

Business strategy

We are promoting four strategies under the 2023–2025 Medium-Term Management Plan (medium-term plan): a business model and portfolio strategy centered on Fujitsu Uvance, a customer success/ regional strategy to enhance customer engagement globally, a technology strategy to strengthen our competitive advantage in core technologies including AI, and a people strategy that will help improve productivity. By linking these four key strategies, we aim to build a model that helps us meet our financial and non-financial indicators, as well as achieve sustainable growth and higher profitability in the medium to long term.

Business model and portfolio strategy: Fujitsu Uvance

Fujitsu Uvance

Fujitsu Uvance is Fujitsu's portfolio of global business solutions for contributing to the realization of a sustainable world by creating new value in seven Key Focus Areas. Four of these are cross-industry areas for resolving societal issues, and three are supporting areas that provide a technological foundation. With Fujitsu Uvance, we changed our approach from developing products for conventional industries and operations to creating offerings that address societal issues. Combining the technologies that Fujitsu has developed over the years with our insights into various industries, we will connect processes and data that were divided across industries and stimulate cross-industry cooperation between companies and organizations to deliver completely new solution strategies and businesses. By realizing customers' sustainability transformation (SX), we can contribute to their growth while creating new markets that did not exist before, driving the Group's growth.

Vertical areas

We will contribute to the resolution of issues faced by the manufacturing industry as it moves into the future, such as ensuring resilient supply chains, transferring expert know-how, and expanding resource circulation with a view to achieving carbon neutrality.



Sustainable Manufacturing

We will create value that balances a sustainable society and new customer experiences, including supply chain optimization and the provision of individually tailored consumer services.



Consumer Experience

Through initiatives such as analysis of medical and healthcare data, and data-sharing by consumers, medical institutions, companies, and governments, we will contribute to an improved quality of life for people, including better-quality healthcare, promotion of preventative medicine, and acceleration of drug discovery.



Healthy Living

We will create communities and societies where people can live in peace and prosperity through projects such as efficient energy supply, building of safe and highly disaster-resilient cities, and the reduction of environmental impacts associated with mobility and transportation.



Trusted Society

Horizontal areas



Digital Shifts

We will accelerate business transformation and productivity improvements through our Work Life Shift (WLS) initiative, to expand the possibilities for autonomous workstyles and upskilling. Through data-driven management, we will realize decision-making based on real-time visualization of data.



Business Applications

By using major applications from companies such as SAP, Salesforce, ServiceNow, and Microsoft, and providing services that make use of them, we will support continuous and rapid strengthening of our customers' operations and services.



Hybrid IT

Our initiatives to ensure success in innovation include the efficient and secure management of IT infrastructure and the provision of computing power, such as high-performance computing and edge computing.

Example Sustainable Manufacturing

Companies are required to meet even stricter requirements related to the disclosure of environmental impact data, and concrete actions to realize a carbon neutral society and a circular economy are becoming increasingly important on a global level. In the materials production industry especially, there is an accelerating movement toward systemization of Life Cycle Assessment (LCA) for environmental impact throughout the product life cycle and the design of products using recycled materials. To capture the business opportunities presented by these trends, the Fujitsu Group and Teijin Limited have combined their accumulated technologies and expertise in a joint project to build a platform to enhance the environmental value of recycled resources. The platform merges the Fujitsu Group's blockchain technology with Teijin's LCA method to collect and trace primary data on environmental impact throughout the entire value chain, while providing highly reliable information on recycled materials. In this way, the two companies aim to popularize a business model that enhances the environmental value of recycling.

Example Digital Shifts

The Fujitsu Group's AI demand forecast service is trained on various data owned by companies, as well as on weather and other data, to predict customer traffic and sales volumes with high accuracy in order to accomplish data-driven management. TORIDOLL Holdings Corporation decided to adopt the service for its Marugame Udon noodle shops, which will enable it to plan staff allocation, ordering and purchasing quantities for ingredients, and optimization of shop air conditioning. By doing so, the company aims to reduce food loss, reduce energy usage, and manage its stores more efficiently.

In tandem with data-driven management, we are also drawing the attention of our customers with our WLS initiative, which promotes employee well-being and productivity gains. Work Life Shift 2.0 amalgamates the knowledge, implementation, and operational expertise that we have acquired through our own implementation. By providing it as a service, we support the renewal of our customers' human resource strategies and help them to increase employee engagement, while working with them to transform their organizations into platforms for innovation and growth.

Business model and portfolio strategy: Fujitsu Uvance



Yoshinami Takahashi

Corporate Executive Officer
SEVP, Head of Global Business Solutions,
in charge of Fujitsu Uvance

We started fiscal 2023 with a full lineup of all the offerings in our seven Key Focus Areas. In their development, we utilize the strengths of our powerful customer base in Japan. We first provide a partner customer with a minimum viable product—a prototype offering that has the minimum necessary value—and then rapidly reflect customers’ feedback in an agile development process. This process gives us the confidence that our offerings have high levels of functionality, usability, and marketability.

However, the offerings are never complete. We integrate insights gained from accumulated customer use cases, engage in joint development with strategic partners, and fuse the results with intellectual property (IP), centered on our own technologies, to further enhance the added value of our offerings by augmenting their functions. The acquisition of GK Software SE, including its versatile platforms and excellent engineers, will have significant impact on the future evolution of our offerings.

By providing offerings that enhance value for our global customers as on-cloud services, we aim to achieve high-profitability business scalability, and net sales in fiscal 2025 of ¥700.0 billion for Fujitsu Uvance.

<p>Progress up to fiscal 2022</p>	<ul style="list-style-type: none"> • Sales rose in Horizontal areas, mainly in Business Applications such as those provided by SAP, ServiceNow, and Salesforce, and in Digital Shifts offerings such as WLS. In fiscal 2022, overall revenue from Fujitsu Uvance was approximately ¥200.0 billion. • In addition to the above offerings, we launched a total of 24 offerings in the Horizontal area of Hybrid IT, as well as in the four Vertical areas, resulting in offerings in all seven Key Focus Areas.
<p>Priorities and key measures in the new medium-term plan</p>	<ul style="list-style-type: none"> • Expand standardization of offerings and establish a model for the provision of global common services. • Strengthen consulting capabilities in Vertical areas and delivery capabilities in Horizontal areas. • Jointly develop cloud solutions to achieve SX together with strategic partners and launch on the market. • Strengthen Consumer Experience offerings centered on GK Software, acquired in May 2023.
<p>Targets and KPIs</p>	<ul style="list-style-type: none"> • Based on fiscal 2022 sales performance, target ¥400.0 billion sales in Vertical areas and ¥100.0 billion in Horizontal areas, and total revenue of ¥700.0 billion by fiscal 2025. • Aim to increase the gross profit margin in Vertical areas to more than 40% by fiscal 2025. • Assuming sales expansion, capture a 5% share of the SX market, which is expected to reach ¥8 trillion globally by fiscal 2025. • Bolster the number of specialist personnel supporting delivery of Business Applications from 3,000 in fiscal 2022, to 8,000 in fiscal 2025. • Aim to achieve sales of ¥100.0 billion in the Consumer Experience area by fiscal 2025, centered on GK Software.

