

INITIATIVES BY REGION

Japan

MARKET DATA

Graph 01

SHARE OF 2013 IT SERVICES MARKET SALES IN JAPAN (REVENUE BASIS)

| | | |
|---|----------------|--------------|
| 1 | Fujitsu | 12.8% |
| 2 | Company A | 8.7% |
| 3 | Company B | 8.5% |
| 4 | Company C | 8.4% |
| 5 | Company D | 6.4% |
| 6 | Others | 55.2% |



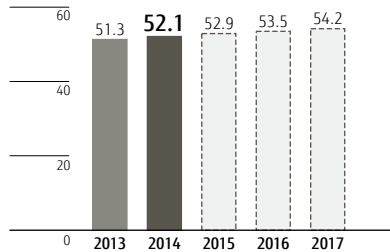
(Source: Gartner, "Market Share: IT Services, 2013" 31 March 2014)

* Chart created by Fujitsu based on Gartner data

Graph 02

IT MARKET FORECASTS (JAPAN)

(Billions of U.S. dollars)



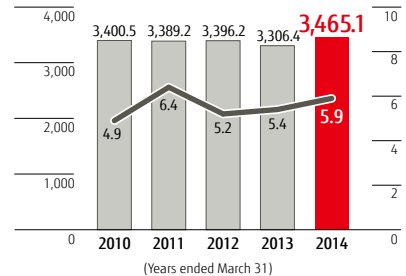
(Source: IDC, May 2014 "Worldwide Black Book Query Tool, Version 1, 2014")

FUJITSU DATA

Graph 03

NET SALES* AND OPERATING INCOME MARGIN

(Billions of yen)



■ Net sales (left scale)
— Operating income margin (right scale)

* Including intersegment sales

MARKET TRENDS

The Japanese IT market is expected to contract by 1.0% year on year in 2014.

In 2013, the IT market grew by 3.4% from the previous year. In addition to economic recovery owing to the effects of the government's economic policies and the yen's depreciation, growth came atop PC replacement demand triggered by the end of support for Windows XP, and a surge in demand ahead of an increase in Japan's consumption tax. In contrast, the IT market is set to decline slightly in 2014, reflecting the absence of growth drivers from the previous year.

While causes for concern persist, among them temporary weakness in consumer spending as a result of the consumption tax increase, and rising prices for imported raw materials due to a weaker yen, the ongoing recovery in ICT investment in the manufacturing, distribution, and financial industries is expected to remain as strong as in the previous year. In the public sector, investment is growing to build out shared infrastructure, to implement systemic reforms, and to enhance system convenience. The healthcare sector, meanwhile, is seeing increased links between different regional healthcare networks.

Amid these trends, Japan's server market is expected to undergo a year-on-year 10% contraction. This downturn will likely stem from decreasing demand due to several factors, including demand for large-scale upgrades in the mainframe market having mostly run its course in the previous year, a shift in recent years from UNIX servers towards x86 servers, and server integration. Although growth is forecast to continue from the previous year in the x86 server market, looking at the overall server market there is a trend toward contraction due to the impact of declining demand for large

servers, coupled with falling prices. Given such movements in the market, Fujitsu anticipates that ICT expansion into new domains will work to offset contraction in existing markets.

The PC market is expected to decline 13.9% year on year, with a projected decrease due to the absence of replacement demand associated with the end of support for Windows XP from the previous year partially offset by growth in the tablet market.

The IT services market is estimated to grow by 1.6% from the previous year, reflecting a modest recovery in IT-related investment atop ongoing recovery in corporate performance. Demand for the replacement of legacy systems ahead of future growth is rising, with expansion in systems integration and subsequent systems management outsourcing also projected.

Cloud-based services are also steadily becoming more widespread, and are partly responsible for market growth. Additionally, as new IT-based services that utilize big data emerge, the IT services market is widely expected to see modest but continued expansion.

INITIATIVES GOING FORWARD

Fujitsu will move this fiscal year from the structural reform phase executed through the previous term to a quest for new growth, including the pursuit of Human Centric Innovation. By merging the three key elements of "People, Information and Infrastructure," Fujitsu will enable customers to realize innovation. This can be seen in Fujitsu's powerful systems integration capabilities, as demonstrated by Fujitsu systems engineers, together with the creation of new value from information such as big data, the securing of information reliability, and high-quality servers, networks, datacenters, and upon this infrastructure, cloud-based

CUSTOMER SOLUTION PROFILE

METAWATER Co., Ltd.

