Roundtable discussion among independent directors

(From left)

Yoshiko Kojo
Independent Director and Chairperson of the Board of Directors

Kenichiro Sasae
Independent Director

Izumi Kobayashi
Independent Director

Byron Gill
Independent Director

Takuya Hirano
Independent Director

We asked the five independent directors approved at the Annual General Meeting of Shareholders held in June 2025 about Fujitsu's strategic direction and challenges as it seeks to create value over the medium to long term.

——Please tell us about the activities of the Board of Directors during the year through June 2026. How have its discussions changed from the past?

Kojo: The Board focused particularly on two issues. The first was to oversee, in the final year of the 2023–2025 Medium-Term Management Plan (the previous medium-term plan), whether Service Solutions was growing and whether we were making progress in transforming our business portfolio as intended. The second was to clarify where we should seek new growth areas in formulating Management Vision 2035. With an increasing number of variables affecting business, including technological innovation such as AI and changes in the international environment, we placed particular importance on examining from a variety of perspectives how we can achieve growth and sharing our understanding with the executive leadership. Accordingly, in addition to regular Board meetings, we held two intensive discussion sessions on growth strategy.

Hirano: When we were not convinced by a growth strategy presented by the executive leadership, we went back and discussed it again. We were also able to have more logical and concrete discussions about investment: whether we could properly explain the investment to shareholders and investors, what outcomes it could be expected to generate, and how much risk it would be appropriate to take in pursuit of those outcomes.

Gill: Structural reforms were the focus of discussions under the previous medium-term plan. Going forward, however, we need to develop a growth story with AI as a fundamental premise for every business and use it to deliver value to customers. Based on this shared understanding, we also discussed capital allocation, including where growth investment would generate the highest ROI and whether it could genuinely produce growth five or ten years from now.

Sasae: Organizations without ambition do not grow. I believe it was important that we clearly articulated our ambition in Management Vision 2035. Japanese

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companies commonly formulate medium-term management plans starting from their past performance. Naturally, past results are extremely important, but the direction of future growth does not necessarily lie along an extension of past performance. We also discussed the need to take a zero-based approach to developing a growth story and use past performance as one of the inputs to that process.

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Kobayashi: Before joining the Board in June 2025, I thought of Fujitsu as a "traditional Japanese company," so I was surprised by the incisive discussions taking place at Board meetings. When directors were not convinced by a proposal from executive leadership, they asked tough questions. Directors with differing backgrounds freely offered their views and advice, and I could clearly see the Board's diversity reflected in the discussion.

Kojo: As chairperson, I also believe that examining growth from diverse perspectives is important for Fujitsu at this turning point. I therefore chair Board meetings in a way that encourages a wide range of views to be exchanged. It is reassuring that all directors share this understanding and culture.

——What will Fujitsu need going forward to realize the technology-driven value creation set out in Management Vision 2035?

Gill: We are still only at the beginning of the AI era. We must clarify the value proposition we intend to offer in this environment. I believe we need to recognize that our race is not against our competitors, but against time. With this sense of urgency, we must further accelerate our go-to-market efforts. The only way to earn recognition from capital markets is to demonstrate results, so I would also like us to achieve adjusted ROE of 20% as soon as possible.

Hirano: Technology is advancing at tremendous speed worldwide, and merely following those advances will not enable us to provide value. Rather than starting with a solution, we must rigorously pursue an approach that first asks what value we should deliver to customers and how technologies, including AI, should be used to create that value. We must continually ask whether we are helping our customers succeed, remove every barrier, and commercialize technology.

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Sasae: Collaboration is also important. To put into practice our strategy of leveraging our customer base—one of our competitive advantages—and the data held by our customers to create substantial added value, we need to think tactically about which markets to target and with whom we should form alliances.

Hirano: As technology shifts to the cloud and AI further accelerates technological progress, I also believe the era in which a single company can undertake every aspect of a business is well and truly over. We must therefore build partner ecosystems and collaborative business models from the perspective of whether we can help both our customers and our partners succeed. We must also set clear investment priorities and have the courage to act on them. I would like the Board to engage in even more dialogue from this perspective going forward.

