

# **Expansion of Modernization**

## **Further Delivery Transformation**

**Megumi Shimazu**

**Corporate Executive Officer**

**Corporate Vice President**

**COO (in charge of Service Delivery)**

**Fujitsu Limited**

September 9, 2025

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



## Megumi Shimazu

Megumi Shimazu joined Fujitsu Limited in 1987 as a systems engineer in charge of large-scale system integration projects, mainly for construction. She moved to the United States in 2009 where she was engaged in a local system integration project for a Japanese customer.

From 2015, as the Head of the Infrastructure Service Business, she implemented improvements to realize a stable profit profile.

In addition to the Infrastructure Service Business, she has been in charge of the Service Delivery since 2021.

In 2022, she moved to the United Kingdom to further reform service Delivery and also took a leading role within the company in charge of the modernization business.

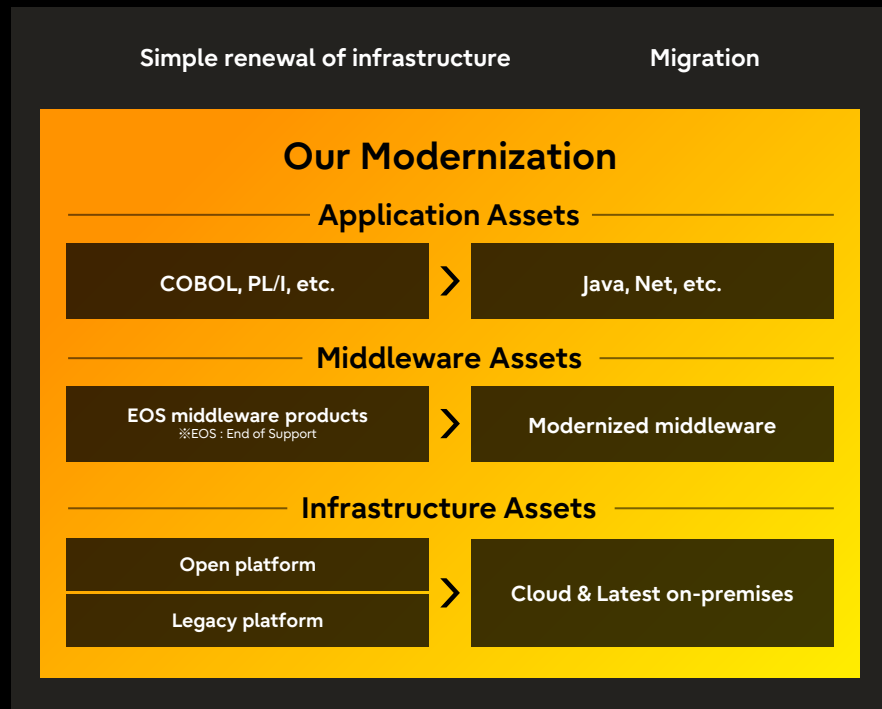
Megumi returned to Japan in 2024 and assumed the current position (COO).



# **Business Progress Toward Achieving the Medium-Term Management Plan**

# Definition of Our Modernization Business

Approaching the market and customers with a strategic focus on moving away from legacy assets



## Market / Customer

Full-scale entry by each company:

Driving expansion in FY2024 (1.3 trillion yen, up 27% year-on-year)

Source: Deloitte Tohmatsu Economic Research Institute, Inc.

"LEGACY & OPEN LEGACY MIGRATION MARKET TRENDS 2024 (Published September 2024)" (mic-r.co.jp)

Generative AI impact greater than expected

Aggressive deployment  
of generative AI  
More than 1000 employees

**85%**

Corporate  
daily use  
rate

**72%**

Generative AI  
business  
application rate

**29%**

Source:

IDC Japan "2024 Survey of Domestic User Companies IT Investment Trends and Issues by Industry Sector, Company Size, and Region" #JP50712224, April 2024

"Generative AI Usage Trends: By Employee Size" to "Implemented" The 3 categories of "planned investment after FY 2024" and "starting to consider introduction" are combined and calculated by Fujitsu as "active adoption."

