Delivery Transformation

AI-Driven Delivery & Modernization

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COO in charge of Service Delivery
Fujitsu Limited

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Corporate Vice President, COO in charge of Service Delivery

Megumi Shimazu

Joining Fujitsu Limited in 1987 as a systems engineer, she was in charge of large-scale system integration projects, primarily for clients in the manufacturing industry. In 2009, she relocated to the United States to work on system integration projects for local offices of Japanese companies. Since 2015, as the head of the Infrastructure Services business unit, she has driven improvements to achieve a stable profit structure. In 2021, she took on responsibility for service delivery in addition to the infrastructure services division. In 2022, she relocated to the United Kingdom to drive further reforms in service delivery. Furthermore, she led the company-wide modernization initiative as the head of the Modernization Business. She returned to Japan in 2024 and assumed her current position (COO).

Section 1

AI-Driven Delivery

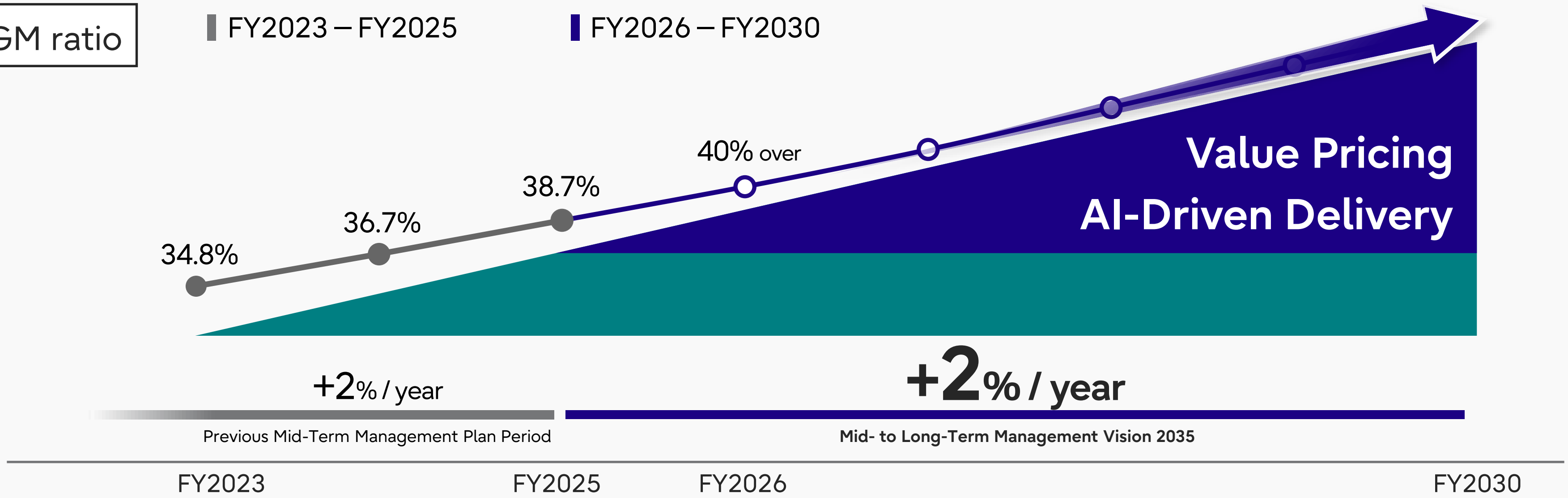
Aiming to provide value to customers through speed and quality improvement

Service Solutions

- uvance
- Modernization
- Traditional IT Services

Gross Margin in Service Solutions

GM ratio



Measures to achieve the GM ratio

- Consolidation of domestic engineers
- Expansion of offshore operations
- Standardization and automation

- **Accelerating growth and transforming the revenue structure through value pricing**
- **Promotion of AI-driven delivery**
- Further consolidation and optimization of engineers
- Standardization and automation

Transition to AI-Driven Delivery

FUJITSU

Achieve shorter delivery lead times and improved quality, contributing to the creation of business opportunities for our customers