Kobayashi: We have a broad customer base in Japan that possesses vast amounts of data. This is a major advantage because, when developing a service for example, we do not have to begin by collecting data. We can skip the question of how to obtain data and move directly to considering the business model.

Gill: Another advantage is our deep knowledge of specific industry domains. Our customers possess abundant data, while we possess deep expertise in their industries. By leveraging these strengths, we should have the opportunity to take the lead in delivering industry-specific services. Put another way, each industry domain must become strong enough to grow as a standalone business that could ultimately be listed in its own right. There is little reason to remain in a field unless we can build a business of that strength.

——How do you view Fujitsu's role in society and the management capital it should strengthen to fulfill that role?

Kojo: Over the past several years, tensions and divisions have become increasingly apparent in the international community, changing how security is perceived. Management Vision 2035 clearly sets out our commitment to the defense business. Because trust is

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central to Our Purpose, I believe Fujitsu can make a distinctive contribution that only we can provide. That distinction may itself create new business opportunities.

Sasae: Security is directly connected to Our Purpose because it protects citizens' everyday lives and peace of mind—in other words, their sense of safety and security. If we can respond to real-world security needs not only in Japan but also overseas, we broaden both the applications of our technologies and the scope of our business.

Gill: In the United States where I live, there is a growing distrust of AI among the general public. Fujitsu's emphasis on trusted technology and AI ethics can set us apart from other technology companies. I believe that upholding trust and earning recognition from stakeholders as a neutral partner will enable Fujitsu to create distinctive value.

Kobayashi: To fulfill that role, we must continue to consider what the people who use our services need and how best to deliver it. Ultimately, the question is: Can every employee continue making an unending effort to demonstrate their true capabilities amid intense competition and achieve "competitive greatness?"

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——How do you view the role of the Board of Directors going forward?

Hirano: By presenting Management Vision 2035 with a ten-year perspective, we have set out a long-term strategy while creating room for operational agility. On the other hand, moving away from a rigid plan also increases the Board's responsibility for monitoring execution. We therefore intend to exercise a level of oversight and discipline greater than in the past.

Gill: I also believe that a key future role of the Board will be to closely monitor progress on the strategy and continually adjust its direction in response to changes in our business environment. Even a slight deviation in strategic direction can produce significantly different outcomes, and changing course is not easy. We will therefore closely monitor whether Fujitsu remains on course toward its objectives.

Kojo: There is no final or perfect form of corporate governance. Discussions at Board meetings are evolving under Management Vision 2035, which sets out ambitious objectives, including further improvements in profitability and the creation of new businesses. By sharing with the executive leadership our commitment to growth and our sense of urgency regarding the challenges ahead, we will work to make Board discussions even more dynamic and accelerate management transformation.

Message from a newly appointed independent director

Kunimasa Suzuki
Independent Director

Our Purpose "to make the world more sustainable by building trust in society through innovation" carries even greater weight today, as the spread of AI blurs the boundary between truth and falsehood.

Having spent many years managing global technology-driven companies, I have long been interested in how Fujitsu can translate its R&D assets and industry expertise into next-generation competitiveness. Announced amid an uncertain business environment, Management Vision 2035 is an ambitious initiative that places technology at the heart of efforts to address societal issues. I strongly identify with its central policy of technology-driven value creation and its commitment to differentiating Fujitsu's AI not by speed, but by trust.

My mission as an independent director is to monitor whether governance continues to function soundly as Fujitsu evolves toward AI-driven management, and whether innovation remains grounded in social ethics and trust. Through ongoing dialogue with executive leadership, I will objectively oversee whether initiatives such as enhancing human capital and transitioning to a value-based revenue model are producing tangible results.

I will offer appropriate advice to help Fujitsu meet the expectations of shareholders, investors, and other stakeholders, and sustainably create corporate value as a company that delivers trusted technology to society.