

# Medium-Term Management Plan

—— Revision of Segments and Financial Plan

**Takeshi Isobe**

**Director and Corporate Executive Officer**

**SEVP/CFO**

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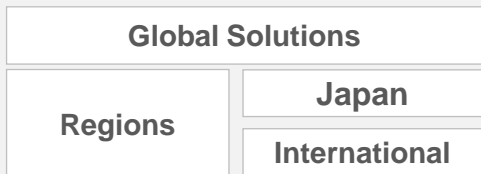
# I. Revision of Segments

# Overview

- | The existing Technology Solutions segment is broken down into Service Solutions and Hardware Solutions, and we will transform our business portfolio by increasing investments in growth areas
- | The existing Technology Solutions segment is eliminated

## ○ Service Solutions

The hardware sales and hardware maintenance services will be separated from the existing Solutions/Services business and the International Regions Excluding Japan to create a new Service Solutions segment (that will be comprised of three new sub-segments)



Create and provide globally common, value-based services, centered on Fujitsu Uvance  
 \*Development of offerings and provision of services through a global delivery system

Implement and provide services for the Japan market(Includes implementation of Fujitsu Uvance)

Implement and provide services for the international market(Includes implementation of Fujitsu Uvance)

## ○ Hardware Solutions

The hardware sales and hardware maintenance services in the existing Solutions/Services business and in the International Regions Excluding Japan will be consolidated with the System Platforms business to create a new Hardware Solutions segment

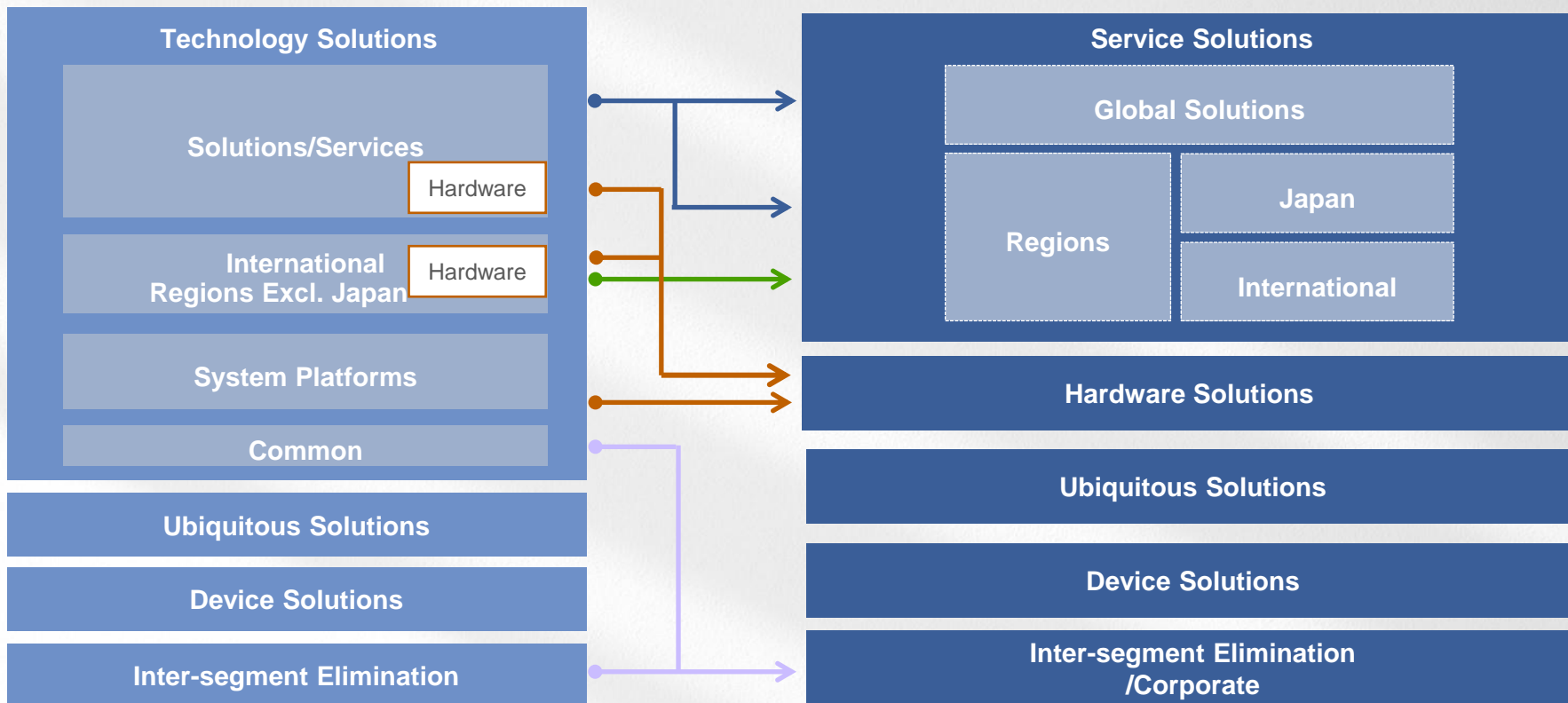
## ○ Inter-segment Elimination/Corporate

