

Fiscal Year 2020 First Quarter Financial Results

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Fiscal Year 2020 Management Direction Briefing

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Fujitsu's Role in the New Normal



- Building new ways of living centered on people and data with technology



- Work-Life Shift: Transforming ways of working
- Cloud-based remote development environments



Reimagine Campaign

Building trust in a new society, contributing to the creation of a more sustainable world

Fujitsu's Purpose



Our purpose is to make the world more sustainable by building trust in society through innovation



Our Purpose indicates why Fujitsu exists in society.



Our Purpose

Our purpose is to make the world more sustainable by building trust in society through innovation.

Our Values

Aspiration

- Set ambitious targets and act with agility.
- Embrace diversity and create original ideas.
- Stay curious and learn from failures and experiences.
- Deliver positive impact through human centric innovation.

Trust

- Honor promises and exceed expectations.
- Act with ethics, transparency and integrity.
- Work autonomously and unite for common goals.
- Contribute to a trusted society using technology.

Empathy

- Strive for customers' success and their sustainable growth.
- Listen to all people and act for the needs of our planet.
- Work together to solve global challenges.
- Generate shared value for our people, customers, partners, community and shareholders.

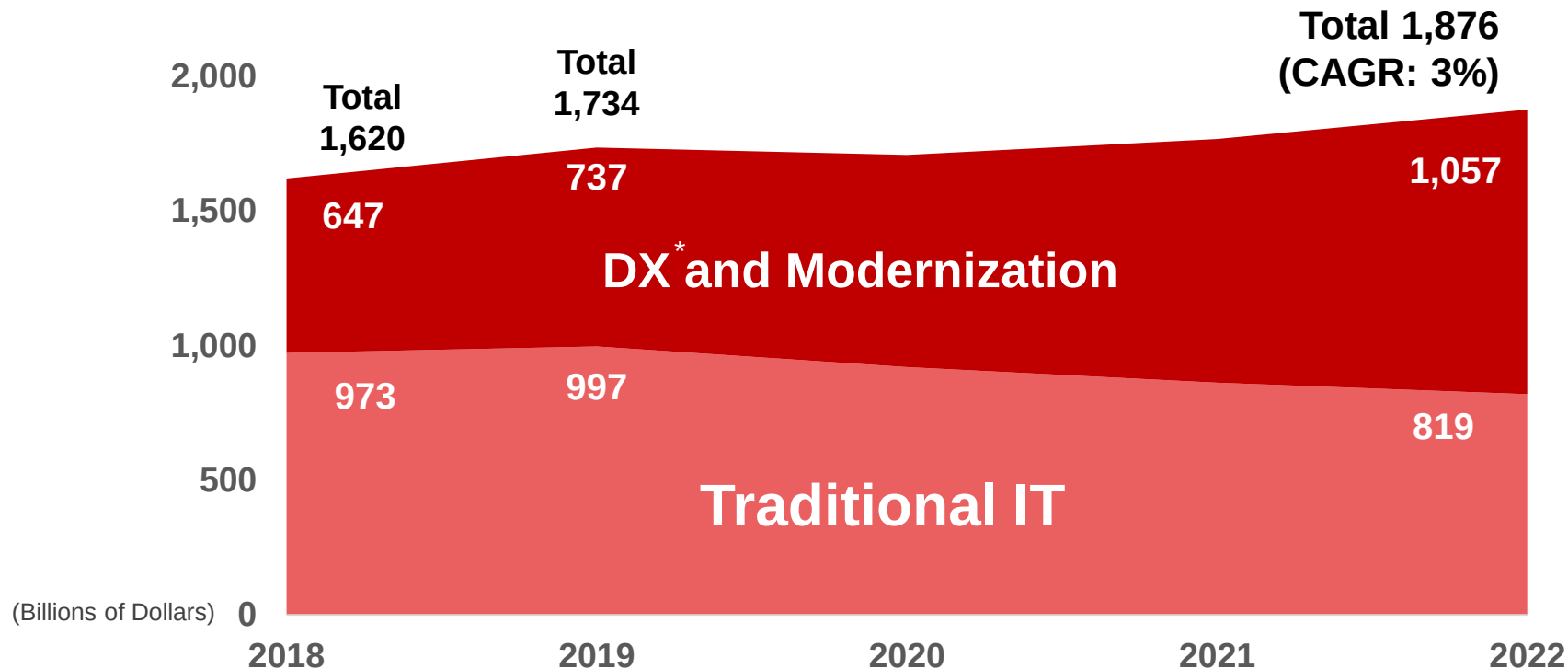
Code of Conduct

- We respect human rights.
- We comply with all laws and regulations.
- We act with fairness in our business dealings.
- We protect and respect intellectual property.
- We maintain confidentiality.
- We do not use our position in our organization for personal gain.

Market Trends



IT Market Trends (Global)



Source: Estimated by Fujitsu based on data from market research companies

*DX: Digital Transformation

Two Business Areas for Value Creation



**Define Digital (DX, Modernization) as “For Growth”
Traditional IT as “For Stability” and create value for
customers and society in these two business areas**