AI-driven delivery

Conventional development
Humans perform all processes

Requirements definition → Design → Development → Testing

AI utilization Lv1
Generative AI prompt-based interactive development
A person provides instructions one by one, and generative AI assists with individual tasks

Requirements definition → Design → Development → Testing

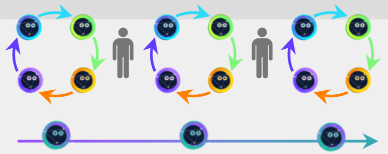
AI utilization Lv2
AI Agent development and implementation
AI automatically executes tasks within the process, while humans verify and make decisions between processes

Requirements definition → Design → Development → Testing

Requirements Definitiom agent | Design agent | Development agent | Testing agent

AI utilization Lv3
Multi AI Agent development and utilization
Using our proprietary multi-AI agent technology to enable the automated execution of multiple processes

Human led purpose and requirements definition



AI-driven Software Development Platform

Quality and final decision where people bear responsibility

Fujitsu's Strengths

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- Developing AI agents for delivery by incorporating industry and management expertise
- Practical implementation by AI experts
  Proactively advancing the FY2026 Top Gun Project
- Owns an In-House LLM **Takane**
- Strategic partnership with frontier AI companies
  (Utilizing cutting-edge AI tailored to specific objectives)

  Claude OpenAI

- Developed proprietary control logic to optimize token usage and model selection.

- Company-wide implementation of AI-driven delivery

Lv2
AI Agent development and implementation

Manufacturing Company A
DX project for business transformation (scale: several billion yen)

Conventional Development: Design | Development | Testing — 20 months

30% Reduction — 20% Reduction

Development utilizing AI Agents: Design and Development | Testing — 16 months

Financial Company B
Cloud migration of existing business systems using PaaS/SaaS

Conventional Development: Design | Development | Testing — 32 months

50 % Reduction — 22% Reduction

Development utilizing AI Agents: Design | Development | Testing — 25 months

Lv3
Multi AI Agent development and utilization

In-house PKG
We use AI to achieve end-to-end automation centered around our in-house LLM Takane - from understanding legal frameworks to defining requirements, design to testing.

Conventional Development: Requirements Definition to Testing — 3 months

Development utilizing Multi AI Agens: Requirements Definition to Testing — 4 hours

Development Productivity **100 times**

Press Release, February 17, 2026
"Fujitsu automates entire software development lifecycle with new AI-Driven Software Development Platform"

The Future of AI-Driven Delivery

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Aim to maximize AI utilization and provide customers with the benefits of increased speed and improved quality

Maximizing AI-Driven Delivery

Expanding AI-Driven Development (broadening the base)

- FY2025: AI-driven development has been rolled out across all projects.
- Note: Excluding customers with AI-use restrictions. Rollout to these customers will proceed sequentially as restrictions are resolved.