This includes advanced R&D not belonging to any segment, such as research laboratories, in-house DX investment on a global group basis, business growth investments common to the group, sales and disposals of common assets, etc., and consolidated adjustment accounts

# Overview of Changes From Current Segments

Current through FY22

Starting FY 23



# Comparison of Current and New Segments

\*FY 22 figures for new segments have not been audited

(Billions of yen)

		Current Segment			Adjustment		New Segment		
		FY22	FY23	vs LY	FY22	FY23	FY22	FY23	vs LY
<b>Total</b>	<vs LY> Revenue	3,713.7	<104%> 3,860.0	146.2	-	-	3,713.7	<104%> 3,860.0	146.2
	OPPL	<b>14.7</b> 335.6	<b>340.0</b>	<b>4.3</b>	-	-	<b>14.7</b> 335.6	<b>340.0</b>	<b>4.3</b>
	[%]	[9.0%]	[8.8%]	[-0.2%]	( - )	( - )	[9.0%]	[8.8%]	[-0.2%]
Technology Solutions	<vs LY> Revenue	3,176.5	<104%> 3,300.0	123.4			1,984.2	<109%> 2,170.0	185.8
	OPPL	<b>13.1</b> 263.1	<b>288.0</b>	<b>24.8</b>			<b>13.9</b> 149.0	<b>255.0</b>	<b>106.0</b>
	[%]	[8.3%]	[8.7%]	[0.4%]			[7.5%]	[11.8%]	[4.3%]
Solutions/ Services	<vs LY> Revenue	1,819.3	<109%> 1,980.0	160.6	-416.7	-400.0	407.2	<112%> 455.0	47.8
	OPPL	<b>-4.1</b> 233.7	<b>329.0</b>	<b>95.2</b>	<b>-85.2</b>	<b>-86.0</b>	<b>-4.1</b> 0.9	<b>6.0</b>	<b>5.1</b>
	[%]	[12.8%]	[16.6%]	[3.8%]	[-2.2%]	[-1.2%]	[0.2%]	[1.3%]	[1.1%]
International Regions Excl. Japan	<vs LY> Revenue	812.4	<101%> 820.0	7.5	-230.7	-230.0	1,194.6	<111%> 1,330.0	135.4
	OPPL	<b>-10.0</b> 5.9	<b>22.0</b>	<b>16.0</b>	<b>-5.4</b>	<b>-10.0</b>	<b>147.7</b>	<b>237.0</b>	<b>89.3</b>
	[%]	[0.7%]	[2.7%]	[2.0%]	[-0.6%]	[-0.6%]	[12.4%]	[17.8%]	[5.4%]
System Platforms	<vs LY> Revenue	678.1	<91%> 620.0	-58.1	454.2	440.0	581.7	<101%> 590.0	8.3
	OPPL	<b>0.1</b> 68.9	<b>33.0</b>	<b>-35.9</b>	<b>43.6</b>	<b>59.0</b>	<b>-9.7</b> 0.5	<b>12.0</b>	<b>11.5</b>
	[%]	[10.2%]	[5.3%]	[-4.9%]	[-0.3%]	[3.4%]	[0.1%]	[2.0%]	[1.9%]
Common	<vs LY> Revenue	-133.4	-120.0	13.4	31.8	18.0	1,132.3	<94%> 1,060.0	-72.3
	OPPL	<b>27.2</b> -45.4	<b>-96.0</b>	<b>-50.5</b>			<b>-0.1</b> 112.5	<b>92.0</b>	<b>-20.5</b>
	[%]						[9.9%]	[8.7%]	[-1.2%]
Ubiquitous Solutions	Revenue	232.9	245.0	12.0	53.1	65.0	286.0	310.0	24.0
	OPPL	<b>-6.5</b>	-	<b>6.5</b>	<b>15.1</b>	<b>15.0</b>	<b>8.6</b>	<b>15.0</b>	<b>6.4</b>
Device Solutions	Revenue	382.6	375.0	-7.6	-	-	382.6	375.0	-7.6
	OPPL	<b>1.6</b> 79.0	<b>52.0</b>	<b>-27.0</b>	-	-	<b>1.6</b> 79.0	<b>52.0</b>	<b>-27.0</b>
Inter-segment Elimination	Revenue	-78.4	-60.0	18.4			-71.5	-55.0	16.5
	OPPL	-	-	-			<b>27.2</b> -13.6	<b>-74.0</b>	<b>-60.4</b>