Business model and portfolio strategy: Fujitsu Uvance

Cross-industry deployment of offerings

One of the special features of Fujitsu Uvance is that it provides new cross-industry value. For example, without cooperation between the companies working in manufacturing, logistics, and retail, who constitute the supply chain, it is not possible to visualize CO₂ emissions with a view to overall optimization, or to achieve a reduction in Scope 3 greenhouse gas emissions. Bridging the so-called “white space” that has traditionally existed between companies and industries in this way and centralizing data that was previously separate is essential for resolving increasingly complex societal issues.

In Fujitsu Uvance’s four Vertical areas, we are deploying global offerings developed with an intense focus on these societal challenges and customers’ business issues. By evolving them into a reference architecture and increasing the standardization of our offerings, we

will shorten lead times from customer proposals to solution implementation and ensure flexibility in response to customers’ needs as we develop our business with a 1-to-N approach.

Strengthening consulting and delivery capability

Increasing our specialist human resources is the key to the growth of Fujitsu Uvance. In Vertical areas, we will expand our team of technology consultants who are able to make proposals that are based on global trends related to sustainability, that merge technical insights such as data analytics and AI, and that envisage the future of the industry. We are considering options for organically developing human resources, as well as alliances and M&As with companies that have consulting functions.

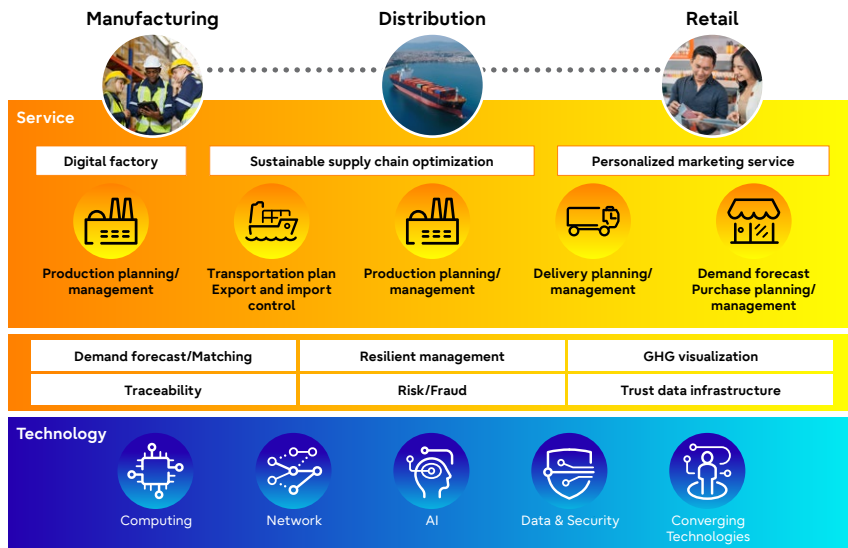
On the other hand, in Horizontal areas, we have had brisk inquiry activity from customers in regard to Business Applications especially, and we expect continued expansion of demand in this area. Accordingly, we will augment our human resources who have specialist skills in applications centered on SAP, ServiceNow, and Salesforce. We plan to accelerate our reskilling of existing human resources, which has been underway since the previous medium-term plan, in coordination with the HR Department.

Acceleration of SX through strategic alliances and acquisition of GK Software

One of the Fujitsu Group’s competitive advantages is the ecosystem formed with its partners. In addition to SAP, Salesforce, and ServiceNow, which comprise the Business Applications area, we are also reinforcing our strategic alliances with Microsoft Corporation and Amazon Web Services, Inc. By combining the intellectual property (IP) of these strategic partners, including their individual applications, with the IP of the Fujitsu Group, we will be able to create the Group’s distinctive added value.

In addition, we plan to provide services to help customers achieve carbon neutrality by teaming up with the Anthesis Group, a global sustainability company with a track record in climate change countermeasures. We also plan to leverage a collaboration with Hexagon’s Safety, Infrastructure & Geospatial division in the area of digital twin technology to springboard functional augmentation of Fujitsu Uvance.

In May 2023, we completed a public takeover offer of GK Software, a leading global provider of advanced cloud solutions for the international retail industry. We have already made inroads in cross-selling between GK Software and the Company, and we have been supplying GK Software offerings to the Japanese market. In addition, we will accelerate the growth of Fujitsu Uvance by using GK Software’s excellent engineering personnel and applying its human resource development methods to the Company’s reskilling program.



Business model and portfolio strategy: Delivery



Megumi Shimazu

Corporate Executive Officer
SEVP, Head of Global Technology Solutions,
in charge of Modernization

The establishment of Japan Global Gateway (JGG) and the use of Global Delivery Centers (GDCs), along with the introduction of shared services, formed the backdrop for a strengthening of our delivery capabilities and an improvement in our productivity that were, in turn, the drivers for an increase in profit margins under the previous medium-term plan. Greater promotion of these initiatives is a priority of the delivery strategy in our medium-term plan, along with standardizing, automating, and utilizing AI in development operations, and further driving expansion of internal IT development and offshoring. In particular, in our delivery model based on shared services, we will accelerate introduction of a system that involves participation of delivery personnel from the initial stages of business talks with customers.

Modernization of customers' system assets is another priority. Our Modernization Knowledge Center was established as a center of excellence (CoE). It is spearheading our work to combine the knowledge it has accumulated as a CoE with the Fujitsu Group's insight into customers' system assets to powerfully promote modernization services.

By expanding our delivery capabilities and steadily capturing modernization demand, we will contribute to our overall business strategy of improving the gross profit margin by one percentage point per year and expanding the DX business.

