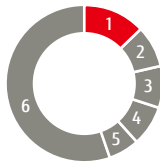


## Japan

### MARKET DATA

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

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

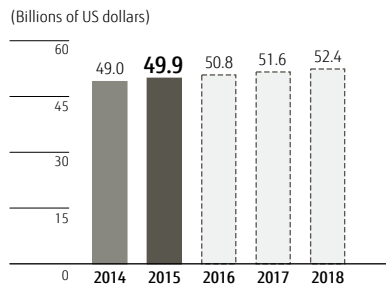


(Source: Gartner, "Market Share: IT Services, 2014" 31 March 2015)

\* Chart created by Fujitsu based on Gartner data

### MARKET DATA

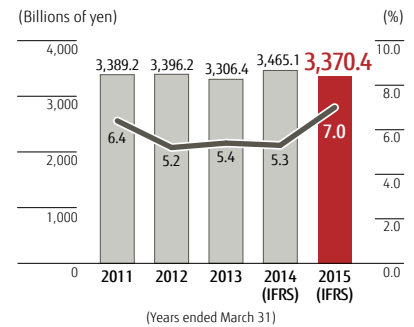
#### IT MARKET FORECAST FOR JAPAN



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

### FUJITSU DATA

#### REVENUE\*/OPERATING PROFIT MARGIN



\* 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.

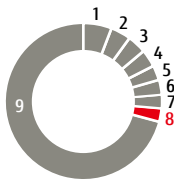
# EMEIA

## 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	<b>Fujitsu</b>	<b>2.7%</b>
9	Others	70.7%

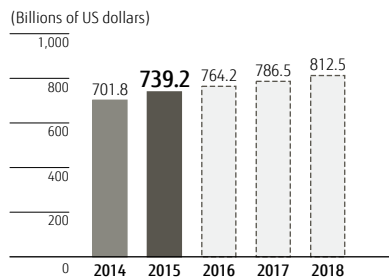


(Source: Gartner, "Market Share: IT Services, 2014" 31 March 2015)

\* Chart created by Fujitsu based on Gartner data

### MARKET DATA

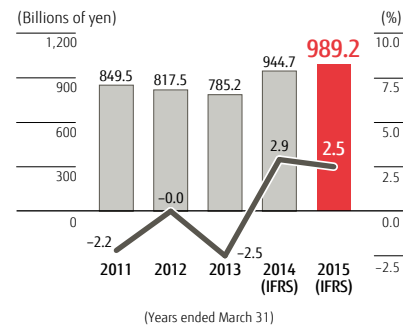
#### IT MARKET FORECAST FOR EMEIA



(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 EMEIA 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 EMEIA, 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)**

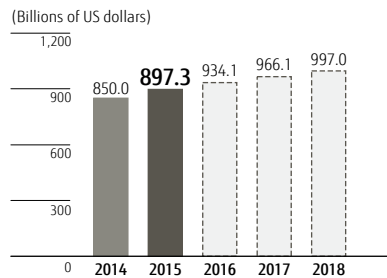
1	<b>Fujitsu</b>	<b>25.7%</b>
2	Company A	22.1%
3	Company B	18.4%
4	Company C	11.1%
5	Others	22.7%



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

**MARKET DATA**

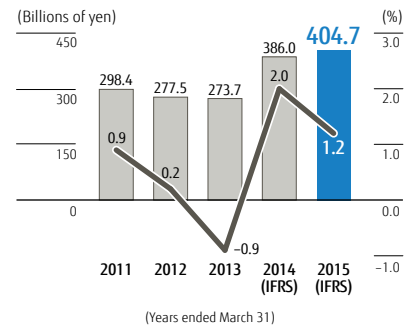
**IT MARKET FORECAST FOR THE AMERICAS**



(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.

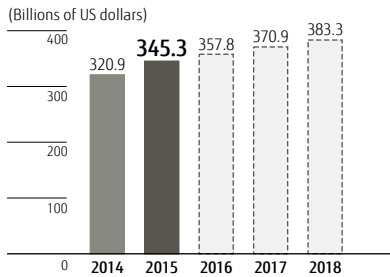
In South America, we will further deepen the product business in Brazil while continuing to shift towards the services business. Specifically in mission critical fields, we seek to deepen relationships with existing customers and expand the new customer base. In addition, we have recently been focusing 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

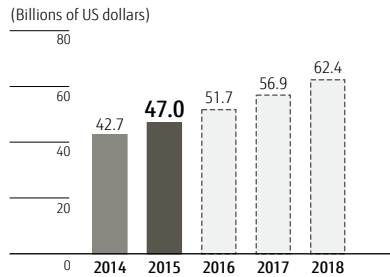
### IT MARKET FORECAST FOR ASIA



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

## MARKET DATA

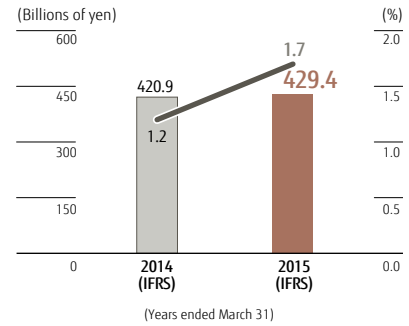
### IT SERVICE MARKET FORECAST FOR ASIA



(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.

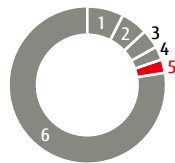
In addition to organic strategies such as these, we will keep M&A and other growth strategies in view and continue to drive business expansion in dynamically growing Asian markets.

# 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	<b>Fujitsu</b>	<b>2.6%</b>
6	Others	77.5%

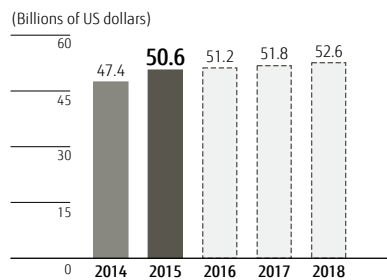


(Source: Gartner, "Market Share: IT Services, 2014" 31 March 2015)  
(Oceania: Australia and New Zealand)

\* Chart created by Fujitsu based on Gartner data

**MARKET DATA**

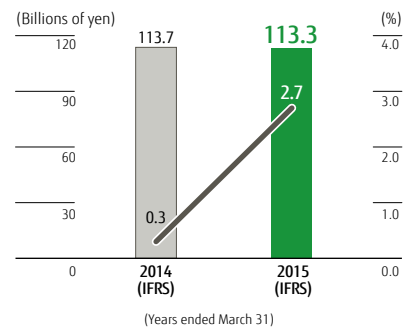
**IT MARKET FORECAST FOR OCEANIA**



(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.