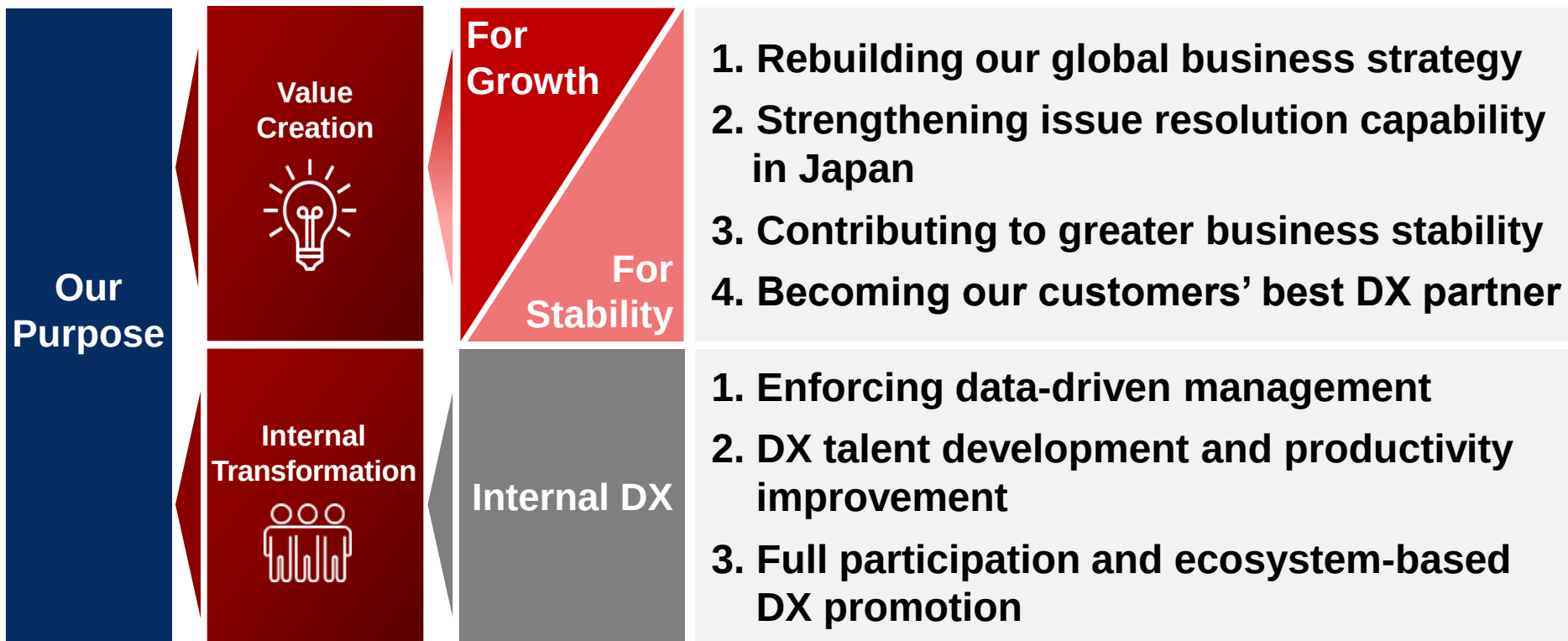
For Growth

**Contributing to customers’
business growth**