<p>Progress up to fiscal 2022</p>	<ul style="list-style-type: none"> • Strengthened delivery capabilities through the establishment of JGG in fiscal 2021 and the integration of system integration subsidiaries. JGG had 7,000 personnel as of the end of fiscal 2022. • Expanded GDCs to seven overseas locations, with 23,000 personnel as of the end of fiscal 2022. • Enhanced GDCs/JGG and maintained collaboration with expert solution partners to expand project internalization rate. • Pursued increases in quality and productivity simultaneously through standardization and automation of delivery with the use of shared services.
<p>Priorities and key measures in the new medium-term plan</p>	<ul style="list-style-type: none"> • Aim to increase delivery efficiency, quality, and speed through use of the Fujitsu Developers Platform, a common platform for project management and development technology. • Increase the level of human resource management and promote reskilling at GDCs to match progress in automation and streamlining, and bolster the contingent of human resources with the ability to work in growth areas. • Through new hiring and reskilling, increase the number and capabilities of personnel at GDCs and JGG. • Foster services supporting the modernization of customers' system assets, centered on the Modernization Knowledge Center.
<p>Targets and KPIs</p>	<ul style="list-style-type: none"> • Increase the total number of delivery personnel for GDCs and JGG from 30,000 as of the end of fiscal 2022 to 40,000 by the end of fiscal 2025. • Between fiscal 2022 and fiscal 2025, lift the project internalization rate from 59% to 64%, the offshoring rate from 11% to 18%, and the application of standardization and automation from 30% to 45%. • Increase the ratio of GDC employees assigned to growth areas from 10% to 45%. • Maintain a high level of employee engagement at GDCs. • Promote modernization and on-cloud business expansion at a faster pace than market growth.

Business model and portfolio strategy: Delivery

Delivery model

At the heart of our delivery model, which is based mainly on shared services, are systematization and standardization of our development processes, technologies, and results. By standardizing all work processes related to design, development, and testing leading to service provision or offering implementation, we will provide high-quality common global services at speed. With conventional delivery models, development differed for each customer or project based on the customer's unique methodology or individualized expertise. By minimizing such models as far as possible, we aim to increase productivity.

One of the results of our continuous evolution of this model that was introduced when JGG was established is the Fujitsu Developers Platform. A common platform for project management and development technologies, it provides libraries for application and software development in a secure environment, while helping to streamline project management and improve development quality through the early detection of risks such as unprofitable projects.

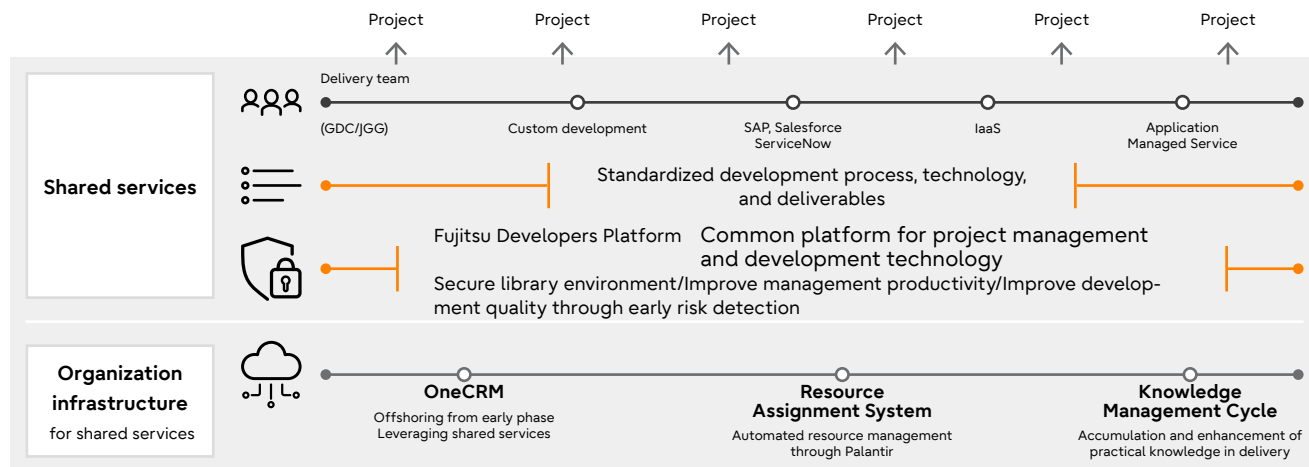
To establish a delivery model based on shared services, it is also essential to create an organizational foundation that can maximize the effects of such a model. In particular, in a system where delivery staff participate in projects from the initial stage of business talks, it is important that customer understanding be obtained regarding the use of GDCs/JGG. It is equally important that the GDC/JGG side establishes demand projections for services and assigns the necessary human resources to projects as required to enhance operational efficiency. To help materialize this model, we are currently working to share business deal information utilizing OneCRM, which has been launched globally. At the same time, we are also making headway on skill mapping of a total of approximately 30,000 personnel assigned to GDCs/JGG as of the end of fiscal 2022, and are using automation technology to match the right people to the right projects for optimal and timely resource allocation.

Modernization Knowledge Center

Modernization refers to the transformation of customers' system assets, expanding, renewing, and increasing their cost effectiveness by migrating customers' existing on-premises application assets to an optimal IT platform, such as the cloud, while making full use of them. Achieving this requires insight into the existing system assets and a wide range of capabilities, including cloud design that also takes into consideration SX after the modernization step.

Japan's modernization is lagging behind that of Europe, the United States, and certain emerging markets, and the Fujitsu Group expects demand for this service to expand in Japan through to 2026. To capture this demand and meet the anticipated spread in demand for on-cloud services spurred by modernization, we established the Modernization Knowledge Center in September 2022.

As a CoE, the Modernization Knowledge Center will serve as a focal point for the Fujitsu Group's technologies and know-how related to modernization, and will bring together specialists with relevant expertise. It will provide support in business talks with business producers (BPs) responsible for dealing with customers, as well as technical support for system engineers (SEs) undertaking project delivery such as cloud migration or application optimization. Furthermore, the center will collect, organize, and share delivery knowledge, furnish modernization methods and tools, provide follow-up on the modernization implementation state of customers' systems, and lead efforts to cooperate with strategic partners with a focus on modernization demand in Japan. In these ways, the CoE will provide essential knowledge to ensure successful modernization.



Technology strategy: Five Key Technologies

Vivek Mahajan

Corporate Executive Officer
SEVP, CTO, CPO
Co-Head of System Platform
* Technology * Portfolio



As CTO, my role is to promote R&D in the five Key Technologies, in which the Fujitsu Group has strong competitive advantages, so as to contribute to the Fujitsu Uvance business. Having developed differentiated technologies, we will incorporate them into Fujitsu Uvance offerings, including consulting, services, software, and products, and lead the Company's R&D toward business creation and expansion. Furthermore, to continuously create value through technology, we will make proactive use of our partnerships with world-class research institutes and universities, and leading companies.

Speed is the key to successful co-creation with customers to strengthen the development pipeline of Fujitsu Uvance offerings. With a consistently agile response to customers' requirements of the Company, we will achieve market-leading innovation through technology.