Source:

Boston Consulting Group "Survey on the Use of AI in the Workplace 2025" (June 2025)

Source:

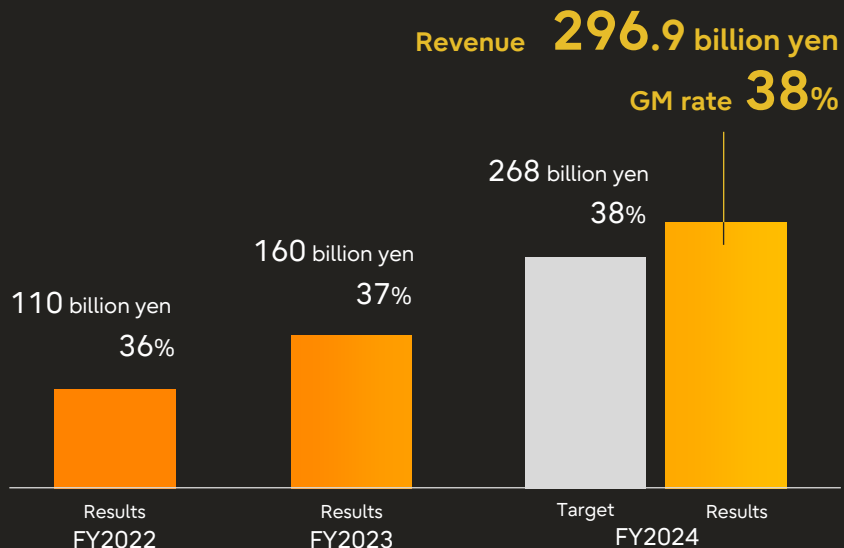
Alsaga Partners July 2025

## Fujitsu

- **End of Fujitsu legacy platform** (Mainframe / UNIX)  
Declared end-of-life in 2022 / End of asset sales in 2030 / Ended maintenance in 2035
- **Business approach in conjunction with Consulting / Uvance**
- **Implementing our proprietary generative AI technology for modernization**

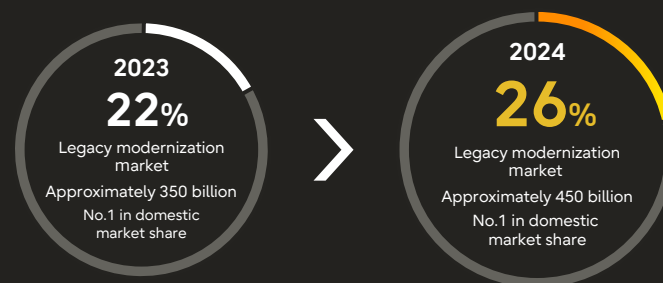
# Achievements in FY2024

Revenue achieved a strong growth of **86%**



Leading the Japanese modernization market:  
Stimulate demand

**No.1** market share for legacy modernization in Japan



Source: Deloitte Tohmatsu Economic Research Institute, Inc.  
"LEGACY & OPEN LEGACY MIGRATION MARKET TRENDS 2024" (Published September 2024)\* (Partial Fujitsu research )(mic-r.co.jp)

