

## **Fujitsu Embarks on Strategic Group Formation Reorganization to Drive Business Transformation**

---

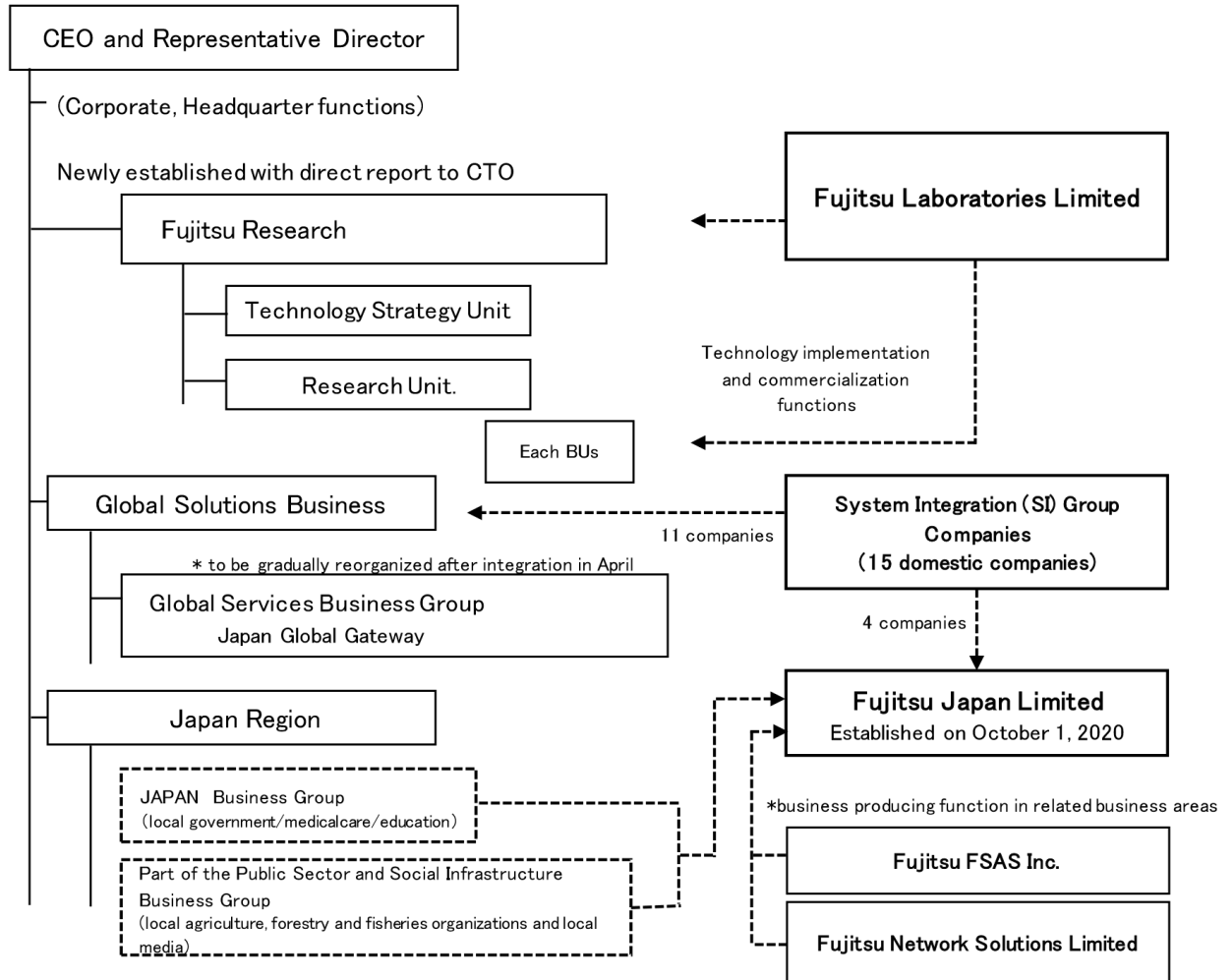
**Tokyo, Japan, January 28, 2021** – Fujitsu today announced a comprehensive, strategic reorganization of its group formation to more effectively contribute to the resolution of a variety of issues confronting society and to promote initiatives for the growth of customers as a leader in the growing field of digital transformation (DX). These steps will position Fujitsu to consolidate key functions spread throughout the group, enhance its problem-solving capabilities, and further strengthen its ability to generate new business by streamlining operations and securing a competitive advantage.

