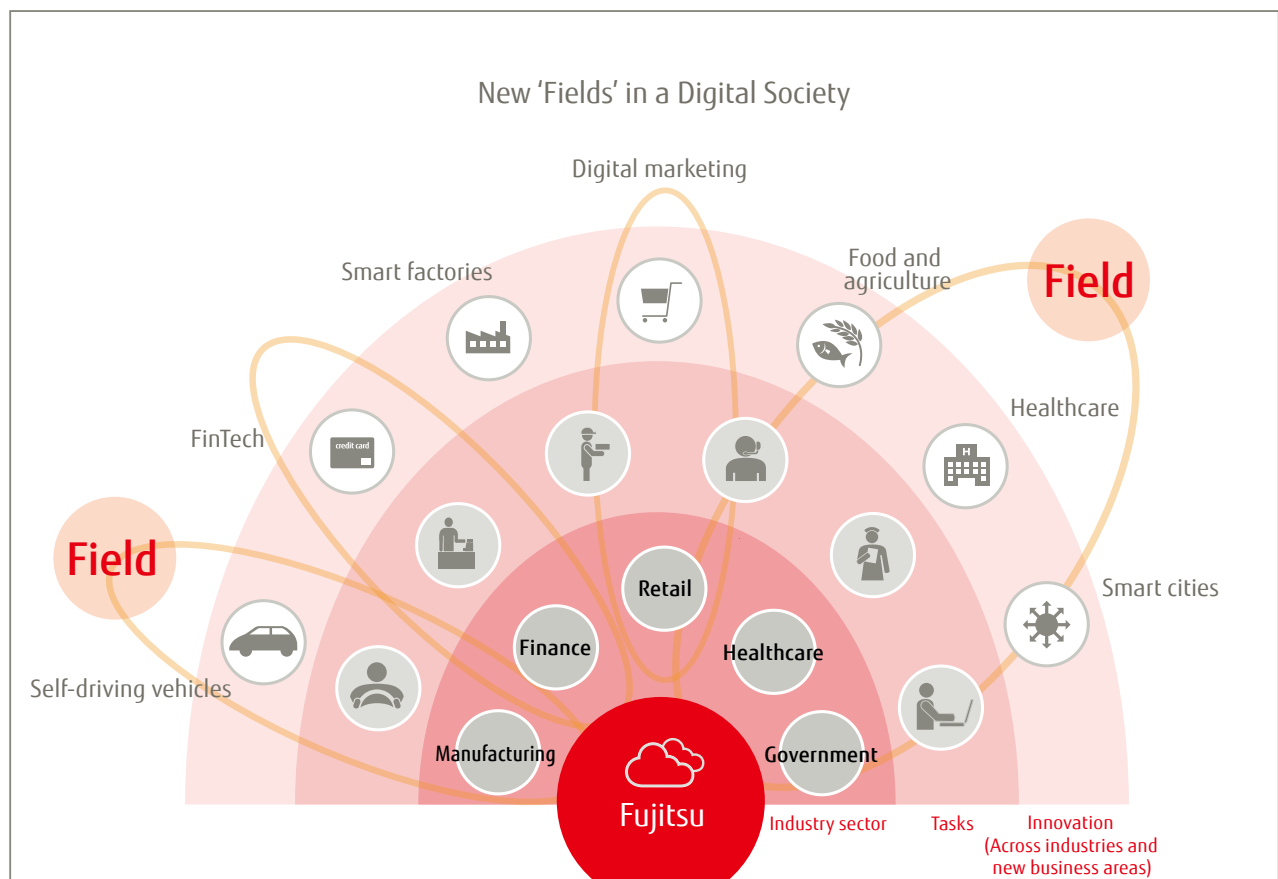
At the same time, a key challenge for companies is retaining personnel and technical capabilities that will enable them to compete successfully. In the area of ICT especially, the complexity and rapid pace of change make it difficult for companies to continue securing resources themselves, increasing demand for higher-value-added ICT services. At Fujitsu, we see these changes and market needs as major business opportunities.

To realize the projects planned by all manner of companies,

"fields" are created for each theme by the Company itself, or in collaboration with multiple companies. We believe that when these fields are viewed as business models, those with greater innovation and added value will hold more potential to contribute to society and succeed as businesses. The role of ICT in these fields is steadily increasing in size and importance.

For Fujitsu to capture these business opportunities, I believe it is important for us to get involved in the discussion and planning of these fields from an early stage, leveraging our robust technologies and expertise. By doing so, even after the businesses have started up, we will be able to contribute to customers' businesses at a fundamental level by providing safe, reliable services as a trusted partner.

Fujitsu's Business Opportunities



Fujitsu's Vision for Society and Social Responsibility

Fujitsu leverages the power of ICT to contribute to innovation in business and society, and works to provide solutions to global societal issues. We will provide new value to society through the use of ICT and highlight possibilities for a better future. We practice business management that emphasizes competitive value and aim to realize the Human Centric Innovation that will enable people to enjoy their lives.

As a company, Fujitsu places people at the center of its business operations as part of its goal to create human happiness. We believe that technology is not supposed to conflict with people, but support and empower them. ICT should help people make judgments and take action that enables them to live better. Fujitsu's technology and services can support societies where people are active. This is Fujitsu's vision for a world of Human Centric Innovation.

In this vision, sustainable development of the planet and society immediately come to mind. In addition to climate change and the increasing severity of natural disasters around the world, other issues are also becoming more prominent, with population influx in cities creating energy, resource, and water shortages, as well as air pollution, while advanced countries are facing issues such as aging populations. To ensure the continuity of an Earth where the next generation of people can live happily, we must increase the productivity of society in general, including in emerging countries, through innovation based on ICT.

The sustainable development of digital societies is another key issue. ICT is an indispensable resource for the continuation of society and business. To live in contentment, people need clean

water and stable energy supplies. Likewise, in a digital society, resources such as personal information and business data must also be used appropriately. Fujitsu takes steps to protect a safe and secure information network environment as part of its social responsibility as an ICT company. We are working with relevant global organizations to address the growing risks in digital societies, such as cyber attacks.

Fujitsu itself is working to operate its business in a sustainable society and has become a signatory company to the United Nations Global Compact. As such, we support the Compact's 10 principles in the four areas of human rights, labor, the environment, and anti-corruption. We also use the ISO 26000 framework to review and improve our activities related to social responsibility without exception under our global matrix organization.

I myself will also work to ensure that Fujitsu continues to be a company that enables human happiness, following the principle of our brand promise of "shaping tomorrow with you," by listening to the expectations and needs of our customers and other stakeholders around the world, and carrying out management that contributes to sustainable development.



Stance on Returns to Shareholders and Dividend Policy

Profit for the year attributable to owners of the parent for fiscal 2014 increased year on year. However, equity attributable to owners of the parent (owners' equity) has yet to recover to the level before recording the unfunded amount of defined benefit plans on the balance sheet. Moreover, operating profit in fiscal 2015 is forecast to decline from the previous fiscal year. The annual dividend for fiscal 2014 has therefore been set at ¥8 per share, comprising an interim dividend of ¥4 and a year-end dividend of ¥4.

Under Fujitsu's policy on the distribution of earnings, a portion of retained earnings is paid to shareholders to provide a stable return, and an appropriate level of internal reserves are retained by the Company to strengthen its financial base and support new business development opportunities that will result in improved medium- and long-term performance. In addition, taking into consideration the level of profit, Fujitsu aims to further increase the distribution of profit to shareholders when the financial base is sufficiently strong, including through share buybacks.

Consolidated operating profit and profit for the year attributable to owners of the parent for fiscal 2014 both increased year on year.

However, equity attributable to owners of the parent (owners' equity) has yet to recover to the level before recording the unfunded amount of defined benefit plans on the balance sheet. Moreover, consolidated operating results in fiscal 2015 are forecast to decline from fiscal 2014, reflecting deterioration in performance at some European sites due to the impact of the euro's rapid depreciation against the US dollar, and plans for strategic investments to accelerate business model transformation.

Given this situation, we determined the annual dividend for fiscal 2014 to be ¥8 per share, comprising an interim dividend of ¥4 and a year-end dividend of ¥4.

Breakdown and Trend of Annual Dividends

Record date	Per share of common stock		
	Interim	Year-end	Annual
Fiscal 2011	¥5	¥5	¥10
Fiscal 2012	¥5	¥0	¥5
Fiscal 2013	¥0	¥4	¥4
Fiscal 2014	¥4	¥4	¥8
Fiscal 2015	¥4	¥4 (planned)	¥8 (planned)

(As of November 25, 2015)

Message to Shareholders and Investors

Our ideal is to work toward increasing corporate value by developing our business through creativity, fostering further trust and creating a sustainable chain of "trust and creation." To this end, we will increase our dialogue with shareholders and the stock market, and strive to promote understanding of our strategies and management.

One of my favorite sayings was used by Fujitsu at the time I joined the Company: "Reliability and Creativity." I understand this as meaning being trusted by customers and engaging in creative endeavors. I am committed to delivering transparent management based on this idea to our shareholders, investors, and other stakeholders, aiming to earn their trust. Moreover, by developing our business sustainably and with creativity, I aim to increase our corporate value, fostering even more trust, ideally forming a

sustainable chain of Reliability and Creativity. To do so, we will increase our dialogue with shareholders and the stock market, and by showing our progress in the business model transformation we have undertaken and our success in achieving our vision, we will strive to promote understanding of our strategies and management. I hope you will continue to expect great things from Fujitsu.

Since 1935—— Fujitsu's history of expanding the possibilities of ICT to support people's lifestyles and develop industries and society

1930s to 1970s The Dawn of the Computerized Society

The appearance of computers accelerated progress in science and technology, and industrial productivity increased dramatically.

- ◆ Fujitsu was founded in 1935. The Company's journey began with the communication devices division becoming independent from Fuji Electric Manufacturing Co., Ltd. Fujitsu developed numerous communication devices. Subsequently, Fujitsu helped with the rebuilding of Japan's infrastructure after World War II.
- ◆ Fujitsu completed Japan's first practical relay-type automatic computer, "FACOM100," in 1954, playing a part in the dawn of the computerized society in Japan.
- ◆ During the 1970s, large-scale computers became widespread in business and R&D centers. Amid a wave of international standardization, Fujitsu unveiled the mainframe, IBM-compatible "FACOM M Series" in 1974. In 1977, Fujitsu succeeded in developing Japan's first supercomputer.

1980s to 2000s The Rise of the Internet Society

The rapid spread of the Internet brought changes to lifestyles, work styles, and business models.

- ◆ In 1981, Fujitsu announced PCs with original architecture. In 1993, the FMV Series, compatible with the international standard, was announced. The use of computers by private individuals spread rapidly.
- ◆ From the mid-1990s onward, the spread of the Windows operating system and advances in PC performance coalesced with the popularization of high-speed Internet connections to drive the rapid spread of ICT into daily life.
- ◆ The Internet dramatically transformed daily life and business. With the spread of email and website browsing, along with corporate transaction systems using electronic settlement and other features, networks were bringing innovation to both lifestyles and work styles. The network-centric era had arrived.



2010s to 2020s Towards a Human Centric Intelligent Society

As all manner of things become connected to the Internet, ICT moves closer to people in an era that empowers and delivers even better experiences.

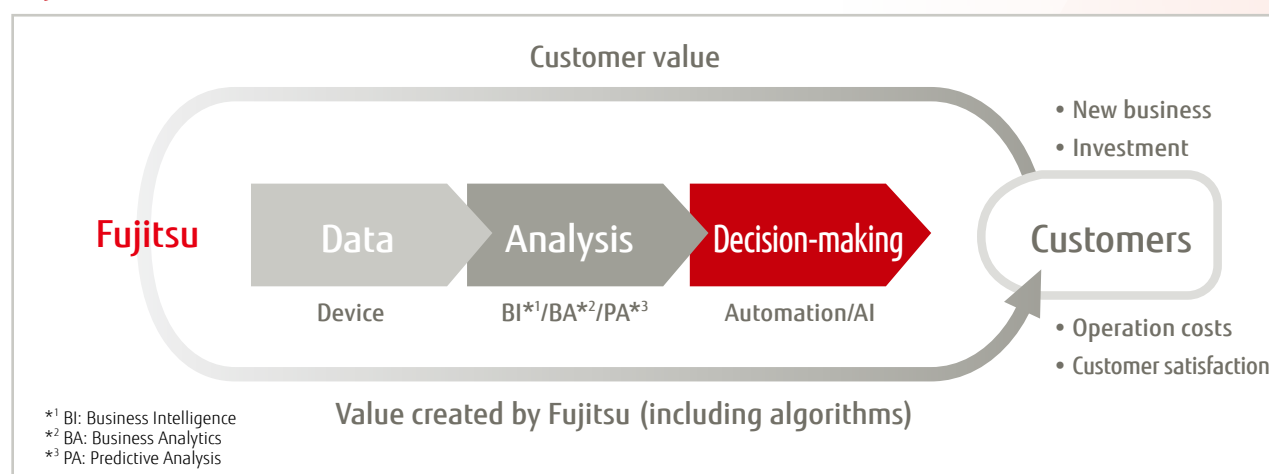
- ◆ Faster network speeds and the proliferation of terminals, such as smartphones, that are easy for everyone to use, saw all things start to become closely connected.
- ◆ Fujitsu is working to create new knowledge for use in decision-making through the collection and analysis of data generated by daily living and daily economic activity. We are also working on a variety of innovations to help solve challenges for business and society in fields such as agriculture, healthcare, energy, and the environment.
- ◆ Fujitsu, by creating a digital ecosystem, aims to deliver a safer, richer, and more sustainable society—a Human Centric Intelligent Society.



We will create value through IoT technologies by enhancing our expertise in solving problems faced by customers and society.

As a partner to its customers, Fujitsu possesses an understanding of their management issues and economic and social value, as well as their strategies and initiatives, and supports their decision-making in various fields.

Fujitsu's Value Creation Model



The rapid advance of the IoT is driving demand for the creation of innovative fields consisting of digital ecosystems, such as healthcare, manufacturing, and transportation, that utilize digital technology. By analyzing data collected through all manner of networked hardware and devices and connecting it through algorithms, Fujitsu aims to offer digital support for customers' decision-making and to automate the decision-making process itself.

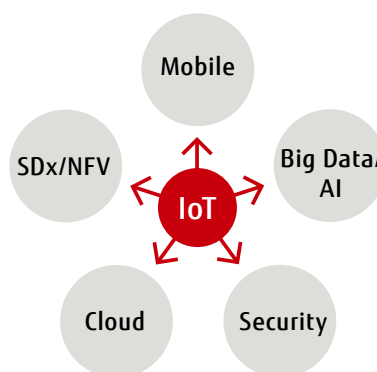
In other words, Fujitsu's technology and services will provide powerful support for companies and society where people are active—this is our vision for a world of Human Centric Innovation. As it repeats this cycle, Fujitsu will create added value and strengthen its customers' businesses, aiming to create a more sustainable society that grows in the future. In the process, we aim to grow together with our customers and society as an indispensable partner.

Enhancing "Connected" IoT Technologies

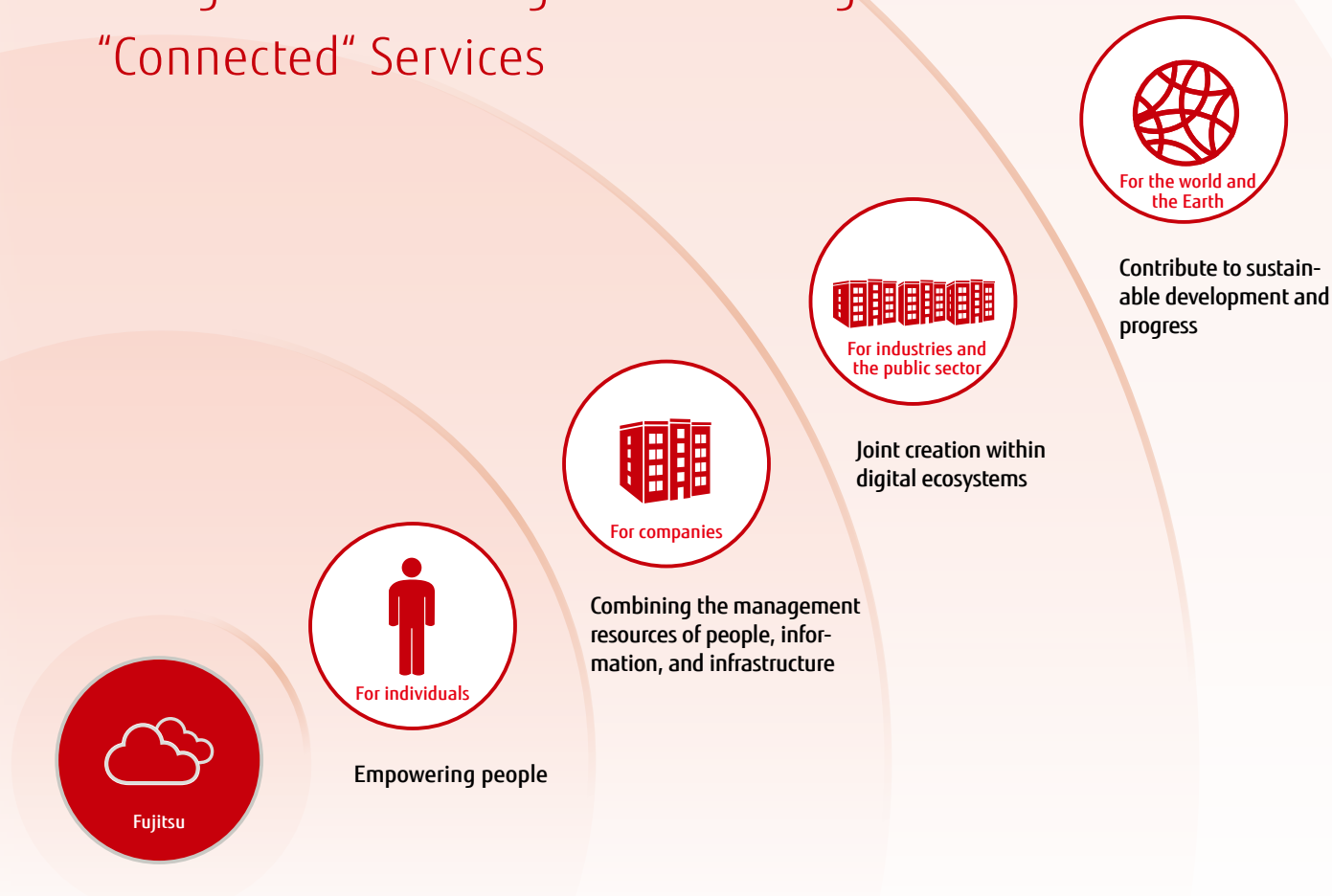
In the IoT era, the connection of all things is the source of value creation. To realize this service model, we will focus our investments in research and development of "connected" core technologies that lead the IoT era.

To accelerate the development of the main technologies shown on the right, we will integrate our business unit structure and increase our development capabilities under a unified strategy.

To this end, we plan to aggressively strengthen collaboration with external institutions in addition to creating synergies with research institutions within the Group, such as Fujitsu Laboratories and Fujitsu Research Institute. This will further accelerate the development of high-quality technologies and market launches.



Using Connected Digital Technologies to Drive “Connected” Services



Widening Fields and Impact on Society

Individuals	Companies	Industries and the public sector	The world and the Earth
<p>Empowerment of people who create innovation</p> <p>We live in an age where the world is connected through PCs, smartphones, and clouds, offering access to a huge amount of information. Digital technology is going beyond tools for individual productivity enhancement to empower people with knowledge, expertise, and experiential value. For those with the will to try incredible new ideas, this age will enable them to connect with many other people and create new approaches to solving problems and innovations.</p>	<p>Supporting business success and business model transformation</p> <p>Excellence in business operations, product competitiveness, and close relationships with customers—digital technology enables enhancement of vital strategic elements for business.</p> <p>We support decision-making and behavior related to business operations, and optimize operations throughout the entire value chain. Our approach of using digital technology to connect management resources and combine them around people supports business success and business model transformation.</p>	<p>Fields created by the digital ecosystems that support innovation and value creation</p> <p>The interconnection of companies’ products and services, as well as governments and academic and research institutions, generates innovation and shared value. This age enables the formation of digital ecosystems within business and society.</p> <p>Fujitsu provides a digital business platform based on ICT, realizing links across companies and industries. Our goal is to create shared value in collaboration with industries, governments, academic institutions, and others.</p>	<p>Contributing to the sustainability of society and the Earth</p> <p>In 2050, the global population is projected to reach 9 billion. This poses a threat to the sustainability of society and the global environment, with worsening climate change and shortages of resources, food, and water. To meet these challenges, it is necessary to gather human wisdom through digital technology.</p> <p>Fujitsu will deploy its digital business platform around the world to contribute to solutions for various social issues.</p>

CASE STUDIES FOR VALUE CREATION

Example 1 Healthcare in the IoT Era

Using ICT to Realize a Society That Promotes Health and Longevity

Since the 1970s, Fujitsu has been advancing the use of ICT in the field of medical care. Now, with the arrival of the IoT era and the proliferation of supercomputers, we have taken up a new challenge of realizing a society that promotes health and longevity.



Hirofumi Gouda
Head of Fujitsu's Next-Generation Healthcare
Innovation Center, Corporate Executive Advisor

Using the Power of ICT to Enhance People's Quality of Life (QOL) and Realize a Society That Promotes Health and Longevity

In Japan, controlling medical costs and dealing with a shortage of physicians have become issues due to a declining birthrate and the rapid aging of society. We at Fujitsu are using ICT to advance information links between home health information and medical and nursing care. Furthermore, we are constantly considering how ICT can be used in the field of healthcare, such as with genome medical research based on genetic information, medical care big data utilization, and new medical technology development through supercomputers.

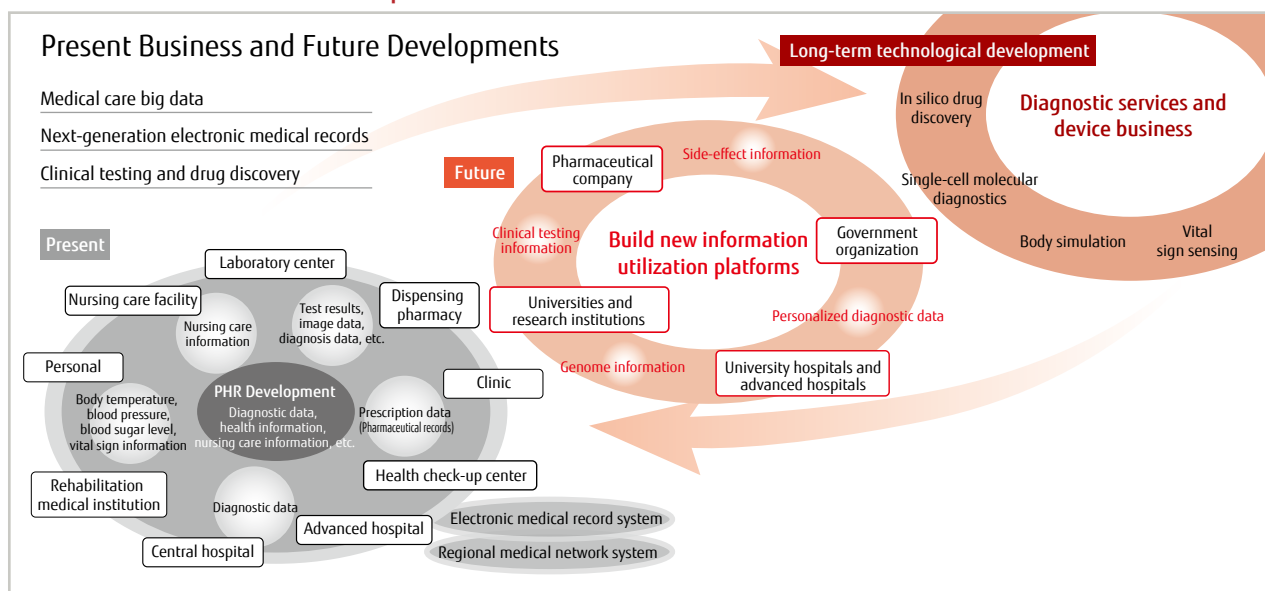
Fujitsu entered the medical field in the 1970s by providing medical accounting systems, and went on to develop electronic medical records and regional healthcare information exchange systems. ICT has contributed to resolving many challenges in the medical field. Now, Fujitsu is providing ICT solutions using the

expertise it has cultivated in the healthcare domain, and it is focusing on driving innovation with an eye to the future.

One of these initiatives is the Next-Generation Healthcare Innovation Center, established in December 2013. Actively working to create new value, the center focuses on collaborating with medical and research laboratories both in Japan and abroad to leverage ICT for health enhancement, early detection of diseases, prevention of serious illnesses, creation of new medical treatments based on gene analysis, and discovery of new drugs. It is also utilizing an IoT platform with a large number of sensors with the goal of creating environments where seniors can live independently in safety.

To extend not only life but also "healthy life," meaning a long life in good health, Fujitsu will use the power of ICT to enhance people's QOL and realize a society that promotes health and longevity.

Present Business and Future Developments of ICT in the Healthcare Field



Case Study Using Sensing Data for Early Detection of Hidden Motor Function Abnormalities

Since 2013, Fujitsu Laboratories and Fujitsu have been working together with Irish research institutes CASALA and INSIGHT@UCD on the KIDUKU Research Project on assisted independent living for seniors and patients who live in smart houses in Ireland.

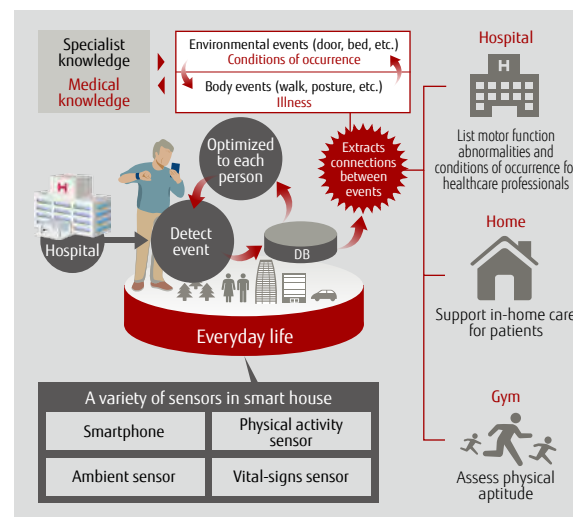
In March 2015, as one result of the research, Fujitsu and its partners developed a technology for early detection of abnormalities in motor function that might otherwise go undetected. This technology uses data collected from sensors worn by the seniors and patients, as well as from sensors embedded in the smart houses.

The technology quantifies the characteristics of an individual's actions such as "walk" and "open door," and detects movements that easily show signs of abnormal or irregular motor function that are not easy to observe. Using the technology enables detection of individual risks hidden in daily activities. For example, a patient who walks with a limp may be prone to loss of balance when walking immediately after getting out of bed.

Individually optimized care is enabled in line with such risks and is expected to lead to better diagnoses and treatment by physicians and more efficient clinicians, as well as more reasonable medical expenses.

