

## MESSAGE FROM THE CHAIRMAN

We on the Board of Directors are working to meet shareholder expectations by earnestly pursuing corporate governance that improves corporate value and maps out the future vision of Fujitsu as a technology leader.

The Company's Board of Directors has, through business model transformation, carried out qualitative change and improved its effectiveness. Taking into account global diversity and the future of society, the Board is focusing its efforts on establishing a growth model that will create new value and realize sustainable growth.



### Business Model Transformation That Promotes Governance "on the Offense"

As of this fall, two-and-a-half years have passed since Fujitsu began its efforts to transform its business model. In fiscal 2016, the Board of Directors continued to promote business model transformation by determining areas in which the Company should concentrate its management resources in accordance with the Management Direction and by overseeing the allocation of resources to these areas. As we have entered into the third year of these efforts, the direction of the transformation is coming into focus, and we are emphasizing an approach that goes "on the offense" with corporate governance in order to establish a new business model and create new value.

In line with the progression of our business model transformation, the nature of discussions at Board of Directors' meetings is changing as well. While my opinion may be subjective, I feel that a few years ago nearly 70% of discussions at Board meetings focused on reporting operations, with the other 30% pertaining to business strategy and future vision; however, that ratio has now flipped. In the background of this transition, we have seen various changes occur on the Board, including changes in the balance between executive and non-executive directors; diversification of director background, gender, and nationality; and deeper external director insight regarding the Company's business thanks to the effective utilization of the Independent Officers Council. Personally, I serve as both a non-executive director and chairman of the Board of Directors, and in this position, I strive to manage the Board from a neutral position. Currently, external directors are extremely vocal at Board of Directors' meetings, and I believe that this is just one example of the positive changes that are occurring as a result of our efforts to strengthen the Company's governance.

### Maintaining Trust in the Leadership of the Company's President

Among the specific initiatives we are undertaking to transform our business model, there are cases where certain initiatives have taken more time to implement than we initially expected at the time we formulated the Management Direction. However, this delay is due to the fact that President Tanaka, who leads the Company's business execution, is refraining from adopting a hasty approach that pursues only superficial changes that lack substance. Rather, he is promoting efforts toward transformation with a commitment to genuine change.

We are not pursuing business model transformation simply for the purpose of enhancing our short-term profitability. The key focus of our efforts is on establishing a new growth model that can meet the current and future expectations of our customers. While we do place priority on speed, we are committed to spending the necessary amount of time it takes to explore ways to realize qualitative changes and maximize the effects of these changes. President Tanaka is steadfast in his strategic

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preparations for establishing a new growth model, and the Board of Directors wholeheartedly supports his leadership.

### Mapping Out the Future Vision of ICT and Fujitsu at the Board of Directors

We believe that Fujitsu, as a technology leader, is obligated to lead the way in determining the future vision of ICT. For example, while the use of ICT in the medical treatment field is starting to increase, ICT utilization in the fields of agriculture and sports has only just begun. To have our customers understand the true potential of ICT, it is our job to independently and aggressively propose its use.

It goes without saying that, to lead the way in presenting the future vision of ICT, our employees—who closely interact with customers on a daily basis—must engage in efforts to spur innovation. While the Board of Directors must assist in these efforts as well, we also need to establish a future vision for the Company within a globally competitive environment. Accordingly, the Board has been holding meetings at various locations overseas, starting with London in February 2016 and in Silicon Valley in February 2017. Through studies of local companies and other means, these overseas visits have given us an opportunity to witness the use of cutting-edge ICT firsthand. These experiences have provided the Board with a chance to once again consider the capabilities of ICT and the approach Fujitsu should adopt, and such considerations are being reflected in the discussions at Board meetings.

Looking back over 50 years ago to the 1964 Tokyo Olympics, Japan was in the midst of rapid economic growth, and the Olympics provided an opportunity for Japan to showcase that growth to the world. In 2020, the Summer Olympics and Paralympics will once again be held in Tokyo, and I believe that it is up to Fujitsu to present the world with specific examples of the true value and enrichment that ICT can offer.

Please look forward to Fujitsu playing an active role as we continue to take on the challenge of expanding the scope of ICT use as a technology leader.

*Masami Yamamoto*

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Director and Chairman