

Fujitsu Limited
ORIX Corporation
Masuda Seed Co.,Ltd.
Iwata City
March 26, 2015

Fujitsu, ORIX, Masuda Seed and Iwata City Reach Basic Agreement to Consider Launch of Smart Agriculture Project *Bringing open innovation to agriculture through co-creation, a first in Japan*

Tokyo and Iwata City, Japan, March 26, 2015 – Fujitsu Limited, ORIX Corporation, Masuda Seed Co.,Ltd. and Iwata City in Shizuoka Prefecture announced that they have reached a basic agreement to begin considering the launch of the Iwata Smart Agriculture Project, an initiative intended to realize regional development based on agriculture.

In addition to the three core companies of Fujitsu, ORIX and Masuda Seed, the project seeks to bring together expertise from corporations and organizations spanning a variety of sectors, including nursery companies with specialized expertise, agricultural producers with high-level cultivation technology, distributors and food processing companies with a good sense of the market, local governments, educational institutions, and manufacturers of agricultural machinery and supplies. The project is designed to co-create new business models encompassing the entire food and agriculture value chain - from seedlings, crop production, processing and shipping, to sales.

Through this project, the participants seek to enhance the region's agriculture and contribute to its revitalization through the creation of new and critical local industries and brands.

In preparation for commencing the project in the second half of the 2015 fiscal year, Fujitsu will establish Smart Agriculture Iwata Co., Ltd on April 1, 2015.

Background

Japan's agricultural production is of high quality in terms of flavor, form, and safety, and it offers a wide variety of products. However, Japanese agriculture also faces many challenges, such as an increase in the amount of arable, but abandoned land, and the aging population of farmers. In many cases, these problems are rooted in inflexible business models that, for example, prevent progress in cooperation between nursery companies that possess good technology and top-notch producers, or that prevent vendors from being able to take action even when they come up with new growth strategies. To resolve these problems, there is a need for multiple players focused on agriculture to come together to develop co-creation style smart agriculture projects.

Overview of the Iwata Smart Agriculture Project

1. Objective

Iwata City in Shizuoka Prefecture, blessed with a good location and climate, is one of Japan's leading regions for agricultural production. On the other hand, with the emergence of idle agricultural land, the aging of the population, and an insufficient number of core farmers, it is facing many of the typical problems plaguing Japanese agriculture.

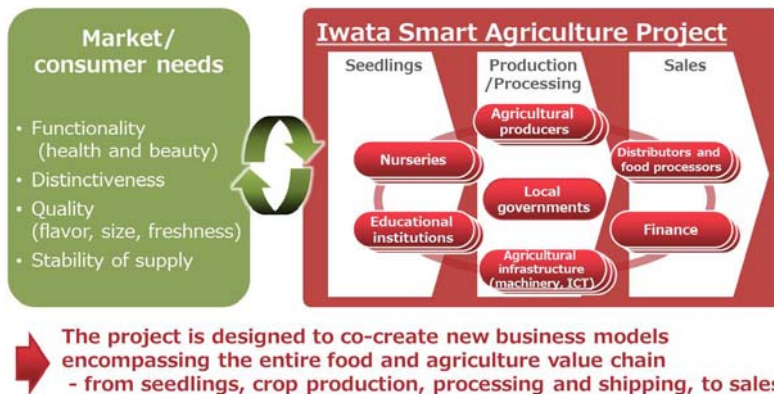
Resolving these agricultural problems would revitalize the region, and there is a strong need to create new business models focused on agriculture.

The Iwata Smart Agriculture Project seeks to bring together expertise from nursery companies, agricultural producers, distributors and food processing companies, local governments, educational institutions, financial institutions, and manufacturers of agricultural machinery and supplies, including ICT. By creating new business models encompassing the entire food and agriculture value chain (from

seedlings, crop production, processing and shipping, to sales), the project seeks to strengthen Japanese agriculture and revitalize the community.

Agriculture-Based Regional Revitalization

~Strong agriculture / new regional industries / regional brand~



2. Overview

1) Co-creation of new business opportunities

The project will provide an open platform for co-creation comprised, in addition to the three core companies of Fujitsu, ORIX, and Masuda Seed, of multiple corporations and organizations spanning a variety of sectors, including nursery companies with specialized expertise, agricultural producers with high-level cultivation technology, and distributors and food processing companies with a good sense of the market.