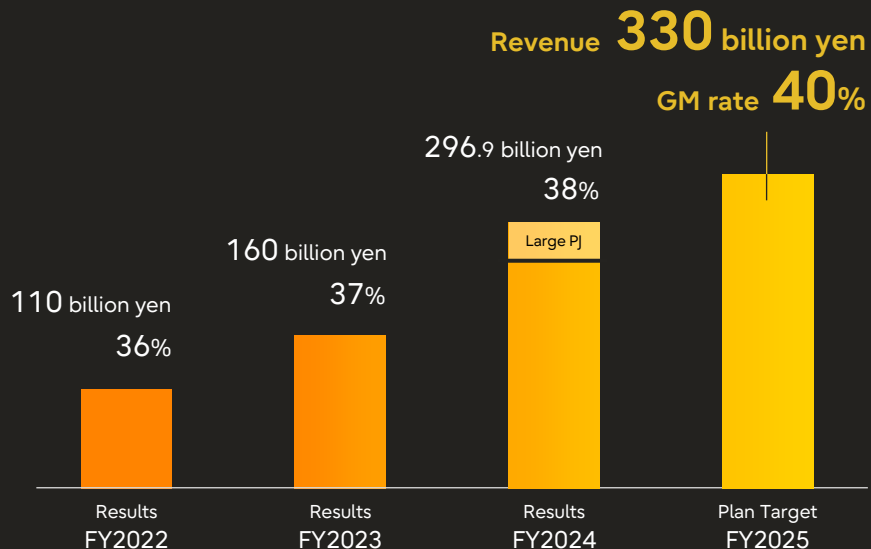
Ensure the end of our legacy platform

Mainframe : **-30**  
companies

UNIX : **-100**  
companies

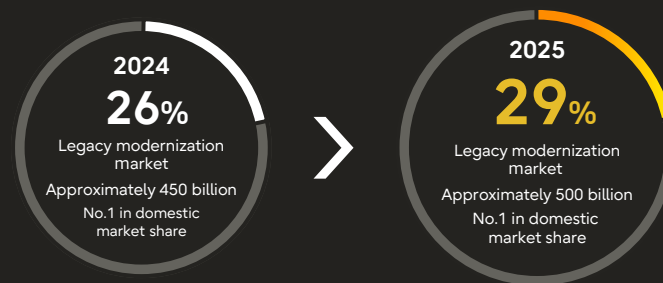
# Plan for FY2025

## Anticipating continued **revenue growth** and **expansion of our GM rate**



## Leading the Japanese modernization market: Stimulate demand

**No.1** market share for legacy modernization in Japan



Source: Deloitte Tohmatsu Economic Research Institute, Inc.  
"LEGACY & OPEN LEGACY MIGRATION MARKET TRENDS 2024 (Published September 2024)" (Partial Fujitsu research )(mic-r.co.jp)

## Ensure the end of our legacy platform

Mainframe : **- 40**  
companies

260 companies expected  
to operate at the end of FY2025

UNIX : **- 100**  
companies

490 companies expected  
to operate at the end of FY2025

# Initiatives for Further Growth

# Source of Competitive Advantages

Reposted from IR Day 2024 materials  
(held September 2024)



## Services

**End-to-end Solutions,  
combining Consulting  
services and Uvance offerings**

- Automatic language conversion tool
- Asset analysis service
- Consulting linkage
- Generative AI



## Engineers

**Consolidation and training of  
engineers who are able to  
adapt legacy systems to advanced  
technologies**

- Modernization Meisters
- Company-wide delivery engineers
- Extensive partner engineers



## Knowledge

**Quality and profitability  
backed by knowledge and  
experience**

- Largest customer base in Japan
- Long-standing systems integration track record
- Company-wide CoE function
- Company-wide sharing of knowledge databases



# Growth Strategy - Increasing Value and Expanding Market -

Priority measures for FY2025

## Value Enhancement

1. Consulting linkage
2. Strengthening engineers
3. Generative AI

## Market Expansion

Fujitsu legacy + Other legacy/open markets

Reposted from IR Day 2024 materials  
(held September 2024)

### Services

- Automatic language conversion tool
- Asset analysis service
- Consulting linkage
- Generative AI