For Stability

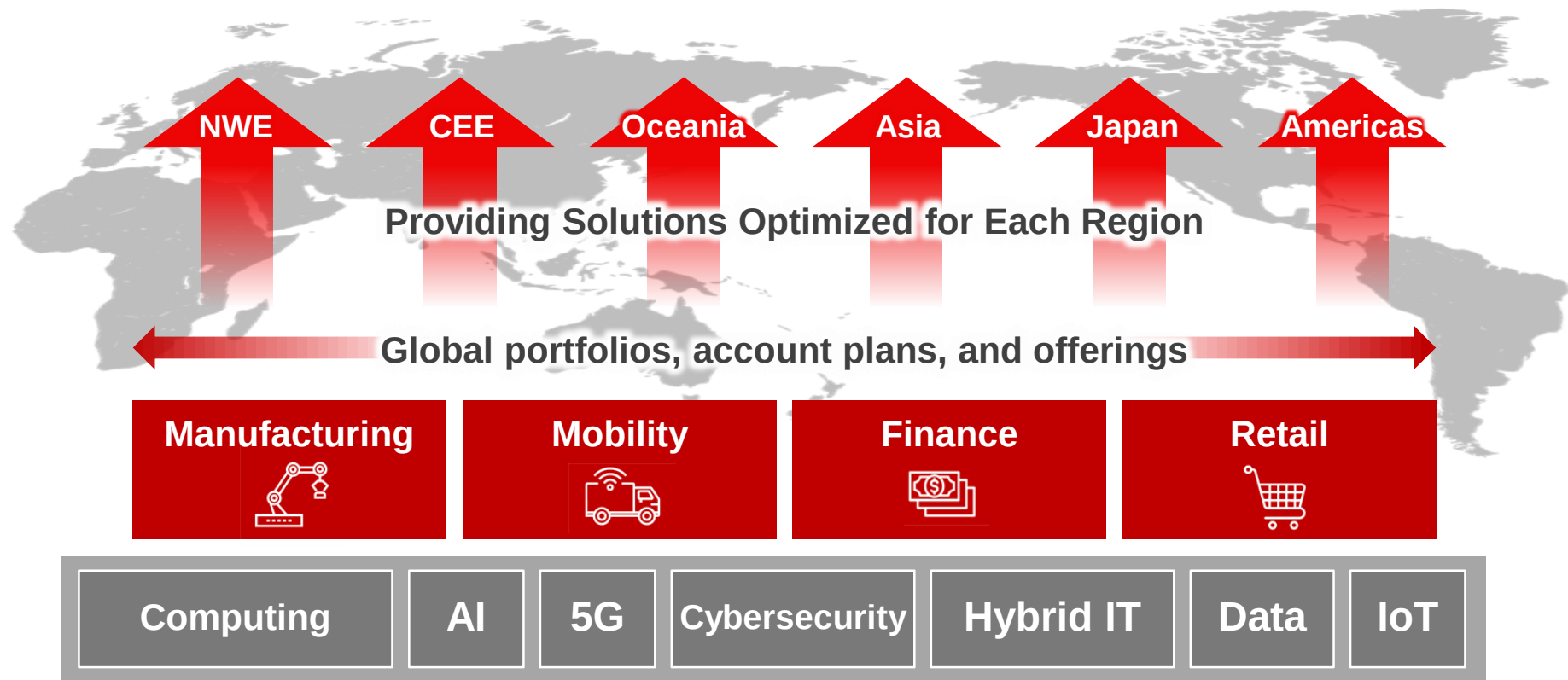
**Contributing to customers’
business stability**