As of April 1, 2021, the following steps will be undertaken to achieve this:

- To realize a new structure for R&D, Fujitsu Laboratories, Ltd. (Note 1) will be fully integrated into Fujitsu Limited, and a new organization, Fujitsu Research, will be established directly under the CTO. Fujitsu Research will consist of two units: the "Technology Strategy Unit," which will be responsible for formulating a technological strategy for the entire company by consolidating research and analysis functions located throughout the group, and the "Research Unit," which will conduct leading-edge technology research.
- To accelerate changes to enhance delivery functions (design, develop, deploy, operate, and maintenance of solution services) within the solution services business, 11 major SI group companies in Japan will be integrated into Fujitsu Limited, and 4 will be integrated into Fujitsu Japan Limited (hereinafter, "Fujitsu Japan Ltd." Note 2).
- To expand its business in Japan, Fujitsu will integrate its solution services and product-related businesses for local governments, medical and educational institutions, local agriculture, forestry and fishery organizations, and local media, the business producing functions of Fujitsu FSAS Inc. (Note 3) and Fujitsu Network Solutions Ltd. (Note 4), as well as the four SI group companies mentioned above into "Fujitsu Japan Ltd." (Press releases on the establishment of the company were issued in March and July 2020.)

Fujitsu defines its Purpose (Note 5) as "mak[ing] the world more sustainable by building trust in society through innovation." In alignment with this core principle, Fujitsu will continue striving to contribute to the resolution of social issues, as well as the growth of its customers, drawing on the Group's collective efforts and leveraging its core technologies and wide range of industry and business know-how.

**New Group Formation (as of April 1, 2021)**



**I. Reorganization, Integration of Fujitsu Laboratories**

Amidst rapid changes in recent years, the research and development of innovative technologies and the ability to deliver services that quickly put them to practical use will play an increasingly vital role in solving issues facing customers. Open technology has also become the norm in technology development, and an increasing need exists to combine various technologies both from inside and outside the company to rapidly create new services.

Through this reorganization, Fujitsu will further promote the integration of its R&D capabilities with management, drive R&D based on speedy decision-making and judgment in line with the Group's direction and strategy, and strengthen its status as a DX company in formulating its technology strategy to establish a decisive competitive advantage over the medium and long term and maximize the value it provides to customers.

(1) Outline of Reorganization

Effective April 1, 2021, Fujitsu Laboratories, Ltd. (Approx. 900 employees) will be integrated into Fujitsu Limited, and a new organization, "Fujitsu Research" will be established with direct report to the CTO. Fujitsu Research will consist of two units: the "Technology Strategy Unit," which will be responsible for formulating a technological strategy for the entire company by consolidating research and analysis functions located throughout the group, and the "Research Unit," which will conduct leading-edge technology research. In addition, the functions of technology implementation and commercialization that have been performed by Fujitsu Laboratories, Ltd. will be transferred to the Business Units.

(2) Aim of restructuring

*(a) Formulation of a technology strategy*

Fujitsu will outline a vision of the future from global and social trends, predict the leading-edge technologies needed to realize this over the medium to long term, clarify its R&D policies, formulate a technology strategy based on the corporate strategy, and invest in research and development through selection and concentration. As a DX company, Fujitsu will reform and strengthen the entire Group's R&D structure by taking responsibility for intellectual property strategy, technology assessment, and boosting its presence.