### Engineer

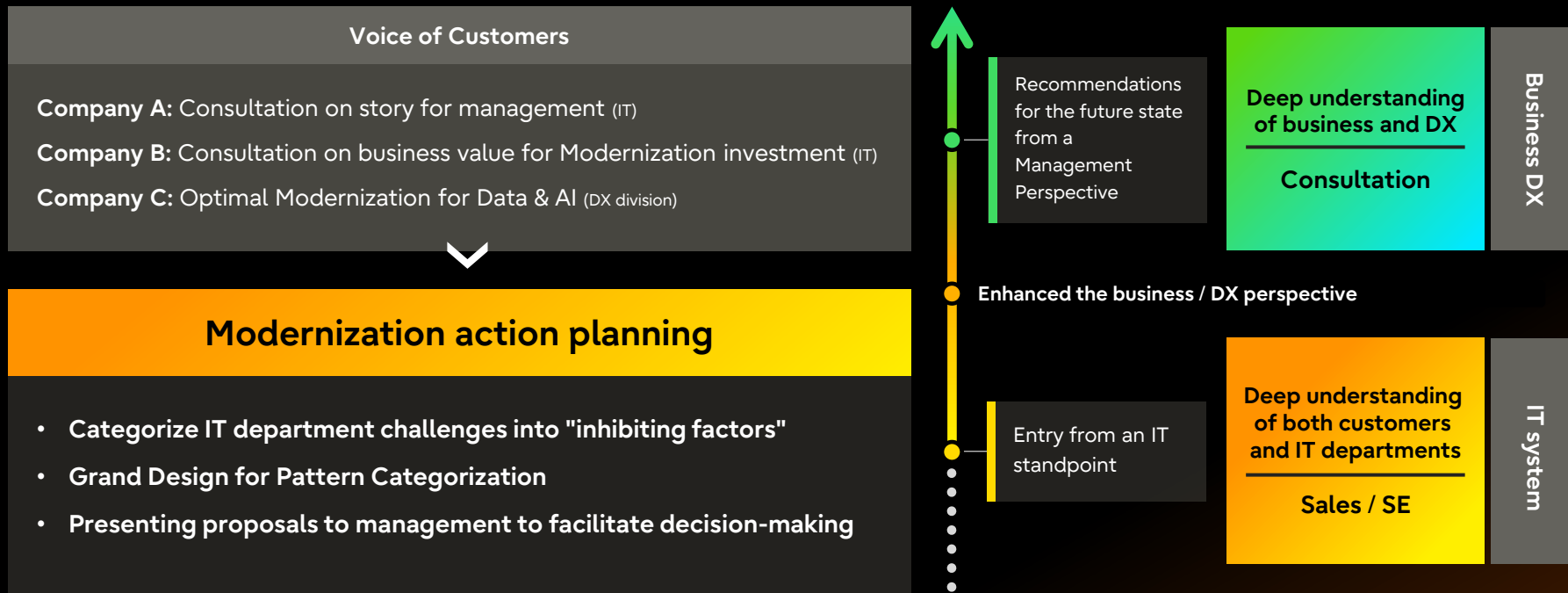
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- Company-wide delivery engineers
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### Knowledge

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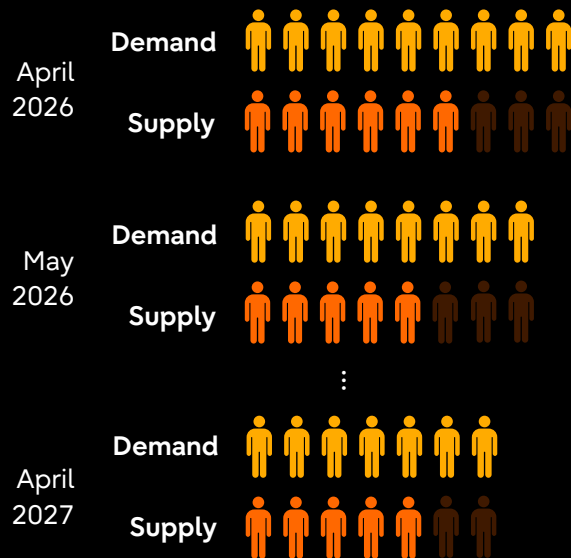
# 1. Consulting Linkage

An approach that solves customer IT and business/digital transformation (DX) challenges together