<p>Progress up to fiscal 2022</p>	<ul style="list-style-type: none"> • Concentrated R&D resources on the five Key Technologies supporting Fujitsu Uvance. Advanced world-leading R&D in the latest AI, which creates new value that leads to the transformation of society and business; Computing, which supports innovation; Network, which processes very large data volumes in real time; Data & Security, which enables the achievement of autonomous distributed social systems through digital trust; and Converging Technologies, which merge diverse knowledge, including human, cultural, social and scientific fields, with digital technology. • Made steady progress with R&D in the five Key Technologies. In Computing especially, we succeeded in developing the world's fastest*¹ quantum simulator. We also maintained the No. 1*² position in Japan for the number of published patents related to AI. • Merged Fujitsu Laboratories Limited into Fujitsu Limited in 2021 to accelerate the commercialization of research results. In 2022, we established new research centers in India and Israel.*³ Together with centers in Japan, the United States, Canada, the United Kingdom, Spain, and China, the Group has over 850 R&D personnel working in eight countries around the world, establishing a global R&D structure that leverages the strengths of each center. • Pursued joint research with a number of the world's top-ranking universities and research institutes. These include RIKEN, our joint development partner for the supercomputer Fugaku, as well as Ben-Gurion University (Security), the Indian Institute of Science (AI, quantum computing), the Delft University of Technology (quantum computing), the University of Toronto (Computing), Carnegie Mellon University (Converging Technologies), Fraunhofer Institute for Telecommunications, Heinrich-Hertz-Institut (Network), Tokyo Institute of Technology (Computing, Converging Technologies), Osaka University (quantum computing), Tohoku University (AI), and Kyoto University (Computing, AI).
<p>Priorities and key measures in the new medium-term plan</p>	<ul style="list-style-type: none"> • Advance social implementation of the five Key Technologies through Fujitsu Uvance. In AI technology, having globally launched Fujitsu Kozuchi (code name) – Fujitsu AI Platform (Fujitsu Kozuchi) in April 2023, accelerate business development through cutting-edge AI. In quantum computing, cover all technology fields, from quantum devices to basic software and application development through joint research with preeminent research institutes and leading companies worldwide. • Enhance Fujitsu's product portfolio based on Fujitsu Uvance. • Strengthen global strategies through alliances with major partners, such as AWS, Microsoft, SAP, ServiceNow, and Salesforce. • Accelerate research under a global structure by expanding recruitment of world-leading human resources. Actively recruit talent specializing in AI, Network, and Computing in India, and Security in Israel.

*1 At the time of announcement in March 2023
*2 Research by the Japan Patent Office (October 2022)
*3 Subsidiary established in April 2023

Technology strategy: Five Key Technologies

Fujitsu Kozuchi

Named after the magic mallet of the Japanese legend, “Uchide no kozuchi,” which could be swung to produce any treasure the bearer wished, Fujitsu Kozuchi is a platform that provides AI innovation components one after another. We will provide Fujitsu’s cutting-edge AI technologies, the AI core engines, which include explainable AI, causal discovery, human sensing, and generative AI, in combination with our strategic partners’ IP and software published on other companies’ platforms to successively provide AI innovation components that respond to customer issues on the front line and in management.

Over the last few years, Fujitsu has incorporated a range of approaches to lessen the distance between R&D and business, and in fact the gap between our Company and customers has also been diminishing year

by year. We are working to promote an agile approach of having various customers utilize our technologies to enhance their level of completion, rather than completing technologies through our own independent efforts. The development of Fujitsu Kozuchi is also based on this approach, enabling faster provision of components to customers. In practice, the time needed prior to launch of products has been reduced from several years to a matter of months, and over 120 customers are already using the platform.

Bolstering R&D personnel

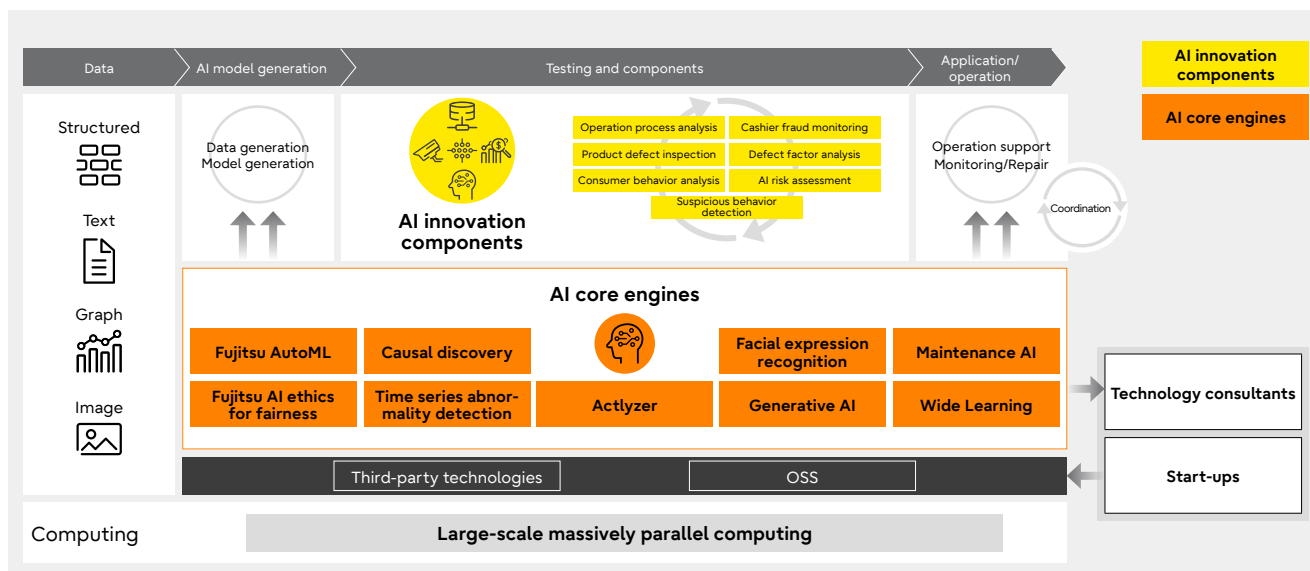
To actualize the latest competitive innovations in technology, it is essential to secure talented R&D personnel. The Fujitsu Group actively recruits personnel at R&D centers in eight countries worldwide.

The heart of the Company’s research is Fujitsu Research, which conducts basic to applied research on a wide range of themes. We call for research themes from all of our researchers and officially adopt themes using a voting system. This kind of free and open research environment is important.

We are conducting research using a global matrix structure comprising research themes and research centers, which are located in Japan, the United States, Canada, the United Kingdom, Spain, China, India, and Israel. We offer researchers attractive career opportunities globally, including relocation between centers.