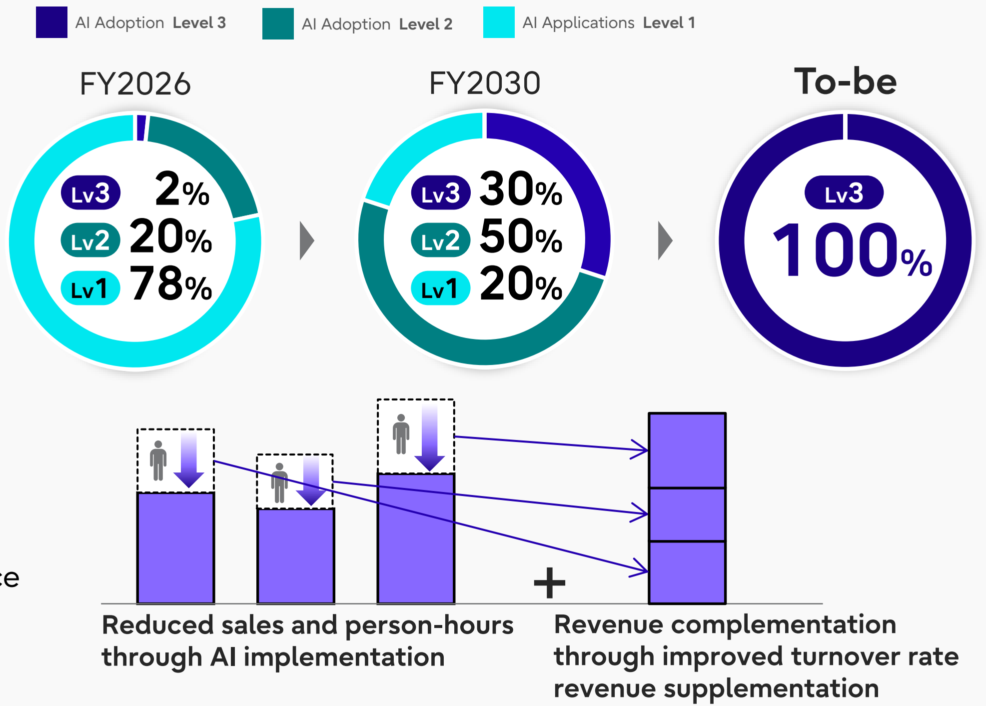
Deepening AI-Driven Development

- Expanding from L1 to L2, and from L2 to L3
- Concentrate personnel with advanced AI skills in priority projects

Expanding revenue through AI utilization and value pricing

Compensate the decrease in sales due to downward price pressure with improved engineer turnover by utilizing AI

* Percentage based on sales revenue



Section 2

Modernization

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

Service Solutions

- uvance
- Modernization
- Traditional IT Services

The Current State of Modernization

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Fujitsu

Aiming to support customers moving away from legacy assets

Fujitsu Modernization

Legacy		Modernized
Application Assets		
COBOL, PL/I, etc.	▸	Java, .NET, etc.
Middleware Assets		
Legacy Middleware	▸	Latest Middleware
Infrastructure Assets		
Open Platforms Legacy Platforms	▸	Cloud & latest On-Premises

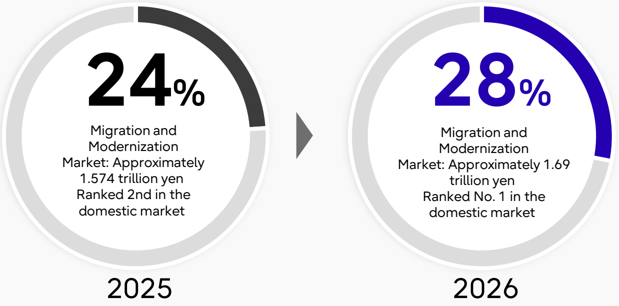
- **End of support for legacy platforms** (MF/ UNIX)
  - FY2022 end-of-life announcement / FY2030 end of sales / FY2035 end of maintenance
  - Promoting a steady phase-out with the goal of zero operations by FY2035
- **Implementing generative AI technology for modernization**
  - Towards enhanced value, resolving staffing shortages, early transition away from legacy assets and increased revenue

Market and Customers

Full-scale entry by various companies; market continues to expand (8% year-over-year growth, 1.7 trillion yen)

Source: Deloitte Tohmatsu mic Economic Research Institute, Inc. "Legacy & Open Legacy Migration Market Trends: FY2025 Edition (Published September 2025)" (mic-r.co.jp)

Modernization Domestic Market Share #1



Source: Deloitte Tohmatsu mic Economic Research Institute, Inc. "Legacy & Open Legacy Migration Market Trends: FY2025 Edition (Published September 2025)" (mic-r.co.jp)
*Market share and rankings for 2026 are based on Fujitsu forecasts

The Market Environment Surrounding Modernization

IT Modernization Market CAGR [2026–2030] **10.2 %**

Source: IDC Japan, "2026 Domestic IT Modernization Market Trends #JPJ53875726 (February 2026)"