In the project, Fujitsu is aiming for practical implementation

of the technology in fiscal 2017, with plans to proceed with verification of various illnesses and applications beyond the smart house. Fujitsu also aims to apply the technology to various services, such as risk action proposals tailored to individuals and operational support for healthcare professionals, and to develop next-generation healthcare support systems that combine the technology with electronic medical record systems.



Case Study In Silico Drug Discovery Aiming for Breakthroughs in New Pharmaceuticals Development

Expectations are high that new drugs will be developed for illnesses without an effective treatment, such as Ebola fever which spread through West Africa in 2014. Under these circumstances, Fujitsu is working on IT-based drug discovery using computers to design and evaluate low-molecular-weight drug candidate compounds.

New drugs enter the market after passing through the four stages of target exploration; compound design, synthesis, and evaluation; preclinical testing; and clinical testing. The probability of a candidate compound making it through this process and becoming a new pharmaceutical product is about 1 in 30,000. Generally, drug development can take some 9 to 17 years and cost 20 billion yen. Patients and others hoping for new medicines are strongly demanding that this process be improved.

Fujitsu has been working on a drug discovery project targeting cancer using a supercomputer in collaboration with the University of Tokyo's Research Center for Advanced Science and Technology and a pharmaceutical company since 2011. The aim of this research is to discover a new compound that

would strongly bind to a protein thought to cause the disease, suppressing its function. Achieving such a discovery could greatly expand the potential for the creation of new drugs.

Going forward, Fujitsu will provide simulation technologies utilizing supercomputers like the "K computer" to continue development of new pharmaceuticals through IT-based drug discovery, and contribute toward the realization of a society where people enjoy good health.



Example 2 Manufacturing in the IoT Era

Bringing Innovation to Manufacturing with Big Data

As an ICT vendor with practical experience in manufacturing, we strive to lead a transformation of manufacturing for the era of the IoT (Internet of Things) while leveraging Japan's strengths in this field.



Toshio Hirose
Corporate Executive Officer, SVP,
Head of Manufacturing Industry Business Unit,
Manufacturing & Distribution Industry Sales Group

Using ICT to Create a Production Environment for Human-Robot Cooperation based on Our Own In-House Deployments

Amid an escalating rivalry for leadership by countries around the world seeking to revive their manufacturing sectors, such as with Industry 4.0 in Germany and the Industrial Internet in the US, Fujitsu is putting ICT to use in its efforts at "next-generation manufacturing."

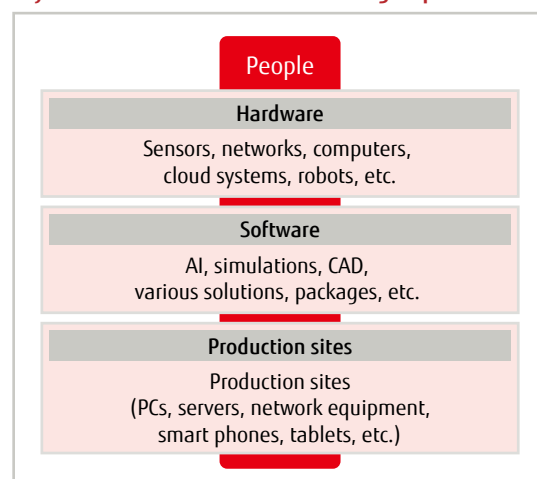
At the heart of this next-generation manufacturing are the two main elements: virtual product manufacturing and real-world-based "smart manufacturing." Fujitsu has production sites that combine expertise in both hardware, such as sensors and cloud systems, and software, such as production control solutions and AI. It also has human resources to support the sites, and is using the total capabilities amassed from all of these assets to drive next-generation manufacturing.

For example, by coordinating the data acquired from the IoT and the people involved on the front lines of manufacturing, it is

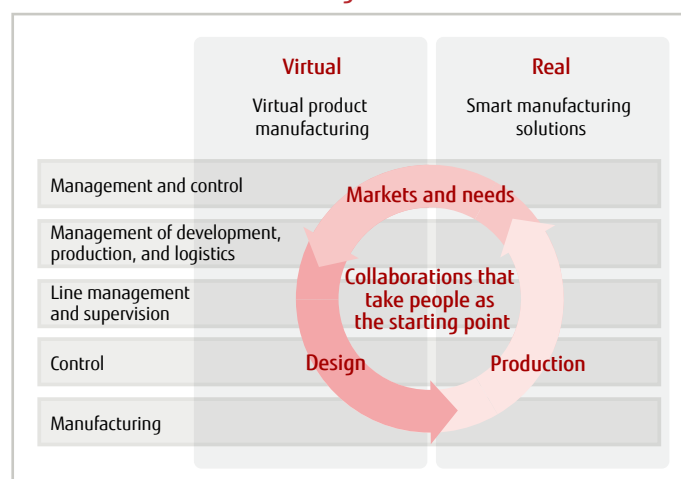
possible to realize small-lot mixed-flow production of multiple items, which was difficult to achieve with a conventional conveyor production system, resulting in higher-quality items being produced in half the time. In addition, by using improvements at production sites to repeatedly refine the optimization obtained through virtual computer simulations, we are evolving a new model for manufacturing where people and robots grow together every day.

Fujitsu is developing first-hand experience of utilizing ICT, big data, and the IoT, mainly at its PC manufacturing plant (Shimane Fujitsu Limited), which received the 6th Monodzukuri Nippon Grand Award METI Minister's Award. The expertise, methodologies, and tools accumulated at this plant will serve as a reference model for making proposals to customers. Based on our own experience as a manufacturer, we will identify the real issues implicit in our customers' manufacturing systems and improve them, working alongside them to expand business and realize a better and more vital manufacturing sector overall.

Fujitsu's End-to-End Manufacturing Capabilities



Next-Generation Manufacturing Solutions



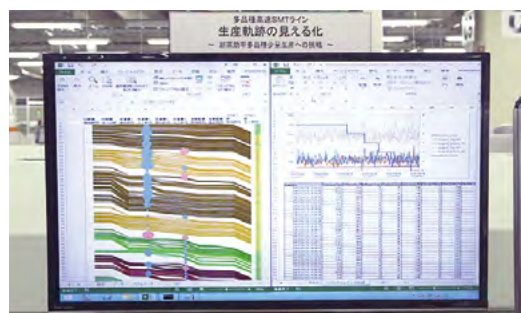
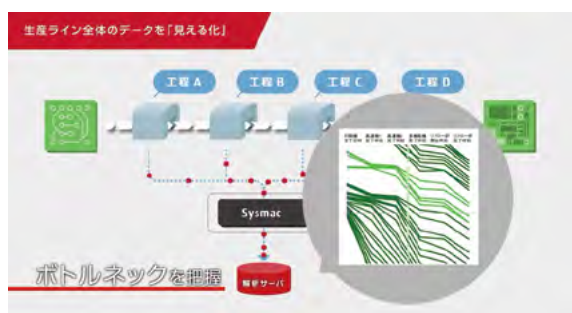
Case Study Visualizing Data to Realize a New Era of Manufacturing Where People and Machines Work Together (OMRON Corporation)

OMRON Corporation, a world leader in industrial automation, had been taking steps with a view to utilizing big data obtained from its Sysmac Automation Platform for integrated control of production line equipment. Determining just how to leverage the collected data, however, had become a challenge.

Fujitsu integrated the diverse data collected by Sysmac to visualize the production line of OMRON's Kusatsu Factory. This has enabled anyone to identify the cause of errors and remedy them in around one hour, and it significantly contributed to increased productivity. Fujitsu also made several proposals focused on overall optimization of the production line, resulting in an approximately 30% increase in the production

rate over several months. Visualization provides a new starting point for improvements. It has realized a completely new way to innovate at manufacturing sites that enables the people that support manufacturing on the factory floor to work together in harmony with machinery, leading to improved productivity. Currently, OMRON is developing the same system for overseas factories, aiming to improve productivity and quality globally.

Fujitsu will continue to promote the use of data, realizing and supporting "next-generation manufacturing where people and machines work together in harmony" to improve performance at manufacturing sites.



Case Study Driving the Maker Movement for Long-Lasting Innovation (TechShop, Inc.)

TechShop, Inc. provides "spaces for makers." It offers a wide range of fabrication machinery and tools, such as 3D printers, to a variety of people, including entrepreneurs, designers, and students, in a place where innovation is promoted by making things. Through this initiative, TechShop has been a pioneer of the "Maker Movement" that has captured the public eye, and now operates workshops in eight cities throughout the US. The company is also expanding overseas, starting with France and Dubai. Fujitsu and TechShop subscribe to the same philosophy, and the two companies signed a partnership agreement under which they launched in the US in December 2014 the world's first mobile, open workshop, "TechShop Inside! – Powered by FUJITSU," which provides the experience of making things to children. They continued their initiatives in October 2015 with the joint establishment of TechShop Japan Limited, which aims to help create new projects and to support and expand businesses in Japan through open innovation. Through its participation in the TechShop Tokyo facility

(opening planned for 2016), Fujitsu will continue to lead the creation of ecosystems for open "making" by involving communities as well as encouraging collaborative creation between members.



Example 3 Toward Next-Generation Mobility in the IoT Era

Creating the Future's Mobility Society to Connect People, Cars, and Society

Countries around the world are facing different problems and issues depending on their transportation culture, with emerging countries dealing with traffic congestion, road accidents, and environmental pollution, and advanced countries working to update their regional traffic systems. Fujitsu is taking action to provide solutions to these issues with ICT.



Motoyuki Ozawa
Corporate Executive Officer
SVP, Vice Head of Manufacturing &
Distribution Industry Sales Group
(In charge of Automotive Industry Business)



Providing Information Collection and Utilization Services as an ICT Platform for "Connected" Cars

Advancing urbanization around the world has given rise to a host of transportation-related problems. New cities are faced with a complex mix of interrelated social issues such as chronic traffic congestion, road accidents, and environmental pollution from exhaust gas. Meanwhile, mature cities need to optimize their regional transport systems due to evolving population trends.

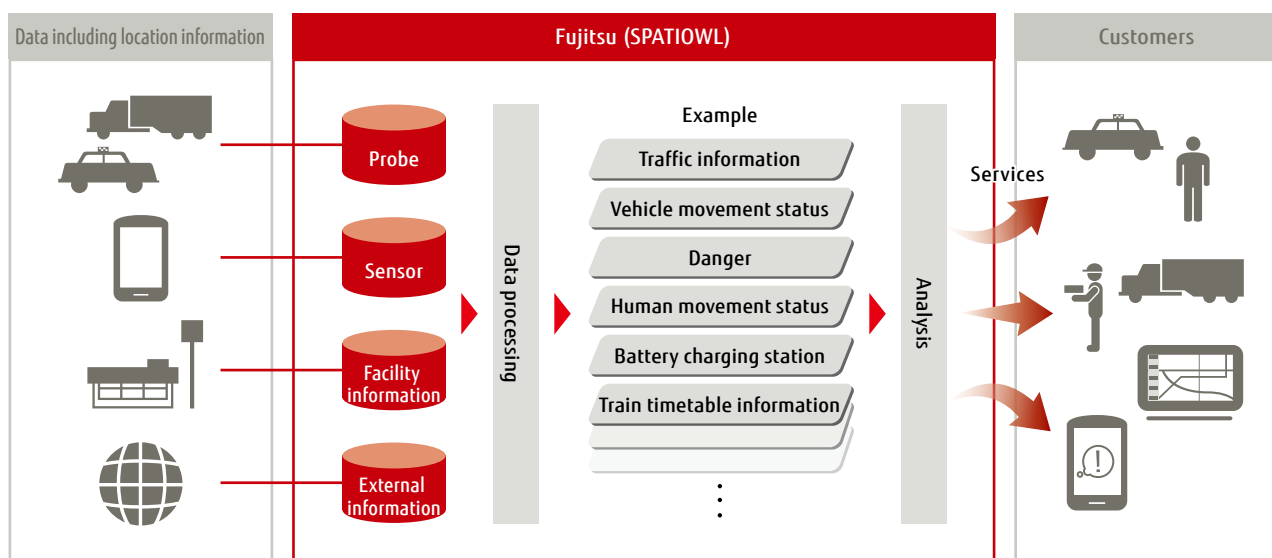
Fujitsu is using ICT to solve these complex problems. We aim to realize a mobility society in the IoT era, in which people, cars, and all other aspects of society are connected.

As a first step, we have provided the FUJITSU Intelligent Society Solution SPATIOWL as a mobility platform service that collects and utilizes vehicle traveling information and sensor information. This serves as an ICT platform for realizing "connected" cars that exchange information between vehicles and also with devices outside of the vehicle. We are developing the service in emerging countries' cities, for example, where it is used for guiding cars off

non-toll roads and onto expressways in the crowded Indonesian city of Makassar, and we are looking at introducing it to alleviate traffic jams in central Bangkok, Thailand. In addition, we are considering provision of new services utilizing the traffic data accumulated by SPATIOWL and added-value services other than traffic services that combine location and area information.

In cities with mature transportation systems in Japan, the US, and Europe, we are working to provide new transportation services from the perspective of sustainable city creation. We are also cooperating with research institutes on projects such as the development of "multi-modal route planning" that displays the optimal routes depending on changing conditions, and of on-demand transportation technology that realizes a mobility environment that does not rely excessively on private vehicle ownership.

Fujitsu will continue to promote the fusion of vehicles with ICT, working to realize a society with next-generation mobility that is safe and comfortable.



Case Study Fujitsu Provides Its SPATIOWL Traffic Information Service to Relieve Urban Traffic Congestion in Indonesia

In Indonesia, frequent traffic congestion and accidents have become a social issue in densely populated urban areas. Chronic traffic congestion has a significant impact on society, delaying the distribution of goods and services and polluting the environment, creating the need for a solution.

Fujitsu provided SPATIOWL to PT. Marga Utama Nusantara, a toll-road management company in Indonesia, to promote use of toll roads to relieve traffic congestion. A dedicated app is installed on the smartphones of the company's staff patrolling toll roads and local roads in cars around-the-clock. Every minute this app sends data to SPATIOWL, including vehicle

location and speed. This data will be integrated and displayed as traffic information at toll-road entrances and other major locations to guide drivers from local roads to toll roads. Moreover, by analyzing data accumulated in SPATIOWL, Marga Utama Nusantara can consider new services to encourage further use of toll roads, such as limited-time discounts. Fujitsu will continue to use location-based information in various fields to create new services.



Case Study Start of Hydrogen Station Information Management Service to Support the Spread of Fuel Cell Vehicles

Amidst concerns over environmental issues such as air pollution and global warming, expectations continue to grow for hydrogen as a reliable source of energy due to its potential to reduce CO₂ emissions to zero. In particular, fuel cell vehicles (FCV) are expected to lead to reduced greenhouse gas emissions and solutions to energy challenges, as the fuel cells that they use generate electricity via the chemical reaction between hydrogen and oxygen, the only emission produced being water.

One issue to be addressed in the popularization of FCVs is the lack of infrastructure, with only a limited number of hydrogen stations available for refilling the fuel cells. To answer this challenge, Fujitsu has launched the Hydrogen Station Information Management Service, which uses SPATIOWL to provide real-time information on the locations and operational status of fueling stations. Toyota Motor Corporation makes use of this service to provide users of its FCV, MIRAI, with a car navigation system application called Hydrogen Station List, and a

smartphone app called Pocket MIRAI, aiming to achieve "secure, safe, comfortable, and convenient" automotive lifestyles.

Looking ahead, Fujitsu will continue to enhance its services, such as by adding a function enabling hydrogen station information to be registered automatically. By making it even easier to participate in the FCV ecosystem, Fujitsu is helping to promote the further spread of hydrogen energy.



Transforming Our Business Model toward a Trajectory of Sustainable Growth

Fujitsu's Challenge to Create New Value in the IoT Era

Part 1 Management Direction

The Fujitsu Group announced a new management direction in October 2015, in which it outlined the structure of its business model transformation for achieving sustainable growth.

Until now, Fujitsu has engaged in vertically integrated business centered around three solutions: Technology Solutions, Ubiquitous Solutions, and Device Solutions. Going forward, we will focus our management resources on the Technology Solutions segment, where we excel, and increase our competitiveness globally by expanding “connected” services. By responding with advanced IoT technologies to the market needs created by the evolution of digital technology, we aim to create new value for customers and achieve sustainable growth.

Fujitsu aims to become a Global Service Integrator—that is, an ICT company with global competitiveness. Here, we introduce Fujitsu's initiatives and medium- to long-term vision for realizing the qualitative changes needed to transform into such an ICT company.

Part 2 Leveraging the “Six Types of Capital”

As Fujitsu passes the 80th year since its founding and continues on toward its 100th anniversary and beyond, it is essential that we contribute to global sustainability and the sound development of a digital society.

For this reason, we must secure appropriate profit as a corporation and reinvest to enhance our ability to create innovation. What are Fujitsu's philosophy and focus for sustainable development as a digital technology leader?

Here, we report from the perspective of six types of capital: financial, intellectual, human, manufacturing, social and relationship, and natural capital.

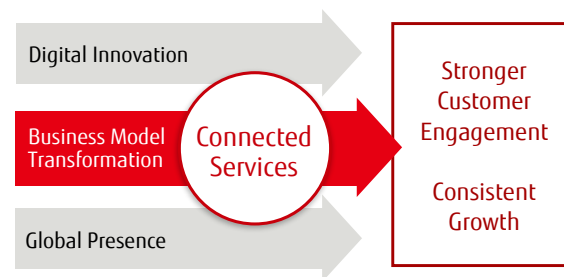
Part 1 Management Direction

The management direction briefing given in October 2015 presented the structure of the business model transformation to be undertaken to achieve the Fujitsu Group's sustainable growth. Going forward, we will focus our management resources on the Technology Solutions segment, where we excel, and increase our competitiveness globally by expanding "connected" services.

Business Model Transformation for Sustainable Growth

As the Fujitsu Group shifts toward services, it is prioritizing efforts to achieve growth in the fields of digital innovation* and globalization. In our business model transformation, we have identified three directions for action: promoting the shift towards a service-oriented business structure; pursuing the potential of digital innovation made possible by ICT; and implementing those services and innovative approaches at a global level.

* Digital innovation refers to "business innovation" that expands the domain of ICT utilization from conventional fields aimed at operating efficiency to domains such as management for competing successfully in business and "social innovation" that solves social issues, and so forth.



**Transforming Our Business Model
toward a Growth Path**

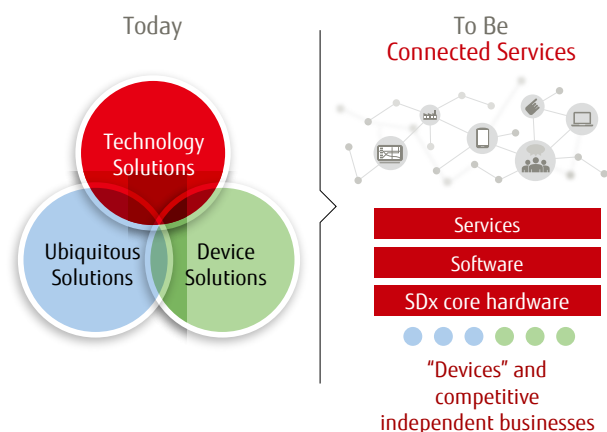
Target Business Model

The Fujitsu Group has engaged in business with a vertically integrated structure focused on three solutions: Technology Solutions, Ubiquitous Solutions, and Device Solutions, and sought to maximize their synergies. As the IoT evolves, we will focus our management resources on the Technology Solutions segment, where we excel, and increase our competitiveness globally by expanding "connected" services.

Connected services refers to an approach that aims to provide customers with a more integrated, one-stop service through our wealth of knowledge accumulated through systems integration and the "softwarization" of core hardware, including servers, storage, and network products. Through this approach, in a digital society where everything is connected, we will provide a platform for generating new value for our customers. All of the hardware that can be connected through the network is positioned as "devices."

At the same time, we plan to move ahead with dividing the Ubiquitous Solutions segment into independent PC and mobile-phone companies. By forming independent companies in areas

that have become commoditized, we aim to accelerate the management decision-making process, while also enabling these subsidiaries to achieve clear profitability and growth as independent businesses.



Focus on Technology Solutions

Initiatives to Improve Global Sector Profitability

In the global sector, we launched the new global matrix organization in April 2014 and have continued to strengthen our initiatives in this area. We will advance this organization based on the results of our efforts through the year. As opportunities expand globally, we will accelerate our efforts to enhance profitability in the global sector by strengthening the front lines of our business.

Strengthen the EMEIA Business

To improve profitability in the global sector, we will accelerate the shift to a service orientation in EMEIA (Europe, the Middle East, India and Africa), which is the next biggest market after Japan. EMEIA is divided geographically into four sub-regions, but by integrating them and reorganizing the region around the three axes of sales, services, and platforms, we will avoid the adverse effects of vertical divisions and increase operational efficiency. In the products business, to maximize development efficiency globally, we will consolidate our R&D facilities primarily in Japan, and we are seeking to close the development center in Paderborn, Germany, which works on x86 servers and storage, by the end of 2016. In addition, we are considering ways to improve efficiencies at our manufacturing and logistics site in Augsburg.



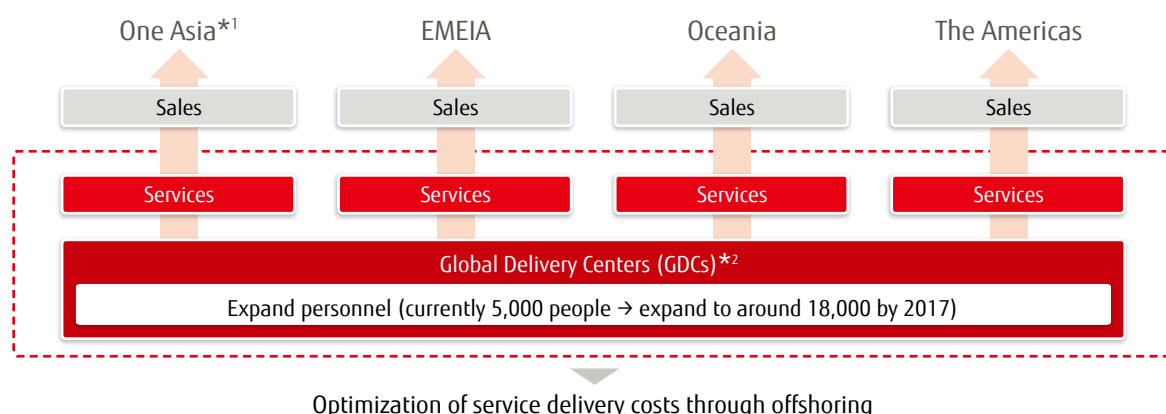
Unification of Japan and Asia Sales Organizations

On October 1, 2015, we formed a new sales organization that integrates the sales units of Japan and the Asia region as "One Asia." In light of the close relationship between Japan and the countries of Asia, which have significant growth potential, the new organization will enable the accumulated industry expertise and strong delivery capabilities of the Japanese sales team to be used in the Asia region. In addition, we will strengthen coordination between Japan and Asia in our Technology Solutions business, primarily in systems engineering services. Along with deploying the expertise we possess in Japan throughout Asia, the new organization will work to facilitate faster decision-making for investments and business deals.



Utilizing Offshore Resources by Enhancing Global Delivery Centers

We will promote utilization of offshore resources by enhancing our offshore and near-shore Global Delivery Centers (GDCs) located around the world. Specifically, we plan to increase GDC staff from the current level of 5,000 to 18,000 by 2017. Specialist capabilities will be pooled globally and linked with service staff in various regions to provide customers with high-added-value services. In addition, by utilizing the GDCs, we plan to make significant cost efficiency improvements in the services business.



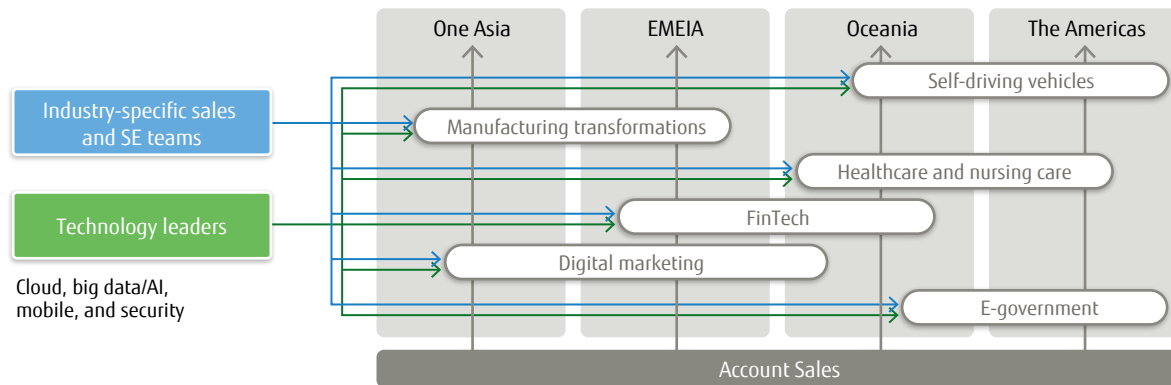
*¹ One Asia: Japan & Asia region sales organizations

*² The Global Delivery Centers as a group-wide offshore location, provide customers with applications, services, a multilingual support service desk, and remote infrastructure management.

A Flexible Global Delivery Organization

Strengthening Sales Capabilities to Support Innovation

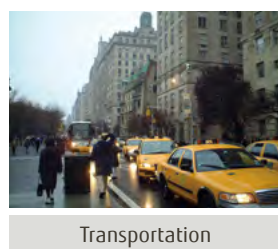
Today, the advance of digital technology is driving the creation of innovative products and services that are overturning established methods. Amid intensifying competition, Fujitsu is expected to play a role in supporting such innovation from an ICT perspective. At the same time, we view this as a business opportunity for Fujitsu.



Industry-Specific Sales and SE Teams Operating across Regional Boundaries (Examples are for illustrative purposes only)

To capture this opportunity, we believe it is important to become deeply involved as a partner at the conception phase of our customers' businesses and new projects. One of our initiatives in this area is to strengthen our industry-specific sales organization globally. Our industry-specific sales organization stands out from our account sales as it is characterized by its industry-specific sales teams which boast a wealth of knowledge and experience in their industries, businesses, service sectors, and core technology fields. Fujitsu already has industry-specific sales teams in manufacturing, healthcare, and agriculture. In the future, we will also deploy industry-specific sales teams in fields such as self-driving vehicles, FinTech, and digital marketing. Account sales will continue to provide robust customer-centric support, but we are integrating them with industry-specific sales teams to build cooperative relationships with our customers in new areas.

We have already been involved in more than 300 field trials globally. We take the knowledge and technology acquired in the course of these many trial projects and deliver them globally in the form of high-value-added services.



Over 300 Trials of Co-creation with Customers

Transforming Our Cost Structure

We will thoroughly manage the progress of our three Company-wide projects and strengthen management qualities to improve Company-wide cost efficiency.

Thorough utilization of offshoring

By increasing the number of global offshore employees and shifting resources within the Group, we aim to strengthen the GDC structure and reduce costs by a cumulative ¥30 billion over three years.

Migrating all internal systems to K5

By migrating all of the roughly 640 systems operating internally within the Fujitsu Group inside and outside of Japan to the next-generation digital business platform K5, we aim to reduce costs by a cumulative ¥35 billion over five years.