Collaboration with universities and research institutes worldwide

In addition to its own R&D, the Fujitsu Group is also focused on collaboration with universities and research institutes. For example, in the medium- to long-term theme of quantum computing development, we are pursuing joint research with RIKEN, the Delft University of Technology, Osaka University, and the university-launched venture company QunaSys Corporation. Our partner universities and research institutes are also global and diverse, and take into account the different strengths in individual countries, such as the United Kingdom, which is a leader in research on AI ethics; Israel, which is a leader in research on security; and India, which is a leader in algorithm development. In addition, we are also deploying the Fujitsu Small Research Lab project at universities worldwide, during which Fujitsu Group research staff are stationed on campus to accelerate joint research and discover new themes.



Technology strategy: Intellectual property management

Overview of our IP strategy

The Fujitsu Group's Purpose is "to make the world more sustainable by building trust in society through innovation." The Intellectual Property Division seeks to help achieve this Purpose by formulating and promoting an intellectual property (IP) strategy that will contribute to value creation through innovation. Specifically, we are focusing on a technology strategy of concentrating management resources on the five Key Technologies essential for digital services and on building an IP portfolio to advance the progress of our portfolio strategy.

The role of IP management as part of overall corporate management has been changing significantly over recent years. Whereas the conventional approach of "protecting value" involved establishing and managing rights for the Company's own technologies, designs, and brands, today we are expected to go further by conducting management that "creates value" from the perspective of utilizing the IP held by the Company and others in a broader context. Aiming for growth centered on Fujitsu Uvance, the Fujitsu Group is utilizing its own IP, using it in combination with other companies' IP to jointly develop offerings, and is starting to license its own IP out. Coming up with IP strategies based on concepts that differ from those of the past and engaging in flexible IP management are urgent tasks.

Fujitsu Uvance and IP management

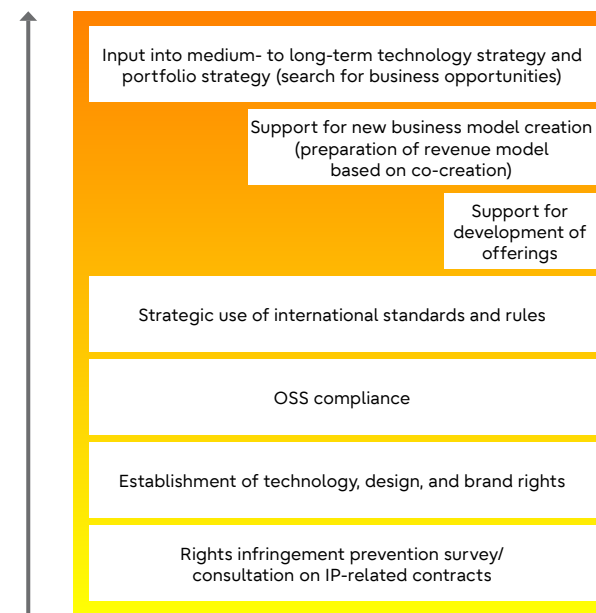
The Intellectual Property Division takes an organizational approach to IP activities linked with its technology and portfolio strategies, centered on the five Key Technologies. These activities help to maintain and strengthen the Group's competitive advantages and capture new business opportunities. In our IP activities, we are working to promote the global protection of rights to our technologies, designs, and brands, and to manage these rights appropriately with the objective of differentiating our technologies and services from those of other companies, while simultaneously maintaining and strengthening our competitive advantages. Furthermore, in the domain of open innovation, we will promote co-creation using IP, including strategic utilization of IP licensing, international standards, rules, and open source software (OSS).

What is the best form of IP management for encouraging co-creation with various companies, universities, and research institutes, and public organizations such as national and local governments? To co-create value by building a cross-industry ecosystem, how should the Fujitsu Group make best use of its IP portfolio? How should we monitor and disclose the changing contributions and roles of IP management that cannot be measured solely in terms of numbers of patents? The Intellectual Property Division is working to answer these questions in coordination with the Technology Strategy Division, led by the CTO and the CPO, and IP strategy officers appointed within each business division. We constantly revise our IP strategies and strive to implement practical IP management that aligns with our management, technology, and portfolio strategies.

Technology strategy, portfolio strategy, and IP management



Domains for future functional enhancement



Functions from the past to the present day

For details Fujitsu's Intellectual Property

Customer success/regional strategy: Customer success

Shunsuke Onishi

Corporate Executive Officer
SEVP, CRO
Head of Global Customer Success
* Revenue



Since 2022, I have been responsible for global customer success, leading the development of organizations, human resources, and account portfolios, as well as the formulation of business plans, all directed at attaining growth in our customers' businesses. In April 2023, I was appointed as CRO, a role in which I am dedicating every effort to promoting a consistent global customer success strategy and realizing the growth of the Fujitsu Group.

We recognize three priority issues for achieving the targets of the new medium-term plan, particularly that of maximizing revenue. The first is ensuring consistency across the Fujitsu Group on frontline activities such as our account portfolio, marketing, and pricing strategy. The second is changing the behavior of business producers (BPs) and moving away from a sales style that relies on individual team member experience. Instead, we will use data to set priorities, build hybrid customer contact points that include digital sales, and switch to a proposal style based on value pricing. The third is realizing growth in conjunction with our business portfolio transformation. "Growth" is not only effective from the perspective of maximizing revenue but also in terms of inspiring behavior change. Rather than simply increasing sales, we need to achieve a portfolio transformation to align with Fujitsu Uvance, and we will also review our approach to incentives to realize this.

By creating a virtuous cycle of taking on challenges, winning projects, and contributing to growth, we will achieve frontline organization reform, customer success, and maximization of revenue.

<p>Progress up to fiscal 2022</p>	<ul style="list-style-type: none"> • Merged the BP and system engineer (SE) organizations to integrate production and sales, defined and developed the role of Account General Manager (AGM), and prepared a globally standardized account portfolio, including the formulation of account plans and sales strategies for each customer. These measures established a solid foundation for a frontline organization interfacing with customers. • Launched operation of OneCRM in all regions in April 2022. Business deal details and progress were presented visually, enabling data-driven decision-making.
<p>Priorities and key measures in the new medium-term plan</p>	<p>[Customers]</p> <ul style="list-style-type: none"> • Thoroughly implement globally standardized account portfolio operation and utilization of OneCRM, and establish mechanism for setting pricing commensurate with added value. <p>[Organization]</p> <ul style="list-style-type: none"> • CRO to take responsibility for global governance and deploy cross-regional strategy for revenue maximization with the main focus on expansion of Fujitsu Uvance. <p>[Operations]</p> <ul style="list-style-type: none"> • Establish a multiregional account management structure. <p>[Talent]</p> <ul style="list-style-type: none"> • Develop and appoint global account directors (GADs) who are capable of competing on a global stage, and implement a new operating model for global accounts. • Accelerate talent acquisition from the global market. <p>[Partners]</p> <ul style="list-style-type: none"> • Encourage global-scale go-to-market strategies with strategic partners.

