

"It is a capital mistake to theorize before one has data. Insensibly one begins to twist facts to suit theories, instead of theories to suit facts." -Arthur Conan Doyle via Sherlock Holmes

These words were written in 1891, highlighting the most important puzzle piece that the famous fictional detective Sherlock Holmes relied on to solve mysteries in Victorian-era London: data. Now over 130 years old, these words are just as insightful today as when they were written.

However, the greatest mystery we need to solve in our times is finding realistic solutions for achieving a sustainable future. In today's world, where uncertainty is increasing and challenges are intricately intertwined, data plays a significant role in shaping the future of business and society. Without tapping into data's potential, it will be nearly impossible to achieve a sustainable future based on net positive—the point when the positive impact of business on the environment and society outweighs the negative.

Fujitsu's <u>Net Positive Index</u>, developed and researched by Economist Impact, was released in February 2025 as a metric to visualize how far companies have come in achieving their net positive goals. In the survey accompanying the index development, responses indicating that data collection was "very helpful" or "somewhat helpful" in promoting net positive exceeded 75% across all industries. Data is the key to more precisely, objectively, and quickly understanding and analyzing the elimination of negative impacts and the evaluation of positive impacts.

In a world where our sense of social order and common values is experiencing increasing volatility, promoting net positive is the foundation for sustainable growth and the resilience to change. Instead of just chasing short-term profits, incorporating a net positive approach into company strategy embraces a long-term perspective. At the same time, executing these strategies based on optimized data usage promotes alignment with the company's priority issues. Beyond these transformations lies the path to achieving both business growth and resolving social and environmental issues, leading to a sustainable future.

Fujitsu has set a vision for 2030 to become a technology company that realizes net positive through digital services. This report explores how we should open up the future of our business and society through Fujitsu's practical knowledge utilizing data.

Over 130 years ago, Sherlock pointed out the importance of data, but he would be surprised to see Fujitsu trying to solve challenges (though he may call them mysteries) across various fields and industries using different types of data than he had in mind.

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Structuring and organizing to implement DX: Data and technology are the engines of transformation

In 2020, the OneFujitsu program was launched as a major initiative to optimize the company and management structure for the future. The end goal is sustainable growth and improving profitability for the Fujitsu Group, which we believe requires focusing on three key initiatives: real-time management, data visualization, and standardization of business operations.

This program marks a monumental shift in mindset-it is an unprecedented move towards predictive management. By taking full advantage of digital technology infrastructure and unifying previously siloed data, every region and function across the Fujitsu Group can use the same data in real time. Making this approach even more valuable is the inclusion of AI technology that enhances predictability and bolsters the true value of the Company.

To fully utilize digital services, data, and IT as engines driving the company towards its purpose, it was important to first clarify where and what systems are in place, how much they cost, and what roles they play. As of April or 2021, Fujitsu had over 4,000 in-house IT systems. To date, we have decommissioned and integrated more than 1,000 systems, but the reality is that a vast number of systems remain. Therefore, over approximately two years, the Fujitsu Group has defined which systems are used for which operations in 331 business areas, categorized into four quadrants.

The vertical axis is divided into differentiated operations and basic operations, while the horizontal axis is classified into global standards and local optimization. Currently, 90% of Fujitsu's existing systems are categorized as differentiated operations and local optimization, but it is believed that 70% of the overall systems will be revised to basic operations and global standards. At present, strategies such as investment, termination, and enhancement are being established for each IT system, and a comprehensive roadmap is being created to advance the sorting process.

Fujitsu has established principles for its IT strategy:

- 1. In management and operations, aim for one business, one system across the group and globally.
- 2. For applications, aim for one system, one instance across the group and globally.
- 3. For IT infrastructure, adopt a cloud-first approach.

The goal of these IT reforms is set for 2030. There is still much to be done, but the path to follow is clear.

We have significantly revised the organization to implement OneFujitsu. First, we established a steering committee composed of the CEO, CFO, CDXO, and others at the top management level, clearly defining that the leadership of DX promotion is driven by the top management. Additionally, we appointed DPOs (Data Process Owners), DPLs (Data Process Leaders), and SDOs (Service Domain Owners) for each business area such as sales management, business management, purchasing, and accounting. We also designated DXOs (DX Officers) for each business unit, region, and group company to advance the standardization of data and business processes across businesses, regions, and groups.

Standardizing globally is a challenging journey. For regions that are not convinced by the changes, it is crucial for management to take the lead, using logical data to thoroughly explain why the global standard is a better way to move forward compared to the region's unique methods. Driving this with management leadership is important to ensure governance. Additionally, the standardization of operations should be carried out by the business departments themselves. Continuously pursuing transformation is considered the answer to shaping a globally standardized business system.