Making Frontline Operations at Water Treatment Infrastructure More Efficient and Leveling Skills

METAWATER Co., Ltd. is a leading engineering company in the water and environment domain that holds a top share in mechanical and electrical machinery for drinking water and wastewater treatment infrastructure for local governments throughout Japan. The company's business domain also focuses on the design, manufacturer, installation, and operation and maintenance of facilities and equipment such as water purification and sewerage treatment plants.

METAWATER adopted the FUJITSU Software Interstage AR Processing Server since it has turned its attention toward using tablets and augmented reality (AR) to find solutions for combating the enormous cost and lack of experienced engineers that are expected to become obstacles when upgrading aging water and sewerage facilities across the country. Fujitsu's exclusively developed technologies have resulted in "AR markers" with high degrees of recognition, resilience against camera shake, and increased recognition speeds, all of which will raise frontline efficiency, the deciding factor in employing the system.

The newly introduced tablets and AR markers installed in workplaces enable engineers to identify areas and equipment requiring maintenance. Engineers can simply direct the tablet's camera toward an AR marker to view work methods, procedures, and notes relevant to an area or device overlaid on the tablet screen. Workplace observations or work information based on a technician's judgment can also be recorded using the tablets.

This system enables the work methods of seasoned engineers, backed by experience and feel for the job, to be collected, stored and linked to work areas as workplace images, footage and voice recordings through AR markers. Conventionally, seasoned engineers passed on their experience and expertise through such means as on-the-job training or paper manuals, but this system enables engineers to use the tablets at their workplace, which allows for an accurate technical transfer. The system also significantly reduces the time needed for training, and contributes to leveling skill standards. Using tablets to record highly detailed worker observations and work information based on technicians' judgments also promotes information sharing and increases the efficiency of work practices.

Looking toward the future, Fujitsu and METAWATER are working together and have launched verification tests to develop preventative maintenance methods employing failure symptom detectors by utilizing the analysis of operation data and big data from various types of sensors within water and sewerage facilities. Utilizing big data and wearable devices, such as head-mounted displays, can lead to upgraded and more efficient work performance.



Image: METAWATER Co., Ltd.

services. These are all part of the unparalleled comprehensive strengths that will drive Fujitsu's business.

In system products, specifically servers, Fujitsu will target sales growth by launching new mainframe computers and enhanced models of SPARC M10 UNIX servers. In x86 servers, by properly grasping which markets are growing and customer needs, Fujitsu will push ahead with capturing market share and promoting replacement of aged ICT assets. Fujitsu will also enhance efforts to expand sales in growth fields such as big data, cloud computing, and datacenters, viewing these as infrastructure supporting vertical integration models.

In network products, along with expansion in LTE coverage areas and the further deployment of base stations in line with increased throughput, the rollout of LTE-Advanced and 100Gbps packet-integrated optical systems is on the horizon. Fujitsu will push ahead firmly with business that can flexibly respond to increased network traffic as smartphones and other devices become mainstream. Fujitsu is also accelerating the development

of SDN and NFV for greater network sophistication, with the goal of entering new business domains that utilize networks.

In services, Fujitsu is seeking to streamline existing application assets and accelerate the deployment of "modernization" services for switching over to extended-use frameworks. Furthermore, by offering a coordinating interface with flexible combinations of more than roughly 2,400 cloud services, Fujitsu has raised the bar on its cloud integration capabilities. Depending on a customer's unique circumstances, Fujitsu cloud integrators, possessing high-level expertise and skill, can optimize cloud services as needed to find solutions for customers.

By leveraging our outstanding ability to provide a vertically integrated structure—from highly dependable, high-performance platforms such as networks, servers, and datacenters to upper-layer applications—we will lead the domestic ICT market by proposing new ICT possibilities to customers and doing our utmost to respond to customer expectations.

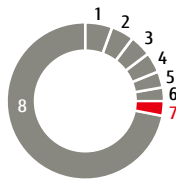
EMEIA Europe, the Middle East, India and Africa

MARKET DATA

Graph 01

SHARE OF 2013 IT SERVICES MARKET IN THE UK (REVENUE BASIS)

| | | |
|---|----------------|-------------|
| 1 | Company A | 5.6% |
| 2 | Company B | 4.8% |
| 3 | Company C | 4.5% |
| 4 | Company D | 4.2% |
| 5 | Company E | 3.2% |
| 6 | Company F | 3.0% |
| 7 | Fujitsu | 2.8% |
| 8 | Others | 72.0% |



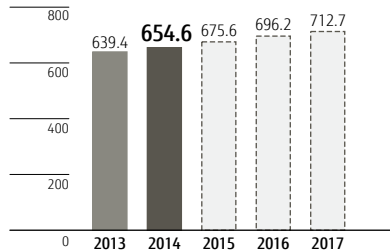
(Source: Gartner, "Market Share: IT Services, 2013" 31 March 2014)