## 2. Engineer Optimization

Strengthening our efforts to forecast monthly engineer demand for short-, medium-, and long-term modernization projects and to close any resulting gaps to prevent the loss of business opportunities and a decline in quality due to insufficient staffing



### Advanced assignment

- Visualization of demand by function and skill
- Addressing gaps at the management level



### Improve productivity

- Use of tools
- Implementing generative AI (next section)



Domestic engineers **30,000**

Fujitsu partner companies **Over 2,000**

### 3. Fujitsu's Proprietary Generative AI Implementation

Enhancing customer value (increasing speed and enhancing quality), supplementing the shortage of engineers, and strengthening the ability to respond to other companies' equipment modernization

#### Legacy System Challenges

- black boxing
- Lack of legacy engineers
- Lacks to Data & AI

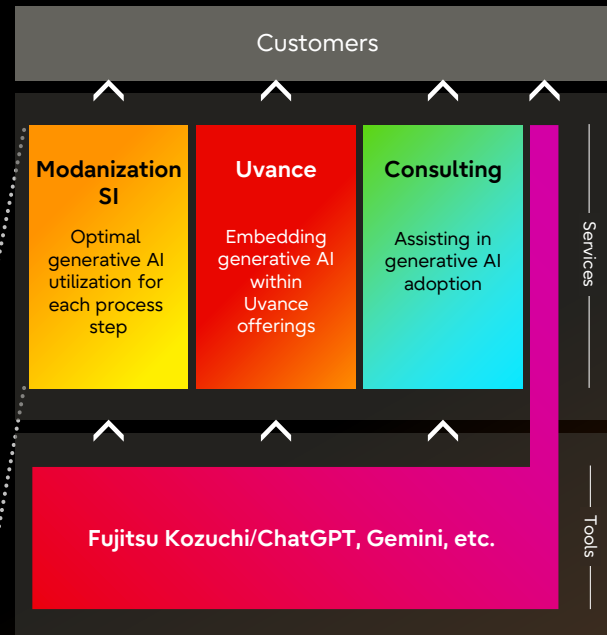


**Postponed/Prolonged/Suspended  
of Modernization project**

✓ Examples of Modernization Offerings Implemented by Our Technology (Fujitsu Kozuchi)

**Automatic generation of human-friendly design documents**

**Modernization of legacy apps**



\*ChatGPT and Gemini are your own procurement.

# Automatically Generate Easy-to-Understand Design Documents from Programs

## Automated generation of design documents

### ### Processing Overview

The program reads a **fixed-length input file** performs calculations based on specific conditions for each record, and writes the results to a fixed-length output file. Specific conditions include dynamic calculations **based on field values** and the application of predefined constants.