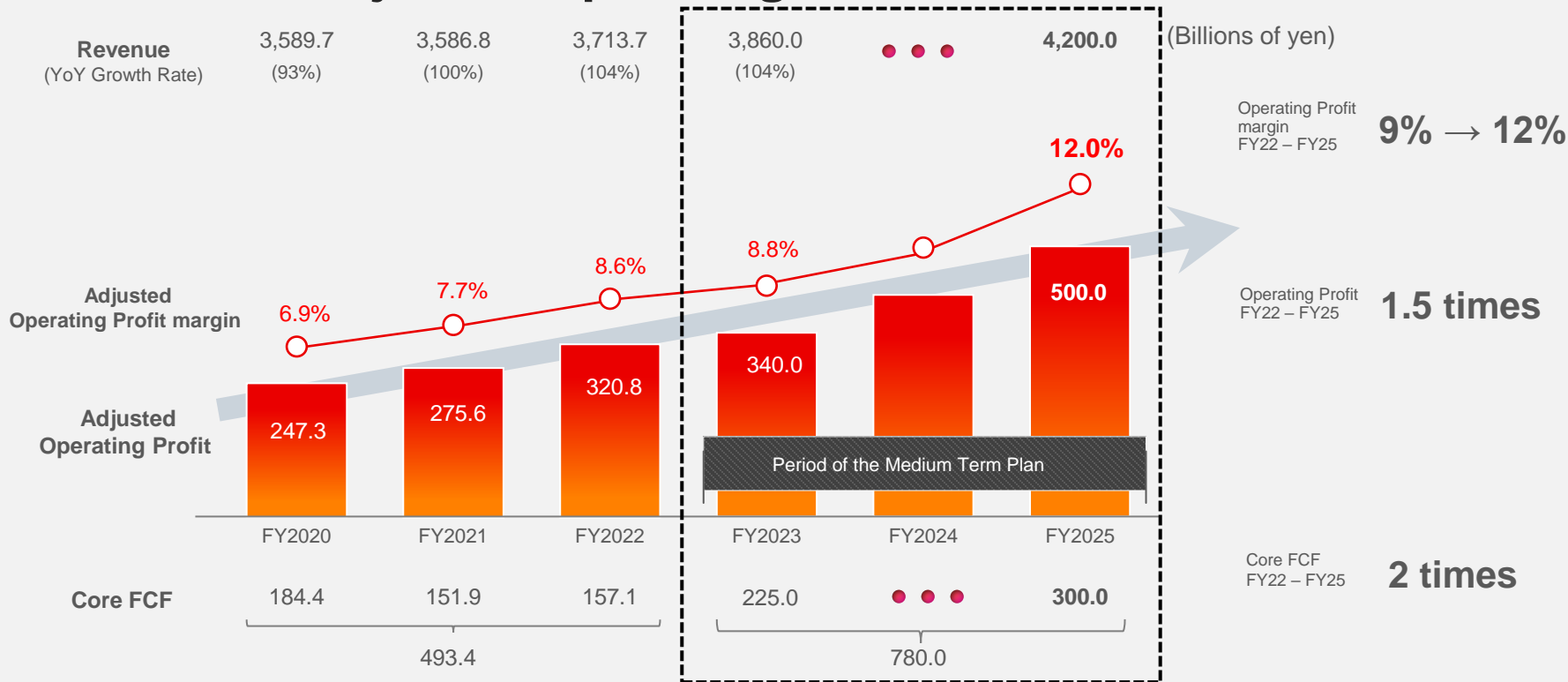
Figures in parentheses are special items (one-time gains/losses) . Figures are a part of OPPL.