Large and Mid-Sized Enterprises owning Legacy Systems **80 %**

Source: IDC Japan, "2026 Domestic IT Modernization Market Trends #JPJ53875726 (February 2026)" "2025 Domestic CIO Survey #JPJ52244025 (June 2025)"

Modernization Review

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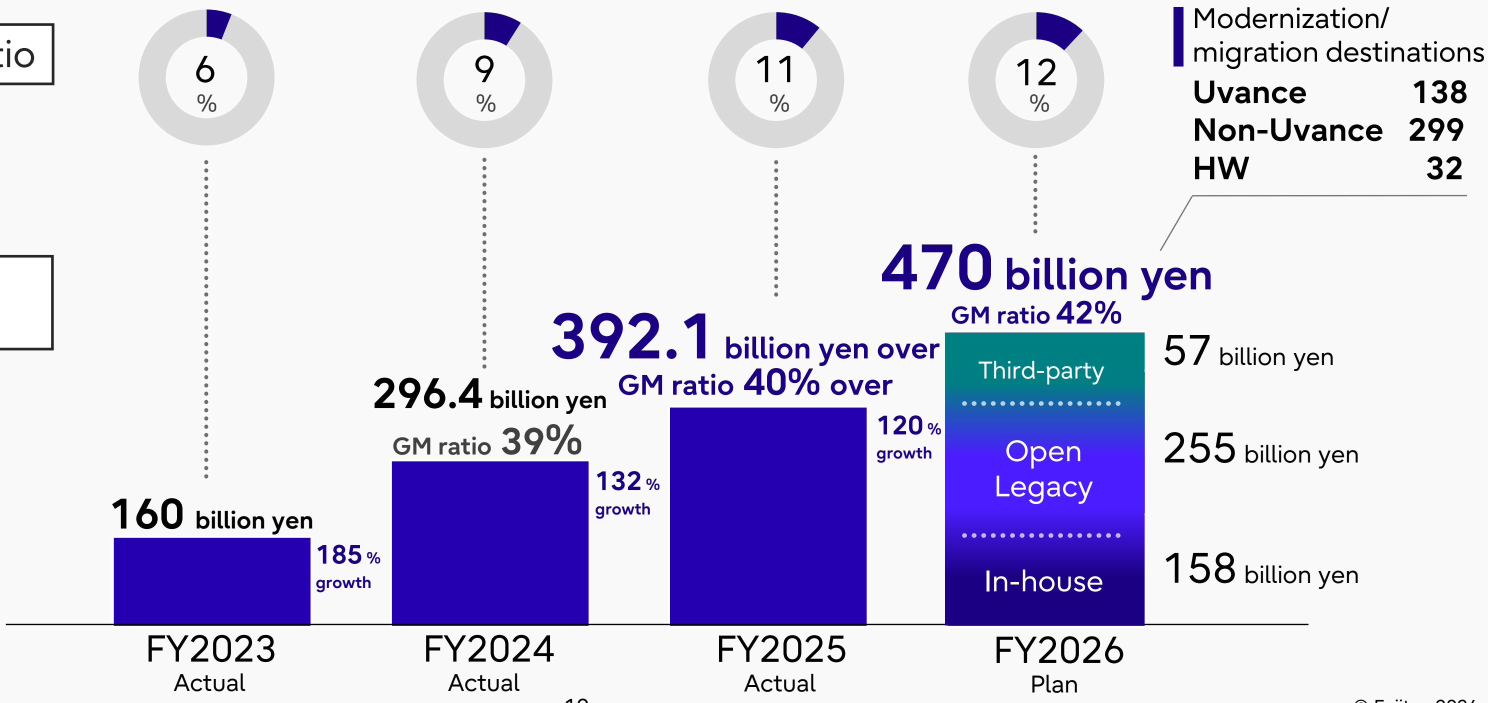
- FY2025 revenue target was significantly exceeded (32% growth), FY2026 revenue **20%** growth / Gross Margin **+2%** targeted
- Service Solutions are projected to account for 12% of revenue