* Chart created by Fujitsu based on Gartner data

Graph 02

IT MARKET FORECASTS (EMEIA)

(Billions of U.S. dollars)



(Source: IDC, May 2014 "Worldwide Black Book Query Tool, Version 1, 2014")

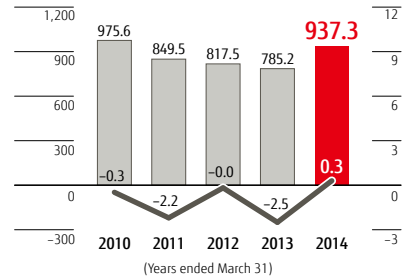
(EMEIA: Europe, the Middle East and Africa)

FUJITSU DATA

Graph 03

NET SALES* AND OPERATING INCOME MARGIN

(Billions of yen)



■ Net sales (left scale)

— Operating income margin (right scale)

* Including intersegment sales

MARKET TRENDS

Regarding economic trends in the EMEIA region, recovery in Germany is projected to remain on track, with domestic demand strong atop a robust employment and personal income environment, coupled with growth in exports. In France and Southern Europe, despite an emerging turnaround due to a brief pause in the region's worsening employment and personal income landscape, austerity measures and high unemployment are likely to constrain economic growth. In the UK, economic recovery continues apace, with rising share and home prices continuing to spur improvement in consumer sentiment. In the Nordic region, while economies are stagnant for now, gradual recovery in economic growth is anticipated. Graph 02

The forecast for the 2014 EMEIA IT market is year-on-year growth of 2.4%, roughly the same modest, but consistent, pace of 2.3% growth seen for 2013. The overall 2014 EMEIA IT services market is projected to grow by 2.9%—mild growth that is nonetheless on track to surpass growth of 1.2% in 2013. In the hardware market, while high-end servers will likely experience significant negative growth greater than the previous year, a substantial recovery in mid-range servers, along with a modest rebound expected in low-end servers, should partially counter this effect. Consequently, growth in the overall server market is projected to fall by 1.0%, compared to the decline of 6.7% in the previous year. In the storage market, while 2013 saw a year-on-year contraction of 3.3%, the forecast for 2014 is flat growth of 0.5%. In the PC market, the conventional PC market continued to contract. The market declined by 13.4% in 2013, and a year-on-year contraction of 5.1% is projected for 2014. Tablets and

e-book readers will likely fall short of the 40.4% year-on-year growth recorded in 2013 but the market is still projected to grow year on year by 8.1% in 2014.

INITIATIVES GOING FORWARD

From fiscal 2014, Fujitsu will promote operations in the EMEIA region under four regional categories— Central Europe; Western Europe, the Middle East, India and Africa; UK and Ireland; and the Nordic region.

In Central Europe and Western Europe, the Middle East, India and Africa, from 2013 we enacted structural reforms in step with a workforce reduction of roughly 1,500 people, and had completed over 90% of this task as of March 31, 2014. In tandem with targeted early completion of structural reforms in 2014, Fujitsu is undertaking initiatives to stimulate growth. Specifically, Fujitsu will continue to increase its emphasis on services within its business portfolio, which is mainly centered on products at present. In addition to bolstering HR development in services and solutions, we are leveraging our new global matrix management structure announced in April 2014 (see p. 21) to promote utilization of a globally standardized solution and services framework in a bid to expand the services business and achieve greater profitability. In the products business, along with shifting to a mix of products that support the services business and offer even higher added value, we will deepen business ties with Japan in pursuit of greater efficiency in development and operations.

In the Middle East, we are building a stronger market presence via efforts launched last fiscal year to introduce

CUSTOMER SOLUTION PROFILE

Balfour Beatty plc

Improving Efficiency and Productivity with End-to-end Fujitsu Solutions

Balfour Beatty plc is a multinational infrastructure group with capabilities in professional services, construction services, support services, and infrastructure investments. It operates in over 80 countries and employs over 40,000 people, working for customers in the UK, the US, South-East Asia, Australia and the Middle East.

Over the past decade, Balfour Beatty has experienced rapid growth both organically and through acquisitions. It has come from a large number of operating companies, each with an autonomous Managing Director and its own functional infrastructure. In order to collaborate more effectively across the business, the company wanted to find a more integrated approach to IT.

Under the terms of a multi-million pound, five-year contract, Fujitsu is to host and manage the company's data in a shared storage environment, using a combination of physical and cloud-based virtual datacentres. It will also provide managed desktop services and support for 14,500 users in the UK, across approximately 450 permanent locations and 450 temporary sites – supported by Fujitsu hardware.