2) Creating new business models

(a) Production and processing

To create a market-oriented agricultural production business, for the development process and marketing process, there will be an appropriate mix of business models incorporating seedlings, cultivation technologies, and distribution. For nursery companies and agricultural producers, which are the starting points of development in this project, business models will be created that incorporate the views of distributors on a timely basis.

Specifically, cultivation facilities will be used that have sophisticated environmental controls utilizing ICT to enable stable, large-scale, and efficient production regardless of the season, weather, or location.

In the future, food processing functions will be added to create a system in which orders from actual buyers can be widely met, with the aim of creating a value chain spanning production, processing and distribution, and sales.

(b) Infrastructure outsourcing business

To create a strong agricultural production base, it is essential to create an advanced business infrastructure that stabilizes supply, quality, and cost, while coping with changes in the natural environment and market environment. The business infrastructure that will be created for this project's own use, consisting of nursery and cultivation facilities that have sophisticated environmental controls, efficient operations, and data management with tight security, will also be provided to nursery companies and agricultural producers.

(c) Seed licensing

A wide variety of value-added crop strains have been developed in Japan, but most of them are not widely known because they have not been put into the spotlight. It is believed that one reason for this is

the lack of coordination between nurseries, producers, and distributors and food processors. Constructing a business model in which these areas are organically brought together will add value to seed varieties that have been overlooked up to now. Moreover, by establishing intellectual property rights for the variety of knowledge and technologies that will emerge as a result of this, a new licensing business in agriculture can be promoted.

3) Creating employment and fostering human resource development in the region

For this project to make a lasting contribution to the region, there will also be initiatives to create employment and foster the development of human resources. With regard to employment, diversity in agriculture will be achieved by utilizing a variety of work styles and human resources. To foster the development of human resources, there will be cooperation with local educational institutions and experts with advanced knowledge, so the project will work to foster the development of human resources that will form the core of the region's agriculture into the future.

3. Schedule

On April 1, 2015, Iwata Smart Agriculture Project Preparation Corporation will be established. During the first half of fiscal 2015, Fujitsu, ORIX, and Masuda Seed, along with the preparation corporation, will take steps to build the business environment for this project and make preparations for steps to be executed. Once agreement has been reached for a business plan, the capital of the preparation corporation is expected to be increased (by making it into a joint venture), converting it into an actual business entity. It is expected that this actual business entity will start operations from the second half of fiscal 2015.

4. Land for the project (planned)

Location: Iwata City, Shizuoka Prefecture

Area: Approximately 10 hectares to start (gradually increased afterward)

5. Main partner companies

Agricultural producers: AGRI BERRY CO.LTD., grow, Miyamoto Farm

Seed companies: ASAHI NOEN SEED Co.,Ltd., Berg Earth Co.,Ltd., The Yokohama Nursery Co.,Ltd.

Agricultural consulting company: K'onnect Agri-Food Lines

6. Overview of preparation corporation

Name: Smart Agriculture Iwata Co., Ltd
Location: Nakaizumi, Iwata City, Shizuoka Prefecture
Representative: Takeshi Sudo
Date of establishment: April 1, 2015
Capital: JPY 30 million
Ownership structure: Wholly owned by Fujitsu

Glossary and Notes

1. Smart agriculture

Agricultural technology employing ICT. Using ICT, such as sensors and big data, so as to raise productivity and quality within the cultivation process. The basic cultivation environment is greenhouse cultivation in which the environment is controlled to create an ideal environment for the produce that is unaffected by season, weather, or location.

Press Contacts

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About Fujitsu

Fujitsu is the leading Japanese information and communication technology (ICT) company offering a full range of technology products, solutions and services. Approximately 162,000 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 4.8 trillion yen (US\$46 billion) for the fiscal year ended March 31, 2014. For more information, please see <http://www.fujitsu.com>.

About ORIX:

ORIX Corporation (TSE: 8591; NYSE: IX) is a financial services group which provides innovative products and services to its customers by constantly pursuing new businesses. Established in 1964, from its start in the leasing business, ORIX has advanced into neighboring fields and at present has expanded into lending, investment, life insurance, banking, asset management, automobile related, real estate and environment and energy related businesses. Since its first overseas expansion into Hong Kong in 1971, ORIX has spread its businesses globally by establishing locations in a total of 36 countries and regions across the world. Moving forward, ORIX aims to contribute to society while continuing to capture new business opportunities and sustain growth by promoting acceleration of its corporate strategy "Finance + Services." For more details, please visit our website: <http://www.orix.co.jp/grp/en/>

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