

# Fujitsu Integrated Report 2024





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We will achieve sustainable growth and increase corporate value by accelerating our rate of change and enhancing the value we provide to our customers and the society that exists beyond them.

**Takahito Tokita**  
Representative Director  
CEO

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## Editorial policy / Disclosure system

### Editorial policy

This report aims to communicate the Fujitsu Group's business activities and initiatives for creating value to stakeholders comprehensively and succinctly. Our aim is to provide a unified story that includes financial as well as non-financial information, such as our environmental, social, and governance (ESG) activities, describing in a straightforward manner the Fujitsu Group's initiatives toward sustainable growth.

This report explains the progress of our medium-term management plan for fiscal 2023–2025, Fujitsu Uvance as a focus area, and management capital as a source of value creation. We have enhanced the content of the publication by reflecting stakeholder feedback pertaining to the fiscal 2023 integrated report to explain the Group's measures and reforms regarding sustainability management and governance using both qualitative and quantitative data.

We invite stakeholders to read this report and share your candid opinions. We will continue to prioritize dialogue with our stakeholders to deepen mutual understanding and enhance the Group's corporate value.

### Reference guidelines

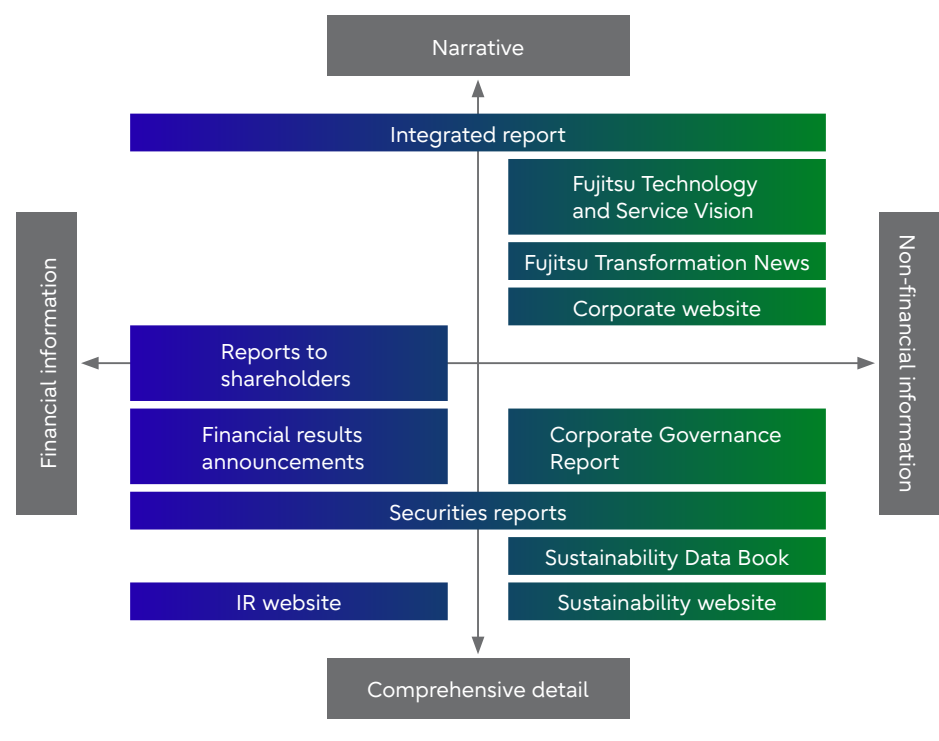
In producing this report, we have referred to various guidelines such as the International Integrated Reporting Framework of the IFRS Foundation and the Guidance for Collaborative Value Creation of the Japanese Ministry of Economy, Trade and Industry.

#### Forward-looking statements

This Integrated Report may contain forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in such statements. Actual results may differ materially from those projected or implied in the forward-looking statements due to, without limitation, the following factors: general economic and market conditions in key markets (particularly in Japan, Europe, North America, and Asia, including China); rapid changes in the high-technology market (particularly semiconductors, PCs, mobile phones, etc.); fluctuations in exchange rates or interest rates; fluctuations in capital markets; intensifying price competition; changes in market positioning due to competition in R&D; changes in the environment for the procurement of parts and components; changes in competitive relationships relating to collaborations, alliances, and technical provisions; potential emergence of unprofitable projects; and changes in accounting policies.

### Disclosure system

We disclose information in a variety of media, including integrated reports. The *Fujitsu Technology and Service Vision* provides a vision for the future of our business and society through the use of technology, while *Fujitsu Transformation News* provides timely information on Fujitsu's efforts to realize Our Purpose. For more comprehensive information, please also refer to the IR and sustainability websites, as well as the annual securities report and the *Sustainability Data Book*.



Notes: 1. From fiscal 2014, Fujitsu has adopted the International Financial Reporting Standards (IFRS). However, some sections have presented results under the Japanese accounting standard for the purpose of year-on-year comparison. These sections are indicated in the report.  
2. All brand names and product names are trademarks and registered trademarks of their respective holders.  
Target organizations: Fujitsu Limited and consolidated subsidiaries



An aerial photograph of a ship moving across a vast, deep blue ocean. The ship is small in the distance, leaving a white wake behind it. The water's surface is textured with small waves. The image is split vertically: the left half is a solid magenta color containing text, and the right half shows the ship on the water.

# Fujitsu Group overview and management policy

Our Purpose is “to make the world more sustainable by building trust in society through innovation.” This overarches our vision for 2030: being a technology company that realizes net positive through digital services, which is driving specific initiatives. We will accelerate the transformation of our business model and portfolio to create sustainable value by helping to solve global environmental problems, develop a digital society, and improve people’s well-being.

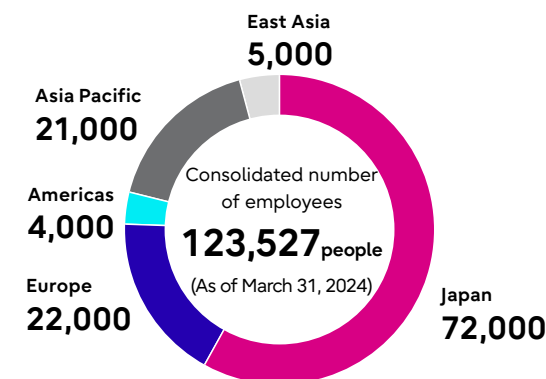
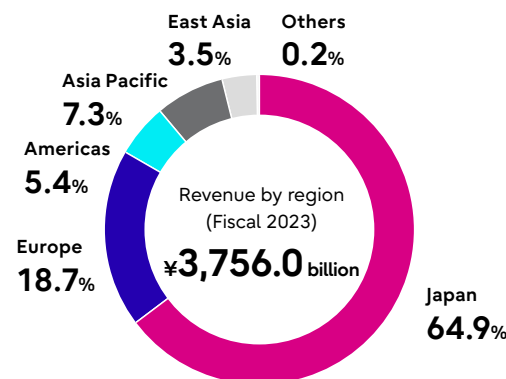


# About Fujitsu

The Fujitsu Group has operations in different regions around the world, including Japan, and provides digital services globally.

We have built large-scale, cutting-edge systems that leverage our advanced technologies and extensive track record, garnering the No. 1 market share in Japan and a top-class position worldwide in the IT services field.

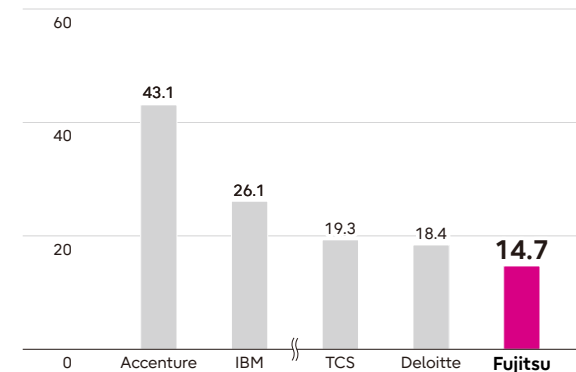
## Fujitsu's scale of business (by region)



## Fujitsu's position in the IT services market

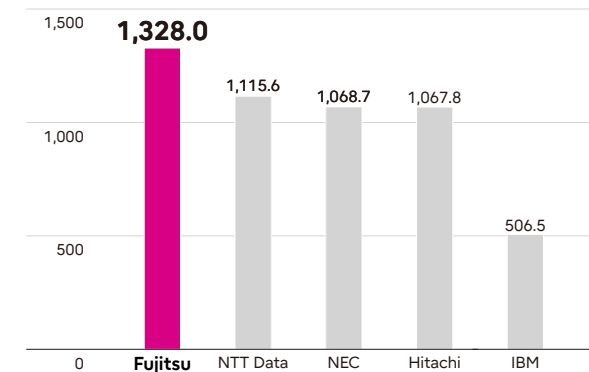
### Global IT services revenue

(Billions of US dollars)



### Japan IT services revenue

(Billions of yen)



Source: IDC Japan, IDC Worldwide Semiannual Services Tracker 2023H2 Historical Release Publication Date: May 6, 2024

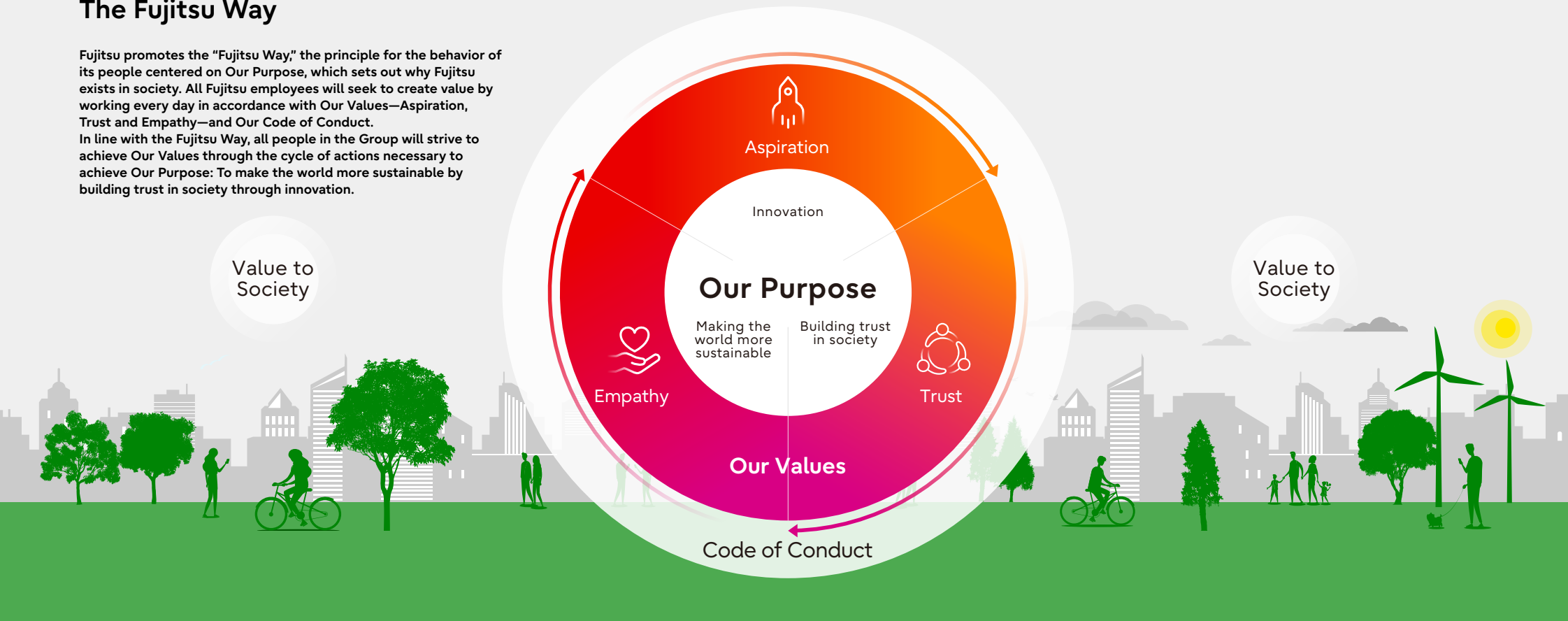
Notes: 1. Revenue estimate using calendar year, based on IDC's service market definition. Ranking by vendors' revenue in 2023

2. Calculated as 1 USD=140.52146 JPY



## The Fujitsu Way

Fujitsu promotes the “Fujitsu Way,” the principle for the behavior of its people centered on Our Purpose, which sets out why Fujitsu exists in society. All Fujitsu employees will seek to create value by working every day in accordance with Our Values—Aspiration, Trust and Empathy—and Our Code of Conduct. In line with the Fujitsu Way, all people in the Group will strive to achieve Our Values through the cycle of actions necessary to achieve Our Purpose: To make the world more sustainable by building trust in society through innovation.



### Our Purpose

**Our Purpose is to make the world more sustainable by building trust in society through innovation.**

### Our Values

#### Aspiration

- Set ambitious targets and act with agility.
- Embrace diversity and create original ideas.
- Stay curious and learn from failures and experiences.
- Deliver positive impact through human centric innovation.

#### Trust

- Honor promises and exceed expectations.
- Act with ethics, transparency and integrity.
- Work autonomously and unite for common goals.
- Contribute to a trusted society using technology.

#### Empathy

- Strive for customers' success and their sustainable growth.
- Listen to all people and act for the needs of our planet.
- Work together to solve global challenges.
- Generate shared value for our people, customers, partners, community and shareholders.

### Code of Conduct

- We respect human rights.
- We comply with all laws and regulations.
- We act with fairness in our business dealings.
- We protect and respect intellectual property.
- We maintain confidentiality.
- We do not use our position in our organization for personal gain.



## Value creation model

**Our Purpose is to make the world more sustainable by building trust in society through innovation.**

### Fujitsu's Materiality

- ▶ **Essential contribution**
- ▶ **Foundation for achieving sustainable development**

Solving global environmental issues

Developing a digital society

Improving people's well-being

Technology

Management foundation

Human capital

**Vision for 2030: Being a technology company that realizes net positive through digital services**

### Input

Fiscal 2023 results

#### Financial capital

- Total assets **¥3.5 trillion**
- Growth investment **¥202.1 billion**

#### Human capital

- Number of employees **124,000 people**
- Ratio of female employees **25%**

#### Natural capital

- Energy consumption **4.88 PJ**

#### Technology and intellectual capital

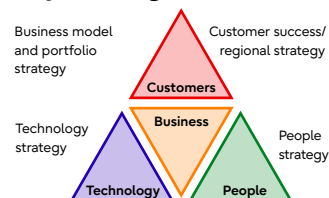
- R&D investment **¥123.3 billion**
- Investment for strengthening management foundation **Approximately ¥75.0 billion**

#### Social and relationship capital

- Community activity-related expenditures **¥2.46 billion**

### Fujitsu's business activities

#### Key strategies



#### GRB (Global Responsible Business)



### Management targets (Financial/Non-financial)

		Fiscal 2023 results	Fiscal 2025 targets
Financial indicators	Business growth and improved profitability	● Revenue <b>¥3.8 trillion</b>	<b>¥4.2 trillion</b>
		● Adjusted operating profit <b>¥283.6 billion</b>	<b>¥500.0 billion</b>
	Strengthen cash generation capabilities	● Core FCF <b>¥197.2 billion</b>	<b>¥300.0 billion</b>
	Increase efficiency of corporate capital	● EPS CAGR (Fiscal 2022–2025) <b>12%</b>	<b>14–16%</b>
	Contribute to reduced global GHG emissions (Compared to fiscal 2020)	● Scope 1, 2 <b>41.6% reduction</b>	<b>50% reduction</b>
Non-financial indicators		● Scope 3 cat 11 <b>34.2% reduction</b>	<b>12.5% reduction</b>
	Customer NPS® (Compared to fiscal 2022)	<b>+7.7</b>	<b>+20</b>
	Operating income per capital (Compared to fiscal 2022)	<b>-11%</b>	<b>+40%</b>
	Employees	● Employee engagement <b>69</b>	<b>75</b>
		● Diverse leadership <b>16%</b>	<b>20%</b>

### Outcome Providing value to society

#### Stakeholders

Customers, shareholders, employees, partners, society, and the next generation

Solving global environmental issues Planet



Contribute to reduced global GHG emissions  
Fiscal 2030 targets: 0.3%

Developing a digital society Prosperity



Digital accessibility  
Fiscal 2030 targets: 150 million people+

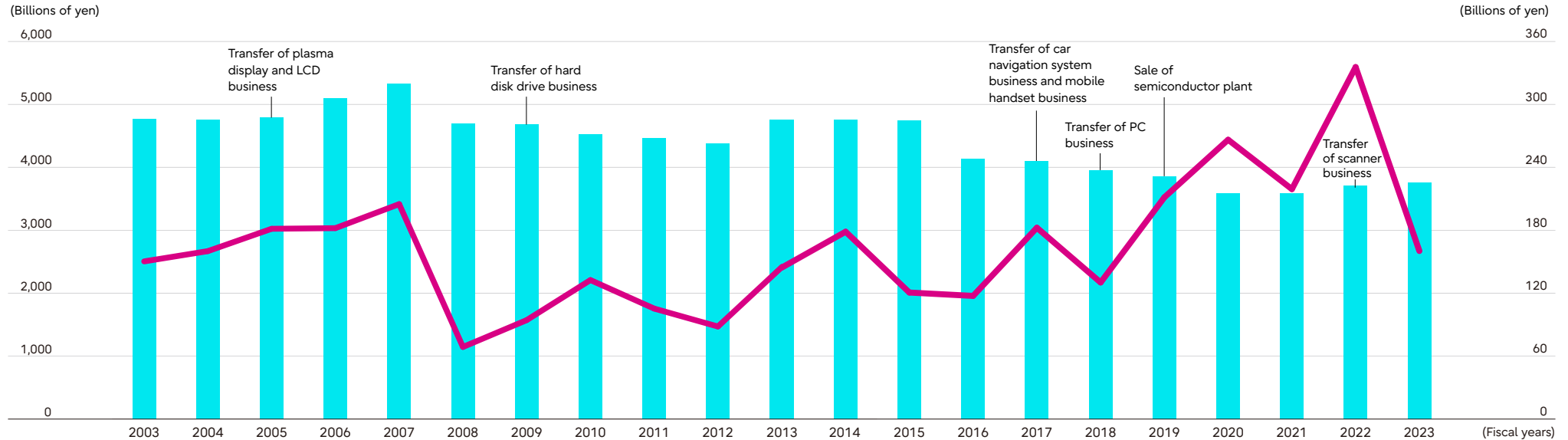
Improving people's well-being People



Number of ICT skills and education provided  
Fiscal 2030 targets: 12 million people+



## Trajectory of change



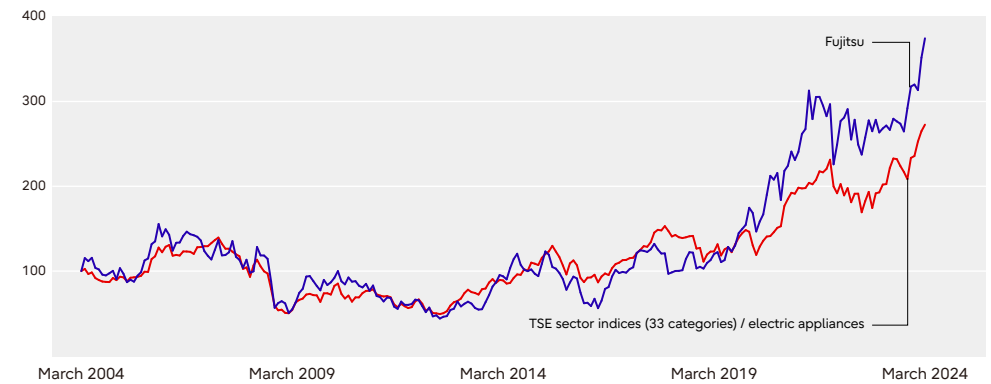
■ Net sales / Revenue (left scale) ■ Operating profit (right scale)

Note: Through fiscal 2013, information is in accordance with accounting standards generally accepted in Japan (JGAAP); information from fiscal 2014 is in accordance with International Financial Reporting Standards (IFRS).

Over the 89 years since its founding, Fujitsu has used innovative technologies to solve issues faced by customers and society, and to provide new value. Amid the accelerating evolution of digital technology and significant changes in the business environment, the Group is shifting from a product-centric business model to one focused on consulting and solutions. Over the past 20 years, we have spun off or sold non-core businesses, focusing management resources on growth areas and improving efficiency, which has led to increased profitability. In fiscal 2023, we incurred one-time costs in connection with business restructuring, but adjusted operating profit from focused businesses has increased, and we are steadily progressing toward our goals. In addition, we are pursuing sustainable growth and enhanced corporate value through proactive growth investments based on our greatly heightened cash generation capabilities.

These transformations have been well received by the stock market, and our share price has risen significantly to approximately 3.1 times over the last five years.

## Share prices



Source: LSEG

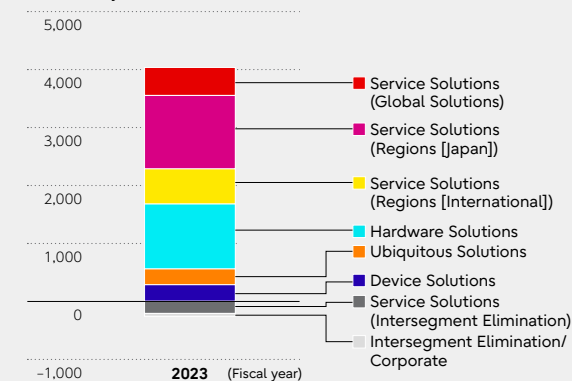
Notes: 1. The Fujitsu Group conducted a 10-for-1 stock split of its common stock effective on April 1, 2024. The graph shows values prior to the stock split.  
2. The graph displays the relative value of the stock price at the end of each month, taking the closing value at the end of the fiscal year ended March 31, 2004 as one hundred.

## Business portfolio

Segment	Subsegment		Main products and services
Service Solutions	■ Global Solutions		<ul style="list-style-type: none"> <li>Consulting services (Business consulting and technology consulting)</li> <li>Cloud services (IaaS, PaaS, SaaS, etc.)</li> <li>System integration (System construction, modernization, etc.)</li> </ul>
	Regions	■ (Japan)	<ul style="list-style-type: none"> <li>Software (Business applications and middleware)</li> <li>Software support services</li> <li>Business process outsourcing</li> </ul>
		■ (International)	<ul style="list-style-type: none"> <li>IT services (Data center, network services, security services, in-vehicle information systems, etc.)</li> <li>Managed services (Systems operations management, application operations management, service desk, etc.)</li> </ul>
■ Hardware Solutions			<ul style="list-style-type: none"> <li>System products (UNIX servers, mission-critical IA servers, PC servers, OS, storage system, mainframe, front-end technology, etc.)</li> <li>Network products (Mobile systems, photonics systems, IP network equipment, etc.)</li> <li>Hardware support services (Support for system products and network products)</li> <li>System support services (Maintenance and monitoring services for information systems and networks, etc.)</li> </ul>
■ Ubiquitous Solutions			PCs
■ Device Solutions			Electronic components (Semiconductor packages, batteries, etc.)
■ Intersegment Elimination/Corporate			R&D, elimination of intersegment sales, etc.

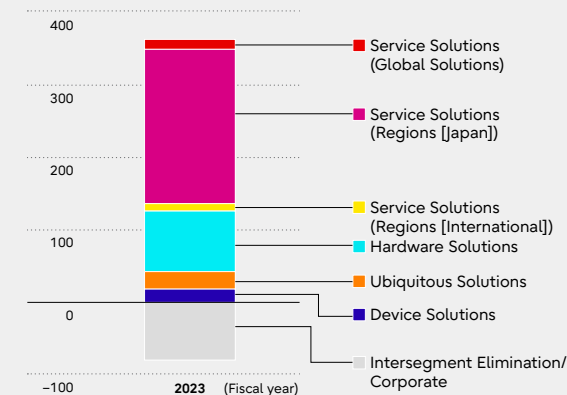
### Revenue

(Billions of yen)



### Adjusted operating profit

(Billions of yen)

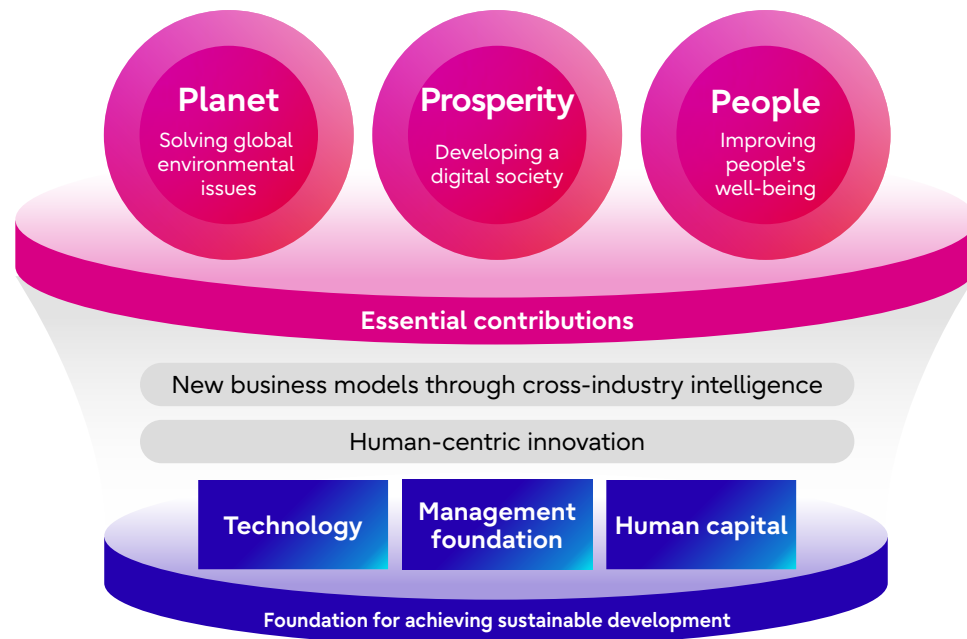




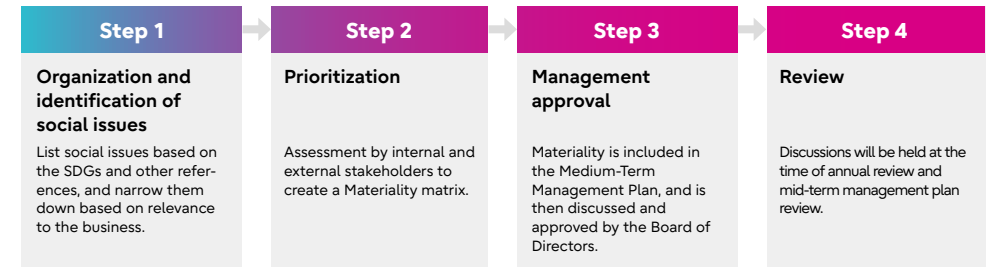
## Materiality

The Fujitsu Group conducted evaluations from the perspectives of itself and its stakeholders, and identified Materiality, which incorporates the perspective of delivering value to customers and society through business activities.

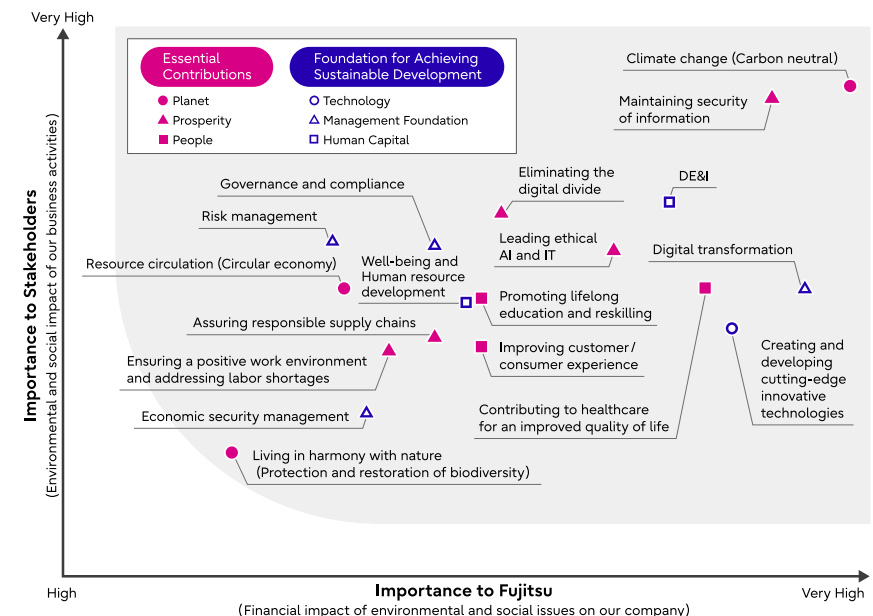
Looking ahead to 2030, we have identified three areas for the Fujitsu Group's essential contributions (Materiality): Planet (solving global environmental issues), Prosperity (developing a digital society), and People (improving people's well-being). To achieve our goals in these three areas, we will strengthen our technology, management foundation, and human capital as the sources of value creation, while supporting the creation of new business models and spurring innovation.



### Materiality assessment process



We organized social issues looking ahead to 2030 and conducted surveys and interviews with a wide range of internal and external stakeholders to identify our Materiality in terms of the mutual impacts of corporations and the environment and society. Going forward, we will conduct periodic reviews on an annual basis and revise as necessary.



[For more details, see Materiality](#)

## Message from the CEO



**We will achieve sustainable growth and increase corporate value by accelerating our rate of change and enhancing the value we provide to our customers and the society that exists beyond them.**

### Takahito Tokita

Representative Director  
CEO

### Building a business model that looks toward 2030

In fiscal 2023, the Fujitsu Group clarified its direction toward medium- to long-term value creation and the realization of Our Purpose through the following three points. First, we answered the question of “What sort of company does Fujitsu want to become?” by unveiling our [vision for 2030](#): being a technology company that realizes net positive through digital services and expressing this vision both internally and externally. Second, after organizing social issues looking toward 2030, we identified the main priorities for the Group as our [Materiality](#), and developed a framework for providing value to society through our business. Third, backcasting from our vision for 2030, we formulated and launched the [2023–2025 Medium-Term Management Plan \(medium-term plan\)](#).

The medium-term plan covers a three-year period building a business model for sustainable growth and improved profitability with a view to 2030 and beyond, preparing us for a leap forward from fiscal 2026. Our goal is to shift from a business model that primarily focuses on traditional labor-intensive system integration to one that provides high added value to customers through cloud-based digital services.

### Emerging changes in the business structure in fiscal 2023

Our results for fiscal 2023, the first year under the medium-term plan, demonstrate that we are making progress on transforming our business model. The [Fujitsu Uvance](#) business, which will play a leading role



## Message from the CEO

in driving the Group's growth, exceeded expectations with an 84% year-on-year increase in revenue. We expect continued growth in fiscal 2024, along with deeper confidence in establishing a new business model for the Group. We are also focusing on [mod-ernization](#), which means helping customers optimize their IT infrastructure with the latest technologies and new products and services so they can transform their business models by utilizing data. Customers tend to take a cautious approach toward IT asset optimization because it affects the very foundations of their business. As a result, growth in this market is somewhat slower than anticipated. Even so, in fiscal 2023 we reinforced our structure, which included an increase in headcount, and upgraded our tools to meet the robust demand we expect going forward. We plan to leverage these enhanced resources to take advantage of the market's expansion from fiscal 2024.

The 2.0 percentage point improvement in gross profit margin for the Service Solutions segment, which we position as a growth area, is evidence of success in our shift towards a more profitability-focused business model. This improvement is attributable to [delivery transformation](#) initiatives such as standardization and automation of development processes, leveraging Global Delivery Centers (GDCs), and value pricing, which have contributed to enhanced profitability.

On the other hand, frankly speaking, we are only midway along the path to making our overseas business more profitable. We have already completed structural reforms in the Americas. Using this region as a leading model, we are accelerating our business portfolio transformation in Europe to improve profitability and considering reforms in the Asia Pacific region.

**I am by no means satisfied with the status quo. I believe that the Group's transformation will accelerate only when all of its business divisions take on the challenge of achieving higher levels of performance, and when we have greater collaboration among business divisions and between business and corporate divisions.**

We take the matter relating to the post office in the United Kingdom, a core part of the Europe region, extremely seriously. The Group's involvement in this matter is deeply regrettable and we recognize our moral responsibility. The Group is cooperating fully with the statutory investigation in the United Kingdom, and will disclose information to stakeholders as appropriate after the outcome of the investigation.

### Our intention in setting high goals

In fiscal 2023, growth of the Service Solutions segment outpaced the market, and key non-financial indicators such as Customer Net Promoter Score (NPS®)\*1 also improved. On this basis, we might say that management is performing well. However, I am by no means

satisfied with the status quo. I believe that the Group's transformation will accelerate only when all of its business divisions take on the challenge of achieving higher levels of performance, and when we have greater collaboration among business divisions and between business and corporate divisions.

This is the thinking behind the high [financial targets](#) in our plan for fiscal 2023. We fell short of the planned targets in some areas, which is grounds for reflection. I consider it my responsibility as a manager to set goals that encourage all employees to take on challenges and grow, and then to achieve these goals to meet the expectations and earn the trust of shareholders, investors, and other stakeholders.

\*1 Net Promoter®, NPS®, NPS Prism®, and the images and symbols used in connection with NPS are registered trademarks of Bain & Company, Fred Reichheld, and NICE Systems, Inc.

## Message from the CEO

## Demonstrating competitive advantages through our growth strategy

Even so, I am confident about the Group's medium- to long-term growth. We are outlining a business vision that looks to 2030 and even beyond—to a point in the longer-term future after society has become carbon neutral. We have formulated a growth strategy considering what services are required to get to that point, what [technologies](#) are necessary, and what [human capital](#) is required to offer them. We are making steady progress toward realizing this strategy, and we are demonstrating the Group's competitive advantages in the process.

One of the Group's competitive advantages is technological expertise. We have been researching artificial intelligence (AI) since the 1980s, and have integrated the results of this research into Fujitsu Uvance and its practical application as a service that customers can actually use. For instance, in June 2024 we announced several generative AI technologies, including the specialized automatic generative AI tailored to corporate needs utilizing the world's first technology. Highlighting our R&D capabilities involving cutting-edge technologies, in October 2023 we unveiled development of a 64-qubit superconducting quantum computer offering service through a platform that can be linked to a quantum simulator. We are also making steady R&D progress on a next-generation, high-performance, power-saving processor tentatively dubbed the FUJITSU-MONAKA.

Another notable competitive advantage is our customer base and positioning in the Japanese market. The Group maintains the top share of the IT services

**The potential for offering new value through sustainability transformation (SX) is a major business opportunity for the Group.**

market and has established a dominant position in the domestic market for the development and manufacture of mainframes and UNIX servers. Although this is now referred to as "legacy" hardware, the relationships of trust with customers and deep understanding of their businesses we have built through the construction and operation of mission-critical systems have lasting value. These relationships are important because they prepare the ground for new proposals. The responsibility to support the digital transformation (DX) of long-time customers through our hardware and systems integration business and the potential for offering new value through sustainability transformation (SX) are major business opportunities for the Group.

The Group's extremely robust alliances with global IT companies are due in part to their high regard for these competitive advantages. Even global companies with strong platforms and solutions can find it difficult to deliver that value in a way that benefits customers

in Japan. This is where the Group's expertise comes into play: developing advanced applications that leverage platforms and implementing proposals and solutions that address customers' business challenges. The Group's combination of technical capabilities, customer base, and market positioning make it a unique match for alliance partners seeking to provide IT services in the Japanese market.

## Transforming our business portfolio and accelerating the commercialization of AI

I mentioned that Fujitsu Uvance, a business model that is geared toward structural changes in society and industry, is gaining customer acceptance, which is producing strong results. This success is due in part to our approach—we invited our customers' management teams to the Fujitsu Uvance experience space at our headquarters to view demonstrations—as well as to the fact that we now have a full menu of service offerings. That said, I honestly believe this rollout was a year late, based on our assumptions when we announced Fujitsu Uvance in 2021. To translate our competitive advantages into medium- and long-term growth, we need to step up the pace of change. With [consulting services](#) that are integral to customer negotiations now in full swing under the new Uvance Wayfinders brand, and with an increased variety of offerings, in fiscal 2024 we will accelerate the transformation of our business portfolio centered on Fujitsu Uvance.

AI is also key to increasing the value Fujitsu Uvance provides to customers. We believe that by 2030,



## Message from the CEO

**We will . . . aim for the top position  
in AI-related services for the  
Japanese market.**

a company's competitiveness will depend on the integration of AI into its business processes. Accordingly, we need to step up our investment in growth, especially in AI. We need to put AI and other technologies to practical use more quickly. We will integrate our proprietary technology into Fujitsu Uvance to add value to our customers, differentiate our services, and aim for the top position in AI-related services for the Japanese market.

We will accelerate our business portfolio transformation and continue to improve [system quality](#), which is a cornerstone of customer trust. Under the lead of the CQO (Chief Quality Officer), the Group has continuously reviewed and promoted measures to enhance system quality. Of course, we also need to use data to explain to customers how our initiatives are enhancing quality. We welcome honest feedback from customers and society as well as suggestions on areas we need to improve. I believe this is how a technology company should fulfill its responsibility to continuously strive for quality that meets customers' expectations.

### Utilizing the practical knowledge we have accumulated through data-driven management

The Group is promoting the core OneFujitsu program in its quest for [data-driven management](#). In addition to OneCRM, which has been operating in all regions since April 2022, OneERP+, the Group's backbone system, will go live in October 2024 starting in Japan. This system will further augment the real-time visualization of business operations, which we have already partially achieved. It will also enhance the ease of system maintenance and operation, and our response capability and the speed with which we address changes in the environment through system updates and revisions. More than anything, we look forward to increasing productivity through further progress in standardizing the business processes we have been working on under the OneFujitsu program.

The benefits of the OneFujitsu program go beyond the Group's own productivity gains. The experience and knowledge acquired through our internal practices serve as a reference for our customers and help strengthen our consulting capabilities, which is a key focus for the Group. In particular, we have gained valuable practical knowledge through the Group's trial-and-error process of introducing 3S: SAP, ServiceNow, and Salesforce.\*2 In addition to the technology needed to implement 3S, we have gained extremely broad-based knowledge, such as in how to make the most of 3S, how to adjust business processes to take advantage of them, and how to cultivate the personnel who use them in corporate divisions, such as accounting and human resources, and in front office sales division. I am convinced that

by taking up the challenge of DX to move away from legacy systems and by utilizing the practical knowledge we have gained by repeatedly overcoming obstacles, we can outshine our competitors in providing consulting services that are more responsive to customers' issues and needs.

\*2 A business application that encapsulates enterprise resource management (ERP), customer service management (CSM), and customer relationship management (CRM)

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customers' issues and needs.**

## Message from the CEO

## Strengthening functions through a new management leadership structure

The Group has positioned its three-year medium-term plan as a period of preparation to launch on a growth trajectory from 2026. The forward-looking reinforcement of management functions is part of this preparation. To this end, in April 2024 we put in place a new management leadership structure composed of five vice presidents, as well as myself. The aim is to further increase management efficiency and speed up decision-making by delineation according to function.

In addition to the CFO, who specializes in finance, and the CTO, who is responsible for accelerating the commercialization of technology, we have clarified functional responsibility in the Service Solutions segment, which is a growth area. We have assigned three vice presidents to handle the individual functions of



(Top row, from left)  
Takeshi Isobe,  
Vivek Mahajan,  
Yoshinami Takahashi  
(Bottom row, from left)  
Megumi Shimazu,  
Shunsuke Onishi

**We must continue to embrace the challenge of creating value and achieving medium- to long-term growth.**

consulting, Fujitsu Uvance, and modernization. We believe this arrangement will enable us to change course more swiftly, as fluctuations in the business environment necessitate. The team of five will work together as a team, while also engaging in robust debate, toward the common goal of transforming the Group, which is a massive entity with more than 120,000 employees.