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## II. Financial Plan

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# 1. Consolidated Financial Plan: Revenue, Adjusted Operating Profit \*, Core FCF\*\*



\* Adjusted Operating Profit: Operating Profit minus business restructuring, restructuring and M&A gains or losses (the same as that previously presented as OPPL Excl. Special Items)

\*\* Core FCF: Free Cash Flows excluding special items, such as from sales of businesses, acquisitions, and business model transformation expenses

# 2. Segment Plans: Revenue and Adjusted Operating Profit

(Billions of yen)

		FY22	FY25	FY22-FY25
<b>Total</b>	<CAGR> Revenue	3,713.7	4,200.0	<4.2%> 486.3
	Adj. Operating Profit [%]	<b>320.8</b> [8.6%]	<b>500.0</b> [12.0%]	<b>179.2</b> [3.4%]
<b>Service Solutions</b>	<CAGR> Revenue	1,984.2	2,400.0	<6.5%> 415.8
	Adj. Operating Profit [%]	<b>162.9</b> [8.2%]	<b>360.0</b> [15.0%]	<b>197.1</b> [6.8%]
<b>1 Global Solutions</b>	<CAGR> Revenue	407.2	600.0	<13.8%> 192.8
	Adj. Operating Profit [%]	<b>5.0</b> [1.2%]	<b>60.0</b> [10.0%]	<b>55.0</b> [8.8%]
<b>2 Regions (Japan)</b>	<CAGR> Revenue	1,194.6	1,450.0	<6.7%> 255.4
	Adj. Operating Profit [%]	<b>147.7</b> [12.4%]	<b>280.0</b> [19.3%]	<b>132.3</b> [6.9%]
<b>3 Regions (International)</b>	<CAGR> Revenue	581.7	600.0	<1.0%> 18.3
	Adj. Operating Profit [%]	<b>10.3</b> [1.8%]	<b>20.0</b> [3.3%]	<b>9.7</b> [1.5%]
Intra-seg. Elim.		-199.3	-250.0	-50.7

**Driver of growth**

**1 Global Solutions**

**Business growth centered on Fujitsu Uvance and enhanced delivery**

- Revenue: CAGR 14% from FY22
- Operating Profit margin: FY22 1% → FY25 10%  
[From upfront investment phase to growth]

**Sustained improvement in profitability**

**2 Regions (JAPAN)**

**Support in digitization and modernization**

- Revenue: CAGR 7% from FY22
- Operating Profit margin: FY22 12% → FY25 19%  
[Sales increase + Sophistication of delivery]

**Business structure transformation**

**3 Regions (International)**

**Expanding global offering services centered on Fujitsu Uvance**

- Revenue: CAGR 1% from FY22  
(Expand Uvance, pare existing businesses)
- Operating Profit margin: FY22 2% → FY25 3%



## 2. Segment Plans: Revenue and Adjusted Operating Profit

(Billions of yen)