Priority Issues in Achieving Our Purpose



1. Rebuilding Our Global Business Strategy

- Global business development based on a 6-region structure, including Japan



2. Strengthening Issue Resolution Capability in Japan **FUJITSU**

- Strongly promoting the modernization of customer systems and the digital transformation of customer businesses

Falling
Population

Aging Population and
Falling Birthrate

Increasing Severity
of Disasters

Regional
Disparities

Disparities in the
ways people work



Local Government



Education



Healthcare



SMEs



**Fujitsu Japan
Limited**

To be launched Oct. 1

**Optimizing Group
Companies in Japan**

Abundant industry
and operational
know-how

Business-centered
proposals

Cloud First

3. Contributing to Greater Business Stability

- Fujitsu will establish near-shore center for the Japanese market to organize and standardize the unique needs of each region or country for offshore development.

Customers

Development Project Team

Japan Global Gateway

Applying offshoring standards to individual requirements

Industry Services

Common/Infrastructure Services



Global Delivery Centers
(8 countries around the world)

4. Becoming Our Customers' Best Partners in Digital Transformation **FUJITSU**



Measures to Achieve Goals

- Established a new Design Center to implement Design Management
- Established a new Social Design Unit to work on resolving issues in society in the new normal
- Established strategic DX solutions
 - Improving the convenience of transactions and payments through peer to peer trading of digital currencies, points, and other media
 - Data platform business
- Regularizing activities at Ridgelinez, our new company to promote practical DX

Major Initiatives

Further Progress on Internal DX

1. Enhancing data-driven management:

Update processes and systems to make thorough use of data(One ERP)

2. Evolving into DX talent and raising productivity:

- Making all 130,000 employees into DX talent (Design Thinking, Agile)
- Rethinking offices and ways of working (Work-Life Shift)

3. Promoting participatory, ecosystem-based DX:

- 15 Section DX Officers solve company-wide and division-specific innovation themes cross-functionally
- Collect “voices” from customers and employees for use in management decisions and policy execution

Accelerating Investments for Growth

- In order to create and deliver value for customers and society, and to transform Fujitsu itself into a DX company, Fujitsu will actively pursue necessary investments (500-600 billion yen over 5 years).



Investments in Value Creation

- Investments in services and offerings
 - Investments in technology development
 - Investments in solutions development
 - Investments in business efficiency
- M&A, alliances with powerful partners, and venture investments
- Investments in strategic DX businesses with an eye toward the future



Investments for Internal Transformation

- Recruiting sophisticated talent(consulting and other services)
- Internal enhancements(reskilling, upgrading internal systems)

Management Indicators

- Establishing both financial and non-financial management indicators to achieve our purpose

Sustainable Growth of Fujitsu

Management Based on Our Purpose

Financial Indicators

Growth

Profitability and Capital Efficiency

Non-Financial Indicators

Society and Customers

Employees, Organization and Culture



Human Rights, Diversity and Inclusion



Well-being



Environment



Compliance



Supply Chain



Health and Safety



Community

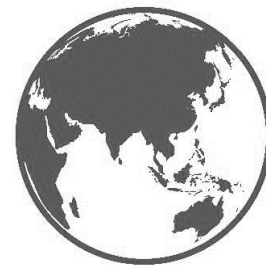
7 Key Issues of GRB (Global Responsible Business)