## The resolve embodied in net positive

We must continue to embrace the challenge of creating value and achieving medium- to long-term growth. "Net positive," a phrase used in our vision for 2030, expresses this belief. The outcomes of the Group's business activities are not unfailingly positive. For example, the spread of cloud services has caused power consumption to rise. We believe, however, that we should wholeheartedly embrace businesses that

help society and generate overall positive value that outweighs negative impacts. If we stop taking on challenges for fear of repercussions, in addition to neglecting one of the most important tenets of the [Fujitsu Way](#), we will be left behind in a rapidly changing society and be unable to achieve Our Purpose.

Since becoming president, we hold town hall meetings for employees to entrench these ideas throughout the Group. To truly internalize these concepts, though, employees need to embrace them in their work. As a leader, I need to set high goals while clearly outlining a growth strategy, and continue to encourage behavioral change among employees. I believe our employees will come to realize the importance of challenges that contribute to net positive while taking action to achieve our goals and discovering and solving problems independently as we promote our growth strategy toward 2030.

The Group will continue its transformation toward 2030. We will persevere in our efforts to address global environmental problems, develop a digital society, and improve people's well-being. We aim to create a positive impact on society as a whole and sustainably enhance corporate value. We expect to realize Our Purpose as the culmination of these efforts. I encourage our stakeholders to follow Fujitsu's developments with interest.

Takahito Tokita  
Representative Director  
CEO



# Management strategy

Fujitsu is promoting the 2023–2025 Medium-Term Management Plan, which it formulated by backcasting from its vision for the future in 2030 and beyond. The plan has three main initiatives: transform our business model and portfolio, ensure reliable support for the modernization of customers' IT assets, and improve the profitability of our international business. By implementing these three initiatives and the four key strategies for realizing them, we aim to build a business model that combines sustainable growth and high profitability.



**2030 vision and 2023–2025 Medium-Term Management Plan**

2023–2025 Medium-Term Management Plan

Understanding the relationship between  
financial and non-financial indicators

## 2030 vision and 2023–2025 Medium-Term Management Plan

The 2023–2025 Medium-Term Management Plan was formulated by envisioning Fujitsu's ideal position in society in 2030 and beyond, and then working backward from that vision.

**Main initiatives**

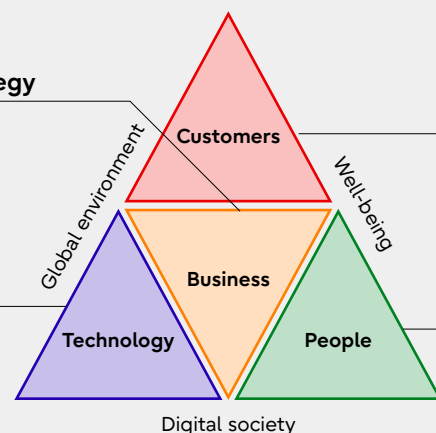
- Transform our business model and portfolio
- Ensure reliable support for customers' modernization
- Improve the profitability of our international business

**Key strategies****Business model and portfolio strategy**

Business segments and portfolio  
Shift to growth areas  
Customer engagement model

**Technology strategy**

Develop core technologies  
Business utilization of technologies  
(enhance value delivered)

**Customer success/  
regional strategy**

Expand consulting  
Modernization  
International focus on services  
Strategic alliances  
Further stability of customers' business

**People strategy**

Globally unified roles  
Improve productivity (per employee)  
Strengthen management foundation

**2030 vision**

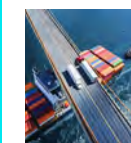
**Being a technology company that realizes net positive through digital services**

**Financial indicators**

- Growth area revenue: Fujitsu Uvance **¥1 trillion+**
- Operating profit margin: Service Solutions **17%+**
- EPS: CAGR (Fiscal 2023–2030) **17%+**

**Non-financial indicators**

- Employee engagement: **75+**
- Diverse leadership  
(ratio of female managers): **30%+**

**Impact indicators (Materiality)****Solving global environmental issues**

- Contribute to reduced global GHG emissions:  
**Reduction of at least 0.3%**
- Use of renewable energy in Fujitsu: **100%**

**Developing a digital society**

- Digital accessibility: **150 million people+**

**Improving people's well-being**

- Number of people receiving ICT skills training: **12 million people+**

## 2023–2025 Medium-Term Management Plan

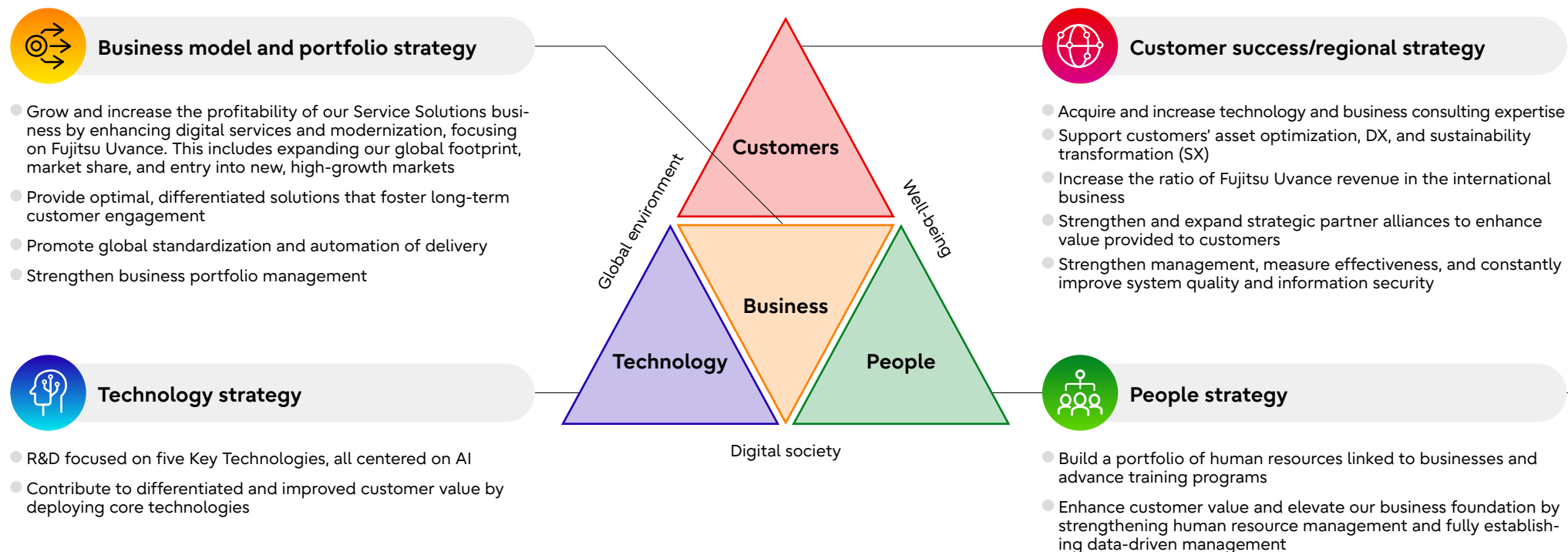
### Outline of key strategies

To achieve our vision for 2030 and beyond, our 2023–2025 Medium-Term Management Plan (medium-term plan) outlines three main initiatives: transform our business model and portfolio, ensure reliable support for the modernization of customers' IT assets, and improve the profitability of our international business. We developed four key strategies to steadily advance these initiatives.

Our business model and portfolio strategy aims to strengthen our business foundation by expanding service areas, specifically targeting growth in the [Fujitsu Uvance](#) and [modernization](#) businesses. Our customer success/regional strategy is focused on strengthening our global customer engagement and support which includes promoting and expanding our [consulting](#) talent, beginning in Japan, whilst in parallel

shifting our international business to a services focus. Our technology strategy is focused on increasing the value we provide to customers by leveraging Fujitsu's [competitive advantages in technology](#). We are developing five Key Technologies centered around AI, and embedding them within Fujitsu Uvance solutions and services. Our people strategy aims to strengthen our business foundations by establishing a global workforce portfolio that is connected to our business needs, and improving productivity through Fujitsu's own digital transformation (DX).

All key strategies contribute to our financial and non-financial measures, working towards achieving an overall net positive contribution.





2030 vision and 2023–2025 Medium-Term  
Management Plan**2023–2025 Medium-Term Management Plan**Understanding the relationship between  
financial and non-financial indicators**2023–2025 Medium-Term Management Plan****Progress on business model and portfolio strategy**

Business



Priorities and key measures	Targets and KPIs	Progress in fiscal 2023	Aims for fiscal 2024 and beyond
<ul style="list-style-type: none"> <li>Strengthen development and expand <a href="#">Fujitsu Uvance</a> global standard offerings</li> <li>Establish a “One Delivery” global model centered on providing Fujitsu Uvance services</li> <li>Enhance consulting capabilities in Vertical areas*<sup>1</sup></li> <li>Strengthen delivery capabilities in Horizontal areas*<sup>2</sup></li> <li>Develop cloud solutions to realize SX</li> <li>Enhance Consumer Experience offerings centered on GK Software</li> </ul>	<ul style="list-style-type: none"> <li>Based on fiscal 2022 sales, target sales of ¥400.0 billion in Vertical areas and ¥100.0 billion in Horizontal areas, and total revenue of ¥700.0 billion by fiscal 2025</li> <li>Aim to increase the gross margin in Vertical areas to more than 40% by fiscal 2025</li> <li>Assuming sales expansion, capture a 5% share of the SX market, which is expected to reach ¥8 trillion globally by fiscal 2025</li> <li>Bolster the number of specialist personnel supporting delivery in the Business Applications domain (including SAP, ServiceNow, and Salesforce) from 3,000 in fiscal 2022, to 8,000 in fiscal 2025</li> <li>Aim to achieve sales of ¥100.0 billion in the Consumer Experience domain by fiscal 2025, centered on GK Software</li> </ul>	<ul style="list-style-type: none"> <li>Fujitsu Uvance revenue grew 84% year on year to ¥367.9 billion</li> <li>Accelerated availability of new offerings, particularly in Vertical focus areas, with a total of 37 total Fujitsu Uvance offerings being available at the end of fiscal 2023</li> <li>Won a number of new major business deals as demand expanded for Fujitsu Uvance offerings—particularly in relation to Sustainable Manufacturing</li> <li>AI now features in 22 Fujitsu Uvance offerings</li> <li>Made a number of acquisitions, including GK Software, a leading company in cloud solutions for the global retail industry, with offerings now starting to be made available in Japan</li> <li>Developed and increased the number of accredited personnel in ServiceNow, SAP, and Salesforce skills</li> </ul>	<ul style="list-style-type: none"> <li>Expand global common services with standardized offerings</li> <li>Aim to expand offerings to 64 types during fiscal 2024</li> <li>Target gross margin of more than 40% for offerings in Vertical areas by fiscal 2025</li> <li>Aim for growth driven by increased user numbers and usage volume for offerings, from fiscal 2025</li> <li>Strengthen regional collaboration to fully establish Verticals internationally</li> </ul>
<ul style="list-style-type: none"> <li>Improve delivery efficiency, quality, and speed by utilizing the Fujitsu Developers Platform, a standardized platform for project management and development technologies</li> <li>Advance human resource management and reskilling within our Global Delivery Centers (GDCs)</li> <li>Increase the number and expertise of GDC- and Japan Global Gateway (JGG)-based personnel and JGG-insourcing work from partner organizations</li> <li>Strengthen GDC capability to support future areas of business growth areas</li> <li>Continue expanding our center of excellence for <a href="#">Modernization</a>, delivering high-quality, efficient, and speedy modernization solutions</li> <li>Consolidate and disseminate modernization insight, standardize and streamline processes—sharing success patterns, and proactively deploy horizontal technical capability including working with partners</li> </ul>	<ul style="list-style-type: none"> <li>Increase the number of GDC/JGG delivery personnel from 30,000 in fiscal 2022 to 40,000 by the end of fiscal 2025</li> <li>Between fiscal 2022 and fiscal 2025, increase the project internalization rate from 59% to 64%, the offshoring rate (i.e., GDC ratio) from 11% to 18%, and the application of standardization and automation from 30% to 45%</li> <li>Increase the ratio of GDC personnel assigned to growth areas from 10% to 45%</li> <li>Maintain a high level of employee engagement at GDCs</li> <li>Promote modernization and on-cloud business expansion at a faster pace than market growth</li> </ul>	<ul style="list-style-type: none"> <li>Increased the number of GDC/JGG personnel to 32,000 as of the end of fiscal 2023</li> <li>Adoption of GDC increased by 3 percentage points year on year to 14%</li> <li>Expanded standardization and automation through use of JGG and development platform</li> <li>Enhanced visibility of resource requirements to meet modernization demand</li> <li>Significantly increased personnel at the Modernization Knowledge Center, a core part of our Modernization center of excellence, which has resulted in consolidated technical information, know-how, and insights</li> <li>Expanded our global partnership with AWS to accelerate customers' modernization</li> <li>Gross margin improved 2 percentage points year on year in fiscal 2023</li> </ul>	<ul style="list-style-type: none"> <li>Provide Fujitsu PROGRESSION, an automated mainframe modernization service, in Japan</li> <li>Strengthen systems to efficiently and flexibly assign resources in line with growth and customer business priorities</li> <li>Continuously develop and expand the pool of specialized skill personnel (Modernization Meisters)</li> </ul>

\*<sup>1</sup> Four Vertical areas of Fujitsu Uvance that solve societal issues: Sustainable Manufacturing, Consumer Experience, Healthy Living, and Trusted Society\*<sup>2</sup> Three cross-industry Horizontal areas that support the Vertical areas: Digital Shifts, Business Applications, and Hybrid IT

2030 vision and 2023–2025 Medium-Term  
Management Plan**2023–2025 Medium-Term Management Plan**Understanding the relationship between  
financial and non-financial indicators**2023–2025 Medium-Term Management Plan****Progress on customer success/regional strategy**

Customers



Priorities and key measures	Targets and KPIs	Progress in fiscal 2023	Aims for fiscal 2024 and beyond
<b>Customer success</b> <b>Customers</b> <ul style="list-style-type: none"> <li>Fully establish and growth the Uvance Wayfinders <a href="#">consulting business</a>, which addresses customers' issues from both a business and technology perspective</li> <li>Deploy an enhanced value-based global pricing strategy</li> </ul> <b>Organization</b> <ul style="list-style-type: none"> <li>Appointment of a CRO (Chief Revenue Officer) with responsibility for global customer services, leading all regions and deploying a cross-regional strategy and governance for revenue and profit maximization, with the main focus being on the expansion of Fujitsu Uvance</li> </ul> <b>Personnel/resources</b> <ul style="list-style-type: none"> <li>Develop and appoint global account directors (GADs) and account general managers (AGMs) who are capable of competing on a global stage, and implement a new operating model for global customer accounts, designed to help our customers grow globally</li> <li>Accelerate talent acquisition from the global market—particularly in relation to consulting</li> </ul> <b>Partners</b> <ul style="list-style-type: none"> <li>Establish global-scale go-to-market strategies with strategic partners that bring differentiated value to customers</li> </ul>	<ul style="list-style-type: none"> <li>Increase the number of consultants to 10,000 by fiscal 2025 (3,000 business consultants, 7,000 technology consultants) through reskilling of internal human resources, hiring and M&amp;A</li> <li>Improve gross margin by 2 percentage points in the Service Solutions segment through a value-based pricing strategy and changes in delivery</li> </ul>	<ul style="list-style-type: none"> <li>Accelerated GTM of Fujitsu Uvance, primarily targeting Japan domestic customers</li> <li>Launched new consulting business brand Uvance Wayfinders and established 13 key consulting areas (practices)</li> <li>Enhanced reskilling of internal talent and recruitment to expand consulting capabilities</li> <li>Increased number of consultants to approximately 2,000 as of the end of fiscal 2023 (600 business consultants and 1,400 technology consultants)</li> <li>Deployed a value-based pricing strategy globally</li> <li>Promoted recruitment and training of GADs/AGMs, and assigned them to accounts</li> </ul>	<ul style="list-style-type: none"> <li>Consulting-led business growth</li> <li>Augment consulting capabilities through talent recruitment, reskilling, and acquisition.</li> <li>Establish a proprietary certification system for Uvance Wayfinders and develop certified consultants with professional expertise in 13 practices</li> <li>Further promote strategic alliances</li> </ul>
<b>Regional strategy: Regions (Japan)</b> <ul style="list-style-type: none"> <li>Drive revenue growth by proposing Fujitsu Uvance offerings to customers. Understand and support customers' modernization needs—particularly those using products such as mainframe computers, UNIX servers, and office computers</li> <li>Expand consulting approaches and execute ideas that result in optimizing use of Fujitsu Uvance and modernization offerings</li> <li>Transform and enhance customer-facing frontline engagement, and promote digital sales, working in collaboration with business development and sales partners</li> <li>Strengthen information security and quality management across all customer-facing frontline organizations in Japan and International regions, led by the CQO (Chief Quality Officer) and CISO (Chief Information Security Officer), to reduce the number of information security incidents and system quality issues</li> </ul>	<ul style="list-style-type: none"> <li>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%</li> </ul>	<ul style="list-style-type: none"> <li>Increased revenue 5.7% year on year to ¥1,262.1 billion</li> <li>Increased revenue across various sectors, including finance, public, and healthcare</li> <li>Increased annual orders 16% year on year, with growth driven by DX and modernization projects</li> <li>Improved the adjusted operating profit margin by 4.5 percentage points year on year to 16.9%, with better profitability and a boost from revenue growth</li> </ul>	<ul style="list-style-type: none"> <li>Focus on expanding Fujitsu Uvance and modernization, build a portfolio of reference projects</li> <li>Accelerate reskilling of internal talent to strengthen consulting capabilities</li> <li>Continue to enhance information security and quality management</li> <li>Pursue added value for customers and advance application of global rate cards</li> </ul>
<b>Regional strategy: Regions (International)</b> <ul style="list-style-type: none"> <li>Accelerate shift from traditional infrastructure-based business (MIS<sup>*1</sup>) to SaaS-based business (BAS<sup>*2</sup>) and focus on expanding our offerings in Fujitsu Uvance's Vertical areas</li> <li>Develop and expand our consulting capabilities and approach, adopting global methodologies and operating model</li> <li>Create a globally integrated customer-facing organization structure</li> <li>Reskill our employees to align their expertise with future focus growth areas</li> <li>Increase the added value of services and differentiate through increased adoption of both our own unique technology capabilities as well as our strategic alliances—implementing joint go-to-market strategies</li> </ul>	<ul style="list-style-type: none"> <li>Increase revenue in Regions (International) from ¥581.7 billion in fiscal 2022 to ¥600.0 billion in fiscal 2025, and increase the operating profit margin from 1.8% to 3.3%</li> </ul>	<ul style="list-style-type: none"> <li>Completed shift to services in the Americas region, and stabilized revenue by expanding services centered on Fujitsu Uvance</li> <li>Structural reforms are underway in the Europe region to increase our focus on profit and growth areas aligned to our future Service Solutions portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Complete structural reforms in the Europe region by fiscal 2025</li> <li>Implement structural reforms in the Asia Pacific region</li> </ul>

\*1 Managed infrastructure services

\*2 Business application services

2030 vision and 2023–2025 Medium-Term  
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## 2023–2025 Medium-Term Management Plan

Understanding the relationship between  
financial and non-financial indicators

## 2023–2025 Medium-Term Management Plan

### Progress on technology strategy

Technology



Priorities and key measures	Progress in fiscal 2023	Aims for fiscal 2024 and beyond
<ul style="list-style-type: none"> <li>Advance social implementation of the five Key Technologies through Fujitsu Uvance; in AI technology, having globally launched Fujitsu Kozuchi in April 2023, accelerate business development through cutting-edge AI</li> <li>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</li> <li>Enhance Fujitsu's product portfolio based on Fujitsu Uvance</li> <li>Strengthen global strategies through alliances with major partners, such as AWS, Microsoft, SAP, ServiceNow, and Salesforce</li> <li>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</li> <li>For more details, see <a href="#">Technology leadership underpinned by a pioneering AI strategy</a></li> </ul>	<ul style="list-style-type: none"> <li>Formulated a new AI strategy that integrates advanced AI technology with Fujitsu Uvance offerings</li> <li>Launched Fujitsu Data Intelligence PaaS, bundling AI as a PaaS offering within Fujitsu Uvance</li> <li>Gave proposals to global customers that utilize Fujitsu Kozuchi from April 2023, conducting over 500 proof-of-concept demonstrations</li> <li>Developed a 64-qubit superconducting quantum computer in collaboration with RIKEN, expanding the exploration of practical quantum applications</li> <li>Promoted global and cross-sectional collaborative industry-academia research through Fujitsu Small Research Lab</li> </ul>	<ul style="list-style-type: none"> <li>Further strengthen the five Key Technologies, centered on advanced AI technology</li> <li>Accelerate implementation of AI and other Key Technologies into Fujitsu Uvance</li> <li>Announced the Enterprise Generative AI Framework in June 2024, and will gradually roll it out through Fujitsu Kozuchi</li> <li>Provide iterations of cutting-edge technologies through the Fujitsu Research Portal, including generative AI specialized in areas like image and code generation, and generative AI hybrid technology that efficiently combines multiple generative AI models</li> <li>Advance the manufacture of a superconducting gate-type quantum computer system that was ordered in fiscal 2024, representing Japan's first commercial quantum computer system by a domestic vendor, while aiming to start operations in fiscal 2025</li> <li>Continue development of FUJITSU-MONAKA, a next-generation, high-performance, energy-efficient processor made in Japan toward achieving a carbon-neutral digital society, targeting a release date in 2027</li> </ul>

### Progress on people strategy

People



Priorities and key measures	Progress in fiscal 2023	Aims for fiscal 2024 and beyond
<b>Human resources</b> <ul style="list-style-type: none"> <li>Advance creation of a human resource portfolio and training plans aligned with businesses</li> <li>Conduct reskilling and upskilling for personnel based on globally unified definitions of job roles and expand resources in growth areas</li> <li>For more details, see <a href="#">Human resource management</a></li> </ul>	<ul style="list-style-type: none"> <li>Revised the compensation system and increased compensation levels for all employees in Japan with an eye on enhancing medium- to long-term competitiveness</li> <li>Standardized roles globally and promoted recruitment and reskilling to strengthen human resources in coordination with business units and departments, including GDCs and Business Applications (3S), in tune with business strategies</li> <li>Held CHRO Roundtable meetings with other companies aimed at the practical implementation of human capital management; discussed and verified hypotheses based on management strategies, initiatives, and practical HR data, and published outcomes in the <i>CHRO Roundtable Report</i></li> </ul>	<ul style="list-style-type: none"> <li>Visualize the human resource portfolio and key positions along three axes: region, role, and business</li> <li>Build human resource portfolios for each region</li> <li>Accelerate reskilling of internal human resources and recruitment to strengthen consulting capabilities</li> <li>Continue to increase personnel in key areas, including GDCs and 3S</li> <li>Expand the job-based talent management approach to new graduates and shift to a new recruitment model</li> </ul>
<b>Data-driven management</b> <ul style="list-style-type: none"> <li>Promote the OneFujitsu Program to strengthen the management foundation and improve productivity</li> <li>Provide customers with the value of our experience and knowledge gained by implementing an in-house DX strategy and moving to a strengthened data-driven management, thereby promoting DX across society</li> <li>For more details, see <a href="#">Data-driven management expertise</a></li> </ul>	<ul style="list-style-type: none"> <li>Promoted global standardization of account management through OneCRM</li> <li>Expanded the global deployment of OneData, a platform for utilizing data from OneCRM, OneERP+, and other sources</li> </ul>	<ul style="list-style-type: none"> <li>Fully launch OneERP+ at Fujitsu headquarters and Fujitsu Japan in October 2024</li> <li>Work on integrating overseas regions into OneERP+, aiming for completion by fiscal 2028</li> <li>Develop high-level IT and digital talent through the internal implementation of the OneFujitsu Program</li> <li>Codify and reference the practical knowledge from OneFujitsu to contribute to growth in consulting, Fujitsu Uvance, modernization, and other business areas</li> </ul>



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Management Plan**2023–2025 Medium-Term Management Plan**Understanding the relationship between  
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			Fiscal 2022 results	Fiscal 2023 results	Change from fiscal 2022 to fiscal 2023	Fiscal 2024 plan	Fiscal 2025 target
Business growth and improved profitability	Revenue		¥3,713.7 billion	¥3,756.0 billion	+1.1%	¥3,760.0 billion	¥4,200.0 billion
		Service Solutions	¥1,984.2 billion	¥2,137.5 billion	+7.7%	¥2,230.0 billion	¥2,400.0 billion
		Fujitsu Uvance	¥200.0 billion	¥367.9 billion	+84.0%	¥450.0 billion	¥700.0 billion
	Adjusted operating profit*1		¥320.8 billion	¥283.6 billion	-11.6%	¥330.0 billion	¥500.0 billion
		Service Solutions	¥162.9 billion	¥237.2 billion	+45.5%	¥280.0 billion	¥360.0 billion
	Adjusted operating profit margin		8.6%	7.6%	-1.0pp	8.8%	12.0%
		Service Solutions	8.2%	11.1%	+2.9pp	12.6%	15.0%
Strengthen cash generation capabilities	Core FCF*2 (Companywide)		¥157.1 billion	¥197.2 billion	+25.5%	¥220.0 billion	¥300.0 billion
			Fiscal 2019–2022				Fiscal 2022–2025
Increase efficiency of corporate capital	EPS CAGR		12%				14–16%

\*1 An indicator that represents actual profit from the core business calculated by deducting profits from business restructuring, M&amp;As, etc., and one-off profits from changes in regulations from operating profit; previously presented as operating profit excluding special items

\*2 Core free cash flow (FCF): current FCF after deducting temporary income and expenses associated with business restructuring, M&amp;As, etc.

**Revenue**

In fiscal 2023, revenue increased compared with the previous fiscal year. In the Service Solutions segment, Fujitsu Uvance grew in addition to expansion in the DX and modernization businesses, especially in Japan. In the Hardware Solutions segment, revenue for system products increased owing in part to the impact of fluctuations in foreign exchange rates, while for network products, revenue declined on a pullback in demand from strong levels in the previous fiscal year. Revenue in the Device Solutions segment also declined amid weak demand for semiconductor packages.

[For more details, see financial strategy and business overview](#)

**Adjusted operating profit**

In fiscal 2023, adjusted operating profit decreased year on year. In the Service Solutions segment, which the Group has positioned as a key driver of growth, profit increased sharply on the back of higher sales and steady improvement in the profitability of domestic services. However, due to lower operating rates and volumes in Device Solutions, drop in demand in network products, and increase in costs associated with aggressive business growth investments, profit fell on a consolidated basis.

**Core FCF**

Core free cash flow totaled ¥197.2 billion in fiscal 2023, a year-on-year increase of ¥40.1 billion. Cash flows from operating activities improved compared with the previous fiscal year as inventories were reduced and accounts receivable were collected, despite an increase in corporate tax payments due to higher profit last fiscal year. As for cash flows from investing activities, expenditure increased from the previous fiscal year due to increased capital expenditures in the Device Solutions segment.

2030 vision and 2023–2025 Medium-Term  
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## 2023–2025 Medium-Term Management Plan

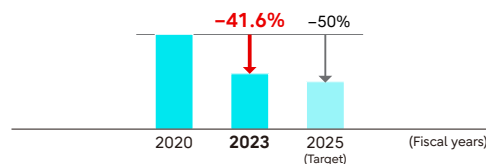
Understanding the relationship between  
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### 2023–2025 Medium-Term Management Plan

#### Progress toward non-financial targets

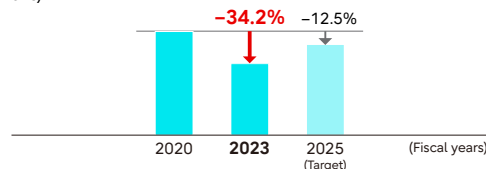
##### Environment

#### GHG emissions: Fujitsu Group Scope 1 and 2 (Compared with fiscal 2020) (10,000 tons)



The Fujitsu Group has set targets for reducing GHG emissions as an environmental KPI, aiming to lower Scope 1 and 2 emissions by 50% by fiscal 2025 compared with the fiscal 2020 level. We have achieved a 41.6% reduction as of fiscal 2023.

#### GHG emissions: Supply chain Scope 3\* (Compared with fiscal 2020) (10,000 tons)

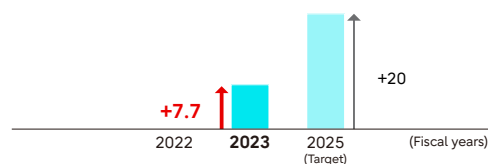


\* Category 11: CO<sub>2</sub> emissions due to product power consumption only

In addition to Scope 1 and 2, the Group has set targets for reducing Scope 3 emissions by fiscal 2025, aiming to cut emissions by 12.5% compared with the fiscal 2020 level. As of fiscal 2023, we have achieved a 34.2% reduction, surpassing this target.

##### Customers

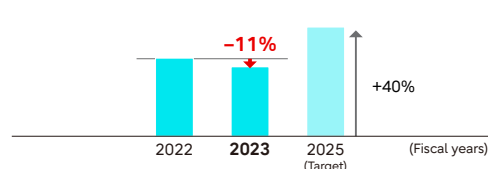
#### Customer Net Promoter Score (NPS®) (Compared with fiscal 2022) (Points)



In order to improve the customer experience, the Group targets a 20-point improvement in the Customer Net Promoter Score (NPS) by fiscal 2025 compared with the fiscal 2022 level. As of fiscal 2023, NPS had improved by 7.7 points.

##### Productivity

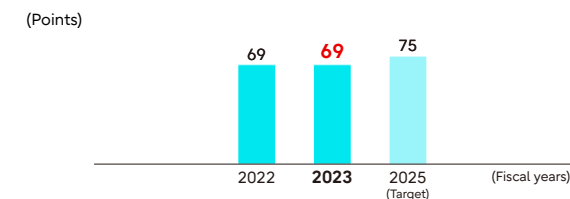
#### Per capita productivity (Operating income compared with fiscal 2022) (Yen)



The Group aims to increase adjusted operating profit per employee by 40% by fiscal 2025 compared with the fiscal 2022 level. This metric declined 11% on a consolidated basis in fiscal 2023, but exceeded 40% in the growth area of Service Solutions.

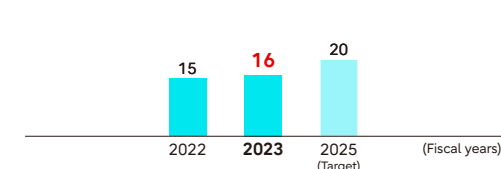
##### People

#### Employee engagement (Points)



As an indicator to measure sustained growth, the Group intends to achieve its target of 75, the benchmark for global companies, by fiscal 2025. As of fiscal 2023, this indicator was 69 points.

#### Diverse leadership (Ratio of female managers) (%)



To realize an equitable and inclusive corporate culture, the Group tracks the ratio of women in management positions as an indicator of diversity in human resources, targeting a ratio of 20% by fiscal 2025. This ratio was 16% as of the end of fiscal 2023.

## Understanding the relationship between financial and non-financial indicators

### Outline of non-financial indicator task force and initiatives

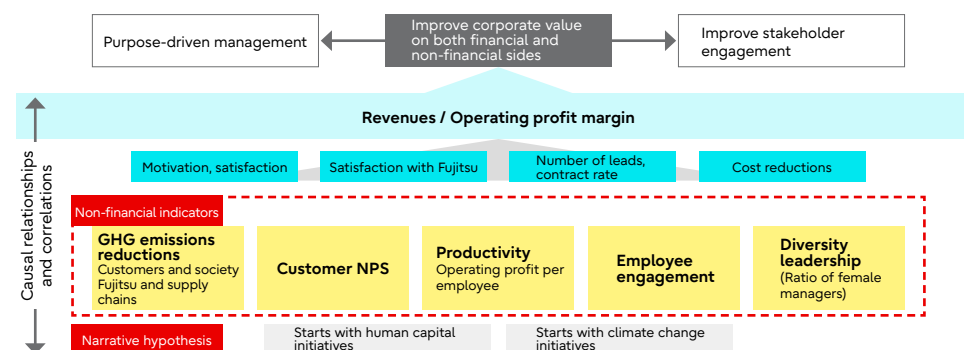
To realize Our Purpose, the Fujitsu Group believes it is essential to maximize performance in both financial and non-financial aspects to achieve sustainable growth and create value for customers and society. Based on this belief, the Group has integrated **non-financial targets** into the core of its business activities, and is promoting efforts to achieve these goals along with **financial targets**. In the medium-term plan, we have set targets for non-financial management indicators, such as for GHG emission reductions, Customer NPS, operating profit per employee, employee engagement, and diversity leadership (ratio of female managers). We monitor our progress toward these goals.

To achieve non-financial goals, it is necessary for each and every employee to understand the importance of non-financial initiatives. Recognizing the need to clarify the logic of non-financial goals in order to increase understanding of their importance, we established an internal task force in January 2022 composed of members responsible for each non-financial management indicator and internal system developers. This task force has facilitated robust discussions among diverse members with varying expertise, with the intention of establishing a framework for shedding light on and understanding the relationship between non-financial and financial indicators, ultimately integrating these findings into business models and operations. Initially, we used data to analyze and verify correlations and causal relationships between non-financial and financial indicators, exploring how non-financial indicators can be improved and their relationship with financial indicators.

In fiscal 2023, we have taken a more concrete approach to clarify the story of how non-financial initiatives impact other non-financial indicators and financial indicators. We established two narrative hypotheses from the perspectives of the importance and measurability of our initiatives: one starts with human capital initiatives and another with climate change initiatives. Based on these narrative hypotheses, we are further analyzing and verifying the relationships between the KPIs related to each initiative, non-financial management indicators, and financial indicators, such as revenue and operating profit margin.

These initiatives are reported to the Sustainability Management Committee, chaired by the CEO, and the results of discussions in this committee are reflected in the task force's initiatives.

### Non-financial management targets and understanding the relationship between financial and non-financial indicators

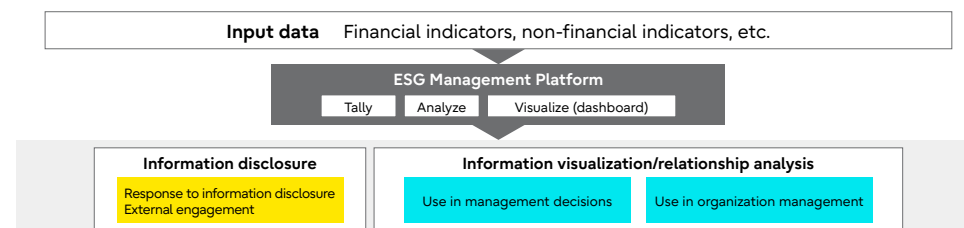


### ESG Management Platform

The Group has created the ESG Management Platform with the aim of facilitating business decisions and organizational management, in addition to engagement with external parties, including information disclosure, through the unified collection of financial and non-financial indicators, as well as the visualization, analysis, and simulation of data. While coordinating with the task force for non-financial indicators, the Group measures progress on financial and non-financial management indicators, analyzes story hypotheses and visualizes the results of simulations.

This initiative is a part of data-driven management activities that the Group is targeting, and has led to the provision of services to customers that utilize know-how gained through practical experience internally.

### ESG Management Platform



[For more details, see non-financial indicators](#)





# Financial strategy and business overview

To achieve sustainable growth and enhance corporate value, Fujitsu is pursuing a financial strategy that emphasizes the expansion of cash generation and optimization of capital allocation. Based on the 2023–2025 Medium-Term Management Plan, we will steadily invest in business growth and shareholder returns, growing Service Solutions and enhancing profitability. At the same time, we intend to fulfill stakeholders' expectations by achieving our financial targets for fiscal 2025, a milestone on the path toward 2030.

## Message from the CFO



**We will focus on the growth area of Service Solutions to realize sustainable increases in corporate value.**

**Takeshi Isobe**

Representative Director  
CFO

### Performance in fiscal 2023, our starting point for growth

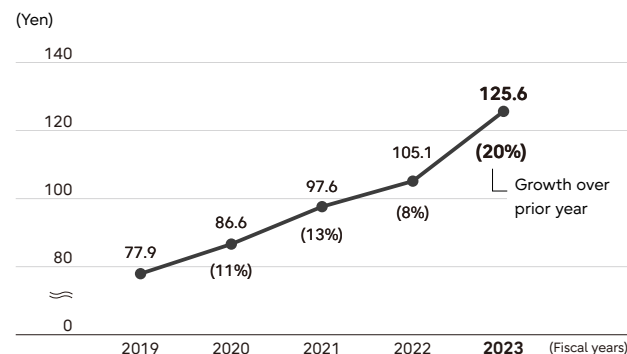
Looking at our consolidated financial results for fiscal 2023, revenue grew 2.2% year on year to ¥3,756.0 billion, excluding the impact of business restructuring, and profit attributable to owners of the parent climbed 18.3% to ¥254.4 billion, reaching record highs. Adjusted operating profit, which excludes business restructuring and other transient factors, fell 11.6% to ¥283.6 billion, and the adjusted operating profit margin was 7.6%. As a result, adjusted earnings per share (EPS) came to ¥125.6, and return on equity (ROE) was 15.2%.

Honing in on performance by business segment, revenue and profit grew substantially in Service Solutions, which we are focusing on as a growth area. Excluding the impact of business restructuring, segment revenue rose 9.9% year on year. Segment

revenue in Japan increased 12.0%, sharply outpacing the market growth rate. Revenue from [Fujitsu Uvance](#), a key driver of business growth, rose 84.0% year on year, as demand related to digital transformation (DX) and [modernization](#) buoyed business scale expansion. In an effort to improve profitability, we pushed forward with [delivery transformation](#), with the standardization, automation, and insourcing of system development. Accordingly, the gross margin ratio improved 2 percentage points to 35%. Adjusted operating profit increased ¥74.2 billion to ¥237.2 billion, and the adjusted operating profit margin improved 2.9 percentage points to 11.1%. As a result, we made progress on two fronts: expanding our scale of business and improving profitability.

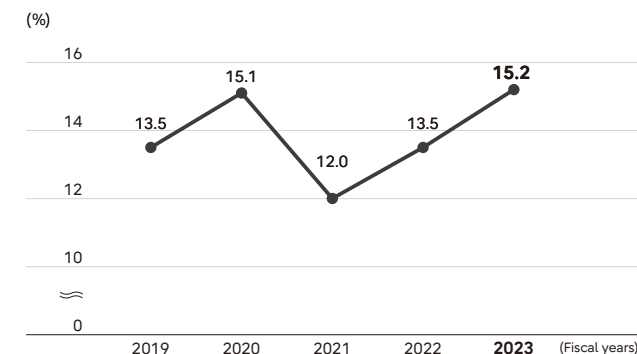
Meanwhile, in Hardware Solutions, revenue from network products fell from the high demand levels of the previous fiscal year. In Device Solutions, performance was significantly affected by the sluggish global

#### Adjusted EPS (Growth over prior year)



Note: The Fujitsu Group conducted a 10-for-1 stock split of its common stock effective on April 1, 2024. Per-share information has been adjusted to reflect values after the stock split.

#### ROE



## Message from the CFO

Highlights of consolidated performance in fiscal 2023

Overview of operations by segment

## Message from the CFO

market for semiconductor packages, suppressing revenue and profits.

We made substantial headway in addressing medium- and long-term business issues. In Regions (International), we decided to carve out low-profit businesses and restructure the European corporate structure in order to transform the portfolio. In Hardware Solutions, we established Fsas Technologies Inc. to boost business efficiency by integrating development, manufacturing, sales, and maintenance functions in the domestic servers and storage system business. Furthermore, in Device Solutions we concluded an agreement for the transfer of shares in SHINKO ELECTRIC INDUSTRIES CO., LTD.

The impact on profits of addressing these medium- to long-term issues was more than ¥120.0 billion in one-time losses affecting operating profit. However, the restructuring of the European corporate

system and other factors resulted in a tax benefit of more than ¥140.0 billion, for a net positive effect.