Learn more about the OneFujitsu project here:

Reimagining Digital Darwinism can put your organization on an evolutionary path

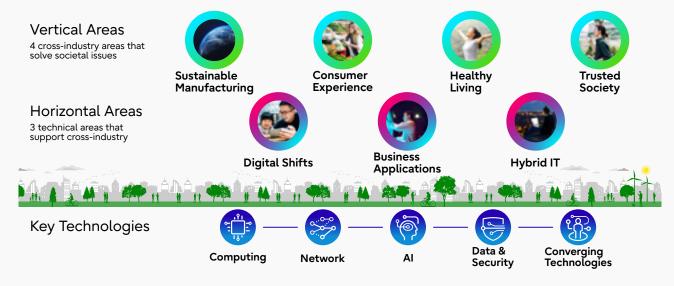


Marketing: Data-driven customer engagement

Next, let's take a look at data-driven marketing transformation. Fujitsu Uvance was established in 2021 as a new business model to put our purpose into practice. We have identified seven key focus areas, and by combining technology with knowledge from diverse industries, we are driving customer's business growth while solving societal issues across industry lines (Figure 1).

To build the new Fujitsu Uvance business model from the ground up, we had to create a virtuous cycle of business growth in which all our customers feel a connection with our purpose, while we demonstrate a deep understanding of their needs and accept their feedback to improve solutions and services. As the engine of this virtuous cycle of business growth, marketing needed to take a completely different approach to increase market awareness and develop new customer segments. Improving customer engagement based on data is fundamental to solving these challenges.

Figure 1: Fujitsu Uvance aims to develop new markets in seven key focus areas



Source: Fujitsu

"OneCRM," which started operating in 2022, is the cornerstone of data-driven marketing. It is an initiative to integrate Customer Information Management (CRM) infrastructure and processes globally and to centralize business negotiation management and information sharing.

In the past, pipeline data was decentralized by region and division. By making it visible globally and having it conform to the same standards across the business, we can perform order forecasting, cause analysis, and decision making in order to promote business, and reduce the burden of reporting. We have switched to pipeline management based on Fujitsu Uvance, making it easier to support business negotiations and monitor market trends and customer needs.

To truly enhance the value of marketing, further utilization of AI is essential.

Autonomous AI can obtain relevant information from internal and external data sources in response to customer inquiries, and then draft answers without human intervention. Call centers will also be able to access customer's past purchase history, analyze conversations and understand market trends, leading to optimal suggestions and solutions. We once again believe that the evolution of technology will enhance the true value of marketing and deepen customer understanding.

That's why Fujitsu has developed its own AI platform, Fujitsu Kozuchi. In September 2024, we began global deployment of Takane, a large-scale language model (LLM) jointly developed with the Canada-based AI platform provider, Cohere. This will help us develop practical knowledge with cutting-edge AI in marketing, while continuing to research, preview, and implement that knowledge so that we can share our expertise with customers.

As the boundaries between industries continue to blur, we expect to see further expansion of the movement to launch new businesses in search of growth areas. It is data, AI and other technologies that make the growth cycle of new businesses even more comprehensive and robust. I believe that the transformation of marketing efforts driven by data and AI with a clear focus on purpose will illuminate the path towards value-creating management.



Learn more about the data-driven marketing here:

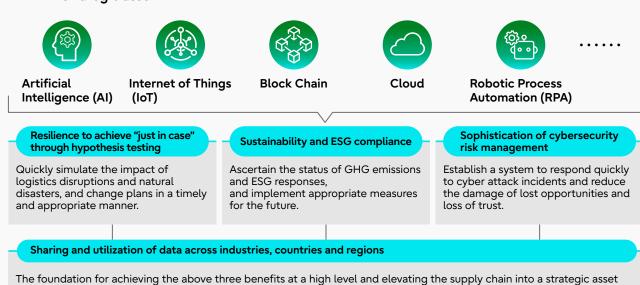
Data and AI-driven marketing transformation: the engine that drives value creation management

Supply Chain: Visualizing uncertainty with data

Next up is supply chain transformation. In an era of increasing uncertainty, there are four major benefits that can be gained from data-driven supply chain transformation (Figure 2).

The first is hypothesis testing to strengthen 'just in case' resilience. The second is sustainability and ESG compliance. The third is the enhancement of cybersecurity risk management, and the fourth is data sharing and utilization across industries, countries and regions.

Figure 2: Incorporating data infrastructure and various technologies can make the supply chain a strategic asset



Source: Fujitsu

A data linkage infrastructure is crucial in elevating the supply chain into a strategic asset.