Company-wide cost reduction projects

By thoroughly ensuring cost efficiency in outsourcing and procurement, we aim to reduce costs by a cumulative ¥40 billion over three years.

Thorough utilization of offshoring

▶ **¥30 billion** cost reduction
(cumulative over 3 years)

Migrating all internal systems to K5

▶ **¥35 billion** cost reduction
(cumulative over 5 years)

Company-wide cost reduction projects

▶ **¥40 billion** cost reduction
(cumulative over 3 years)

Enhancing Cost Competitiveness through Company-Wide Projects

Medium- to Long-Term Vision

We have set medium- to long-term operating results targets using figures that will clearly identify Fujitsu as a global player among ICT companies, to be achieved by carrying out our business model transformation.

These are significant targets, and to achieve them we believe it is important to first transform Fujitsu. Our priority will be on accelerating the transformation that will bring us closer to these targets, rather than focusing on achieving specific targets such as business scale or financial goals. If we can achieve the targets we have set, we believe the financial results will follow.

Operating profit margin

▶ over **10%**

Free cash flow

▶ over **¥150 billion**

Owners' equity ratio*

▶ over **40%**

Ratio of sales outside Japan

▶ over **50%**

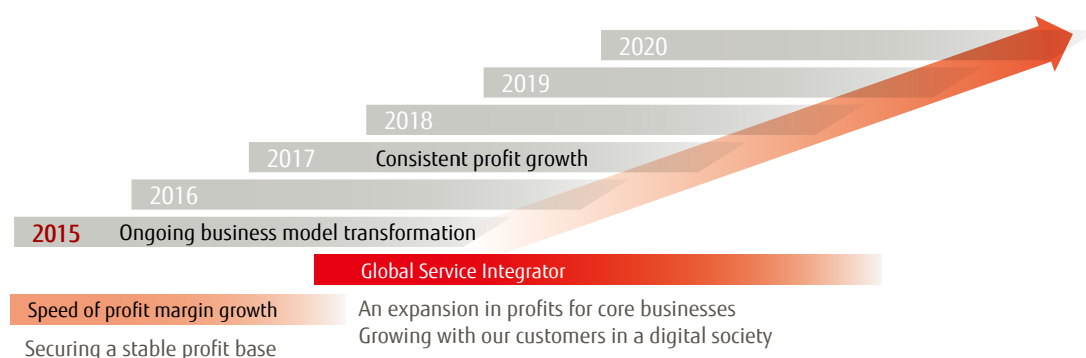
* Owners' equity ratio: Equity attributable to owners of the parent ratio

Consolidated Financial Targets

Becoming a Global Service Integrator

The Fujitsu Group aims to become a Global Service Integrator that develops its proprietary strengths in global digital markets. Given the fast-changing business environment that management confronts, we will fine-tune our course every year to ensure

we are moving toward our intended outcomes. In so doing, we will earn customers' trust as a Global Service Integrator and work together with them to secure the steady and continuous growth that will realize our medium- to long-term vision.



Part 2 Leveraging the “Six Types of Capital”

Utilizing and enhancing capital resources on hand to advance and accelerate a strategy for growth that leads to a stronger Technology Solutions business and global expansion



1. Financial Capital CFO Message



A vision and financial base for business transformation with a view to the medium-term



Hidehiro Tsukano

Director and Corporate Executive Officer,
Head of Strategy and Planning, CFO

Q.1 This is your second year as CFO. What are your main concerns in this role?

An important mission as the CFO, I believe, is to create a framework that can stand the test of time. Naturally, we need to proceed steadily in line with the current management scenario, in other words, to "stay the course over time." However, more than that, it is vital to put in place a framework that stands the test of time. This means we must constantly keep in mind what management should look like in light of our long-term vision and then forge a path forward to achieve it.

There are two important things for carrying out this mission. One is considering sustainable growth and approaching value creation over a long-term span. By "long term," I mean looking ahead 30 years into the future. To completely change a company's culture requires a full generation change; that takes 30 years. Of course, the medium-term horizon of three to five years is also important, but it is necessary to look beyond that to change the system of value creation.

The other important thing is to avoid, to the extent possible,

leaving any "negative assets" to the next generation that will support Fujitsu in the future. We focus on eliminating current negative factors, such as risk factors and volatility, as much as we can.

Q.2 Looking back on your first year as CFO, what issues did you feel needed addressing?

Through fiscal 2013 and 2014, we benefitted from favorable market conditions, such as beneficial foreign exchange rates with the depreciation of the yen. I think this enabled us to lift profits beyond our real capabilities. Of course, there were also areas where we achieved good results as planned, such as with the services business, but our profit level continued to be yet again highly susceptible to special factors. So we are not necessarily satisfied, and indeed most people are dissatisfied with this. In fiscal 2015, we will strive to improve our business structure to stabilize our profits, and I hope to completely resolve any discontent on that point.

In terms of capital expenditure, generally we invested in fields where we can envisage future scenarios clearly. In Technology Solutions, we opened new datacenters in and outside of Japan. In Device Solutions, we accelerated our investment in manufacturing facilities for LSI devices and semiconductor packages.

Q.3 Can you give an overview of the ¥30.0 billion in costs for business model transformation in fiscal 2015?

Our operating income for fiscal 2015 is currently projected at ¥150.0 billion. The consensus in the capital markets at the start of the fiscal year, before the forecast announcement, was ¥210.0 billion. The difference of ¥60.0 billion is the total of our projected costs of ¥10.0 billion for the spin-off of our semiconductor subsidiary, ¥20.0 billion for foreign exchange factors, and ¥30.0 billion in costs related to business model transformation.

Business model transformation costs are for a review of our products based on the concepts of "market-driven" and "customer-focused." Our objective is to transform our business model by rebuilding a new global business model.

Part 2 Leveraging the "Six Types of Capital"

Business model transformation costs of ¥30.0 billion include around ¥5.0 billion in expenses related to a domestic network business reorganization we carried out in the first quarter, as well as around ¥20.0 billion expected to be used for costs relating to EMEA business structure reinforcement in the second half. We are anticipating other costs to be incurred in the second half as well, but we plan to offset these with gains from the sale of assets and so forth.

Q.4

Could you explain the background to the decision to carry out this business model transformation?

If you look at Fujitsu's recent business results, the Company is making a reasonable profit, but we are not satisfied with that level. We are working with a sense of urgency because we believe that we must take action properly now if we are to ensure prospects for future growth. Rather than being trapped into the pursuit of short-term profits, we have decided to look at the necessity for transformation with a long-term view. By getting onto a growth trajectory as quickly as possible, we aim ultimately to achieve sustainable growth and to increase it even further after that.

Fujitsu's current business model is one that our past management has been pursuing for over 10 years. Specifically, the model pursues respective synergies (vertical integration) between the three business axes of "services," "hardware," and "devices," and provides these vertically integrated services to customers globally. Fujitsu's business portfolio covers a wider range than that of any other company operating at a comparable scale. If we can realize synergies between our businesses that will be a strength in itself, but we are not achieving unrivaled excellence in all of our business fields. Moreover, since the portfolio requires a wide range of business investment, it also requires a large amount of funding. To continue global innovation, we first have to focus our scope to a degree and accelerate selection and concentration to realize a strong company.

There will be a continued shift from areas such as servers, storage, and networks to software. Moreover, we will see various services centered on this software proliferating, and an expansion of businesses providing "service + software." In response to these trends, the hardware field is likely to polarize between trends for the high-end market and trends for the low-end market, such as what we are seeing in PCs and mobile phones. We will continue to maintain our hardware business, but with competition growing fiercer in the low-end field, our business in this field will not be able to continue as it is. Furthermore, in the services business, which includes system integration, we have continued a rather costly reliance on our own resources or those of our domestic partners up until now, but we are planning to make a bold step toward reducing costs in this area by promoting

use of offshore resources and so forth.

For some time now, investors and analysts have been pointing out to us the need for this business model transformation, something I too had been aware of. I think the time has come for us to tackle this transformation seriously. Looking back, I think we might have taken a few detours on our way to reaching this point.

Q.5

What is your future direction on shareholder returns, such as your ROE target, dividends, and so forth?

If we set out to maintain an ROE at the 15% level, for example, then assuming we retained all profits internally, we would need to achieve 15% profit growth every year—which is quite a high hurdle to set. If that level of profit growth proves difficult, then our only way to maintain ROE is to increase dividends and distributions.

We expect the effects of our business model transformation to emerge in fiscal 2017. By then, we should have all of our financial indicators at satisfactory levels, and will be able to turn our full attention to returning profits to stakeholders, with a focus on ROE.

Q.6

Please tell us your thoughts as CFO on investments in non-financial capital such as research and development, intellectual property, human resources, and the environment.

I believe that we need to select and concentrate our businesses to continue innovation globally; the same applies to the non-financial capital that supports business. For example, we should be align our patents and other assets with our business portfolio by changing our approach to holding and using them, rather than simply aiming to accumulate large numbers of them. So we will also be starting work on transforming our non-financial capital going forward.

The most important management capital within non-financial capital, I believe, is human resources. Employees are our "human capital" and it is important to develop them ahead of changes in our business.

Looking ahead, we will also focus on developing the capabilities of our researchers and engineers, premised on our business model transformation. We will also focus our efforts on enhancing non-financial capital, including accumulating IT-related expertise.

2. Intellectual Capital



A technology platform for creating value by converting information into knowledge

Fujitsu's Intellectual Capital

The Fujitsu Group aspires to shape a world where people are able to create innovation to achieve their full potential, thereby driving the sustainable growth of society. At Fujitsu, we refer to such a world as a Human Centric Intelligent Society. Realizing this vision involves converting the information generated by ICT into knowledge and harnessing that knowledge in sophisticated ways.

The Fujitsu Group is driving development of cutting-edge technologies and the creation of business models that are essential for realizing a Human Centric Intelligent Society. Through this entire range of activity, we are working to upgrade and expand our intellectual capital, which includes the knowledge and expertise that underpin our business activities. We believe that the intellectual capital base we have built up will help to boost the Fujitsu Group's international competitiveness, along with helping to realize a more secure and affluent society.

Integration of R&D, Business, and Intellectual Property Strategies

Working to Obtain Patents as a Key Corporate Asset

The Fujitsu Group must execute its R&D, business, and intellectual property (IP) strategies in a coherent manner in order to form, enhance, and expand its intellectual capital base. We are pushing ahead with cutting-edge R&D from a medium- to long-term perspective based on our insight into future market and industry conditions, while advancing technology development in step with the medium-term business strategies of our business units. Moreover, we recognize that the IP generated in the course of our R&D activities constitutes a source of long-term business competitiveness and is a key corporate asset. Therefore, we are conducting strategic IP development activities that take our future business portfolio into consideration.

Building an R&D Framework Centered on Fujitsu Laboratories

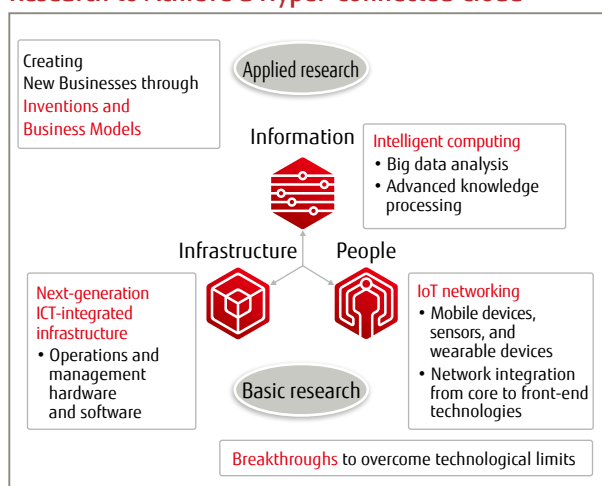
The Fujitsu Group has built an R&D framework centered on Fujitsu Laboratories, which has a total of nine R&D bases in four regions around the world, specifically Japan, the US, China, and Europe. It fulfills a pivotal role in the development of IP by the Fujitsu Group.

■ R&D Strategy

Today, digital businesses are expanding rapidly as society evolves

into a hyper-connected world where all manner of things are connected over networks. The Fujitsu Group is conducting research and applied development related to digital businesses, led by Fujitsu Laboratories. Notably, Fujitsu Laboratories approaches R&D from the three aspects of people, information, and infrastructure. It is guided by the technical concept of a hyper-connected cloud that integrates a full spectrum of technology, ranging from back-end ICT infrastructure to front-end mobile terminals and devices.

Research to Achieve a Hyper-Connected Cloud



In terms of people, we are pursuing R&D on mobile devices, sensors, and wearable devices, as well as high-speed, high-capacity networks to connect those devices. With regard to information, we are conducting R&D on intelligent computing, which will provide new knowledge through big data analyses integrated with media data, in conjunction with advanced knowledge processing. In terms of infrastructure, our R&D is focused on next-generation ICT-integrated infrastructure and related operations and management technologies.

Apart from this, we are also working on breakthroughs to overcome current technological limits. We have embraced the challenge of acquiring new knowledge and technologies by making new discoveries in science and technology. Moreover, since innovation is generated by capturing synergies between inventions and business models, we are also working to create new businesses by actively talking to our stakeholders inside and outside the Company.

■ R&D Framework

Fujitsu and Fujitsu Laboratories have set up a Technology Strategy

Part 2 Leveraging the "Six Types of Capital"

Committee to execute strategic decision-making from both R&D and business perspectives. A Technology Strategy Task Force has also been set up under this committee, where managers of business units and research divisions work to unify business and research plans and to solve issues in the process of commercialization.

By having research and business divisions share knowledge and an awareness of issues, this framework has generated dynamic new insights and helped to sharpen Fujitsu's business decision-making capabilities as a technology company.

■ Open Innovation

Today's ICT market is crowded with players, including companies that had formerly been ICT consumers but are just breaking into the market, providing products and services. The Fujitsu Group covers an expansive range of technology domains from semiconductors to business applications. However, the increasing advancement and complexity of ICT means that no single company can supply all of the required technologies and products. Therefore, companies must focus on strengthening their own strategic domains within a technology and product ecosystem. Through discussions and joint research with research institutions and client companies, the Fujitsu Group is actively acquiring and making effective use of external technologies and expertise to create new markets. Through these activities, we aim to expand our intellectual capital and bolster our competitiveness.

Development and Accumulation of IP

With a view to its future business portfolio, the Fujitsu Group is working to strengthen its IP portfolio, which forms the backbone of its intellectual capital, through such means as acquiring third-party technologies via M&As.

Among Fujitsu's intellectual assets, patents generated by R&D activities are crucial to enhancing the Group's technological edge

Granted Patents in Japan in 2014

1	Canon Inc.	5,404
2	Mitsubishi Electric Corporation	5,365
3	Panasonic Corporation	5,336
4	TOYOTA MOTOR CORPORATION	4,454
5	TOSHIBA CORPORATION	4,102
6	Ricoh Company, Ltd.	3,643
7	FUJITSU LIMITED	3,266
8	Honda Motor Co., Ltd.	3,133
9	DENSO CORPORATION	3,120
10	NEC Corporation	3,018
11	FUJIFILM Corporation	3,007
12	Seiko Epson Corporation	2,534
13	Hitachi, Ltd.	2,445
14	Nippon Telegraph and Telephone Corporation	2,096
15	Sony Corporation	1,908
16	Sharp Corporation	1,696
17	Fuji Xerox Co., Ltd.	1,595
18	Dai Nippon Printing Co., Ltd.	1,570
19	KYOCERA Corporation	1,508
20	NISSAN MOTOR CO., LTD.	1,446

Based on patent publication date, total count of all applicants (excluding group companies of each company)
Fujitsu survey based on Japan Patent Office data (number of issued patents)

Granted Patents in the US in 2014

1	IBM Corporation	7,534
2	Samsung Electronics Co., Ltd.	4,952
3	Canon Inc.	4,055
4	Sony Corporation	3,224
5	Microsoft Corporation	2,829
6	TOSHIBA CORPORATION	2,608
7	QUALCOMM Incorporated	2,590
8	Google Inc.	2,566
9	LG Electronics, Inc.	2,122
10	Panasonic Corporation	2,095
11	Apple Inc.	2,003
12	General Electric Company	1,860
13	FUJITSU LIMITED	1,820
14	Seiko Epson Corporation	1,662
15	Ricoh Company, Ltd.	1,634
16	Intel Corporation	1,578
17	Hewlett-Packard Development Company, L.P.	1,474
18	Telefonaktiebolaget LM Ericsson	1,537
19	Hon Hai Precision Industry Co., Ltd.	1,537
20	Samsung Display Co., Ltd.	1,511

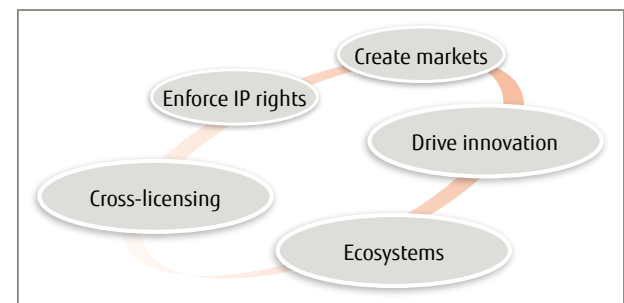
Based on patent publication date, total count of all applicants (excluding group companies of each company)
Source: IFI CLAIMS Patent Services data

and business competitiveness. To strengthen our patent portfolio, we are taking a long-term view, selecting priority technology fields and making efforts such as moving forward on patent applications, and promoting a shift to a portfolio aligned with our vision of future business. Moreover, we are accumulating patent rights from a global perspective, taking into account regions where we conduct business or where patent rights could be expected to be utilized to target other companies.

Utilization of IP

The Fujitsu Group strategically utilizes its collective IP portfolio for the purposes outlined in the diagram below.

IP Utilization



In the course of utilizing IP, Fujitsu uses concealment and other methods to protect its technologies as it seeks to ensure the competitive advantage of its businesses and also to create new markets together with other companies. For example, we utilize IP in order to stimulate co-creation with third parties for the purpose of acquiring new knowledge and expertise to drive future business growth.

Furthermore, when business domains overlap with other companies, the Fujitsu Group works to ensure latitude in business by concluding cross-licensing agreements that take full advantage of the Group's patent portfolio. To date, we have entered into cross-licensing agreements with partners such as Intel, IBM, and Texas Instruments.

In addition, we are expanding the use of the Fujitsu Group's IP in building ecosystems with partner companies. We are also proactively conducting activities with international standardization organizations such as oneM2M, the World Wide Web Consortium (W3C), and the Industrial Internet Consortium (IIC) in the IoT field. Through these activities, we are contributing to the global uptake of leading technologies.

On the other hand, we also take steps to publicize IP that we no longer use for Group business strategies, and license this IP to other companies. These activities will be continued as part of our corporate social responsibility (CSR) initiatives.

In this way, the Fujitsu Group strives to enhance its corporate assets by upgrading and expanding its IP portfolio, including knowledge and expertise, that supports its business activities. At the same time, we strategically utilize IP in order to drive penetration of our advanced technologies across a broad range of markets.

3. Human Capital



A diverse, global human base that makes challenges possible

Fujitsu's Human Capital

Employees are the Fujitsu Group's most important asset. We strive to achieve our group-wide vision of Human Centric Innovation by attracting and developing talent capable of cultivating new business fields with agility. We provide career development support and an ideal working environment for employees to autonomously enhance their skills and expertise through challenging jobs.

As of March 31, 2015, the Fujitsu Group has 158,846 employees worldwide. On a non-consolidated basis, Fujitsu has 25,627 employees, with an average age of 43.3. In fiscal 2014, Fujitsu recruited approximately 500 new employees, and the female employee ratio was 15.4%.

Fujitsu deployed its global matrix organization, which enables both regions and business lines to closely collaborate towards solving our customers' challenges by orchestrating the knowledge of employees worldwide.

Leveraging Human Capital as a Growth Strategy

■ Talent Strategy Committees: Executive Committees to Discuss Strategic Talent Management

Fujitsu established the Group-Wide Talent Strategy Committee led by the executive management team. This committee regularly discusses talent management policies and measures to achieve Fujitsu's vision and business strategies.

Under this committee, Fujitsu established Business-Group Talent Strategy Committees led by executive members in

respective business groups. These committees discuss the required talent profiles in each business and specific development policies and plans.

Fujitsu also conducts Top Management Reviews led by the top executive members to discuss succession plans for key executive posts and future leader development.

■ A Globally Integrated Human Resources Management System

The Fujitsu Group implements a global leveling system for key executive posts worldwide, which enables optimized talent deployment on a global scale to ensure that high-potential talent succeeds across all regions.

■ Global Business Leader Development

As part of efforts to develop global business leaders, the Fujitsu Group identifies junior to mid-class high-potential talent, and provides them with training programs and challenging opportunities around the world to foster a global mindset and the dynamism to succeed in the global market.

■ Diversity & Inclusion

Guided by the theme of "Diversity into Innovation," Fujitsu has implemented a global Diversity and Inclusion Policy. In 2014, Fujitsu was recognized in the Diversity Management Selection 100 project organized by the Ministry of Economy, Trade and Industry, which recognizes companies that realize increased corporate value by their diverse management.



Developing Advanced Specialists

■ Increasing the Number of "Security Meisters" to Strengthen Fujitsu's Capability in the IT Security Field

The Fujitsu Group implemented the Security Meister Certification Program to develop highly skilled engineers in the IT Security field. This program defines Meister models in 15 categories in 3 areas, aligned with business requirements. Meister certification is granted after completing special training designed for respective models. Fujitsu also provides simulated training using cyber ranges.



4. Manufacturing Capital



An ICT facility base supporting business transformation

Fujitsu's Manufacturing Capital

Establishing a Global Service Provision Framework Including Datacenters Covering All Continents

The main manufacturing capital supporting Fujitsu's cloud business is its datacenters and delivery centers, which are the points for the global provision of products and service solutions.

We have over 100 datacenters around the world providing coverage of every continent. These centers hold our customers' ICT assets and provide service 24 hours a day, 365 days a year. The robust, high-quality facilities have been highly rated by customers for their state-of-the-art features such as disaster countermeasures, electric air conditioning equipment and floor loading designed for high-density installations, security, and green performance. Moreover, a high-speed network connecting the main datacenters supports customers' business continuity plans (BCP) by linking systems, allowing reciprocal backup, and so forth. Furthermore, we plan to add new wings to our core datacenters of Tatebayashi Datacenter in April 2016 and Akashi Datacenter in July 2016.

In the global delivery group, we have established a four-region global delivery structure. We provide onsite services covering more than 180 countries and service desks in over 30 languages to support our customers' global business development.

Utilizing and Strengthening Manufacturing Capital

Manufacturing Plants—Enhancing Added Value of Manufacturing and Establishing New Foundry Company

The Fujitsu Group has 46 manufacturing plants in Japan and

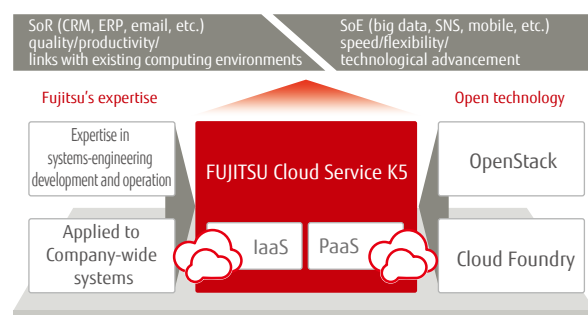
another 30 overseas. To provide customers with high-quality products as quickly as possible, we strive constantly to improve on quality, cost, and delivery (QCD) and pursue efficiency in every aspect of operations. As one of our distinctive initiatives, we have consolidated the installation, local adjustment, and other processes that are part of system deliveries and that had previously been carried out at customers' premises, and now we perform this at our plants to increase added value by shortening delivery times and raising work efficiency. We have also taken steps such as standardizing our manufacturing systems and production lines, which have helped to ensure flexibility in the production system of our plants. Besides that, we have leveraged the characteristics and strengths of each plant to provide manufacturing solutions (contract manufacturing services, professional services for manufacturing in general, and so forth). In this way, we strive to uphold the trust of our customers by further raising our added value and achieving our goals in the rigorous pursuit of QCD through various initiatives.

In accordance with the "New Direction of the Semiconductor Business" policy announced in July 2014, Fujitsu Semiconductor split its manufacturing facilities into Mie Fujitsu Semiconductor Limited, which consists of the 300 mm wafer manufacturing facilities in Mie; Aizu Fujitsu Semiconductor Wafer Solution Limited, which consists of the 150 mm wafer fab in Aizu-Wakamatsu; Aizu Fujitsu Semiconductor Manufacturing Limited, which consists of the 200 mm wafer fab in Aizu-Wakamatsu; and Aizu Fujitsu Semiconductor Limited, which controls the operations of both the 150 mm and 200 mm companies in Aizu-Wakamatsu. The four subsidiaries operate as foundry companies. (Please refer to the diagram on page 68.)

Topic

All Internal Group Systems in and outside Japan Moved to the New Cloud Service, FUJITSU Cloud Service K5

The Fujitsu Group is taking steps to respond flexibly and efficiently to changes in the business environment by steadily migrating, from February 2015, all of its approximately 640 systems (approx. 13,000 servers) to the new OpenStack-based K5 cloud service platform. The migration will be completed over a period of five years, during which time the Group expects to reduce its total cost of ownership by about ¥35.0 billion. Fujitsu will continuously develop functions while conducting pilot trials with select customers, using the skills and expertise it acquires as a reference for customer solution proposals as well as system construction and operation.



5. Social and Relationship Capital

A stakeholder cooperation platform for driving innovation

Fujitsu's Businesses as well as Social and Relationship Capital

Collaboration with Third-Party Organizations in Various Settings, Including R&D, Systems Integration, and Information Security

The Fujitsu Group seeks to drive innovation in the hyperconnected world, an environment in which a full spectrum of technologies ranging from ICT infrastructure, such as computing and networks, to front-end technology, such as IoT terminals and devices, are mutually connected. The Group will need to spur collaboration not only internally but also with customers, companies in different industries, governments, and academic research institutions. It will be crucial to globally integrate the advanced technologies, products, and services of other organizations.

■ Open Innovation

The Fujitsu Group is promoting open innovation with other institutions through participation in national projects and other means, in tandem with pursuing proprietary technologies. Moreover, Fujitsu Laboratories is collaborating with universities and research institutions in 11 countries around the world, including Japan, with the aim of accelerating and promoting global R&D. Notably, collaboration with overseas institutions is undertaken by setting research themes that harness the culture and strengths of the host country in order to advance R&D together with local researchers. Besides pursuing world-class, cutting-edge technologies, we are focused on research themes aimed at achieving innovation through field trials and partnerships with other industries. For example, in the healthcare field, we joined forces with research institutions in Ireland and developed technologies that employ various sensors to achieve the early detection of abnormalities in motor functions of patients that might otherwise go unnoticed. The research primarily involved conducting field trials at smart houses in Ireland.

In this manner, the Fujitsu Group is collaborating with various stakeholders in pursuit of the advancement and sophisticated use of ICT. Meanwhile, as ICT becomes increasingly valuable as public infrastructure in today's society, we must continue to strengthen measures to counter cyber attacks, which are becoming increasingly sophisticated and subtle. As multiple companies form partnerships to create products, services, and solutions from proprietary and external resources, they create ecosystems for mutual benefit. To protect these ecosystems, we must also cooperate with national governments and various organizations to promote activities to strengthen information security.