We believe our share price and price book-value ratio (PBR) at the end of fiscal 2024 will reflect the growth of the Service Solutions segment and the market's evaluation of our efforts to address medium- to long-term business challenges.

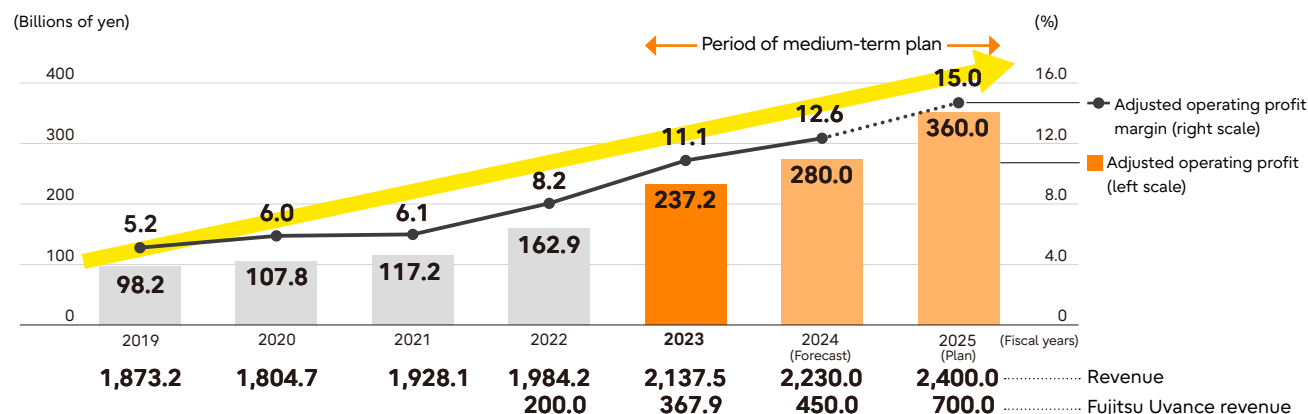
## Efforts to accelerate growth in fiscal 2024

Fiscal 2024 is the midpoint of our 2023–2025 Medium-Term Management Plan (medium-term plan), and is thus an important year in connection with our goals. We anticipate that adjusted operating profit from Service Solutions will increase 18% year on year due to revenue growth and steady profitability

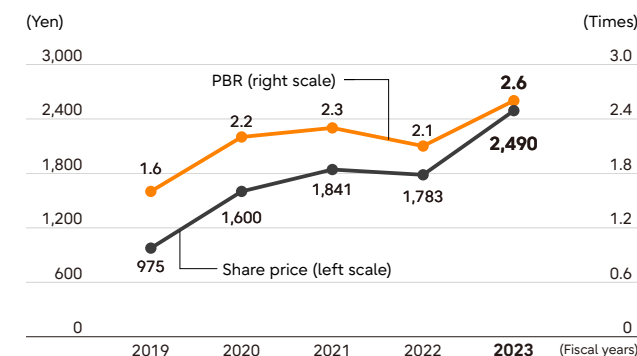
improvements, backed by robust growth in Fujitsu Uvance and the modernization business. In particular, from the viewpoint of improving profitability, in addition to the ongoing delivery transformation we expect a contribution from expanded offerings in the highly profitable Vertical areas of Fujitsu Uvance.

We will continue investing to accelerate business growth over the medium to long term. In fiscal 2024, our focus will be on investing, particularly in relation to the acquisition of [consulting](#) capabilities and the evolution of Key Technologies such as AI. These are essential areas for providing customers with services that help solve social issues and create value through Fujitsu Uvance and modernization. By stepping up these initiatives, we aim to achieve the medium-term plan and position ourselves for sustainable growth in 2030 and beyond.

## Progress of Service Solutions



## Share price / PBR



Note: The Fujitsu Group conducted a 10-for-1 stock split of its common stock effective on April 1, 2024. Per-share information has been adjusted to reflect values after the stock split.



## Message from the CFO

| Highlights of consolidated performance in fiscal 2023 |

Overview of operations by segment |

## Message from the CFO

## Cash flow generation and capital allocation

Business growth and productivity improvements have steadily expanded our cash flow generation capabilities. During the three years of the medium-term plan, fiscal 2023 through fiscal 2025, we are targeting base cash flow\* of ¥1.3 trillion. Base cash flow, which is the source of funds for capital allocation, includes cash generated through asset recycling. Our capital allocation plan remains unchanged. This plan calls for us to allocate around ¥700.0 billion in cash flow toward business growth investments and approximately ¥600.0 billion to shareholder returns, ensuring sustainable growth in corporate value.

Key areas of focus for our business growth investments are expanding Fujitsu Uvance offerings, enhancing consulting capabilities, conducting [R&D into advanced technologies](#), and strengthening management foundations such as the [OneFujitsu Program](#). Naturally, we thoroughly monitor return on

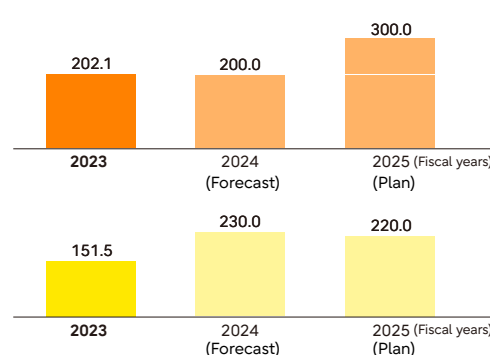
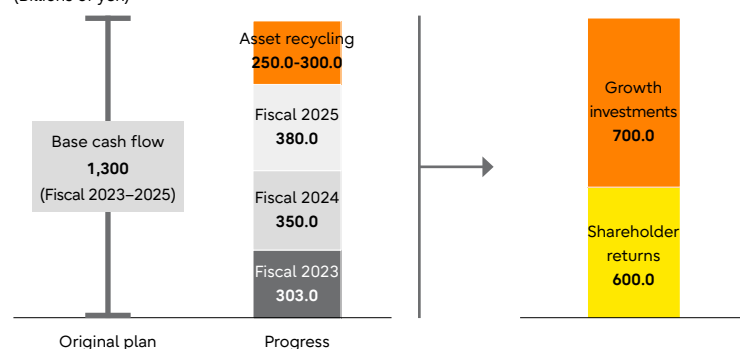
investment (ROI). We seek to increase ROI by emphasizing contribution to growth from a medium- to long-term perspective, as well as short-term capital recovery.

We view shareholder returns as total returns from the combination of stable dividends and flexible share buybacks. In fiscal 2023, we awarded annual dividends of ¥26 per share, paying a total of ¥48.4 billion in dividends. This was our eighth consecutive year of dividend increases. We also acquired ¥103.1 billion in treasury stock. Including this share buyback, in fiscal 2023 total shareholder returns came to ¥151.5 billion, bringing the total return ratio to 60%. We expect to continue increasing dividends for the ninth consecutive year in fiscal 2024, awarding annual dividends of ¥28 per share. We also plan to buy back shares worth ¥180.0 billion, boosting total returns for the year to ¥230.0 billion. Our plan to achieve shareholder returns of ¥600.0 billion over three years remains unchanged.

\* Cash flows including free cash flow before growth investments and lease expenses

## Progress on capital allocation

(Billions of yen)



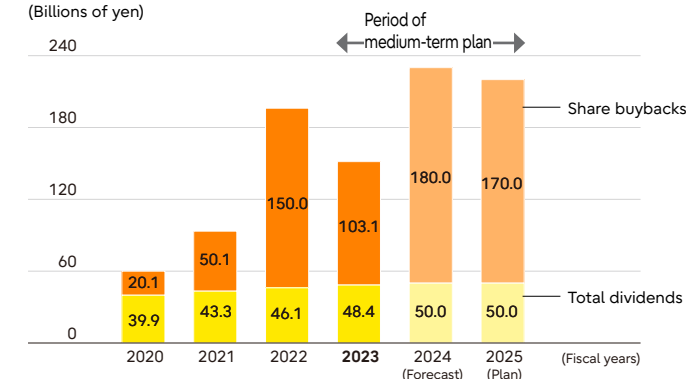
## Ensuring we achieve our targets under the medium-term plan

In fiscal 2023, we saw steady results in the growth of the Service Solutions segment and made progress in addressing medium- and long-term business issues to create a starting point for growth. We will accelerate this growth in fiscal 2024, while at the same time firmly promoting initiatives that will lead to sustainable growth in fiscal 2025 and beyond.

We will continue working to craft solutions and technologies based on our deep insight into changing social issues and strive to meet the financial targets set forth in our medium-term plan in order to realize our vision for 2030.

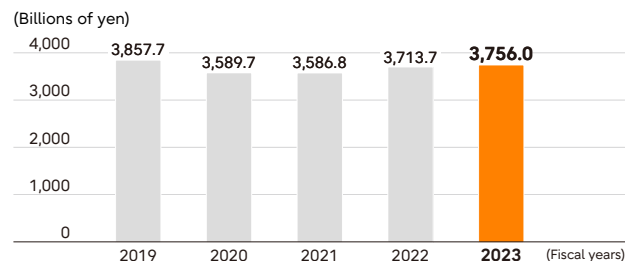
## Shareholder returns

(Billions of yen)



## Highlights of consolidated performance in fiscal 2023

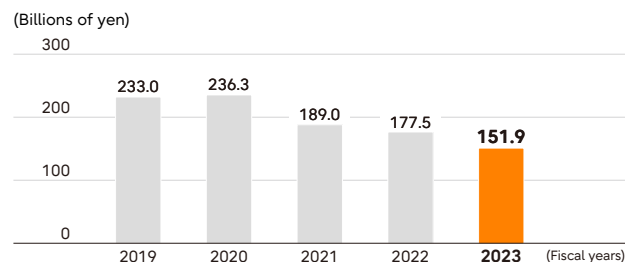
### Revenue



Revenue **+¥42.2 billion** **UP**

Revenue increased mainly due to a sharp increase in orders for DX and modernization projects centered on the domestic market, as well as growth in revenue from Fujitsu Uvance in the Service Solutions segment.

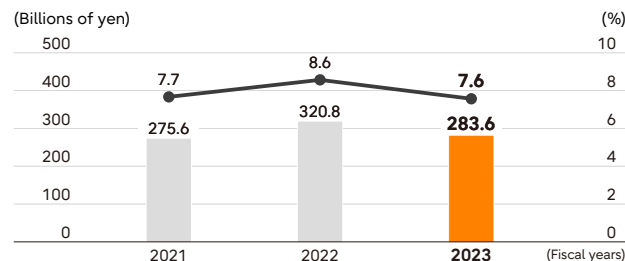
### Free cash flow



Free cash flow **-¥25.5 billion** **DOWN**

Although cash flows from operating activities increased from the previous fiscal year due to progress made on reducing inventories and collecting accounts receivable, cash flows from investing activities increased, mainly from the acquisition of GK Software. As a result, free cash flow declined.

### Adjusted operating profit / Adjusted operating profit margin

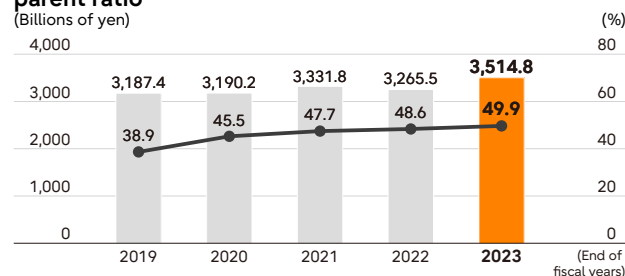


Adjusted operating profit (left scale)  
Adjusted operating profit margin (right scale)

Adjusted operating profit **-¥37.1 billion** **DOWN**

Although profit in the Service Solutions segment was boosted by higher revenue and margin improvements in domestic services, among other factors, adjusted operating profit declined overall, reflecting the impact of lower profits in network products in the Hardware Solutions segment and the Device Solutions segment.

### Total assets / Equity attributable to owners of the parent ratio

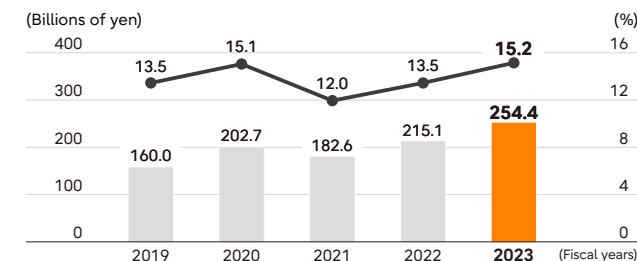


Total assets (left scale)  
Equity attributable to owners of the parent ratio (right scale)

Equity attributable to owners of the parent ratio  
**+1.3 percentage points** **UP**

Retained earnings increased mainly due to the recording of profit for the year attributable to owners of the parent. Also, the Company repurchased ¥103.1 billion of shares as a shareholder return measure. As a result, the equity attributable to owners of the parent ratio increased from the end of the previous fiscal year.

### Profit attributable to owners of the parent / ROE

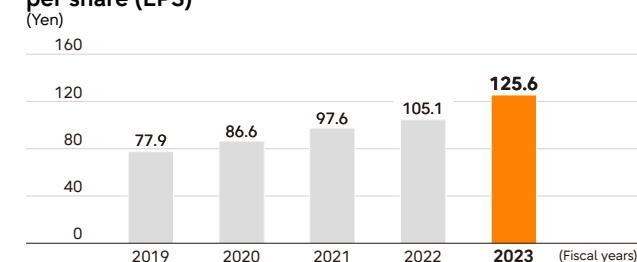


Profit attributable to owners of the parent (left scale) ROE (right scale)

Profit attributable to owners of the parent **+¥39.2 billion** **UP**

Profit attributable to owners of the parent rose to a record high, primarily owing to the impact of lower tax expenses after recognizing deferred tax assets in connection with the restructuring of our corporate structure in Europe, despite the booking of one-off losses arising from the execution of structural reforms centered on business in Regions (International).

### Adjusted net profit attributable to owners of the parent per share (EPS)



Adjusted net profit attributable to owners of the parent per share (EPS) **+¥20.5** **UP**

EPS increased as a result of not only core business profit growth, but share buybacks and other efforts aimed at improving capital efficiency.

## Overview of operations by segment

### Service Solutions

[See page 8 for main products and services of the Service Solutions segment](#)

#### Market environment

The IT services market in 2023 saw strong growth driven by demand for legacy system modernization and DX. Whereas the existing IT market, such as traditional core systems, is expected to gradually shrink, investment in modernization and cloud migration should steadily expand going forward. Also, investment in digitalization such as AI and other technologies, as well as data analysis and utilization, is expected to expand in the future, driven by demand for growth and development from society and corporations, as well as the need to keep pace with changes in social systems and industrial structures.

#### Business review

Revenue came to ¥2,137.5 billion (up 7.7% year on year) on the back of strong growth in DX and modernization business primarily in Japan. By tapping strong demand for sustainability transformation projects and the like, Fujitsu Uvance revenue and orders increased sharply to ¥367.9 billion (up 84% year on year) and ¥449.3 billion (up 80%), respectively. The weighting of revenue from Fujitsu Uvance as a percentage of overall Service Solutions revenue rose from 10% last fiscal year to 17%.

Adjusted operating profit came to ¥237.2 billion (up ¥74.2 billion year on year). Alongside the boost from higher revenue, profitability improved on the strength of offshoring through our Global Delivery Centers as well as steady improvements in the standardization, automation, and insourcing of development processes. These profit drivers outweighed increased investments in the development of Fujitsu Uvance offerings, the nurturing of highly skilled human resources, reskilling, and security enhancements, and as a result, adjusted operating profit substantially increased.

#### Key topics

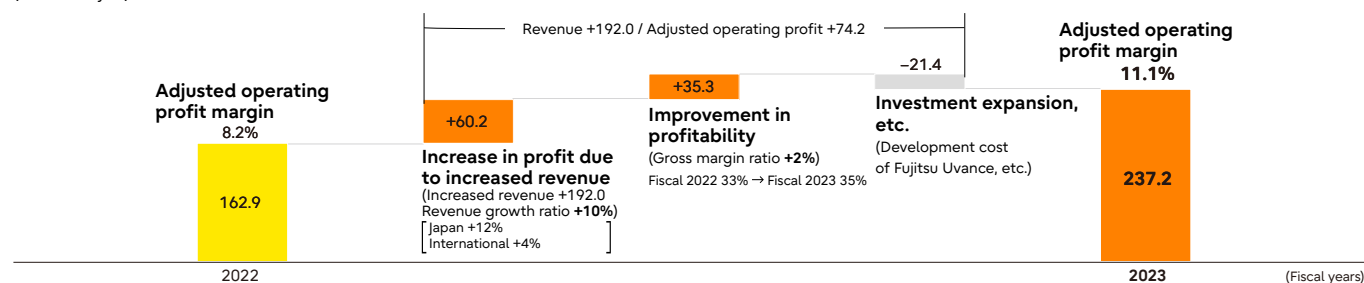
We continue to transform the business portfolio with a view to improving profitability in Regions (International). (1) By carving out the private cloud business in Germany, we stepped up our focus on business domains centered on Fujitsu Uvance. (2) By withdrawing from low profitability regions and downsizing corporate functions in Europe, we will concentrate operations and improve business efficiency, and as a result, we expect to reap the benefits of cost improvements from fiscal 2024 onward. (3) By streamlining and reorganizing our corporate structure in Europe and establishing clear business management systems for service and hardware businesses, we aim to improve management efficiency and strengthen governance.

#### Fiscal 2024 earnings outlook

We anticipate revenue growth centered on Fujitsu Uvance and will look to steadily capture brisk demand for modernization and expand the consulting business. Also, in overseas markets, we will endeavor to improve profitability by steadily realizing improvements in margins with transformation initiatives. While continuing to accelerate our hitherto measures for improving productivity, we will also aim to ramp up investments for the future with a view to enhancing consulting capabilities and developing Fujitsu Uvance offerings. By implementing the above-mentioned initiatives, we forecast growth in both revenue and adjusted operating profit in the Service Solutions segment, to ¥2,230.0 billion and ¥280.0 billion, respectively.

#### Factors behind change in adjusted operating profit

(Billions of yen)



Message from the CFO

Highlights of consolidated performance in fiscal 2023

Overview of operations by segment

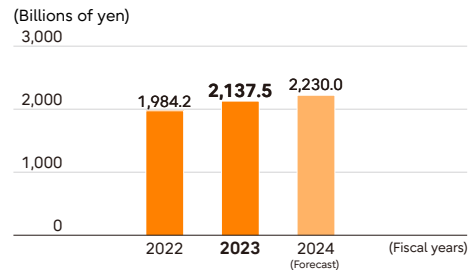
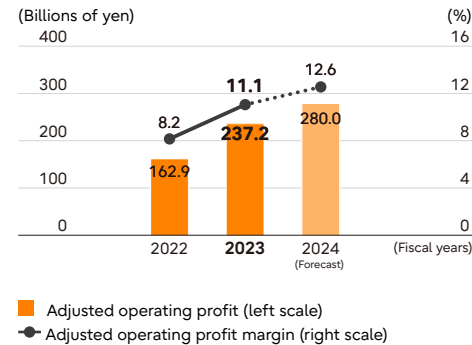
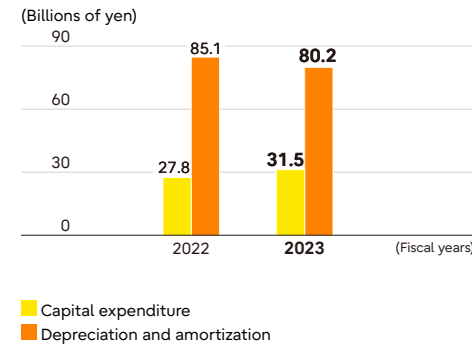
## Overview of operations by segment

## Service Solutions

[See page 8 for main products and services of the Service Solutions segment](#)

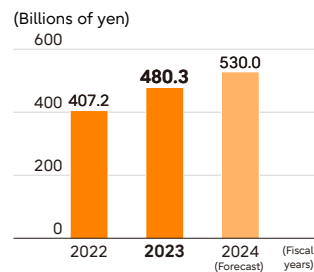
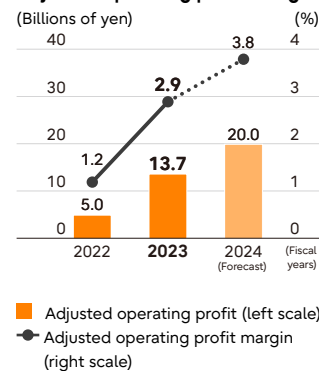
## Fiscal 2023 financial results and fiscal 2024 forecast

## Revenue

Adjusted operating profit /  
Adjusted operating profit marginCapital expenditure / Depreciation and  
amortizationFinancial targets in medium-term  
management planFiscal 2025 revenue: **¥2.4 trillion**Of which, Fujitsu Uvance: **¥700 billion**Fiscal 2025 adjusted  
operating profit: **¥360 billion**Fiscal 2025 adjusted operating  
profit margin: **15%**

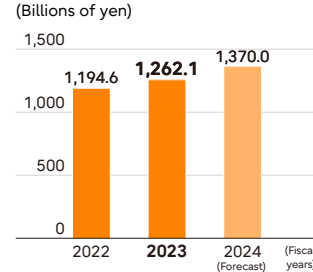
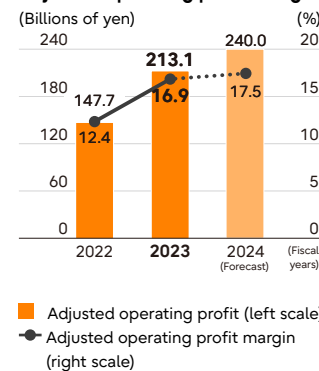
## Global Solutions

## Revenue

Adjusted operating profit /  
Adjusted operating profit margin

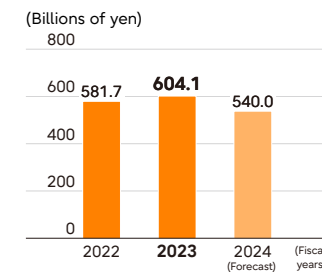
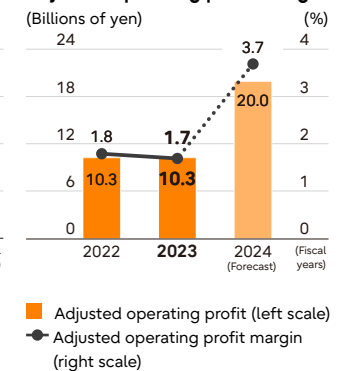
## Regions (Japan)

## Revenue

Adjusted operating profit /  
Adjusted operating profit margin

## Regions (International)

## Revenue

Adjusted operating profit /  
Adjusted operating profit margin



Message from the CFO

Highlights of consolidated performance in fiscal 2023

Overview of operations by segment

## Overview of operations by segment

## Hardware Solutions

[See page 8 for main products and services of the Hardware Solutions segment](#)

## Market environment

Although negative growth in sales volume is forecasted for the system products market, demand for IT infrastructure remains firm, and the market is expected to grow driven by rising sales prices associated with global inflation and performance improvements.

The network products market overall is shrinking due to rapid contraction of the LTE market, despite ongoing investments in 5G in the mobile systems space. The optical transmission market is also expected to contract with the peaking of 5G construction and a deteriorating market environment, among other factors.

## Business review

Revenue came to ¥1,108 billion (down 2.2% year on year). Revenue in the system products business increased 7.2% year on year mainly due to the impact of foreign exchange effects. In contrast, revenue in the network products business declined 32.2% owing to a continued downturn in demand for mobile systems and photonics from the previous fiscal year. We are ramping up investments in developments for the next cycle in order to achieve faster and higher capacity networks that use less energy. Adjusted operating profit was ¥83.6 billion (down ¥28.9 billion year on year), primarily reflecting the impact of lower revenue.

## Key topics

With the objective of strengthening the foundation of the hardware business, particularly in the areas of servers and storage systems, on April 1, 2024 we launched Fsas Technologies Inc. By establishing an integrated system from development, manufacturing and sales to maintenance, we will pursue speedy decision-making and thorough efficiency in management.

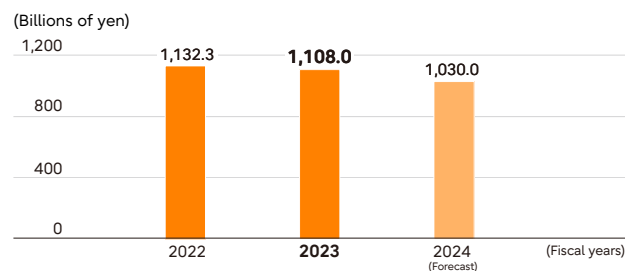
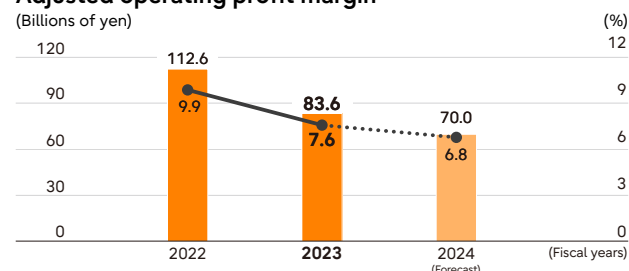
Combining our extensive lineup of offerings with high-value-added hardware solutions that can quickly ascertain customer needs, the entire Group will look to provide total solutions that support the transformation of society and corporations.

## Fiscal 2024 earnings outlook

We forecast lower revenue in the system products business, partly reflecting the downturn in large-scale deals for servers/storage systems and machine upgrades to support Japan's new bank notes. We expect demand for network products in fiscal 2024 will be on par with fiscal 2023. Owing to the above, for the Hardware Solutions segment, we forecast revenue and adjusted operating profit of ¥1,030.0 billion and ¥70.0 billion, respectively.

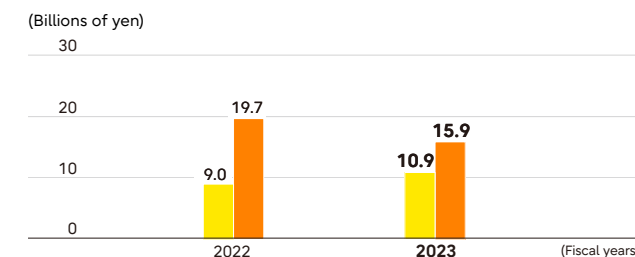
## Fiscal 2023 financial results and fiscal 2024 forecast

## Revenue

Adjusted operating profit /  
Adjusted operating profit margin

■ Adjusted operating profit (left scale)  
● Adjusted operating profit margin (right scale)

## Capital expenditure / Depreciation and amortization



■ Capital expenditure  
■ Depreciation and amortization

## Overview of operations by segment

## Ubiquitous Solutions

[See page 8 for main products and services of the Ubiquitous Solutions segment](#)

## Market environment

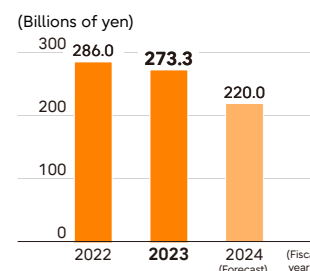
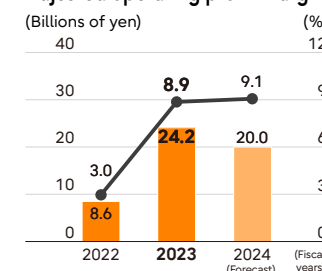
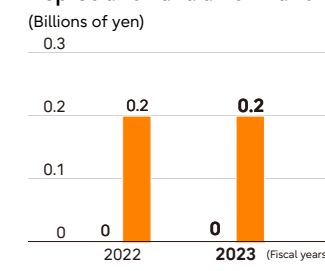
The PC market continued to experience negative growth in 2023, following the conclusion of one-time demand driven by telework and other workplace environment upgrades. Going forward, the market as a whole is expected to expand, reflecting forecasts for replacement demand for Windows 10 support ending in 2025 and an anticipated recovery in demand in the domestic Japanese market, buoyed mainly by PC replacement demand for the GIGA School Program in the education market.

## Business review and key topics

Revenue was ¥273.3 billion (down 4.4% year on year). As a result of efforts to cut costs and implement cost pass-alongs in response to the higher prices of components, including the impact of foreign exchange effects, adjusted operating profit surged to ¥24.2 billion (up ¥15.5 billion, or 178.4%, year on year). Also, in April 2024 we withdrew from the client computing devices (CCD) business in Europe due to the intensely competitive environment, in which we struggled to turn a profit. Owing to this withdrawal, we forecast a decline in revenue in fiscal 2024.

## Fiscal 2023 financial results and fiscal 2024 forecast

## Revenue

Adjusted operating profit /  
Adjusted operating profit marginCapital expenditure /  
Depreciation and amortization

■ Adjusted operating profit (left scale)  
● Adjusted operating profit margin (right scale)

■ Capital expenditure  
■ Depreciation and amortization

## Device Solutions

[See page 8 for main products and services of the Device Solutions segment](#)

## Market environment

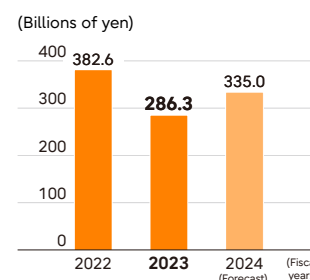
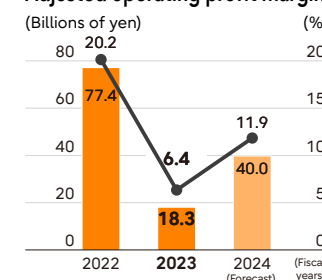
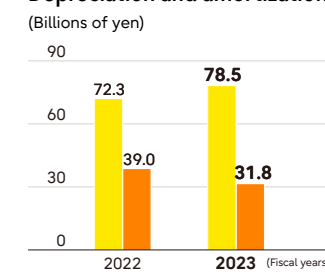
The delayed recovery of the PC, server, and smartphone markets, as well as concerns over a prolonged adjustment in semiconductor inventories, will likely persist going forward, but there are also expectations for a recovery in chip demand fueled mainly by the proliferation of AI services. Also, with the increasing importance of semiconductors as a key technology supporting advancements in DX and green transformation for a carbon-neutral society, global competition in this sector is expected to further intensify.

## Business review and key topics

Revenue was ¥286.3 billion (down 25.2% year on year). Demand for semiconductor packages was brisk through the first half of fiscal 2022, but slowed significantly in the second half and remained weak throughout fiscal 2023. As a result, coupled with a downturn in plant operations owing to reduced volume, adjusted operating profit came to ¥18.3 billion (down ¥59.0 billion year on year). Also, in December 2023 the Group announced the conclusion of an agreement regarding the transfer of the shares of SHINKO ELECTRIC INDUSTRIES CO., LTD. As a result of the share transfer, SHINKO ELECTRIC INDUSTRIES is scheduled to be removed from the Group's consolidated subsidiaries.

## Fiscal 2023 financial results and fiscal 2024 forecast

## Revenue

Adjusted operating profit /  
Adjusted operating profit marginCapital expenditure /  
Depreciation and amortization

■ Adjusted operating profit (left scale)  
● Adjusted operating profit margin (right scale)

■ Capital expenditure  
■ Depreciation and amortization

# Progress and outlook in focus areas

Setting its sights on 2030 and beyond, Fujitsu is expanding its digital services centered on Fujitsu Uvance, strengthening its consulting capabilities to enhance its competitiveness, and executing its AI strategies. We are also promoting modernization and delivery transformation that will contribute to customer DX and SX. We will achieve sustainable growth and enhance corporate value by simultaneously providing new value to our customers and pursuing our own innovation.



**Strengthening of consulting  
capabilities**

Growth scenario for Fujitsu Uvance

Fujitsu Uvance's key offerings

Technology leadership underpinned  
by a pioneering AI strategy

Growth potential of modernization

Improving productivity  
by transforming delivery

## Strengthening of consulting capabilities



**We aim to offer higher value-added services by combining the Group's accumulated knowledge and technological capabilities with consulting skills.**

**Shunsuke Onishi**

Corporate Executive Officer,  
Corporate Vice President,  
COO (in charge of Regions), CRO,  
Head of Global Customer Success,  
Co-CEO, Japan Region  
(in charge of Enterprise & Business transformation)  
\* Revenue

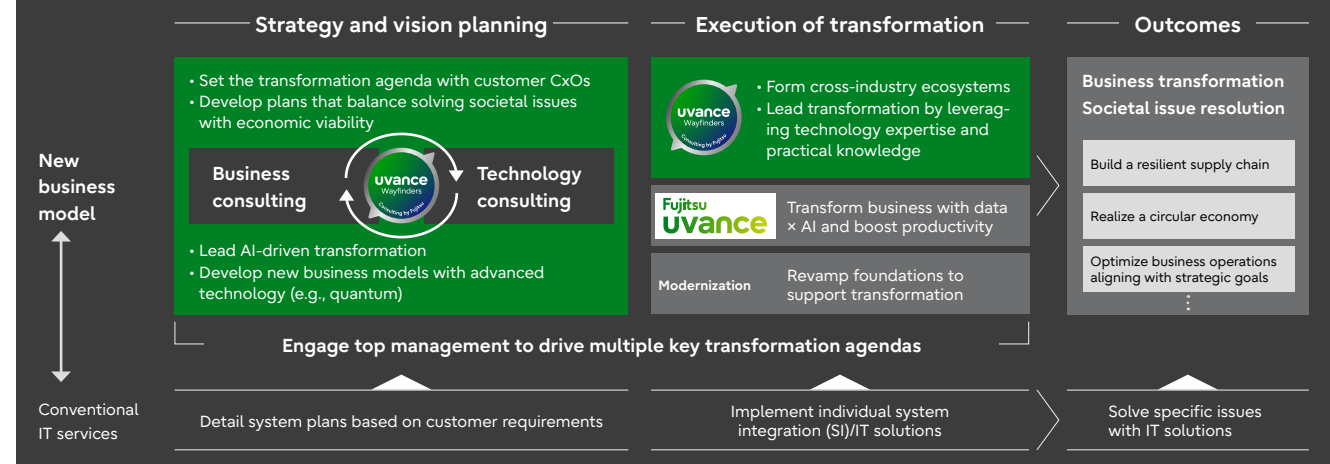
We are working to expand the consulting business for the following three reasons. First, as industrial structures evolve and issues become more complex and diverse, we aim to contribute to solving issues in cross-industry domains, where knowledge from various sectors and fields is essential. Second, as technologies such as AI and quantum computing have a growing impact on industries, we intend to create innovative business models with customers, leveraging our strengths as a technology company engaged in R&D. Third, we aim to offer higher value-added services by combining the Group's accumulated knowledge and technological capabilities with consulting services.

### Launch of Uvance Wayfinders

Under the 2023–2025 Medium-Term Management Plan, the Group has prioritized the expansion of consulting services as part of its customer success/ regional strategy. This focus is driven by our vision of being a technology company that realizes a net positive for society by 2030. Achieving this vision requires a consulting approach that can comprehensively understand and address issues. In the medium-term plan, the Group has announced its target of expanding to approximately 10,000 consulting personnel by the end of fiscal 2025. In February 2024, the Group launched a new brand for the consulting business called Uvance Wayfinders, conveying to the market our commitment to expand the consulting business and establish a robust consulting structure.

### Business model transformation

We develop overall vision through consulting-led approach and deploy comprehensive measures to realize management and business transformation of customers



**Strengthening of consulting  
capabilities**

Growth scenario for Fujitsu Uvance

Fujitsu Uvance's key offerings

Technology leadership underpinned  
by a pioneering AI strategy

Growth potential of modernization

Improving productivity  
by transforming delivery**Strengthening of consulting capabilities****Consulting-driven business model transformation**

Transforming business models is one of the objectives in our launch of Uvance Wayfinders. Uvance Wayfinders goes beyond traditional business consulting and technology implementation by leveraging the Group's own cutting-edge technologies, such as AI, to provide technology-driven consulting services for conceptualizing the transformation of business models. Fujitsu intends to lead the formation of cross-industry ecosystems and the co-creation of new digital services, ultimately contributing to solutions for societal issues and customers' management and business issues, including the realization of more resilient social systems and a circular economy.

By approaching issues through consulting grounded in technology and execution capabilities, the Group aims to enhance the profitability of its consulting business. Additionally, we seek to increase the value we provides and broaden revenue streams by leading the transformation of business through the effective introduction of Fujitsu Uvance and modernization solutions tailored to specific issues.

**Business plan**

In fiscal 2023, the Fujitsu Group's consulting business generated approximately ¥30.0 billion in revenue, with a gross margin of around 30%. By fiscal 2025, the Group aims to increase revenue in the consulting business to approximately ¥180.0 billion and improve the gross margin to 50%. To achieve this, we plan to

expand the number of consulting personnel to about 10,000 people by the end of fiscal 2025, sourcing talent both internally and externally. Furthermore, the Group aims to significantly scale up Fujitsu Uvance and the modernization and digital service businesses, driving this growth through consulting services, from a revenue base of approximately ¥10.0 billion in fiscal 2023 to ¥280.0 billion in fiscal 2025. The Group aims to enhance profitability by increasing the proportion of consulting that leads to projects for high-margin businesses centered on Fujitsu Uvance's Vertical areas, and shifting from a labor-intensive business model to collaborative and recurring business models.

**Strengthening our consulting capabilities**

To achieve our business plan, we are expanding our headcount in the consulting business. As of the end of fiscal 2023, the Group had approximately 2,000 consultants, comprising around 600 business consultants and 1,400 technology consultants. By the end of fiscal 2025, we plan to increase this to 3,000 business consultants and 7,000 technology consultants. To support this expansion, the Group will invest approximately ¥20.0 billion in fiscal 2024, linking its consulting business strategy and [human resource strategy](#). This investment will focus on reskilling employees and stepping up recruitment efforts both in Japan and abroad in order to acquire the necessary talent.

Of the planned 10,000 consultants, about 7,000 consultants are expected to be reskilled employees. We are targeting knowledgeable and experienced system engineers (SEs) and business producers (BPs)

**Example of consulting-driven services provided to a customer**

Taisei Corporation came to view information as a new management resource, including digital technology and data utilization, and embarked on digital transformation (DX) in 2020 with the goal of making data-driven management decisions and enhancing operations. Fujitsu's support for Taisei's DX initiative was kicked off with consulting services which culminated in the building of a data asset utilization platform called Taisei-Data as a Service (Taisei-DaaS) in 2021 and its operational launch in 2022.

The first step supported by our consultants was the development of an implementation plan for Taisei-DaaS. This included identifying needs in multiple departments where utilization was anticipated, clarifying overall IT environment requirements, establishing rules and processes aimed at promoting collaboration between developers and operators, and detailing the steps necessary to make this happen. This process helped to foster a shared ownership among stakeholders.

In fiscal 2021, we kicked off the Taisei-DaaS launch project, which included the data engineering team. Under the management of the consultants, the platform was built through a repeated process of short development and testing cycles, resulting in its operational launch in early fiscal 2022. Even after the launch, the consultants remained involved in advocating for data utilization, such as data democratization, and continued to support Taisei's DX efforts aimed at enhancing corporate value.

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for reskilling, not only through training programs but also through practical experience via on-the-job training (OJT) to enhance their consulting capabilities. Additionally, we have set up a certification system to assess whether individuals are capable of delivering value to clients, ensuring the quality of our consulting services.

In our recruitment activities, amid intense competition for experienced consultants, we emphasize several key highlights for working at the Fujitsu Group: the opportunity to engage in transformative projects utilizing advanced technologies; the chance to quickly gain experience in solving complex, intertwined societal issues; and our leading position in the domestic IT services market, which opens up access to decision-makers across a wide range of customers.

Furthermore, through our Center of Excellence (CoE) for consulting, we are building systems to share consulting knowledge globally, which supports the professional development of our talent and continuously enhances the quality of Uvance Wayfinders.



100 employees each month learning and honing their consulting skills in real-world scenarios. Our certified consultants have started to develop markets, steadily expanding our pipeline of projects.