Take a disaster as an example. In the case of the product supply chain, we are working with suppliers to establish a data infrastructure that matches the status of each process at each manufacturing site with disaster information. This makes it possible to obtain information at an early stage, such as where damage has occurred, the estimated time to recovery, inventory availability, the feasibility of alternative measures, and what kind of impact it will have on which customers. We have a system in place to instantly send confirmation emails to relevant business partners in the event of a disaster.

By leveraging our database, we can significantly reduce the time it takes to identify impacts and take recovery actions, which in turn enables us to quickly analyze and understand the impact on Fujitsu's financial objectives.

Fujitsu is working on a project called OneERP+, which aims to standardize data globally (details of the project are given in the next section). Establishing a data integration platform enables the visualization of data at the core of the supply chain, such as orders, production planning, manufacturing, and procurement. We believe that the value of the supply chain as a strategic asset will be further enhanced by visualizing the risks of change, GHG, and cyber activity, and establishing a foundation for data linkage.

Learn more about the data-driven supply chain here:

The BANI era is here-and a data-driven supply chain has never been more crucial



Management: Achieving sustainable corporate value enhancement through data-driven approaches

The fourth is the practice of data-driven management. Fujitsu launched full-scale operation of the transformation supporting Fujitsu's data-driven management, OneERP+, began in Japan in October 2024 (Figure 3). OneERP+ is a core program of the OneFujitsu initiative mentioned earlier. The essence of data-driven management is to put data at the center of everything. Given the ever-changing world we live in, management decisions require comprehensive and standardized data collected in real time. Redesigning business processes around data and simultaneously pursuing operational excellence sets the stage for the true power of data-driven decision making.

Figure 3: Achieving data-centric management with OneERP+

OneFujitsu

Real-time management

through rational and prompt support in decision-making

- Latest and high-quality management decision-related materials obtained in real time
- Future prediction information for decision-making obtained through digital twin

Data visualization

that maps end to end management resources

- Data and visualization of people, products and finance
- Linking data of the overall business processes

Business operations

standardization on a global level

- Standardized KPI, process, rule, code and system
- Standardized output that can be obtained anywhere and by anyone

Regions and Group Companies



OneData

Source: Fujitsu

For many years, each division in Fujitsu built systems to streamline their operations. As mentioned in the first section, that number ballooned to nearly 4,000 systems! That was the catalyst for pursuing data-driven management; we had reached our limit with individualized optimization.

One aim of the OneERP+ program is to concretely demonstrate the value of data-driven management. First, it significantly reduces the time required for reporting to management. By aggregating data in real-time, running it by data analysts, and proposing actions, we believe it can be completed not in weeks, but in hours or even minutes. We also anticipate a significant increase in the time available for strategy formulation. By sharing data in real-time and changing to a method where questions are answered on the spot, the time for strategy formulation and consideration can be increased from about 20% to 80%.

We have set three policies for advancing OneERP+: standardization, simplification, and the Global One Instance. There were many hurdles to overcome in realizing these. Standardizing, simplifying, and unifying rules, systems, and processes globally is essential to enhance the effectiveness of data-driven management. The greatest uncertainty was with the Global One Instance. Establishing a global common data platform requires unifying the master data, which represents the fundamental business elements of people, goods, and money.

To ensure results, we proceeded with organizational restructuring. We appointed DPOs (Data Process Owners) and DPLs (Data Process Leaders) to manage globally how each business function, such as sales management, purchasing, and accounting, should operate, clarifying their authority and responsibilities.

Furthermore, we established a steering committee composed of the CEO, CFO, and other top executives to function as a sponsor for the DPOs and DPLs. We believe that committing to a top-down approach for major structural reforms enhances the speed and effectiveness of transformation.

To enhance the quality of data-driven management, the use of AI is indispensable. At Fujitsu, we use AI for sales forecasting. We have a management dashboard that supports business decisions, financial KPIs such as sales performance and sales pipeline trends by performing checks in real-time. Based on this data, AI predicts the anticipated total revenue of orders, helping to forecast the near future.

Efforts are also being made to detect causal relationships between financial and non-financial factors. All analysis is being advanced to understand how non-financial indicators correlate with financial indicators such as profitability and growth. By enhancing non-financial indicators and clarifying their causal relationships with financial indicators, it becomes easier to take the next step towards advance corporate value more quickly and accurately.

Regarding AI-driven insights and simulations, the key is how humans interpret, add value, and bring meaning to them. Especially for CFOs, it is extremely important for AI to be explainable. Humans must continuously hone their skills with the determination to catch up and surpass the speed of AI technological innovation as a daily self-discipline. If we can't do that, we won't be able to master explainable AI, and it will be difficult to gain society's trust.