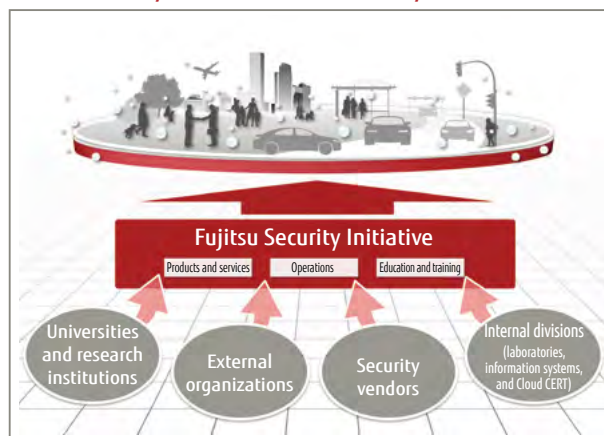
Utilize and Strengthen Social and Relationship Capital

Protecting Customers' ICT Environments in Cooperation with Universities, Research Institutions, and External Organizations, along with Security Vendors

The Fujitsu Group has developed advanced security technologies, such as encryption, anonymization, and biometric-authentication technologies, to provide total information protection from sensor data collection through to analysis and utilization. While harnessing those achievements within the Group, we are applying our accumulated expertise to customers' security measures. Moreover, in January 2014, we organized our security-related products and services into the Fujitsu Security Initiative in parallel with setting up the Security Initiative Center, comprising 30 security experts. We are protecting our customers' ICT environments in collaboration with universities, research institutions, and external organizations, along with security vendors.

In June 2014, Fujitsu became one of the first Japanese ICT companies to participate in the IIC, set up by five major US companies, namely General Electric, Cisco Systems, AT&T, IBM, and Intel. The IIC is an organization formed to promote widespread adoption of the Industrial Internet and the IoT. Positioning security as one of its important themes, the IIC has pledged to pursue collaborative and innovative approaches to security.

Continuing to Keep ICT Safe and Secure from a Customer-Centric Perspective in Order to Support Innovation by Customers and Society



6. Natural Capital



A base for reducing the overall environmental impact related to business activities

Fujitsu's Business and the Impact on Natural Capital

Contributing to Reducing the Environmental Impact of Customers and Society through Business

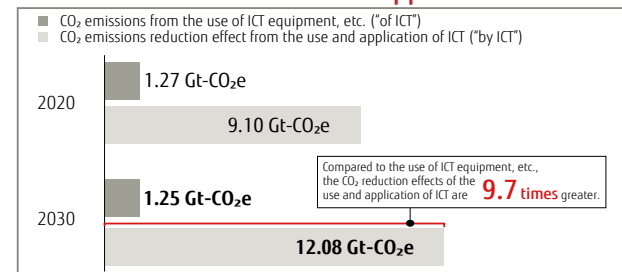
The Fujitsu Group acts on the belief that it is important to optimize use of natural capital and emphasize sustainable management throughout the entire value chain. For example, when concentrating customers' servers at our datacenters and providing them as a cloud service, we minimize our electricity usage and operate efficiently to reduce society's overall power usage.

Customers are also becoming more aware of the environment as a new type of value. The Fujitsu Group is responding by providing solutions based on two approaches: "of ICT"—for reducing energy consumption of ICT equipment and infrastructure itself, and "by ICT"—an approach to reducing the environmental impact through

the use of ICT.

By providing ICT solutions like these, the Fujitsu Group will contribute to the sustainability of the global environment through its business activities.

CO₂ Emissions Volume of ICT, and the CO₂ Emission Reduction Effect of the Use and Application of ICT



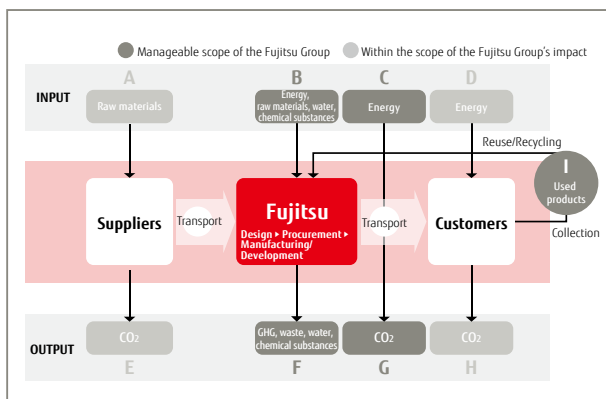
Graph created by Fujitsu based on the Global e-Sustainability Initiative's SMARTer2030 report.

Reducing the Negative Impact on Natural Capital

The Fujitsu Group has a grasp in quantitative terms of the overall amounts of energy and resources it inputs into its business activities, as well as the environmental burden of its emissions. Based on this, we are taking steps to reduce our impact on natural capital. At our main datacenters, we set environmental targets and strive to improve our environmental performance on various fronts such as saving energy.

Material Balance

Fujitsu depicts the overall image of our environmental impacts using numbers, in order to engage in business activities with the environment in mind.



FY 2014 Key Performance

INPUT

A-B | Design/Procurement/Manufacturing/Development

Raw Materials

Metal	21 ktons
Plastic	11 ktons
Others	18 ktons

Chemical Substances*

VOCs	1.3 ktons
PRTR	10.0 ktons

Water

Water usage	16.60 Mm ³
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Energy

Total	18.78 PJ
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Purchased electricity	1,714 GWh
-----------------------	-----------

Heavy oil, kerosene, etc.	9,228 kL
---------------------------	----------

LPG, LNG	3,837 tons
----------	------------

Natural gas, city gas	30.66 Mm ³
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District heating and cooling	43 TJ
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C | Distribution/Sales

Energy

Fuel (light oil, gasoline, etc.)	1.75 PJ
----------------------------------	---------

D | Usage

Energy

Electricity	9,345 GWh (91.86 PJ)
-------------	----------------------

I | Collection/Reuse/Recycling

Resources recycling rate	94.3%
--------------------------	-------

Amount processed

	5,016 tons
--	------------

OUTPUT

E-F | Design/Procurement/Manufacturing/Development

Raw Materials

CO ₂ emissions	1,170 ktons-CO ₂
---------------------------	-----------------------------

Chemical Substances*

VOCs	230 tons
------	----------

PRTR	10 tons
------	---------

Atmospheric Release

Total GHG emissions	897 ktons
---------------------	-----------

CO ₂	804 ktons-CO ₂
-----------------	---------------------------

GHG other than CO ₂ (PFC, HFC, SF ₆ , others)	93 ktons
---	----------

NO _x	127 tons
-----------------	----------

SO _x	112 tons
-----------------	----------

Water Discharge

Wastewater discharges	15.48 Mm ³
-----------------------	-----------------------

BOD	349 tons
-----	----------

COD	192 tons
-----	----------

Waste

Amount of waste generated	22.3 ktons
---------------------------	------------

Thermal recycling volume	4.7 ktons
--------------------------	-----------

Material recycling volume	16.1 ktons
---------------------------	------------

Disposal volume	1.4 ktons
-----------------	-----------

G | Distribution/Sales

Atmospheric Release

CO ₂	120 ktons-CO ₂
-----------------	---------------------------

H | Usage

Atmospheric Release

CO ₂	5,180 ktons-CO ₂
-----------------	-----------------------------

* Substances that qualify as both a PRTR targeted chemical and a VOC are included under "VOCs" only.

Our Corporate Philosophy—the FUJITSU Way

Since its establishment in 1935, Fujitsu has contributed to the development of public infrastructure through innovative information and communication technologies. The ideas and spirit of successive leaders who paved the way for the Fujitsu Group's success are condensed and codified in the Fujitsu Way, which forms the core of our management practices.

For the Fujitsu Group, Corporate Social Responsibility (CSR) means putting the Fujitsu Way into practice to address a variety of social issues and contribute to a sustainable networked society.

Our Corporate Philosophy—the FUJITSU Way

On April 1, 2008, Fujitsu announced a fully revised Fujitsu Way. The Fujitsu Way will facilitate management innovation and promote a unified direction for the Fujitsu Group as we expand our global business activities, bringing innovative technology and solutions to every corner of the globe.

The Fujitsu Way provides a common direction for all employees of the Fujitsu Group. By adhering to its principles and values, employees enhance corporate value and their contributions to global and local societies.

The FUJITSU Way

CORPORATE VISION

Through our constant pursuit of innovation, the Fujitsu Group aims to contribute to the creation of a networked society that is rewarding and secure, bringing about a prosperous future that fulfills the dreams of people throughout the world.

CORPORATE VALUES

What we strive for:

Society and Environment

In all our actions, we protect the environment and contribute to society.

Profit and Growth

We strive to meet the expectations of customers, employees, and shareholders.

Shareholders and Investors

We seek to continuously increase our corporate value.

Global Perspective

We think and act from a global perspective.

What we value:

Employees

We respect diversity and support individual growth.

Customers

We seek to be their valued and trusted partner.

Business Partners

We build mutually beneficial relationships.

Technology

We seek to create new value through innovation.

Quality

We enhance the reputation of our customers and the reliability of social infrastructure.

PRINCIPLES

Global Citizenship

We act as good global citizens, attuned to the needs of society and the environment.

Customer-Centric Perspective

We think from the customer's perspective and act with sincerity.

Firsthand Understanding

We act based on a firsthand understanding of the actual situation.

Spirit of Challenge

We strive to achieve our highest goals.

Speed and Agility

We act flexibly and promptly to achieve our objectives.

Teamwork

We share common objectives across organizations, work as a team, and act as responsible members of the team.

CODE OF CONDUCT

• We respect human rights.

• We protect and respect intellectual property.

• We comply with all laws and regulations.

• We maintain confidentiality.

• We act with fairness in our business dealings.

• We do not use our position in our organization for personal gain.

Participation in the United Nations Global Compact

The Fujitsu Group joined the United Nations (UN) Global Compact in December 2009, and is enhancing its CSR activities from a global perspective.

The Fujitsu Group is committed to global corporate social responsibility (CSR) activities that uphold the 10 principles of the Global Compact. Through this commitment, we will meet the demands of various stakeholders in international society and uphold responsible management as a truly global ICT company, contributing to the creation of a sustainable society.



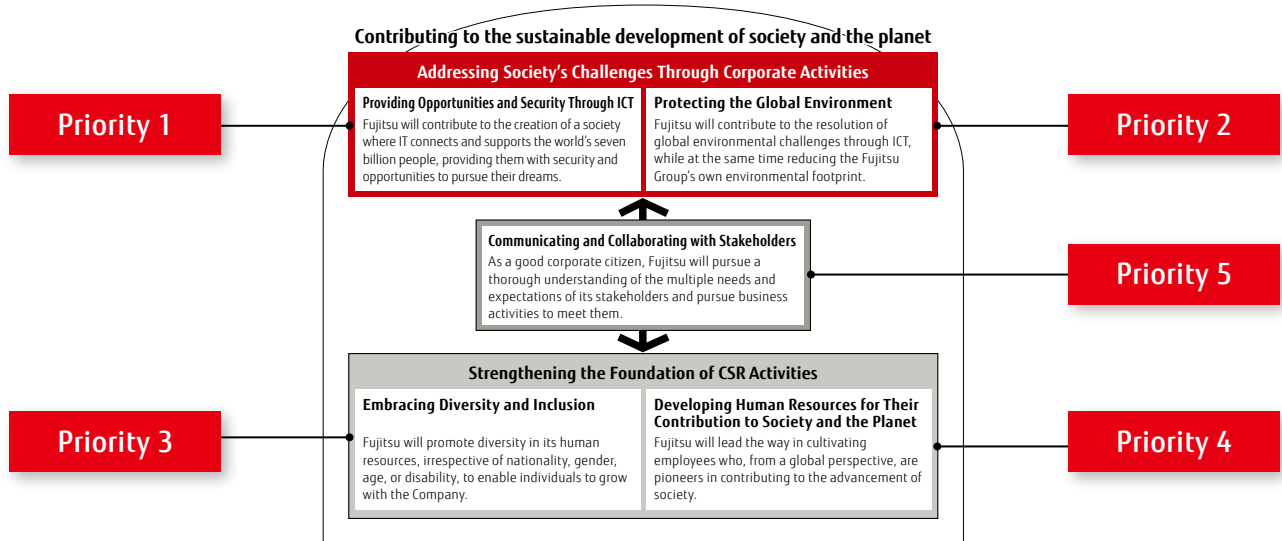
Global Recognition

The Fujitsu Group's initiatives for society and the environment continue to be highly regarded around the world.



Fujitsu Group CSR Policy

CSR at Fujitsu is practiced by implementing the Fujitsu Way. In all its business activities, by implementing the Fujitsu Way in light of the expectations and needs of multiple stakeholders, the Fujitsu Group contributes to the sustainable development of society and the planet. Our CSR initiatives focus on the five challenges below. In addressing these challenges, we demonstrate a commitment to responsible business operations as a global ICT company.



Organization Promoting CSR

CSR Promotion Committee

To promote CSR management across the entire Fujitsu Group, the CSR Promotion Committee has been established under the chairmanship of the Vice President and representative director (head of global corporate functions) and with administrative support from the CSR Division. The Committee sets key performance indicators (KPI), communicates CSR information, and conducts regular reviews of Fujitsu's systems and organizations to create new examples of social contribution activities and how we are approaching a sustainable society and our business.

Strengthening the Global CSR Governance Structure

To promote and disseminate Fujitsu Group's global CSR activities, we have enhanced our governance structure. Specifically, we have established a CSR Board Meeting as a platform for the heads of the five global regions* to share their opinions and discuss regional issues. The policies and initiatives discussed at the CSR Board Meeting are implemented by Liaison Delegates (LDs), representatives from each region, and approximately 250 domestic and overseas Fujitsu Way leaders at each office. Furthermore, the Fujitsu Group has newly established a Fujitsu Way/CSR Global Community. This will be utilized as a global communication platform, such as for sharing information on articles approved by the CSR Promotion Committee, promoting CSR initiatives by individual themes in coordination with related depart-

ments, and sharing good practices within the Group.

* Five global regions:

EMEA (Europe, Middle East, India, and Africa), the Americas, Asia, Oceania, and Japan

CSR Activity Targets and Achievements

Fujitsu has stipulated medium-term targets (for fiscal 2020) and discloses achievements for individual fiscal years regarding set targets. For details, refer to page 10 of the Fujitsu Group CSR Report 2015.

(<http://www.fujitsu.com/global/documents/about/resources/reports/sustainabilityreport/2015-csrreport/fujitsureport201501-e.pdf>)

CSR Activities Utilizing ISO 26000

Fujitsu supports the United Nations Global Compact's 10 principles in the four areas of human rights, labor, the environment, and anti-corruption, as a signatory company (since December 2009), in order to conduct a sustainable business. Since fiscal 2012, we have conducted an annual CSR survey at Group companies worldwide based on ISO 26000, the international standard for social responsibility, to monitor the status of initiatives at each Group company. In fiscal 2014, the survey was conducted at 112 Fujitsu Group companies worldwide (77 in Japan, 35 overseas). Additionally, measures relating to human rights and labor, which were identified in the fiscal 2013 survey as areas with potential risks, have begun.

Please refer to the following link for information about initiatives the Fujitsu Group undertakes in the CSR and environmental fields.
Our Approach to CSR and the environment: <http://www.fujitsu.com/global/about/responsibility/>

Priority 1

Providing Opportunities and Security through ICT

➡ Please refer to pages 22–27.

Priority 2

Protecting the Global Environment

<http://www.fujitsu.com/global/about/environment/>

Fujitsu Group Environmental Action Plan Stage VII (FY 2013 to FY 2015)

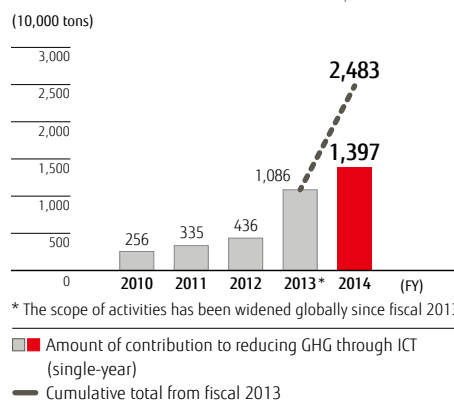
The Fujitsu Group has positioned environmental preservation as one of our important management priorities and has set specific targets under a medium-term action plan. Environmental Action Plan Stage VII started in fiscal 2013 and takes two approaches, first, of contributing through our business to solving the environmental challenges of our customers and society, and then by thoroughly reducing our own environmental impacts. We have set targets in 17 items.

Contribution to Society

Under Stage VII of the Environmental Action Plan, the Fujitsu Group is aiming to expand our contributions to society overall and is broadening the scope of our targets globally, including reduction of greenhouse gas (GHG) emissions through the provision of ICT and social contribution activities by employees. Moreover, Fujitsu, understanding that ICT can be used to tackle environmental issues, has set goals for expanding the provision of solutions that contribute to global sustainability, as well as for promoting research and development. The Company will also make efforts to improve the environmental performance of ICT products.

REDUCING GHG EMISSIONS BY PROVIDING ICT

(Target: Cumulative reduction of over 38 million tons of emissions from fiscal 2013 to the end of fiscal 2015)

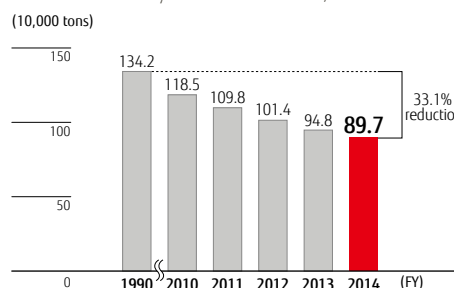


Reducing Our Environmental Burden

The Fujitsu Group has taken steps to reduce the burden it places on the environment through its business operations since 1993, when the Fujitsu Environmental Protection Program Stage I was formulated. Amid an upward trend in energy consumption at datacenters as cloud services expand in recent years, the Fujitsu Group has set new targets in our Environmental Action Plan (Stage VII) for promoting environmentally conscious datacenters. In addition, we have set targets that include reduction of GHG emissions from business sites, business partners, and transportation operations; the effective use of water resources; and expanded use of renewable energy.

CHANGE IN TOTAL GHG EMISSIONS AT BUSINESS SITES

(Target: Compared to the fiscal 1990 level, reduce GHG emissions a minimum of 20% by the end of fiscal 2015)



Priority 3

Embracing Diversity and Inclusion

<http://www.fujitsu.com/global/about/csr/activities/employees/diversity/>

Embracing Diversity and Inclusion

Based on the statement "We respect diversity and support individual growth" in the Corporate Values of the Fujitsu Way, we set up the Diversity Promotion Office in 2008. Drawing on "Diversity-Driven Innovation" as its theme, the Diversity Promotion Office's vision for Fujitsu sets forth the following two objectives:

- ◆ **Improving individual growth and job satisfaction:** That all employees will have mutual respect for one another, that each will demonstrate their own personal added value, and that everyone will contribute to the organization.
- ◆ **Improving corporate competitiveness and growth:** That we will continue to create new knowledge and technologies through free and active discussions from a variety of viewpoints.

To achieve these objectives, we are aiming to create workplaces where people can work energetically, create new value, realize coexistence and mutual prosperity with society, and develop Fujitsu into an even better company.

Diversity Promotion Framework

The Diversity Promotion Office engages in the promotion of diversity under the Company President and the officer in charge of diversity (the current Vice President).

In Japan, diversity promotion managers selected from each company engage in this work while sharing information in diversity promotion manager meetings at domestic Group companies. Overseas, Fujitsu promotes diversity within each of the four regions while sharing information at venues such as the Global Human Resources Conference.

Priority 4

Developing Human Resources for Their Contribution to Society and the Planet

<http://www.fujitsu.com/global/about/csr/activities/employees/education/>

Human Resources Development

The employees of the Fujitsu Group are our biggest assets, and we believe that each individual is full of potential. Fujitsu is committed to systematic and continuous human resources development. It takes various approaches so that its employees can enhance their abilities and specialties through work to grow as individuals and learn to take on challenges and adapt to the intense changes and competition in society.

Guidelines for Human Resources Development

The Fujitsu Group's Human Resources Development Unit collaborates with each business group and the Human Resources Unit to develop high-level human resources. The Group has implemented systematic education programs emphasizing the four themes below.

Four Major Themes of Human Resources Development

Developing Global Business Leaders	Promoting Professionalism	Baseline Reinforcement	Creating a Culture in Which Diverse Individuals Can Excel
Long-term development of employees to succeed as global business leaders	Develop professionals within industry and global-standard frameworks	Enhance level-specific education tailored to employee age brackets and ranks ranging from young to senior-level employees	Support individual employees through the promotion of diversity and career support, etc.

Promotion System

Fujitsu has established a Human Resources Strategy Committee, comprising executives at the management level and above. The committee regularly discusses Fujitsu's human resources approaches for implementing its vision and business strategies. The Human Resources Development Office handles the human resources development approaches, as well as common human resources development programs across the entire company. The human resources development groups within business units conduct training to enhance the specialization of the employees in the fields they are involved in.

The two Group companies Fujitsu University and Fujitsu Learning Media Limited, both specialists in education, carry out the training sessions.

Priority 5

Communicating and Collaborating with Stakeholders

<http://www.fujitsu.com/global/about/csr/activities/community/policy/>

Approach to Social Contribution Activities

To achieve a prosperous future where people's dreams are fulfilled, the Fujitsu Group will create new value and knowledge together with our customers, communities, and people worldwide through ICT, and contribute to sustainable development for the Earth and society.

Fujitsu engages in social contribution activities together with a wide range of stakeholders and bases those activities on four pillars: ICT for Everyone, Support for Challenges, Community Engagement, and Environment.



Stakeholder Dialogue ➡ Please refer to page 46.

Utilizing Dialogue with Outside Experts in Management

Corporate Disclosure Based on Sustainability and Relationships with Investors

The Fujitsu Group hosts periodic dialogues between outside experts and Fujitsu executives to enhance our management through the opinions of a diverse range of stakeholders.

* The positions and titles of participants are as of the time of the dialogue.



Experts:

Ayako Sonoda
President, Cren-en Inc.

Kunio Ito
Professor, Graduate School of
Commerce and Management,
Hitotsubashi University

Fujitsu Executives:

Masami Fujita
Corporate Senior Executive Vice
President and Representative
Director, Head of Global
Corporate Functions

Mitsuya Yasui
Corporate Executive Officer,
Executive Vice President, Head
of Legal, Compliance & IP Unit

Kazuo Yuasa
Executive Vice President,
Vice Head of Corporate
Finance Unit

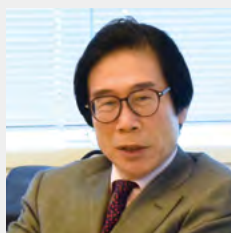
With the publication of this integrated report and in order to promote better relationships with investors, the Fujitsu Group hosted a discussion with Kunio Ito, who has created an important set of guidelines*¹ on dialogue between Japanese corporations and investors, and Ayako Sonoda, the leading figure in Japan promoting more widespread use of guidelines related to disclosure of non-financial information. A lively discussion was

held on how to disclose information necessary for creating sustained corporate value, how to conduct management with this as the starting point, and a number of other related topics.

Details on the dialogue can be found on our website (About Fujitsu / Corporate Responsibility / With Our Stakeholders / Stakeholder Dialogue).
<http://www.fujitsu.com/global/about/csr/activities/society/dialog/>

After the dialogue

Experts:



Kunio Ito
Professor, Graduate School of
Commerce and Management,
Hitotsubashi University

Earning Power through Value

It is important in corporate governance to hold discussions, with a degree of tension and outside viewpoints, on the problem of the conflict between activities that create innovation over the medium- to long-term and assessments based on raising capital productivity each year. It is also important that medium- to long-term scenarios be presented to investors through dialogue and integrated reporting. Japanese corporations have great potential to create innovation, but they tend to focus on sustaining a moderate level of profitability. In order for Fujitsu to achieve sustained growth, I think it is important that the Company not only look to its technologies, but also parlay its initiatives into value, and, with a mindset of "earning to generate innovation, and raising corporate value," boost its earning power through value.



Ayako Sonoda
President, Cren-en Inc.

Very Long-Term Vision for the Future

The emphasis on sustainability was triggered by the global financial crisis of 2008, and companies are now thinking in a more integrated way about management, which includes non-financial information and long-term strategy. Particularly, in the United Nation's common global 2030 Agenda for Sustainable Development (SDGs)^{*2}, companies are expected to build new business models with a view to 2030, and this integrated way of thinking has been gaining momentum. I would like Fujitsu to completely discard its past record of successes and through backcasting, which is thinking about the present from the standpoint of the future, use all-new ideas to consider what mechanisms are needed, on the basis of future values. The optimal present strategy depends completely on one's vision for the future, and in creating a vision for a hopeful future utilizing ICT, I would like to see Fujitsu start by presenting its goals for 2020 to the world while focusing on the very long term of up to 2030.

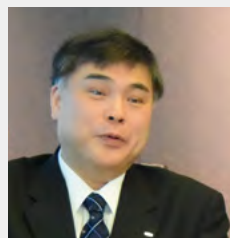
Fujitsu Executives:



Masami Fujita
Corporate Senior Executive Vice
President and Representative
Director, Head of Global
Corporate Functions

Enhancing Communication Ability to Raise Corporate Value

We bring outside perspectives into our management, through actions such as reflecting the Board of Directors' deliberations into the Management Council. However, listening to today's discussion, I felt the need for further enhancement of Fujitsu's external communication capabilities. Looking ahead, guided by management policies based on a long-term perspective, I hope to strengthen our engagement with investors and stakeholders through communication centered on integrated reporting. I would like to consider reporting, and by extension, the role of the organization, so that our engagement can contribute to increasing corporate value.



Mitsuya Yasui
Corporate Executive Officer,
Executive Vice President, Head
of Legal, Compliance & IP Unit

Corporate Governance Code as an Opportunity for Management Reform

We are currently actively creating systems to further enhance discussion on the medium- and long-term direction of the Company, having decided, for example, to establish an Independent Directors & Auditors Council so that executive and non-executive officers can attend Board of Directors meetings with the same level of access to information. In general, we see the corporate governance code as an opportunity for management reform. However, with regard to disclosure, there are issues such as disclosure of information outside the Company being divided among several departments. In the future, we intend to more fully recognize external communications and to unify information as our corporate communication.



Kazuo Yuasa
Executive Vice President,
Vice Head of Corporate
Finance Unit

Information for Management Decisions and Useful Information for Investors

With the adoption of IFRS in fiscal 2014, we are now able to conduct financial reporting in accordance with international standards and with a global viewpoint. We have also constructed a global matrix structure and are providing information from a variety of approaches. It is also true, though, that we are currently struggling with how to succinctly convey innovation assessments and new Fujitsu initiatives. Going forward, we intend to focus on providing timely information that is even more helpful to management decision-making and continuing to provide information that is useful to investors.

^{*1} Key guidelines on dialogue between Japanese corporations and investors: Kunio Ito served as the chair of the Ministry of Economy, Trade and Industry's "Competitiveness and Incentives for Sustainable Growth—Building Favorable Relationships between Companies and Investors" project, and compiled the project's Final Report ("Ito Review"). The report has had a major impact on Japan's corporate governance code and stewardship code.