While the market for talent acquisition remains intensely competitive, presenting challenges in recruiting new hires, as of August 2024 Fujitsu has increased its consulting workforce to 2,500 personnel, achieved ¥8.7 billion in consulting business revenue, and generated ¥6.0 billion in revenue from Fujitsu Uvance and related businesses through consulting leads. The size of our consulting workforce is now comparable to that of major consulting firms in Japan, and we are seeing positive signs of growth.

Looking ahead, we anticipate tough competition for recruiting talent as companies seek to hire more types of consultants, such as cloud service providers expanding their recruitment of cloud consultants and consulting firms increasing their focus on hiring generative AI consultants. Nevertheless, with increased fluidity in the job market, as evidenced by the recent layoffs announced by firms both domestically and internationally, we believe there are ample opportunities to recruit sizeable numbers of consultants.

From a business perspective, competition in technology-driven consulting is becoming increasingly tough, especially as major strategy consulting firms strengthen their presence in the digital field. However, Fujitsu is well-positioned to capitalize on these opportunities and drive business expansion by leveraging its ability to identify issues through a cross-industry approach linked with Fujitsu Uvance, and pursuing M&As overseas under a globally coordinated strategy led by headquarters.

In fiscal 2024, the Group will establish a consulting business framework in each region. In North America, we will focus on recruiting partner-level professionals and teams that will shape the core of its consulting business, and launch several consulting practices, such as Customer Experience (CX). In the Asia Pacific region, we will expand the certifications of consultants, particularly those from companies acquired through M&As, and globally utilize their expertise in areas like security consulting. In Europe, we will actively pursue M&As to complement our consulting capabilities and accelerate the development of Fujitsu Uvance. In Japan, we will enhance our consulting approach for key clients, which should strengthen our client portfolio. The CoE for consulting, which oversees all regions, will develop consulting service offerings, consolidate knowledge, and provide training.

In fiscal 2025, we aim to establish competitive advantages by expanding this system globally and through consulting grounded in technology and execution capabilities. Looking forward to 2030, as technology increasingly reshapes the nature of business, Uvance Wayfinders, with technology in their DNA, will lead us to a new era in consulting.

**Our current position and outlook**

The Group has already instituted the Uvance Wayfinders certification system and introduced a human resource system for consultants. Our first group of certified consultants began to make their mark in the market as of January 2024. The reskilling program also began in December 2023, with about



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## Growth scenario for Fujitsu Uvance



By providing unique and high-value-added offerings, we will achieve sustainable growth and transform our business model.

### Yoshinami Takahashi

Corporate Executive Officer,  
Corporate Vice President,  
COO (in charge of Fujitsu Uvance),  
Head of Global Solutions

### Significance of Fujitsu Uvance

Fujitsu Uvance was inspired by societal issues such as carbon neutrality that can only be resolved by transcending industry boundaries, and aims to provide cross-industry offerings that help customers implement both business and social solutions. The medium-term plan sets a revenue target of ¥700.0 billion for Fujitsu Uvance by fiscal 2025.

Fujitsu Uvance also represents the transformation to a new business model. To provide Fujitsu Uvance, we need to renew the Fujitsu Group, which has long been optimized for the system integration (SI) business. This renewal needs to happen at all

levels—in our organizational culture, the value we provide to customers, business processes, and personnel evaluation and compensation systems. We also need to foster substantial behavioral changes on the part of each employee.

### Fujitsu Uvance's competitive advantages

The first advantage of Fujitsu Uvance lies in the value of the Group's proprietary offerings to its customers. Fujitsu Uvance provides wide-ranging values including supply chain optimization across industries such as manufacturing, logistics, and retail; automation and improvement of operations using AI; and visualization and advanced decision-making support by integrating various business applications and data throughout the enterprise. These values help our customers achieve both economic streamlining and sustainability, which in turn help them transform their management and business.

### Difference between SI and offerings

SI involves tailoring development to meet the individual service requirements of each customer. In contrast to this one-to-one approach, Fujitsu Uvance involves one-to-many (1:N) offerings. Under this model, services developed through hypothesis testing with multiple customers are deployed to other customers via the cloud. Within a given framework, we customize our offerings to meet customers' needs, and continuously expand and improve the functionality of our offerings based on customer feedback. This allows our customers to implement best practices in a relatively short period of time in the form of offerings, even for issues for which requirement definition is difficult. For the Fujitsu Group, 1:N deployment increases productivity and enables sales growth independent of delivery resources. The relationship with the customer is also different. In SI, an IT system is developed based on the definition of requirements. We receive compensation when the system is delivered, and the transaction is then complete. With Fujitsu Uvance offerings, revenue recurs and is recorded based on when and how much the offerings are used.

	SI business	Fujitsu Uvance
Development method	Contract development based on customer requirements	Development of offerings through hypothesis testing with customers
Deployment	1:1 (by individual company)	1:N
Sales method	Sale ends once IT system is delivered	Recurring sales, due to ongoing provision of offerings

**Fujitsu**  
**Uvance**

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The second advantage is time. Fujitsu Uvance's approach allows customers to be flexible in expanding the scope of implementation and to confirm effectiveness in short cycles, rather than a process that takes years to go from requirement definitions to development, implementation, and measurement of effectiveness. By taking a consulting approach toward organizing issues and requirements, utilizing standardized offerings, and leveraging our experience in implementing them, we can deliver tangible results to our customers quickly, getting offerings up and running in as little as a several weeks.

Third is our ability to implement offerings based on a deep awareness of customers' IT assets. We have years of accumulated knowledge of customer operations. We leverage this understanding to propose the best ways of integrating standardized Fujitsu Uvance offerings into their existing systems. The capabilities we have honed through our SI business lead to a high success rate with Fujitsu Uvance and increase the speed of implementation of our offerings.

Finally, [consulting services](#) represent a competitive advantage that we will strengthen further going forward. We are focused on reinforcing our consulting capabilities to provide solutions in areas such as sustainability transformation (SX), where customers may have difficulty resolving issues on their own. Through consulting, we maintain a dialogue with our customers even after offerings have been deployed to provide enhancements and ensure ongoing customer success.

## Fujitsu Uvance and Materiality

Fujitsu Uvance, which is inspired by societal issues, is aligned with Fujitsu's [Materiality](#), or "essential contributions," which were identified by extracting, organizing, evaluating, and examining societal issues to be solved through Fujitsu's businesses and the values to be provided to customers and society toward the year 2030. Fujitsu Uvance's growth is directly linked to the promotion of Materiality. Fujitsu Uvance can be thought of as a business model that delivers offerings that contribute to solving global environmental issues (Planet), developing a digital society (Prosperity), and improving people's well-being (People).

When we develop and provide offerings, we ensure linkage with our Materiality by clearly defining the value of the offerings based on societal issues to be solved. In our proposals to customers and presentations to the public, we make a thorough effort to build scenarios around such issues. In addition, Fujitsu Uvance continuously works to foster understanding among employees by including information in training programs for business producers (BPs) in front office sales division, who are responsible for making proposals to Fujitsu Uvance customers, about how to propose offerings systematized from the viewpoint of Materiality. In this way, we are continuously working to cultivate employees' understanding.

## Progress on operating performance

In fiscal 2023, which marked our full-fledged launch of offerings in Vertical areas, revenue from Fujitsu Uvance surged 84% year on year to ¥367.9 billion, rising as a percentage of revenue in the core Service Solutions segment from around 10% in the previous fiscal year to approximately 17%. Driven by expanded offerings, notably in the area of Sustainable Manufacturing, we obtained large-scale business deals that caused revenue from Vertical areas to soar ¥101.3 billion year on year. Meanwhile, Horizontal areas also expanded steadily, as our ability to respond to strong demand led to the acquisition of large business deals in Business Applications both in Japan and overseas, mainly from the manufacturing industry.

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Number of offerings in fiscal 2023

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Offerings in Vertical areas and the Digital Shifts field will drive future growth. We will continue to strengthen our offerings in fiscal 2024, particularly in areas such as supply chain management, AI, and data utilization, where we believe the market will increase. While we expect offerings to expand to some extent in fiscal 2024, from that point we plan to focus simultaneously on increasing the number of users of existing offerings and the value of those offerings. In fiscal 2025, we will continue to focus on achieving growth by augmenting sales and profit per offering,

aiming to reach ¥700.0 billion in revenue, our target under the medium-term plan.

**Global rollout**

To expand Fujitsu Uvance in overseas markets, where the Group has fewer resources than in Japan, a dedicated organization was established in Regions (International) in fiscal 2023. In collaboration with Groupwide measures to reinforce consulting, we built a

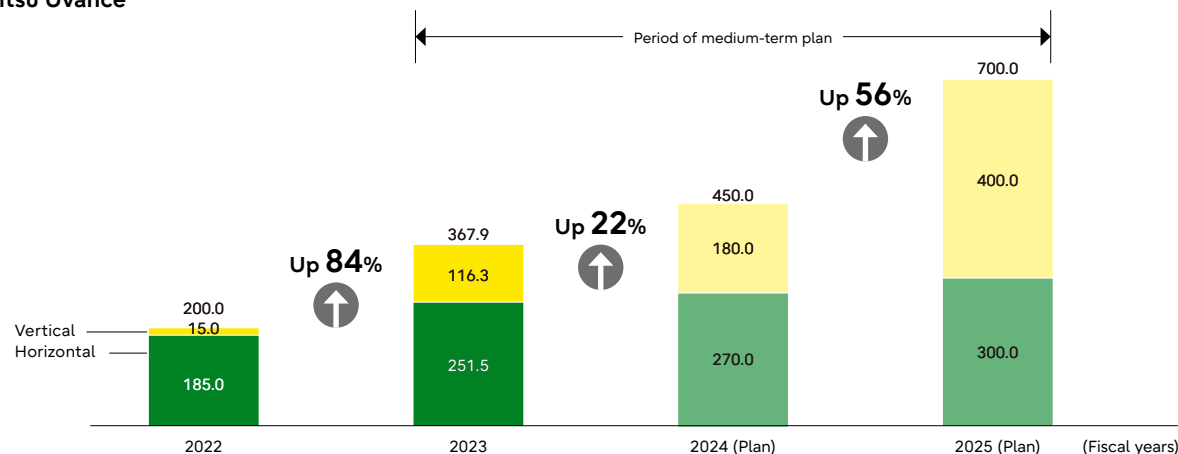
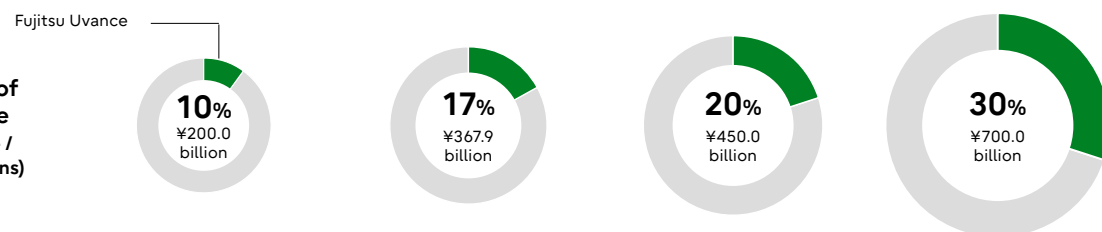
structure capable of proposing and receiving orders for offerings in Vertical areas, in particular. In addition, by establishing a delivery model for each offering and thoroughly standardizing the development and implementation process, we are developing a system to deploy Fujitsu Uvance globally.

While demand in Regions (International) is strong and sales are growing steadily, in Horizontal areas price competition is fierce and improving profitability is an issue. Working region by region, we intend to migrate from overly optimized services to common global offerings with high added value. At the same time, we will work to heighten competitiveness and improve profitability. Specifically, we will focus on security, a growth area, and expand sales of Fujitsu Data Intelligence PaaS (DI PaaS), an operations platform that leverages data and AI.

In addition, we will take various measures to reinforce our structure for SAP, Salesforce, and ServiceNow (3S), which enjoy strong demand. These efforts will include the global development of high-value-added services such as consulting and M&As. For example, with ServiceNow, we combine our Customer Advisory and Support Excellence advisory service, which supports continuous improvement from platform utilization to strategic planning, with ServiceNow's ServiceNow Impact to maximize the value of offerings on the ServiceNow platform for our customers.

**Status of Fujitsu Uvance**

(Billions of yen)

**Revenue increase****Percentage of total revenue  
(Fujitsu Uvance / Service Solutions)**



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## Growth scenario for Fujitsu Uvance

### Value-based pricing

In the SI business, conventional practice is to estimate pricing based on the total amount of labor and other costs required for system development. In contrast, many of Fujitsu Uvance's offerings use a pricing model centered on the monetary value provided to customers, or a pay-as-you-go model based on the quantity of computing resources used.

The components of monetary value can be broadly divided into cost savings realized by the customer and the benefits the customer derives from increased sales. In the planning stage of an offering, we hypothesize its effect in order to calculate the monetary value to the customer. We then repeatedly confirm the veracity of the hypothesis, thereby improving the accuracy of the pricing.

We began planning and developing products with actual value-based pricing in the second half of fiscal 2023. Of the approximately 30 offerings in Vertical areas we have launched since then, two-thirds use value-based pricing. We plan to continue making value-based pricing more adaptable, focusing on newly developed offerings, and reflect in our pricing the greater value we provide to customers through functional enhancements.

### Strategic partnerships

In recent years, the Group has accelerated its strategic alliances with global solution and application vendors, led by 3S. The strategic idea behind this focus is to respond quickly to changes in the IT

services market by proactively adopting the latest technologies and global best practices, and to provide customers with advanced, global-standard services and solutions to drive sustainable growth. In addition to the above-mentioned partnership with ServiceNow, in fiscal 2023 we formed a global partnership with Palantir Technologies Inc. to incorporate and offer AI and data integration capabilities as the offering's data foundation. As Japan's first premium supplier for SAP, we have a wide range of partnerships in place. These include the development and provision of a comprehensive cloud ERP solution called RISE with SAP, a premium supplier option via Higher with Fujitsu, which we provide as an offering in Horizontal areas.

The Group's focus in these strategic partnerships is to add more value by leveraging its unique intellectual property (IP). By combining Fujitsu's proprietary technologies and services with the platforms and solutions offered in the cloud by global players such as 3S, Microsoft, and AWS, we provide offerings that address our customers' problems and create added value unique to the Group. We have developed a number of in-house technologies to leverage Fujitsu Kozuchi, our suite of AI services. For instance, Fujitsu AutoML automatically creates predictive models from data, and Fujitsu Kozuchi for Vision recognizes human behavior and facial expressions from video images. AI Trust is designed to address the hallucinations that can occur with generative AI and the hostile attacks that can trick AI. Even as we work to expand Fujitsu Uvance's offerings globally, we will continue to concentrate on rapidly expanding our scale by leveraging the extensive knowledge of our global partners.

### Examples of added value created through strategic partnerships

In May 2024, the Fujitsu Group and ServiceNow announced a strategic partnership to deliver innovative cross-industry offerings. Through this partnership, we plan to combine ServiceNow's digital business platform with Fujitsu Uvance by utilizing the Fujitsu Group's extensive expertise in a variety of industries. For example, combining our AI service suite Fujitsu Kozuchi with ServiceNow's Now Assist will enable us to automatically generate bodies of Q&A by predicting problems based on an analysis of response trends and ascertaining operator responses. We expect this offering to revolutionize helpdesk operations and significantly improve efficiency in the service industry.

In this way, the Group will go beyond the development of offerings based on ServiceNow's knowledge. Instead, to increase the value provided to customers we will share our product development road map and ServiceNow will dispatch dedicated Fujitsu personnel to develop offerings. In addition to collaborating in sales, marketing implementation, and delivery, we are introducing ServiceNow's training program to all Fujitsu Group employees, aiming to enhance added value through human resource development.

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## Fujitsu Uvance's key offerings

Name of offering	Domain, type	Services and value provided to customers	Target customer	Utilization of Fujitsu's proprietary technologies and knowledge	Marketability, including potential for global expansion
<b>Dynamic SCM*</b> * Supply chain management	[Vertical] This Sustainable Manufacturing offering aims to advance data utilization and process transformation throughout the supply chain. It utilizes Horizontal DI PaaS.	<ul style="list-style-type: none"> <li>• In addition to Vertical integration by industry sector, such as manufacturing, logistics, and retail, through Horizontal (i.e., cross-industry) integration supports common supply chain management issues, such as demand forecasting, improving the accuracy of production planning, timely coordination with suppliers and business partners, and recovery from problems</li> <li>• Visualizes management indicators of sales expansion and indicators of on-site management</li> <li>• Helps to improve management efficiency and profitability by optimizing the entire supply chain</li> <li>• Supports high-level decision-making to ensure that resilience and ESG factors are considered, in addition to matters of economic rationality and efficiency</li> </ul>	Mainly large manufacturing companies with numerous suppliers	<ul style="list-style-type: none"> <li>• Integrates all industry knowledge related to manufacturing, logistics, and retail</li> <li>• Uses DI PaaS to collect and calculate data throughout the Company, which is necessary to visualize management indicators and on-site management metrics</li> <li>• Utilizes <a href="#">Fujitsu Kozuchi</a> AI for demand forecasting and delivery planning optimization</li> </ul>	<ul style="list-style-type: none"> <li>• In a rapidly changing and difficult-to-predict future, the need for supply chain management is high and growth in this area is expected to be higher than in other Vertical areas.</li> <li>• Supply chain management embodies a wide range of decisions. Once a customer adopts this offering, we anticipate ongoing sales increases and corresponding growth in the scope of services.</li> <li>• We plan to prioritize the overseas expansion of this offering, as it addresses issues that are urgent globally, as well as in Japan.</li> </ul>
<b>Fujitsu Data Intelligence PaaS (DI PaaS)</b>	[Horizontal] This Digital Shifts offering realizes data-driven management, using an all-in-one operating platform.	<ul style="list-style-type: none"> <li>• One-stop shop for data infrastructure, AI, and blockchain</li> <li>• Meaningfully integrates vast amounts of data inside and outside the enterprise, such as company locations and suppliers, and enables the use of business-specific AI, including highly accurate demand forecasting, to support decision-making</li> <li>• Achieves data integration without requiring the modification of existing systems</li> <li>• Through integrated collaboration and analysis of data fragmented among industries, promotes cross-industry co-creation among companies and contributes to SX and the resolution of social issues for our customers</li> </ul>	Customers of all sizes, in various industries	<ul style="list-style-type: none"> <li>• Augments Fujitsu Kozuchi with in-house technologies such as Fujitsu AutoML, which automatically creates predictive models from data, and AI Trust technology, which addresses hallucinations from generative AI and hostile attacks that can trick AI</li> <li>• Integrates Fujitsu Track and Trust, a blockchain technology that enables data collaboration and traceability across companies and industries</li> <li>• Reflects the knowledge and insights acquired and accumulated through the in-house practice of data-driven management in professional services including consulting, implementation, and operational support</li> </ul>	<ul style="list-style-type: none"> <li>• Given the rapid spread of generative AI, we expect increased demand for PaaS that enables data integration, which is a prerequisite for AI utilization.</li> <li>• We are expanding overseas, building on our track record with large manufacturers and other companies in Japan. In addition to DI PaaS, we will cultivate global technology consultants to support implementation and offer services.</li> </ul>

## Technology leadership underpinned by a pioneering AI strategy



Fujitsu aims to become a top global player in driving the adoption of generative AI in enterprises. It is realizing this ambition by accelerating the comprehensive implementation of AI into Fujitsu Uvance offerings.

### Vivek Mahajan

Corporate Executive Officer,  
Corporate Vice President,  
CTO, CPO,  
in charge of System Platform  
\* Technology \* Portfolio

### A commitment to drive technology innovation

Our strength lies in our ability to provide new value to customers based on independently developed cutting-edge technologies, while proactively incorporating external technologies. We are focusing our resources on developing five Key Technologies: AI, which has been under development since the 1980s, complemented by computing, data & security, networking, and converging technologies that combine digital technologies and the humanities.

Generative AI is rapidly expanding in business applications, and its growth has been explosive. In response to this trend, we announced the Fujitsu AI Strategy in February 2024, reinforcing our objective to become a top global player in the drive to get enterprises to adopt generative AI, by focusing on AI models tailored to enterprise needs. Specifically, we

are enhancing the value we provide to customers by offering the cloud-based AI platform Fujitsu Kozuchi as a part of [Fujitsu Uvance](#).

To carve out a leading position in the fiercely competitive new technology arena, we believe that speed and agility are key—delivering developed technologies to customers quickly, gathering feedback and turning this into fast-track improvements. Featuring our cutting-edge AI technology, Fujitsu Kozuchi is a set of “ready-to-use” AI solutions that embodies this approach. Since its release in April 2023, we have conducted approximately 500 proposal activities and proof-of-concept demonstrations for customers. Based on our accumulated knowledge and insights from these activities, we have continuously evolved the platform to meet customer needs, culminating in its commercial launch in February 2024. We continue to expand our lineup of offerings and accelerate its integration into Fujitsu Uvance.

### Evolution tailored to enterprise needs

The Generative AI Framework for Enterprises, a new addition to the Fujitsu Kozuchi lineup, launched in July 2024. This framework combines and links three of our proprietary technologies: Knowledge Graph\*<sup>1</sup> Extended RAG,\*<sup>2</sup> Generative AI Amalgamation Technology, and Generative AI Audit Technology. This approach generates specialized generative AI automatically that flexibly responds to corporate needs, enables the resolution of issues associated with the handling of large amounts of corporate data, and provides output that can be explained in compliance with laws, regulations and corporate rules.

Fujitsu's aim is to realize a sustainable society where customers can safely use AI, and to this end, we are also advancing R&D and conducting proof-of-concept demonstrations that enhance AI trustworthiness. One example is our proprietary AI trust technology, Fujitsu AI Ethics for Fairness, which verifies and improves the impartiality of AI models. This technology is integrated into the AI core engine of Fujitsu Kozuchi, enabling people who are not specialists in AI ethics and do not have programming skills to verify and improve AI fairness.

In May 2024, Fujitsu released Fugaku-LLM, a large-scale language model (LLM) trained on the super-computer Fugaku. We are encouraging its use in innovative scientific research and business applications. Additionally, in July 2024, Fujitsu announced a strategic partnership with Canadian startup Cohere Inc., which has a proven track record in enterprise AI, to provide generative AI solutions for companies. Together, we co-developed Takane, an enterprise LLM

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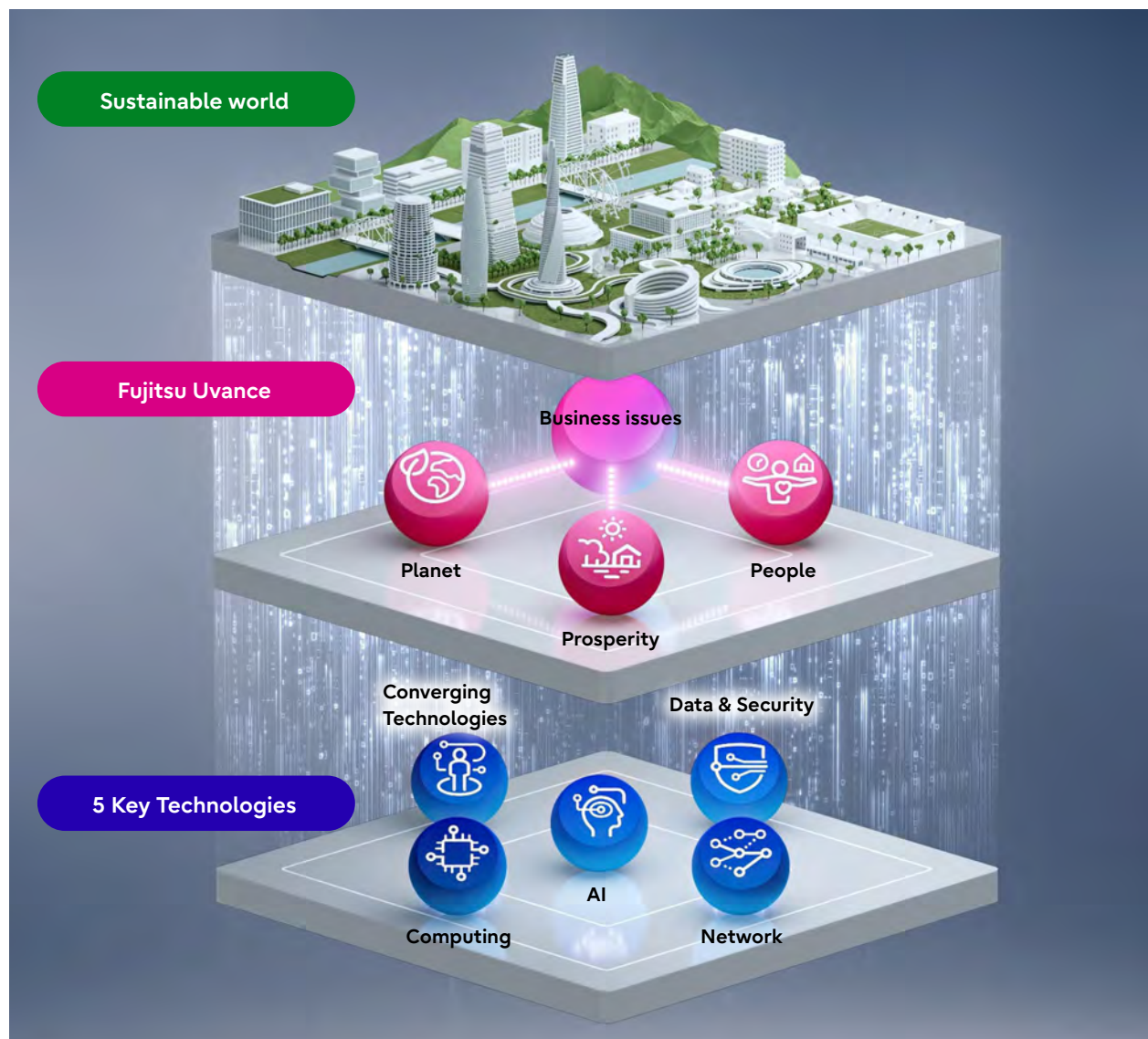
with excellent Japanese language support, and began offering it to Japanese companies in September 2024, leading the adoption of generative AI in enterprises.

\*1 A network of various knowledge systematically represented in a graph structure

\*2 Retrieval Augmented Generation

**Research and development to adapt to  
changing times**

Fujitsu continuously engages in future-oriented technology development. Some major examples of our technological leadership are FUJITSU-MONAKA, a next-generation, energy-efficient processor that inherits our high-performance computing (HPC) know-how gained with Fugaku; the AI Computing Broker, which has the potential to halve the power consumption of AI processes in data centers; integrated analysis technology for authenticity checks in security fields; social digital twin technology for devising measures that balance environmental, social, and economic perspectives; and quantum computing technology for developing a 256-qubit quantum computer by fiscal 2024 and more than 1,000-qubit quantum computers from fiscal 2026. Through the ongoing development of our five Key Technologies centered on AI, we aim to create exceptional levels of new value that is unmatched by other companies, and as a result, directly contribute to the realization of a sustainable society.





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## Growth potential of modernization



By steadily tapping into demand for modernization and expanding our delivery capabilities, we contribute to the success of our customers' DX, and translate this into growth.

### Megumi Shimazu

Corporate Executive Officer,  
Corporate Vice President,  
COO (in charge of Service Delivery)

### What is modernization?

Modernization entails the upgrading of so-called "legacy" systems, which were developed with older technology and optimized for individual companies or operations, to the latest technologies. Modernization enhances the scalability, innovativeness, and cost efficiency of IT assets, facilitating DX that enables data-driven management, and the success of SX.

At the Fujitsu Group, we view modernization as encompassing four steps: 1) the visualization of assets, including business operations, applications, processes, infrastructure, and data; 2) the formulation of a grand design; 3) the streamlining of the overall information system; and 4) modernization, which includes migrating systems to an optimal IT infrastructure and preparing for further DX realization.

### Fujitsu's competitive advantages

Fujitsu's competitive edge lies in its technical expertise accumulated through the development and building of large-scale core information systems, its knowledge of mainframes developed and manufactured in-house, and the depth of its engineering workforce that applies these technologies and knowledge in the provision of comprehensive services. Additionally, our extensive experience and track record in modernization, DX, and SX, including our in-house implementations, have afforded us excellent project proposal and execution capabilities in the DX and SX fields. Furthermore, Fujitsu boasts the largest customer base in Japan, including customers using Fujitsu-made mainframes.

The domestic modernization market is worth approximately ¥2.72 trillion in fiscal 2024. Fujitsu forecasts that this market will expand at a compound annual growth rate (CAGR) of 14.5% through 2026 and maintain an annual scale of ¥3 trillion through 2030. Fujitsu intends to establish a leading position in this market.

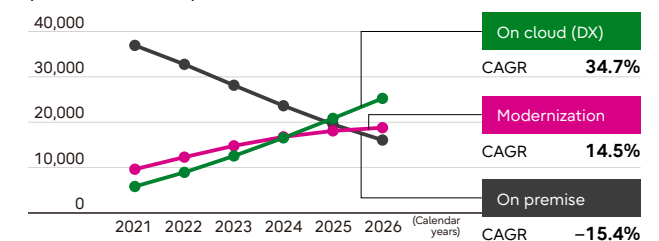
### Modernization Knowledge Center

In 2022, Fujitsu established the Modernization Knowledge Center as a CoE to consolidate superior insights, best practices, and talent related to modernization. As of August 2024, approximately 150 engineers are working to standardize services based on practical and experiential knowledge of modernization. They also provide support for BPs and SEs responsible for customer engagements, and verify, prepare, and deliver tools and services for both Fujitsu and strategic partners.

At the Modernization Knowledge Center, we are also expanding our team of specialist engineers known as Modernization Meisters who work closely on projects. By re-hiring and training engineers who are approaching mandatory retirement, we plan to grow the team of Modernization Meisters from 40 members as of June 2024 to 100 by April 2025 and to 500 by fiscal 2026. These Modernization Meisters provide advanced expertise based on their much-needed skills and experience, collaborating with our extensive delivery teams to meet increasing demand for modernization.

### Outlook for modernization market

(Millions of US dollars)



Source: Estimated by Fujitsu based on data from each research company

Strengthening of consulting  
capabilities

Growth scenario for Fujitsu Uvance

Fujitsu Uvance's key offerings

Technology leadership underpinned  
by a pioneering AI strategy

Growth potential of modernization

**Improving productivity  
by transforming delivery**

## Improving productivity by transforming delivery

### Service delivery transformation

At Fujitsu, service delivery encompasses all processes and tasks involved in the building, operation, and maintenance of IT systems for customers. This includes not only traditional SI projects, but also the delivery of [Fujitsu Uvance](#) offerings.

Until a few years ago, Fujitsu's delivery system was overly optimized for delivering solutions to individual customers and organizations, leading to the personalization of know-how and a high dependency on the resources of external development partners to cover skill and labor shortages within the Group. This created challenges related to work efficiency and internal knowledge accumulation and transfer, including for project management and technical skills. To address these challenges, Fujitsu began to accelerate a transformation of its delivery system in fiscal 2021, kicking off with the integration of its SI subsidiaries.

The goal of this transformation is to increase the internal production ratio, productivity, quality, and security by promoting the standardization and automation of delivery processes, and expanding the use

of Global Delivery Centers (GDCs). We aim to reduce development based on customer-specific methods and personalized know-how as much as possible, and standardize all work processes related to engineering, development, and testing for service delivery and offerings. This will allow us to provide higher quality services more quickly on a global scale. Additionally, we are pursuing productivity improvements by automating delivery tasks through the use of generative AI and other technologies.

### Strengthening the delivery system

Fujitsu's delivery system, a combination of GDCs and the Japan Global Gateway (JGG), aims to expand to 40,000 personnel by fiscal 2025, the final year of the medium-term plan. As of the end of fiscal 2023, the number of delivery system personnel reached 32,000, increasing at a pace slightly ahead of plan. In addition to increasing the number of personnel, we are also enhancing our delivery capabilities. Having designated the priority areas of 3S, modernization, cloud, agile, and project management, we are promoting the

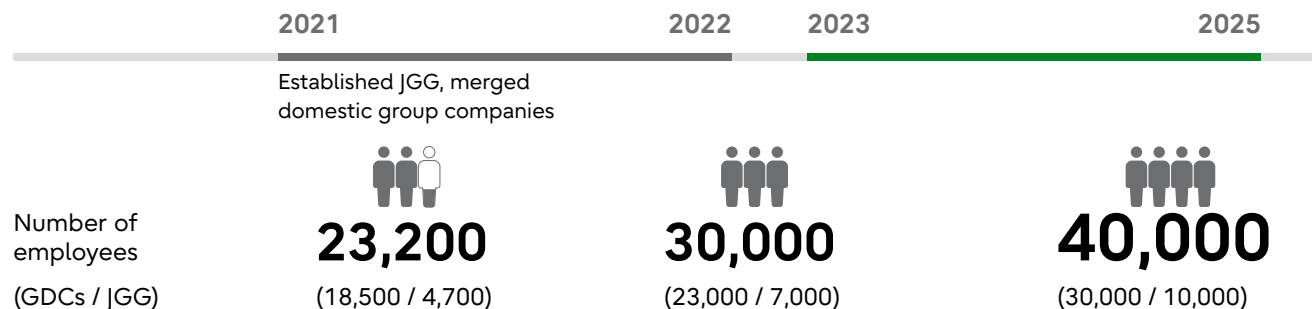
reskilling of GDC personnel in these areas. Fujitsu aims to increase the ratio of personnel capable of handling growth areas at GDCs from 10% in fiscal 2022 to 45% by fiscal 2025.

### What are GDCs and the JGG?

GDCs and the JGG are hubs that bring together the specialized personnel and expertise that are essential for delivery operations. Located in countries such as the Philippines, India, Poland, and Costa Rica, our GDCs work not only for Japan but also in collaboration with various overseas regions. They handle a wide range of tasks, including the implementation of Fujitsu Uvance offerings, the development of software and applications, operational services, and call center outsourcing.

As a group of engineers based in Japan, the JGG leads all processes and tasks encompassed in project requirements, from system engineering and development of traditional SI projects to final delivery. To move away from personalized work in domestic operations and increase the utilization of GDCs (i.e., increase the offshoring ratio), the JGG promotes the standardization of processes and rules related to development and implementation tasks in collaboration with GDCs, as well as the education of GDCs on Japanese business practices.

GDCs and the JGG are key drivers in enhancing delivery capabilities and improving the gross profit margin of the Service Solutions segment. We use the resources provided by standardization and automation to reskill personnel on higher-level specialized skills, in a continuation of strengthening our delivery capabilities. At the same time, we are skill mapping our human resources and use automation technologies to match necessary personnel to essential projects. This ensures that human resources are efficiently allocated to projects with demand for more resources, further enhancing productivity.





# Reinforcing management capital

Management capital, represented by human resources, intellectual property, and know-how related to data-driven management, is an essential input to Fujitsu's business activities and a source of value creation. We strive to allocate and utilize these components of management capital in conjunction with our business strategies to create value. Also, we are continually augmenting this capital through strategic investments and effective management, thereby elevating the sustainability of our management.



## Message from the CHRO (Chief Human Resource Officer)

We will accelerate HR policies that promote mobility of human resources, create a people portfolio that aligns with our business strategies, and strengthen our human capital over the medium to long term.

### Hiroki Hiramatsu

Director, SEVP  
CHRO  
\* Human Resource



### Building a people portfolio that aligns with our business strategies

The mobilization of people is the key to realizing a business-aligned people portfolio, a resource strategy in the [2023–2025 Medium-Term Management Plan \(medium-term plan\)](#). This is because we need to shift human resources to business areas that are expected to grow and become highly profitable in the future—the focus fields described in the medium-term plan's business model and portfolio strategy. Based on this concept, since fiscal 2023 the Fujitsu Group has been working on the mobilization of people in line with expanding the focus field, [Fujitsu Uvance](#); the launch of the [Uvance Wayfinders consulting brand](#); and building a global organizational structure, promoting internal job-posting,\*<sup>1</sup> reskilling and significantly expanding

the recruitment of mid-career personnel.

In addition to these initiatives, in fiscal 2024 we introduced a visualization and monitoring process for our people portfolio. Specifically, we identify the number of people required and capabilities that need to be strengthened along three axes: business, role, and region. We then analyze gaps in the current people portfolio to link them to strategic human resource investments and KPIs.

We will also develop data and processes to enhance our monitoring of the timely and strategic execution of recruitment, assignment, and training.

By sharing with employees our future people portfolio and capabilities that need to be strengthened, we encourage internal job-posting and on-demand learning throughout the Company to enhance mobility and productivity.

\*1 A system enabling employees to request transfers to available departments or positions that meet their career plans

### Strengthening consulting capabilities

From the viewpoint of flexibly promoting measures in the [focus fields](#) indicated in the medium-term plan, while ensuring alignment with the Groupwide human resource strategy, it is also important for the HR department to align with business departments that are in charge of business strategy. We monitor the progress of career recruitment, internal job-posting, and reskilling, which are the key elements of our business strategy. We analyze whether we are above or below our targets, and if below, we determine where the problems lie. The business departments and the HR department then work together to find solutions.

Strengthening consulting capabilities is one measure we are promoting in alignment with business departments. To achieve our goal of the business becoming a 10,000-strong organization during the period of our medium-term plan, we are focused on reskilling existing personnel and increasing recruitment of mid-career personnel. To develop consulting personnel through reskilling, we have introduced a training and certification process that combines an educational program leveraging Ridgelinez knowledge with on-the-job training. The Group has a large number of highly specialized and skilled employees who are familiar with the latest technologies and customer operations. We believe that the development of consulting skills by reskilling these employees will enhance the value we provide to our customers and broaden employees' career options, thereby strengthening our human capital over the medium to long term.

The Group recruits from a wide variety of channels, including through direct scouting and referral-based



## Message from the CHRO (Chief Human Resource Officer)

recruitment of experienced professionals. We also recruit people who have left the Group at some point but are interested in returning. In fiscal 2023, we conducted a review in Japan of the compensation system for employees at all levels. As a result, our compensation level is now competitive with consulting firms. We will continue to monitor market trends to ensure we maintain this competitive edge.

### Challenges for employees as driving force of transformation

Changing employee behaviors is the starting point for transforming our business model and business portfolio and taking a unconventional approach toward providing value to our customers. We have designed and operate a global personnel evaluation system, called “Connect,” to foster a mindset that embraces challenges and the career ownership that is essential to such behavioral change. We want to encourage employees to proactively take on challenges and grow. This is precisely why we evaluate not only their contribution to the achievement of short-term performance targets but their efforts to undertake challenges and help realize Our Purpose and organizational vision by cultivating new businesses and transforming the business model.

In addition to personnel evaluations, we have introduced a system that encourages employees to take on new challenges by adjusting their work objectives and initiatives to respond in a timely manner to the rapidly changing business environment. Specifically, the one-on-one meetings conducted at least once a month between managers and subordinates provide important opportunities for coaching and feedback.

### Progress on human resource indicators under the medium-term plan

Of the [non-financial targets](#) related to human resources in the medium-term plan, we are seeing steady improvements in diversity leadership. We have set the ratio of female managers as a KPI, but essentially we are working to change our corporate culture. We believe in the necessity of an omnidirectional approach to rolling out initiatives. In addition to implementing positive actions,\*<sup>2</sup> we need to change our mindset by overcoming unconscious bias, promoting inclusive leadership, and reforming workstyles so individuals have the freedom to work in their own way.

Regarding employee engagement, while we saw some significant improvements in fiscal 2023 at the organizational level, the Groupwide figure was on par with fiscal 2022. This demonstrates the difficulty of raising engagement among the Group's 120,000-plus employees. Analysis of data collected in fiscal 2023 suggests that improving people management\*<sup>3</sup> is key to enhancing engagement and organizational performance. Based on results obtained through data analysis, we intend to persistently work toward augmenting engagement by establishing best practices for each issue and developing effective actions for each organization.

