Initiatives toward Medium-Term Growth

December 3, 2014
Masami Yamamoto
President
Fujitsu Limited
Looking Back on the First Half of Fiscal 2014
<table>
<thead>
<tr>
<th>Services</th>
<th>(Billion Yen)</th>
<th>2Q FY2014</th>
<th>Change vs. 2Q FY2013</th>
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*Comparison with earnings projections announced July 30, 2014

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*Comparison with earnings projections announced July 30, 2014
Full-Year Earnings Projections for Fiscal 2014

*Figures for FY2011-2012 presented in accordance with Japanese accounting standards*
Growth Strategy:
Expanding into New Business Areas
Framework for Growth Strategy

1. Expand ICT usage areas for enterprises
2. Expand into new ICT usage areas
3. Expand business areas globally

Social innovation
Business innovation
Modernization of existing business systems
Examples of Initiatives in Business Innovation Field

- Transforming business front lines through use of Big Data
- Focusing on ICT usages that can directly contribute to customers’ sales and profit

Marketing innovation
- Omni-channel utilization
- Social media analytics
- O2O (Online to Offline)

Work style innovation
- Frontline use of smart devices
- BYOD (Bring your own device)
- Integration of communication platforms

Manufacturing innovation
- Virtual reality simulations
- 3D printing
- Big Data utilization in production lines
Progresses in Business Innovation Field

- Business wins leveraging Fujitsu’s comprehensive strengths and partnerships

**Marketing innovation**

- Sophisticated marketing, etc.
- 500 Big Data business deals per year

**Work style innovation**

- Global communications platform
- Cumulative 1 million users

**Manufacturing innovation**

- Consulting, virtual reality, etc.
- 200 business deals per year
Examples of Initiatives in Social Innovation Field

- Develop initiatives that, as a business, resolve societal problems
- Deliver new value through partnerships with variety of companies, organizations

Health & Medical Care

- Enable medical services tailored to individual needs

Transportation & Vehicles

- Develop new services using positional data

Food & Agriculture

- Build safe and secure food value chain
Progresses in Social Innovation Field

- Concrete results, a steady stream of business deals

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<th>Health &amp; Medical Care</th>
<th>Transportation &amp; Vehicles</th>
<th>Food &amp; Agriculture</th>
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<tbody>
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<td>Regional medical network (HumanBridge)</td>
<td>Information on roads that require caution based on vehicle data</td>
<td>Cloud (Akisai)</td>
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- Adopted by over 30 regional networks throughout Japan
- Used by 6 regional trucking associations in Japan; Provided to regional governments (from September 30)
- Used by over 200 organizations in Japan, also in Turkey, Vietnam
Mobile Business Strategy

- Position as a human interface in business innovation, social innovation

**Business Innovation Example:**
Further enhancing sales capability by transforming workstyle

**Fukuoka Financial Group**

**Delivering security and convenience through comprehensive strengths in smart devices, networks, and systems**

- Tablets with biometric authentication (customization)
- Mobile authentication services
- Secure networks
- Remote data deletion if lost or stolen
- 24-hour monitoring and operations from Fujitsu's center
Security Initiatives

- Enhance customer support in the area of cyber security

Trend in number of security business deals

(Year)

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<th>FY 2013 First Half</th>
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191% increase

Security Initiative Center
Changes to Organizational Structure

- Reorganized previous “Japan” and “International” categories into five regions
- Reorganized and strengthened Global Delivery group to enhance products and services for global market

True Partnership with Customers

Vertical Integration

Strengths

Customer Lines

Global Delivery

Integration Services

Service Platform

Global Marketing

Global Corporate

Japan

EMEIA

Americas

Asia

Oceania
Strengthening Global Delivery Capabilities

- Expanding global provision of uniform services and solutions
- Managed services, innovation solutions

1. Build and expand global services locations
2. Global standardization of tools, platforms
3. Enhance global products, solutions

1. Development investments
2. Human resource development and training
3. Upgrade internal IT infrastructure for global uniformity
4. M&A
Results in Global Delivery Field

- Capabilities cultivated in Japan expanded into other countries

<table>
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<tr>
<th>Science</th>
<th>Financial Services</th>
<th>Transportation</th>
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<tbody>
<tr>
<td>King Abdulaziz University (Saudi Arabia)</td>
<td>CaixaBank (Spain)</td>
<td>PT. Marga Utama Nusantara (Indonesia)</td>
</tr>
<tr>
<td>Deployment of HPC systems and service solutions</td>
<td>Order for 8,500 smart ATMs, remote operation monitoring services</td>
<td>Use of SPATIOWL traffic information service</td>
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</table>
Platforms for Generating Innovation

- Leveraging Fujitsu's systems engineering expertise to build and deliver high value-added cloud platforms that bring together Fujitsu's capabilities in middleware and networks.