The project will improve efficiency, customer centricity, and growth – and is enabling the business and its customers to operate in a much more informed, flexible, and agile way. By rationalising the server estate, Balfour Beatty is also driving down costs and significantly reducing its energy consumption. In addition, the move to Fujitsu desktop services has enhanced user experience and helped resolve incidents more quickly, thus boosting productivity.

"Fujitsu has the global reach, the service capabilities and, equally importantly, was a great cultural fit with our company. It had a high degree of empathy and understanding of what we wanted to achieve and that made it the ideal collaborator on this project."

-Kevin Craven, CEO, Services, Balfour Beatty



environmental solutions, High Performance Computing (HPC), and other solutions originally developed in Japan.

In India, Fujitsu is seeking to broaden support functions in the country, viewing it as an offshore base for supporting customers around the world, including in Japan. Along with reinforcing Group competitiveness, this move aims to attract more local business.

In the UK and Ireland, public sector projects have historically comprised the bulk of Fujitsu business, dating back to business targeting central government departments and other government-sector projects by Fujitsu Services Holdings PLC's forerunner International Computers Limited (ICL). However, due primarily to budget reductions for government and public agencies, we are shifting focus to demand from the private sector. Going forward,

we will target the IT security and financial sectors and financial institutions, aiming for expansion that optimally balances public and private sector demand.

In the Nordic region, last fiscal year we carried out structural reforms in Sweden that led to improved profitability. Looking ahead, in addition to continued support for overseas expansion by global corporate customers—highly represented in the region—in our key market of Finland, we will roll out proven solutions specifically for medium-sized companies, and will take steps to expand and grow business targeting the public sector market.

The Americas

MARKET DATA

Graph 01

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

| | | |
|---|----------------|--------------|
| 1 | Fujitsu | 25.4% |
| 2 | Company A | 23.3% |
| 3 | Company B | 20.7% |
| 4 | Company C | 7.5% |
| 5 | Others | 23.1% |

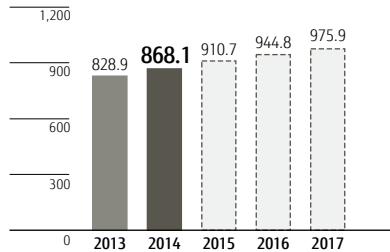


(Source: Ovum, Market Share Spreadsheet & Analysis: 1Q14 Global ON, May 2014)

Graph 02

IT MARKET FORECASTS (THE AMERICAS)

(Billions of U.S. dollars)



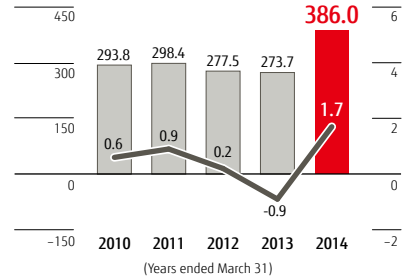
(Source: IDC, May 2014 "Worldwide Black Book Query Tool, Version 1, 2014")
(North and South America)

FUJITSU DATA

Graph 03

NET SALES* AND OPERATING INCOME MARGIN

(Billions of yen)



■ Net sales (left scale)
— Operating income margin (right scale)

* Including intersegment sales

MARKET TRENDS

Although rising interest rates accompanying a contraction in quantitative easing could potentially put downward pressure on the business climate, modest growth is projected for the US economy in 2014. Along with a rebound in consumer spending, the economy will likely benefit from an increasingly strong recovery emerging in the corporate sector, fueled by robust domestic demand, and a turnaround in overseas economies. Turning to South America, Brazil, which accounts for roughly half of the entire continent's economy, is expected to generate a certain level of special demand as it hosts the 2014 FIFA World Cup Brazil™ and Rio 2016 Olympic and Paralympic Games™. However, uncertainty continues to cloud the future of the Brazilian economy.

In a follow-up to firm year-on-year growth of 5.5% in 2013, the IT market in the Americas is projected to see year-on-year growth of 4.7% in 2014. The IT services market in North America is expected to post modest growth, led by emerging fields such as mobile and cloud computing, big data, and SNS. Growth is also projected for the IT services market in South America. Overall, the 2014 IT services market for the Americas is forecast to grow 3.1% from the previous year, continuing from the 2.7% year-on-year growth recorded for 2013. In the hardware market, it appears likely that negative growth in high-end servers will continue, whereas mid-range and low-end servers are expected to lead hardware expansion. Consequently, growth in the server market on the whole is projected to increase by 3.8%, recovering from a 2.5% decline in 2013. In the storage market, in a turnaround from a 1.2% decline in 2013, the forecast for 2014 is

growth of 3.4%. In the PC market, while 2013 saw a minor decrease of 0.2% in the conventional PC market, that downturn is expected to grow to 4.6% for 2014. By contrast, expansion in the tablet and e-book reader market is forecast at 20.1%, surpassing year-on-year growth of 11.9% recorded in 2013. The North American optical transmission market, meanwhile, is expected to continue its steady expansion, following up growth of 10.9% in 2013 with year-on-year growth of 7.3% for 2014.

