

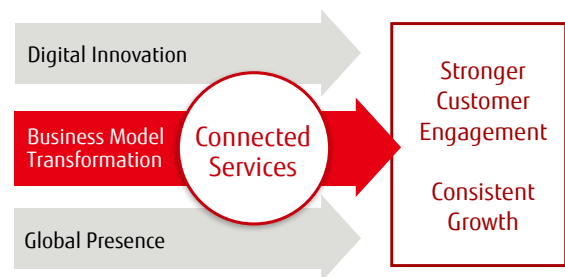
Part 1 Management Direction

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

FEATURE: MANAGEMENT DIRECTION

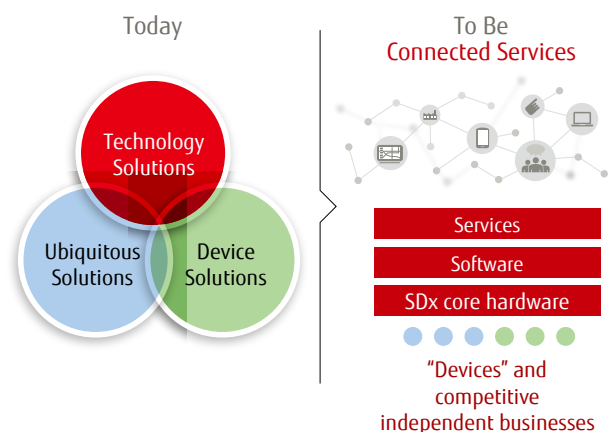
Target Business Model

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.



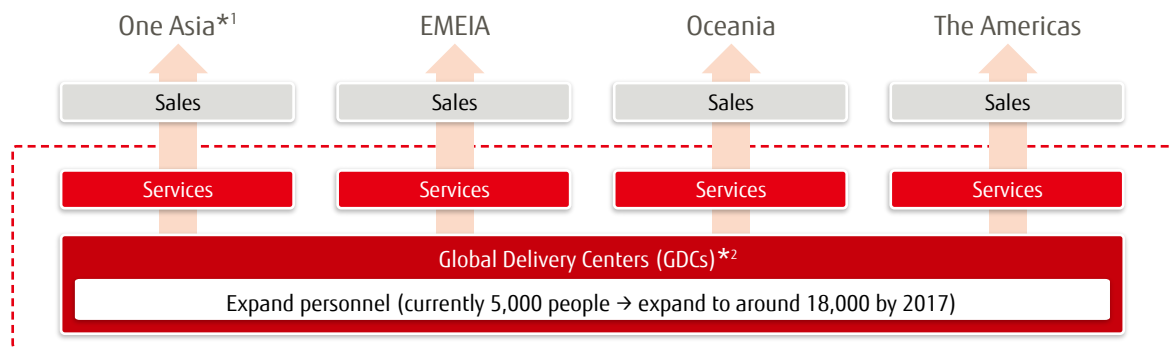
Unification of Japan and Asia Sales Organizations

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.



Optimization of service delivery costs through offshoring

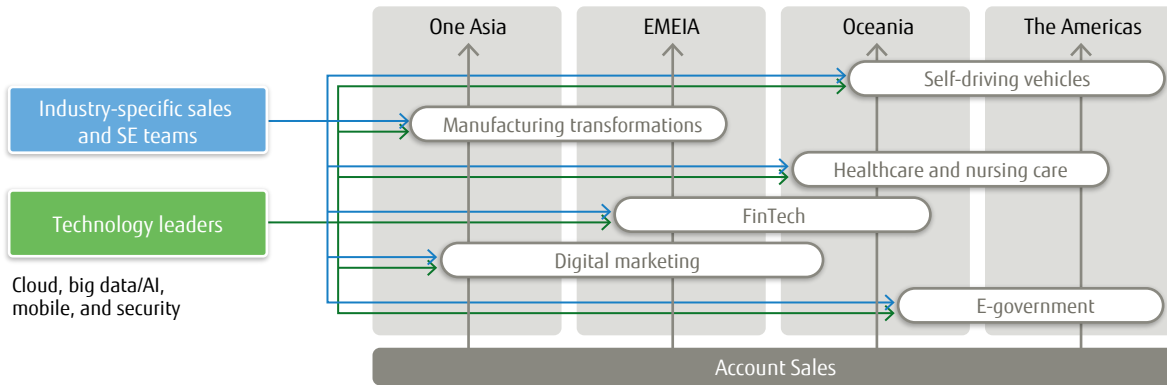
*1 One Asia: Japan & Asia region sales organizations

*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.

 Marketing about 60 projects	 Transportation about 40 projects	 Logistics about 30 projects	 Manufacturing about 30 projects
 Healthcare/Nursing Care about 30 projects	 Food/Farming about 30 projects	 Social Infrastructure about 20 projects	 Distribution about 20 projects

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

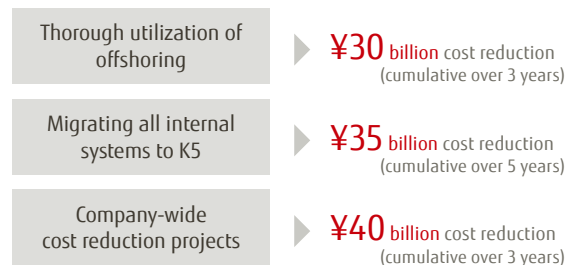
By increasing the number of global offshore employees and shifting resources within the Group, we aim to strengthen the GDC structure and reduce costs by a cumulative ¥30 billion over three years.

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.



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.



* 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.