^{*2} SDGs (Sustainable Development Goals): Development goals to be addressed from 2015, the deadline for achievement of the Millennium Development Goals (MDGs) set by the United Nations in 2000. The SDGs aim to address a wide range of issues including climate change, energy issues, disasters, and disparities, with 17 goals and 169 targets scheduled for adoption by the United Nations General Assembly in September 2015.

Overview of Corporate Governance Structure

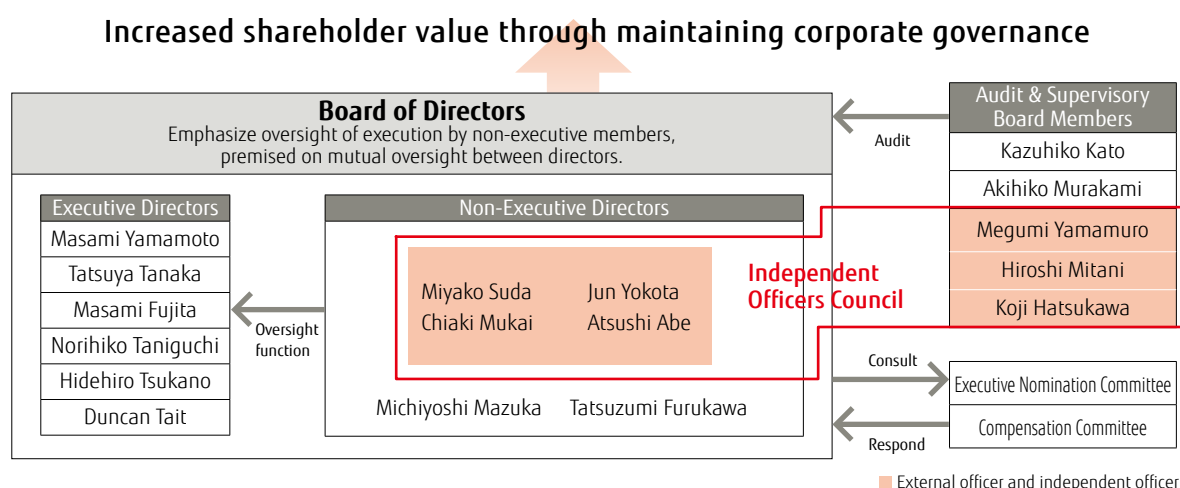
The main emphasis of Fujitsu's corporate governance is on having the non-executive directors provide oversight and advice to executive directors in their management execution role within the Board of Directors, while adopting the Audit & Supervisory Board system.

Specifically, while assuming mutual supervision between directors and oversight of directors by the Board of Directors, Fujitsu makes a clear distinction between the management execution role and the management oversight role on the Board of Directors and, moreover, makes sure that there are at least as many non-executive directors responsible for management oversight as there are executive directors responsible for management execution.

In addition, in selecting candidates for non-executive directors, consideration is given to the candidate's background and insight into Fujitsu's business so that effective advice that reflects a diversity of viewpoints can be obtained.

Furthermore, Audit & Supervisory Board members provide audits and oversight from outside the Board of Directors, and Fujitsu has established the Executive Nomination Committee, Compensation Committee, and Independent Officers Council of its own accord, thereby augmenting the Board of Directors. The overall approach is designed to raise shareholder value through effective corporate governance.

* Please refer to the Corporate Governance section (About Fujitsu > Corporate Responsibility > Management Systems > Corporate Governance) of our website for details.
<http://www.fujitsu.com/global/about/csr/management/governance/>



1. Overview of Corporate Governance Structure

Corporate Governance Structure Chart

Type of organization	Company with a Board of Directors and Audit & Supervisory Board
Number of directors (including number of external directors)	12 (4)
Number of Audit & Supervisory Board members (including number of external Audit & Supervisory Board members)	5 (3)
Number of independent officers	7
Term of directors	1 year
Term of Audit & Supervisory Board members	4 years
Introduction of an executive officer system	Yes
Body to assist the President and Representative Director in making decisions	Management Council
Executive compensation (Refer to page 52 for details.)	① Base compensation ② Stock-based compensation ③ Bonuses
Accounting auditors	Ernst & Young ShinNihon LLC

Initiatives Taken to Strengthen Corporate Governance

2002	Introduction of an executive officer system	Assignment of the business execution authority of the President and Representative Director
2006	Directors' terms were reduced to one year	Clarified management responsibilities
2009	Established the Executive Nomination Committee and Compensation Committee	Ensured the transparency and objectivity of the process for choosing candidates for executives and the process of determining compensation, and ensured an appropriate compensation system and level
2015	Established the Independent Officers Council	To support independent officers, who maintain a certain degree of separation from the execution of business activities, in consistently gaining a deeper understanding of Fujitsu's business

(1) Overview of Corporate Governance Structure

BOARD OF DIRECTORS

The Company has a Board of Directors to serve as a body for making important decisions and overseeing management. The Board of Directors is responsible for supervising the President and Representative Director and the executive directors, which constitute business execution functions. Moreover, the supervisory function of the Board of Directors has been strengthened by actively appointing external directors. Furthermore, in order to better define the management responsibility of the directors, their terms were reduced from two years to one year in accordance with a resolution at the June 23, 2006, Annual Shareholders' Meeting.

The Board of Directors is comprised of 12 members in total: 6 executive directors and 6 non-executive directors (including 4 external directors).

AUDIT & SUPERVISORY BOARD

The Company has an Audit & Supervisory Board that performs an auditing function. The auditing function is carried out by Audit & Supervisory Board members, who review the Board of Directors as well as business execution functions and attend important meetings, including meetings of the Board of Directors.

The Audit & Supervisory Board has five members, comprising two standing Audit & Supervisory Board members and three external Audit & Supervisory Board members.

Among the Audit & Supervisory Board members, standing Audit & Supervisory Board Member Mr. Kazuhiko Kato has extensive knowledge of finance and accounting issues due to his many years of experience in the Company's finance and accounting divisions, including service as the CFO. In addition, Audit & Supervisory Board Member Mr. Hiroshi Mitani has extensive knowledge of finance and accounting issues due to his service as a public prosecutor and as a member of the Fair Trade Commission by which he gained experience handling many economic matters. Furthermore, Audit & Supervisory Board Member Mr. Koji Hatsukawa has extensive knowledge of finance and accounting issues due to his abundant auditing experience at global corporations as a certified public accountant.

EXECUTIVE NOMINATION COMMITTEE AND COMPENSATION COMMITTEE

The Company established an Executive Nomination Committee

and Compensation Committee as advisory bodies to the Board of Directors in order to ensure the transparency and objectivity of the process for choosing candidates for executives and the process for determining their compensation and to ensure an appropriate compensation system and levels.

The Executive Nomination Committee takes into consideration the current business climate and anticipated trends, and makes recommendations on candidates for executives, choosing candidates having objectivity in making management decisions, foresight and perceptiveness, and outstanding character.

The Compensation Committee is tasked with making recommendations on executive salaries and methods for calculating bonuses linked to financial performance, taking into consideration compensation levels at other companies with similar business activities, business scale, and other factors. The aim of this activity is to retain exceptional management talent, and provide effective incentives for improving the Company's financial performance.

In fiscal 2014, the Executive Nomination Committee and Compensation Committee were each comprised of one executive director and three non-executive officers (including two non-executive directors and one external Audit & Supervisory Board member). As of November 2015, members of the committees were as follows:

Chair: Tatsuzumi Furukawa

Members: Masami Yamamoto, Megumi Yamamuro, and Jun Yokota

INDEPENDENT OFFICERS COUNCIL

Fujitsu established this council as part of its initiative to strengthen its growth-oriented governance, which serves to improve profitability over a medium- to long-term horizon. The Independent Officers Council is comprised of all independent officers (including four external directors and three external members of the Audit & Supervisory Board).

To invigorate discussions on the medium- to long-term direction of the Company at its Board of Directors meetings, Fujitsu established the council to enable independent officers, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of Fujitsu's business. In the Independent Officers Council, members share information and exchange viewpoints so that they can each formulate their own opinions.

(2) Status of Business Execution Organs

The Company appoints corporate executive officers and executive vice presidents who are assigned the business execution authority by the President and Representative Director.

Furthermore, the Company has established a Management Council comprised of the representative directors and the corporate executive officers to assist the President and Representative Director in making decisions.

(3) Status of Internal Audits, Accounting Audits, and the Internal Control Division

INTERNAL AUDITS

The Corporate Internal Audit Division (with 85 members) serves as an internal audit group. This division audits the internal affairs of the entire Fujitsu Group in cooperation with the internal audit groups of each Group company. The Corporate Internal Audit Division reports once a month, as a rule, to standing members of the Audit & Supervisory Board on auditing plans and results of internal audits, including matters relating to Group companies. It also makes regular reports, once every quarter as a rule, to the Audit & Supervisory Board and accounting auditors.

The Corporate Internal Audit Division includes a significant number of employees with specialist internal auditing knowledge, including certified internal auditors (CIAs), certified information systems auditors (CISAs), and certified fraud examiners (CFEs).

ACCOUNTING AUDITS

The accounting auditor, Ernst & Young ShinNihon LLC, reports to

the Audit & Supervisory Board concerning auditing plans and their results. The accounting auditor also conducts exchanges of opinions when needed and carries out coordinated audits. The four certified public accountants associated with Ernst & Young ShinNihon LLC who performed the accounting audit were Kazuhiko Umemura, Yuichi Mochinaga, Tsuyoshi Saita, and Akiyuki Matsumoto. In addition, they were assisted by a further 51 certified public accountants, 24 accounting assistants, and another 37 persons, all associated with Ernst & Young ShinNihon LLC.

INTERNAL CONTROL DIVISION

Based on the "Basic Policy on Establishing an Internal Control Structure," the Risk Management & Compliance Committee and Fujitsu Way Promotion Council maintain and operate risk-management systems, compliance systems, and internal control structures related to financial reporting, and execute duties regulated under the basic policy.

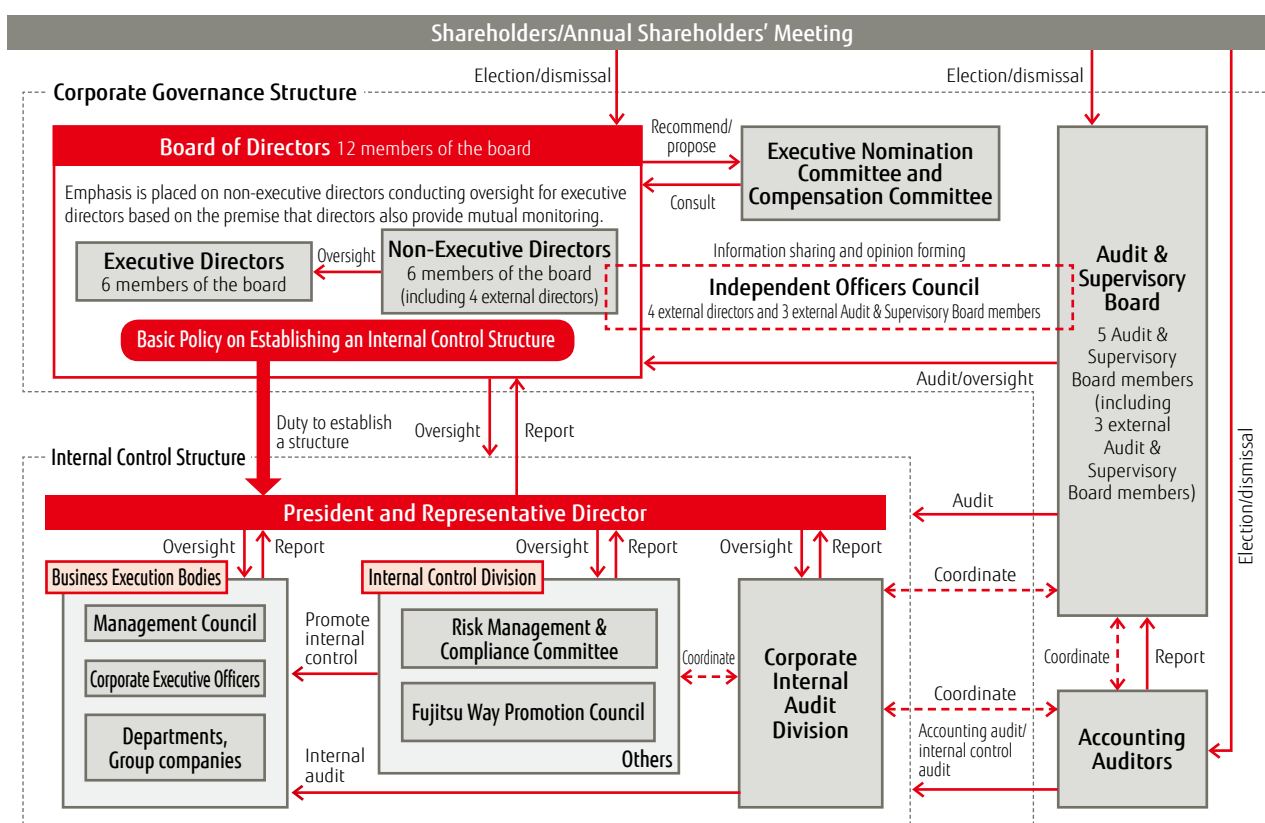
(4) Overview of Limited Liability Contracts

The Company has entered into agreements to limit the liability of non-executive directors and Audit & Supervisory Board members under Article 423, Clause 1 of the Companies Act.

The limit of the liability in such agreements shall be the minimum liability amount under the law. Limit of liability shall be based on the premise that the non-executive director or Audit & Supervisory Board member is fulfilling their responsibility and engaging in execution of duties in good faith, and that there is no negligence of any consequence.

Schematic Diagram of Fujitsu's Corporate Governance Structure

(As of June 22, 2015)



* Reasons for Selecting the Corporate Governance Structure

The current structure was adopted to clarify the management responsibility of directors, elected at the Annual Shareholders' Meeting, who are involved in making decisions about important management matters, and to firmly maintain both sound and efficient management through (1) mutual supervision between directors and (2) audits by the Audit & Supervisory Board members. At the time that the corporation-with-committees governance system was introduced, it was considered that audits performed by the Audit & Supervisory Board members functioned effectively. Fujitsu has therefore maintained its Audit & Supervisory Board system.

The Company maintains robust management by having an effective auditing function in which Audit & Supervisory Board members who are independent of the management perform objective audits; by actively appointing external directors; and by having established the Executive Nomination Committee, Compensation Committee, and an internal audit organization.

Finally, by adopting a system of executive officers and establishing the Management Council to achieve further efficiencies, we separated oversight and executive duties, accelerating decision-making and management execution.

2. Appointment of External Directors & External Audit & Supervisory Board Members

Fujitsu actively appoints external officers to increase management transparency and further improve efficiency.

Fujitsu believes that it needs objective criteria to determine the independence of external directors and external Audit & Supervisory Board members, and therefore determines their independence based on criteria set forth in the "Ordinance for Enforcement of the Securities Listings Regulations" of the Tokyo

Stock Exchange. All external directors and external Audit & Supervisory Board members have been registered and accepted as independent officers on the financial instruments exchanges on which Fujitsu is listed in Japan.

Fujitsu's views on the roles, functions, and specific appointed statuses of external directors and external Audit & Supervisory Board members are as follows:

EXTERNAL DIRECTORS

Miyako Suda	Before appointment as a director, Ms. Suda had no direct involvement in Fujitsu's management. As an economist, Ms. Suda is an expert in international macroeconomics and because of her knowledge of financial policy and global managerial insight, having served for 10 years (two terms) as a member of the Policy Board of the Bank of Japan, she fulfills an oversight function and role as an external director with a global perspective in the corporate governance of Fujitsu. Moreover, Ms. Suda has never been a major shareholder, nor has she held an executive management position with a major trading partner of the Company. Therefore, Fujitsu considers Ms. Suda to be independent.
Jun Yokota	Before appointment as a director, Mr. Yokota had no direct involvement in Fujitsu's management. Mr. Yokota has served as Ambassador to Israel and Ambassador to Belgium, and is an expert in international economic negotiations, having served as a government representative for economic partnership agreement negotiations with Europe. Because of his deep knowledge of politics and economics from a global perspective, he fulfills an oversight function and role as an external director. Moreover, Mr. Yokota has never been a major shareholder, nor has he held an executive management position with a major trading partner of the Company. Therefore, Fujitsu considers Mr. Yokota to be independent.
Chiaki Mukai	Ms. Mukai has had no direct involvement in the management of Fujitsu. Ms. Mukai began her career as a doctor and became Japan's first female astronaut. She exemplifies the spirit of challenge advocated by Fujitsu by being at the cutting edge of scientific fields. Because we can expect her to provide fair and objective oversight and advice from a global perspective based on her extensive knowledge of science and technology, she will fulfill an oversight function and role as an external director. Fujitsu and the Tokyo University of Science, where Ms. Mukai serves as vice president, had business transactions in fiscal 2014 amounting to approximately ¥13 million, which is considered immaterial and constituting no special relationship when taking into account the size of Fujitsu's total sales. Therefore, Fujitsu considers Ms. Mukai to be independent.
Atsushi Abe	Mr. Abe has extensive knowledge of the ICT industry and M&As based on his many years of experience in investment banking and private equity business. Because we can expect Mr. Abe to provide oversight and advice from a shareholder and investor perspective, as well as to contribute to the speedy and resolute decision-making of management, he fulfills an oversight function and role as an external director. Moreover, Mr. Abe has never been a major shareholder, nor has he held an executive management position with a major business partner of the Company. Therefore, Fujitsu considers Mr. Abe to be independent.

EXTERNAL AUDIT & SUPERVISORY BOARD MEMBERS

Megumi Yamamuro	Mr. Yamamuro has many years of experience in the legal profession. Because he is an expert in corporate law, including the Companies Act, he fulfills an oversight function and role as an external Audit & Supervisory Board member utilizing his experience and knowledge in Fujitsu's corporate governance. Mr. Yamamuro has never been a major shareholder, nor has he held an executive management position with a major business partner of the Company. Therefore, Fujitsu considers Mr. Yamamuro to be independent.
Hiroshi Mitani	Mr. Mitani has extensive knowledge of law, as well as areas surrounding business management including economics and social issues due to his experience as a public prosecutor and membership of the Fair Trade Commission. Therefore, he fulfills an oversight function and role as an external Audit & Supervisory Board member utilizing his experience and knowledge in the corporate governance of Fujitsu. Mr. Mitani has never been a major shareholder, nor has he held an executive management position with a major business partner of the Company. Therefore, Fujitsu considers him to be independent.
Koji Hatsukawa	Mr. Hatsukawa has a wealth of auditing experience as a certified public accountant and broad knowledge of corporate accounting. Therefore, he fulfills an oversight function and role as an external Audit & Supervisory Board member utilizing his experience and knowledge in the corporate governance of Fujitsu. Moreover, PricewaterhouseCoopers Aarata, where Mr. Hatsukawa served as CEO, has never performed an accounting audit for Fujitsu. Fujitsu and PricewaterhouseCoopers Aarata in fiscal 2014 had business transactions totaling about ¥200 million, which is considered immaterial and constituting no special relationship when taking into account the size of Fujitsu's total sales. Therefore, Fujitsu considers Mr. Hatsukawa to be independent.

3. Policy for Deciding Executive Compensation

To have a more highly transparent executive compensation system, Fujitsu established the Compensation Committee by a resolution of the meeting of the Board of Directors held in October 2009. The Compensation Committee is tasked with making recommendations on executive salaries and methods for calculating bonuses linked to financial performance, taking into consideration compensation levels at other companies with similar

business activities and other factors. The aim of this activity is to retain superior management talent, and provide effective incentives for improving the Company's financial performance. Executive compensation is determined in accordance with the Executive Compensation Policy revised in an April 2011 meeting of the Board of Directors based on a report by the committee.

Executive Compensation Policy

To secure the exceptional human resources required to manage the Fujitsu Group as a global ICT company and further strengthen the link between its financial performance and shareholder value, while at the same time improving its transparency, Fujitsu established its Executive Compensation Policy as follows.

Executive compensation is comprised of base compensation, specifically a fixed monthly salary in accordance with position and responsibilities; stock-based compensation, which is a long-term incentive that emphasizes a connection to shareholder value; and bonuses that are compensation linked to short-term business performance.

Base Compensation

Base compensation is paid to all directors and Audit & Supervisory Board members, in accordance with their position and responsibilities, as compensation for work responsibilities with regard to management oversight and management execution.

Stock-Based Compensation

- Stock-based compensation, intended for directors responsible for management execution, is a long-term performance incentive with the amount to be paid determined based on a qualitative evaluation of medium- to long-term initiatives.
- Stock-based compensation is to be paid for the purchase of the Company's own shares. These purchases are to be made through the Director Stock Ownership Plan. Shares purchased for this purpose are to be held by each director for the term of his or her service.

Bonuses

- Bonuses are short-term performance incentives to be paid to directors responsible for management execution. The amount of a bonus is to reflect business performance in the respective fiscal year.
- As a specific method for calculating bonuses, Fujitsu will adopt a "Profit Sharing Model" which uses consolidated operating income and consolidated net income as an index. However, bonuses will not be paid in the event of negative net income recorded under non-consolidated accounting.

In accordance with a resolution of the Annual Shareholders' Meeting, the total amount of base compensation, stock-based compensation, and bonuses shall not exceed ¥600 million per year for directors or ¥150 million per year for Audit & Supervisory Board members.

(Reference) Executive compensation items and payment recipients

Recipient	Base Compensation		Stock-Based Compensation	Bonuses
	For Management Oversight	For Management Execution		
Non-executive directors	○	—	—	—
Executive directors	○	○	○	○
Audit & Supervisory Board members	○		—	—

4. Implementation of Policies Regarding Shareholders and Other Stakeholders

(1) Initiatives to Enliven Annual Shareholders' Meetings and Facilitate Voting

Initiative	Supplemental Information
Distribute invitation notices to Annual Shareholders' Meetings early	To give shareholders sufficient time to exercise voting rights, we make efforts to send invitation notices three weeks prior to the Annual Shareholders' Meeting. Furthermore, the Notice of Convocation is disclosed on the Company website and other media before it is sent to shareholders with a view to providing information to shareholders as quickly as possible.
Schedule Annual Shareholders' Meetings to avoid busiest days of overlap with other corporations' annual meetings	To facilitate the attendance of as many shareholders as possible, since the Annual Shareholders' Meeting held in June 2001, we have scheduled our Annual Shareholders' Meeting to avoid the busiest days of overlap with other corporations' annual meetings.
Utilize electronic methods for exercise of voting rights	To improve convenience and facilitate the exercise of voting rights for shareholders who are unable to attend the Annual Shareholders' Meeting, since the Annual Shareholders' Meeting held in June 2002, we have accepted the exercise of voting rights through electronic methods, and since the Annual Shareholders' Meeting held in June 2006, we have been using a platform to allow institutional investors to electronically exercise voting rights.
Participation in electronic proxy voting platform and other measures to enhance the proxy voting environment for institutional investors	Fujitsu participates in the electronic proxy voting platform operated by Investor Communications Japan (ICJ) as part of its efforts to enhance the proxy voting environment for institutional investors.
Availability of English-language notice of convocation of Annual Shareholders' Meeting (summary of Japanese)	Fujitsu creates an English-language Notice of Convocation of the Annual Shareholders' Meeting (contents correspond to the Japanese version of the notice and business report) and sends the notice to foreign investors in order to promote a wider understanding of the proposals presented at the shareholders' meeting. The notice is disclosed on the Company website the same day as the Japanese version as part of our policy to disclose information in a prompt, accurate, and fair manner.
Others	To clarify the results of voting at the Annual Shareholders' Meetings, in addition to public notification of the results of the Shareholders' Meetings, beginning with the Annual Shareholders' Meeting held in June 2010, Fujitsu began posting the numbers of votes for and against each resolution on its website.

(2) Investor Relations Activities

Activity	Supplemental Information	Explanation by Company Representatives
Regular presentations to individual investors	Although currently we do not hold presentations for individual investors, we have a dedicated investor relations website for individual investors (in Japanese). In addition, through the inquiry form on our investor relations website and other measures, we are working to improve relations with individual investors.	No
Regular presentations to analysts and institutional investors	We hold regular presentations, including presentations by the president on our management direction, presentations by the president and CFO on our earnings results, and presentations by various senior executives on business strategy for the operations they oversee. In addition, media are always invited to the briefings by the president, CFO, and heads of businesses, with the understanding that individual investors can thereby obtain information through reports that appear in the media.	Yes
Regular presentations to foreign investors	The CFO meets with foreign institutional investors regularly. We also have IR managers stationed in Europe and the US who meet and communicate regularly with investors, not just at the time of earnings announcements. We also take materials from IR presentations held in Japan, translate them into English, and post them to our English IR website, including English translations of Q&A sessions.	Yes
Posting of IR materials to our website	We post the <i>Yukashoken Hokokusho</i> (Financial Report) in Japanese, the <i>Jigyo Hokoku</i> (Business Report) in Japanese and English, the <i>Kessan Tanshin</i> (Financial Earnings) reports in Japanese and English, the Annual Report in Japanese and English, and various other IR presentation materials in Japanese and English. Also posted in English and Japanese are the Fujitsu Group CSR Report and Environmental Report. Additionally, all materials accompanying the invitation notice to the Annual Shareholders' Meeting are posted on our website.	
Units dedicated to IR activities	The officer in charge of IR activities is the CFO; the division in charge of IR activities is the Public and Investor Relations Division.	
Others	In addition to the above, along with posting materials from presentations made to institutional investors and securities analysts on our website, we broadcast streaming video of these presentations.	

REVIEW OF CORPORATE GOVERNANCE IN FISCAL 2014

The Fujitsu Group is strengthening its corporate governance to ensure a sustainable increase in corporate value. Here we report on the status of this initiative in fiscal 2014.

Number of meetings of key boards and committees

Board of Directors meetings (including extraordinary meetings)	15 times (3 times)
Audit & Supervisory Board meetings (including extraordinary meetings)	9 times (1 time)
Attendance of external directors at Board of Directors meetings	98.2%
Attendance of external Audit & Supervisory Board members at Board of Directors meetings	100%
Attendance of external Audit & Supervisory Board members at Audit & Supervisory Board meetings	96.3%

Major examples of decision-making by the Board of Directors in fiscal 2014

- Voluntary adoption of International Financial Reporting Standards (IFRS)
- Signing of a memorandum of understanding with Yokogawa Medical Solutions to jointly create new businesses
- Construction of a new wing at the Kawasaki Research & Manufacturing Facilities
- Sponsorship of the Tokyo 2020 Olympic Games and Paralympic Games
- Strengthening of innovation businesses utilizing a venture fund
- Conducting of structural reforms ahead of an outsourcing business expansion

Details of remuneration

Type	Number of Recipients	Remuneration Type				Total Amount of Remuneration
		Base Compensation	Stock-Based Compensation	Bonuses	Other	
Directors (Compensation paid to external directors)	14 (4)	¥391 million (¥ 45 million)	¥30 million —	¥110 million —	— —	¥532 million (¥ 45 million)
Audit & Supervisory Board members (Compensation paid to external Audit & Supervisory Board members)	6 (3)	¥112 million (¥ 36 million)	— —	— —	— —	¥112 million (¥ 36 million)

Notes: 1. The above includes directors and Audit & Supervisory Board members who resigned in fiscal 2014.

