**Summary Translation of Question & Answer Session at
Fujitsu Technology Strategy Briefing for Analysts**

Date: December 12, 2024
Location: Fujitsu Technology Park
Presenters: Vivek Mahajan, Corporate Executive Officer, Corporate Vice President, CTO, CPO, in charge of System Platform
Seishi Okamoto, Corporate Executive Officer, EVP, Head of Fujitsu Research
Yuzuru Fukuda, Corporate Executive Officer, EVP, CDXO, CIO

**Questioner A**
*Q1: I have a question about AI agents. For example, in the case of Salesforce, they first enter data in the Salesforce Data Cloud, then connect and integrate it using MuleSoft in order to increase the performance of the AI agent. It is an approach that seems characteristic of the biggest tech companies. I think not just Fujitsu but also companies such as Microsoft and NEC will also release similar AI agents. You mentioned earlier that there is some data that customers would not want to put in the big tech companies' datacenters. If, however, a customer creates an agent either on premises or in a private cloud, I think the performance of the agent would not be as good. Stricter rules on data privacy and storage are being introduced in and outside of Japan. In light of this, please tell us your views on the future development of AI agents.*

**A1 (Okamoto):** With our AI agent, the AI agent is trained not just with text data but also imaging data, and then solves problems on its own. We have a large language model called Takane, and it can work in private environments. Its features include that it is able to be delivered via private cloud, as well as on premises and via a public cloud.

**(Mahajan):** Regarding the future of AI agents, I think it will be necessary to have flexibility in the environments used, with the ability to use both private and public clouds, for example. As EVP Yuzuru Fukuda explained earlier, there are many people who do not want to store all of their data in just one of the big tech companies. For example, at a big manufacturer or bank, they have a lot of internal data, and they would like to use an AI agent to do things like optimize a supply chain or a financial process. As for performance, we think computing will still continue to evolve, so we are not worried about that. We would like to develop technology that would enable Salesforce, ServiceNow, SAP, or other AI agents to converse and interact with each other.

*Q2: You said that Fujitsu's internal use of generative AI has already shown promise. AI agents and applications such as Devin, for example, have recently garnered a lot of attention, and I have heard that some consulting companies are using generative AI for writing and defining requirements. Have you done any trials for AI deployments in these types of areas? In addition, there are all kinds of tools for writing, but my feeling is that, when it comes to practical business applications or debugging, their effectiveness still leaves a lot to be desired. What is your view?*

**A2 (Fukuda):** The 920,000 hours I referred to earlier was about work efficiencies from a general-purpose generative AI platform. We are also using generative AI in our main business areas of systems development and testing. As we recently announced at a GitHub Japan event, now several thousand people are using GitHub Copilot, so it must be among the largest deployments in Japan, and we are working on joint field trials and practical applications with a variety of customers. Systems development starts with senior level consulting, and takes many steps such as defining requirements, as well as actual development, testing, and data migration. Coding represents only a small portion in a typical project, and among those, the current situation is that certain processes can be automated. We are still far away from being able to just issue instructions to have all of the software developed, and we think there are some fairly substantial technical hurdles there.

To answer your first question, from the standpoint of internal users, over the past four years Fujitsu has implemented 51 SaaS applications. We also use applications from Salesforce and ServiceNow, but 51 companies have told us that they want us to use their own AI. The AI incorporated into these SaaS applications is convenient, so we would like to actively use them, but it would not be good at all for us for 51 versions of AI to operate completely separately. Alternatively, there is security, data authorizations, and AI ethics that conform to our internal standards, and for these we would like to incorporate Fujitsu's approach. Still, we cannot have each company asking us to use completely separate versions. Up until now, it was often the case that AI evolved vertically for vendor solutions. The key now, I think, is for it to evolve horizontally. So, for each of those verticals, we could play a coordinating role, determining the impact of the AI in 51 SaaS applications, for example, and we would like to play that role. Therefore, to achieve sovereign AI or the platform for achieving it, all kinds of technologies, from networks, to clouds, to on premise environments, need to evolve horizontally, and we think that will start to happen.