Learn more about the data-driven management here:

Future-proofing data-driven management for sustainable corporate value enhancement



Legal DX: A service that fits data to standard as a common language

Finally, it's time to explore the DX of the legal department. To develop a business that is current with global standards, the legal department must also provide globally consistent services to business units. In 2022, our team in the UK took the lead on our legal DX initiatives, aimed at in transforming the legal department to responding to rapidly changing environments.

We created a legal platform in-house called "AskLegal," which was built on ServiceNow and initially developed in the UK. It categorizes legal cases into three levels of difficulty; high-difficulty cases receive prioritized resource allocation, while routine requests and inquiries are answered by a chatbot (Figure 4). It also visualizes the number of ongoing cases in each region, improving the overall view of legal work. Understanding workload imbalances facilitates collaboration among team members, leading to improved service through an optimized work balance.

Taking the nature of the tasks into account to classify and respond to requests made to Complexity: High 1@D Onshore teams focus on the "AskLegal" global legal platform strategic and complex projects AskLegal service desk Complexity: Medium Global Hub teams provide If not a standard request, fast business support the virtual agent directs the Virtual agent user to the required resource Complexity: Low Technology and automation for instant response to Links to automation documents, etc. repetitive tasks provided instantaneously AskLegal portal Request

Figure 4: Striving for globally consistent service provision by triaging based on the nature of tasks

Source: Fujitsu

Also, we are promoting data-driven management through a global legal dashboard. Every month, we collect over 150,000 data points from various information sources around the globe, helping us visualize trends such as workflow operation status, automated response rates, real-time risk assessment, user feedback, and financial conditions. This collected data is used for tracking and analysis, leading to optimized personnel allocation and service improvements.

This has been a reminder just how challenging it is for the legal department of a global company headquartered in Japan to lead fit-to-standard efforts; legal work is inherently language-based, after all.

In legal affairs, however, differing languages across countries and regions, coupled with varying legal and judicial systems, make it difficult to collaborate on complex issues with global members. However, simply entrusting everything to local legal counsel in each country may result in a failure to adequately reflect group values and risk tolerance.

Most legal departments in globally operating Japanese companies likely share this challenge. The solution is data. Data becomes the common language of legal affairs.

For instance, by analyzing data in managing legal departments, we aim to create a positive cycle of improving legal services for business units and increasing the utilization of these services. In addressing individual cases on a global level, using data as a foundation allows us to share the same perspective, view the same facts, delve deeper into discussions regarding risk tolerance, and establish consistent decision-making criteria.

We have also made fundamental revisions in our reporting system. A global legal reporting tool platform now enables real-time report sharing between Japan and overseas offices. We have established a system where headquarters can quickly review risk reports for over 120 key global projects.

By establishing data as the common language of legal affairs and consolidating reporting on a single platform, we are promoting a "OneLegal" approach globally. We believe this will bring us closer to standardizing not only operations but also services.

Our Legal DX initiatives have resulted in a global reduction of approximately 4,000 person-days of work over the past two and a half years. This calculation is based on the actual work automated by technology, compared to the time it would have taken human resources. We are also looking closely at the ways that generative AI can further enhance productivity.

We are working on is using generative AI to develop a replacement for the chatbot currently embedded in AskLegal. Previously, the system guided users to links of stored knowledge and know-how documents. By switching to generative AI, the responses will be closer to natural language, directly providing users with the information they need in the correct context without requiring them to open documents. Overseas implementation is gradual, with a target of rolling it out in Japan during fiscal year 2025.

Learn more about the legal DX here:

Legal DX creates new business opportunities in an increasingly complex global business environment

Conclusion: Let's contribute to a sustainable and responsible future

Fujitsu's transformation is still in progress. What is common to all aspects of this transformation is the challenge of using data as a foundation, maximizing its use, and paving the way to solutions that were previously undiscovered. From strategy formulation to implementation, information gathering, and improving communication and operations among organizations and employees, the goal is to utilize data at every level of the organization.

We also believe that this series of transformations will contribute to net positive outcomes. Of course, it's important to constantly focus on the potential negative impacts of using data and technology, such as the possible increase in energy resource consumption and comprehensive management of information leaks. By viewing various challenges as sources of growth and collaborating with stakeholders, we aim to solve social and environmental issues. As a result, we can achieve both growth and the creation of social value, leading to a responsible contribution to the future.

In the realm of fiction, Holmes has solved various difficult problems by repeatedly forming hypotheses based on data and verifying them. What if he were appointed as an executive in a company in the real world now? He would surely accept the complex and dynamic reality as it is and strive to pave the way for growth by making full use of data. Data is the detective that analyzes its own challenges and finds the optimal approach to net positive outcomes. The time has come to immediately unravel the mysteries scattered throughout organizations and society and take the first step on the path of growth.



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