Stable contributions over the long term

Making the world more sustainable

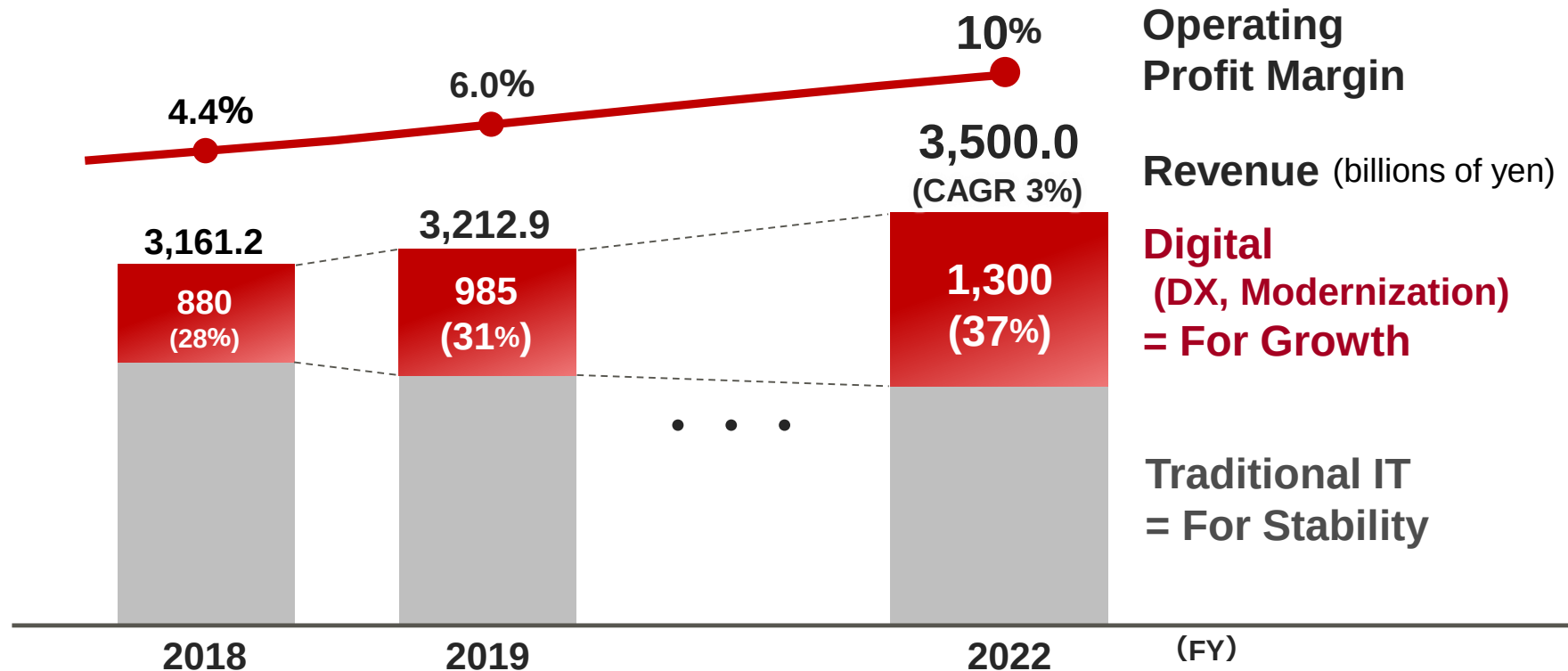


Creating growth opportunities



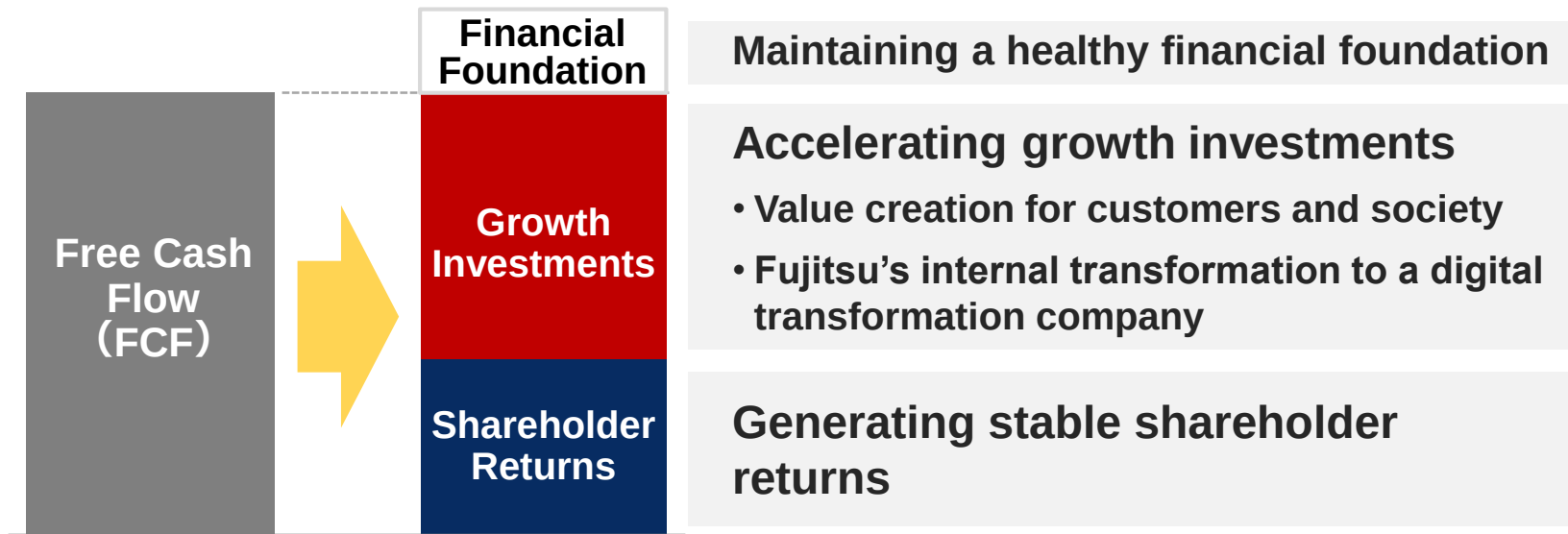
Sustainable Growth and Improved Profitability

■ FY2022 Targets for Technology Solutions



Capital Allocation Policy

- Presuming financial stability, Fujitsu will reliably generate and optimally allocate over 1 trillion yen of free cash flow over the next five years



In addition to the above, we will measure capital efficiency in terms of Earnings Per Share

Earnings Forecast for FY2020



(Units: Billions of yen)

