Seeking to Expand Business Domains

Fujitsu concentrated mainly on structural reforms from fiscal 2012 to fiscal 2013. From fiscal 2014 to fiscal 2016, Fujitsu will shift gears to focus on its growth strategy.

Fujitsu will strive to attain growth by expanding into three broad business domains. The first is to expand ICT usage areas for enterprises. Existing ICT usage areas for enterprises are expected to contract due to cost-cutting pressures and intensifying competition. However, ICT usage in fields that can directly contribute to customers’ sales and profit have become more and more important. Fujitsu will strive to expand ICT usage areas for enterprises by promoting modernization and by driving marketing, work style, and manufacturing innovation through business innovation.

The second is to expand into new ICT usage areas. Fujitsu will develop its efforts to solve social issues as a business. By driving social innovation in fields such as healthcare, transportation, and agriculture, Fujitsu will expand into new ICT usage areas.

The third is to expand these business areas globally. In doing so, Fujitsu will aim to achieve sustainable growth.
Cloud Business Strategy

Fujitsu offers distinctive cloud solutions that enable it to propose optimal use of resources and space according to each customer’s systems and needs.

The Group’s cloud integration services support all manner of customer needs by offering an interface linked with a diverse array of around 2,400 types of cloud service in addition to an abundant lineup of private clouds and public clouds, as well as IaaS, PaaS and SaaS. We are also working to train cloud engineers who will perform cloud integration services. At present, the number of cloud engineers has reached 2,000.

Meanwhile, the popularization of smart devices, the emergence of the Internet of Everything (IoE), in which all things are connected, and other trends are making it essential for companies to process big data at high speeds and support a range of data formats. Fujitsu is working to develop next-generation cloud platforms using cutting-edge technologies such as SDN and massively distributed processing. To this end, we have established a dedicated unit to bring together members of both the SI and platform business departments under the same roof. The new unit will apply Fujitsu’s strengths in customer- and application-centric approaches in developing the platforms.

• Respond to diverse needs through cloud integration
• Systematize products and offerings through FUJITSU Cloud Initiative

<table>
<thead>
<tr>
<th>Modernization</th>
<th>Business Innovation</th>
<th>Social Innovation</th>
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<tbody>
<tr>
<td>Mission-critical systems</td>
<td>Web Meeting</td>
<td>Transportation/Automobiles</td>
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<td>Information systems</td>
<td>CRM</td>
<td>Food/Agriculture</td>
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<td></td>
<td>EC</td>
<td>Health/Medicine</td>
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**FUJITSU Cloud Initiative**

Cloud Integration (optimal selection, combinations, integrated monitoring and operations)

Abundant Cloud Offerings

SaaS: approx. 100 types; PaaS: 10 types; IaaS: 5 types
Mobile Business Strategy

In the mobile business, we are focusing on demand from enterprises, which offers strong prospects for growth and profitability.

The market for mobile solutions for enterprises is expected to expand rapidly. New applications are envisaged for mobile technology in a variety of settings, and Fujitsu will enhance its platforms to support them.

Fujitsu provides products and services based on vertically integrated solutions by fully harnessing its strengths in being able to provide everything from devices to applications and services. In fields such as insurance and education, we customize devices and services to provide solutions for numerous customers. Furthermore, by offering service platforms that link a variety of mobile applications and devices, Fujitsu is working to create an ecosystem of application developers for mobile solutions, in addition to increasing customer convenience.

Furthermore, Fujitsu provides integrated support from networks to devices in order to facilitate the use of mobile solutions in business. At the same time, we are working to stimulate demand by offering tiered billing plans that are easy for enterprises to adopt. Our goal is to consistently meet the increasingly diverse needs of enterprises.

Looking ahead, we envisage a dramatic increase in the number of things that will be connected over networks, along with increasing diversity in the kinds of mobile devices. Having positioned sensors, embedded systems, wearables and other items as “next-generation front-end interfaces,” we will focus on these fields as the next growth area for our ubiquitous solutions business.

• Expand business by meeting enterprise needs through vertical integration and customization
• Systematize products, offerings though FUJITSU Mobile Initiative

Strategies for the Big Data Business and Security Business

In the big data business, Fujitsu will provide the advanced technologies needed by customers to utilize big data, such as parallel distributed processing, complex event processing, and data mining. At the same time, we will strengthen solutions in fields where corporate needs are high, such as digital marketing, manufacturing, and maintenance support.

Besides enhancing advanced analytic software and appliances that support real time decision-making at the frontlines, Fujitsu will also provide experts called “curators,” who have advanced data analysis skills, to help customers use big data according to their objectives. Last year, we opened the Big Data Initiative Center to promote collaboration with customers, partners, and start-up companies in pursuit of optimal solutions for using big data.