INITIATIVES GOING FORWARD

In the Americas, we are working to expand business scale and improve our market recognition with Fujitsu America at the core of business operations. In North America, we have made progress in establishing a foothold for our infrastructure services business due in large part to major outsourcing business deals won in recent years, coupled with our first Tier 3 datacenter in Canada. Along these lines, we will continue to focus on strengthening and expanding our infrastructure services business for all of North America. In the US, while we have been working to provide services tailored mainly to corporate customers through three regional datacenters, in May 2014, we added two new sites, one on each coast. To meet the needs of Japanese companies expanding into the Americas, we will offer Japan-quality outsourcing services, together with the installation of private cloud infrastructure, to deliver highly reliable ICT services to our customers.

In the applications business, we aim to expand business and improve earnings. To this end, we will work to boost private-sector demand, and in central and western Canada, heighten our sales capabilities with respect to powerful package solutions

CUSTOMER SOLUTION PROFILE

British Columbia Ministry of Education

British Columbia (B.C.) Ministry of Education's New Student Information Service to Play a Pivotal Role in the Transformation of Learning Empowered by Technology

Fujitsu has entered into a 12-year agreement, valued at 87.3 million Canadian dollars, with the B.C. Ministry of Education to implement MyEducation BC, a new student information service for schools in British Columbia, Canada, based on an innovative technology platform from the Follett Corporation. The agreement with the B.C. Ministry of Education includes Fujitsu setting up, customizing and managing Follett's Aspen Student Information Service software application and the delivery environment, including hosting the common enterprise-level student information service across British Columbia. Furthermore, Fujitsu will train teams at all participating school districts on how to implement and maintain the service.

The secure, Web-based service is accessible through all browsers including mobile devices, and offers parents and students the ability to monitor progress, communicate with teachers and school staff and, if needed, submit assignments online. Teachers can collaborate across and between school districts, share learning tools and materials, and communicate with parents and students on an ongoing basis. The implementation of MyEducation BC began in the spring of 2014.

This new service "improves the ability of B.C. parents and teachers to follow and support students' educational progress – from kindergarten through to graduation," said the Minister of Education, Peter Fassbender. The service will be used by school districts, schools, teachers, parents and students to manage course and teacher scheduling, create report cards, support personalized learning while providing a single student record that will follow the learner from kindergarten to 12th grade.



from companies such as SAP, Oracle, Salesforce.com, and Microsoft. At the same time, we will promote cost reductions through greater standardization and efficiency via business integration and process improvement in the US and Canada.

In the platform products business, we will take steps to expand sales across the range of our products by assigning full-time server and storage staff to bolster sales capacity, and by continuing to utilize channel sales and promote cross-selling. In retail and distribution solutions, in order to flexibly and quickly meet customer demands, last year we developed an integrated software manufacturing-sales structure for self check-out systems, and released at the end of last year a software solution for point of sales (POS) products. We are currently planning for the introduction of next-generation POS, and strengthening our lineup.

In South America, Brazil has traditionally been the main market for our product sales and support businesses. Going forward, together with cultivating customers and expanding our customer base through the penetration of Fujitsu products in

other mission critical fields, we will focus on growing our new portfolio of offerings, led by cloud services. Furthermore, we intend to open new branches in other countries in Central and South America in a bid to expand our overall footprint in the region.

In North America's optical transmission systems market, the latest round of investment by communications carriers in the US-wide rollout of LTE network services has ended, but active investment is emerging in 100 Gbps optical transmission and the integration of optical transmission and packet processing as networks prepare for the shift to "All IP." Here, we will grow business by expanding sales of Fujitsu's 100 Gbps packet-integrated optical systems, made possible by our technological strengths in advanced fields.