		FY22	FY25	FY22-FY25
Hardware Solutions	<CAGR>			<0.5%>
	Revenue	1,132.3	1,150.0	17.7
	Adj. Operating Profit	<b>112.6</b>	<b>110.0</b>	<b>-2.6</b>
	[%]	[9.9%]	[9.6%]	[-0.3%]
Ubiquitous Solutions	<CAGR>			<2.7%>
	Revenue	286.0	310.0	24.0
	Adj. Operating Profit	<b>8.6</b>	<b>10.0</b>	<b>1.4</b>
	[%]	[3.0%]	[3.2%]	[0.2%]
Device Solutions	<CAGR>			<2.3%>
	Revenue	382.6	410.0	27.4
	Adj. Operating Profit	<b>77.4</b>	<b>80.0</b>	<b>2.6</b>
	[%]	[20.2%]	[19.5%]	[-0.7%]
Inter-seg. Elim./Corporate <span style="color: red; font-weight: bold; border: 1px solid red; border-radius: 50%; padding: 2px;">4</span>	Revenue	-71.5	-70.0	1.5
	Adj. Operating Profit	<b>-40.9</b>	<b>-60.0</b>	<b>-19.1</b>

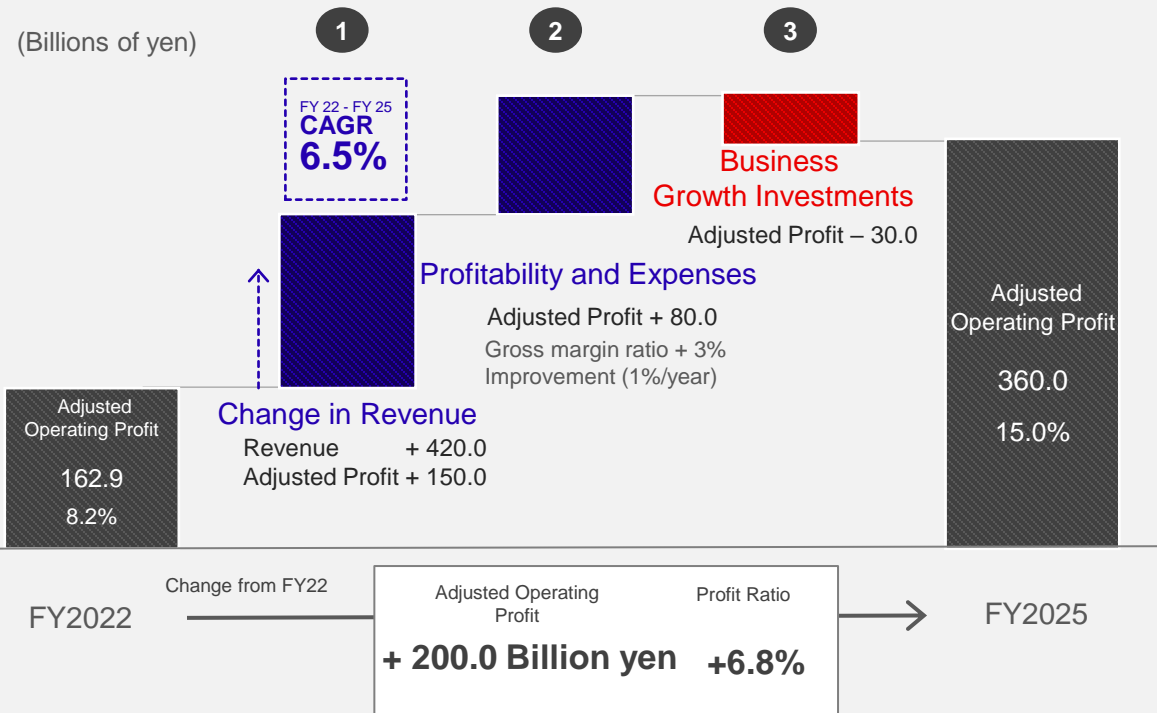
### 4 Inter-seg. Elim/Corporate

#### Expanding investment in business growth for self-transformation

- R&D (enhancement of advanced research centered on AI)
- Internal DX (One Fujitsu program)

# 3. Adjusted Operating Profit Breakdown (FY22-25) - Service Solutions

(Billions of yen)



## 1 Revenue increase

- Expansion of digital cloud services centered on Fujitsu Uvance Accelerating the Uvance shift