Modernization Ratio

Ratio of modernization revenue (excluding Uvance) to Service Solutions revenue

Revenue and Gross Margin



Modernization: Future Outlook

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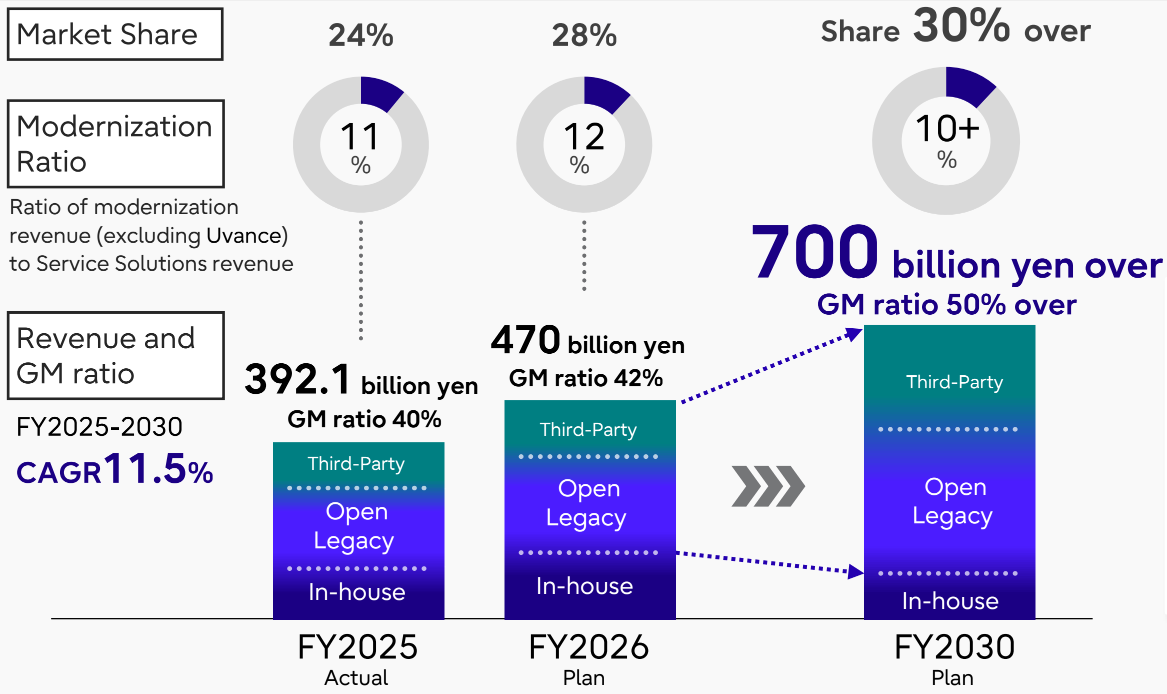
2030 Peak for in-house legacy projects: FY2028 From in-house to third-party/open market

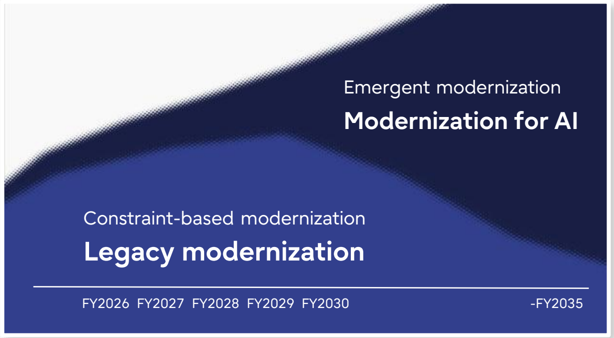


Source: Fujitsu forecast based on IDC Japan's "2026 Domestic IT Modernization Market Trends #JPJ53875726 (February 2026)"

2035 From Legacy to AX

Creating new business opportunities for the next generation as part of Modernization for AI

Fully leveraging the Insights, Talents, Tools, and Technology cultivated through Legacy Modernization



From the "Mid- to Long-Term Management Vision 2035" materials

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