\*<sup>2</sup> Voluntary and proactive efforts to eliminate disparities between male and female workers, where such disparities exist, and to achieve substantial equal opportunity

\*<sup>3</sup> Interactive management, in which managers motivate their subordinates through dialogue and support challenges that lead to their own growth

### Conveying the significance and results of human capital management

The Fujitsu Group is a leader in digital transformation (DX) for its customers. Internally, we also practice

[data-driven management](#), continuously collecting and analyzing human resource data and incorporating the insights gained into our human resource measures. Disclosing data on human resources and visualizing return on investment of our policies boosts management transparency. This approach also helps elucidate the ways in which human capital management bolsters corporate value. However, in human resource-related areas alone, the factors that have the potential to influence the growth of our financial value are numerous. As a result, we have not yet been able to complete a sufficiently quantitative analysis of the relationship between recruitment, training, and other human resource measures and business growth. We will continue to utilize the latest technology to more effectively leverage data, and work to enhance the Group's corporate value through more effective human resource measures.

In addition to CHRO, since June 2024 I have also served as a board member, an appointment I believe has been significant in communicating that the Group considers human resources one the most important elements of capital and vital to the enhancement of corporate value. Understanding the value that the Group's business activities provide to customers and society, as well as the culture and structure that encourages employees to take on challenges and grow independently, are important to our efforts to continue attracting talented people in this era of intense competition for human resources. I believe my role is to reinforce the Group's human capital by implementing its human resource strategies, and to actively communicate the significance and results of our human capital management.



## Human resource management

## Creating a business-aligned people portfolio

The resource strategy outlined in the Group's [medium-term plan](#) is to “create a business-aligned people portfolio.” Accordingly, we are building and operating a people portfolio based on a common global definition of roles.

## Progress in fiscal 2023

- We have started to define roles and skills that will be needed in the future based on our business strategy, identify the number of people required, and analyze gaps between the Group's current human resources and those needed in the future.
- We have focused on developing engineers with skills in SAP, Salesforce, and ServiceNow (3S) solutions in the Business Application domain in order to expand [Fujitsu Uvance](#).
- In addition to new graduate hires, we are increasing the year-round recruitment of mid-career personnel to attract human resources in a timely manner.
- In April 2023, we raised employees' monthly compensation by an average of 10%. This move was designed to make us more competitive in attracting human resources.
- To become more competitive in recruiting experienced workers in high-priority areas of our business strategy, such as cybersecurity, AI, data science, and 3S, we will continue to offer the “Highly Specialized Personnel Compensation System,” a system that provides add-on reward for employees with strong expertise in relevant areas.

## Fiscal 2024 initiatives

- We will begin studying the process of visualizing and monitoring a people portfolio based on three axis: business, role, and region. We will determine headcount requirements by role in line with the business portfolio, leading to strategic recruitment and assignment of human resources to growth areas and implementation of human resource development measures, including reskilling and upskilling.
- To expand our [consulting](#) capabilities, we are focusing on referrals and rehires, with plans to reskill or recruit approximately 1,000 mid-career personnel.
- We will continue to focus on training engineers with SAP, Salesforce, and ServiceNow (3S) skills.
- We will extend position-based human resource management to new graduate hires (from April 2026). We will do away with the system of starting salaries based on academic background, in which uniform amounts are offered based on undergraduate or master's degrees. Instead, we will offer salary commensurate with the ability to perform jobs that require a high level of expertise, to attract more talented and diverse human resources.
- At the same time, we will expand our paid internship program from one to six months, providing opportunity for diverse human resources to understand and experience working at Fujitsu.

## Key data related to building a business-aligned people portfolio

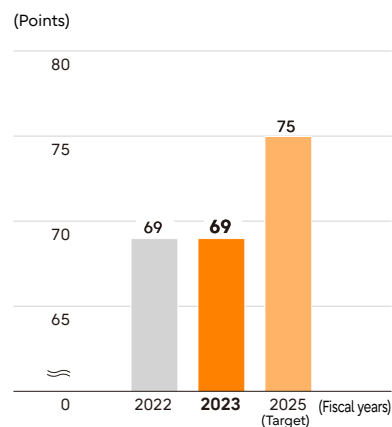
Indicators	Fiscal 2022 results	Fiscal 2023 results
New graduate hires	765	1,037
Mid-career hires	818	1,083
Number of people certified as highly skilled personnel	78	143
Number of people certified as highly skilled personnel (3S)	57	128
Number of SAP qualifications obtained	848	452
Number of ServiceNow qualifications obtained	217	430
Number of Salesforce qualifications obtained	589	950

Notes:  
1. As of March 31 for each fiscal year  
2. Fujitsu on a non-consolidated basis

## Human resource management

## Major human resource management initiatives and progress

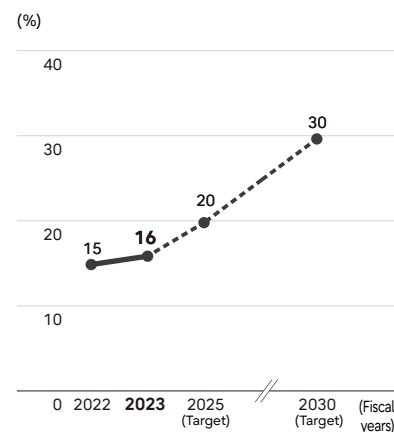
## Employee engagement



We work to increase employee engagement, which demonstrates empathy for Our Purpose and organizational culture, as well as enthusiasm for work, on the basis that higher levels of engagement are linked to the growth of both the individual and the Group. Accordingly, we have established employee engagement as a non-financial indicator.

Our target value, a benchmark of global companies, is 75. In fiscal 2023, employee engagement remained unchanged year on year, at 69. Going forward, we plan to more effectively leverage the data we collect, extracting insights as we continue to develop best practices to meet the agendas we face.

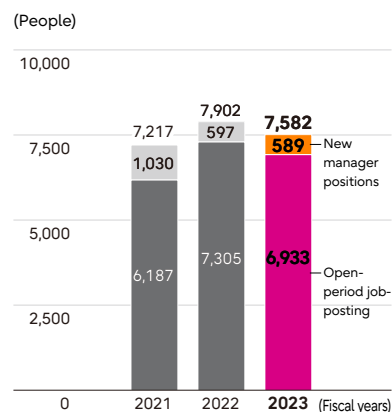
## DE&amp;I (Ratio of female managers)



To realize a corporate culture in which diverse human resources can leverage their capabilities and express their values, in fiscal 2023 we set the percentage of female managers as one of our non-financial indicators, targeting a rate of 30% by the end of fiscal 2030. As a milestone toward that goal, we aim to achieve a 20% ratio of female managers by the end of fiscal 2025.

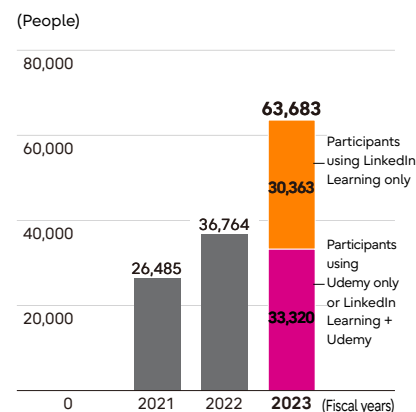
In addition to these efforts, we will continue to promote various other initiatives, such as “mindset shift,” “positive action,” and “improving the working environment through Work Life Shift promotion.”

## Mobility (Number of applicants for internal job-posting system)



Together with the position-based human resource management system that we introduced in fiscal 2020, we significantly expanded our internal job-posting system with the aim of promoting job mobility and diversity to realize our business strategy. We expanded this system onto a global scale in fiscal 2022. Over the course of four years, we have received more than 27,000 applicants, and about 10,000 employees have changed their positions. Notably, we have adopted our internal job-posting system in which all new managers go through a selection process based on the system. We will continue to provide employees with opportunities for growth through this measure.

## Reskilling (Number of people in on-demand training)



The Group has developed an on-demand training platform that allows employees to select and take the training they need on their own. We introduced LinkedIn Learning in fiscal 2023; as of June 2024, it was used by approximately 80% of employees. Looking at the combination for LinkedIn Learning and Udemy, the number of participants and total learning time in Japan have grown significantly since fiscal 2020 by 4.8 times and 4.4 times, respectively. As these figures show, autonomous learning has become standard over the past four years.



## Human resource management

## Employee opinions

## Global Job Opportunities

**D.M. Thanuja**JOC Sales  
Americas Region

I decided to use the Global Job Opportunities because I had a strong desire to work in the United States again someday, as my previous assignment in the U.S. had been very stimulating and earned me many opportunities for my personal growth.

Before I applied through the Global Job Opportunities, I tried to gain an accurate understanding of the HR process associated with the new position. I checked the posting information regu-

larly and focused in particular on the operational process and procedures related to global assignments. Because I thought first-hand information was important, I consulted directly with the reporting manager of the new posting to get a better understanding of specific roles, expectations, scope of responsibilities, and business situation. I also obtained information about career and living conditions from local colleagues, helping to clarify the image of my own active role after my expatriation.

Through the Global Job Opportunities, I feel that I have grown more than I had initially expected. I succeeded in forging personal networks both inside and outside the Group, forming the habit of thinking from a medium- to long-term perspective with an awareness of the issues at stake, taking the initiative to develop a career I am passionate about, and adopting the work attitude of “fail fast and learn faster.” There are issues that can be seen only from being on the front lines in the U.S., where competition is fierce and trial-and-error is repeated on a daily basis. First, we will continue to contribute to the execution of growth strategies centered on Fujitsu Uvance through an issue-driven approach based on a correct understanding and analysis of such issues and the actual situation of our customers.

## Job Challe!! system

**Risa Hirate**Electronics Division  
Enterprise Business Unit

Since joining the Company as a business producer (a “BP,” the Group’s term for a salesperson), I had always considered “clarifying issues” to be an essential skill, but I always had a nagging suspicion that I might not really be fully understanding the issues customers faced when I prepared proposals.

When I was assigned to my first DX project, I was unable to explain my proposal in my own words. This was a crisis; I could not go on like this.

Through the Job Challe!! system, I decided to apply for a position in the data consulting department. I thought that being in this challenging environment for a limited period of time would provide me with experience that would be an asset to my career as a BP.

I gained three things through Job Challe!! First, I learned the art of engaging in day-to-day operations and negotiations from a wide range of perspectives including those required as a BP, from a project management perspective, and from a risk management perspective. Second, I gained an awareness of high-quality output. It was a particularly good experience for me to formulate hypotheses based on publicly available information and past experiences, clarify issues that customers were not aware of, and create appealing proposals, especially when we were unable to obtain information from customers directly. The third thing was pride in my work. I have noticed that having this pride creates pressure to meet expectations both internally and externally. This pressure, in turn, reinforces a sense of commitment to results and improves the quality of output. I hope to internalize what I have learned in this position as my own strength and work even harder as a BP.

## Reskilling

**Tomomi Nakagawa**Wide-Area Healthcare  
Delivery Second Division  
Healthcare Business Unit  
Fujitsu Japan Limited

Since joining the Group, I had been a BP targeting the pharmaceutical and medical industries. However, I wanted to help solve problems at a level closer to the customer. My hope was to transition to a system engineer (SE) position, so I took a reskilling training course toward becoming an SE in charge of system implementation. As this would mean a major career change, I expected the hurdles to be high. At the same time, I thought it would be a unique opportunity to receive intensive training in a new area of business, so I volunteered to take on the challenge.

Midway through my training period, I applied for a position through the internal job-posting system and transferred to my current department, meeting my goal of becoming an SE with around two months of study. However, these two months helped to dispel my anxiety about changing careers, as I was able to systematically learn the basic behaviors and technical skills related to system integration as an SE at Fujitsu. Team exercises also helped me to interact for the first time with people in different professions. This broadened my knowledge, stimulated me, and increased my motivation.

Having used the internal job-posting system to change positions, nowadays I am involved in implementing and expanding the sales of solutions for acute care settings. I hope to help resolve issues in the medical field by combining the problem-solving skills developed in my sales career and the technical knowledge I gained during reskilling. I intend to fulfill my own purpose, to create a safe, secure, and comfortable society through dialogue on a daily basis.

## Intellectual property

### IP as a source of added value

Intellectual property (IP) plays a major role in [Fujitsu Uvance](#), which is a pillar of our business portfolio and business model transformation moving toward 2030. Our own IP and the combination of our own IP and IP from other companies are both the keys to developing unique offerings and the source of the added value these offerings generate. When offering services that combine IP in this manner, it becomes even more important to demonstrate the Group's uniqueness, highlighting capabilities only Fujitsu can provide. To secure this uniqueness, the Group's Intellectual Property Division is responsible for IP management, including patent prosecution from a legal perspective.

The Group's technology strategy focuses R&D resources on five Key Technologies (KTs), with their core in artificial intelligence (AI), which is essential for digital services such as Fujitsu Uvance. Under this strategy, the share of the five KT is increasing in the Group's IP portfolio. In particular, the number of patent applications for AI-related technology, which has accumulated research and development since the 1980s, ranked first in Japan in fiscal 2023, following fiscal 2022.

### Focus on IP for applied technology

In addition to core technology IP, which has historically been a strength for the Group, now we are focusing on IP prosecution in the area of AI applied technologies. Applied technologies refer to technologies that fuse core technologies with knowledge about specific industries and applications such as those implemented in Fujitsu Uvance's offerings, or technologies that fuse AI and the other four KT.

IP prosecution for applied technologies is linked to our business strategy of accelerating the fusion of the five KT, with AI at their core, into Fujitsu Uvance. In line with the business strategy announced in February 2024 to provide Fujitsu Uvance with the [Fujitsu Kozuchi AI platform](#), we are working to build an IP portfolio of applied technologies.

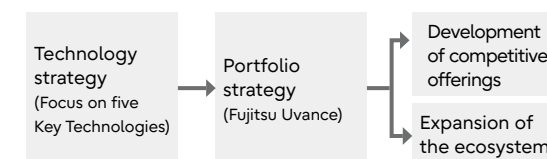
### Enhancing dialogue between research and IP divisions

We are strengthening cooperation between the Research Division and Intellectual Property Division. One specific example is identifying areas where resources should be invested in prosecution in accordance with the IP utilization policy developed based on the Group's technology strategy and the current state of its IP portfolio. To gain competitive advantages, the Intellectual Property Division analyzes the strengths of the technologies under development in the marketplace with IP information and feeds these results back to the Research Division, and identify areas where international standardization and open source software (OSS) should be actively utilized and promote the efforts. Furthermore, we will deepen collaboration between the Intellectual Property Division and business divisions to promote stronger Group offerings through R&D technologies in order to enhance the added value of Fujitsu Uvance's offerings.

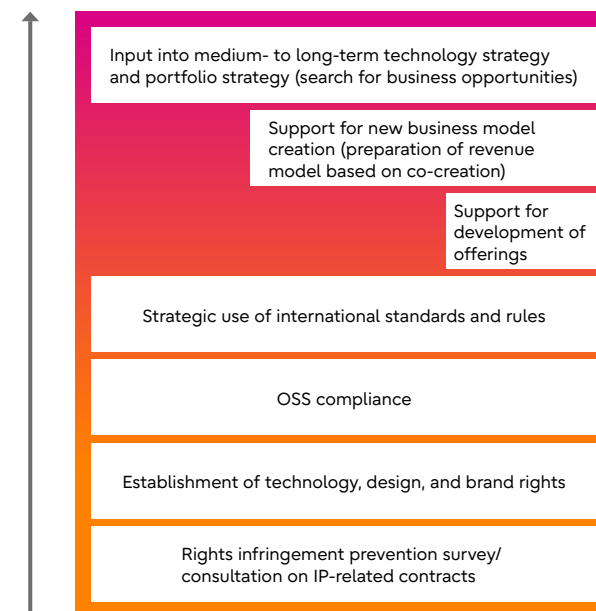
In addition to IP prosecution of technologies, IP management contributes to value creation through various approaches, including design and brand prosecution, IP license management in the area of open innovation, and strategic use of international standards, rules, and OSS. IP management, including preventing other companies from infringing on the Group's rights, appropriate IP

management, and compliance, is also an effort to identify and reduce risks related to intellectual property that may damage corporate value. We are striving to continuously enhance corporate value by promoting IP management that aligns with our management strategy, technology strategy, and portfolio strategy.

### Technology strategy, portfolio strategy, and IP management



Domains for future functional enhancement



Functions from the past to present day

## Data-driven management expertise

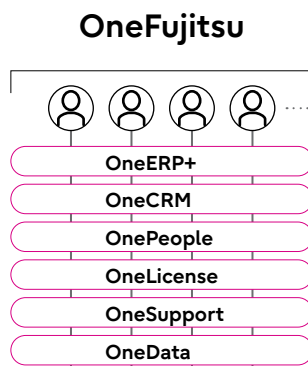
### Management transformation through the OneFujitsu Program

The OneFujitsu Program is the core of the Group's digital transformation (DX), an initiative to realize data-driven management and pursue operational excellence.\* More than just an IT project, OneFujitsu represents management transformation in the sense that DX can only be achieved through comprehensive reforms that include the standardization of business processes, integration of infrastructure, and deployment to frontline departments.

OneFujitsu applies solutions used as global standards, such as SAP and Salesforce, to ensure that the global definitions of business processes are uniform and standardized.

We have also developed a package of measures such as reskilling that encourage employees to change their behavior. This is essential for improving the quality of OneData (data that is consistent Groupwide), and maximizing the effects of data-driven management. We have rolled out this package across the Group. In addition, we have honed an agile and speedy approach to improvement. This approach centers on close and ongoing discussions with management in the use of technology, including AI, and in the construction of dashboards that are displayed atop the data infrastructure.

\* A state in which a company maintains a unique advantage that competitors cannot emulate by aiming for operational efficiency and improvement



### Creating value by utilizing practical knowledge and expertise

Alongside these efforts, the Group has established an organization to promote data-driven management and developed a scheme to consolidate the knowledge and know-how gained through the global development of OneFujitsu-related initiatives and best practices for data utilization in various internal departments. The Group has accumulated a wealth of practical knowledge and expertise as a result of its experience in confronting and overcoming a variety of transformation challenges. These include formulating strategies for realizing data-driven management, establishing a strategy promotion system, studying implementation methods, and developing various frameworks and programs for Groupwide deployment.

The Group applies this practical knowledge and expertise to its proposals for solving the business challenges customers face. This expertise amounts to crucial management capital, as it adds value to the Group's offerings and services, including [consulting services](#), [modernization](#), and [Fujitsu Uvance](#), and constitutes a source of competitive advantage for the Group in these areas.

### Realizing data-based management

The Group's data-driven management continues to evolve as the OneFujitsu Program progresses. Specifically, OneCRM was operational in 31 countries as of 2022, with 20,000 Group employees from management to frontline business staff able to monitor comprehensive and granular data along a time axis. We are gaining the ability to predict physical market trends and optimize our management and business strategies accordingly.

In addition, OneERP+, which converts tangible and intangible management resources into data and makes them visible, has begun operations at Fujitsu Limited and Fujitsu Japan Limited, marking a major milestone for data-driven management. In the area of purchasing, for instance, the new system facilitates seamless linking among all processes, from compiling the information needed to place orders all the way to paying suppliers. The system will offer centralized management of all data, including necessary forms and documents. The system will also facilitate visualization of procurement and supplier status across the entire Group.

We will continue working to realize data-driven management and achieve operational excellence by upgrading our business management and service structure based on OneERP+ and extending the reach of our data infrastructure to all regions.

### OneFujitsu milestones

2020	Full-fledged launch of the DX project Fujitsu Transformation (Fujitra)
April 2022	OneData launches in Japan
	OneCRM launches in all regions; definitions are unified globally
	OneERP+ goes live first in the United Kingdom and Ireland
December 2023	Global rollout of OneData
October 2024	OneERP+ goes live at Fujitsu Limited and Fujitsu Japan Limited

# Sustainability management

To achieve Our Purpose, which is to make the world more sustainable by building trust in society through innovation, Fujitsu is practicing sustainability management in line with the Group's Materiality. We will integrate the references obtained through practice into our business and contribute to our customers' sustainability transformation.



## Message from the CSSO (Chief Sustainability & Supply Chain Officer)

We focus on sustainability management that contributes to enhancing corporate value.

### Takashi Yamanishi

Corporate Executive Officer, EVP  
CSSO  
\* Sustainability & Supply Chain



### Gearing up for the practical phase

The Fujitsu Group's [Materiality](#) clearly states its intent to positively impact customers and society through its business, indicating that the Group has advanced from encouraging employees to take ownership of sustainability, by fostering an awareness of its importance and understanding Our Purpose, to creating an impact through its business activities. Furthermore, we have moved on to the stage of linking this impact to our market valuation—to enhancing our corporate value.

For example, supply chain priorities have traditionally focused on managing risk factors that could

negatively impact the Group's business, beginning with environmental stewardship and respect for human rights and continuing with compliance, ensuring economic security, and enhancing information security. However, the question now is how to gain the empathy of partners and work together to manage the supply chain from a sustainability perspective, creating an overall positive impact and contributing to the Group's corporate value.

I was appointed CSSO in April 2024, and the addition of sustainability to my existing responsibilities in the supply chain has made me realize the importance of my role in shifting the Fujitsu Group's sustainability management to the practical phase.

### The impact we pursue through our business

My role as CSSO in this new phase is to create a mechanism to make the Fujitsu Group's vision resonate with employees, business partners, and other stakeholders, and to put this vision into practice. Specifically, we will organize KPIs so that employees can think about Materiality in relation to their own work, measure their impact using metrics that are widely accepted both internally and externally, while also taking external indicators into consideration, and communicate the progress.

To ensure this practice gains traction, we also need to integrate sustainability into the business strategy and establish a mechanism to promote sustainability in all business groups and functional sections within the organization. This includes integrating the knowledge and expertise the Group has accumulated through sustainability management into [Fujitsu Uvance](#) and other businesses, and converting it into value for customers and society. We will reference the Group's experiences by [making the correlation and causality between financial and non-financial indicators visible](#), so we can assist customers in their own transformation to sustainability.

As CSSO, my role is to connect the sustainability initiatives of organizations within the Fujitsu Group. I will contribute to enhancing corporate value by ensuring the permeation of sustainability and focusing on building a framework to advance initiatives that produce an impact through our business.

## Overview of our sustainability management

As a member of international society, the Fujitsu Group is working earnestly to resolve societal issues through responsible business activities, from the perspectives of the environment, society, and the economy. We aim to grow over the long term while generating a positive impact on society. To realize this goal, we are promoting sustainability management under the guidance of our senior management team.

### Sustainability Management Committee

The Fujitsu Group has established the Sustainability Management Committee, which will drive a sustainability focused management approach under the supervision and direction of the Board of Directors meeting and the Executive Management Council meeting. The committee is tasked with discussing how a responsible global company should conduct sustainability management in order to realize long-term growth and transformation, while taking into consideration environmental, social, and economic impacts, as well as all of the Group's stakeholders. The committee is chaired by the CEO and comprises executives or SVPs appointed by the chairperson. As of September 2024, the committee had 15 members, including the chairperson. The committee meets once every six months, and each agenda item is designed for discussion, not just a description of activities.

Based on Our Purpose and Our Values as set out in the Fujitsu Way, we identified issues that are deeply connected to the sources of the Fujitsu Group's value creation. These included respect for human rights, acceptance of diversity and equity, human resource development, maintenance of the global environment, and contributing to the development of regional communities. We refer to such matters as GRB (Global Responsible Business), and our activities in these areas have been reported and discussed in the committee since fiscal 2020. Moreover, based on the Materiality defined in 2023, we have assigned an executive for each Materiality, and we are discussing non-financial indicators and confirming progress in relation to our non-financial impact on customers and society through our business activities. In this way, we aim to increase the corporate value of the Fujitsu Group sustainably over the long term.

### Sustainability management promotional framework



### Agenda items for committee meetings held in fiscal 2023

- Activity reports on GRB priority issues
- Status reports on sustainability in business
- Materiality
- Performance analysis of non-financial and financial indicators, dashboards
- Information disclosure on sustainability

[For more details, see sustainability management in the Fujitsu Group](#)

[For more details, see GRB \(Global Responsible Business\)](#)

## The environment

### Fiscal 2023 results of Environmental Action Plan (Stage XI) (fiscal 2023–2025)

To address environmental and social issues, we have established eight targets along the two axes of “customers and society” and “Fujitsu and Supply Chain.” These targets cover three global risks identified by the World Economic Forum: “climate change,” “resource circulation,” and “living in harmony with nature.” We are developing

initiatives to contribute to customers and society through digital technology, expand our use of renewable energy, and otherwise solidify our footing toward the realization of the Group’s environmental vision (described below). In fiscal 2023, we met all our targets, which we set by backcasting from the fiscal 2025 targets.

### Environmental Action Plan Stage XI (fiscal 2023–2025)

			Goal	Base line	Targets for fiscal 2025	Fiscal 2023 results
<b>Customers and society</b>			<ul style="list-style-type: none"> <li>Fiscal 2023: Environmental contribution metrics will be developed. Fiscal 2024 to fiscal 2025: The amount of contribution will be measured and disclosed.</li> <li>Earn the objective recognition of global customers and society as an SX leader</li> </ul>	—	Deliver SX offerings to customers	Established indicators, improved external evaluation, advanced social implementation (linked data on CO <sub>2</sub> emissions in the supply chain)
Fujitsu and supply chain	Climate change*1	Scope 1 and 2	Reduce GHG emissions at business sites by half of the base year by the end of fiscal 2025 • Increase use of renewable energy to 50% or more by 2025	Fiscal 2020	Reduction of at least 50%	41.6% reduction (330,000 tons)
		Scope 3 (Category 11)	Reduce CO <sub>2</sub> emissions from power consumption during product use by 12.5% or more	Fiscal 2020	Reduction of at least 12.5%	34.2% reduction
		Scope 3 (Category 1)	Reduce GHG emissions in the supply chain • Major business partners should set emissions reduction targets (equivalent to SBT well below 2°C target) • Collection of GHG reduction data, construction and deployment of mechanisms	—	To complete target setting	Set target at 54% (220 companies)
	Resource circulation		Develop products and services that contribute to a circular economy (CE) business model	—	Circular economy business products and service development	Finished setting targets for each product business division
			Reduce water consumption by 57,000 m <sup>3</sup> or more by implementing continuous water reduction measures	—	57,000 m <sup>3</sup> or more	59,166 m <sup>3</sup> reduction
			Strengthen awareness of water resource conservation in the upstream supply chain • Request our major suppliers to make efforts to raise their awareness of the importance of water resources	—	To complete the request	Completed 100% of requests
	Living in harmony with nature (conservation of biodiversity)		Reduce negative impacts on biodiversity in the areas of our corporate activities, including supply chains, by at least 12.5%; in addition, promote activities that increase positive impacts on biodiversity	Fiscal 2020	Reduction of at least 12.5%	27.5% reduction

\*1 Scope 1, 2, and 3 adjusted for acquisitions and divestitures

Message from the CSSO

Overview of our sustainability  
management**The environment**

Human rights

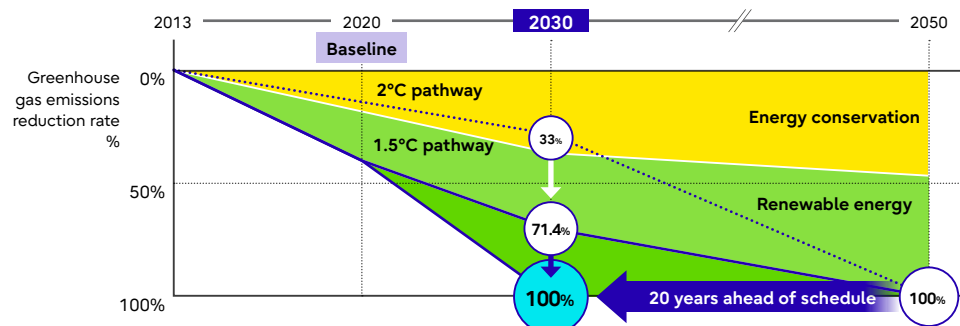
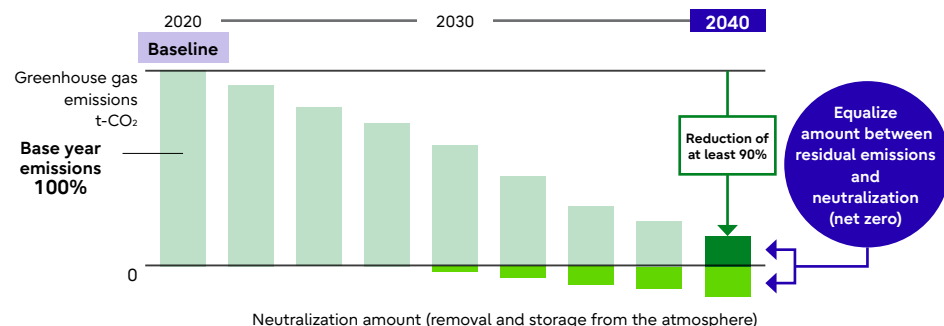
Supply chain

Compliance

Collaboration with stakeholders

**The environment****Road map to zero emissions**

The Fujitsu Group has been working toward carbon neutrality, revising its fiscal 2030 target for reducing GHG emissions from business activities (Scope 1 and 2) from a 33% to a 71.4% reduction compared with fiscal 2013 levels (the “1.5°C pathway” validated by the SBTi in April 2021). However, as the global community accelerates its efforts to become carbon neutral, the Fujitsu Group is reexamining the role it should play in society. Accordingly, we now aim to meet our target of “zero CO<sub>2</sub> emissions by the Fujitsu Group by fiscal 2050” by fiscal 2030—20 years ahead of the original schedule.

**Reduction of GHG emissions from business activities (Scope 1 and 2)****Reduction of GHG emissions across the entire value chain (Scope 1, 2, and 3)**

We have also established a new target to achieve net zero<sup>\*2</sup> GHG emissions for the entire value chain (Scope 1, 2, and 3) by fiscal 2040. This target, which sets fiscal 2020 as the base year for reaching net zero by fiscal 2040, was validated as net zero by the SBTi in June 2023.

<sup>\*2</sup> Refers to reducing GHG emissions by at least 90% from the emissions in the base fiscal year by the target fiscal year, then removing 10% of lower residual emissions by absorbing atmospheric CO<sub>2</sub> through the use of Direct Air Capture (DAC) technology and afforestation

**Efforts to achieve net zero**

The Fujitsu Group is actively procuring and strategically expanding its use of renewable energy both in Japan and overseas in order to achieve RE100 by 2030. In Japan, the goal is to source 100% of electricity used at major data centers from renewable energy by 2025. Fujitsu Australia sourced 47% of electricity used at its data centers from renewable energy sources in fiscal 2023. This was due to the company's signing in 2022 of a Power Purchase Agreement (PPA) with CWP Renewables (at the time); this is the Fujitsu Group's largest PPA. We will continue to provide low-GHG-emission services to our customers. We also intend to expand our use of renewable energy and contribute to climate change adaptation by introducing renewable energy sources additionally and further improving energy efficiency.



Sapphire Wind Farm, the largest wind farm in New South Wales, operated by CWP Renewables (at the time)

**Initiatives to realize a circular economy**

Now that the concept of a “circular economy” has evolved into a global trend, the Fujitsu Group needs to consider a circular economy business model that matches the characteristics of individual products, and to design products to match this new business model. Environmental Action Plan (Stage XI) calls for the development of products and services that contribute to a circular economy business model. We held a briefing and workshop on circular economy business in September 2023, mainly targeting the design and development departments of Group products, and established activity targets for each product business unit. Going forward, we will promote service developments that center on our products.

[For more details, see the environment](#)



## TCFD-based information disclosure

The Fujitsu Group recognizes that climate change is an important issue for management as it has a significant impact on the sustainability of society over the long term, and we therefore conduct analysis to ascertain medium- to long-term risks and opportunities. In addition to our own response to climate change risks, we believe that examining the potential climate change risks affecting our customers and making value creation proposals to them using our strengths in digital technology will also lead to business opportunities.

As a result, we have also strengthened our governance as we aggressively promote initiatives on management strategies for climate change countermeasures. In April 2019, we announced our support for the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD), and we are working to disclose information effectively to various stakeholders, including investors.

[For more details, see TCFD-based information disclosure, including scenario analysis](#)

Item		Response status
Governance	Oversight structure under the Board of Directors for climate-related risks and opportunities	<ul style="list-style-type: none"> <li>The Sustainability Management Committee shares the risks and opportunities arising from climate change, deliberates on medium- and long-term issues, and formulates policies. These results are reported to the Board of Directors via the Executive Management Council. In fiscal 2021, the results of analysis using multiple climate change scenarios, including limiting global warming to 1.5°C, were reported on and discussed by the Sustainability Management Committee.</li> <li>Important risks identified for the overall Group, including climate risk, are reported periodically to the Board of Directors by the Risk Management &amp; Compliance Committee.</li> </ul>
	Role of management in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> <li>The representative director and CEO serves as the chair of the Sustainability Management Committee, with responsibility for the highest level of decision-making and for business execution. Directors are responsible for supervision based on reports by the Executive Management Council. The CSSO (Chief Sustainability &amp; Supply Chain Officer) proposes reforms to directors and the executive team and executes business related to sustainability.</li> <li>The Company introduced ESG indicators, including consideration of climate-change issues, for evaluation of executive directors' bonuses.</li> </ul>
Strategy	Short-, medium-, and long-term climate-related risks and opportunities	<ul style="list-style-type: none"> <li>The provision of ICT products that can contribute to climate change mitigation and adaptation measures creates opportunities to increase sales. Physical risks and legal risks have an impact on operational costs by requiring the implementation of measures in the Group's operations and supply chains.</li> </ul>
	Impacts on business, strategy, and financial planning	
	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> <li>In fiscal 2021, scenario analysis was conducted for businesses susceptible to climate change, covering the period to 2050 and using 1.5°C and 4°C scenarios.</li> <li>Analysis of the risk to the Group and the opportunities acquired by supporting resolutions to customers' issues found that the Group's businesses have strategic resilience from a medium- to long-term perspective.</li> </ul>
Risk management	Climate-related risk identification and assessment process	<ul style="list-style-type: none"> <li>The Risk Management &amp; Compliance Committee promotes Groupwide risk management policy, including for risks related to climate change. Based on the risk assessment results for each division, the committee conducts a two-factor matrix analysis with severity and likelihood axes, selects and assesses risks, and reports the results to the Board of Directors.</li> </ul>
	Climate-related risk management process	<ul style="list-style-type: none"> <li>The Group conducts risk monitoring using an environmental management system based on ISO 14001. The Sustainability Management Committee is responsible for managing the progress of climate change measures.</li> </ul>
	Status of integration with organization-wide risk management	<ul style="list-style-type: none"> <li>The Risk Management &amp; Compliance Committee identifies and evaluates Groupwide risks, including climate change, and coordinates with the Sustainability Management Committee to identify, analyze, and evaluate risks, and to propose and implement recurrence prevention strategies.</li> </ul>
Metrics and targets	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> <li>Fujitsu uses greenhouse gas (GHG) emissions and the renewable energy introduction rate as metrics.</li> </ul>
	Scope 1 and 2, and the corresponding Scope 3 GHG emissions (fiscal 2023 achievements)	<ul style="list-style-type: none"> <li>Scope 1: 64 kt-CO<sub>2</sub></li> <li>Scope 2: 266 kt-CO<sub>2</sub> (Market-based)</li> <li>Scope 3: 1,086 kt-CO<sub>2</sub> (Category 1: Purchased Goods and Services), 2,283 kt-CO<sub>2</sub> (Category 11: Use of Sold Products)</li> </ul>
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets (fiscal 2023 achievements)	<ul style="list-style-type: none"> <li>Set new targets to achieve net zero GHG emissions in the Group's own business activities by fiscal 2030 and across the entire value chain by fiscal 2040</li> <li>Scope 1 and 2 (compared with fiscal 2020): 41.6% reduction in fiscal 2023 versus a target of 100% reduction by fiscal 2030</li> <li>Scope 1 to 3 (compared with fiscal 2020): 28.1% reduction in fiscal 2023 versus a target of 90% reduction by fiscal 2040</li> </ul>

## TNFD-based information disclosure

### Adopted the TNFD framework

Expressing its agreement with the framework of the Taskforce on Nature-related Financial Disclosures (TNFD), the Fujitsu Group registered as a TNFD Adopter. The TNFD announced our adoption at the Annual Meeting of the World Economic Forum in Davos, Switzerland. We plan to conduct an assessment in line with the LEAP approach and conduct disclosure from 2024 onward in accordance with the disclosure items recommended under the TNFD framework. We will gradually update our disclosure content.

### Nature-oriented initiatives

#### Formulation of our vision and short- and medium-term targets

The Fujitsu Group has formulated its vision for 2050, medium-term target for 2030, and short-term target for 2025 (Environmental Action Plan Stage XI). Established in line with the Kunming-Montreal GBF, these targets aim to move us along a nature-positive pathway.

Vision (2050)	Create a world in harmony with nature, where "nature and biodiversity," which are fundamental to a sustainable society, are fully restored through digital technology
Medium-term target (2030)	Reduce negative impacts on biodiversity by at least 25% (base year: fiscal 2020) in the area of company's corporate activities, including supply chain, and promote activities to increase positive impacts on it.
Short-term target (2025)	Reduce negative impacts on biodiversity by at least 12.5% (base year: fiscal 2020) in the area of company's corporate activities, including supply chain, and promote activities to increase positive impacts on it.

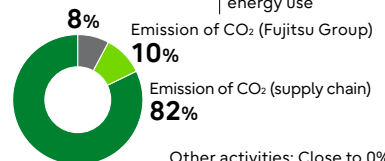
#### Examples of activities that reduce negative impacts on biodiversity

An evaluation of the Fujitsu Group's overall corporate activities, using the Ecological Footprint (EF) as a metric, identified "CO<sub>2</sub> emissions" and "energy use" as accounting for 99% of factors. Accordingly, we concluded that our climate change measures are effective at reducing negative impacts on biodiversity.

#### EF calculation results in the group (fiscal 2020)

##### - Percentage by corporate activity -

Water resource use (Fujitsu Group, supply chain) 90% of this amount is attributable to energy use



#### Examples of activities that increase positive impacts on biodiversity

The Fujitsu Numazu Plant has been certified as a Nationally Certified Sustainably Managed Natural Site (site for symbiosis with nature) by the Japanese Ministry of the Environment, contributing to achievement of the 30by30 target.

[For more details, see our response to the TNFD](#)

## Human rights

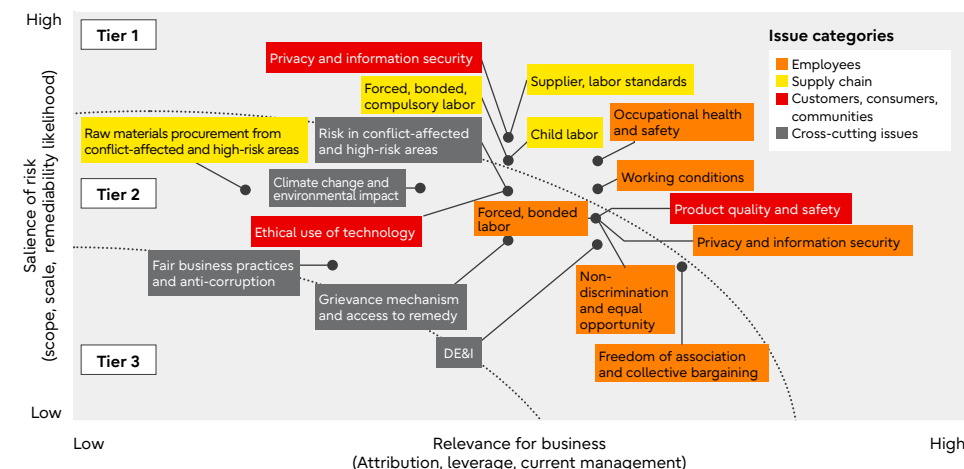
### Human rights policy and structure

The Fujitsu Group has formulated the Fujitsu Group Human Rights Statement, which clearly states the Group's commitment to upholding international norms such as the United Nations Guiding Principles on Business and Human Rights, complying with laws and regulations, conducting human rights due diligence on an ongoing basis, and engaging in dialogue with stakeholders. The statement has been translated into 21 languages and is disseminated to all Group companies, as well as to suppliers for their agreement and support.