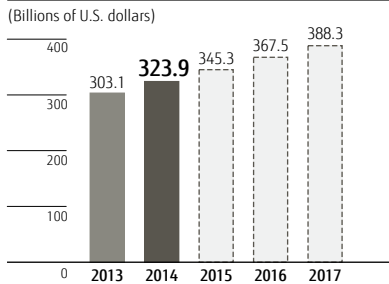
ASIA

* Asia: Excludes Japan

MARKET DATA

Graph 01

IT MARKET FORECASTS (ASIA)

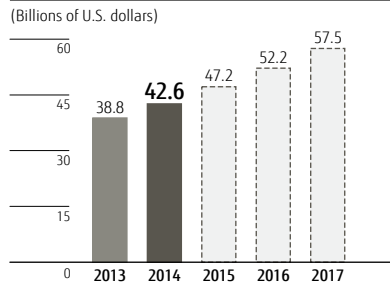


(Source: IDC, May 2014 "Worldwide Black Book Query Tool, Version 1, 2014")
(Asia: Excludes Japan)

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

Graph 02

IT SERVICE MARKET FORECASTS (ASIA)

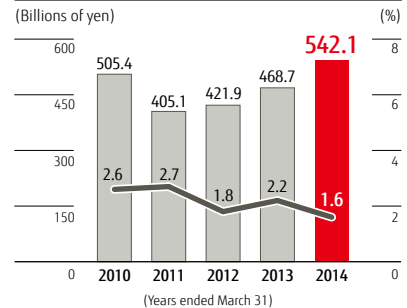


(Source: IDC, May 2014 "Worldwide Black Book Query Tool, Version 1, 2014")
(Asia: Excludes Japan)

FUJITSU DATA

Graph 03

NET SALES* AND OPERATING INCOME MARGIN



■ Net sales (left scale)
— Operating income margin (right scale)

* Sales, operating income margin for APAC and China, not all of Asia

MARKET TRENDS

Across Asia in 2014, economic trends point to growth beyond 2013 in most countries and areas, owing to a recovery in demand both in and outside the region. In external demand, an improvement in exports is anticipated due to ongoing recovery in the developed economies of the US and Europe. Similarly, demand within the region is set to mark moderate expansion overall. Likely drivers of this expansion are increased consumption, led by higher personal income and a growing middle class, corporate investment against a backdrop of anticipated acceleration in the pace of economic recovery and economic integration across Asia, and efforts to develop infrastructure.

The 2014 Asia IT market is expected to grow by 6.9% year on year, continuing from the firm 6.1% growth recorded in 2013. For the same period, the 2014 IT services market is projected to increase 9.8%, surpassing the strong 7.8% growth of the previous year. For the 2014 server market, while the market for high-end and midrange servers will continue to contract year on year, overall market expansion is anticipated, mainly atop the performance of the low-end server market. Consequently, the overall server market is projected to grow by 4.8% year on year, surpassing the 1.8% growth of 2013. Similarly, growth in the storage market is expected to accelerate to 6.9% over 2013, which saw modest 2.5% growth over the previous year. In PCs, the market for conventional PCs will continue to contract in 2014, as was the case in 2013. In the tablet and e-book reader market, while the pace of growth is likely to slow, continued market growth is projected for 2014. As a result, the overall PC market is expected to contract slightly by 1.4% in 2014, following a 2.9% decline in 2013.

INITIATIVES GOING FORWARD

Asia is home to a diverse range of countries that differ in many ways, including economic scale, culture, language, and religious practice. To address and solve the issues these countries face through ICT, Fujitsu focuses on each individual country, maximizing the insights and experience gained in Japan and other regions, and applies human resources and solutions to contribute to highly specialized fields, such as water management, the environment, healthcare, transportation, and cultural preservation.

The following are specific initiatives by Fujitsu in each region.

In China, the primary focus of Fujitsu business was previously Japan-originated companies (JOCs) with a local presence. In addition to these customers, the goal now is to expand business to customers in the government and public sectors, as well as local companies. In the government and public sectors, Fujitsu will help China solve pressing social problems by providing solutions honed in Japan to address issues with regard to the environment, transportation, and cultural preservation, including the archiving of ancient manuscripts. For local companies, Fujitsu will offer technology that helps make customers' businesses and products more competitive. Fujitsu will also aggressively respond to and expand business deals with customers from Germany, Taiwan, South Korea, and other countries looking to establish operations in China.

In South Korea, along with aiming to win more large-scale business deals that leverage Fujitsu's strengths in solutions for distribution and healthcare, we plan to expand sales in the Japan-originated solutions business, which has strong affinity

CUSTOMER SOLUTION PROFILE

DKI Jakarta Regional Disaster Management Agency

Leveraging Experience from Japan to Provide Disaster Information Management Solutions in Indonesia

Like Japan, Indonesia experiences frequent natural disasters including earthquakes, tsunamis, and floods. In Jakarta, regular flooding almost every year affects many people and impacts the local economy.

