

TRANSLATION



Interim Report on FY2023 (124th Business Period)
(Six months ended September 30, 2023)

Fujitsu Limited

Note:

This English version of Interim Report on FY2023 (124th Business Period) is a translation for reference only.

To Our Shareholders

Fujitsu has set out Our Purpose “to make the world more sustainable by building trust in society through innovation.” Based on Our Purpose, we announced a new medium-term management plan on May 24, 2023 and established “solving global environmental issues,” “developing a digital society,” and “improving people’s well-being” as our three areas of Materiality that are contributions essential to achieving Our Purpose. We have identified 11 key issues to focus on across these areas, including addressing climate change, maintaining information security, and contributing to healthcare for an improved quality of life, and have promoted company-wide initiatives to address these issues. Furthermore, using Fujitsu’s business model “Fujitsu Uvance,” which is rooted in social issues, as a growth driver, we aim to increase our overall revenues, mainly in Service Solutions, and have set the following financial targets for fiscal 2025: revenue of 4,200.0 billion yen, adjusted operating profit* of 500.0 billion yen, and an adjusted operating profit margin of 12%. We will continue making full use of Fujitsu’s strengths in advanced technologies and diverse talent to create a sustainable world and increase the Fujitsu Group’s corporate value.

We would like to ask for the continued support and encouragement from all shareholders.

* Adjusted operating profit: An indicator that represents actual profit from the core business calculated by deducting profits and losses from business restructuring, M&A, etc., and one-off profits and losses from changes in regulations from operating profit.

November 2023

Takahito Tokita, Representative Director and CEO

Highlights

➤ Summary of FY 2023 First-Half Consolidated Results (Billion Yen)

	1H FY 2022	1H FY 2023
Revenue	1,705.3	1,711.8
Adjusted Operating Profit	74.7	50.7
Profit for the Period* ¹	71.9	37.8
Free Cash Flow	47.2	34.6
Core Free Cash Flow* ²	63.6	91.1

➤ FY 2023 Full-Year Consolidated Forecast (Billion Yen)

	FY 2022	FY 2023 Forecast
Revenue	3,713.7	3,810.0
Adjusted Operating Profit	320.8	320.0
Profit for the Period* ¹	215.1	208.0
Free Cash Flow	177.5	160.0
Core Free Cash Flow* ²	157.1	215.0

*1. In this report, profit for the period attributable to owners of the parent is presented as “Profit for the Period.”

*2. Ordinary free cash flow, excluding one-time cash inflows or outflows from such activities as business restructurings, structural reforms, and acquisitions or divestitures.

➤ **Results for First Half of FY 2023**

Revenue for the first half of fiscal 2023 increased by 6.5 billion yen year on year due to sales growth in Service Solutions, mainly in our business in Japan, despite a fall in revenue in Hardware Solutions and Device Solutions.

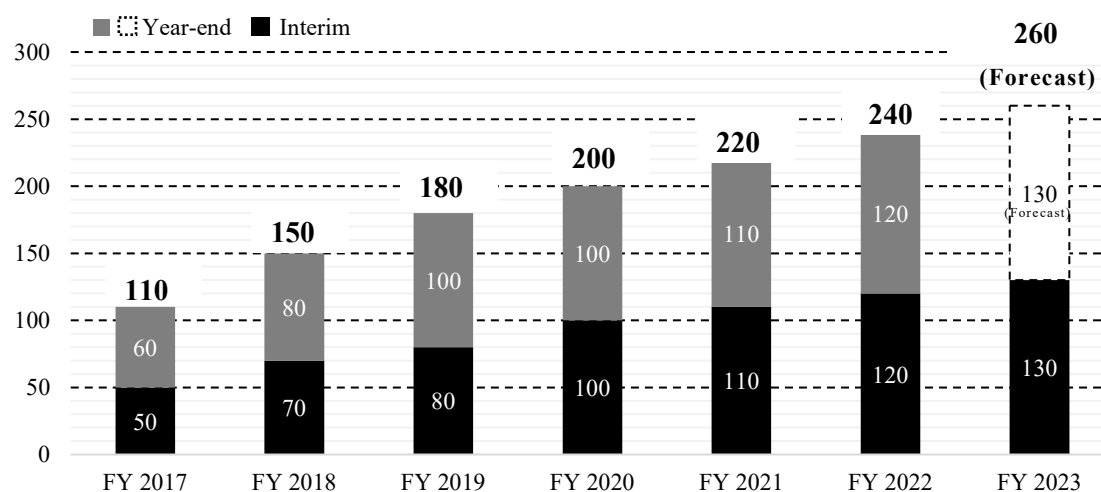
Adjusted operating profit overall decreased by 24.0 billion yen year on year due to the significant impact of a pullback in demand in Device Solutions from the previous year, despite a significant 44.4 billion yen increase in segment profit in Service Solutions, which benefited from the effect of higher revenues and progress as planned on profitability improvement. For details of the results for the first half of fiscal 2023, please refer to the Overview by Business Segment on Pages 4 to 6.