An organization to spearhead human rights efforts has been established within the CEO office, which reports directly to the president. This organization works with corporate and business divisions to implement activities aimed at resolving human rights issues throughout the value chain. We have also set up a program of regular meetings with human rights staff in each region to promote the program globally. Activities are reported to and discussed by the Sustainability Management Committee, which is chaired by the president, and results are reported to the Executive Management Council and the Board of Directors.

### Promoting human rights due diligence

#### Human rights issues identified through a human rights impact assessment conducted in fiscal 2022



## Human rights

The Fujitsu Group conducts human rights due diligence as a process of ongoing improvement in which it identifies, works to prevent, and mitigates negative human rights impacts throughout the value chain, in accordance with the Group's human rights policy.

To enhance the effectiveness of our human rights due diligence, we regularly conduct human rights impact assessments. In 2022, we assessed the possible negative human rights impacts of our business activities in cooperation with Business for Social Responsibility (BSR), an international NPO. We identified 18 human rights issues affecting three rights holders in Fujitsu's value chain (supply chain, employees, and customers/consumers/communities) and are working on prevention and mitigation measures, starting with high-priority issues.

In relation to "supplier and labor standards," "forced, bonded and compulsory labor," and "child labor" in the supply chain, we ask our suppliers to improve their working environment, eliminate forced and child labor, and conduct regular surveys.

Addressing the topics of working conditions and non-discrimination and equal opportunity among employees, we have introduced flexible working hours and tele-commuting systems to improve work-life balance and reduce long working hours. In addition, we strive to improve the work environment and foster respect for each and every employee through employee engagement surveys as well as education on human rights, biases, and other topics.

With regard to privacy and information security and the ethical use of technology for customers, consumers, and the community, under the leadership of the CISO (Chief Information Security Officer), we are promoting efforts to ensure and improve customer information security by continuing to reform the awareness of each employee and our organizational culture. We also have AI ethics initiatives in place to address the risks associated with data handling and the use of artificial intelligence.

The Fujitsu Group sets a goal to engage in dialogue with stakeholders once a year. In March 2024, we invited human rights experts from the United Nations Development Programme (UNDP) and Caux Round Table Japan (CRT Japan) as external experts to evaluate and provide suggestions on human rights promotion.\*1

In November 2023, we joined the "Engagement and Remedy Platform," which is operated and provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER).\*2 By accepting complaints through a third party, we foster fairness and transparency in the handling of complaints and promote dialogue and redress.

\*1 [Details of dialogue with external experts](#)

\*2 [Details of Fujitsu's human rights consultations and reporting system operations](#)

## AI ethics and human rights

Rapid advances in information and communication technologies, especially AI, are changing people's lives and the society significantly. At the same time, some AI use can have serious consequences, leading to inequality, discrimination, and other human rights violations, and AI can have unforeseen side effects.

The Fujitsu Group has been promoting the concept of being "human centric" for many years, and aiming to realize a human-centric ICT society. In 2019, we formulated the "Fujitsu Group AI Commitment" as a guideline to support our customers' business transformation as a trusted business partner. In this guideline, we discipline ourselves as an AI developer and provider and as a trusted business partner to our customers. In 2022, we established the AI ethics and Governance Office to lead the Group's governance from the perspective of AI ethics, and are promoting its global expansion and implementation as described below.

Since 2019, Fujitsu has regularly held meetings of the "Fujitsu Group External Advisory Committee on AI ethics" to obtain objective evaluations of our AI ethics efforts from external experts in AI technology as well as a diverse range of non-AI experts, including people from the legal, biomedical, environmental, consumer affairs, and ecological fields. Committee meetings are attended by the CEO and other C-suite managers involved in AI-related R&D and business. The committee's discussions are also shared with the Board of Directors to ensure transparency among our organizational management. Our progressive initiatives have been recognized as meaningful efforts to link AI ethics with corporate governance.

We also believe it is essential for each employee to understand the importance of AI ethics and to practice self-discipline. In fiscal 2020 we introduced mandatory e-learning on AI ethics in Japan region. In fiscal 2023, 93% of all Group employees in Japan region completed the e-learning course, and global regions are currently promoting similar training in AI ethics. In the AI delivery process, we are working to address AI-specific risks with existing quality and security processes, as well as mandating independent reviews on ethical aspects.

In addition to fostering AI ethics within the Group, we encourage discussions on AI ethics with next generation through industry-academia collaboration activities. We work actively to share our efforts toward and knowledge of AI ethics to consumers and user companies that come into direct contact with consumers. Furthermore, we provide user companies with our "Fujitsu Generative AI Guidelines" and tools to detect ethical risks related to AI.

[For more details, see human rights](#)

## Supply chain

### Supply chain strategy encompassing financial and non-financial aspects

Supply chains are vital for the Fujitsu Group to supply products and services to its customers. We drive our supply chain strategies from both financial and non-financial viewpoints.

On the financial side, the Company is promoting collaboration with strategic partners based on its seven Key Focus Areas. To prepare a foundation to support business growth, we are working to standardize and automate operations when procuring other companies' services, and taking steps to deal with IT personnel shortages by using IT personnel databases that we share with our partners. This system ensures that we can secure the necessary personnel when needed.

On the non-financial side, aiming to realize responsible procurement in our own supply chain, we have established a global coordination structure and we are working together with each region in planning and operations. Moreover, we promote integrated efforts in which key social issues such as human rights, diversity, compliance, and the environment are addressed in our supply chain. To this end, we coordinate closely with relevant business units to promote initiatives.

### Building responsible supply chains

In its supply chain, the Fujitsu Group will achieve responsible procurement that embraces diversity and gives full consideration to human rights, the environment, and health & safety. We are promoting sustainable procurement activities as part of what Fujitsu aspires to be. In 2005, we formulated the Fujitsu Group CSR Procurement Guideline, and in 2018 we adopted the Code of Conduct of the Responsible Business Alliance (RBA), a shared global industry initiative, as part of the guideline. In 2023, in light of demand for stronger human rights-related measures, this was revised to the Fujitsu Group Sustainable Procurement Guideline and now applies to the entire supply chain, including service suppliers. We are also working with suppliers to reduce greenhouse gas (GHG) emissions in the supply chain by holding briefing sessions with major suppliers and requesting that they set numerical targets in line with international standards.

Furthermore, to ensure supply chain diversity, in each region and country we are promoting procurement from companies with diverse characteristics, such as small and medium-sized enterprises (SMEs) and companies owned by women or operated by ethnic minorities. In addition, in selecting suppliers, we conduct due diligence and provide training on information security and compliance.

### PACT program

As a member of the Partnership for Carbon Transparency (PACT), which is sponsored by the World Business Council for Sustainable Development (WBCSD), Fujitsu participated in the PACT Implementation Program. This is the world's first social implementation program for linking product carbon footprint (PCF) information as intercompany data. As a result, we have succeeded in making CO<sub>2</sub> emissions visible throughout actual supply chains.

In this implementation, Fujitsu took the supply chain of Fujitsu's notebook PC enclosures as an example. We used a PACT-compliant Fujitsu solution based on the Pathfinder Network, a technical specification for data linkage. The "ESG Management Platform/Fujitsu Track and Trust" and other solutions were used to calculate the CO<sub>2</sub> emissions of PCFs and link actual data. We also identified issues in the real supply chain, such as improving supplier engagement and building ecosystems, through PCF data links using actual supplier data.

We have called on various suppliers to accelerate and expand the scale of this activity, as well as to develop better interface solutions based on the experience of the world's first social implementation. We share the significance and methodology of data linkage and PCF calculation, which is a measure for setting GHG emissions targets and achieving reductions. As a provider of a PACT conformant solution, in addition to our own efforts, we will contribute to the realization of a sustainable society by formulating a concrete action plan to achieve our goal of net zero emissions throughout the value chain by fiscal 2040.

[For more details, see the supply chain](#)

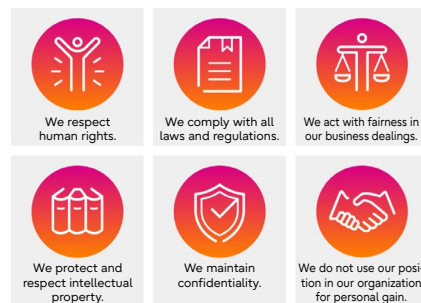


## Compliance

### Fujitsu Way Code of Conduct

The Fujitsu Way contains a Code of Conduct, which outlines the fundamental principles that all Fujitsu Group employees should abide by, as shown on the right. Fujitsu has also refined its Fujitsu Way Code of Conduct by developing the Global Business Standards (GBS) in 14 languages to serve as a guide on legally compliant behavior for all Fujitsu Group-affiliated employees worldwide and applies the GBS uniformly across the Fujitsu Group.

#### Fujitsu Way Code of Conduct



[For more details, see Global Business Standards \(GBS\)](#)

### Global Compliance Program

Fujitsu has developed the Fujitsu Global Compliance Program (GCP) to implement and disseminate the Fujitsu Way Code of Conduct and the GBS, and is working to maintain and improve the Fujitsu Group's global legal compliance structure. The GCP organizes Fujitsu's various compliance-related activities into five pillars in a systematic manner, and promotes external understanding of Fujitsu's compliance structure and its compliance activities, in addition to clarifying what items Fujitsu needs to address on a continual basis. Based on this GCP, we implement various policies and initiatives in each region, taking into account factors such as each country and region's legal systems and government guidelines.

#### Five pillars of the GCP



[For more details, see the Global Compliance Program](#)

### Fujitsu Compliance Week

Fujitsu actively and continuously communicates its management's commitment to compliance, including through direct communication with employees. In this way, we promote and implement our Code of Conduct and GBS throughout the Group.

Along with personal messages from the president to all employees in Japan and overseas repeatedly declaring the Company's commitment to eliminating bid rigging, cartels, and other compliance violations, regional heads and Group company managers overseas share messages on an ongoing basis stressing the importance of compliance and a corporate culture of zero tolerance of fraud (zero tolerance).

In addition, we have designated December 9–15 as Fujitsu Compliance Week to coincide with International Anti-Corruption Day as advocated by the United Nations. During this week, the president and members of management at Fujitsu headquarters along with the presidents of Group companies in each country share coordinated compliance messages with employees. We also provide an annually updated e-learning course on compliance for all Group company employees and offer compliance-related activities planned for each region.

In addition to these top-down initiatives, we collect ideas and strategies from employees on how to avoid compliance violations through surveys. The valuable insights gathered from these surveys are then published on the Group intranet, providing an opportunity for employees to learn from each other.

### Compliance training

We provide compliance e-learning for all Fujitsu Group executives and employees annually (for approximately 120,000 people in 14 languages). The participation rate is high, at over 95% annually. In fiscal 2023, we also conducted training on fair business practices for employees and around 211 partner companies. We plan to continue these programs every year.

#### Participation in compliance e-learning by all executives and employees

Fiscal 2023	<b>97.0%</b>
Fiscal 2022	<b>98.1%</b>
Fiscal 2021	<b>97.6%</b>

[For more details, see compliance](#)

## Collaboration with stakeholders

### World Economic Forum

In January 2024, the Annual Meeting of the World Economic Forum (WEF) was held in Davos. Under the 2024 theme of “Rebuilding Trust,” forum discussions focused on such topics as geopolitical risks, including the situation in the Middle East and Ukraine, problems with new technologies represented by generative AI, and energy and other resource issues.

On the topic of AI in particular, speakers reported progress on innovations in generative AI, and discussions covered the risks posed by generative AI and how to deal with them. Securing employment due to the spread of AI was noted as a major issue, and other discussions covered responsible AI to ensure employment, cultivating digital human resources, and the state of AI regulation.

At the forum, Takahito Tokita (Fujitsu's CEO) and Hidenori Furuta (then COO, now chairman), along with political and business leaders, were able to share WEF's global agenda, including economic security, sustainability and the future of new technologies such as DX and generative AI.



The Fujitsu Uvance House booth (inside)



The Fujitsu Uvance House booth (outside)

In addition, for the second year in a row, the Fujitsu Group set up its own booth at the Fujitsu Uvance House, the only one of its kind by a Japanese company. At this booth, Yoshinami Takahashi (then corporate executive officer, now COO) and Taeko Yamamoto (corporate executive officer), and others networked with government officials and top corporate executives from various countries. At a roundtable discussion co-sponsored with the Financial Times, we deepened our relationships with the senior management of key customers.

As a World Economic Forum Partner, the Fujitsu Group will work toward realizing the themes of this year's Annual Meeting by linking its global agenda with the Group's Materiality, and leading the formation of a global consensus as a technology company working to achieve a net positive outcome.

### World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is an international community of more than 230 companies around the world. Fujitsu has been participating in the WBCSD since 2013, and since 2018, Fujitsu executives have also served as the vice chair and a member of the Executive Committee, working with member companies to accelerate the system's transformation through business in accordance with the vision\* set forth by the WBCSD.



Through its participation in wide-ranging WBCSD initiatives, Fujitsu works with various organizations and companies across sectors to mutually enhance knowledge and examine and enact best practices.

#### Main initiatives

- Fujitsu embarks on digital collaboration with WBCSD for carbon neutral transportation:** Fujitsu has commenced digital collaboration with the WBCSD, Dutch consulting firm Arcadis, and British electricity company National Grid, leveraging Fujitsu's Fleet Optimization solution. By charging electric vehicles (EVs) during hours when green power is abundant, fleet operators have seen a 15% reduction in CO<sub>2</sub> emissions from EV charging.
- Development of Integrated Performance Management (IPM), a framework for integrating ESG into decision-making processes:** Fujitsu has been involved in the IPM project, collaborating with other companies, and developed a report on IPM in 2023. This report presents Fujitsu's case study and demonstrates the importance of its strong commitment from corporate leaders to achieve the purpose.

We will continue to actively engage in the activities of the WBCSD, which shares a common direction with the Group's purpose, and contribute to the realization of a sustainable future.

\* WBCSD vision: A world in which more than 9 billion people are able to live well, within planetary boundaries, by 2050

[For more details, see collaboration with external parties](#)

[For more details, see the implementation of a demonstration test to achieve carbon-neutral transportation through data sharing](#)

[For more details, see Integrated Performance Management \(IPM\)](#)



# Corporate governance



(Back row from left)	<b>Youichi Hirose</b> Audit & Supervisory Board Member	<b>Hideo Makuta</b> Audit & Supervisory Board Member*	<b>Takuya Hirano</b> Director*	<b>Hiroki Hiramatsu</b> Director and Corporate Executive Officer, CHRO	<b>Takahito Tokita</b> Representative Director CEO	<b>Takeshi Isobe</b> Representative Director CFO	<b>Byron Gill</b> Director*	<b>Catherine O'Connell</b> Audit & Supervisory Board Member*	<b>Yuuichi Koseki</b> Audit & Supervisory Board Member
(Front row from left)	<b>Koji Hatsukawa</b> Audit & Supervisory Board Member*	<b>Kenichiro Sasae</b> Director*	<b>Yoshiko Kojo</b> Director*	<b>Hidehiko Furuta</b> Non-Executive Chairman	<b>Chiaki Mukai</b> Director*	* Independent directors and Audit & Supervisory Board members			

## Interview with the Chairperson of the Board of Directors



**Yoshiko Kojo**

Director  
Professor of Department of  
International Politics  
Aoyama Gakuin University  
School of International Politics,  
Economics and Communication

We asked Ms. Kojo, who is currently a member of Fujitsu's Executive Nomination Committee and who was appointed as chairperson of Fujitsu's Board of Directors on June 24, 2024, about her aspirations as chairperson, the focus in the role of supervision for medium- to long-term value creation, and the reasons for the selection of new directors.

### Q What are your future aspirations as Chairperson of the Board of Directors?

A June 2024 marks six full years as an external director of the Fujitsu Group, so this new position has a special significance for me. As chairperson, I believe it is my mission to improve corporate governance while emphasizing accountability, transparency, risk management, fairness, and responsibility. I will promote discussion at Board of Directors meetings, to help the Board respond quickly and efficiently to changes in the business environment. I encourage our employees to "keep taking on challenges, even when the going is tough," so I will also view chairperson as a tough assignment and fulfill the responsibilities of the position.

Moreover, I will strive to engage in dialogue with investors and other stakeholders. I understand that investors expect me to communicate frankly with them based on how Fujitsu's management is viewed by the Board of Directors, the majority of which is composed of external directors, rather than to explain strategy specifics or the details of execution. I will do my best to take part in dialogue and meet these needs.

### Q What were issues the Board of Directors focused on in fiscal 2023? What is your assessment of progress on the 2023–2025 Medium-Term Management Plan (medium-term plan)?

A The issues the Board of Directors focused on most were the progress of [Fujitsu Uvance](#), which is positioned as a growth driver, and its future

growth strategy. We also prioritized discussions on topics such as quality control, addressing risks, and the future direction of listed subsidiaries.

With regard to the [three main initiatives of the medium-term plan](#), I believe that its progress deserves good marks to some extent. That Fujitsu Uvance's growth outpaced our forecast, and that revenue and profits in Service Solutions increased, are signs that the evolution of the Group's business portfolio and transformation of the business model are progressing well. To reliably support customers' [modernization](#), we have consolidated our knowledge in the Modernization Knowledge Center, and are now ready to make proposals that contribute to our customers' business.

On the other hand, we still have work to make our international businesses more profitable. Through structural reforms, we have made inroads on reorganizing existing businesses; the next step is to achieve growth and profitability improvement. While the transformation of our business model in the United States is commendable, the scale of business is small. We will continue to monitor the situation closely to see if similar changes can be implemented in other regions, as the executive team intends.

[Non-financial indicators](#) show a trend of improvement, but still require continued efforts, including in categories such as employee engagement. [Capital allocation](#) is also an important agenda item. To ensure proper investment returns, the Board of Directors monitors the execution and effectiveness of investments in R&D, offerings, human resources, internal DX, and many other areas that are essential for sustainable growth.



**Interview with the Chairperson of  
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**Interview with the Chairperson of the Board of Directors****Q What do you see as the key to sustainable value creation looking toward 2030? What do you think are the responsibilities that technology companies should fulfill in society?**

**A** We have set forth our [vision for 2030](#), established Materiality items to realize the vision, considered what is necessary to realize these Materiality items, and designed a medium-term plan accordingly. In other words, the steady implementation of the medium-term plan is a step toward enhancing the Group's corporate value.

The Group is unique in that it uses technology to achieve sustainability. The concept of solving social issues through business already permeates the Group, so the next step is to achieve sustainability through Fujitsu Uvance. We recognize that we are in the phase of implementing value creation through problem-solving, by putting the concept into concrete offerings.

As a scholar of international politics, I believe that technology companies have a significant role to play in solving global issues, including those outlined in the United Nations Sustainable Development Goals (SDGs). In reality, it is clear that public-private partnerships are essential to addressing these issues. Personally, I look forward to the Group's efforts to implement technologies for digital services and contribute to constructing a better society by creating new values.

[Quality control of services and products](#), as well as their enhancement, are extremely important issues for fulfilling our responsibilities as a technology company. The way issues are handled has a major impact on society and affects the Group's reputation. Whenever a quality issue arises, the Board of Directors discusses it in a timely manner and regularly reviews the appropriateness and progress of measures taken on the executive side.

**Q Please share with us what the Executive Nomination Committee focuses on when recommending new director candidates to the Board of Directors.**

**A** Mr. Hiramatsu, the CHRO, was proposed as a candidate because human resource management is critical to the Group's business portfolio transformation. This is identified as an area of focus in the medium-term plan's resource strategy. I look forward to the promotion of HR strategies that go beyond the development of systems such as job-based human resource management and lead value creation.

In nominating candidates for external director, we use a skills matrix to focus our search on individuals with global business acumen and a deep understanding of technology. We determined that Takuya Hirano, with his extensive experience in technology companies and management experience in both Japan and the United States, was the best choice.

Some Board members, including myself, do not have technology backgrounds. We are continuously learning, such as by attending research institute presentations, but this "information asymmetry" compared with the executive side is not easy to fill. The Board of Directors expects to benefit from Mr. Hirano's advice, capably provided based on his understanding of the global competitive environment and cutting-edge technology, as the Group aims to develop services that can be competitive both in Japan and overseas.

**Q What discussions took place regarding the new executive structure with a president and five vice presidents?**

**A** I understand that the shift to a six-person top management team is aimed at moving from

a system of centralized authority to one that allows more efficient and faster decision-making. External directors expressed concerns that delegating more authority to the vice presidents under the new structure might reduce the transparency of information-sharing with the Board of Directors and the decision-making process. The executive side responded by quickly strengthening the information-sharing mechanism and ensuring that Board members could confirm information at any time, even on topics not raised at management meetings.

**Q Please describe the status of succession planning.**

**A** CEO succession planning is the biggest challenge in the Executive Nomination Committee, and we are constantly discussing development plans, such as tough assignments to future management-level personnel, to ensure that each individual is enhancing his or her experience and skills. In addition to executive officers, we also provide opportunities for interaction with directors, so they can get a better feel for the next generation of leaders. In April 2024, a conference was held between external directors, external auditors, and young employees who volunteered to meet with them, providing a forum for frank, spirited dialogue. It was encouraging to realize that the younger employees are strongly motivated to take advantage of the posting system and other new personnel policies for their own growth, and to see they understand their own successes lead to the advancement of the Group.

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(As of October 1, 2024)

### Executive Directors



#### Takahito Tokita

Representative Director  
CEONumber of years as director: 5  
Number of Fujitsu shares held:  
106,470<sup>\*1</sup>

Born: September 2, 1962

Apr. 1988 Joined the Company  
Jun. 2014 Head of Financial Systems Unit  
Apr. 2015 Corporate Executive Officer  
Jan. 2019 Corporate Executive Officer, EVP<sup>\*2</sup>  
Head of Global Delivery Group  
Mar. 2019 Corporate Executive Officer, SEVP  
Jun. 2019 Representative Director and CEO  
(Chief Executive Officer)<sup>\*3</sup>  
Chairman of the Risk Management & Compliance  
Committee<sup>\*3</sup>  
Oct. 2019 CDXO (Chief Digital Transformation Officer)  
(until March 2023)



#### Takeshi Isobe

Representative Director  
CFONumber of years as director: 4  
Number of Fujitsu shares held:  
37,700<sup>\*1</sup>

Born: July 29, 1962

Apr. 1985 Joined the Company  
Jun. 2014 VP of Corporate Controller Division,  
Corporate Finance Unit  
Apr. 2018 Corporate Executive Officer  
Head of Corporate Finance Unit  
(until March 2021)  
Jun. 2019 Corporate Executive Officer, EVP<sup>\*2</sup>  
CFO (Chief Financial Officer)<sup>\*3</sup>  
Apr. 2020 Corporate Executive Officer, SEVP<sup>\*2</sup>  
Jun. 2020 Director and Corporate Executive Officer, SEVP<sup>\*2</sup>  
Apr. 2024 Representative Director, Corporate Vice  
President, CFO<sup>\*3</sup>



#### Hiroki Hiramatsu

Director and  
Corporate Executive Officer  
CHRONumber of years as director:  
Newly appointed  
Number of Fujitsu shares held:  
27,360<sup>\*1</sup>

Born: November 29, 1965

Apr. 1989 Joined the Company  
Apr. 2019 Corporate Executive Officer<sup>\*2</sup> (until March 2020)  
Head of Global Human Resources, Global  
Corporate Functions  
Jun. 2019 Head of Global Human Resources & Corporate  
Affairs Unit, Global Corporate Functions  
Apr. 2020 Corporate Executive Officer, EVP<sup>\*2</sup>  
(until March 2022)  
Head of Global Human Resources & Corporate  
Affairs Unit Health Promotion Unit  
Apr. 2021 Corporate Executive Officer,  
CHRO (Chief Human Resources Officer)<sup>\*3</sup>  
Apr. 2022 Corporate Executive Officer, EVP  
(until March 2024)  
Apr. 2024 Corporate Executive Officer, SEVP  
Jun. 2024 Director and Corporate Executive Officer,  
CHRO<sup>\*3</sup>

### Non-Executive Directors



#### Hidenori Furuta

Non-Executive Chairman

Number of years as director: 5  
Number of Fujitsu shares held:  
78,010<sup>\*1</sup>

Born: December 13, 1958

Apr. 1982 Joined the Company  
May 2009 Head of Manufacturing Industry Solutions  
Business Unit  
Apr. 2012 Corporate Executive Officer  
Apr. 2014 Corporate Executive Officer, EVP<sup>\*2</sup>  
Head of Global Delivery  
Apr. 2018 Corporate Executive Officer, SEVP<sup>\*2</sup>  
(until May 2019)  
Head of Digital Services Business  
Jan. 2019 SEVP, Head of Technology Solutions Business  
(until March 2020)  
CTO (Chief Technology Officer) (until June 2021)  
Jun. 2019 Representative Director and COO  
(Chief Operating Officer) (until March 2024)  
Apr. 2020 SEVP, Head of Global Solutions Business  
Oct. 2021 COO (until March 2024)  
CDPO (Chief Data & Process Officer) (until March  
2023)  
Apr. 2024 Non-Executive Chairman, Member of the Board  
of Directors<sup>\*3</sup>  
Jun. 2024 Member of the Executive Nomination  
Committee<sup>\*3</sup>



#### Chiaki Mukai

Independent Director

Specially Appointed Vice President of  
Tokyo University of ScienceNumber of years as director: 9  
Number of Fujitsu shares held:  
39,050<sup>\*1</sup>

Born: May 6, 1952

Apr. 1977 Staff of Department of Surgery, Keio University  
School of Medicine (until November 1985)  
Aug. 1985 Payload Specialist of National Space  
Development Agency of Japan<sup>\*4</sup>  
(until March 2015)  
Jun. 1987 Visiting Scientist of Division of Cardiovascular  
Physiology, Space Biomedical Research Institute,  
NASA Johnson Space Center  
(until December 1988)  
Oct. 2014 Vice President of Science Council of Japan  
(until September 2017)  
Apr. 2015 Vice President, Tokyo University of Science  
(until March 2016)  
Jun. 2015 Director<sup>\*3</sup>  
Apr. 2016 Specially Appointed Vice President of Tokyo  
University of Science<sup>\*3</sup>  
Jul. 2016 Member of the Executive Nomination Committee  
(until June 2021)  
Member of the Compensation Committee  
(until June 2018)  
Jan. 2017 Chair of the Scientific and Technical  
Subcommittee, UN Committee on the Peaceful  
Uses of Outer Space (COPUOS)  
(until January 2018)  
Apr. 2018 Special Counselor of JAXA (until March 2021)  
Jul. 2018 Chairperson of the Compensation Committee  
(until June 2024)  
Mar. 2019 Outside Director, Kao Corporation (until March  
2024)  
Nov. 2022 Director, Keio University<sup>\*3</sup>  
Feb. 2024 Advisor, TOPPAN Holdings Inc.<sup>\*3</sup>  
Apr. 2024 Corporate Executive Fellow, Kao Corporation<sup>\*3</sup>  
Jun. 2024 Chairperson of the Executive Nomination  
Committee of the Company<sup>\*3</sup>



#### Yoshiko Kojo

Independent Director  
Chairperson of the Board of DirectorsProfessor of Department of  
International Politics  
Aoyama Gakuin University School of  
International Politics,  
Economics and CommunicationNumber of years as director: 6  
Number of Fujitsu shares held:  
13,120<sup>\*1</sup>

Born: June 19, 1956

Apr. 1988 Assistant Professor of International Relations,  
Faculty of Law, Kokugakuin University  
Apr. 1991 Associate Professor of International Relations,  
Faculty of Law, Kokugakuin University  
Apr. 1996 Associate Professor of International Relations,  
Department of Advanced Social and International  
Studies, The University of Tokyo  
Jun. 1999 Professor of International Relations, Department of  
Advanced Social and International Relations,  
The University of Tokyo (until March 2020)  
Oct. 2010 President, Japan Association of International  
Relations  
Oct. 2012 Member of Advisory Board, Japan Association of  
International Relations<sup>\*3</sup>  
Oct. 2014 Member of Science Council of Japan  
(until September 2020)  
Jun. 2018 Director<sup>\*3</sup>  
Jul. 2019 Member of the Executive Nomination Committee<sup>\*3</sup>  
Member of the Compensation Committee  
(until June 2023)  
Apr. 2020 Professor of Department of International Politics,  
Aoyama Gakuin University School of International  
Politics, Economics and Communication<sup>\*3</sup>  
Jun. 2024 Chairperson of the Board of Directors<sup>\*3</sup>

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## Non-Executive Directors



## Kenichiro Sasae

Independent Director  
President, The Japan Institute of  
International AffairsNumber of years as director: 3  
Number of Fujitsu shares held:  
2,280\*<sup>1</sup>

Born: September 25, 1951

Apr. 1974 Joined Ministry of Foreign Affairs  
Mar. 2002 Director-General of Economic Affairs Bureau,  
Ministry of Foreign Affairs  
Jan. 2005 Director-General of Asian and Oceania Affairs  
Bureau, Ministry of Foreign Affairs  
Jan. 2008 Deputy Minister for Foreign Affairs  
Aug. 2010 Vice-Minister for Foreign Affairs  
Sep. 2012 Ambassador Extraordinary and Plenipotentiary of  
Japan to the United States of America  
Jun. 2018 President and Director General, The Japan Institute  
of International Affairs  
Jun. 2019 Outside Director, SEIREN CO., LTD.\*<sup>3</sup>  
Outside Director, MITSUBISHI MOTORS  
CORPORATION\*<sup>3</sup>  
Dec. 2020 President, The Japan Institute of International  
Affairs\*<sup>3</sup>  
Jun. 2021 Director\*<sup>3</sup>  
Jul. 2021 Member of the Compensation Committee\*<sup>3</sup>  
Mar. 2022 Outside Director, Asahi Group Holdings, Ltd.\*<sup>3</sup>



## Byron Gill

Independent Director  
Managing Partner, Indus Capital  
Partners, LLCNumber of years as director: 1  
Number of Fujitsu shares held: 0\*<sup>1</sup>

Born: December 29, 1968

Sep. 1991 Joined Saison Corporation  
Jul. 1997 Vice President,  
Nikko Salomon Smith Barney Limited\*<sup>5</sup>  
Aug. 1999 Chief Representative, Japan Branch,  
Soros Global Advisors, LLC  
Aug. 2000 Founding Partner, Indus Capital Partners, LLC  
Japan Representative, Indus Capital Advisors, Inc.  
Jun. 2023 Managing Partner, Indus Capital Partners, LLC\*<sup>3</sup>  
Director\*<sup>3</sup>  
Member of the Compensation Committee  
(until June 2024)  
Jun. 2024 Chairman of the Compensation Committee of  
the Company\*<sup>3</sup>



## Takuya Hirano

Independent Director  
Co-founder,  
Three Fields Advisors, LLCNumber of years as director:  
Newly appointed  
Number of Fujitsu shares held: 0\*<sup>1</sup>

Born: August 11, 1970

Dec. 1995 Joined Kanematsu USA Inc.  
Feb. 2001 President, Hyperion Solutions Japan\*<sup>5</sup>  
Feb. 2006 General Manager, Enterprise Service,  
Microsoft Co., Ltd.\*<sup>7</sup>  
Jul. 2007 General Manager, Enterprise Business &  
Enterprise Service, Microsoft Co., Ltd.  
Mar. 2008 General Manager, Enterprise Business,  
Microsoft Co., Ltd.  
Sep. 2011 General Manager, Multi-country,  
Microsoft Central and Eastern Europe  
Jul. 2014 Executive Vice President, Marketing & Operations,  
Microsoft Japan Co., Ltd.  
Mar. 2015 Representative Officer, Executive Deputy  
President, Microsoft Japan Co., Ltd.  
Jul. 2015 President, Microsoft Japan Co., Ltd.  
(until August 2019)  
Sep. 2019 Vice President, Global Service Partner Business,  
Microsoft Corporation (until September 2022)  
Jun. 2022 Outside Director, Yokogawa Electric  
Corporation\*<sup>3</sup>  
Sep. 2022 Co-founder, Three Fields Advisors, LLC\*<sup>3</sup>  
Mar. 2023 Outside Director, Renesas Electronics  
Corporation\*<sup>3</sup>  
Jun. 2024 Director of the Company,\*<sup>3</sup> member of the  
Compensation Committee of the Company\*<sup>3</sup>

## Audit &amp; Supervisory Board Members



## Youichi Hirose

Audit &amp; Supervisory Board Member

Number of years as Audit &  
Supervisory Board Member: 7  
Number of Fujitsu shares held:  
33,130\*<sup>1</sup>

Born: March 5, 1958

Apr. 1981 Joined the Company  
Jun. 2009 Vice President, Corporate Controller, Corporate  
Finance Unit (until June 2014)  
Apr. 2012 Executive Vice President Vice Head of Corporate  
Finance Unit (until March 2014)  
May. 2013 Corporate Vice President (until March 2017)  
Apr. 2014 Head of Corporate Finance Unit  
Apr. 2017 Executive Advisor  
Jun. 2017 Audit & Supervisory Board Member\*<sup>3</sup>  
Jun. 2018 External Audit & Supervisory Board Member,  
FUJITSU GENERAL LIMITED\*<sup>3</sup>



## Yuuichi Koseki

Audit &amp; Supervisory Board Member

Number of years as Audit &  
Supervisory Board Member:  
Newly appointed  
Number of Fujitsu shares held:  
25,240\*<sup>1</sup>

Born: March 12, 1964

Apr. 1986 Joined the Company  
Jun. 2015 Head of Business Management Unit,  
Integration Services Business  
Apr. 2016 Corporate Executive Officer (until December 2018)  
Head of Business Management Unit, Japan Sales  
(until March 2020)  
Jun. 2018 Outside Director, DAIKO DENSHI TSUSHIN, LTD.  
(until June 2024)  
Apr. 2020 Head of Business Management Unit, Japan Region  
Apr. 2021 Corporate Executive Officer, EVP\*<sup>2</sup>  
Head of Business Management Unit (until March  
2023)  
Apr. 2022 Corporate Executive Officer, EVP (until March  
2024)  
Apr. 2023 Co-Head of Business Management Unit (until  
March 2024)  
Apr. 2024 Senior Advisor  
Jun. 2024 Audit & Supervisory Board Member\*<sup>3</sup>



## Koji Hatsukawa

Independent Audit & Supervisory  
Board Member  
CPANumber of years as Audit &  
Supervisory Board Member: 11  
Number of Fujitsu shares held:  
20,750\*<sup>1</sup>

Born: September 25, 1951

Mar. 1974 Joined Price Waterhouse Accounting Office  
Jul. 1991 Representative Partner, Aoyama Audit Corporation  
Apr. 2000 Representative Partner,  
ChuoAoyama PricewaterhouseCoopers  
Oct. 2005 Director and Manager of International  
Operations, ChuoAoyama  
PricewaterhouseCoopers  
May 2009 CEO, PricewaterhouseCoopers Aarata\*<sup>5</sup>  
(until May 2012)  
Jun. 2012 Audit & Supervisory Board Member,  
The Norinchukin Bank (until June 2021)  
Jun. 2013 Audit & Supervisory Board Member\*<sup>3</sup>  
Jun. 2016 External Director (Audit & Supervisory  
Committee member), Takeda Pharmaceutical  
Company Limited\*<sup>3</sup>

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**Management****Audit & Supervisory Board Members****Hideo Makuta**Independent Audit & Supervisory  
Board Member

Lawyer, GINZA CHUO LAW OFFICE

Number of years as Audit &  
Supervisory Board Member: 4  
Number of Fujitsu shares held: 0<sup>\*1</sup>

Born: February 6, 1953

Apr. 1978 Public Prosecutor, Tokyo District Public  
Prosecutors Office

Dec. 2006 Chief Prosecutor, Niigata District Public  
Prosecutors Office

Apr. 2010 Chief Prosecutor, Chiba District Public  
Prosecutors Office

Aug. 2011 Director, Criminal Affairs Department,  
Supreme Public Prosecutors Office

Jul. 2012 Commissioner, Japan Fair Trade Commission  
(until June 2017)

Sep. 2017 Registered as a Lawyer Advisor, Nagashima Ohno  
& Tsunematsu (until February 2023)

Apr. 2019 Commissioner, Contract Monitoring Committee,  
Japan Atomic Energy Agency<sup>\*3</sup>

Jun. 2020 Audit & Supervisory Board Member<sup>\*3</sup>  
External Audit & Supervisory Board Member,  
Daicel Corporation<sup>\*3</sup>

Mar. 2023 Lawyer, GINZA CHUO LAW OFFICE<sup>\*3</sup>

**Catherine O'Connell**Independent Audit & Supervisory  
Board Member

Principal, Catherine O'Connell Law

Number of years as Audit &  
Supervisory Board Member: 2  
Number of Fujitsu shares held: 0<sup>\*1</sup>

Born: February 10, 1967

Nov. 1994 Anderson Lloyd Barristers & Solicitors

Mar. 2012 Head of Legal, Molex Japan LLC

Jun. 2017 Representative Director, O'Connell Consultants  
(until December 2017)

Jan. 2018 Principal, Catherine O'Connell Law<sup>\*3</sup>

Jun. 2022 Audit & Supervisory Board Member<sup>\*3</sup>

Jun. 2023 External Audit & Supervisory Board Member,  
Toyota Motor Corporation<sup>\*3</sup>

<sup>\*1</sup> Number of shares held as of March 31, 2024. As the Fujitsu Group conducted a 10-for-1 stock split of its common stock effective on April 1, 2024, the number of shares after the split is stated as converted.

<sup>\*2</sup> We eliminated the position names of Corporate Executive Officer (Senior Executive Vice President/Executive Vice President) in April 2022 and Executive President in April 2023 respectively, and changed to naming that demonstrates the scale of job responsibility using the FUJITSU Level (SEVP, EVP, SVP, etc.).

<sup>\*3</sup> To present

<sup>\*4</sup> Currently, the Japan Aerospace Exploration Agency (JAXA)

<sup>\*5</sup> Currently, Citigroup Global Markets Japan Inc.

<sup>\*6</sup> The Japanese operations of Hyperion Solutions Corporation (currently, Oracle Corporation)

<sup>\*7</sup> Currently, Microsoft Japan Co., Ltd.

<sup>\*8</sup> Currently, PricewaterhouseCoopers Japan LLC

**Representative Directors / Corporate Executive Officers**

Representative Director, CEO

**Takahito Tokita**

Representative Director, Corporate Vice President, CFO

**Takeshi Isobe**

Director and Corporate Executive Officer, CHRO

**Hiroki Hiramatsu**

Corporate Executive Officer, Corporate Vice President

**Vivek Mahajan****Yoshinami Takahashi****Megumi Shimazu****Shunsuke Onishi**

Corporate Executive Officers

**Taizo Takahashi****Yoshihiko Oishi****Ryuji Kushida****Masaaki Moribayashi****Kazushi Koga****Tsuneo Hayashi****Tim White****Yuzuru Fukuda****Kohei Toyama****Takashi Yamanishi****Tomoko Tsukahara****Masahiro Ohta****Kyoko Mizuguchi****Taeko Yamamoto****Nicholas Fraser****Ryuichi Kubota****Junichi Saito****Seishi Okamoto****Shingo Mizuno****Shunsuke Baba****Naoko Otsuka****Sinead Kaiya****Masaru Yagi****Yoshiaki Eguchi****Yoshiko Furuham****Paul Patterson****Mikihito Saito****Asif Poonja****Graeme Beardsell**[For more details, see management](#)



## Status of corporate governance

### Basic approach to corporate governance

We regard corporate governance as a critical mechanism to fulfill the senior management team's mission in a manner befitting shareholders' trust. This mission is based on Our Purpose, and enables a form of business management that, rather than pursuing short-term profits, earns the trust of customers and business partners, motivates employees to work with vitality and pride, and contributes to society. Through such business management, the Company will grow and enhance corporate value over the medium to long term.

### Corporate governance as a foundation for sustainable development

In the Materiality formulated in 2023, we identified governance and compliance as key elements forming the foundation for sustainable development. We are committed to continuously reviewing our corporate governance, enhancing disclosure to facilitate collaboration with shareholders and all other stakeholders, and promoting constructive dialogue with shareholders. Through these efforts, we aim to uphold the trust placed in us by our shareholders.