In the security business, Fujitsu will offer optimal security policies and solutions tailored to each situation based on three core technologies: enhanced authentication platforms, privacy protection, and security.
intelligence. We will also assist with the management of safe, secure ICT environments to help safeguard customers' business continuity.

In January 2014, we opened the Security Initiative Center to verify the reliability of information and adequacy of security measures. Besides providing solutions based on security measures and operational know-how, Fujitsu will support customers with a full-fledged support organization by increasing the number of security engineering specialists to 700. This will ensure that we can maintain an ICT environment that is always safe from threats such as increasingly sophisticated cyber attacks.

System Integration

System integration is one of Fujitsu’s signature strengths. We will reshape our system integration services into a form that better meets the needs of the new era.

We will therefore need to take a different approach to system development in innovation areas compared to our approach to development of large-scale systems in the past. Accordingly, in addition to the existing Waterfall Modeling development, we will enhance Agile Modeling development, an optimal method for flexibly expanding business in innovation areas.

Looking ahead, we will strive to systematize integration by focusing on process, methodology and system integration infrastructure. The goal is to deliver optimal system development solutions to suit our customers’ applications.

We will expand our integration capabilities to support information systems businesses that utilize big data, mobile usage, and an operations environment tailored to the cloud era, while making effective use of our customers’ existing ICT assets through modernization. In May 2013, the Integration Services group was established as a newly integrated organization to tackle this task.

This group brings together experts in the fields of software, networks, and operations in addition to field system engineers well versed in customers’ systems and operations. These experts will work in concert to provide customers with integrated services.

Expand into New ICT Usage Areas
— Social Innovation

The expanding use of ICT into areas beyond conventional business fields represents a significant opportunity for growth. To seize on this opportunity, we will work to achieve social innovation. Fujitsu will develop initiatives that help to solve social issues as a business by focusing on healthcare, transportation, agriculture, and other fields.

Exploring the Field of Next-Generation Medical Care

In the field of healthcare, ICT is being used not just for medical record systems and medical accounting systems, but is expanding far afield to genome-related and drug discovery fields as well. Fujitsu has been providing medical accounting systems since the 1970s, and currently holds the top share in Japan’s medical record systems market with a 49% share in academic medical centers and a 34% share in all hospitals. We have also successfully
created regional medical networks that link multiple medical institutions, based on our track record of developing medical information systems over many years. In other areas, Fujitsu has deployed its medical cloud "HumanBridge" to 24 organizations nationwide. "HumanBridge" enables sharing of clinical information and mutual data backup in the event of a disaster.

In addition, in December 2013 Fujitsu established the Future Medical Care Center. The purpose of the center is to fully leverage ICT to create new businesses in areas such as health promotion, prevention of serious diseases, drug discovery, and personalized medicine. We collaborate on this with cutting-edge research laboratories and medical practitioners. Working closely with hospitals, universities and research institutions, government institutions, pharmaceutical companies, and others, Fujitsu seeks to make a significant contribution to shaping the future of medical care and forming a healthy society.

Exploring the Field of Next-Generation Transportation

In the transportation field, Fujitsu is advancing initiatives to enable automobiles to utilize information over networks.

The global automobile market is growing dramatically, led by emerging countries. To capitalize on this growth, Fujitsu is working intensively on ICT for automobiles. We are advancing Vehicle ICT to link cars and society using the ICT capabilities that we have developed over many years.

Through monitoring of vehicle status and other means, we intend to provide new value by, for example, improving fuel economy, providing fault diagnostics, and forecasting the useful life of consumable parts. We are also looking at ways to help alleviate traffic congestion and provide a common platform for providing services based on the vehicle’s current location.

One key strength of Fujitsu in Vehicle ICT is its formidable security capabilities, which are an essential component of ICT. The prospect of driverless cars enabled through cloud-based systems is now very real, and there have already been hacking incidents targeting onboard automobile servers in the U.S. Automakers can no longer turn a blind eye to security issues.

Establishing robust security could also enable the creation of new business models. For example, car sharing services could be made accessible by simply registering one’s tablet. Fujitsu will continue working to develop a “smart vehicle” as it contributes to the advancement of business and society in general.

Initiatives in Food and Agriculture

In the agriculture field, Fujitsu began providing the Akisai food and agriculture cloud service in 2012, based on continuous field trials with agricultural companies since 2008. Our aim was to contribute to a future of abundant food by applying the power of ICT. Today, this business has expanded to the point where the Akisai food and agriculture cloud is used by over 200 organizations, including not just agriculture companies, but also retailers and logistics companies, local governments, and agricultural cooperatives.

Furthermore, as an in-house initiative, in May 2014 Fujitsu began selling “low potassium lettuce” grown in a Fujitsu Group plant factory. We hope that this initiative will serve as a model for new entrants seeking to enter the agriculture business and contribute to the revitalization of local industry.

Agriculture is a field that will continue to expand globally.