Fujitsu Uvance revenue and Ratio within Service Solutions

	2022	2025
<b>Revenue</b>	<b>200.0</b>	<b>700.0</b>
%	10%	30%

## 2 Improvements in Profitability

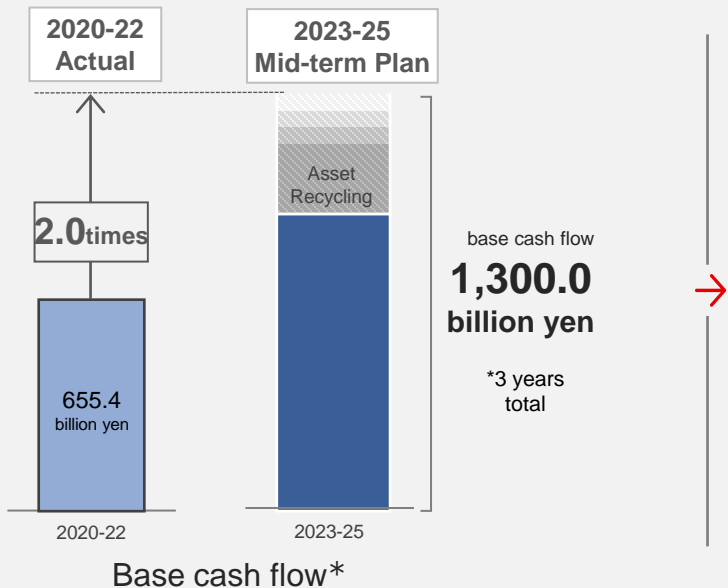
- By continuously improving service delivery standards and pursuing greater sophistication
- Accelerating the Uvance shift

## 3 Business Growth Investments

- Development of offerings centered on Uvance
- Development, reskilling and recruitment of human resources

# 4. Financial Strategy - Capital Allocation

- Previous plan (2020-2024): \*Base cash flow of 1,000.0 billion yen over 5 years
- Medium-Term Plan (2023-2025): 1,300.0 billion yen over 3 years, including asset recycling (2 times the 3-year cumulative results from 2020 to 2022)



## Investments for business growth: 700.0 billion yen

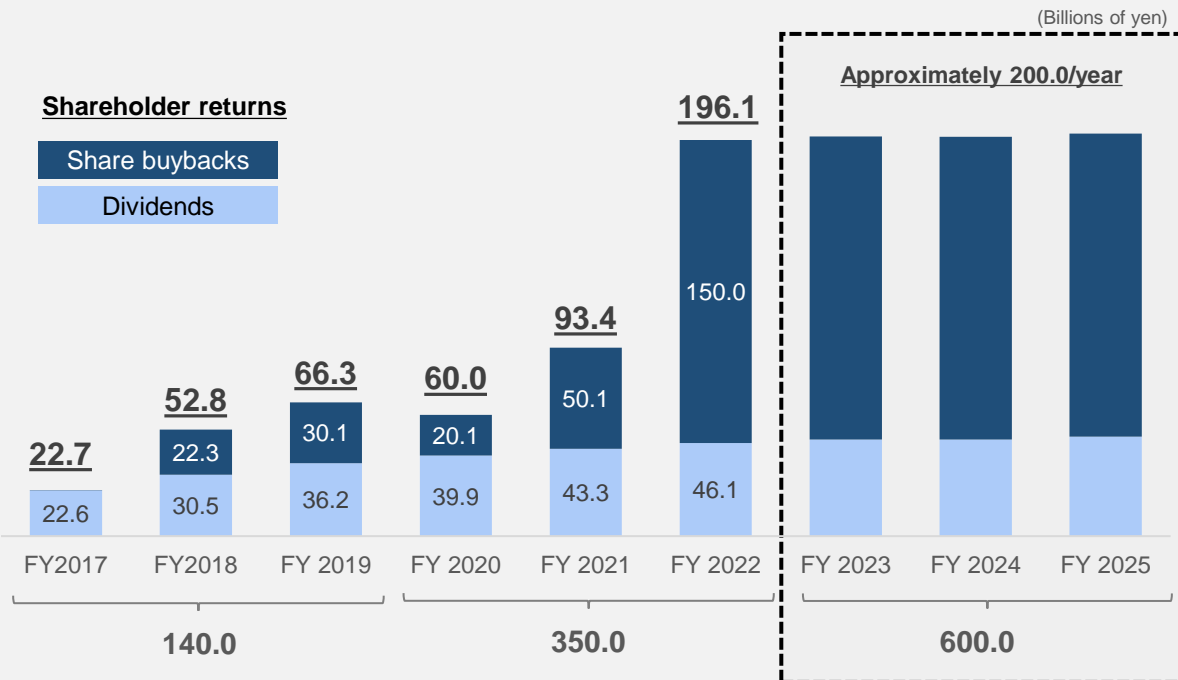
	<b>Business Model and Portfolio Strategy</b>	<ul style="list-style-type: none"> <li>Business Portfolio management</li> <li>Inorganic growth</li> <li>Strengthen the management foundation (OneFujitsu Program)</li> </ul>
	<b>Customer Success / Regional Strategy</b>	<ul style="list-style-type: none"> <li>Develop and acquire consulting capabilities</li> <li>Improve quality and security</li> </ul>
	<b>Technology Strategy</b>	<ul style="list-style-type: none"> <li>5 Key Technologies</li> <li>Technology implementation and commercialization</li> </ul>
	<b>People Strategy</b>	<ul style="list-style-type: none"> <li>Develop, reskill and acquire talent</li> </ul>