### ### Schema of the input record (item-name)

- **a4: CHAR(4)**
- **a5: CHAR(20)**
- **a6: DEC FIXED(7)**
- **a7: CHAR(1)**
- **a8: CHAR(1)**
- **a9: CHAR(2)**

## Applied Fujitsu Kozuchi

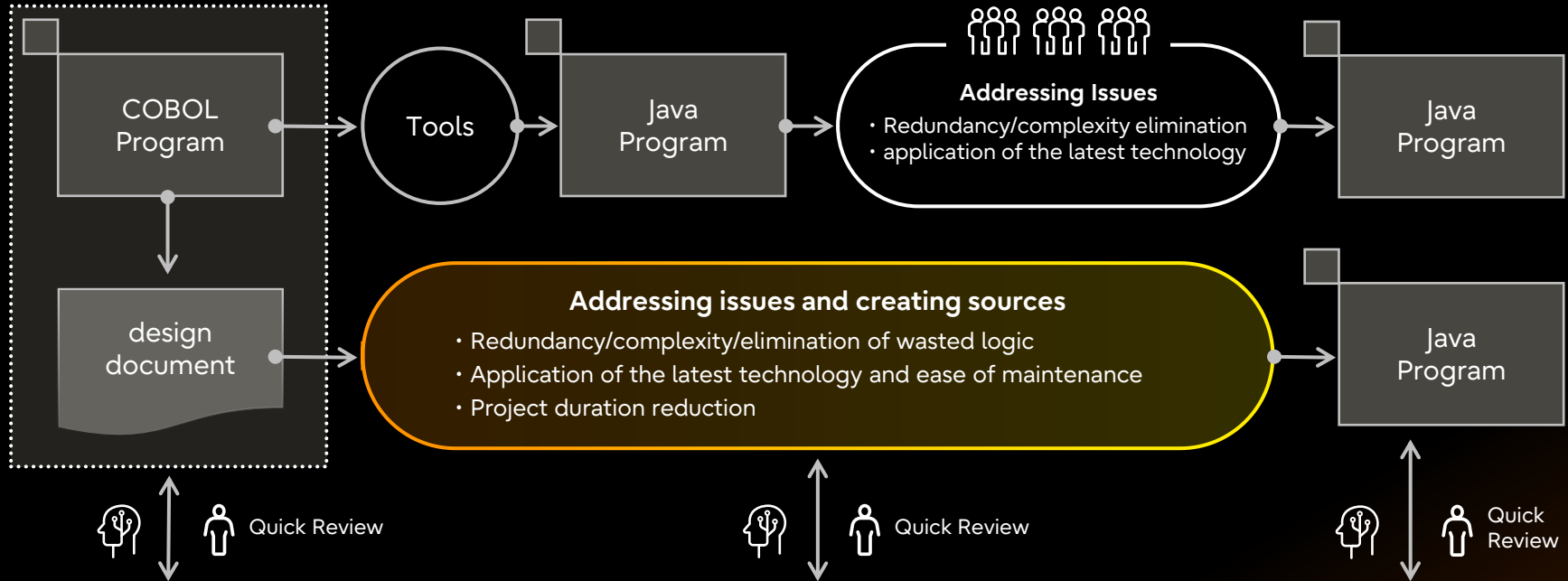
### ### Processing Summary:

The program reads **employee input records** performs calculations based on certain conditions, and writes the results to output records. The calculations take into account **employees' job titles and specific scores**.

### ### Schema of input record (item name):

- **Employee Number (a4)**
- **Name (a5)**
- **Base salary (a6)**
- **Type 1 (a7)**
- **Type 2 (a8)**
- **Code (a9)**