Customer success/regional strategy: Customer success

Account portfolio management

One of the Group's greatest intangible assets is its customer base. Our customers cover a variety of industries and business types, including manufacturing, distribution, finance, telecommunications, national and local governments. To support these customers in achieving business growth, or customer success, we analyzed the details and scale of our transactions with existing customers, as well as their needs, and created an account portfolio that organizes our sales activities based on consistent global rules during the previous medium-term plan period.

Management of this account portfolio is the key to achieving the targets of the new medium-term plan, including the growth of Fujitsu Uvance, through the realization of customer success. Through optimal

deployment of sales resources and use of OneCRM to visualize global business deal information in real-time, we will capture customers' needs accurately and quickly, and connect them to proposal activities. At the same time, we share customer needs and feedback with the solution development divisions to enable continuous evolution of Fujitsu Uvance offerings and the provision of competitive solutions. In providing competitive services, we changed our conventional approach, which involved aggregating costs, and adopted a policy of securing revenues based on value-based pricing.

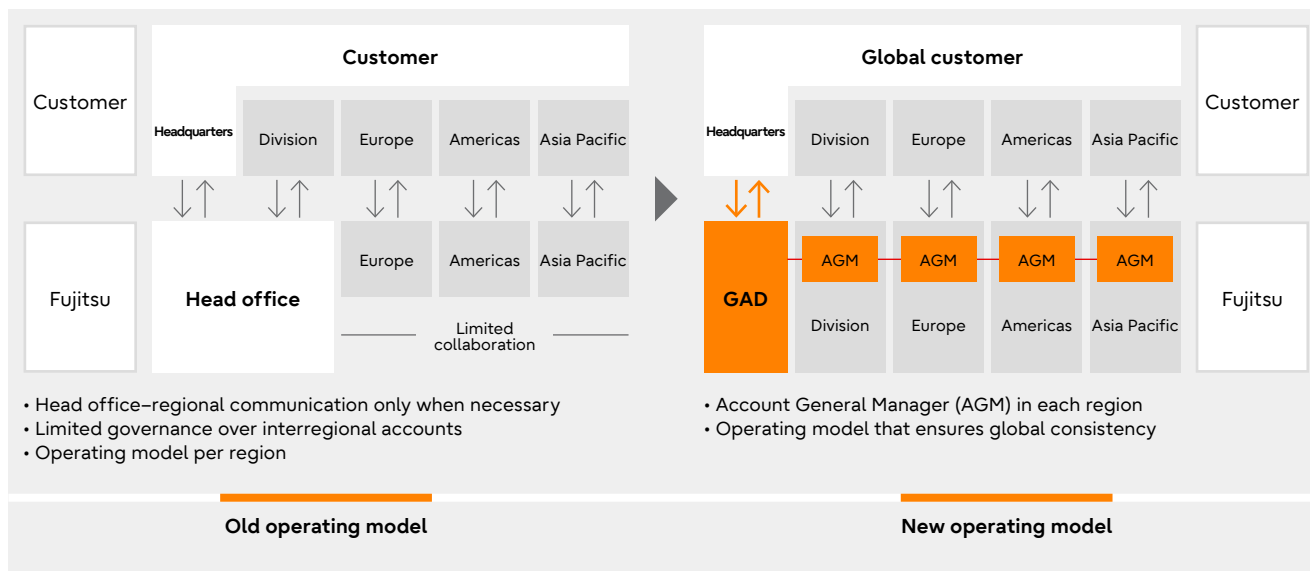
Transformation of the operating model

We will introduce and run a new operating model tailored to the needs of customers who are developing their businesses globally. Previously, BP's assignments to

customers were optimized for each region, so we were not always able to fully meet the needs of customers seeking consistent global services. The new operating model is intended to resolve this issue.

AGMs and GADs play a central role in the new operating model. The AGMs are the representatives of the Fujitsu Group, integrating the account sales and system engineer functions. This small number of elite personnel are selected and appointed after completing a development process with an intensive training program. We have already been seeing tangible results, including orders for collaborative projects with customers for their transformation during the previous medium-term plan. Under the new operating model introduced with the new medium-term plan, we intend to assign AGMs to Japan, Europe, the Americas, and Asia Pacific in accordance with customers' deployment locations.

GADs will have global responsibility and authority for the global accounts and will be leading the AGMs for each region to provide globally consistent services. Under the new operating model, we will support our customers' global business development and contribute to realize new value creation, including SX, and business transformation.



Customer success/regional strategy: Regions (Japan)

Hiroyuki Tsutsumi

Corporate Executive Officer
SEVP, CEO, Japan Region



Under its previous medium-term plan, the Fujitsu Group embarked on a transformation to become a global IT services company. In our frontline organization that interacts with customers, we conducted various reforms, including the reskilling of around 8,000 personnel and deploying the business producers (BPs) who were created as a result. However, our customers also aspire to achieve transformations. The strategic task of the front-end divisions is to analyze the transformation needs of customers whom we have not followed up on yet and to provide them with proposals that meet their expectations. The centerpiece of these proposals is Fujitsu Uvance, which is predicated on modernization.

In the Japan region, which is the earnings base of the Fujitsu Group, we aim to lead the Group's efforts to achieve the financial targets of the new medium-term plan, particularly with respect to raising the operating profit margin. To this end, we will thoroughly change the mindset of BPs in terms of leading the increase in profitability.

We are working to transform our business model and to go beyond the business of our current trajectory by focusing on the growth of digital services, which are at the heart of Fujitsu Uvance. As the driver for this change, we are working urgently to promote our business.