To solve the food shortage problems arising from global population growth, the agriculture sector will need to make dramatic productivity improvements by implementing “smart agriculture,” a new technology-driven agricultural production model. Japan’s agricultural sector possesses extremely advanced technologies, and Fujitsu aims to reinvent smart agriculture by integrating these technologies with ICT, robotics, and energy technologies. At the same time, Fujitsu is working with the Japanese government and companies involved in this sector, to play a key role in exporting this agriculture model from Japan to other countries.
Expand Business Areas Globally

Standing on the threshold of the cloud computing era, our customers’ needs for global ICT services are increasing at an ever faster pace. That is why strengthening the overseas business structure has become a key priority for Fujitsu. We established a global matrix structure in 2012 and have been pushing ahead with globalizing our operations. Until now, we had a separate organization in place to manage our international operations. In April 2014, however, we abolished the “International” category and reorganized our global operations into five regions. Under this new organizational structure, we will work to further increase collaboration on a global scale, including Japan.

Additionally, we established the Global Delivery group. Specifically, we will promote the global provision of uniform services centered on managed services and innovation solutions.

To strengthen global delivery capabilities, we will establish and expand global services locations. We will also establish globally standardized tools and platforms for providing services.

To achieve these priorities, we are initiating development investments, training and infrastructure development, and examining M&As.

As an example of how we are developing managed services, we helped a financial services organization outside Japan switch 50,000 PCs to thin client terminals. Through managed services in 20 countries around the world, including consulting on deployment, we are helping to enhance the global competitiveness of this customer.

Business deals like these are increasing rapidly in number. By reinforcing our global delivery structure, we are preparing to steadily meet this growing demand.

We will be focusing on the ASEAN region as a promising growth market.

We expect the ASEAN region to continue further economic development following the inception of the ASEAN Economic Community in 2015, in addition to the economic growth of the individual ASEAN countries. Working closely with governments and related organizations, Fujitsu will contribute to the development of social infrastructure in each country based on solutions that have a proven track record in Japan.

Fujitsu opened an office in Myanmar. We are using ICT to support Japanese companies’ accelerating expansion in the ASEAN region, and are also stepping up efforts to expand markets for made-in-Japan solutions in the region.

Starting in fiscal 2014, Fujitsu is voluntarily adopting IFRS for its consolidated financial statements. Outside of Japan, the Fujitsu Group has expanded its business across the globe, to regions such as Europe, the Americas, and Asia. As the importance of its business outside of Japan grows year by year, IFRS, a single, uniform accounting standard for Group companies, including those based outside of Japan, will enable coherent business management in and outside of Japan. Moreover, by implementing IFRS-based business management as the management platform for Fujitsu as a truly global company, the Company will pursue greater efficiency to promote global growth and to increase its corporate value. In adopting IFRS, Fujitsu also seeks to facilitate international comparisons of financial information in global capital markets.

The figures in the medium-term management plan on the following page are calculated in accordance with IFRS.
4 Eyeing Further Growth, Together with Customers

In fiscal 2016, we are targeting Company wide operating profit of ¥250 billion, net profit of ¥150 billion or above, and free cash flow of over ¥130 billion. In Technology Solutions, we are targeting sales of ¥3,800 billion.

We will achieve growth by driving expansion in the cloud, mobile, big data, social, and other fields, in addition to expanding existing areas. We plan to grow sales at a faster pace overseas than in Japan. By reinforcing global delivery capabilities, we are targeting an increase in sales of just over ¥300 billion in the four regions outside Japan.

- Plan to invest ¥200 billion to achieve growth strategy

Strengthen global delivery capabilities

Modernization of existing business systems

Sales targets for products and services supporting innovation*

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<tr>
<td>Cloud</td>
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<tr>
<td>Mobile</td>
<td>¥260 billion</td>
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<tr>
<td>Big Data</td>
<td>¥250 billion</td>
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<tr>
<td>Social</td>
<td>¥240 billion</td>
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* Sales based on business deals (includes double-counting among categories)

We will also actively execute investments in order to achieve our growth strategy. To achieve business innovation, we will execute development investments centered on next-generation cloud platforms, big data, and mobile initiative. To achieve social innovation, we will help to solve social issues through product development investment and M&As in new fields such as next-generation medical care and transportation. We will push ahead with the development of tools and human resource training to strengthen the expansion of solutions globally. We will also eye M&As. Even as we proactively execute investments, we aim to attain steady earnings growth by fiscal 2016.

- To realize a Human Centric Intelligent Society, Fujitsu will work with customers to generate innovation in business and society

Fujitsu will work to generate innovation in business and society in order to realize a Human Centric Intelligent Society. We will leverage our strengths in being able to support vertically integrated solutions spanning ICT infrastructure, business platforms, next-generation front-end interfaces, and other fields, as we work to create an open ecosystem.

We will strive to achieve sustainable growth and increase our corporate value.