Integration Pattern

- Systems integration know-how, internal implementation experiences

Next-generation PaaS

- Uniform services, application development platforms, cloud-management platforms

Distributed processing/scaling out

Next-generation IaaS

Digital Business Platform

SoR (Systems of record)

SoE (Systems of Engagement)

Amazon, Google, salesforce, Windows Azure

Third-party IaaS/PaaS
Initiatives to Create New Business in the IoT Field

- Launch of IoT platform (announced November 13)
  - Create new businesses with customers, form global ecosystem
  - Create comprehensive value, including networks, the cloud and applications
- Active involvement to create industry standards
  - Participating as steering-committee member in IIC*

* IIC: Industrial Internet Consortium

Jointly created businesses and ecosystem

Variety of businesses (customers)
Universities/research institutions

IoT model (reference models)

Applications
Big Data software
IoT platform (testbed)

Sensors and devices

Software developers
Device manufacturers

Partners

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* IIC: Industrial Internet Consortium

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Example of Initiatives in IoT Field

- Conducting field trials in wide range of areas where innovation is expected from IoT

**Smart city**
- Monitor and control LED streetlights
  - Kaga, Inc.

**Health**
- Monitoring of elderly and supporting independent lifestyles
  - INSIGHT, CASALA*1 (Ireland)

**Manufacturing**
- Internal implementation of Smart Factory
  - Fujitsu I-Network Systems, Cisco Systems G.K., smart-FOA Co

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*1 INSIGHT: A research center established by Science Foundation Ireland
CASALA: Centre for Affective Solutions for Ambient Living Awareness (an experimental smart house equipped with sensing environments)
Initiatives for Next-generation Networks

- Building on datacenter virtualization, support for virtualization among multiple datacenters
- Strive to enable network-wide distributed computing for the emerging cloud and IoT era

Datacenter virtualization

Virtualization of multiple datacenters

Network-wide distributed computing

Datacenters

Wide-area network

Front-end

SDN

Increase in devices

Increase and diversification of devices

Partnersing with Amdocs to Provide Network Solutions to Telecom Carriers (announced Oct 2014)
Next-Generation Supercomputer Initiative

- Leader in the HPC area for over 30 years
- Participating in the development of basic design for a “post-K computer” in the Flagship 2020 Project driven by MEXT/RIKEN

FUJITSU Supercomputer
PRIMEHPC FX100

Flagship 2020 Project
Priority issues
- Realize a healthy and long-lived society
- Disaster prevention and the environment
- Energy
- Strengthen industrial competitiveness
- Promote basic science, etc.
Sales Targets and Investment Plan
Investments in New Areas  (Cumulative FY2014-2016)

Plan to invest 200 billion yen to achieve growth strategy

- Strengthen global delivery capabilities
  - 50 billion yen

- Social innovation
  - 50 billion yen

- Business innovation
  - 100 billion yen

- Modernization of existing business systems
Sales Targets on Innovation Fields

Make the innovation field a pillar of revenue in FY 2016

- **Cloud**: FY 2013: (billion yen), FY 2014: (billion yen), FY 2016: (billion yen) = 350
- **Big Data**: FY 2013: (billion yen), FY 2014: (billion yen), FY 2016: (billion yen) = 250
- **Mobile**: FY 2013: (billion yen), FY 2014: (billion yen), FY 2016: (billion yen) = 260
- **Social**: FY 2013: (billion yen), FY 2014: (billion yen), FY 2016: (billion yen) = 240

*Sales based on business deals (includes double-counting among categories)*
Medium-Term Targets

- Achieve profit growth while expanding investments

**Based on IFRS**

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<th>Financial Year</th>
<th>Operating Profit</th>
<th>Profit for the Year*</th>
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<td>FY 2013 (Actual)</td>
<td>147.2</td>
<td>113.2</td>
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<tr>
<td>FY 2014 (Forecast)</td>
<td>185.0</td>
<td>125.0</td>
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<td>FY 2016 (Target)</td>
<td>250.0</td>
<td>Over 150.0</td>
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| FCF | 46.6 | 80.0 | Over 130.0 |

*Profit attributable to owners of the parent company
Cautionary Statement

These presentation materials and other information on our meeting 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. Words such as “anticipates,” “believes,” “expects,” “estimates,” “intends,” “plans,” “projects,” and similar expressions which indicate future events and trends identify forward-looking 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 the major geographic markets for Fujitsu’s services and products, which are the United States, EU, Japan and elsewhere in Asia, particularly as such conditions may effect customer spending;
- rapid technological change, fluctuations in customer demand and intensifying price competition in the IT, telecommunications, and microelectronics markets in which Fujitsu competes;
- Fujitsu’s ability to dispose of non-core businesses and related assets through strategic alliances and sales on commercially reasonable terms, and the effect of realization of losses which may result from such transactions;
- uncertainty as to Fujitsu’s access to, or protection for, certain intellectual property rights;
- uncertainty as to the performance of Fujitsu’s strategic business partners;
- declines in the market prices of Japanese and foreign equity securities held by Fujitsu which could cause Fujitsu to recognize significant losses in the value of its holdings and require Fujitsu to make significant additional contributions to its pension funds in order to make up shortfalls in minimum reserve requirements resulting from such declines;
- poor operating results, inability to access financing on commercially reasonable terms, insolvency or bankruptcy of Fujitsu’s customers, any of which factors could adversely affect or preclude these customers’ ability to timely pay accounts receivables owed to Fujitsu; and
- fluctuations in rates of exchange for the yen and other currencies in which Fujitsu makes significant sales or in which Fujitsu’s assets and liabilities are denominated, particularly between the yen and the British pound and U.S. dollar, respectively.