<p>Progress up to fiscal 2022</p>	<ul style="list-style-type: none"> • Fujitsu Japan Limited began full-scale operations. Established an unrivaled No. 1 position in the Japan market in terms of both market share and customer base, boosting profitability in the Japan region. • Reorganized system integration (SI) Group companies to concentrate knowledge and strengths inside the Group. Encouraged transformation of service delivery from the customer-facing front lines. • Completed reskilling training for 8,000 sales personnel, converting their roles to BPs working with customers on DX. • Steady growth of consulting subsidiary Ridgelinez Limited, established in 2020. In addition to setting up its organizational and personnel base as a consulting firm, Ridgelinez also demonstrated its presence as a partner in customers' management and business transformations.
<p>Priorities and key measures in the new medium-term plan</p>	<ul style="list-style-type: none"> • Achieve revenue growth by proposing Fujitsu Uvance offerings to customers and capturing the modernization needs of customers who use products such as mainframe computers, UNIX servers, and office computers. • Promote reform of customer-facing front lines by expanding our consulting in conjunction with Ridgelinez, conducting proposals and sales tailored to offerings, as well as digital sales, and increasing engagement with development and sales partners in Japan. • Accelerate the transformation of delivery through measures such as comprehensive utilization of GDCs and JGG, and proper allocation of resources through the use of OneCRM. • Strengthen quality management across the entire customer-facing frontline organizations, led by the CQO (Chief Quality Officer) and CISO (Chief Information Security Officer), to reduce the number of unprofitable projects and the incidence of system quality issues.
<p>Targets and KPIs</p>	<ul style="list-style-type: none"> • Grow revenue in Regions (Japan) from ¥1,194.6 billion in fiscal 2022 to ¥1,450.0 billion in fiscal 2025, and increase the operating profit margin from 12.4% to 19.3%. • Realize growth by securely capturing soaring demand from enterprises, focusing on this sector out of the public and enterprise sectors, which each accounted for around 50% of revenue in fiscal 2022. • Revenue targets for fiscal 2025 call for ¥210.0 billion from Fujitsu Uvance and ¥250.0 billion from modernization. • Contribute to gross margin improvement of one percentage point per year by improving development efficiency through service delivery transformation and by steadily capturing modernization demand.

Customer success/regional strategy: Regions (Japan)

Customer-facing frontline transformation

One of the main priorities in the new medium-term plan is transforming our front line in the Japan region through the following three measures.

The first measure is to expand our consulting approach with Ridgelinez. We work with Ridgelinez to build relationships with the management teams of customer firms and with those in charge of the operating divisions responsible for revenue. Next, Ridgelinez undertakes overall program management, including consensus formation among management. Then, the Company's customer-facing frontline divisions take over the practical side of a project, building a platform for data utilization, or a standard core system, such as an enterprise resource planning (ERP) system. Finally, we aim to create opportunities for further business deals. Using projects carried out during the previous medium-term plan as model cases, we will expand our approaches to capture every benefit from strengthening our consulting capabilities.

The second measure is to develop markets using new approaches such as the sale of offerings and digital sales. BPs assigned to customers will utilize these new approaches in addition to the conventional one of undertaking every step in the process from cultivating a new customer to after-sales follow up. In this way, we will achieve an optimal allocation of frontline division resources and timely engagement with customers. Specifically, we envisage optimizing our sales of offerings to suit sales activities for Fujitsu Uvance offerings, BDRs*1 responsible for handling the creation of new customer contact points and information exchange, and SDRs*2 who specialize in digital sales, such as online seminars and information distribution, as well as customer engagement from a remote environment.

The third measure is stepping up engagement with our development and sales partners. Since the central focus of the Fujitsu Group's business platform is gradually shifting from products to digital services centered on Fujitsu Uvance, we will also unify our contact points

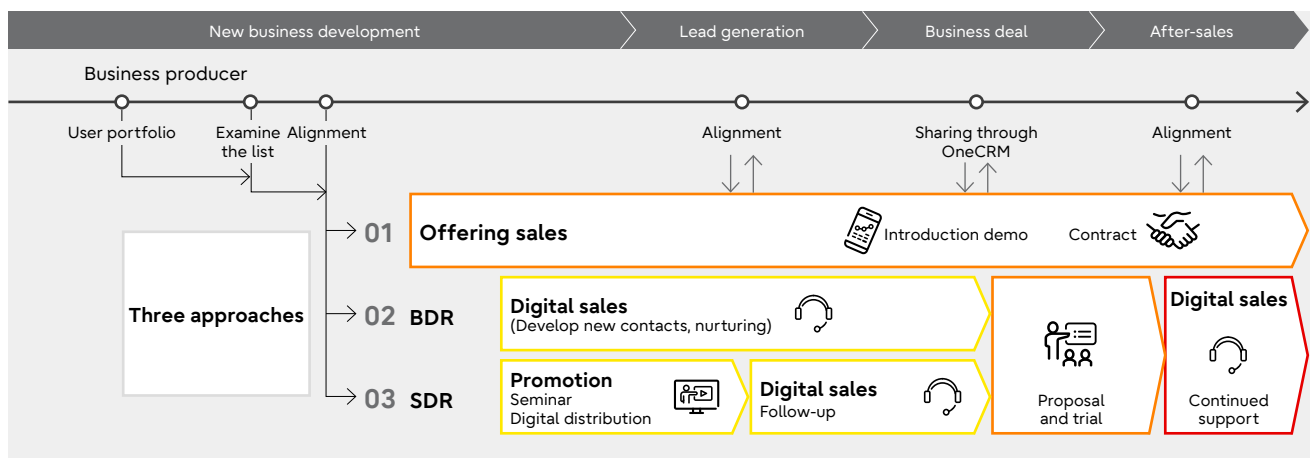
for partners and increase our engagement with them, encouraging them to try different sales approaches than used in the past and to acquire new capabilities.

*1 Business Development Representatives
*2 Sales Development Representatives

Increasing development efficiency and strengthening quality management

Under our delivery strategy, even if we increase our GDC and JGG personnel, without an accompanying expansion in the use of GDCs and JGG by customer-facing frontline divisions, productivity may decline. In other words, it is increasing the efficiency of development of solutions and applications by system engineers in the Japan region that is the key to lifting the Fujitsu Group's overall productivity and ultimately contributing to increasing our profit margin. In addition to the utilization of GDCs and JGG, we will promote delivery transformation by standardizing development methods and technologies, strengthen agile development, and further expand remote system operation from locations not on customers' sites, as well as appropriately allocate development resources through the use of OneCRM.

We will also take steps to bolster quality control throughout the Japan region. Following instances of unprofitable projects and system quality issues in recent years, we will reinforce governance by the CQO (Chief Quality Officer) and CISO (Chief Information Security Officer), and centralize authority over quality control. Specifically, we are thoroughly implementing project management based on One Delivery, standardizing quality management processes and consolidating the systems that support quality control and risk monitoring into the Fujitsu Developers Platform. By applying these measures sincerely and continuously at our customer-facing front lines, we will uphold the trust that our customers place in us.