## Returns to shareholders: 600.0 billion yen (details on the next page)

\* Free cash flow before investment in business growth plus lease payments

## 4. Financial Strategy - Shareholder Returns

- Dividends: Stable and steady dividend increase while addressing need for profit growth
- Share buybacks: Flexible assessment of financial foundation and capital efficiency



**Significant increase in the total amount of shareholder returns**

2020-2022  
(3-year cumulative total)

**350.0 billion yen**

2023-2025  
(3-year cumulative total)

**600.0 billion yen**

(Note) There is a possibility that some or all of the share buybacks may not be conducted due to sudden changes in the business environment, a significant increase in demand for funds, insider trading regulations, etc.

# 5. Financial KPIs - Toward Sustainable Enhancement of Corporate Value

Business growth and improved profitability	▶	Revenue	FY 2022 <b>3,700.0</b> billion yen	→	FY 2025 <b>4,200.0</b> billion yen
		Adjusted Operating Profit	320.0 billion yen	→	500.0 billion yen
		(%)	9%	→	12%

<u>Service Solutions</u>	
FY 2022	FY 2025
<b>2,000.0</b> billion yen	<b>2,400.0</b> billion yen
160.0 billion yen	360.0 billion yen
8%	15%

**Growth driver**

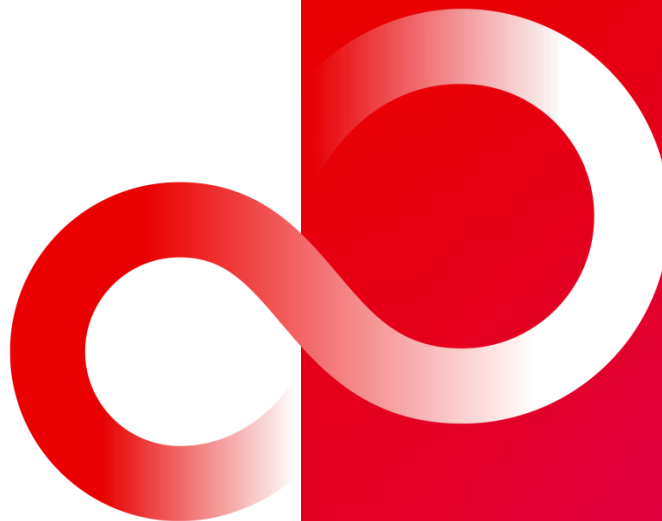
Strengthen cash generation capabilities	▶	Core FCF	FY 2022 <b>150.0</b> billion yen	→	FY 2025 <b>300.0</b> billion yen
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2 times the FY22 level

Increase efficiency of corporate capital	▶	EPS CAGR	FY 19 – 22 <b>12%</b>	→	FY 22 – 25 <b>14 ~ 16%</b>
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**ROIC: 15% Target**  
 [ROIC FY22 Actual 12%]

Thank 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