The manual disaster information management system at Jakarta's Regional Disaster Management Agency, BPBD DKI Jakarta, was unable to provide fast and accurate disaster mitigation and information, requiring five to seven days to gather critical information, and causing deployment delays at BPBD stations and headquarters. In addition, BPBD's online portal was often disabled due to overloaded server capacity, preventing citizens from accessing accurate information about disasters in real-time. BPBD DKI Jakarta therefore required an effective integrated disaster management system to manage regular flooding and other disaster issues in the region.

Fujitsu proposed its DIMS application as a solution. DIMS is an integrated system of hardware and software designed to accelerate the management of information during the disaster mitigation process. It combines Fujitsu's accumulated experience and knowledge of disaster mitigation systems used in Japan. The system's main functions are to transmit early warnings, make collection and provision of information more efficient, and assist swift decision making.

Fujitsu also developed BPBD's web portal to improve information dissemination and eliminate access issues, and will provide consultancy and support services, including high-speed response on technical support related to system and hardware maintenance.

DIMS has improved BPBD's response time significantly. BPBD is now able to provide more detailed information needed by other agencies in real-time and with high accuracy. As a result, coordination in the whole disaster mitigation process has become more effective and efficient.

"DIMS has helped BPBD DKI Jakarta in accelerating information management during the disaster mitigation process, particularly during the severe flooding that hits DKI Jakarta. Fujitsu's experience in providing DIMS for disaster management in Japan is a guarantee for us to implement a similar system in mitigating disaster in DKI Jakarta Province," notes Edy Junaedi, Head of Informatics and Controlling Division at BPBD DKI Jakarta.



Edy Junaedi, Head of Informatics and Controlling Division, DKI Jakarta Regional Disaster Management Agency

with South Korea. In the hardware business, Fujitsu will strengthen channel sales, and in addition to x86 servers and storage, will make concerted efforts, continuing from last year, to expand sales of the SPARC M10 UNIX server.

In the ASEAN region, Fujitsu has continued to record increased earnings in recent years, and efforts to build its business structure are ongoing. Looking forward, Fujitsu aims for sustained business growth by enhancing and expanding its solutions and services business, which have potential for growth in the region. As specific measures, Fujitsu will deploy highly specialized human resources to strategic fields such as healthcare, distribution, and social infrastructure, as well as business domains that can be expected to grow, such as cloud computing and datacenter businesses. With plans to focus on expansion of new

businesses and new business deals, Fujitsu is aggressively investing to this end. In the hardware business, Fujitsu is strengthening its channel sales, and will focus on sales growth, particularly in the countries of Indonesia and Malaysia.

In the Asian region, Fujitsu's growth is expected to surpass that of the market. With acquisitions and other large-scale investments on the horizon, Fujitsu will aggressively move forward with business expansion.

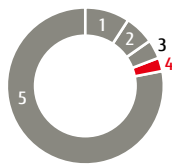
Oceania

MARKET DATA

Graph 01

SHARE OF 2013 IT SERVICES MARKET IN OCEANIA

| | | |
|---|----------------|-------------|
| 1 | Company A | 9.2% |
| 2 | Company B | 6.1% |
| 3 | Company C | 4.1% |
| 4 | Fujitsu | 2.8% |
| 5 | Others | 77.9% |

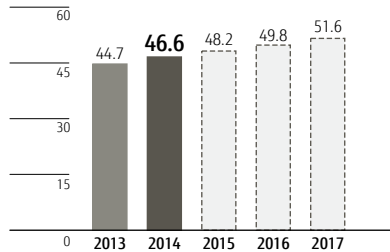


(Source: Gartner, "Market Share: IT Services, 2013" 31 March 2014)
(Oceania: Australia, New Zealand)
* Chart created by Fujitsu based on Gartner data

Graph 02

IT MARKET FORECASTS (OCEANIA)

(Billions of U.S. dollars)



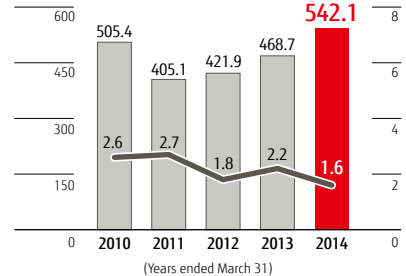
(Source: IDC, May 2014 "Worldwide Black Book Query Tool, Version 1, 2014")
(Oceania: Australia, New Zealand)

FUJITSU DATA

Graph 03

NET SALES* AND OPERATING INCOME MARGIN

(Billions of yen)



■ Net sales (left scale)
— Operating income margin (right scale)