*(b) Strengthen ability to create technologies that become core businesses in the future*

Based on its technology strategy, Fujitsu will concentrate on the research and development of technologies that ensure a competitive advantage for the Group's businesses and resolve social issues in line with technological trends. Fujitsu will also strengthen its R&D efforts in AI and quantum computing, and undertake research on new advanced technologies that incorporate knowledge from social science and other fields. Fujitsu will develop technologies that are essential for solving social problems through innovation by embarking on a Purpose-driven R&D policy.

[\\*For additional details please refer to "Notice of Agreement for the Merger through Absorption \(Simplified Absorption-type Merger\) of a Consolidated Subsidiary \(Fujitsu Laboratories Limited\) of Fujitsu Limited"](#)

**II. Integration of SI group companies (15 companies) into Fujitsu Limited and "Fujitsu Japan Ltd."**

In October 2020, Fujitsu established "Fujitsu Japan Ltd." to strengthen its problem-solving capabilities in Japan, and in November 2020, additionally established a new organization, the "Japan Global Gateway" (Note 6), to strengthen its service delivery capabilities. Through these and other initiatives, Fujitsu is working to transform its solution services business.

Together with the full-scale launch of "Fujitsu Japan Ltd." and "Japan Global Gateway", Fujitsu will further accelerate its efforts by repositioning 15 SI group companies in order to strengthen its ability to overcome challenges in the domestic market, create greater stability for its business, and strengthen group competitiveness.

(1) Outline of Reorganization

- As of April 1, 2021, 11 of the domestic consolidated subsidiaries engaged in the solution services business, mainly in the areas of the Fujitsu's business, will be consolidated into Fujitsu Limited. 4 companies engaged in relevant areas will be consolidated into Fujitsu Japan Ltd.
- After the integration, Fujitsu will gradually reorganize the delivery functions of each company into the "Japan Global Gateway" over six months.

(2) Aim of restructuring

*(a) Consolidate the strengths of each company and strengthen the Group's overall capabilities*

Fujitsu will expand its business by concentrating knowledge and capabilities dispersed throughout the Group and the strengths of each company into Fujitsu Limited and "Fujitsu Japan Ltd". This will ultimately support the creation of services and solutions that can compete in the global market and help solve complex and sophisticated customer issues.

Fujitsu will also enhance the overall capabilities of the Group by optimizing the allocation of talent and revitalizing self-directed career development.

*(b) Improve productivity and profitability by establishing a new SI system*

By consolidating delivery functions that are distributed across different companies into a "Japan Global Gateway", Fujitsu aims to improve productivity by streamlining roles and standardizing work, as well as to improve profitability in the SI business by eliminating redundant investments. Fujitsu will also contribute to further stabilization in its customer business by improving the quality of SI.

[\\*For additional details please refer to "Notice of Agreements for the Mergers through Absorption \(Simplified Absorption-type Merger\) of Consolidated Subsidiaries \(11 SI group companies\) of Fujitsu Limited and Recording of an extraordinary profit on the non-consolidated performance"](#)

**Companies Absorbed by Fujitsu Limited**

Fujitsu Broad Solution & Consulting Inc. : Minato-ku, Tokyo, Japan, President and Representative Director  
Koji Oka

Fujitsu Social Science Laboratory Limited : Kawasaki, Kanagawa, Japan, President and Representative Director Keisuke Doi

Fujitsu Software Technologies Limited : Yokohama, Kanagawa, Japan, President and Representative Director Masato Nitta

Fujitsu Advanced Engineering Limited : Shinjuku-ku, Tokyo, Japan, President and Representative Director Hideaki Hirayama

Fujitsu Public Solutions Limited : Chiba, Chiba, Japan, President and Representative Director Naokazu Hazeyama

Fujitsu Applications Limited : Ota-ku, Tokyo, Japan, President and Representative Director Kyouji Arakaki

Fujitsu Systems Web Technology Limited : Minato-ku, Tokyo, Japan, President and Representative Director Toshio Hashimoto

Fujitsu Kyushu Systems Limited : Fukuoka, Fukuoka, Japan, President and Representative Director Yuuichirou Ishii

Fujitsu Hokuriku Systems Limited : Kanazawa, Ishikawa, Japan, President and Representative Director Tooru Sakane