### Reasons for adopting our current corporate governance system

We believe that we can ensure a more robust supervisory function by having non-executive directors supervise business execution, with independent oversight provided by Audit & Supervisory Board members who do not participate in decision-making. In line with this thinking, we have adopted the form of a company with an Audit & Supervisory Board system, that establishes the Audit & Supervisory Board, which is composed of the Audit & Supervisory Board members appointed as an independent agent.

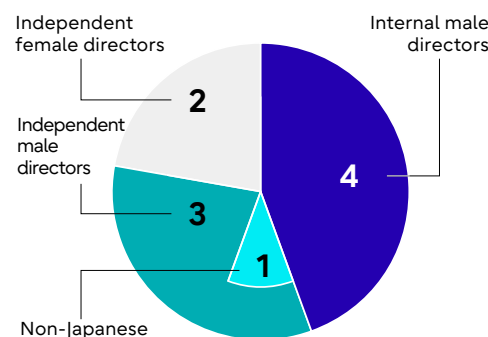
The Board of Directors consists mostly of non-executive directors and independent directors constitute a majority on the Board of Directors, as we believe this arrangement is ideally suited to the correction and remediation of errors, insufficiencies, and recklessness in business execution. At the core of our non-executive directors are external directors who have a high degree of independence and diverse perspectives. In addition, we appoint at least one non-executive director from within the Company to complement any lack of knowledge about or understanding of our business areas, corporate culture, or other aspects of the Company. This arrangement enhances the effectiveness of supervision and advice provided by non-executive directors.

### Characteristics of Fujitsu's corporate governance

- Independent directors constitute a majority on the Board of Directors to ensure the effectiveness of oversight
- Directors and Audit & Supervisory Board members possessing the diversity and skills needed to effectively fulfill their respective roles and responsibilities are appointed to the Board of Directors and the Audit & Supervisory Board
- The Board of Directors is strengthened and supported by external audits and oversight provided by Audit & Supervisory Board members, as well as the voluntary Executive Nomination Committee, Compensation Committee, and Independent Directors & Auditors Council, all of which are composed of non-executive directors
- Discussions pertaining to the medium- to long-term direction of the Group have been invigorated by the establishment of the Independent Directors & Auditors Council as a forum for independent directors and auditors to share information and exchange opinions
- The Board of Directors, the Executive Nomination Committee, and the Compensation Committee are chaired by independent directors to ensure the objectivity and transparency of discussions

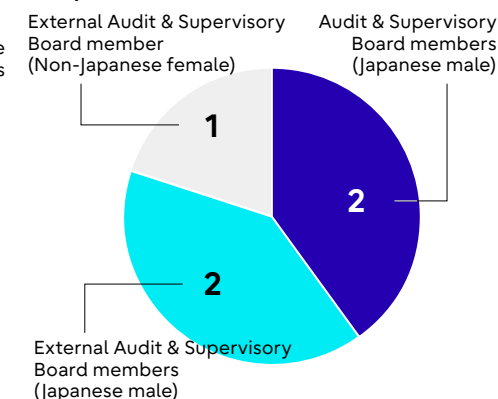
#### Diversity of the Board of Directors

(As of June 24, 2024)



#### Diversity of the Audit & Supervisory Board

(As of June 24, 2024)



[For more details, see our Corporate Governance Policy](#)

[For more details, see corporate governance](#)

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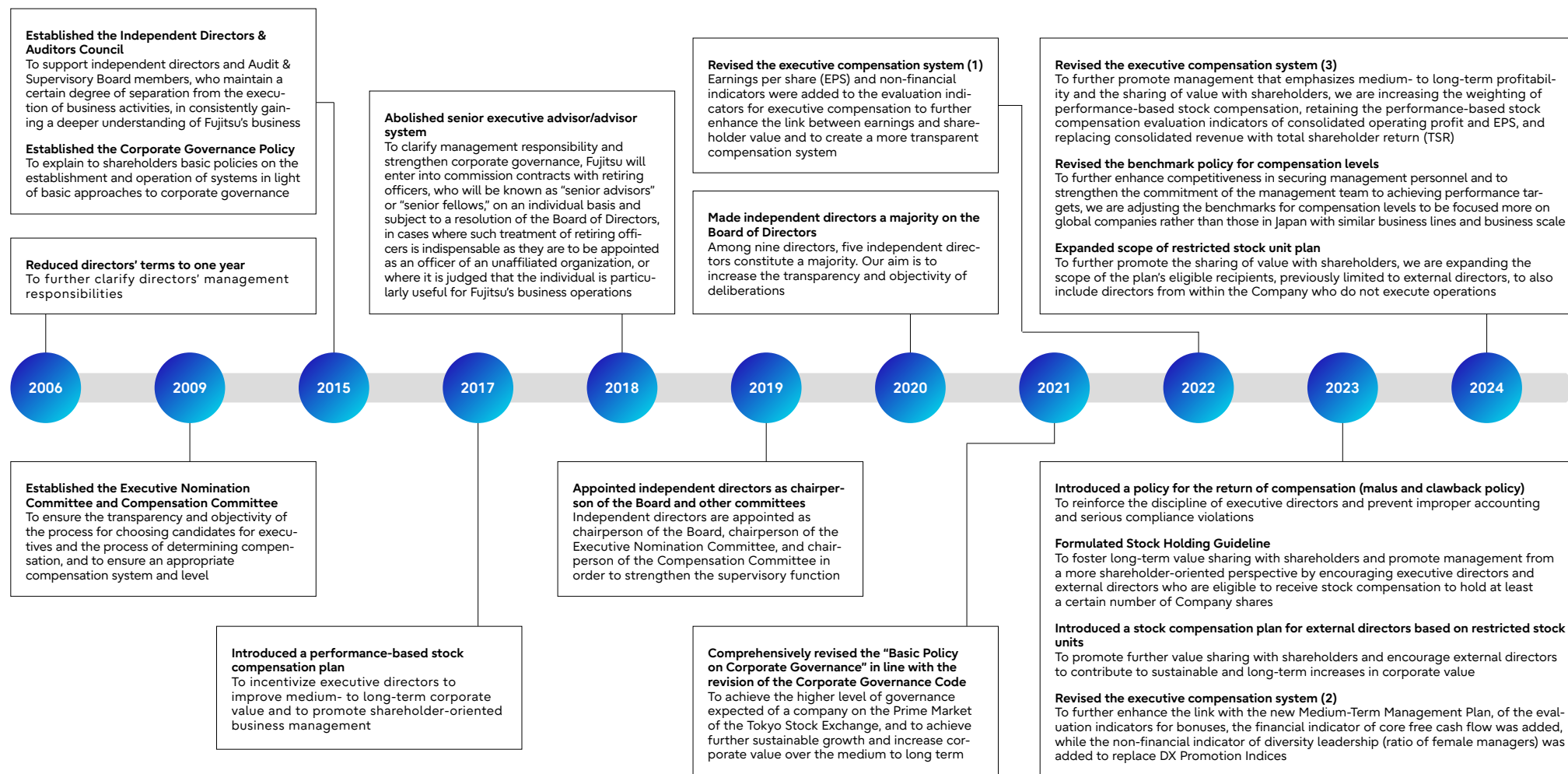
Risk management

Product and service quality

Information security

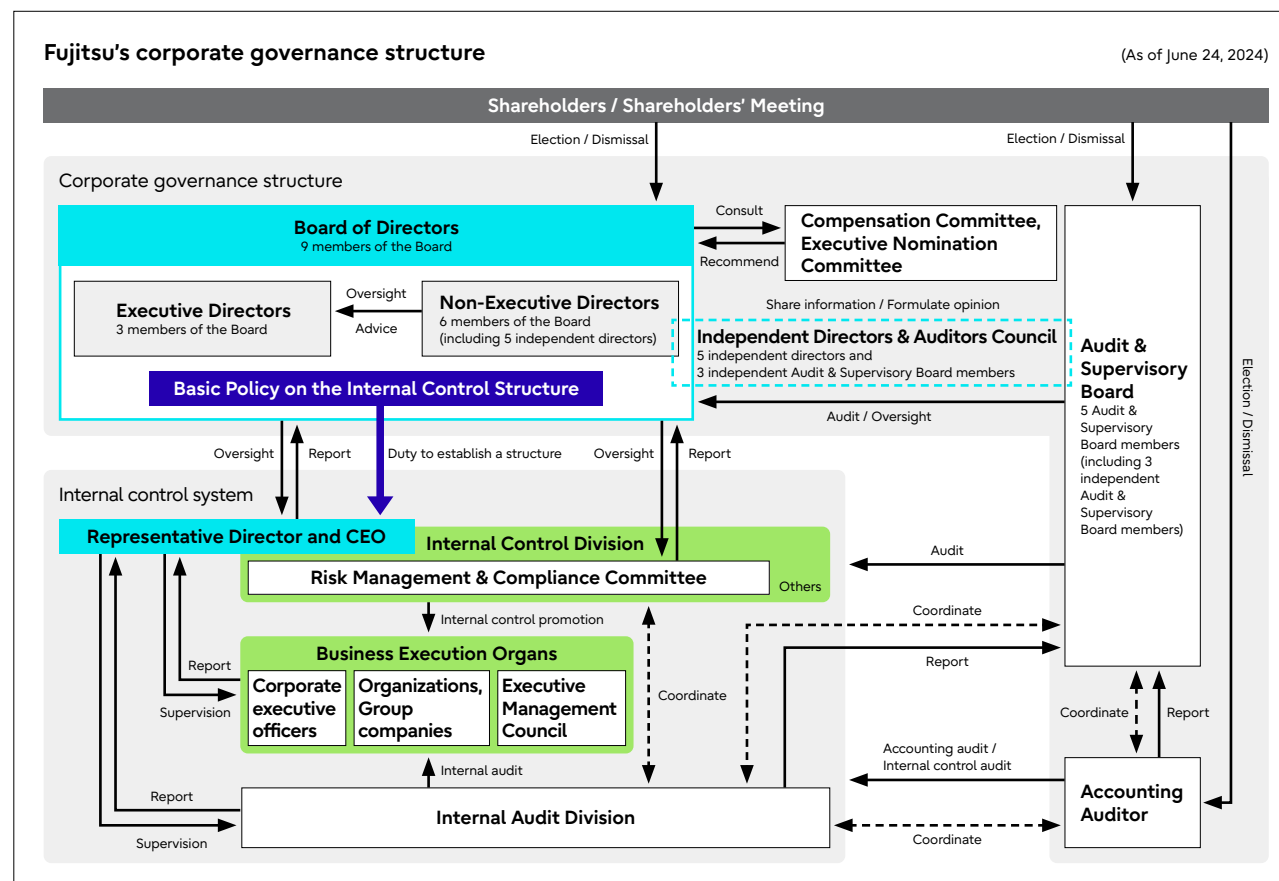
## Status of corporate governance

## Initiatives to strengthen corporate governance



## Status of corporate governance

## 1. Overview of corporate governance structure



## Roles and composition of key boards, committees, and councils

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Serves as a body for making important decisions and overseeing management</li> <li>Mainly oversees and acts in an advisory capacity in relation to the management execution of directors</li> <li>Composed mainly of non-executive directors, with a majority of the Board of Directors consisting of independent directors</li> <li>At least one non-executive director appointed from within the Company</li> <li>One-year term of office for Directors</li> <li>As of June 24, 2024, the Board of Directors is composed of nine members, of whom three are executive and six are non-executive directors (including five independent directors). The Board of Directors is chaired by an independent director.</li> </ul>
<b>Audit &amp; Supervisory Board</b>	<ul style="list-style-type: none"> <li>From an independent position, audits and provides oversight of the Board of Directors as well as management execution functions, and conducts accounting audits</li> <li>Four-year term of office for Audit &amp; Supervisory Board members</li> <li>As of June 24, 2024, the Audit &amp; Supervisory Board is composed of five members, of whom two are full-time Audit &amp; Supervisory Board members and three are external Audit &amp; Supervisory Board members.</li> </ul>
<b>Executive Nomination Committee and Compensation Committee</b>	<ul style="list-style-type: none"> <li>Serve as advisory bodies to the Board of Directors</li> <li>The Executive Nomination Committee deliberates on candidates for director and Audit &amp; Supervisory Board member positions in accordance with the Structural Framework of the Corporate Governance Structure and the Procedures and Policy of Directors' and Auditors' Nomination/Dismissal stipulated in the Company's Corporate Governance Policy, and submits recommendations to the Board of Directors.</li> <li>The Compensation Committee submits recommendations on the level of base compensation and the method for calculating performance-based compensation to the Board of Directors in accordance with the Procedures and Policy of Directors' and Auditors' Nomination/Dismissal stipulated in the Company's Corporate Governance Policy.</li> <li>As of June 24, 2024, the Executive Nomination Committee is composed of two independent directors and one non-executive director; the Compensation Committee is composed of three independent directors. (For details on committee members, please see "Members of the Board of Directors and Audit &amp; Supervisory Board" on page 75.)</li> <li>As of June 24, 2024, both committees are chaired by independent directors.</li> </ul>
<b>Independent Directors &amp; Auditors Council</b>	<ul style="list-style-type: none"> <li>Serves as a framework under which independent directors and independent Audit &amp; Supervisory Board members share information and further their understanding of the Company's businesses. Council members discuss the medium- and long-term direction of the Company, share information, and exchange viewpoints so that all members can formulate their own opinions.</li> <li>Composed of all independent directors and independent Audit &amp; Supervisory Board members</li> </ul>

Interview with the Chairperson of  
the Board of Directors

Management

Status of corporate governance

Risk management

Product and service quality

Information security

## Status of corporate governance

## 2. Directors / Audit &amp; Supervisory Board members

Independence standards for external directors  
and auditors

The Company has established independence standards and evaluates the independence of external directors and auditors based on these standards.

[For more details, see our Corporate Governance Policy](#)

Skills of directors and Audit & Supervisory Board  
members

As a global company with the purpose “to make the world more sustainable by building trust in society through innovation,” Fujitsu Limited has identified requisite qualities including diversity and the necessary skills for the Board of Directors and Audit & Supervisory Board members to provide appropriate advice and supervision in their respective roles, and summarizes and discloses the qualities and skills in a matrix.

## Skills matrix of the Board of Directors and Audit &amp; Supervisory Board members (As of June 24, 2024)

	Name	Nationality	Independent	Skills matrix				
				Corporate management	Finance and investment	Global	Technology	ESG, academia, and policy
Non-Executive Chairman	Hidegori Furuta	Japan		○		○	○	
Representative Director, CEO	Takahito Tokita	Japan		○		○	○	
Representative Director, CFO	Takeshi Isobe	Japan		○	○	○		
Director and Corporate Executive Officer, CHRO	Hiroki Hiramatsu	Japan		○		○		○
Independent Director	Chiaki Mukai	Japan	○			○	○	○
Independent Director	Yoshiko Kojo	Japan	○			○		○
Independent Director	Kenichiro Sasae	Japan	○			○		○
Independent Director	Byron Gill	United States	○		○	○		
Independent Director	Takuya Hirano	Japan	○	○		○	○	

	Name	Nationality	Independent	Skills matrix		
				Legal affairs and compliance	Finance and accounting	Operating process
Full-time Audit & Supervisory Board Member	Youichi Hirose	Japan			○	○
Full-time Audit & Supervisory Board Member	Yuuichi Koseki	Japan			○	○
Audit & Supervisory Board Member	Koji Hatsukawa	Japan	○		○	○
Audit & Supervisory Board Member	Hideo Makuta	Japan	○	○	○	
Audit & Supervisory Board Member	Catherine O'Connell	New Zealand	○	○		

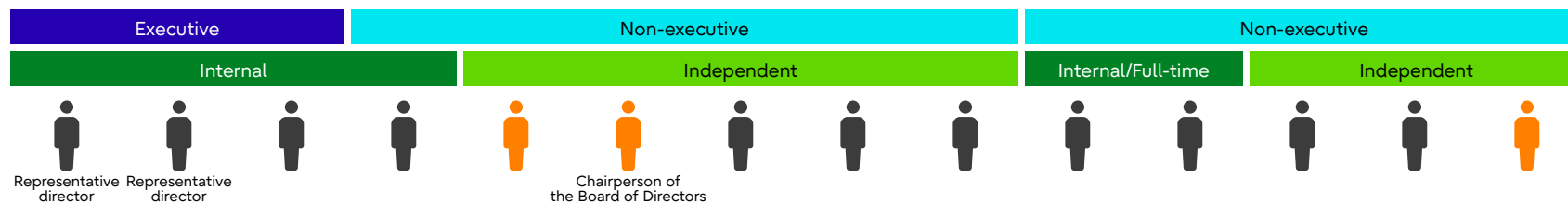
Members of the  
Board of Directors  
and Audit &  
Supervisory Board

(As of June 24, 2024)

 Male
  Female

 Chairperson
  Member

## Nine members of the Board of Directors



	Takahito Tokita	Takeshi Isobe	Hiroki Hiramatsu	Hidegori Furuta	Chiaki Mukai	Yoshiko Kojo	Kenichiro Sasae	Byron Gill	Takuya Hirano	Youichi Hirose	Yuuichi Koseki	Koji Hatsukawa	Hideo Makuta	Catherine O'Connell
Executive Nomination Committee				○	●	○								
Compensation Committee							○	●	○					
Independent Directors & Auditors Council					○	○	○	○	○			○	○	○



## Status of corporate governance

### 3. Executive compensation

#### Policy for determining executive compensation

[Method of determining the amount of remuneration for directors]

In order to make the executive compensation system more transparent, we established the Compensation Committee by resolution of the Board of Directors in October 2009. In addition, the policy for determining the details of individual director compensation (hereinafter referred to as the "Policy for Determination") is determined by the Board of Directors based on the report of the Compensation Committee.

In accordance with the following review of executive compensation, compensation for directors for fiscal 2024 and thereafter will be determined by resolution of the Board of Directors after deliberation by the Compensation Committee, and compensation for Audit & Supervisory Board members will be determined based on discussions by Audit & Supervisory Board members, within the total amount of compensation determined by resolution of the Annual Shareholders' Meeting, based on the framework of this Policy for Determination ("revised policy") after changes in accordance with said review.

[Review of executive compensation for fiscal 2024 and thereafter]

At meetings held on March 28 and May 29, 2024, the Board of Directors resolved to make changes to executive compensation from fiscal 2024, based on a recommendation from the Compensation Committee. Of these, the revision to the performance-based stock compensation plan for executive directors and the revision to the restricted stock unit plan for external directors were passed as resolutions at the 124th Annual Shareholders' Meeting held on June 24, 2024. The table below describes the revised executive compensation from fiscal 2024.

Item		Before revision	After revision
Policy on compensation levels (benchmarks for compensation levels according to position and responsibilities)		Other companies with similar business lines and business scale (mostly in Japan)	Global companies in Japan and overseas with similar business lines and business scale
Benchmark composition ratio for compensation (ratio for base compensation, bonuses, and performance-based stock compensation)		1:1:3	1:1:4
Performance-based stock compensation	Maximum amount	Up to ¥1.2 billion annually	Up to ¥2.5 billion annually
	Total number of shares allocated	No more than 750,000 shares per year	No more than 1,000,000 shares per year
	Evaluation indicators	Consolidated revenue, operating profit, and EPS	Removal of consolidated revenue and addition of TSR

Restricted stock units	Eligible recipients	External directors	Non-executive directors (external directors and directors appointed from within the Company not responsible for business execution)
	Maximum amount	Up to ¥100 million annually	Up to ¥100 million annually (up to ¥90 million for external directors)
	Total number of shares allocated	No more than 60,000 shares per year	No more than 60,000 shares per year (no more than 53,000 shares for external directors)

#### Basic policy on executive compensation

The Company has established the following basic policy on compensation for executive directors to secure the exceptional talent required to manage the Fujitsu Group and achieve its Purpose "to make the world more sustainable by building trust in society through innovation," and to further strengthen the link between its financial performance and shareholder value while at the same time improving its transparency.

##### I. Policy on the compensation system and compensation levels

- The remuneration system for executive directors consists of the following: "base compensation," which is a fixed monthly amount in accordance with the position and responsibilities; "bonuses," which are linked to short-term business performance; and "stock compensation," which is a medium- to long-term incentive that emphasizes the connection to shareholder value.
- With the aim of setting competitive compensation that contributes to securing and maintaining exceptional talent, compensation levels and compensation ratio by type shall be determined based on the financial position of the Company, and analyzing the compensation composition ratio and compensation levels for each executive position and responsibility at global companies in Japan and overseas with similar business lines and similar scale to those of the Company as benchmarks.
- The ratio of performance-based compensation (bonuses and performance-linked stock compensation) to the total compensation for executive directors shall be determined so as to strengthen the link between the Group's financial performance and shareholder value by setting the higher ratio to the greater responsibilities.
- Individual director's remuneration shall be determined by the Board of Directors after deliberation at the Compensation Committee to ensure objectivity, transparency, and fairness.

## Status of corporate governance

## (Reference) Executive compensation items and payment recipients

Recipient	Base compensation	Bonuses	Stock compensation	
			Performance-based stock compensation	Restricted stock units
Executive directors	○	○	○	—
Non-executive directors	○	—	—	○
Audit & Supervisory Board members	○	—	—	—

## II. Our perspectives on each portion of executive compensation

## [Base compensation]

Base compensation is paid to all executives (directors and Audit & Supervisory Board members). All executives are paid a fixed monthly amount in accordance with their position and responsibilities.

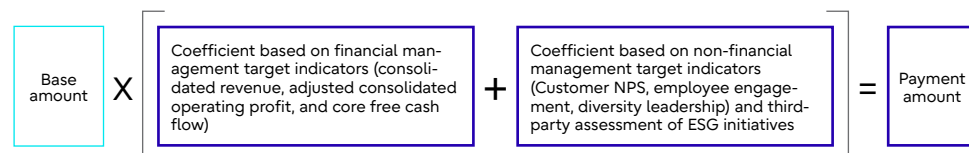
## [Bonuses]

- Bonuses shall be paid to executive directors. The amount of a bonus shall reflect business performance in the respective fiscal year.
- As a specific evaluation indicator and calculation method, the Company shall adopt an “on target model” to determine the bonus amount to be paid by setting the base amount in accordance with the position and responsibilities in advance. The bonus amount is calculated by multiplying the base amount by the coefficient in accordance with the following elements: the degree of achievement of the performance targets for the fiscal year based on the Company's consolidated revenue, adjusted consolidated operating profit, and core free cash flow;<sup>\*1</sup> (financial management target indicators), growth from the previous fiscal year in the non-financial management target indicators of Customer NPS<sup>®</sup>;<sup>\*2</sup> employee engagement;<sup>\*3</sup> and diversity leadership (ratio of female managers), and acquisition of the highest evaluation from a third-party assessment organization on ESG initiatives.

<sup>\*1</sup> Free cash flow excluding special items, such as from sales of businesses, acquisitions, and business model transformation expenses

<sup>\*2</sup> Net Promoter Score<sup>SM</sup>, an indicator to measure “customer loyalty,” which presents the degrees of trust and attachment of customers to companies, products, and services, in order to understand the degree of improvement and depth of the customer experience (CX)

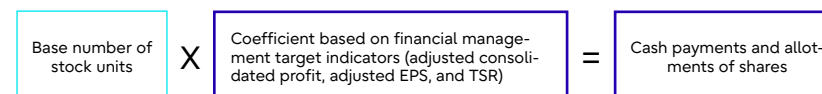
<sup>\*3</sup> An indicator to measure employees' willingness and attachment to work voluntarily and independently, and to contribute to their company, with empathy for the company's direction and purpose



## [Stock compensation]

## (1) Performance-based stock compensation

- Bonuses shall be paid to executive directors. The amount of a bonus shall reflect business performance in the respective fiscal year.
- As a specific indicator and calculation method, the Company shall set a base number of stock units in accordance with the position and responsibilities in advance, and calculate the number of stock units each fiscal year and at the end of the performance evaluation period by multiplying the base number of stock units by the coefficient in accordance with the degree of achievement of performance targets for the performance evaluation period (three years) based on the Company's financial management target indicators of adjusted consolidated operating profit and adjusted EPS, as well as relative TSR compared to the TOPIX growth rate and the result of comparison of TSR for each company in a pre-selected peer group at the end of the performance evaluation period. At the end of such period, the total number of shares for each eligible recipient is calculated, with one stock unit corresponding to one share. A portion of the total number of shares is paid in cash in consideration of tax liabilities likely to be incurred by recipients owing to the payment of compensation, while the remainder is allocated in shares of the Company.



## (2) Restricted stock units

- Restricted stock units (under a post-delivery type incentive plan that grants shares as compensation after confirming the right to receive these units, which is subject to a certain period of continuous service) shall be granted to non-executive directors, in order to share profits with shareholders and encourage their contribution to the sustainable enhancement of corporate value.
- For each fiscal year, the Company sets in advance a number of stock units according to the eligible recipient's position, and at the end of the period of continuous service (three years), the total number of shares is calculated, with one stock unit corresponding to one share. A portion of the total number of shares is paid in cash in consideration of tax liabilities likely to be incurred by the recipient owing to the payment of compensation, while the remainder is allocated in shares of the Company.

## [Benchmark composition ratio for compensation]

The benchmark ratio for base compensation, bonuses, and performance-based

## Status of corporate governance

stock compensation shall be 1:1:4 for the representative director and CEO, with the percentage for performance-based compensation set higher than that for other executive directors. The benchmark ratio for base compensation (excluding allowances) and restricted stock units for external directors shall be 7:3.

## Benchmark composition ratio for compensation for the representative director and CEO



## [Stock Holding Guideline]

The Company has established Stock Holding Guideline with the aim of promoting long-term value sharing with shareholders. During their terms of office, directors who are eligible to receive stock compensation shall make an effort to hold at least the number of Company shares determined as corresponding to their position. The representative director and CEO shall endeavor to hold shares equivalent to twice their annual base compensation within four years after taking office and continue to hold them during their term of office.

## [Return of compensation (malus and clawback policy)]

In the event of inappropriate accounting, including material ex-post adjustments to past-year financial results or serious misconduct or compliance violations during the term of office, the Company may demand a reduction in or return of performance-based compensation (bonuses and performance-based stock compensation) from an executive director (including executive directors who have retired less than two years ago), based on a decision of the Board of Directors after deliberation by the Compensation Committee.

As resolved at the Annual Shareholders' Meeting, the total amount of base compensation and bonuses to directors shall not exceed ¥1,200 million per year (of which, the portion for external directors shall not exceed ¥150 million per year). The performance-based stock compensation for executive directors shall not exceed ¥2,500 million per year, while the total number of shares to be allocated shall not exceed 1 million shares per year. The restricted stock units for non-executive directors shall not exceed ¥100 million per year, while the total number of shares to be allocated shall not exceed 60,000 shares per year (of which, the portions for external directors shall not exceed ¥90 million and 53,000 shares per year, respectively).

The amount of base compensation for Audit & Supervisory Board members shall not exceed ¥150 million per year.

## 4. Succession planning for senior management

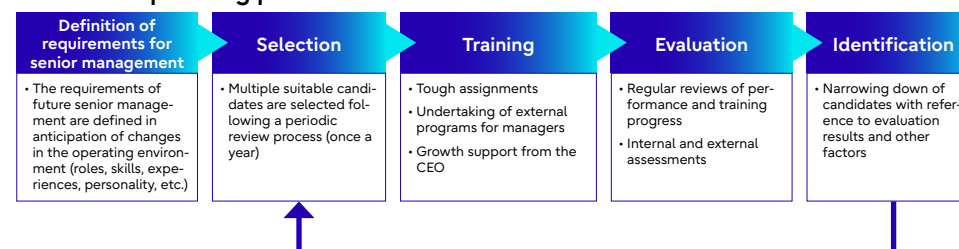
At Fujitsu, we consider succession planning for senior management, including the CEO, to be one of the most important issues for the sustained improvement of the Group's corporate value.

In succession planning, we make every effort to ensure a transparent and objective process by having the voluntary Executive Nomination Committee spearhead discussions and evaluations and report the results thereof to the Board of Directors. This committee is composed solely of non-executive officers, the majority of whom are independent external directors and one of whom serves as chair.

The Executive Nomination Committee defines the requirements for senior management and makes use of reviews and internal and external assessments of the candidates to verify, based on multifaceted information, their preparedness including suitability, skills, and experience with regard to roles they would be expected to fulfill in the future. The members of the committee also arrange opportunities for direct communication with the candidates in an effort to learn more about their character, thereby continuously nurturing and evaluating candidates for future senior management with the aim of identifying the most suitable successors.

Furthermore, the role of the CEO in this process includes developing candidate proposals and development plans and explaining them to the Executive Nomination Committee (once a year), providing challenges and executive development programs necessary for the growth of each candidate based on the discussions and advice of the committee, and regularly reporting to the committee on the performance and development progress of candidates. The CEO continuously collaborates with the committee and participates in this process by committee meetings as an observer.

## Succession planning process



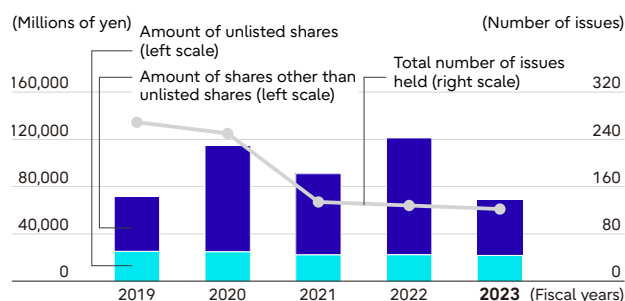
## Status of corporate governance

## 5. Policy for strategic shareholdings

The Company holds only those strategic shares with clear-cut objectives and positive, meaningful significance. The Board of Directors examines the weighted average capital cost of the Company as the standard to evaluate quantitatively whether returns (quantitative factors such as dividends and the state of transactions) or risks are well balanced with the cost. If quantitative significance in shareholdings is not found, the Board of Directors will further evaluate whether there is a qualitative reason that supports the rationale for continuing to hold those shares and will discuss the continuation of such holdings. During the fiscal 2023, the Company sold six issues, and at the Board of Directors meeting held on June 21, 2024, the Board discussed the continuation of the remaining strategic shareholdings held by the Company at the end of the fiscal year.

The Company deals with strategic shareholders on an equal footing, just as it does with other business partners. Even when strategic shareholders indicate their sale of shares, we do not prevent them from selling. That said, we sometimes call upon them to consider the timing of the sale or the ways of selling their shares.

**Amount of strategic shareholdings recorded on the balance sheet and number of shares held**



## 6. Views and policies for Group management and measures to ensure the effectiveness of corporate governance

Fujitsu Limited manages the Fujitsu Group with the aim of achieving continuous growth and the generation of medium- to long-term corporate value of the entire Group, while also urging each Group company to realize its potential to the maximum extent possible. Where the Company needs to seek resources from outside because they are not available within the Group, we may utilize equity-method affiliates for purposes such as risk diversification, compliance with foreign investment regulations, or completing the process of complete acquisition or business withdrawal.

For some subsidiaries and equity-method affiliates, we publicly list them with the aim of further improving their business value through diversification of the capital procurement necessary for sustainable growth and enhancing the value of the entire Group. By publicly listing subsidiaries and equity-method affiliates it is possible to focus on investment in specific businesses rather than just in the Group as a whole, thus contributing to diversifying investment opportunities. As there are some concerns regarding the possibility of a conflict of interest with minority shareholders and our publicly listed subsidiaries and equity-method affiliates, we respect the independence of their management and make efforts to provide advice and support to enhance the corporate value of relevant listed subsidiaries and equity method associates by holding reporting sessions on an as-needed basis. To further promote our policies for group management, we established a department in February 2020 as a corporate function that specializes in formulating and conducting plans and measures for the most suitable group formation and corporate governance, thus handling the management of the Group including listed subsidiaries and equity-method affiliates.

Our policy is to turn non-core listed companies and equity-method affiliates into strong independent businesses. We will consider their independence from the following perspectives: ensuring sustainable growth of the relevant business, maximizing the Company's asset value, and considering the best timing for independence.

### Measures to ensure the effectiveness of corporate governance

Fujitsu Limited understands that its publicly listed subsidiaries and equity-method affiliate make efforts to enhance corporate governance and provides support for these efforts. All listed subsidiaries and equity-method affiliate are ensured their independence by appointing independent directors and directors dispatched from the Company to help maximize their corporate value. Also, all listed subsidiaries become a company with an Audit & Supervisory Committee to strengthen corporate governance.

## 7. Review of corporate governance in fiscal 2023

In fiscal 2023, the Board of Directors identified the following six themes that should be focused on in light of the Group's operating environment. Throughout the year, these themes were intensively discussed and continuously monitored.

- Progress on the new Medium-Term Management Plan
- Business portfolio transformation
- Improving international business profitability

- Monitoring and responding to quality and security incidents
- Succession planning for directors and other officers
- Methods of efficiently monitoring each theme



## Status of corporate governance

## Number of meetings of key boards and committees

Board of Directors meetings  
(including extraordinary meetings)

18 (6)

Audit & Supervisory  
Board meetings  
(extraordinary Audit &  
Supervisory Board meetings)

11 (2)

Attendance of external directors at Board of Directors  
meetings

95.6%

Chiaki Mukai: 100%; Atsushi Abe: 100%;  
Yoshiko Kojo: 100%; Byron Gill: 100%;  
Kenichiro Sasae: 83.3%; Scott Callon: 83.3%Attendance of external Audit & Supervisory Board  
members at Board of Directors meetings

96.3%

Koji Hatsukawa: 88.9%; Hideo Makuta:  
100%; Catherine O'Connell: 100%Attendance of external Audit & Supervisory Board  
members at Audit & Supervisory Board meetings

97.0%

Koji Hatsukawa: 90.9%; Hideo Makuta:  
100%; Catherine O'Connell: 100%

Note: The above includes executives who retired on June 24, 2023.

## Major activities of the Independent Directors &amp; Auditors Council

The Independent Directors & Auditors Council met eight times in fiscal 2023. The members continued to discuss, share information, and exchange viewpoints on the Company's management direction and important management matters associated with business restructuring, including M&As by Fujitsu Limited and the Fujitsu Group.

## Major activities of the Executive Nomination Committee

In fiscal 2023, the Executive Nomination Committee met nine times to consider proposals for the nomination of representative directors, including the CEO, as well as for director and Audit & Supervisory Board member candidates and a proposal for the nomination of a candidate for chairperson of the Board. The committee also examined succession plans for the CEO and other executives, considered candidates for external directors, and carried out mutual evaluations of non-executive directors.

## Major activities of the Compensation Committee

The Compensation Committee met seven times in fiscal 2023 to consider revisions to the level of compensation for directors, revisions to the details of performance-based compensation for executive directors, and the introduction of stock compensation for non-executive directors. After considering these items, it provided its findings to the Board of Directors. The committee also examined the amounts of compensation paid to individual executive directors in the fiscal year.

## Details of executive compensation in fiscal 2023

The remuneration for directors and Audit & Supervisory Board members for fiscal 2023, as presented in the table below, was determined based on the policy decided in fiscal 2023, prior to the fiscal 2023 revision to the compensation policy for executive

directors as described in "3. Executive compensation." Please refer to the following for the policy for deciding executive compensation before the review.

[For more details of our policy on determining compensation in fiscal 2023, see the 2023 Fujitsu Integrated Report](#)

## Details of remuneration

Position	Number of recipients	Remuneration type				Total amount of compensation
		Base remuneration	Bonuses	Performance-based stock compensation	Restricted stock units	
Directors (internal)	4	¥246 million	¥125 million	¥411 million	–	¥783 million
External directors	6	¥66 million	–	–	¥12 million	¥79 million
Audit & Supervisory Board members (internal)	2	¥72 million	–	–	–	¥72 million
External Audit & Supervisory Board members	3	¥45 million	–	–	–	¥45 million

- The above includes directors and Audit & Supervisory Board members who resigned in fiscal 2023.
- The total amount of monetary compensation for directors was resolved to be within ¥1,200 million or less per year (including ¥150 million or less per year for external directors) at the 121st Annual Shareholders' Meeting held on June 28, 2021. At this Annual Shareholders' Meeting, the total amount of non-monetary compensation for executive directors, established separately from the above monetary compensation, was resolved to be ¥1,200 million or less per year and the total number of shares of common stock of the Company to be allocated was set within 75,000 shares per year (and within 750,000 shares per year after the 10-for-1 split of its common stock effective on April 1, 2024). As of the close of the 121st Annual Shareholders' Meeting, the number of directors was nine (including three executive directors and five external directors). At the 123rd Annual Shareholders' Meeting held on June 26, 2023, the total amount of non-monetary compensation for external directors, established separately from the above monetary compensation, was resolved to be ¥100 million or less per year and the total number of shares of common stock of the Company to be allocated was set within 6,000 shares per year (and within 60,000 shares per year after the 10-for-1 split of common stock, effective on April 1, 2024). As of the close of the 123rd Annual Shareholders' Meeting, the number of external directors was five. The Company is paying the compensation shown in the above table, which is within these limits.
- The total amount of compensation for Audit & Supervisory Board members was resolved to be ¥150 million or less per year at the 111th Annual Shareholders' Meeting held on June 23, 2011. As of the close of the 111th Annual Shareholders' Meeting, there were five Audit & Supervisory Board members (including three external Audit & Supervisory Board members). The Company is paying the compensation shown in the above table, which is within these limits.
- Performance-based stock compensation and restricted stock units show the amounts that were recorded as expenses in the fiscal year ended March 31, 2024.

## Performance-based compensation indicators: Targets and results (financial indicators)

Indicator	Fiscal 2023 target	Fiscal 2023 result
Consolidated revenue	¥3,860.0 billion	¥3,756.0 billion
Adjusted consolidated operating profit	¥340.0 billion	¥283.6 billion
Core free cash flow	¥225.0 billion	¥197.2 billion

The target for EPS, which is used to evaluate performance-based stock compensation, is set at the beginning of each performance evaluation period (three years), as shown below.

	Period of performance-based stock compensation	Target	Fiscal 2023 result
Adjusted EPS	Third year of period beginning in fiscal 2021	¥124.5	¥125.6
	Second year of period beginning in fiscal 2022	¥124.5	
	First year of period beginning in fiscal 2023	¥116.0~118.0	

## Status of corporate governance

## 8. Effectiveness of the Board of Directors

## Systems for ensuring the effectiveness of the Board of Directors

In enhancing the effectiveness of the Board of Directors, we have focused on creating a system under which non-executive directors function efficiently. Specifically, we believe that it is essential to establish a system that enables independent directors and Audit & Supervisory Board members, who maintain a certain degree of separation from the execution of business activities, to consistently gain a deeper understanding of the Company's business. The Independent Directors & Auditors Council convenes on multiple occasions each year (eight times in fiscal 2023), and its members share information and exchange viewpoints so that each member can formulate their own opinions. In fiscal 2022, the members continuously engaged in discussions, shared information, and exchanged views on important management matters, including the Company's management direction and Group business restructuring through M&As and other activities. Moreover, to facilitate the operation of the Independent Directors & Auditors Council, we established the Independent Directors & Auditors Council Support Office in 2015. Under this system, one junior employee is assigned to support each council member so that they are able to acquire information through the support of these employees without requiring the mediation of the management execution team.

## Evaluation of the effectiveness of the Board of Directors

To maintain and improve the effectiveness of the Board of Directors, our Corporate Governance Policy stipulates that an evaluation of the Board is to be conducted every year. The Legal Division, which serves as the administrative office for the Board of Directors, conducts this evaluation after consulting with the chairperson and then compiles and summarizes the results.

Actions taken  
in fiscal 2023  
based on  
fiscal 2022  
evaluation

In fiscal 2023, from the viewpoint of effective oversight and discussions by the Board of Directors, the Group continued with the following initiatives with the aim of sharing information in advance with independent directors and auditors to facilitate the review of high-priority items at Board of Directors meetings, and to enhance substantial communication among Board members (directors and auditors): meetings of (1) the Independent Directors & Auditors Council and (2) private sessions for non-executive directors were held to provide them with a platform to enhance communication among themselves. Also, briefing sessions were held during which the executive officers in charge of each business group shared the progress of initiatives for business strategies and the Medium-Term Management Plan with independent external directors. In doing so, we were able to provide information with greater clarity concerning the progress of the action plans of each business unit.