* Including intersegment sales

MARKET TRENDS

The Australian economy is projected to recover modestly in 2014. In China, the main market for Australian exports, economic growth is likely to continue, if at a slower pace. This trend, coupled with an expected economic recovery in the US, Europe, and other developed countries and regions, depreciation of the Australian dollar, and other factors, is projected to spur export growth in Australia's stagnant manufacturing industry. The resurgence in exports is forecast to speed growth in consumer spending by sparking improvement in the country's employment and personal income landscape. In New Zealand, domestic and overseas demand is brisk. Rising personal income levels spurred by higher prices for dairy products, the country's main export, and demand stemming from earthquake disaster recovery efforts are leading to falling unemployment rates and growth in consumer spending. Consequently, economic trends in New Zealand are expected to hold firm in 2014. **Graph 02**

The IT market in the Oceania region is expected to grow by 4.4% year on year in 2014, compared to largely flat growth of 0.2% in 2013. In a follow-up to modest 1.2% year-on-year growth in 2013, the IT services market in 2014 is set to post stable growth of 2.2%. Turning to the hardware market, 2014 should see a rebound centered on mid-range servers despite the server market in 2013 having witnessed sharp declines across all categories, from high-end to low-end servers. Consequently, the overall server market is projected to see a dramatic turnaround, from a decline of 17.9% in 2013, to year-on-year growth of 11.5%

in 2014. Similarly, the storage market, which contracted 8.5% from the previous year in 2013, should mark growth of 4.8% in 2014. As for the PC market, while forecasts continue to project significant growth in the market for tablets and e-book readers, the conventional PC market will remain stagnant, likely leading to a slight year-on-year decline of 1.1% for the overall market.

INITIATIVES GOING FORWARD

In the Oceania region, Fujitsu is pursuing business development centered on managed services, SI/applications, and platforms, with Australia and New Zealand as key service markets.

Since 2010, we have moved to strengthen and expand managed services in Australia. In addition to new datacenters in the west coast city of Perth and in western Sydney, efforts have included the expansion of Fujitsu's Melbourne datacenter in 2012. Going forward, we remain committed to securing stable earnings through further expansion of our mainstay managed services business. Actions to this end will include investment for expansion of Fujitsu's datacenters outside of Sydney to better meet customer demand.

In SI/applications, as competition intensifies, we will train and reassign staff to improve sales force quality and boost efficiency through offshore utilization to sharpen our own competitiveness. We are also strengthening coordination among project management, assurance functions and other regions, and promoting measures designed to boost Fujitsu's market share in new solutions such as cloud services, virtual client services (VCS), and mobility.

CUSTOMER SOLUTION PROFILE**Meridian Energy****Joining the Top 6% in Fujitsu's Global ICT Sustainability Benchmark**

Meridian Energy is New Zealand's largest generator of renewable energy. It also retails power nationwide and generates approximately 30% of the country's electricity. Meridian owns and operates seven hydro power stations, one wind farm in the South Island, and three wind farms in the North Island.

Fujitsu has had a long-standing relationship with Meridian Energy and has worked closely with the company on sustainability initiatives, as well as a significant relationship for the delivery of critical ICT services.

Sustainability is a high priority for Meridian, and the company is continually looking for ways in which it can maintain its leadership position as one of New Zealand's most sustainable companies. Having already achieved significant energy efficiency savings across its business, the company was faced with the challenge of improving its sustainability performance even further.

The Fujitsu Consulting Sustainability team conducted an ICT sustainability assessment and developed a detailed strategy on how to achieve best practice in sustainable IT. Using knowledge from global benchmarking reports, Fujitsu's consultants were able to benchmark Meridian against similar companies across the world. Working with Fujitsu, Meridian implemented a number of initiatives to improve its position in relation to the global benchmark. A further benchmark assessment in August 2013 gave Meridian a score of 81.1, which places it in the top six percent of companies worldwide in Fujitsu's Global ICT Sustainability Benchmark.

Fujitsu also plays an important role in the operation of Meridian's ICT service delivery including service desk, end-user support, server support, storage and backup, database management, networks, voice communications, and project and procurement services.

Through initiatives such as partnering workshops, Fujitsu and Meridian have developed a shared vision for Meridian's ICT service delivery along with a regular partnering review for the future. Fujitsu is committed to working closely with Meridian to help drive successful business outcomes through continued provision of high levels of service.



In the platform business, we will enhance network and maintenance product-related services, increasing added value to highlight the general appeal of the Fujitsu brand. More than ever, we are determined to set Fujitsu apart by achieving higher customer satisfaction. Together with renewing existing large-scale business deals and winning new ones, we will work to maintain and improve our market share through a better balance of public and private sector business in both Australia and New Zealand.