Customer success/regional strategy: Regions (International)

	Europe region	Americas region	Asia Pacific region
Progress up to fiscal 2022	<p>[Select and concentrate]</p> <ul style="list-style-type: none"> Recognizing the need to focus on high-profitability service businesses, we have identified countries in which profits are low. We will phase out our product-based business in those countries and focus on the service business in 14 countries. We transferred the development of global offerings, which had been partially conducted in certain regions, to the Global Business Solutions Group. Through the measures outlined above, we have boosted our foundation for expanding the service business. 	<p>[Business portfolio transformation]</p> <ul style="list-style-type: none"> In fiscal 2021, we introduced structural reforms to discontinue low-profit product business, equipment sales for the retail industry, hosting services, and maintenance services. We also successfully completed the restructuring and consolidation of key Group companies in North America. By highlighting the service business, profitability improved and we moved into the black in fiscal 2022. 	<p>[Business model transformation]</p> <ul style="list-style-type: none"> To enhance knowledge of customer industries, we are shifting toward an industry-focused and consulting-led approach. We elevated our capabilities by acquiring Versor, oobe, Enable Professional Services, and InPhySec, strengthening and expanding our offerings in the DX domain. In fiscal 2022, we created a new organizational structure, combining the Asia and Oceania regions to create the Asia Pacific region.
	<p>[Offerings]</p> <ul style="list-style-type: none"> We started to focus on the expansion of global offerings for Fujitsu Uvance. As a result, we racked up successes in Hybrid IT, Business Applications, and Digital Shifts, with a particular emphasis on the Europe region. <p>[Accounts]</p> <ul style="list-style-type: none"> We prioritized certain strategic accounts in each region. <p>[Delivery]</p> <ul style="list-style-type: none"> We used the Americas as our reference model, as this region succeeded in becoming profitable within one fiscal year, to step up collaboration and utilization with GDCs, and to pursue higher productivity through standardization. <p>[Alliances]</p> <ul style="list-style-type: none"> Led by headquarters, we strengthened and expanded our business with strategic alliance partners, both global and regional. 		
Priorities and key measures in the medium-term plan	<p>[Business model and portfolio strategy]</p> <ul style="list-style-type: none"> We will accelerate the shift from the MIS*1 to the BAS*2 business, work to increase profitability, and focus on expanding our offerings in Fujitsu Uvance's Vertical areas. We will fortify alignment with the business groups leading the global strategy to confirm effective oversight of offering development and investment, as well as delivery and sales. Additionally, we will expand our business by monitoring progress using globally consistent KPIs and by operating an incentive program. <p>[Customer success/regional strategy]</p> <ul style="list-style-type: none"> We will develop and expand our consulting capabilities and approach methodologies. We will create a globally standardized customer-facing organizational structure. <p>[Technology strategy]</p> <ul style="list-style-type: none"> We will develop a framework to utilize the latest technologies, including AI. We will build use cases with customers who are interested in advanced initiatives and roll them out as reference models within the region. <p>[People strategy]</p> <ul style="list-style-type: none"> We will reskill our human resources to ensure their ability to respond in growth domains. We will differentiate our proposals and enhance value via strategic alliances with SAP, ServiceNow, Salesforce, Microsoft, and AWS. 		

*1 Managed infrastructure services

*2 Business application services

System quality and information security



Tomoko Tsukahara
Corporate Executive Officer
EVP, CQO
* Quality



Masahiro Ohta
Corporate Executive Officer
EVP, CISO
* Information Security

Our mission as CQO and CISO is to drive efforts to reinforce the management framework for system quality and information security, which are core to the Group's business. We aim to further stabilize customers' businesses, and thereby earn and maintain their trust.

We are currently making progress in utilizing the data collection infrastructure and implementing organizational changes to step up the centralized management of system quality. Specifically, we are accelerating the standardization of project management through data sharing and are introducing a framework to manage quality on a project basis, integrating business divisions and business partners.

On the information security front, we are enhancing Companywide security risk management by accurately ascertaining and visualizing the situation in each business division. Additionally, we intend to augment risk management for the entire supply chain, responding to the need to address security risks from the perspective of preserving economic security.

<p>Progress up to May 2023</p>	<p>[Strengthening the system]</p> <ul style="list-style-type: none"> • We appointed a dedicated CISO in October 2021, followed by the establishment of a CQO position in May 2023.* By adding the CISO and CQO to the Risk Management & Compliance Committee, which serves as the forum within the Group for deliberating important risk and compliance issues, the CISO and CQO were assigned more authority than before. • We restructured the Risk Management & Compliance Committee to make decisions on specific measures, such as Companywide measures related to information security and system quality, including resource allocation and responses to individual events, and to promptly enforce these measures. • To ensure the rapid and effective implementation of measures, the Committee will be held every month, as well as on an ad hoc basis when needed. <p>[Improvement and enhancement of system quality]</p> <ul style="list-style-type: none"> • We are making the transformation from a quality assurance structure specific to each business area and organization to one in which customer-facing divisions, the JGG, and the GDCs work together to institute projects for the system integration business in Japan. Corresponding quality regulations were issued, and quality control and risk monitoring based on Companywide quality standards were rolled out to Fujitsu Limited in fiscal 2022. <p>[Information security measures]</p> <ul style="list-style-type: none"> • We established the Global Information Security Unit, led by the CISO, expanding the scope of responsibility beyond internal systems to include the Fujitsu Group's business systems and products. • In fiscal 2022, we redefined the profile of security managers in business lines in terms of skills and roles. We completely overhauled, reorganized, and consolidated the structure of security managers, and also unified the chain of instructions from the CISO to each business line. • To strengthen the global structure, an independent and dedicated regional CISO and teams are formed directly under the region head. Dual reporting to the region head and CISO is installed.
<p>Status of current measures and future initiatives</p>	<p>[Improvement and enhancement of system quality]</p> <ul style="list-style-type: none"> • We have completed the centralization of quality control authority within the Company, in response to the system quality issues that have occurred at Fujitsu Japan. Moving forward, we will introduce standardized project management, predictive detection based on quality management and risk monitoring, and rapid physical confirmation. • To ensure the quality of systems that handle personal information, particularly those involving residential services such as certificate issuance, we have set up a third-party framework to assess whether processes we have planned and deployed are adequate. Operations under this framework commenced in May 2023. • We are currently building a system to objectively evaluate the quality of development sites and shipment decisions by integrating quality-related information generated in the development field into the Fujitsu Developers Platform, our common development platform. This system will analyze the data in a timely manner, combining it with Earned Value Management (EVM) and quality indicators. We plan to commence operations in October 2023. <p>[Information security measures]</p> <ul style="list-style-type: none"> • We will work to accurately ascertain and visualize the security risks throughout the Company and share them with management and operational departments. By doing so, we will promote Companywide security management led by the CISO, encourage self-improvement in business lines, and implement measures that contribute to the prevention of security incidents.

* The CQO was appointed in June 2023.