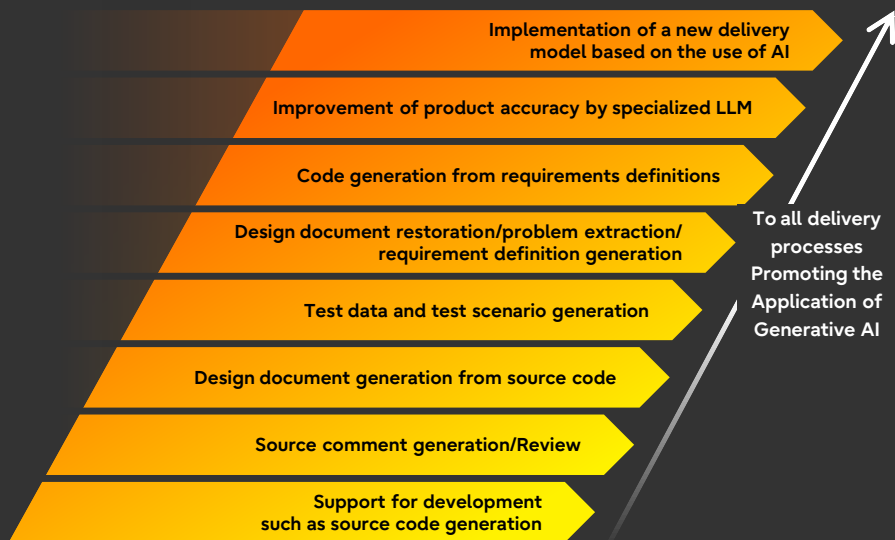
# Modernization of legacy apps



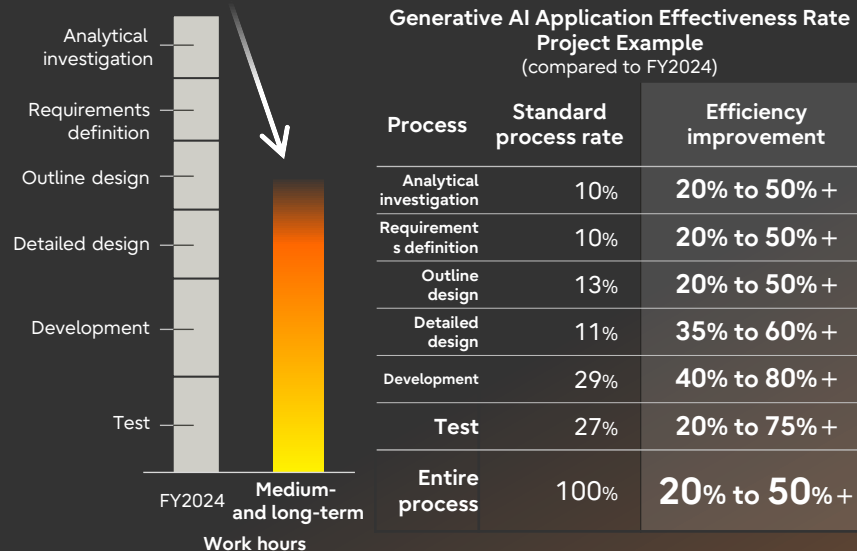
Fujitsu Kozuchi (Knowledge Graph), GitHubCopilot ...etc

- Promoting the application of generative AI to all delivery processes. Improve application maturity and maximize early impact
- Promoting a new delivery model based on generative AI

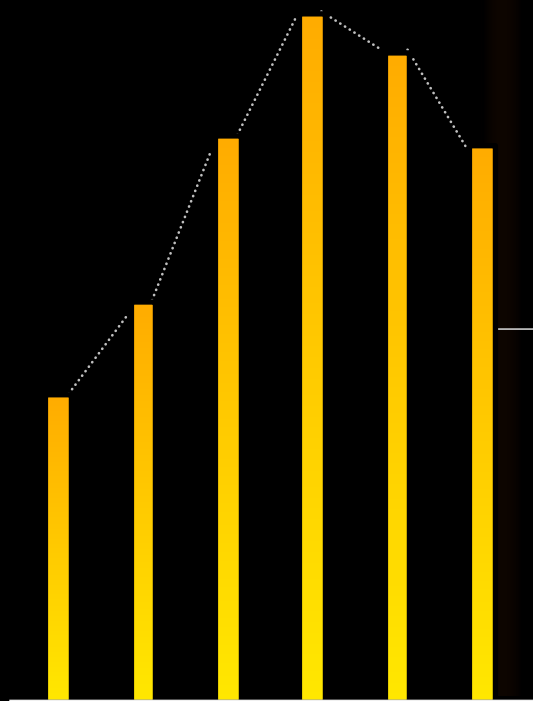
### Measures to Apply Generative AI to Delivery Processes



### Possibility of Reducing Work Hours by Applying Generative AI



## From Our Market to Other/Open Market



### Our Legacy Modernization

Maximize in-house assets and know-how Peak out in FY2029

FY2025  
Sales  
forecast

Approx. **130** billion yen  
+10% compared to FY2024



# From Our Market to Other/Open Market

## Development of business knowledge and expansion of market base

### Legacy Modernization for Other Companies

Roll-out of in-house modern knowledge

FY2025  
Sales  
forecast

Approx. **40 billion yen**  
+40% compared to FY2024

### Open Modernization

Integration of legacy and cutting-edge technologies

FY2025  
Sales  
forecast

Approx. **160 billion yen**  
+10% compared to FY2024

### Our Legacy Modernization

Maximize in-house assets and know-how  
Peak out in FY2029

FY2025  
Sales  
forecast

Approx. **130 billion yen**  
+10% compared to FY2024

# Future Outlook

## Expansion of Modernization Market Share

Continuing to grow business

Share **30%+**  
+8% compared to FY2025

- Sales growth through increased customer value and market expansion
- Expect CAGR 30% over the market CAGR of 20%