From the perspective of meeting management, we exhaustively implemented several measures necessary for enhancing the quality of discussions on the day of Board meetings: (1) we formed a task force consisting of some Board members to standardize the proposal document format, making it more concise, easy to read, and ensuring it contains the necessary information for Board discussions; (2) we established and enforced rules for the distribution of agenda item materials in advance to ensure that meetings run smoothly and efficiently; and (3) we compiled a glossary of in-house and technical terms with footnotes and other annotations to be included for such terms in proposal documents. Moreover, for proposals that require elaborate discussions prior to a Board meeting resolution, we purposefully created separate opportunities via the Independent Directors & Auditors Council and other meeting bodies so that information could be shared and thoroughly discussed in advance.

Fiscal 2023  
evaluation  
method

As in fiscal 2022 and previous years, in fiscal 2023 the members of the Board of Directors were asked to complete a questionnaire by scoring certain items between one and five. This time, we improved usability by having respondents complete the questionnaire through a survey tool, and further devised a way to efficiently perform quantitative analyses of the results by adding questions to which respondents must either assign a score or write their own response. In addition, by interviewing each respondent based on their responses, we were able to accurately gauge individual concerns and gather feedback on new initiatives described above that could not be readily discerned from quantitative scores and free-form comments alone. This approach enabled us to carry out qualitative analyses as the basis for considering meaningful action to take going forward. The questionnaire included an evaluation of the chairperson and self-evaluations by directors and Audit & Supervisory Board members, and also asked questions about agenda items, materials, information sharing tools, and how Board meetings are managed. The results of the Board of Directors effectiveness evaluation were reported and discussed at regular Board of Directors meetings. Results of an evaluation of the Board by a proxy advisory firm were also reported.

Fiscal 2023  
evaluation  
results

Where possible, we compared this year's results with questionnaire responses over the past five years and made the following assessments:

- In quantitative measures, the overall average of evaluation points was higher than the previous fiscal year. In particular, we saw increases in (1) effective monitoring of business strategy decisions and business execution, and (2) prior distribution of agenda item materials. However, based on requests for further improvement obtained from qualitative free-form comments and interviews, we intend to implement the following measures: (1) share the summaries of scheduled agenda items as early as possible and reduce the volume of agenda item materials; and (2) enhance explanations about matters that are to be regularly monitored by the Board (through not only the provision of materials but oral updates at Board meetings), expand opportunities for discussion, and provide better descriptions in agenda item materials (clarifying key points for discussion, etc.).
- Based on the quantitative and qualitative results of the evaluation, we received numerous requests from the Board members in fiscal 2023 calling for improvements in the infrastructure used to share agenda item materials. We will therefore consider making further improvements to both the hardware and the services we use for sharing information.
- To strengthen the oversight function of the Board of Directors, we will further streamline meeting proceedings to ensure sufficient time for discussion of important proposals. We will also brush up descriptions in agenda item materials, ensure distribution well in advance of meetings, and endeavor to elevate the quality of Board discussions by further expanding opportunities to provide information, including via the Independent Directors & Auditors Council and business briefing sessions.
- Given the many specific opinions in evaluation results concerning matters that the Board should receive regular reports on, as well as matters that should be exhaustively discussed from a longer-term perspective, we will investigate the setting and timing of meeting agendas so as to better facilitate discussion.

It is also worth mentioning that the Group's independent external directors have assessed the discussions of the Board to be extremely lively and substantial compared to those of other companies.

## Risk management

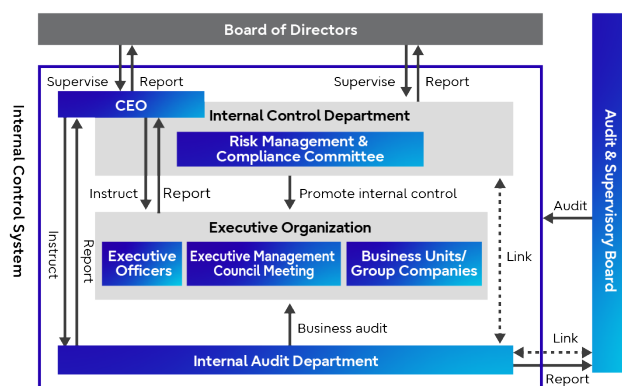
### Guidelines & structure

The Fujitsu Group aims to achieve business continuity, enhanced corporate value, and the sustainable development of corporate activities. Uncertainties that might affect the achievement of these objectives are considered to be risks. To address these risks, the Fujitsu Group established a Risk Management & Compliance Committee based on the Policy on the Internal Control System determined by the Board of Directors. The Committee reports directly to the Board of Directors and oversees risk management and compliance for the entire Fujitsu Group.

The Risk Management & Compliance Committee is chaired by the CEO and is composed of board members. Its primary function is to continually assess and verify risks that could potentially lead to losses for the Fujitsu Group. The Committee proactively implements measures to control risks identified during the course of business operations (potential risk management). Additionally, the Committee regularly analyzes realized risks to minimize losses, reporting them to the Board of Directors and working to prevent their recurrence (materialized risk management).

The Risk Management & Compliance Committee has established Regional Risk Management & Compliance Committees in each region that forms part of the global, region-based business execution structure. These regional committees operate as sub-committees. The Risk Management & Compliance Committee has deployed Risk Management & Compliance Officers to business units (first line), as well as to Group companies and regions, both in Japan and overseas. Together, these entities collaborate to build a structure that promotes risk management and compliance throughout the Group.

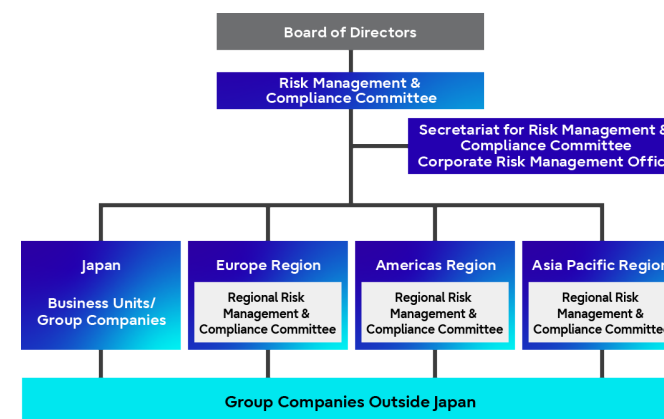
### Positioning of the Risk Management & Compliance Committee in the internal control system



To further strengthen the Group's risk management capabilities, the Group has established the Corporate Risk Management Office (second line), a department which reports directly to the CEO and is independent of the business divisions. The Committee's secretariat function is provided by the Corporate Risk Management Office and is supervised by the CRMO (Chief Risk Management Officer). The Secretariat monitors overall risk information, providing rapid and appropriate responses. In June 2023, the Group appointed a CQO (Chief Quality Officer) to ensure prompt implementation of corporate policies and support for information security and system quality, as well as thorough risk management under the CEO's direction. The CQO convenes a monthly meeting of the Risk Management & Compliance Committee to ensure the swift and effective implementation of corporate policies.

To check that the risk management and compliance system is functioning properly, the Group conducts annual audits by corporate auditors, internal audits by audit departments (third line), and external audits by an auditing firm.

### Risk management & compliance structure



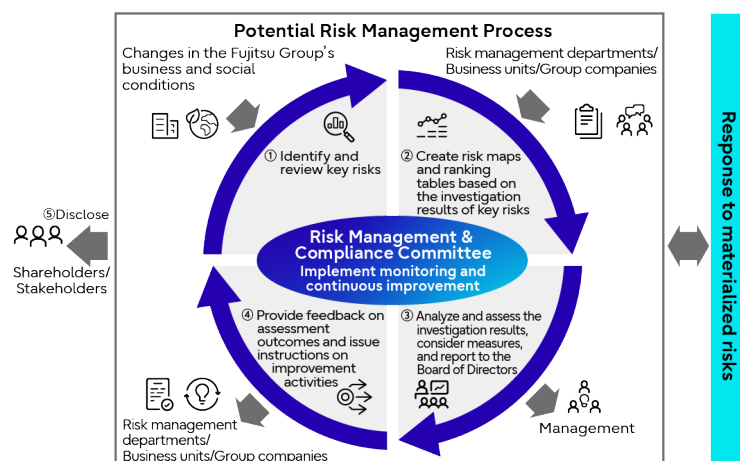
## Risk management

## Risk management process

## Potential risk management process

- Identification and review of important risks of the Fujitsu Group  
The Risk Management & Compliance Committee Secretariat (Corporate Risk Management Office, second line) identifies and reviews the 16 important risks considered important to the Group, taking into account environmental changes affecting the Group. Risk scenarios are defined for each important risk, and they are classified into pure risk and management risk.
- Appointment of risk management departments (second line)  
A risk management department is assigned to each important risk, and is responsible for maintaining control over that specific risk.
- Evaluation of risks to the Fujitsu Group  
Risk management departments, business units, and Group companies evaluate the impact of each important risk, the likelihood of its occurrence, and the status of mitigation measures. We select the risks that must be actively taken to achieve the Group's business strategies and goals, and those that must be actively avoided.
- Ranking and mapping of important risks  
Based on the evaluation results of the Group, we rank important risks and create risk maps to visualize their importance. High-priority risks are determined based on their importance.

## Risk management process



- Risk Management & Compliance Committee Report  
Analyses are conducted based on the evaluation findings, and mitigation policies are discussed and determined to address important risks to the Group.
- Issuing of corrective instructions to business units and Group companies  
Based on the evaluation results, feedback is provided to business units and Group companies, advising them on improvements.
- Risk monitoring within business units and Group companies  
Regular risk monitoring is implemented within business units and Group companies to assess the status of mitigation measures and reduce risk exposure.

## High priority risks

Considering the findings from evaluations conducted in the potential risk management process and the status of materialized risks, we have chosen to focus on high priority risks based on their impact on achieving the Group's business strategies and goals. Consequently, we have identified the following two important risks as high priority for fiscal 2023 and fiscal 2024:

- Security risks
- Deficiencies or flaws in products and services

Please refer to [risk management](#) for detailed information on important risks of the Group.

## Important risks of the Group

- Security risks
- Risks of natural disasters and unforeseen incidents
- Compliance risks
- Financial risks
- Intellectual property risks
- Risks related to environment and climate change
- Risks related to suppliers, alliances, etc.
- Customer risks
- Risks related to competitors and industries
- Deficiencies or flaws in products and services
- Risks related to public regulations, public policy, and tax matters
- Risks related to human resources
- Human rights risks
- Risks related to economic and financial market trends
- Risks related to investment decisions and business restructuring
- Risks related to the Fujitsu Group facilities and systems



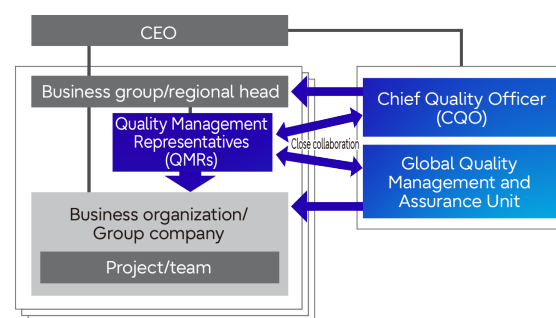
## Product and service quality

### Our quality management structure

The Fujitsu Group appointed a CQO (Chief Quality Officer) in June 2023 in an effort to enhance the quality of our products/services across the entire Group.

Furthermore, Fujitsu established Quality Management Representatives (QMRs) in each business group and Group company to govern Groupwide quality management under the leadership of the CQO. Following the decision and direction of the CQO, the Global Quality Management and Assurance Unit formulates common policies, standardization, and quality improvement measures as the headquarters of quality. By deploying these common measures through QMRs, with close collaboration, we strive toward more field-oriented implementation and quality management in an effort to provide products/services with consistent and optimal quality for our customers.

Our quality management structure



### Quality governance

Under the CQO, we are working to strengthen quality governance across the Fujitsu Group as well as prevent major incidents from reoccurring and enhancing the quality of products/services.

The process of strengthening quality governance involves rolling out a common platform to assess quality risk and the quality assurance process that supports service delivery within the Fujitsu Group to correctly assess risks and take thorough action against it.

As the number of challenges in new areas of business increases and information systems become more complex, we use these mechanisms as a base to make swift and appropriate decisions and prepare for a variety of risks.

### Strengthening the design and operation platform supporting quality governance and risk monitoring

We will consolidate quality-related information that we obtain in the development field, such as progress of development projects, test density, and defect detection rate, onto our common platform, the Fujitsu Developers Platform. By combining this information with earned value management (EVM) and quality indicators and conducting timely analysis, we will build a mechanism for assessing the quality and delivery decisions in the development field in a more objective manner.

#### Mechanism for objectively assessing field decisions



### Quality assurance process that supports service delivery

To provide customers with higher value than ever before and ensure stable system operation, we are moving to the "One Delivery" project structure—a new type of service delivery that is not organization-dependent. One Delivery manages projects in accordance with the shared "One Delivery Quality Assurance Process" to enable centralized risk management.

The One Delivery Quality Assurance Process embodies four key steps based on past quality issue trends. First, resource management aims to prevent skills mismatch and similar problems. Next, the GOGI approval system determines the promotion of business opportunities and projects from an objective and multifaceted perspective. Technology control then aims to improve technological appropriateness and feasibility. Finally, through business opportunity and quality monitoring, we detect at an early stage those projects with potential troubles.

We are working to apply and improve the One Delivery Quality Assurance Process, enabling the entire Group to provide higher-quality, more stable services.

#### One Delivery Quality Assurance Process



[For more details, see quality initiatives](#)

## Information security

### Information security management structure

#### Policy

The Group has appointed a dedicated CISO (Chief Information Security Officer) to strengthen its information security management regime, including development of globally consistent security policies and measures to ensure the information security of the entire Group, as well as to ensure and improve information security for customers through its products and services.

#### Management structure

With the rapid increase in more complex and sophisticated cyberattacks, strengthening information security has become a top priority for national economic security and for corporate business activities. In order to further strengthen and ensure the effectiveness of our information security policies, we believe it is necessary more than ever to take prompt and appropriate actions under the leadership of senior management. Therefore, we have enhanced the structure and functions of the Risk Management & Compliance Committee, chaired by the CEO, where critical risks and compliance issues in the Group are discussed, to enable continuous, Groupwide cybersecurity controls.

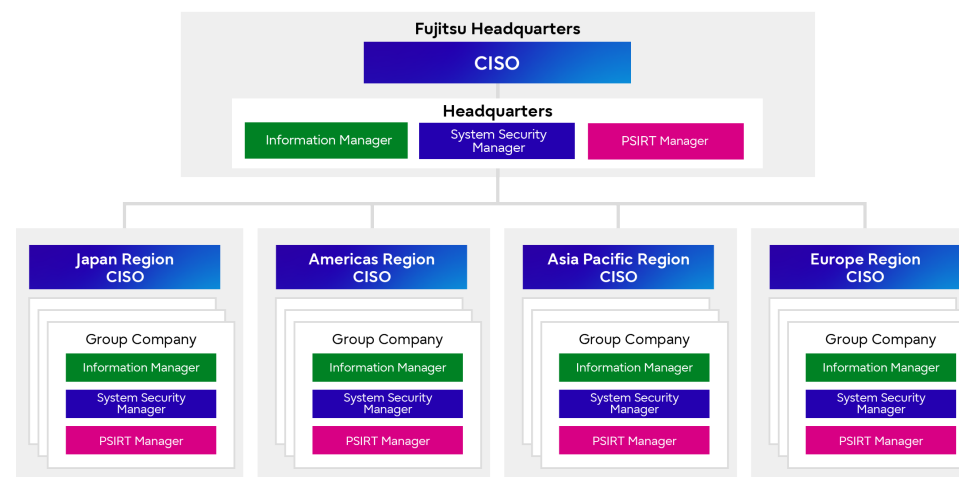
In parallel with the security controls by the Risk Management & Compliance Committee, monthly regular meeting on quality and security measures have been established as a venue for discussing countermeasures involving the CEO, CISO, CRMO (Chief Risk Management Officer), CQO (Chief Quality Officer), and the heads of business groups to share the status of information security and strengthen measures according to the given status, thereby ensuring CEO-led risk management.

The CISO governance structure includes regional CISOs in Japan and three international regions (the Americas, Asia Pacific, and Europe) to strengthen information security through a globally integrated structure by aligning headquarters policies with the security requirement specific to each country. For Fujitsu and Group companies in Japan and international regions, information security managers have been assigned to strengthen autonomous information security in each organization, and a governance structure has been established to reinforce the leadership by the CISO.

Specifically, our security manager system ensures that each department has an Information Manager, who oversees the management and protection of information; a System Security Manager, who supervises the maintenance and management of

the information security system; and a Product Security Incident Response Team (PSIRT) Manager, who leads product vulnerability management, so that they can promote various information security measures in cooperation with the CISO.

### Information security management system run by the CISO and information security managers



### Our goals for information security

Our goal is to achieve information security to provide secure services to our customers through appropriate risk control by planning/executing proactive security strategies and initiatives based on security life cycle management.

To achieve this goal, we are committed to “respond to cyberattacks with ever-evolving advanced information security,” and to “improve the awareness of each employee and reform our organizational culture,” which are the keys to success. The entire Group is united in the efforts to develop processes, rules, and methods to promote cybersecurity practices, and to strengthen information security for the entire Group, while ensuring a safe environment for its customers and partner companies.

## Information security

## Information security processes and rules

In order to prepare processes and rules for information security practices, we referred to global standards, including NIST's CSF,<sup>\*1</sup> SP 800-53,<sup>\*2</sup> SP 800-37,<sup>\*3</sup> and ISO/IEC 27002, to formulate the Fujitsu Group Standards for Information Security Measures and the Risk Management Framework. Information management methods based on the Fujitsu Group Standards for Information Security Measures are applied to each organization and information system through the execution of the series of processes outlined in the Risk Management Framework. We strive to achieve effective implementation of security measures and to realize "security by design" through a process of continuous improvement.

<sup>\*1</sup> CSF: Cybersecurity Framework

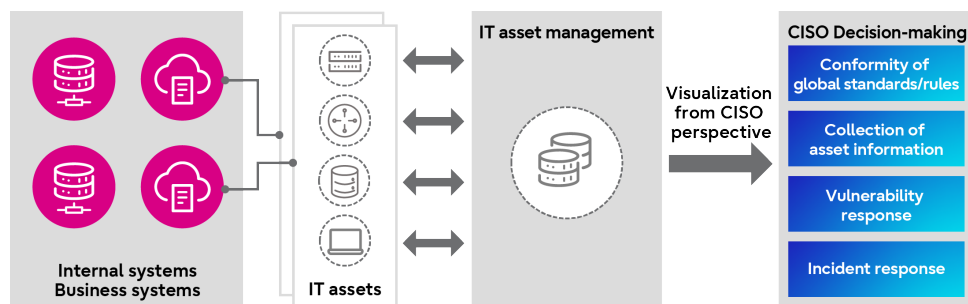
<sup>\*2</sup> SP 800-53: NIST SP 800-53 Rev. 5 Security and Privacy Controls for Information Systems and Organizations

<sup>\*3</sup> SP 800-37: NIST SP 800-37 Rev. 2 Risk Management Framework

## Autonomous risk remediation through centralized and visualized IT asset management

To support our customers' safe, secure, and sustainable business activities, we have centralized and visualized the IT asset management of our global IT systems for our customers around the world, as well as our internal IT systems. This helps us promptly identify and mitigate any security risks throughout the Group. In addition to the effort of strengthening risk management throughout normal operations, risk audits are conducted by the CISO organization. The results of the audit are disclosed and visualized for each department to be aware of their security conditions and to encourage them to take autonomous remedial action.

## Global IT asset management



## Vulnerability detection and remediation

By providing vulnerability scanning process for systems (assets) directly accessible from the Internet using IT asset management information, each department that manages the systems can autonomously conduct periodic scanning and implement remedial solutions triggered by vulnerability detection. Annual inspections using this process are conducted to ensure that vulnerability remediation practices are in place, and when high-risk vulnerabilities are detected, reliable solutions will be implemented in a timely manner with the involvement of the CISO organization.

## Information management

The Group implemented the Information Protection Management System in order to appropriately protect third-party confidential information, including personal information, as well as our own confidential information, applying a PDCA cycle to information management. In order to clarify information assets that must be protected, we establish suitable information management practices according to the circumstances of our customers and business partners, and take stringent measures to protect information. These measures are taken for the autonomous information protection activities (regulations by industry, business type, etc.) conducted by each department, while unifying the classification of information on a global scale.

In addition, along with the operation of the Information Protection Management System, we have developed and launched a storage service that systematically checks the status of information management (e.g., information classification, granting of appropriate access rights). When deficiencies in information management are detected, managers in each department are notified, allowing immediate remediation to ensure appropriate information management conditions.

Meanwhile, Fujitsu has established a global Personal Information Protection System to strengthen the protection of personal data. Under the leadership of the CISO organization and the Legal Division, we work with each region and Group company to comply with the local laws and regulations of each country, including the GDPR.<sup>\*4</sup> Privacy policy is available on the public websites of each country, describing our policy on handling personal information.

<sup>\*4</sup> GDPR: General Data Protection Regulation

[For more details, see information security](#)

## Performance highlights

Agreement with international norms, participation in  
international organizations, and external evaluations

Company overview / Shareholder data

## Performance highlights

Fujitsu Limited and consolidated subsidiaries

On November 1, 2017, the Company sold some of its shares in Fujitsu TEN Limited to DENSO CORPORATION. Consequently, Fujitsu TEN became classified as a discontinued business and net sales (revenue) and operating profit were reclassified in fiscal 2016.

Fiscal years	(Billions of yen)										(%)
	IFRS										Year-on-year change (%) <sup>*1</sup>
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023/2022
<b>Financial data</b>											
Revenue	¥4,753.2	¥4,739.2	¥4,132.9	¥4,098.3	¥3,952.4	¥3,857.7	¥3,589.7	¥3,586.8	¥3,713.7	<b>¥3,756.0</b>	<b>1.1</b>
Revenue outside Japan	1,879.9	1,894.2	1,461.2	1,506.8	1,435.4	1,228.5	1,172.0	1,316.9	1,423.4	<b>1,318.4</b>	<b>(7.4)</b>
Percentage of sales outside Japan (%)	39.6	40.0	35.4	36.8	36.3	31.8	32.7	36.7	38.3	<b>35.1</b>	
Operating profit	178.6	120.6	117.4	182.4	130.2	211.4	266.3	219.2	335.6	<b>160.2</b>	<b>(52.2)</b>
Operating profit margin (%)	3.8	2.5	2.8	4.5	3.3	5.5	7.4	6.1	9.0	<b>4.3</b>	
<b>Point 1</b> Profit attributable to owners of the parent	140.0	86.7	88.4	169.3	104.5	160.0	202.7	182.6	215.1	<b>254.4</b>	<b>18.3</b>
Cash flows from operating activities	¥ 280.1	¥ 253.0	¥ 250.3	¥ 200.4	¥ 99.4	¥ 347.2	¥ 307.9	¥ 248.3	¥ 220.3	<b>¥ 309.2</b>	<b>40.3</b>
Cash flows from investing activities	(200.5)	(164.3)	(145.4)	(22.5)	4.1	(114.2)	(71.5)	(59.2)	(42.8)	<b>(157.2)</b>	<b>—</b>
<b>Point 2</b> Free cash flow	79.6	88.7	104.8	177.8	103.5	233.0	236.3	189.0	177.5	<b>151.9</b>	<b>(14.4)</b>
Cash flows from financing activities	(17.3)	(67.7)	(98.8)	(112.4)	(136.6)	(193.1)	(219.6)	(193.6)	(313.5)	<b>(181.4)</b>	<b>—</b>
Inventories	¥ 313.8	¥ 298.8	¥ 293.1	¥ 241.6	¥ 226.0	¥ 238.0	¥ 237.0	¥ 309.8	¥ 337.0	<b>¥ 298.8</b>	<b>(11.3)</b>
Monthly inventory turnover rate (times)	1.11	1.12	1.15	1.21	1.22	1.13	1.16	0.98	0.83	<b>0.87</b>	
Total assets	3,271.1	3,226.3	3,191.4	3,121.5	3,104.8	3,187.4	3,190.2	3,331.8	3,265.5	<b>3,514.8</b>	<b>7.6</b>
Equity attributable to owners of the parent	790.0	782.7	881.2	1,087.7	1,132.0	1,240.9	1,450.1	1,590.7	1,586.8	<b>1,752.3</b>	<b>10.4</b>

Point  
1

## Profit attributable to owners of the parent

Profit attributable to owners of the parent came to ¥254.4 billion, a record high for the second consecutive year. This is primarily due to the impact of lower tax expenses after recognizing deferred tax assets in connection with the restructuring of our corporate structure in Europe, despite the booking of one-off losses arising from the expansion of structural reforms centered on business in Regions (International).

Point  
2

## Free cash flow

Cash flows from operating activities increased from the previous fiscal year due to progress made on reducing inventories and collecting accounts receivable, while cash flows from investing activities increased, mainly from the acquisition of GK Software. As a result, free cash flow declined.

<sup>\*1</sup> The actual figures are shown in units of billions of yen, and the rate of change is calculated in units of millions of yen.



## Performance highlights

Agreement with international norms, participation in  
international organizations, and external evaluations

Company overview / Shareholder data

## Performance highlights

Fujitsu Limited and consolidated subsidiaries

On November 1, 2017, the Company sold some of its shares in Fujitsu TEN Limited to DENSO CORPORATION. Consequently, Fujitsu TEN became classified as a discontinued business and net sales (revenue) and operating profit were reclassified in fiscal 2016.

Fiscal years	IFRS										(%)
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Year-on-year change (%) <sup>*1</sup> 2023/2022
<b>Financial data</b>											
<b>Return on equity (ROE) (%)</b>	20.6	11.0	10.6	17.2	9.4	13.5	15.1	12.0	13.5	15.2	
Equity attributable to owners of the parent ratio (%)	24.2	24.3	27.6	34.8	36.5	38.9	45.5	47.7	48.6	49.9	
Return on assets (ROA) (%)	4.4	2.7	2.8	5.4	3.4	5.1	6.4	5.6	6.5	7.5	
Interest-bearing loans (billions of yen)	578.4	534.9	486.7	402.2	316.2	405.5	316.3	285.3	211.1	245.6	16.3
D/E ratio (times)	0.73	0.68	0.55	0.37	0.28	0.33	0.22	0.18	0.13	0.14	
Net D/E ratio (times)	0.27	0.20	0.12	-0.05	-0.09	-0.04	-0.11	-0.12	-0.09	-0.06	
R&D expenses (billions of yen)	202.7	179.8	170.0	158.6	134.9	123.3	113.8	105.3	109.5	123.3	12.5
Capital expenditure <sup>*2</sup> (billions of yen)	140.6	156.0	120.6	94.0	83.5	96.4	87.5	88.9	121.0	129.7	7.2
Depreciation <sup>*2</sup> (billions of yen)	121.2	119.8	108.6	107.0	96.9	84.5	76.0	89.5	89.6	83.3	(7.0)
Amounts per share of common stock (yen) <sup>*3</sup>											
<b>Net profit attributable to owners of the parent per share (EPS)<sup>*4</sup></b>	¥ 67.68	¥ 41.94	¥ 42.83	¥ 82.53	¥ 51.25	¥ 79.12	¥101.37	¥ 92.42	¥110.76	¥135.59	22.4
Dividends	8	8	9	11	15	18	20	22	24	26	8.3
Equity attributable to owners of the parent <sup>*5</sup>	381.88	378.37	429.8	528.38	558.54	619.71	728.72	809.47	842.54	952.76	13.1

Point  
3

## ROE

ROE, calculated by dividing profit attributable to owners of the parent by total equity attributable to owners of the parent, was 15.2%, compared with 13.5% in the previous fiscal year.

Point  
4Adjusted net profit attributable to owners of the  
parent per share (EPS)

Adjusted EPS was ¥125.6 for the fiscal year, up from ¥105.1 in the previous fiscal year. The CAGR from the fiscal year ended March 31, 2023 to the fiscal year ended March 31, 2024 was 19.6%, above the target for the fiscal year ending March 31, 2026.

<sup>\*1</sup> The actual figures are shown in units of billions of yen, and the rate of change is calculated in units of millions of yen.

<sup>\*2</sup> Capital expenditure and depreciation do not include the effect of adopting IFRS 16 (Leases).

<sup>\*3</sup> The Fujitsu Group conducted a 10-for-1 stock split of its common stock effective on April 1, 2024. Per-share information has been adjusted to reflect values after the stock split.

<sup>\*4</sup> Net profit attributable to owners of the parent ÷ Average number of shares of common stock outstanding excluding treasury stock during the fiscal year

<sup>\*5</sup> Equity attributable to owners of the parent (Owners' equity) ÷ Number of shares of common stock outstanding excluding treasury stock at the end of the fiscal year

## Performance highlights

Agreement with international norms, participation in  
international organizations, and external evaluations

Company overview / Shareholder data

## Performance highlights

Fujitsu Limited and consolidated subsidiaries

Fiscal years											(%)
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023/2022 year-on-year change (%)
<b>Non-financial data (ESG indicators)</b>											
<b>Management indicators (non-financial indicators, excluding greenhouse gas emissions below)</b>											
Customer NPS®*6 (year on year) (percentage points)	–	–	–	–	–	–	–	+26.2	+18.1	<b>+7.7</b>	
Productivity per employee (operating profit per employee, year on year) (percentage points)	–	–	–	–	–	–	–	–	–	<b>-11</b>	
Employee engagement*7	–	–	–	–	–	63	68	67	69	<b>69</b>	
Diversity leadership (percentage of female managers) (%)	–	–	–	–	–	–	–	–	15.0	<b>15.8</b>	
<b>Environmental</b>											
Greenhouse gas emissions (Scope 1) (thousand tons)*8	197	189	208	198	147	87	75	70	65	<b>64</b>	<b>(1.5)</b>
Greenhouse gas emissions (Scope 2 [Location-based]) (thousand tons)*8	700	686	1,021	939	808	715	583	530	476	<b>451</b>	<b>(5.3)</b>
Greenhouse gas emissions (Scope 2 [Market-based]) (thousand tons)*8	–	–	–	912	771	663	540	428	341	<b>268</b>	<b>(21.4)</b>
Greenhouse gas emissions (Scope 3) (thousand tons)	8,124	7,290	7,800	6,271	6,105	5,886	5,395	7,191	5,372	<b>3,646</b>	<b>(32.1)</b>
Energy usage (PJ)*9	–	–	–	–	–	–	5.88	5.57	5.09	<b>4.88</b>	<b>(4.1)</b>
Ratio of renewable energy to total electricity consumption (%)	–	–	–	–	–	–	10.1	20.7	30.0	<b>42.9</b>	<b>43.0</b>
Water usage (thousand m³)	16,600	15,830	16,870	15,540	13,830	9,910	6,770	6,890	6,150	<b>6,090</b>	<b>(1)</b>

\*6 Net Promoter®, NPS®, NPS Prism®, and the images and symbols used in connection with NPS are registered trademarks of Bain & Company, Fred Reichheld, and NICE Systems, Inc.

\*7 An average score calculated by assigning scores between 0 and 100 to each of the five answer options of survey questions

\*8 Includes emissions from Group companies that were present for only part of the relevant fiscal year (consolidated Group data has been used from fiscal 2022)

\*9 The heat conversion coefficients for electricity have been revised in the data from fiscal 2020.

## Performance highlights

Agreement with international norms, participation in  
international organizations, and external evaluations

Company overview / Shareholder data

## Performance highlights

Fujitsu Limited and consolidated subsidiaries

											(%)
Fiscal years	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Non-financial data (ESG indicators)</b>											
<b>Social</b>											
Number of employees	158,846	156,515	155,069	140,365	132,138	129,071	126,371	124,216	124,055	123,527	
Outside Japan	59,491	57,610	56,622	47,889	46,791	46,839	44,946	47,371	51,414	51,478	
Of which, non-consolidated	25,627	24,112	33,095	32,969	31,827	32,568	32,026	34,430	35,092	35,924	
Average age of employees (non-consolidated) (years)	43.3	43.3	43.1	43.3	43.2	43.6	43.8	43.6	43.7	43.6	
Average years of service (non-consolidated) (years)	20.0	20.3	20.0	20.0	19.2	19.5	19.6	19.2	19.1	18.8	
Average annual salary of employees (non-consolidated) (yen)	8,107,983	8,100,102	7,970,455	7,900,199	7,985,114	8,036,835	8,651,494	8,594,757	8,789,575	9,654,460	
Percentage of male workers taking childcare leave (non-consolidated) (%)									85.1	86.2	
Difference in wages between male and female workers (non-consolidated)* <sup>10</sup>	–	–	–	–	–	–	–	–	76.9	76.8	
Applicants to job-posting system (non-consolidated and consolidated subsidiaries in Japan) (people)	–	–	–	–	–	–	4,299	7,217	7,902	7,582	
Of which, number transferred (non-consolidated and consolidated subsidiaries in Japan) (people)	–	–	–	–	–	–	1,458	2,691	3,419	2,725	
Reskilling (participants in on-demand training) (people)	–	–	–	–	–	–	13,194	26,485	36,764	63,683	
<b>Governance</b>											
Percentage of independent directors (non-consolidated) (%)	36.4	40.0	40.0	40.0	40.0	55.6	55.6	55.6	55.6	55.6	
Percentage of female directors (non-consolidated) (%)	16.7	20.0	20.0	20.0	20.0	22.2	22.2	22.2	22.2	22.2	

Point  
5Point  
5**Percentage of independent directors  
(non-consolidated)**

As of the Annual Shareholders' Meeting convened in June 2024, five of the Company's nine directors approved were independent directors, who constitute a majority at meetings of the Board of Directors. The Company is strengthening oversight and advisory capabilities by actively appointing external directors with a high degree of independence and diverse perspectives.

\*10 Indicates the ratio of female workers' wages to male workers' wages. There is no difference in wages for the same work, so the gap is due to differences in the composition of people at each job level.

## Agreement with international norms, participation in international organizations, and external evaluations

### Agreement with international norms and participation in international organizations

United Nations Global  
Compact (UNGC)



World Business Council for  
Sustainable Development (WBCSD)



World Economic Forum (WEF)

For details on the Fujitsu Group's participation in the WBCSD and WEF, please see "Collaboration with stakeholders" on page 65



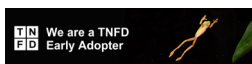
Science Based Targets  
initiative (SBTi)



Gold Member Participant  
in Renewable Energy 100%  
(RE100)



Agreement with the recommendations  
of the Task Force on Climate-related  
Financial Disclosures (TCFD)



Registered as an adopter of the  
Taskforce on Nature-related  
Financial Disclosures (TNFD)

### External evaluations

High ratings received from global ESG rating institutions, among other international bodies

Fujitsu Limited  
IT services

**Sustainability  
Yearbook Member**  
S&P Global Corporate Sustainability  
Assessment (CSA) Score 2023

S&P Global CSA Score 2023: 77/100  
Score date: February 7, 2024  
The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P Global CSA Score without the inclusion of any modeling approaches.  
Position and scores are industry specific and reflect exclusion screening criteria.  
Learn more at <https://www.spglobal.com/esg/sustainability/yearbook/membership>

S&P Global

Sustainable 1

Sustainability  
Yearbook



CDP

Received the highest grade of A in "Climate Change" and "Supplier Engagement Rating"; certified as a "Supplier Engagement Leader Board" company



FTSE4Good

FTSE4Good Index Series

2024 MSCI ESG Leaders  
Indexes Constituent

MSCI World ESG Leaders Index



MSCI ESG Ratings

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EcoVadis Sustainability Rating



ISS ESG Corporate Rating

Selected for all six ESG stock indices adopted by the Government Pension Investment Fund (GPIF)

2024 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

MORNINGSTAR GenDi J

Japan ex-REIT Gender Diversity  
Tilt Index

TOP CONSTITUENT 2024

2024 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



FTSE Blossom  
Japan Sector  
Relative Index



FTSE Blossom  
Japan



S&P/JPX  
Carbon  
Efficient  
Index



Performance highlights

Agreement with international norms, participation in  
international organizations, and external evaluations

Company overview / Shareholder data

## Company overview / Shareholder data

(As of March 31, 2024)

**Capital:** ¥325,638,181,205  
**Authorized common stock:** 500,000,000 shares  
**Issued common stock:** 207,110,845 shares  
**Number of shareholders:** 91,389

### Equity shareholdings by type of shareholder:



### Status of principal shareholders:

Principal shareholders	Number of shares held (thousands)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (for trust)	28,558	15.53
Ichigo Trust Pte. Ltd.	11,183	6.08
Custody Bank of Japan, Ltd. (for trust)	10,142	5.51
GIC PRIVATE LIMITED - C	6,703	3.64
JP MORGAN CHASE BANK 385632	5,903	3.21
SSBTC CLIENT OMNIBUS ACCOUNT	3,981	2.16
STATE STREET BANK WEST CLIENT - TREATY 505234	3,553	1.93
Asahi Mutual Life Insurance Company	3,518	1.91
STATE STREET BANK AND TRUST COMPANY 505223	3,445	1.87
Fujitsu Employee Shareholding Association	3,439	1.87

Notes: 1. The investment ratio is calculated after exclusion of treasury stock holdings (18,661,673 shares).

2. The shares held by The Master Trust Bank of Japan, Ltd. (for trust) and Custody Bank of Japan, Ltd. (for trust) pertain to their trust business.

**Corporate headquarters:** 4-1-1 Kamikodanaka, Nakahara-ku,  
Kawasaki-shi, Kanagawa, 211-8588, Japan  
Telephone: +81-44-777-1111

**Transfer agent:** Mitsubishi UFJ Trust and Banking Corporation  
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

**Stock exchange listings:** Tokyo, Nagoya

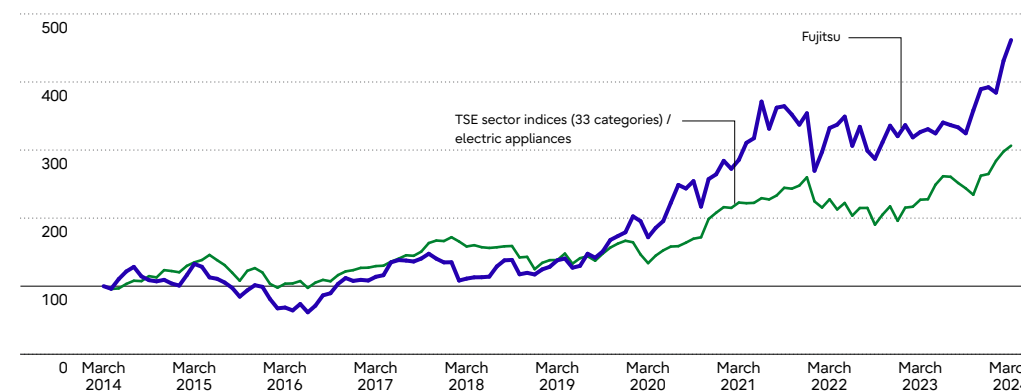
**Accounting auditors:** Ernst & Young ShinNihon LLC

**Shareholder information:** For further information, please contact:  
Fujitsu Limited Public & Investor Relations  
Telephone: +81-3-6252-2173

For inquiries, please use the contact form on our investor relations website:

<https://www.fujitsu.com/global/about/ir/>

### Total shareholder return: TSR



Source: LSEG

Notes: 1. The Fujitsu Group conducted a 10-for-1 stock split of its common stock effective on April 1, 2024. The graph shows values prior to the stock split.

2. The graph displays the relative value of the stock price including dividends (dividends reinvested) at the end of each month, taking the closing value at the end of the fiscal year ended March 31, 2014 as one hundred.