2. The limit on remuneration to directors (including external directors) was resolved to be ¥600 million per year at the 106th Annual Shareholders' Meeting held June 23, 2006. The limit on remuneration to Audit & Supervisory Board members (including external Audit & Supervisory Board members) was resolved to be ¥150 million per year at the 111th Annual Shareholders' Meeting held June 23, 2011. The Company is paying the compensation shown in the above table, abiding by the remuneration limits.

Breakdown of remuneration for auditing

(1) Breakdown of remuneration for accounting auditors

Type	Fiscal 2013		Fiscal 2014	
	Remuneration for audit certification services (Millions of yen)	Remuneration for non-audit certification services (Millions of yen)	Remuneration for audit certification services (Millions of yen)	Remuneration for non-audit certification services (Millions of yen)
The Company	559	—	534	5
Consolidated subsidiaries	771	32	908	21
Total	1,330	32	1,443	26

Notes: 1. The Company does not distinguish between remuneration for audits based on the Companies Act and remuneration for audits based on the Financial Instruments and Exchange Act. The above remuneration amounts therefore include the remuneration amount for audits based on the Companies Act.

2. Some of the Company's consolidated subsidiaries use different independent auditors to conduct their accounting audits from the accounting auditors used by the Company.

(2) Breakdown of other important remuneration

Fiscal 2013

In addition to the remuneration shown in (1) above, the Company and its consolidated subsidiaries did not record any significant payments, either made or owing, to an independent auditor in the same network as the Company's accounting auditors.

Fiscal 2014

In addition to the remuneration shown in (1) above, the Company and its consolidated subsidiaries did not record any significant payments, either made or owing, to an independent auditor in the same network as the Company's accounting auditors.

(3) Breakdown of non-auditing duties performed for the Company by the accounting auditors

Fiscal 2013

Not applicable for the year.

Fiscal 2014

The Company paid appropriate remuneration to its accounting auditors for the external audit of the service system risk management, a duty outside of the range stipulated under Article 2, Paragraph 1 of the Certified Public Accountants Act.

(4) Policy for deciding remuneration for auditing


The Company does not have a policy for deciding the remuneration for its auditing certified public accountants.

The Board of Directors considers an appropriate remuneration amount in accordance with the audit content and number of days required to complete it, and determines the amount after obtaining approval from the Audit & Supervisory Board in accordance with the Companies Act.

Accountability

Fujitsu recognizes that explaining corporate and management information to shareholders, investors, and other stakeholders is an important task within corporate governance, and strives to disclose information in a timely and appropriate manner.

Meeting	Number of Times	Content
Regular presentations to securities analysts and institutional investors	12	We hold regular presentations, including presentations by the president on our management direction, presentations by the president and CFO on our earnings results and presentations by various senior executives on business strategy for the operations they oversee.
Regular presentations to foreign institutional investors	6	The CFO and IR managers meet with foreign institutional investors regularly. We also have IR managers stationed in Europe and the US who meet and communicate regularly with investors, not just at the time of earnings announcements.
Regular presentations to individual investors	0	Although currently we do not hold presentations for individual investors, we have a dedicated investor relations website that discloses presentations, Q&As, streaming content, and other materials for securities analysts and institutional investors.

 Videos, presentation materials, Q&As, and other materials can be viewed on the following website:
<http://www.fujitsu.com/global/about/ir/library/presentations/>

DIALOGUE: FUJITSU AS SEEN BY ITS EXTERNAL OFFICERS

Fujitsu's Executive Nomination Committee was established as an advisory body to the Board of Directors, and the Independent Officers Council was set up in April of 2015. We asked Director Jun Yokota and Audit & Supervisory Board Member Megumi Yamamuro to tell us about the operations of those bodies of which both are members.



Q.1

Tell us about the role of the Executive Nomination Committee and the process involved in electing candidates for president during the change in leadership that took place in June.

Yamamuro: My understanding is that Fujitsu's Executive Nomination Committee is positioned as a kind of advisory committee set up voluntarily at the behest of the Board of Directors. It currently consists of four members, including Director Jun Yokota, Director Tatsuzumi Furukawa (the Committee's chair), Chairman and Representative Director Masami Yamamoto, and myself.

As preparations were underway for the nomination of candidates for director to be voted on at the June 2015 Annual Shareholders' Meeting, we heard from Mr. Yamamoto, then president and current chairman, that he felt it was time to bring in a new president. At the time, the committee consisted of Mr. Yokota, Mr. Furukawa, Michiyoshi Mazuka, another director and senior advisor, and myself. With that proposal from Mr. Yamamoto, we discussed the issue among ourselves, heard Mr. Yamamoto's opinions about candidates, and selected members from among these.

Yokota: I was appointed as external director at the June 2014 Annual Shareholders' Meeting, and at the time, the committee



Jun Yokota
External Director (Independent Officer)

was already actively discussing questions such as "What issues does Fujitsu currently face?" and "What kind of qualities will be required of a new leader?" before it made a conclusion.

Yamamuro: We repeatedly came back to the question of qualities, referencing in part the opinions of outside human resources consultants. Based on the results of that review process, the committee selected its final candidate and made its proposal to Mr. Yamamoto. Fortunately, he approved the selection, and we also received informal consent from then Executive Vice President Tatsuya Tanaka, and we delivered the committee's report at the January 2015 Board of Directors meeting.

Q.2

What sort of qualities did you particularly focus on in selecting the candidates?

Yokota: In particular, we emphasized the candidates' business records, and whether they had the courage and leadership to push through with new directions, thoughts about strategies, and reforms. One other quality we felt was especially important was global experience and a global mindset. These are both qualifications that will be essential to someone selected to lead Fujitsu in building the global business the Company envisions.

Yamamuro: In fact, we invited all the candidates to give individual presentations to the committee in which they explained their understanding of the current state of the Company and the reforms they might make going forward, after which they responded to our questions. The process then moved ahead as we took time with further deliberations within the committee. That's the approach we took.

Q.3

Why did you select Mr. Tanaka, the current president, as your final candidate? Can you explain your reasons?

Yokota: It is difficult to bring it down to a single reason, but suffice to say that it came down to his comprehensive strengths. Personally, I gave Mr. Tanaka's global track record and experience high marks. I think that compared to someone who has lived

only in Japan and done business only with other Japanese corporations, a person who has lived abroad for several years gains very valuable experience being tossed into the midst of people whose values may be different from his own.

Yamamuro: As far as I was concerned, we were focused on finding the right person to lead Fujitsu's business forward, someone who would stand out for their high motivation and positive approach. The human resource would, of course, also need a sense of balance. What all the committee members agreed upon was the value of President Tanaka's global track record and experience, and committee members highly commended the proactive way he had put his name forward, unasked, for assignment to China.

Q.4

Tell us about the role of the Independent Officers Council, set up in April 2015, and the expectations for its establishment.

Yamamuro: Following this year's Annual Shareholders' Meeting, the composition of the Board of Directors changed so that there are six executive directors and six non-executive directors. Meanwhile, to strengthen the monitoring of business execution by external officers, a framework was needed to enable those external officers to share information and deliberate outside of Board of Directors meetings and deepen their own understanding of Fujitsu's business. The Independent Officers Council is intended to enhance a more aggressive approach to governance, and we



Megumi Yamamuro
External Audit & Supervisory Board Member (Independent Officer)

understand it will further invigorate discussion at the board level of issues related to improving medium- to long-term profitability.

Yokota: In serving as an external director over the past year, my impression has been that Fujitsu is a company that takes corporate governance very seriously. Nevertheless, there are inevitably asymmetries in the information available to internal and external directors, and I sensed that external directors needed an opportunity to freely share their own opinions. The establishment of the Independent Officers Council is thus exactly what I'd been thinking of, and I'm looking forward to participating.

Yamamuro: Interest among the executive directors inevitably tends toward optimizing individual businesses, and I've felt that board meetings to date have had an aspect of focusing on trees instead of the forest. With the establishment of the Independent Officers Council, I think the board will have more opportunities to listen to the opinions of its external directors, which should lead to discussions on improving Fujitsu overall, contributing to enhanced corporate value.

Q.5

To conclude, what would each of you like to say to the Company's stakeholders?

Yamamuro: I feel that Fujitsu has many talented employees, from the young staff to those in its managerial ranks. In addition, the Company possesses powerful brand strength. Management's job, and I think the role of corporate governance, is to take those strengths and ensure they are pointed in the same direction. I feel that by working to enhance its corporate governance framework, Fujitsu can greatly increase its expectations for significant growth.

Yokota: Whenever I talk to friends from overseas about Fujitsu, they all not only know the Company, but remark on how good a company it is, so overseas brand recognition is high. When at the Ministry of Foreign Affairs, I was often involved in trade negotiations, and in recent years, I experienced many other countries asking Japanese companies to make stronger efforts in the area of corporate governance. It makes me happy to know that today I am able to play a role in that effort here at Fujitsu. I hope to continue providing constructive opinions to ensure that corporate governance at Fujitsu can function even smoother.

Jun Yokota

PROFILE

Birth: June 26, 1947
Apr. 1971 Joined the Ministry of Foreign Affairs
Jan. 1998 Deputy Director-General, Economic Affairs Bureau
Jun. 2002 Consul-General of Japan in Hong Kong
Apr. 2004 Ambassador Extraordinary and Plenipotentiary to the State of Israel
May 2009 Ambassador Extraordinary and Plenipotentiary to the Kingdom of Belgium
Oct. 2012 Ambassador Extraordinary and Plenipotentiary in charge of Economic Diplomacy and Reconstruction Assistance to Iraq (until January 2014)
Jun. 2014 Special Advisor to the Chairman of KEIDANREN (present position)
Jun. 2014 Director, Fujitsu Limited (present position)

Megumi Yamamuro

PROFILE

Birth: March 8, 1948
Apr. 1974 Assistant Judge, Tokyo District Court
Apr. 1984 Judge, Tokyo District Court
Apr. 1988 Instructor, Legal Training and Research Institute
Apr. 1997 Judge, Tokyo High Court
Jul. 2004 Registered as Attorney-at-Law
Jul. 2004 Joined CAST Law P.C. (currently URYU & ITOGA) (present position)
Oct. 2004 Professor, The University of Tokyo Graduate Schools of Law and Politics (until September 2010)
Jun. 2005 External Audit & Supervisory Board Member, Fujitsu Limited (present position)
Oct. 2010 Professor, Nihon University College of Law (until March 2013)

MANAGEMENT

(As of June 22, 2015)



Masami Yamamoto

*Representative Director
Chairman*

Number of years as director: 5 years
Number of Fujitsu shares held: 113,498*

Birth: January 11, 1954
Apr. 1976 Joined Fujitsu Limited
Jun. 2004 Executive Vice President, Personal Systems
Business Group
Jun. 2005 Corporate Vice President
Jun. 2007 Corporate Senior Vice President
Jan. 2010 Corporate Senior Executive Vice President
Apr. 2010 President
Jun. 2010 Representative Director
President
Jun. 2015 Representative Director
Chairman*¹



Tatsuya Tanaka

*Representative Director
President*

Number of years as director: newly appointed
Number of Fujitsu shares held: 13,000*

Birth: September 11, 1956
Apr. 1980 Joined Fujitsu Limited
Apr. 2005 Director of the Board and Vice President, Fujitsu
(China) Holdings Co., Ltd.
Dec. 2009 Senior Vice President, Manufacturing Industry
Business Unit
Apr. 2012 Corporate Vice President
Apr. 2014 Corporate Senior Vice President
Jan. 2015 Corporate Executive Officer
SEVP
Jun. 2015 Representative Director
President*¹



Masami Fujita

Representative Director

Number of years as director: 5 years
Number of Fujitsu shares held: 63,704*

Birth: September 22, 1956
Apr. 1980 Joined Fujitsu Limited
Dec. 2001 General Manager, Secretary's Office
Jun. 2006 Corporate Vice President
Jun. 2009 Corporate Senior Vice President
Apr. 2010 Corporate Senior Executive Vice President
Jun. 2010 Corporate Senior Executive Vice President and
Director
Jun. 2012 Representative Director
SEVP, Head of Global Corporate Functions*¹



Norihiko Taniguchi

Director

Number of years as director: 1 year
Number of Fujitsu shares held: 51,071*

Birth: September 7, 1954
Apr. 1977 Joined Fujitsu Limited
Jun. 2003 Head of Financial Systems Solution Unit
May 2005 President and Representative Director, Fujitsu
Advanced Solutions Limited*²
Jun. 2007 Executive Vice President
Jun. 2008 Corporate Vice President
Apr. 2010 Corporate Senior Vice President
Apr. 2014 Corporate Executive Vice President
Jun. 2014 Director and Corporate Executive Officer
SEVP, Head of Integration Services Business*¹



Hidehiro Tsukano

Director

Number of years as director: newly appointed
Number of Fujitsu shares held: 28,517*

Birth: March 21, 1958
Apr. 1981 Joined Fujitsu Limited
Jun. 2009 Head of Corporate Planning and Business
Strategy Office
Apr. 2010 Executive Vice President
May 2011 Corporate Vice President
Apr. 2014 Corporate Senior Vice President/CFO*³
Jun. 2015 Director and Corporate Executive Officer
Head of Strategy and Planning, CFO*¹



Duncan Tait

Director

Number of years as director: newly appointed
Number of Fujitsu shares held: 0*

Birth: March 24, 1966
Mar. 1996 Business Development Head, Managed Services,
Digital Equipment Corporation*⁴
Jun. 1999 Managed Services Director, Compaq Global
Services, Compaq*⁴
Jun. 2004 Director and General Manager, Outsourcing, HP
Services, Hewlett-Packard
Jan. 2006 Managing Director UK&I Private Sector Division,
Oct. 2009 Fujitsu Services Ltd.
Mar. 2011 CEO, Fujitsu Services Ltd.
Apr. 2014 Corporate Senior Vice President, Fujitsu Limited
Jun. 2015 Director and Corporate Executive Officer
EVP, Head of EMEA Region, Fujitsu Limited*¹

AUDIT & SUPERVISORY BOARD MEMBERS

*Audit & Supervisory
Board Members*

Kazuhiko Kato
Akihiko Murakami

Audit & Supervisory Board Members (External)

Megumi Yamamuro
Special Counsel, URYU & ITOGA
Hiroshi Mitani
Koji Hatsukawa
Certified public accountant

CORPORATE EXECUTIVE OFFICERS

Chairman

Masami Yamamoto

President

Tatsuya Tanaka

Masami Fujita

Masahiro Koezuka

Norihiko Taniguchi

Hiroyuki Ono

Akira Kabemoto

* Number of shares held as of March 31, 2015

*1 To present

*2 Currently, Fujitsu Mission Critical Systems Limited

*3 CFO: Chief Financial Officer

*4 Currently, Hewlett-Packard

*5 Currently, the Japan Aerospace Exploration Agency (JAXA)

*6 Currently, Deutsche Bank

*7 Currently, Deutsche Securities Inc.

*8 Currently, Unitas Capital



Michiyoshi Mazuka

Director

Number of years as director: 11 years

Number of Fujitsu shares held: 93,233*

Birth: October 17, 1943

Apr. 1968 Joined Fujitsu FACOM CO., Ltd.
Apr. 1971 Joined Fujitsu Limited
Jun. 2001 Member of the Board
Jun. 2002 Corporate Vice President
Apr. 2003 Corporate Senior Vice President
Jun. 2005 Member of the Board and Corporate Executive Vice President
Jun. 2006 Corporate Senior Executive Vice President and Representative Director
Jun. 2008 Chairman and Representative Director
Sep. 2009 Chairman, President and Representative Director
Apr. 2010 Chairman and Representative Director
Jun. 2012 Chairman and Director
Jun. 2014 Director and Senior Executive Advisor*¹



Tatsuzumi Furukawa

Director

Number of years as director: 2 years

(Served as director of Fujitsu for 7 years from 1994 to 2001)

Number of Fujitsu shares held: 53,000*

Birth: November 17, 1942

Apr. 1965 Joined Fujitsu Limited
Jun. 1994 Director
Apr. 2000 Senior Vice President (until June 2001)
Jun. 2013 Director, Fujitsu Limited*¹
Jun. 2001 Corporate Senior Executive Vice President and Representative Director, NIFTY Corporation
Jun. 2002 President and Representative Director, NIFTY Corporation
Jun. 2007 Chairman and Representative Director, NIFTY Corporation (until June 2008)



Miyako Suda

Director

Special Advisor, the Canon Institute for Global Studies

Number of years as director: 2 years

Number of Fujitsu shares held: 3,659*

Birth: May 15, 1948

Apr. 1982 Associate Professor, School of Economics, Senshu University
Apr. 1988 Professor, School of Economics, Senshu University
Apr. 1990 Professor, Faculty of Economics, Gakushuin University
Apr. 2001 Member of the Policy Board, Bank of Japan (until March 2011)
May 2011 Special Advisor, the Canon Institute for Global Studies*¹
Jun. 2013 Director, Fujitsu Limited*¹



Jun Yokota

Director

Special Advisor to the Chairman of KEIDANREN

Number of years as director: 1 year

Number of Fujitsu shares held: 250*

Birth: June 26, 1947

Apr. 1971 Joined the Ministry of Foreign Affairs
Jan. 1998 Deputy Director-General, Economic Affairs Bureau
Jun. 2002 Consul-General of Japan in Hong Kong
Apr. 2004 Ambassador Extraordinary and Plenipotentiary to the State of Israel
May 2009 Ambassador Extraordinary and Plenipotentiary to the Kingdom of Belgium
Oct. 2012 Ambassador Extraordinary and Plenipotentiary in charge of Economic Diplomacy and of Reconstruction Assistance to Iraq (until January 2014)
Jun. 2014 Special Advisor to the Chairman of KEIDANREN*¹
Jun. 2014 Director, Fujitsu Limited*¹



Chiaki Mukai

Director

Vice President of the Tokyo University of Science

Number of years as director: newly appointed

Number of Fujitsu shares held: 0*

Birth: May 6, 1952

Nov. 1977 Staff, Department of Surgery, Keio University School of Medicine (until November 1985)
Aug. 1985 Payload Specialist, the National Space Development Agency of Japan*^{2,3} (until March 2015)
Jun. 1987 Visiting Scientist, Division of Cardiovascular Physiology, Space Biomedical Research Institute, NASA Johnson Space Center (until December, 1988)
Sep. 1992 Research Instructor of the Department of Surgery, Baylor College of Medicine (until August 2011)
Apr. 2000 Visiting Professor of the Department of Surgery, Keio University School of Medicine*¹
Sep. 2004 Visiting Professor of the International Space University (until September 2007)
Oct. 2007 Director, Space Biomedical Research Office, Human Space Technology and Astronaut Department of the JAXA
Apr. 2011 Senior Advisor to the JAXA Executive Director (until March 2015)
Oct. 2014 Vice President of the Science Council of Japan*¹
Apr. 2015 Vice President of the Tokyo University of Science*¹
Jun. 2015 Director, Fujitsu Limited*¹



Atsushi Abe

Director

Managing Partner, Sangyo Sosei Advisory Inc.

Number of years as director: newly appointed

Number of Fujitsu shares held: 0*

Birth: October 19, 1953

Apr. 1977 Mitsui & Co., Ltd.
Jun. 1990 Manager, Electronic Industry Department, Mitsui & Co., Ltd.
Jan. 1993 Managing Director, Alex. Brown & Sons, Inc.*⁶
Aug. 2001 Managing Director and Head of Global Corporate Finance, Deutsche Securities Limited*⁷
Aug. 2004 Partner and Head of Japan, J.P. Morgan Partners Asia*⁸ (until March 2009)
May 2007 Board Member, Edwards Group Ltd. (until October 2009)
Dec. 2009 Managing Partner, Sangyo Sosei Advisory Inc.*¹
Feb. 2011 Board Member, ON Semiconductor Corporation*¹
Jun. 2015 Director, Fujitsu Limited*¹

Kazuhiro Igarashi
Jiro Otsuki
Kuniaki Saito
Hidehiro Tsukano
Tango Matsumoto
Hidenori Furuta
Duncan Tait
Shinichi Koizumi

Mitsutoshi Hirono
Mitsuya Yasui
Kiyoshi Handa
Toshiharu Kitaoka
Shingo Kagawa
Hiroyuki Sakai

Kazuhiko Ogawa

Hiroyasu Takeda
Takato Noda
Hiromu Kawakami
Yoshiki Kondo
Motoyuki Ozawa
Kazuo Imada
Hiroaki Kondo
Katsumi Takada

Youichi Hirose
Akira Endo
Shinji Yoshii
Katsumi Nakano
Hideki Kiwaki
Chiseki Sagawa
Takeshi Nakajima
Masaki Kubota

Akihisa Kamata
Fumihiko Teduka
Robert Pryor
Katsuhiko Satou
Akihiro Okada
Shikou Kikuta
Jou Oda
Toshio Hirose

Mike Foster
Sumito Kobayashi
Toshinori Kobayashi
Seiji Bonkohara
Masayuki Seno
Junichi Saito
Takahito Tokita

BUSINESS OVERVIEW

Fujitsu delivers total solutions in the field of information and communication technology. Along with the provision of a broad array of services, our comprehensive business encompasses the development, manufacture, sales, and maintenance of the cutting-edge, high-quality, high-performance products and electronic devices that make these services possible.

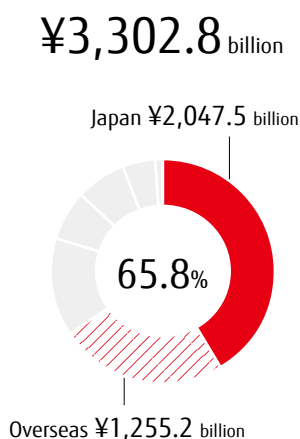
Technology Solutions

Business description

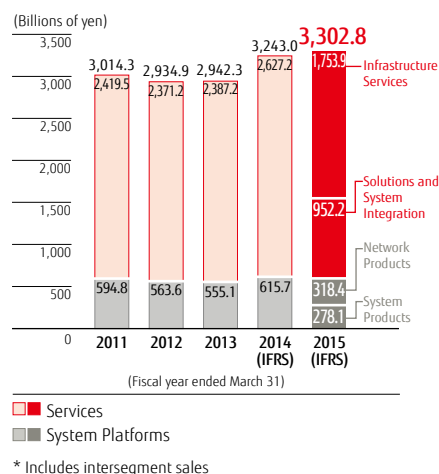
Services: Fujitsu provides solutions and system integration for IT system consulting and construction, and infrastructure services centered on outsourcing services (complete operations and management of information systems).

System Platforms: Fujitsu provides system products such as servers and storage systems that form the backbone of ICT systems, and network products such as mobile-phone base stations, optical transmission systems, and other communications infrastructure.

REVENUE/BREAKDOWN OF REVENUE*



SALES (REVENUE)* BY PRINCIPAL PRODUCTS AND SERVICES



Ubiquitous Solutions

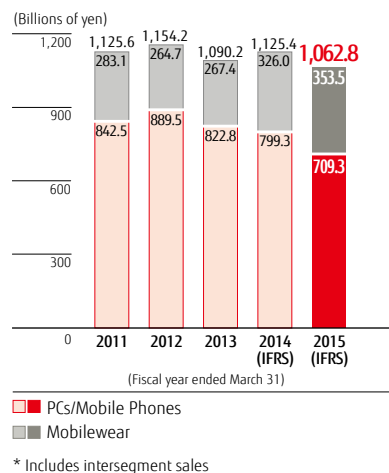
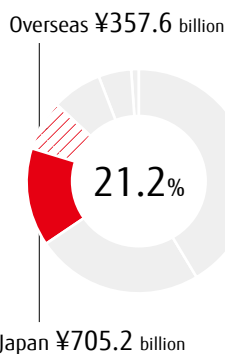
Business description

Fujitsu manufactures PCs within a made-in-Japan framework, delivering high-quality, high-added-value products including desktop PCs, laptop PCs, water- and dust-resistant tablets, and customization options.

For mobile phones, Fujitsu offers high-end smartphones with advanced, high-speed CPUs, and the Raku-Raku Phone series featuring easy-to-read displays, clear-sounding speakers, and intuitive functionality.

For mobilewear, Fujitsu is responding to diverse needs with "Connectivity" Products, among them intuitively operated car navigation systems that connect to mobile phones for a more enjoyable driving experience.

¥1,062.8 billion

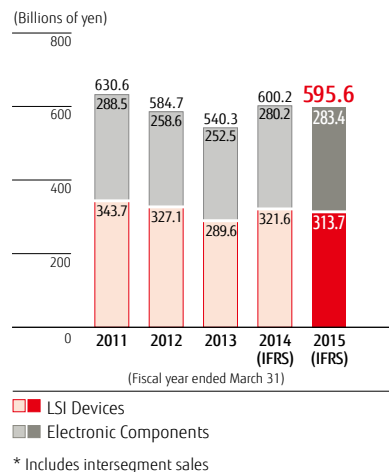
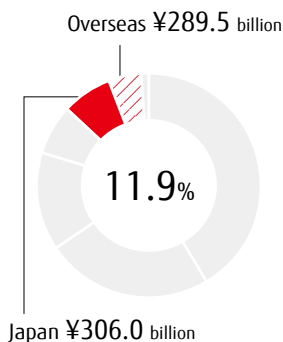


Device Solutions

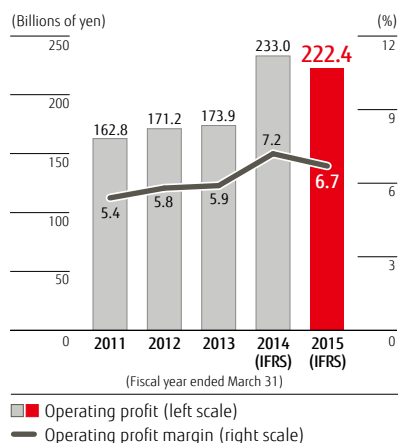
Business description

The LSI device business and electronic components business comprise Fujitsu's Device Solutions. In the LSI device business, Fujitsu offers wafer foundry services, LSI device sales, and system memory businesses such as FRAM and FCRAM. In the electronic components business, publicly listed consolidated subsidiaries such as Shinko Electric Industries, Fujitsu Component, and FDK provide semiconductor packages and other electronic components, as well as structural components such as batteries, relays, and connectors.