Source: Deloitte Tohmatsu Economic Research Institute, Inc.  
"LEGACY & OPEN LEGACY MIGRATION MARKET TRENDS 2024 (Published September 2024)"  
(Partial Fujitsu research )(mic-r.co.jp) FY 2030 figures include Fujitsu forecasts.

## Strengthening Profitability

Maximizing the benefit of using generative AI  
and developing practical knowledge

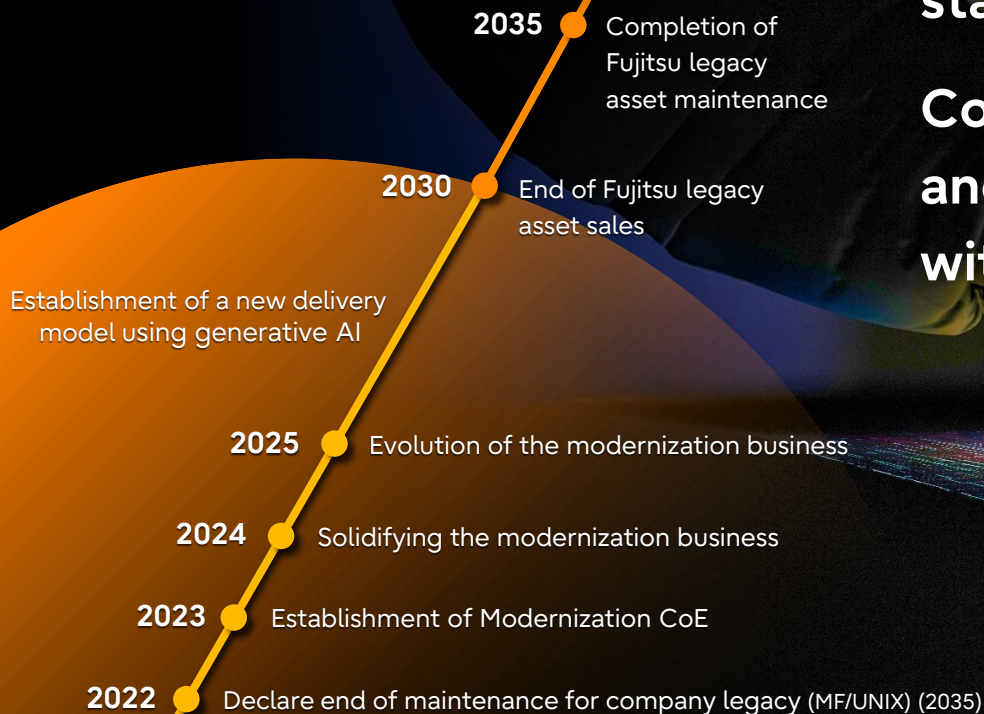
GM rate **50%+**  
10% increase from FY2025

- Thorough use of generative AI
- Expanding measures in key strategic areas  
(Consulting linkage, Engineer optimization, generative AI)

## Moving to the Next Stage of Business Modernization to Generate Driving Force

**Fujitsu's modernization is the  
starting point for innovation**

**Continuously transforming  
and co-creating the future  
with our customers**



**Thank you**

# Cautionary Statement



These materials may contain forward-looking statements that are based on management's current information, 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 listed below.

- General economic and market conditions in key markets (particularly in Japan, Europe, North America, Oceania, and Asia, including China)
- 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
- Risks related to public regulations, public policy and tax matters
- Risks related to product or services defects
- Potential emergence of unprofitable projects
- Risks related to R&D investments, capital expenditures, business acquisitions, business restructuring, etc.
- Risks related to natural disasters and unforeseen events
- Changes in accounting policies