## Questioner B
*Q1: In the generative AI trends, I would like to hear Fujitsu's strategy for success as an IT vendor in Japan, such as where and how you will compete, including globally. As background, the big tech companies are talking about general purpose applications, but Fujitsu is emphasizing specialized, enterprise applications. But general purpose applications will broaden their scope to enterprise, so I think competition will become more intense. What are your thoughts on this?*

**A1 (Mahajan):** As you understand, our focus is on developing technology to meet enterprise needs. That is true for AI agents, as well. We do not consider the mega-tech companies to be our enemies. They are developing AI technology and generative AI: Microsoft with OpenAI, Amazon with Anthropic, and Google with its own proprietary models. We will coexist with them. That said, customers do not want all of their IP to be on the clouds of the mega-tech companies. About 80% of customer data is unstructured, and it includes confidential data. For example, in the automotive industry, they are building processes based on proprietary IP, so they are very sensitive about security. Big tech is focusing on general purpose applications, but that is not everything.Fine-tuning, specialized solutions, and horizontal integration are also necessary.. We think that is where there are needs, and that is where Fujitsu can contribute to our customers.

We aim to develop a specific process that ensures robust security and delivers a customized private environment for our clients, including customizable horizontal collaboration.

**Questioner C**
*Q1: During last year's R&D Strategy Briefing, it was mentioned that the theme for Fujitsu's R&D is accelerating commercialization. One year later, do you believe that you have succeeded in accelerating commercialization? If you do, could you please give us a representative example of this that is either tied to, or you foresee will be certainly tied to, tangible results?*

**A1 (Okamoto):** In regard to the quantum computer that was mentioned in our presentation today, we are moving forward with business deals for the machine. In addition, the AI computing broker for addressing power shortages related to AI has entered the full-scale implementation phase, following customer verification trials. In April, we released the first single GPU version, then in September we released the multi-GPU version, and we also plan to release a multi-server version in January 2025. So, we believe that we have considerably sped up our commercialization efforts.

**A2 (Mahajan):** In quantum computing, there are examples of our efforts, including with the National Institute of Advanced Industrial Science and Technology. There are also examples of national projects for generative AI and security, which you can see in the demo. From our perspective, there are still a lot of things that must be done, but we believe that we have shortened the distance between our business and customers and have also accelerated our commercialization efforts. We have also explained these efforts through press release announcements of case studies and our announcements for investors at Fujitsu's IR Day in September. Please take a look at them.

**Questioner D**
*Q1: Earlier, there was talk of a Fujitsu-style AI agent and how 51 global vendors have said that they want you to use their AI. But I believe that AI features and profiling should become increasingly open-sourced. With the AI agents that Fujitsu is currently creating, what approach are you taking? Have there been any decisions made regarding what features it will have, and what parts of it will be open-sourced?*

**A1 (Mahajan):** I believe there are both things that should be made available to the public and things that will make Fujitsu competitive. As you know, Fujitsu works closely with the Linux Foundation, and has made significant contributions to the technology that is the foundation of AI, such as PyTorch. Even with developing technologies for Fujitsu-Monaka and as a part of expanding our ecosystem, we have also contributed to the development of Arm CPU and optimization of foundational AI open-source technologies, including PyTorch and OpenBLAS. In summary, we are making available to the public as much as can be made available. But on the other hand, we are also a business, so for technologies that will increase our competitiveness, we want to keep the information confidential to sell as a product.

**(Okamoto):** First, we believe that guardrails or behavioral controls for AI agents are absolutely necessary. We have added this technology to our AI agents. Second, as for the approach of

having an open-source environment when switching to using multi-agents, currently, rather than Fujitsu working on its own, we are working with such partners as the Carnegie Mellon University in the US to create an open-source environment and use AI agents inside of that environment. We believe that part of our strategy will be to effectively use both open-source and closed-source technologies.