¥595.6 billion



OPERATING PROFIT (LOSS)/ OPERATING PROFIT (LOSS) MARGIN

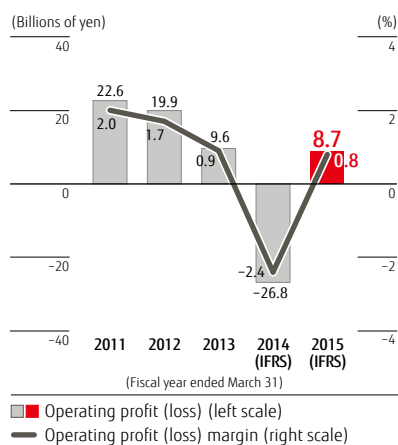


MAIN PRODUCTS & SERVICES

System integration (system construction and business applications), consulting, front-end technologies (ATMs, POS systems, etc.), outsourcing services (data-centers, ICT operation/management, application operation/management, business process outsourcing, etc.), network services (business networks and distribution of Internet/mobile content), system support services (maintenance and surveillance services for information systems and networks), security solutions (installation of information systems and networks), cloud services (including IaaS, PaaS, SaaS), full range of servers (mainframe, UNIX, mission-critical IA, and x86 servers), storage systems, various types of software (operating system and middleware), network management systems, optical transmission systems, mobile-phone base stations

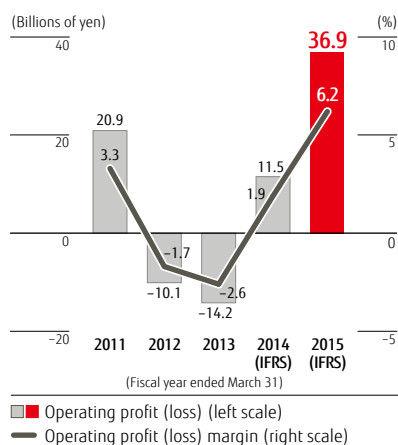
MAIN SUBSIDIARIES

- Fujitsu Frontech Limited
- Fujitsu Telecom Networks Limited
- Fujitsu IT Products Limited
- Fujitsu Broad Solution & Consulting Inc.
- Fujitsu Marketing Limited
- Fujitsu Systems East Limited
- Fujitsu Systems West Limited
- Fujitsu FIP Corporation
- NIFTY Corporation
- Fujitsu FSAS Inc.
- PFU Limited
- Fujitsu Mission Critical Systems Limited
- Fujitsu Network Communications, Inc.
- Fujitsu Services Holdings PLC
- Fujitsu America, Inc.
- Fujitsu Australia Limited
- Fujitsu Technology Solutions (Holding) B.V. and others



PCs, mobile phones, and mobilewear (car audio and navigation systems, mobile communication equipment, automotive electronics, and others)

- Shimane Fujitsu Limited
- Fujitsu Isotec Limited
- Fujitsu Mobile Communications Limited
- Fujitsu Peripherals Limited
- Fujitsu TEN Limited
- Fujitsu Personal System Limited
- Fujitsu Technology Solutions (Holding) B.V. and others



LSI devices and electronic components (semiconductor packages, batteries, structural components, optical transceiver modules, printed circuit boards, and others)

- Fujitsu Semiconductor Limited
- Shinko Electric Industries Co., Ltd.
- FDK Corporation
- Fujitsu Component Limited
- Fujitsu Electronics Inc. and others

Technology Solutions

Services

Fujitsu provides solutions and system integration services that integrate ICT system consulting, design, application development and hardware installation, as well as infrastructure services centered on outsourcing services (complete ICT system operation and management including ICT system management via datacenters) and maintenance services.



Fujitsu ATMs, along with operation and maintenance services, adopted by leading Spanish financial groups BBVA and CaixaBank



Farmers use Akisai to produce Yamada Nishiki rice for brewing Dassai sake



Fujitsu conducted trials using SPATIOWL in the Philippines with venture company Global Mobility Service, Inc.

OUR STRENGTHS

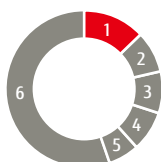
Fujitsu's services business holds the leading market share in Japan and the fifth-largest share worldwide. We provide services across a wide range of countries and regions, including Europe, the Americas, Asia, and Oceania.

Outsourcing services are a key field for us, where through our network of over 100 datacenters with 16 main locations centered in Japan, we meet a wide variety of customer needs, offering cloud services such as IaaS, PaaS, and SaaS that make operation of customers' ICT systems easier, and help to make their operations greener.

Fujitsu's strengths lie in its global services structure, a wealth of experience in building large-scale, advanced systems, and abundant system engineering resources with a high degree of technical expertise to support these operations. We use these capabilities to help a diverse range of customers across countries, regions, and languages in utilizing ICT systems, including governments and customers with a global presence.

IT SERVICES MARKET SHARE IN JAPAN IN 2014 (REVENUE BASIS)

1	Fujitsu	12.8%
2	Company A	8.7%
3	Company B	8.7%
4	Company C	8.2%
5	Company D	6.4%
6	Others	55.2%

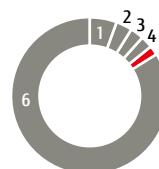


(Source: Gartner, "Market Share: IT Services, 2014" 31 March 2015)

* Chart created by Fujitsu based on Gartner data

GLOBAL IT SERVICES MARKET SHARE IN 2014 (REVENUE BASIS)

1	Company A	5.7%
2	Company B	3.2%
3	Company C	3.0%
4	Company D	2.3%
5	Fujitsu	2.1%
6	Others	83.7%



(Source: Gartner, "Market Share: IT Services, 2014" 31 March 2015)

* Chart created by Fujitsu based on Gartner data

The Gartner Report(s) described herein, represent(s) data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Integrated Report) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

MARKET TRENDS

A CAGR of 1.7% is projected for Japan's IT services market for the period from 2014 to 2017.

The Japanese economy is expected to remain on a recovery track based on signs of a rebound in capital investment in line with improving corporate earnings. In the run-up to the introduction of Japan's Social Security and Tax Number System (commonly known as the "My Number" system), the national government, municipalities, and business enterprises are starting to reshape their ICT infrastructure. In line with this, IT investment in Japan is expected to gradually recover.

The global IT services market is projected to achieve a CAGR of 3.3% from 2014 to 2017, with growth in Asia leading the way. Despite some uncertain market trends, notably in China, the market is expected to continue its gradual recovery. Against this economic backdrop, IT investment is projected to edge upward in every region.

OPERATIONAL REVIEW AND INITIATIVES

Fiscal 2014 Business Results and Fiscal 2015 Outlook

Revenue from the Services sub-segment (solutions and system integration, infrastructure services) increased 3.0% year on year to ¥2,706.2 billion in fiscal 2014.

For solutions and system integration, overall sales were held to an increase of 3.5% year on year, as substantial growth driven primarily by the financial and public sectors was partly offset by a weak performance in certain fields.

For infrastructure services, sales were 2.8% higher year on year, lifted partly by the yen's depreciation. Outside Japan, business in the U.K. and Australia was strong.

Operating profit amounted to ¥177.2 billion. Although earnings grew by around 30% year on year due to higher sales in the SI business in Japan, this growth was partly offset by upfront investments for the future. As a result, operating profit was held to an overall increase of ¥3.3 billion year on year.

In regard to the outlook for fiscal 2015, revenue from the Services sub-segment is projected at ¥2,760.0 billion, an

increase of 2% year on year. IT investment in Japan is expected to remain firm, primarily in the public and financial sectors. Operating profit is forecast at ¥185.0 billion with earnings anticipated to grow both in Japan and overseas, based on the higher projected sales.

Initiatives Going Forward

Solutions and System Integration: In light of firm trends toward recovery in IT investment in Japan, Fujitsu is steadily moving forward on system development in both the private- and public-sector fields, including large-scale system integration projects and provision of public ICT infrastructure.

Notably, Fujitsu will work to realize "proactive IT systems" by expanding businesses centered on the digital business platform "MetaArc." Fujitsu will combine the core Systems of Record (SoR), in which it excels, with the new Systems of Engagement (SoE) group of services that utilize IoT devices such as social media and smartphones, in order to promote businesses that fully leverage the knowledge and experience it has cultivated.

In addition, Fujitsu will bolster its competitiveness by taking full advantage of human resources development initiatives such as hackathons*, effectively utilizing resources, and making effective development investments.

Infrastructure Services: In Japan, we expect demand for outsourcing services to remain high as a result of the expansion of cloud services. Meanwhile, the competitive landscape should become increasingly fierce given that competitors have been offering new services.

Fujitsu will optimize system maintenance and operation costs through the provision of its Next Generation Cloud System, with the linchpin Public Cloud Service K5.

Outside Japan, we are working under Fujitsu's global matrix organization to globally provide the same shared products and standardized services in Japan and other countries, offering high-quality ICT services to support all customers, no matter where they do business.

* Hackathon: An event in which computer programmers, graphic designers, interface designers, project managers, and others involved in software development collaborate intensively on a software-related project.

RISKS AND ISSUES

In solutions and system integration, there is a demand for more efficient operation of system engineer resources to cope with the buoyant domestic market. In addition, Fujitsu aims to bolster development of system engineers with a focus on management capabilities in order to minimize unprofitable projects. Furthermore, in infrastructure services, the expansion of the cloud services business has intensified competition with other companies, necessitating the development and launch of even more competitive products and services. Moreover, in the overseas business, there is a need to further shift the emphasis from products to services, and rapidly improve the profit ratio. Common priorities in Japan and overseas are to quickly establish the next-generation services business model that will supersede the existing one, and to achieve a high growth rate.

Technology Solutions

System Platforms

System products and network products are the foundation of ICT infrastructure. System products comprise servers (mainframe, UNIX, mission-critical IA, and x86 servers), storage systems, and middleware on which information systems are built. Network products include mobile-phone base stations, optical transmission systems, and other equipment used to build communications infrastructure.



DWDM system
FLASHWAVE 9500 Release 8.1



Disk storage system
FUJITSU Storage ETERNUS
DX8000 S3 series



2-way multi-node x86 server
PRIMERGY CX2550 M1



Rear view

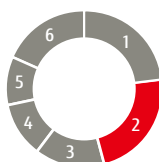
OUR
STRENGTHS

For system products, Fujitsu has a broad lineup of offerings to meet the needs of customers around the world. These include sophisticated and highly reliable mainframe and UNIX servers that support the mission-critical systems of corporations and that are equipped with proprietary CPUs—Fujitsu being one of the few global ICT companies with the technology to make its own processor chips. We also provide x86 servers for cloud computing and other promising business areas, as well as storage systems able to hold increasingly vast amounts of data.

For network products, Fujitsu holds a large market share for optical transmission systems and mobile-phone base stations used by mobile communications carriers in Japan, backed by its advanced technology and support capabilities. We also have a large market share in the highly competitive North American market for optical transmission systems, building on our highly rated technical capabilities and track record.

SERVER MARKET SHARE IN JAPAN IN 2014 (REVENUE BASIS)

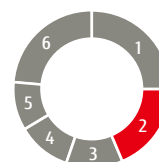
1	Company A	23.2%
2	Fujitsu	22.8%
3	Company B	14.4%
4	Company C	11.4%
5	Company D	9.9%
6	Others	18.3%



(Source: IDC Japan, "Japan Quarterly Server Tracker CY15Q2," August 28, 2015)

OPTICAL FIBER NETWORKING MARKET SHARE FOR NORTH AMERICA IN 2014 (REVENUE BASIS)

1	Company A	25.2%
2	Fujitsu	18.5%
3	Company B	11.6%
4	Company C	11.1%
5	Company D	10.0%
6	Others	23.6%



(Source: Ovum, "Market Share Spreadsheet & Analysis: 2Q15 Global ON," August 2015)

MARKET TRENDS

System Products: The server market in Japan is projected to show a negative CAGR of -0.5% for the period from 2014 to 2017. The x86 server market is expected to maintain growth given the penetration of cloud computing and mobile devices. On the other hand, the high-end server market should continue to be driven mainly by replacement demand.

Globally, the server market is expected to achieve a CAGR of 6.0% from 2014 to 2017. With increased demand for datacenters associated with market expansion in emerging markets and the spread of SNS and cloud computing, the market for volume-zone servers is expected to grow.

Network Products: Capital expenditure in the worldwide optical transmission market is declining as communications carriers shift the focus of their investment from infrastructure to enhancing services. Meanwhile, moves to achieve network virtualization and softwarization through software-defined networking (SDN) and network function virtualization (NFV) are rapidly gaining momentum. Accordingly, we expect investment in those fields, as well as investment in 100 Gbps optical transmission and the integration of optical transmission and packet processing, to continue expanding over the medium term.

OPERATIONAL REVIEW AND INITIATIVES

Fiscal 2014 Business Results and Fiscal 2015 Outlook

The System Platforms sub-segment reported revenue of ¥596.5 billion, a decrease of 3.1% from the previous fiscal year.

Sales of systems products increased 2.0% year on year overall, as the increase in x86 server sales in Japan and overseas was partially offset by a decline from the large-scale business deals of the previous fiscal year. Network products declined by 7.2% year on year due to investment restraint on the part of carriers in Japan and overseas.

Operating profit for the System Platforms sub-segment totaled ¥45.2 billion, a decrease of ¥14.0 billion from the previous fiscal year. This result reflects the impact of falling sales in

the network products business and an increase in component costs in Europe associated with the euro's depreciation.

In regard to the outlook for fiscal 2015, revenue in the System Platforms sub-segment is projected at ¥600.0 billion, an increase of 0.6% year on year. System products are expected to come under some pressure in the domestic market, while sales of x86 servers are anticipated to grow overseas, including Europe. For network products, Fujitsu anticipates a challenging business environment to remain as we work to increase sales of new products and expand our customer base worldwide.

Operating profit for the System Platforms sub-segment is forecast at ¥50.0 billion. Profit growth reflects the positive impact of sales growth and the streamlining of costs, which are expected to absorb higher costs stemming from the yen's depreciation.

Initiatives Going Forward

System Products: The servers, storage, software, and other products that form the foundation for realizing the IoT are playing an increasingly important role. Fujitsu will endeavor to expand business focused on the digital business platform, which will address a hyperconnected world in which information and processes are connected in a complex web of relationships. Fujitsu will support the crucial infrastructure underpinning the digital business platform with its lineup of highly reliable, high-performance hardware products.

Network Products: As data and networks continue to merge, Fujitsu is taking steps toward its next growth stage by accelerating the development of the network virtualization technologies SDN and NFV, while staying on top of the shift to services. In the process, our aim is to expand earnings globally. We will leverage our capabilities in advanced technologies to cope with the increase in data traffic associated with the shift to services, expanding our business by increasing sales of 100 Gbps packet-integrated optical systems. In mobile systems, we will accelerate development of high-density radio base stations compatible with LTE-Advanced.

RISKS AND ISSUES

In system products, commoditization is progressing, mainly in low-end models, and price competition is intensifying. In addition, there are fears of further declines in profitability as the yen's depreciation drives up component costs. A further issue is the gradual contraction of the market for large, high-end servers. It is important for Fujitsu to pursue cost reductions and efficiency gains, and to boost its price competitiveness while maintaining high quality.

In network products, customers worldwide are tending to hold back on capital expenditure. Fujitsu needs to continue reducing costs and lead times on development of advanced technologies for realizing the next-generation SDN and NFV network systems that customers seek.

Ubiquitous Solutions

This segment consists of PCs, mobile phones, and mobile-wear. For PCs, Fujitsu provides desktops, laptops, and tablets that are known around the world for their high level of quality and performance. For mobile phones, Fujitsu's offerings include the flagship arrows NX model smartphone as well as the easy-to-use Raku-Raku Phone series. For mobilewear, Fujitsu answers a diverse range of needs through "Connectivity" Products, among them car-navigation systems that interface with smartphones to make navigation systems more enjoyable and intuitive to use for anyone.



LIFEBOOK GH77/T,
new concept PC with a large
detachable screen



arrows NX F-02H, smartphone
produced for NTT DOCOMO, Inc.



ECLIPSE AVN-SZX05i,
car navigation system

OUR STRENGTHS

For PCs, Fujitsu is quick off the mark to deliver high-quality, high-performance products to customers. For the Japanese market, laptops are manufactured by Shimane Fujitsu Limited (in Izumo, Shimane Prefecture), while desktop PCs are manufactured by Fujitsu Isotec Limited (in Date, Fukushima Prefecture). Outside of Japan, Fujitsu Technology Solutions (Holding) B.V. performs assembly and customization of PCs.

For mobile phones, we develop and manufacture high-quality mobile devices, including the flagship arrows NX series of high-performance smartphones with enhanced battery life and iris authentication technology, and the Raku-Raku Phone series with easy-to-read displays, clear-sounding speakers, and intuitive functionality.

For mobilewear, we draw on our long-nurtured expertise with in-vehicle technologies to provide car navigation systems and other types of automotive electronics that make the driving experience more secure, safer, and more comfortable.

PC MARKET SHARE IN JAPAN IN 2014 (UNIT BASIS)

1	Company A	25.7%
2	Fujitsu	18.9%
3	Company B	12.1%
4	Company C	10.3%
5	Company D	9.8%
6	Others	23.2%

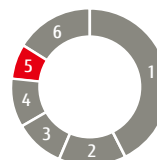


(Source: Gartner, "Market Share: Final PCs, Ultramobiles and Mobile Phones, All Countries, 2015 Update" 14 August 2015 (Desk-based+Notebook+Ultramobile Premium))

* Chart created by Fujitsu based on Gartner data

MOBILE PHONE SHIPMENTS IN JAPAN IN 2014 (UNIT BASIS)

1	Company A	42.6%
2	Company B	13.8%
3	Company C	10.3%
4	Company D	10.2%
5	Fujitsu	7.2%
6	Others	15.9%



(Source: IDC Japan, "Worldwide Quarterly Mobile Phone Tracker, 2015Q2")

MARKET TRENDS

According to IT research firm IDC Japan, the market for mobile and client computing in Japan is expected to see a CAGR of 3.5% from 2014 to 2017.

For PCs, lower demand following the rush to replace Windows XP devices in the corporate sector is projected to continue until 2016, with a CAGR of -1.2% forecast for shipments of PCs from 2014 to 2017.

For tablets, the consumer market has already shifted to replacement demand and is forecast to shrink, while in the corporate market, tablet adoption in educational settings and Windows-tablet introduction by companies are set to continue. A 2.0% CAGR is forecast for tablet shipments from 2014 to 2017.

A CAGR of 6.5% is forecast for smartphone shipments from 2014 to 2017, as users switch from feature phones to smartphones.

Meanwhile, global demand for car navigation systems is predicted to grow with the expansion of markets in emerging economies. According to a survey by the Japan Electronics and Information Technology Industries Association, shipments of car AVC devices are forecast to grow at a CAGR of 6.0% from 2014 to 2017.

OPERATIONAL REVIEW AND INITIATIVES

Fiscal 2014 Business Results and Fiscal 2015 Outlook

Revenue in the Ubiquitous Solutions segment totaled ¥1,062.8 billion in fiscal 2014, a decline of 5.6% year on year.

Worldwide shipments of PCs declined by 20.3% year on year to 4.7 million units. Revenue in Japan declined, reflecting a fallback from a surge in demand at the end of fiscal 2013 preceding a consumption tax increase, along with the end of replacement demand for Windows XP in the first quarter. Unit sales outside of Japan also fell as replacement demand related to Windows XP ran its course.

Revenue declined, reflecting a 10.8% year-on-year decline in shipments of mobile phones to 3.3 million units and sluggish unit sales due to telecommunications carriers changing their sales policies and other factors.

Revenue in mobilewear rose atop an increase in automobile production outside Japan, primarily in North America.

The Ubiquitous Solutions segment reported an operating profit of ¥8.7 billion as earnings rose ¥35.6 billion year on year.

For PCs, the impact of lower sales in and outside Japan and the depreciation of the yen and euro contributing to an increase in parts procurement costs led to a large decline in earnings.

For mobile phones, rigorous cost cutting, along with the effects of business restructuring and an improvement in product quality, led to a significant increase in earnings.

For mobilewear, investment in developing advanced technologies and the ramp-up of production at overseas sites increased costs and resulted in a slight decline in earnings.

Initiatives Going Forward

Fujitsu, by offering the FUJITSU Mobile Initiative, a system of products and services that provide optimal solutions for the use of mobile devices, will realize the transformation of its customers' work styles and people's lifestyles.

Under the FUJITSU Mobile Initiative, Fujitsu will provide a full range of mobile integration, encompassing products and services from mobile devices to applications and providing consultation based on an extensive track record, as well as system construction and operations services that provide complete, one-stop life cycle support. We will also provide a range of other solutions designed to enable the use of mobile devices across a variety of business functions, including virtual-desktop/remote-access platforms and mobile-application development platforms. Through the use of smart devices, we will help customers to realize business-efficiency improvements, cost reductions, and innovations in inspection and maintenance work. Anticipating a dramatic increase in the number of things connected over networks and an increasing diversity in the kinds of mobile devices available, we have positioned sensors, embedded systems, wearables, and other items as "next-generation front-end interfaces," and are focusing on these fields as the next growth area for the Ubiquitous Solutions business, centered on FUJITSU IoT Solution UBIQUITOUSWARE.

In mobilewear, Fujitsu is advancing its vehicle-ICT business to transform automobiles with ICT, and based on the "Future Link" concept that offers new value by connecting to a variety of information, we are generating products and services that contribute to a free and comfortable mobile society.

RISKS AND ISSUES

Ongoing global price competition in the market for PCs requires continued efforts to reduce costs, as well as to deal with the increasing cost of parts procurement caused by the depreciation of the yen and euro, while emphasizing profitability in Fujitsu's business operations.

For mobile phones, the number of MVNO (Mobile Virtual Network Operator) devices featuring inexpensive rates has been increasing, and a new market for these devices is forming. At the same time, customer demand is shifting to the mid- to low-price range. Fujitsu must respond to these markets by providing them with attractive products in a timely manner.

For mobilewear, the automotive industry is developing new technologies such as autonomous driving support systems, which will require Fujitsu to respond with efficient, highly reliable software development.

Device Solutions

The LSI device business and electronic components business comprise Fujitsu's Device Solutions. In the LSI device business, Fujitsu offers wafer foundry services, LSI device sales, and system memory businesses such as FRAM and FCRAM. In the electronic components business, publicly listed consolidated subsidiaries such as Shinko Electric Industries, Fujitsu Component, and FDK provide semiconductor packages and other electronic components, as well as structural components such as batteries, relays, and connectors.

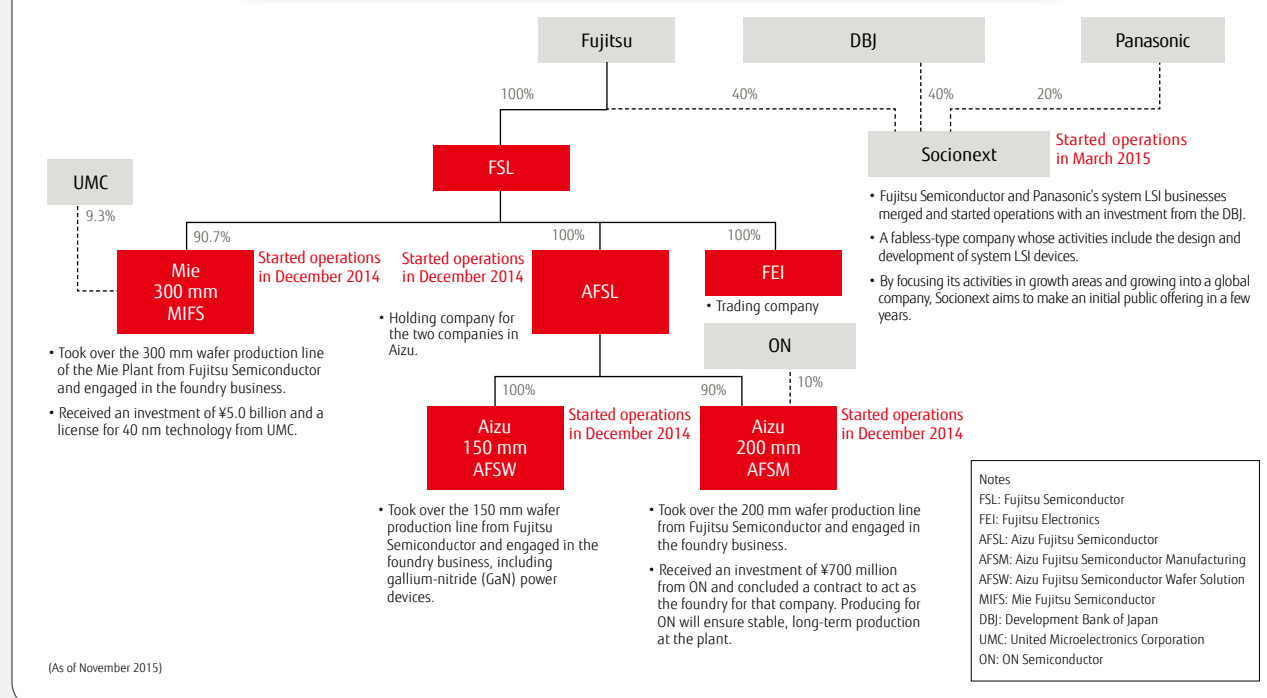


Exterior view of Fujitsu Semiconductor's Mie plant



High-heat-resistant, 16 kbit FRAM MB85RDP16LX with nonvolatile memory configuration optimal for rotary encoders

Overview of Structural Reforms in Fiscal 2014 and the Restructured FSL Group



Fiscal 2014 Business Results

Revenue in Device Solutions declined by 0.8% year on year to ¥595.6 billion. Sales in Japan increased 4.8%, with sales of LSI devices growing mainly in products for smartphones and servers. Outside Japan, sales decreased by 6.1%, with LSI-device sales falling due to the impact of the sale of a microcontroller and analog device business and a decline in products for smartphones, mainly in Asia. Electronic component sales were also down on lower sales of semiconductor packages to the Americas.

The segment posted operating profit of ¥36.9 billion, an improvement of ¥25.3 billion from the previous fiscal year. This

was mainly the result of structural reforms in the previous fiscal year that reduced fixed costs, as well as the yen's depreciation against the dollar, which had the effect of increasing dollar-based sales. The impact of increasing competition in semiconductor packages was countered by the effect of lower development costs accompanying the liquidation of a communications semiconductor company.

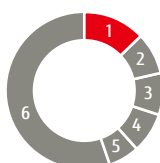
In March 2015, a system LSI device design and development business was transferred to Socionext Inc., a joint venture with Panasonic Corporation and the Development Bank of Japan, Inc.

Japan

MARKET DATA

IT SERVICES MARKET SHARE IN JAPAN IN 2014 (REVENUE BASIS)

1	Fujitsu	12.8%
2	Company A	8.7%
3	Company B	8.7%
4	Company C	8.2%
5	Company D	6.4%
6	Others	55.2%

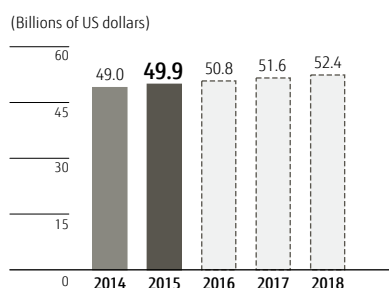


(Source: Gartner, "Market Share: IT Services, 2014" 31 March 2015)

* Chart created by Fujitsu based on Gartner data

MARKET DATA

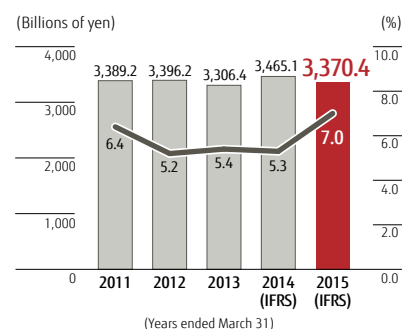
IT MARKET FORECAST FOR JAPAN



(Source: IDC Japan, "Worldwide Black Book Query Tool, Version 2.2, 2015")

FUJITSU DATA

REVENUE*/OPERATING PROFIT MARGIN



■ Revenue (left scale)
— Operating Profit Margin (right scale)

* Including intersegment sales

MARKET TRENDS

In the Japanese market, while concerns exist with regard to the negative effects of deceleration in the Chinese economy, the recovery trend in ICT investment in manufacturing, distribution, and financial industries is expected to continue. In the public sector, immediately prior to the introduction of the "My Number" system, an increase in investment for system compatibility upgrades is anticipated, not just among government agencies and local governments, but also within the private sector. The market is projected to gain momentum as the range of system usage broadens.