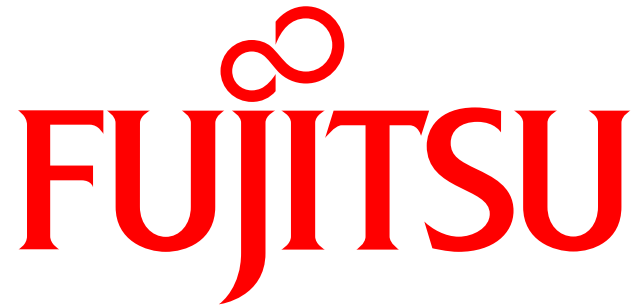
Consolidated Total	FY2019	FY2020	Variance
Revenue	3,857.7	3,610.0 ^{*1}	▲247.7
Operating Profit	211.4	212.0	+0.5
Operating Profit Margin	5.5%	5.9%	+0.4%
Profit for the Year	160.0	160.0	-

Within which, Technology Solutions (Core Business)^{*1}

Revenue	3,212.9	3,090.0 ^{*2}	▲122.9
Operating Profit Margin	6.0%	6.4%	+0.4%

^{*1} Including revenue impact from COVID-19 (Consolidated Total: ▲110.0, within which Technology Solutions ▲131.0)

^{*2} Values based on new segments



shaping tomorrow with you

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