Fujitsu Systems Applications & Support Limited : Sendai, Miyagi, Japan, President and Representative Director Seiichi Tamura

Okinawa Fujitsu Systems Engineering Limited : Naha, Okinawa, Japan, President and Representative Director Shin Uchida

Total of about 7,400 employees

#### **Companies Absorbed by Fujitsu Japan Limited**

Fujitsu Niigata Systems Limited : Niigata, Niigata, Japan, President and Representative Director Chikara Gonoda

Fujitsu YFC Limited : Yokohama, Kanagawa, Japan, President and Representative Director Ryo Nishikawa

Fujitsu Yamaguchi Information Co., Ltd. : Ube, Yamaguchi, Japan, President and Representative Director Kimiaki Mizuta

Fujitsu FOM Limited : Minato-ku, Tokyo, Japan, President and Representative Director Shuji Yamashita Total of about 800 employees

### **III. Full-Scale Launch of Fujitsu Japan Ltd.**

In Fujitsu's Management Direction presentation in July 2020, the CEO identified issues to be tackled in order to realize its Purpose, which included "strengthen[ing] problem-solving capabilities in Japan." To this end, in October 2020 Fujitsu commenced new initiatives centered on "Fujitsu Japan Ltd." and its domestic business. Fujitsu's solutions and product-related businesses for small- and medium-sized second-tier companies in the private sector, local governments, medical and educational institutions,

local agriculture, forestry and fisheries organizations, and local media, the business producing functions of this business domain of Fujitsu FSAS Inc. and Fujitsu Network Solutions Ltd.; and four SI group companies (Fujitsu Niigata Systems Ltd., Fujitsu YFC Ltd., Fujitsu Yamaguchi Information Co., Ltd., Fujitsu FOM Ltd.) will be integrated into Fujitsu Japan Ltd. with full-scale activities under this new company structure starting on April 1, 2021. Fujitsu aims to contribute to the creation of a sustainable society by maximizing the value it provides to its customers in response to the New Normal, which represents an urgent priority. This includes countermeasures to mitigate the impacts of COVID-19, while at the same time leading to the resolution of various social issues facing Japan, like regional revitalization through innovation, and the realization of the super smart society that the Society 5.0 initiative aims to achieve.

[\\*For details, please refer to the following press release from July, 2020: "Fujitsu to Launch New Company 'Fujitsu Japan Ltd.'"](#)

[\\*For additional details on the reorganization, please refer to: "Notice Concerning Company Split \(Simplified Absorption-Type Split\) with a Consolidated Subsidiary \(Fujitsu Japan Limited\) of Fujitsu Limited"](#)

## Notes

- [1] Fujitsu Laboratories Limited: Kawasaki, Kanagawa, Japan, CEO and Representative Director Hiroataka Hara
- [2] Fujitsu Japan Limited: Minato-ku, Tokyo, Tokyo, President and Representative Director Toshio Hirose
- [3] Fujitsu FSAS Inc.: Shinagawa-ku, Tokyo, Tokyo, President and Representative Director Toshinori Kobayashi
- [4] Fujitsu Network Solutions Limited: Yokohama, Kanagawa, Japan, President and Representative Director Tetsuo Shima
- [5] Purpose: The company's raison d'etre and role to play.
- [6] Japan Global Gateway: A near-shore center that organizes and standardizes local needs for offshore development.

## Press Contacts

Fujitsu Limited

Public and Investor Relations Division

<https://www.fujitsu.com/global/about/resources/news/presscontacts/form/index.html>

## About Fujitsu

Fujitsu is the leading Japanese information and communication technology (ICT) company offering a full range of technology products, solutions and services. Approximately 130,000 Fujitsu people support customers in more than 100 countries. We use our experience and the power of ICT to shape the future of society with our customers. Fujitsu Limited (TSE:6702) reported consolidated revenues of 3.9 trillion yen (US\$35 billion) for the fiscal year ended March 31, 2020. For more information, please see [www.fujitsu.com](http://www.fujitsu.com).