In light of this, the server market in Japan is expected to contract over the 2014–2017 period, with a CAGR of –0.5%. Demand is projected to decline due to the expansion of cloud-based systems and server integrations in recent years.

Moreover, in the network market, a harsh environment is expected to persist, with telecommunications carriers showing a cautious approach to investment, as LTE investment has passed its peak and investment is being shifted toward enhancing infrastructure, such as accelerating connection speeds.

The IT services market in Japan is estimated to grow with a CAGR of 1.7% from 2014 to 2017, reflecting continued expansion of IT-related investment atop ongoing recovery in corporate performance. Demand for the replacement of legacy systems to increase future competitiveness is rising further, with growth expected not only in systems construction, but also in post-construction systems-operations outsourcing, while the scope of application for services utilizing cloud computing is forecast to expand into new domains such as agriculture and medical care.

INITIATIVES GOING FORWARD

For system products, specifically servers, Fujitsu will push ahead with a lineup of mainframe products and UNIX and x86 servers by properly grasping customer needs in order to promote replacement of long-term operations assets and seize competitors' market shares. Fujitsu will also enhance efforts to expand sales in growth fields such as big data, cloud computing, and datacenters, viewing these as infrastructure platforms for supporting vertical integration models.

For network products, Fujitsu will accelerate deployment of LTE-Advanced and 100 Gbps packet-integrated optical systems. Fujitsu will also accelerate the shift to SDN and NFV for greater network sophistication with the goal of entering new business domains that utilize networks.

For services, Fujitsu will work to realize "proactive IT systems" by expanding businesses centered on its digital business platform. Fujitsu will combine the mission-critical SoR, in which it excels, with the new SoE group of services that utilize IoT devices such as social media and smartphones, in order to fully leverage the knowledge and experience it has cultivated to promote the integration business.

Furthermore, Fujitsu will work to improve its cloud integration capabilities and optimally combine cloud services to meet the individual needs of customers and realize solutions to the problems they face.

Fujitsu will leverage its ability to provide a vertically integrated structure—from highly dependable, high-performance platforms such as networks, servers, and datacenters to top-line applications—to lead the Japanese ICT market and do its utmost to respond to customer expectations.

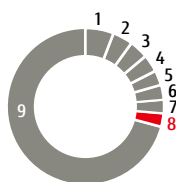
EMEIA

Europe, the Middle East, India and Africa

MARKET DATA

IT SERVICES MARKET SHARE IN THE UK IN 2014 (REVENUE BASIS)

1	Company A	5.9%
2	Company B	4.1%
3	Company C	3.9%
4	Company D	3.7%
5	Company E	3.1%
6	Company F	3.0%
7	Company G	2.9%
8	Fujitsu	2.7%
9	Others	70.7%

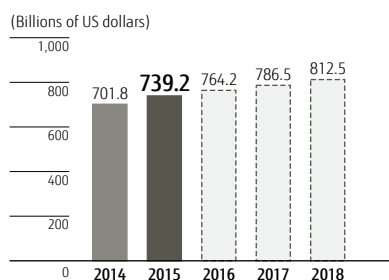


(Source: Gartner, "Market Share: IT Services, 2014" 31 March 2015)

* Chart created by Fujitsu based on Gartner data

MARKET DATA

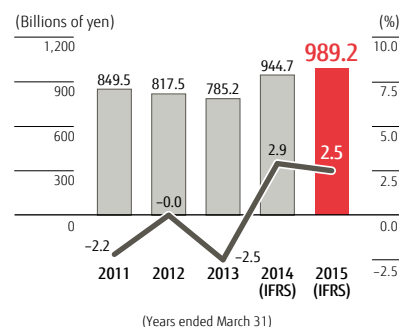
IT MARKET FORECAST FOR EMEA



(Source: IDC Japan, "Worldwide Black Book Query Tool, Version 2.2, 2015")

FUJITSU DATA

REVENUE*/OPERATING PROFIT (LOSS) MARGIN



(Years ended March 31)
 ■ Revenue (left scale)
 — Operating Profit (Loss) Margin (right scale)

* Including intersegment sales

MARKET TRENDS

The EMEA IT market is forecast to grow steadily with a CAGR of 3.9% from 2014 to 2017, supported by growth in India, the Middle East and Africa, among others. In the IT services market, a moderate 2.8% CAGR is projected throughout the region, driven by emerging economies such as India, the Middle East, and Africa, as well as Western Europe. With regard to hardware, the server market is expected to see a significant decline in high-end servers, while sales of volume and mid-range servers are projected to grow. Consequently, in the overall server market, solid expansion is expected with a 2014–2017 CAGR of 5.8%. The storage market is projected to achieve vigorous growth from 2014 to 2017 with CAGRs of around 10.0% expected in each region, and a bullish CAGR of 9.8% for the region overall. In the PC market, growth is projected for tablets and e-book readers in regions other than India, while the conventional PC market is expected to contract in Western Europe, the Middle East, Africa, and other areas. Overall, the PC market is forecast to decrease slightly, with a CAGR from 2014 to 2017 of –1.4%.

INITIATIVES GOING FORWARD

In EMEA, Fujitsu will work to accelerate its shift to services by changing the orientation of management from a regional to business line basis as it develops business under the new global matrix organization introduced in April 2014. This new structure will make clear the personnel responsible for each business, accelerate decision-making processes, and enable more effective resource-sharing with the aim of enhancing service quality.

We will work to strengthen our cost structure for our product development efficiencies. As part of the process for consolidating our R&D facilities, primarily in Japan, we will close our R&D center in Paderborn, Germany, subject to local law requirements. In addition, we are considering ways to improve efficiencies at our manufacturing and logistics site in Augsburg, Germany.

In the UK and Ireland, we will focus on expanding business in the private sector and the defense and security domains, which are forecast to continue growing. At the same time, we will work to maintain and grow our existing public sector business. Specific initiatives will include strengthening delivery functions and standardizing services, as well as focusing on developing private cloud services.

In Western Europe, the Middle East, India, and Africa, Fujitsu has selected the 10 countries on which it will place particular focus (the "Big 10"), concentrating resources and proactively developing new markets. We have already captured a string of large orders in Western Europe. In the Nordic countries, we will change to a region-based sales structure, strive to expand business with existing customers and capture new large business deals, and support growing customers to develop their businesses in other regions.

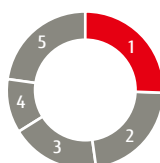
Moreover, Fujitsu will formulate specific account plans and build inter-site collaboration frameworks as part of its initiative to strategically promote business deals in select regions for customer companies selected from the top 100 companies engaged in business throughout Europe.

THE AMERICAS

MARKET DATA

NEXT-GENERATION METRO WDM MARKET SHARE IN NORTH AMERICA (REVENUE BASIS)

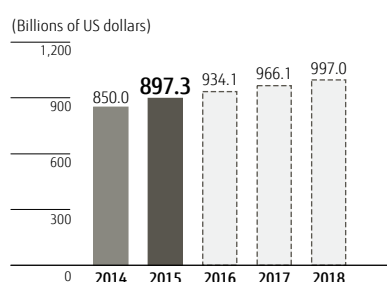
1	Fujitsu	25.7%
2	Company A	22.1%
3	Company B	18.4%
4	Company C	11.1%
5	Others	22.7%



(Source: Ovum, "Market Share Spreadsheet & Analysis: 2015 Global ON," August 2015)

MARKET DATA

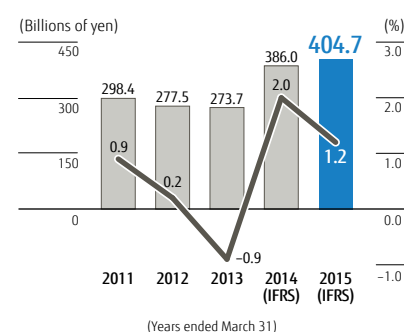
IT MARKET FORECAST FOR THE AMERICAS



(Source: IDC Japan, "Worldwide Black Book Query Tool, Version 2.2, 2015")
(North and South America)

FUJITSU DATA

REVENUE*/OPERATING PROFIT (LOSS) MARGIN



(Years ended March 31)
■ Revenue (left scale)
— Operating Profit (Loss) Margin (right scale)
* Including intersegment sales

MARKET TRENDS

From 2014 to 2017, the IT services market in North America is expected to post a modest CAGR of 2.4% led by fields such as cloud computing, SaaS, and virtualization. A high rate of growth is projected for the IT services market in South America, with a CAGR of 9.0% over the same period. Overall, the IT services market for the Americas is forecast to achieve a CAGR of 2.9%. In the hardware market for the Americas, the market for high-end servers is trending lower, but the overall server market is expected to grow with a CAGR of 6.3% from 2014 to 2017 led by market expansion for mid-range and volume servers. Tablets are expected to record a CAGR of 4.2% over the period, while conventional PCs are set to decline with a CAGR of -0.7%, resulting in a slight increase in the overall PC market with a forecast 2014–2017 CAGR of 0.8%. Meanwhile the communications device market is expected to grow briskly with a CAGR of 4.7%. The overall IT market in the Americas is forecast to see stable growth over the period from 2014 to 2017 with a CAGR of 4.4%.

INITIATIVES GOING FORWARD

In the Americas, we have recently been working to strengthen and expand our infrastructure services base by winning major outsourcing business deals in North America, and from these, create lateral expansion. We have also been establishing multiple datacenters in Canada and both the east and west coasts of the US.

In the infrastructure services business, in addition to expanding business with existing major customers, we will seek to further reduce costs by promoting movement offshore. We will

propose high-quality outsourcing services both to Japanese companies expanding into the Americas and to local customers, and continue to focus on strengthening and expanding our infrastructure services for all of North America.

In applications, we are building an organizational structure capable of making offerings across the entire North American region encompassing Canada and the US, to raise the level of our offering capabilities and develop new markets by strengthening sales.

In retail and distribution solutions, we will shift logistics operations such as point of sales (POS) products and self check-out systems from their previous base at Fujitsu Frontech Limited to the US subsidiary Fujitsu America, Inc. This will bring closer relations with customers and accelerate provision of high-quality services that meet customers' needs.

In the products business, we will fundamentally strengthen business, dispatching a corporate executive officer from Japan in April 2016 and further capitalizing on resources from continental Europe.

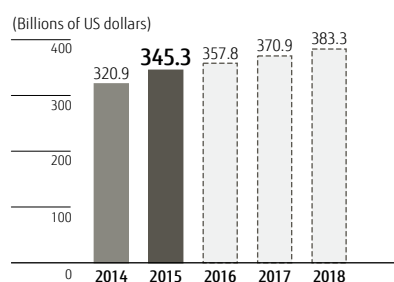
In South America, we will further deepen the product business in Brazil while continuing to shift towards the services business. Specifically in mission critical fields, we seek to deepen relationships with existing customers and expand the new customer base. In addition, we have recently been focusing our efforts on cloud computing, but will now focus on firmly establishing new portfolios in the service field centered on the cloud. We will also work to expand our customer base in South America outside of Brazil in countries such as Chile, Colombia, and Argentina.

ASIA

* Asia: Excludes Japan

MARKET DATA

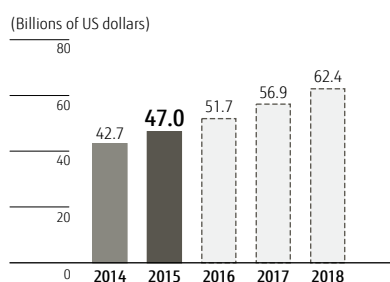
IT MARKET FORECAST FOR ASIA



(Source: IDC Japan, "Worldwide Black Book Query Tool, Version 2.2, 2015")

MARKET DATA

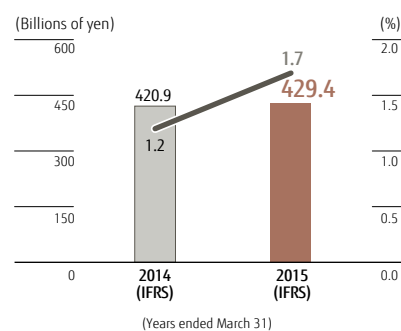
IT SERVICE MARKET FORECAST FOR ASIA



(Source: IDC Japan, "Worldwide Black Book Query Tool, Version 2.2, 2015")

FUJITSU DATA

REVENUE/OPERATING PROFIT MARGIN



(Years ended March 31)
 ■ Revenue (left scale)
 — Operating Profit Margin (right scale)

* Due to a regional realignment in fiscal 2013, data is for two fiscal years.

* Market data includes the following countries:
 China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, Vietnam

MARKET TRENDS

The strength of the Asian IT market varies by country, but overall robust expansion is projected to continue with a CAGR of 4.9% from 2014 to 2017. Overall, the region's IT services market is expected to achieve a strong CAGR of 10.0% in the same period. For hardware, in the server market, the volume server market is set for high growth, propelled mainly by the sizable market in China. As a result, the overall server market in Asia is expected to achieve strong growth with a CAGR of 8.9% from 2014 to 2017. The storage market is also expected to achieve high growth with a 2014–2017 CAGR of 10.9%. The PC market, including conventional PCs and tablets, is contracting over the medium term in the majority of countries, with negative growth forecast at a CAGR of –0.4% overall for 2014 to 2017.

INITIATIVES GOING FORWARD

Asia is a cluster of diverse markets where different conditions exist in each country, including language, culture, religion, and scale of economic development. Each country therefore has its own particular market characteristics that require their own individualized business strategies. On the other hand, many of the social issues confronting Asia are ones that Japan has experienced in the past or is also facing now. The Fujitsu Group will capitalize on its insights and experience, as well as the solutions gained through these, harnessing its combined strengths to provide solutions for these kinds of societal issues. Furthermore, in October 2015, Fujitsu integrated the sales organizations of countries in Asia with Japan. The integration is intended to bring coordination with Japan to a new level and further expedite investment decisions and responses to customers.

Looking by region, in the greater China area, including Mainland China, we will work to further grow our existing business with Japan-originated companies and foreign-funded manufacturers and distributors. We will also leverage regional business expertise to expand business to local companies.

In South Korea, we will further expand the platform products business as well as promote high-value-added businesses offering specialized solutions in fields such as finance, distribution, and healthcare.

In Southeast Asian countries with developed economies, such as Singapore, we will work together with government organizations in the fields of science and technology to advance innovation. Moreover, in countries like Indonesia and Vietnam, which are hastening infrastructure development, we will focus on the social innovation field through integrated disaster prevention systems, traffic congestion monitoring systems, and river monitoring systems. Furthermore, we see business opportunities in the movement toward reorganization of corporate production bases and invigoration of logistics that is expected to accompany the formation of the ASEAN Economic Community, and will try to parlay this into new business deals. In fiscal 2014, Fujitsu opened a new branch in Yangon, Myanmar. While paying close attention to market trends, we also intend to establish a business structure in countries such as Laos and Cambodia.

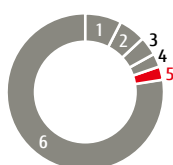
In addition to organic strategies such as these, we will keep M&A and other growth strategies in view and continue to drive business expansion in dynamically growing Asian markets.

Oceania

MARKET DATA

IT SERVICES MARKET SHARE IN OCEANIA IN 2014 (REVENUE BASIS)

1	Company A	7.5%
2	Company B	5.8%
3	Company C	3.9%
4	Company D	2.7%
5	Fujitsu	2.6%
6	Others	77.5%



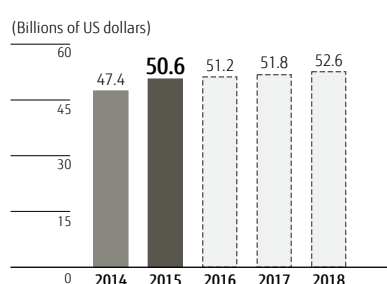
(Source: Gartner, "Market Share: IT Services, 2014" 31 March 2015)

(Oceania: Australia and New Zealand)

* Chart created by Fujitsu based on Gartner data

MARKET DATA

IT MARKET FORECAST FOR OCEANIA

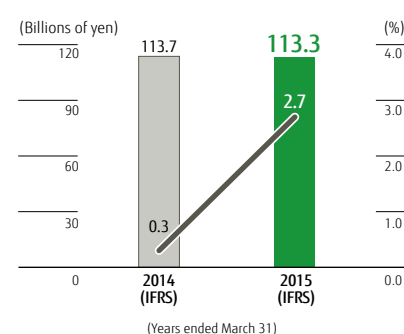


(Source: IDC Japan, "Worldwide Black Book Query Tool, Version 2.2, 2015")

(Oceania: Australia and New Zealand)

FUJITSU DATA

REVENUE/OPERATING PROFIT MARGIN



(Years ended March 31)

■ Revenue (left scale)

— Operating Profit Margin (right scale)

* Due to a regional realignment in fiscal 2013, data is for two fiscal years.

MARKET TRENDS

The IT market in Oceania is forecast for gradual yet steady growth with a CAGR of 3.0% from 2014 to 2017. The IT services market is also forecast to maintain a growth trajectory with a CAGR of 2.3% over the same period. For hardware, the high-end server market for the region overall is projected to decline with a CAGR of -6.5% for the 2014 to 2017 period, mainly reflecting a declining trend in the Australian market for high-end servers, which is expected to overshadow projected expansion in New Zealand due to Australia's greater market size. On the other hand, the mid-range server market is expected to expand with a 2014–2017 CAGR of 12.6%, while the volume server market is projecting flat growth with a CAGR of 0.2%. As a result, the overall server market for Oceania is expected to remain flat, with a CAGR of 0.6% from 2014 to 2017. The storage market is projected to grow strongly with a CAGR of 4.7% from 2014 to 2017. For PCs, the conventional PC market is predicted to begin contracting again from 2016 after a temporary rally in 2015, and tablets are also expected to fall back from a surge in growth that lasted through to 2013. As a result, a moderate decline is expected for the PC market overall with a 2014–2017 CAGR of -1.9%.

INITIATIVES GOING FORWARD

In the Oceania region, business development is centered on infrastructure services, SI/application services, and the product business, with Australia and New Zealand as key service markets.

In the mainstay infrastructure services business, we have been working since 2010 on the new establishment or expansion of datacenters, developing business centered on six datacenters in key regions. In fiscal 2015, we will upgrade the datacenter located in the west coast city of Perth to further strengthen the system for providing customers with high-quality services of outstanding reliability and safety. Additionally, we will review the Fujitsu Australia and New Zealand organizational structure, and the operation of transferring customer systems to Fujitsu datacenters, which had previously been managed as an added value for conventional products, will now be handled as a part of infrastructure services. We will leverage compatibility with the system operation business to accelerate cost reductions and productivity improvement through more efficient use of human resources while also reinforcing the competitiveness of managed services.

For SI/application services, we will sharpen the skills of our employees through human resource exchanges between regions, such as Japan and the UK, that have high capabilities in equivalent fields in order to further enhance technology and service quality.

For the product business, we will work to expand sales and income by more aggressively selling our products, switching from channel sales through Fujitsu Asia Pte Ltd to direct PC sales by Fujitsu Australia and New Zealand.

MATTERS OF CONCERN FROM AN EXTERNAL PERSPECTIVE

The following are some of the main matters of concern that could have an adverse impact on aspects of the Fujitsu Group, such as business performance or financial status. We believe that these matters may heavily influence investors' decisions.

Technology Solutions

Services

For solutions and system integration, we are concerned that strong activity in the SI business could lead to system engineer resource shortages, and that resultant increases in personnel costs could have a negative impact on profits. Moreover, we also perceive risks in projects not expected to turn profits in the near term. These include unprofitable projects incurring significant losses and business that is concentrated around the end of the fiscal year, as well as the contraction of our legacy business as cloud-based systems become more prevalent.

For infrastructure services, we consider medium-term risks to be the emergence of competitors in outsourcing and cloud services businesses and the potential to fall into a price war, as well as a decline in the support business due to hardware integration and consolidation. In addition, in the overseas business, there are concerns about the emphasis placed on the government business in the UK market, and that structural reforms implemented to shift from hardware to services in continental Europe are not bearing fruit.

System Platforms

For system products, amid the global contraction of the server market, there is considerable concern over Fujitsu's competitive capabilities, such as how it will compete against other companies with commoditized products and whether its strengths in vertical integration will actually be a factor for differentiation. The mainframe business is gradually declining, and the absence of a highly profitable product to replace it is another factor clouding future prospects.

For network products, business is strongly influenced by carrier investment trends. This results in situations that cannot be improved solely through the efforts of a vendor. Carriers in Japan are showing signs of holding back on investment, and there are concerns over the scale and duration of the impact. Furthermore, as an industry trend, SDN and NFV technologies that convert conventionally hardware-based functions into a software format are advancing, and vendors are under scrutiny regarding their ability to move beyond traditional businesses.

Ubiquitous Solutions

For PCs, there are few factors of differentiation from competitors and extremely low profit margins. As a result, the PC business appears vulnerable to sliding into the red under the impact of foreign exchange factors alone. There are many doubts over whether Fujitsu can overcome this issue in the medium term.

For mobile phones, structural reforms put in place appear to have resolved the generation of losses. However, it appears that quality issues persist. Furthermore, these products are specialized for the domestic market, and without a competitive product other than the Raku-Raku Phone, there is an inevitable sense of risk that the business scale will decline over the medium term due to both domestic market saturation and the level of product competitiveness.

Device Solutions

For LSI devices, performance appears strong due to the effects of structural reforms and brisk demand for specific products. However, with regard to business structure, only the split-off of the SoC business has taken place, and that has led to concerns regarding the uncertainty of the future reorganization of the manufacturing framework. Moreover, there are concerns about future growth with the current profit structure, which is dependent on specific products.

For electronic devices, continuing to hold the shares of subsidiaries such as Shinko Electric Industries feels risky in itself. No clear policy has been indicated as to how long Fujitsu will continue businesses that are not positioned as core operations, and this raises many doubts.

Company-Wide

The most prominent risk is that Fujitsu has not once achieved targets of the medium-term management plans it disclosed in the past. Even where issues are recognized, the execution of reforms in response appears to be slow. The lack of a sense of urgency in management is a fundamental problem. Moreover, there are doubts over whether corporate governance is working effectively in and outside of Japan across the entire Group. Finally, the insufficient explanation of costs relating to "business model transformation" when the fiscal 2014 results were announced was viewed as not having placed enough value on a dialogue with the market, and leaves doubt over the fostering of a relationship of trust between the Company and the market.

SHAREHOLDERS' DATA

(As of March 31, 2015)

Capital:	¥324,625 million
Authorized Common Stock:	5,000,000,000 shares
Issued Common Stock:	2,070,018,213 shares
Number of Shareholders:	153,099

Equity Shareholdings by Type of Shareholder

Japanese Financial Institutions and Securities Firms	Other Japanese Corporations	Foreign Institutions and Individuals	Japanese Individuals and Others
25.87%	13.06%	41.52%	19.54%

* The 118,892 thousand shares of Fujitsu Limited stock held by Fuji Electric Co., Ltd. as retirement benefit trust assets are categorized under the shareholdings of "Other Japanese Corporations."

Status of Principal Shareholders

Principal Shareholders	Number of Shares Held (thousands)	Percentage of Shares Held (%)
Fuji Electric Co., Ltd.	228,391	11.03
The Master Trust Bank of Japan, Ltd. (for trust)	92,507	4.47
Japan Trustee Services Bank, Ltd. (for trust)	90,588	4.38
State Street Bank and Trust Company	77,809	3.76
Fujitsu Employee Shareholding Association	54,372	2.63
Mizuho Bank, Ltd.	36,963	1.79
Asahi Mutual Life Insurance Company	35,180	1.70
State Street Bank and Trust Company 505225	34,702	1.68
The Bank of New York Mellon SA/NV 10	26,329	1.27
State Street Bank West Client Treaty 505234	25,343	1.22
Total	702,189	33.92

Notes: 1. The shares held by The Master Trust Bank of Japan, Ltd. (for trust) and Japan Trustee Services Bank, Ltd. (for trust) pertain to the institutions' trust businesses.
 2. Of the shares held by Fuji Electric Co., Ltd., 118,892 thousand shares are trust assets entrusted to Mizuho Trust & Banking Co., Ltd., and re-trusted to Trust & Custody Services Bank, Ltd. as retirement benefit trust assets. The voting rights attached to these shares are exercised upon instructions of Fuji Electric Co., Ltd. The Fujitsu Limited shares held by Fuji Electric Co., Ltd. and its consolidated subsidiaries total 231,875 thousand shares (which accounts for 11.20% of issued shares), which includes the 118,892 thousand shares held in the form of retirement benefit trust assets.
 3. Of the shares held by the Mizuho Bank, Ltd., 4,250 thousand shares are trust assets entrusted to Mizuho Trust & Banking Co., Ltd., and re-trusted to Trust & Custody Services Bank, Ltd. as retirement benefit trust assets. The voting rights attached to these shares are exercised upon instructions of Mizuho Bank, Ltd.

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Tokyo, Nagoya

Accounting Auditors:

Ernst & Young ShinNihon LLC

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On the Publication of the Fujitsu Group Integrated Report 2015 (Editorial Policy)

This year, as the Fujitsu Group marks the 80th anniversary of its founding, we have published the Fujitsu Group Integrated Report, which integrates the previous Annual Report and CSR Report.

This report is for our various stakeholders, including shareholders and other investors, and provides information on non-financial aspects, such as society, the environment, and governance, together with financial information. Through this publication, we aim to communicate the Fujitsu Group's initiatives for business activities and value creation comprehensively and simply.

In editing the report, we have referred to various guidelines, such as the International Integrated Reporting Framework of the International Integrated Reporting Council.

Furthermore, on our website, we provide detailed information about every field. Please refer to the website as you read the report.

• General Corporate Activities:

Corporate Website
<http://www.fujitsu.com/global/>

• Financial Information:

Investor Relations
<http://www.fujitsu.com/global/about/ir/index.html>

• Non-Financial Information:

Corporate Responsibility
<http://www.fujitsu.com/global/about/csr/>

From the fiscal year ended March 31, 2015, Fujitsu has adopted the International Financial Reporting Standards (IFRS). However, some sections have presented results under the Japanese accounting standard for the purpose of year-on-year comparison. These sections are indicated in the report.

All brand names and product names are trademarks and registered trademarks of their respective holders.

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Legibility Considerations

We have reviewed this report using our ColorSelector tool to choose a highly accessible color combination so that the text and figures will be as legible as possible to the widest range of readers.

Consideration for the Environment

- This report has been printed using waterless printing, which reduces the amount of harmful materials used and emitted.
- It is printed on FSC® Certified Paper as designated by the Forest Stewardship Council® in order to help preserve forestry resources.
- It uses vegetable oil inks that do not include volatile organic compounds.