Shareholder Returns

We will increase the interim dividend by 10 yen per share from the previous year's interim dividend to 130 yen per share, as planned.

Moreover, for the current fiscal year, Fujitsu announced on April 27, 2023 its plan to repurchase up to 150.0 billion yen of its own shares. With regard to future shareholder returns, we will expand overall shareholder returns by actively repurchasing our own shares with an eye on our capital efficiency, in addition to stable dividends, in accordance with Fujitsu's Capital Allocation Policy.

Dividend per share (Yen)



* Dividends from fiscal 2017 through the interim period of fiscal 2018 are converted on the basis of the share consolidation implemented on October 1, 2018.

Overview by Business Segment

* From the first quarter financial results announcement for fiscal 2023 (July 2023), segment information is presented under the new segments, including for past fiscal years.

Service Solutions

Revenue in the Service Solutions segment increased by 79.0 billion yen.

In Global Solutions, revenue increased, primarily from “Fujitsu Uvance.” “Fujitsu Uvance” revenues grew 63% year on year by capturing demand through initiatives to resolve social issues in Japan and overseas, such as DX and response to climate change.

In Regions (Japan), revenue increased due to increased DX and modernization business deal activity in the public and healthcare sectors.

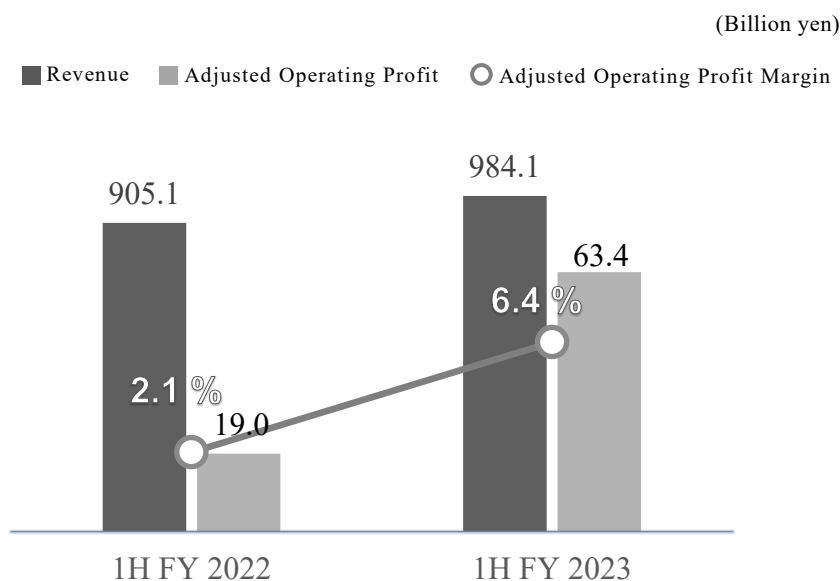
In Regions (International), revenue increased benefited from the positive impact of foreign exchange movements.

Adjusted operating profit increased year on year due to the effect of increased revenues described above, in addition to improved profitability due to utilization of Global Delivery Centers (GDCs)* and standardization of development processes.

Fujitsu also made aggressive growth investments for development of “Fujitsu Uvance” offerings, human resource development, and security enhancements, among others.

* Global Delivery Centers (GDCs): Centers deployed by Fujitsu globally to conduct offshore development and other service provision

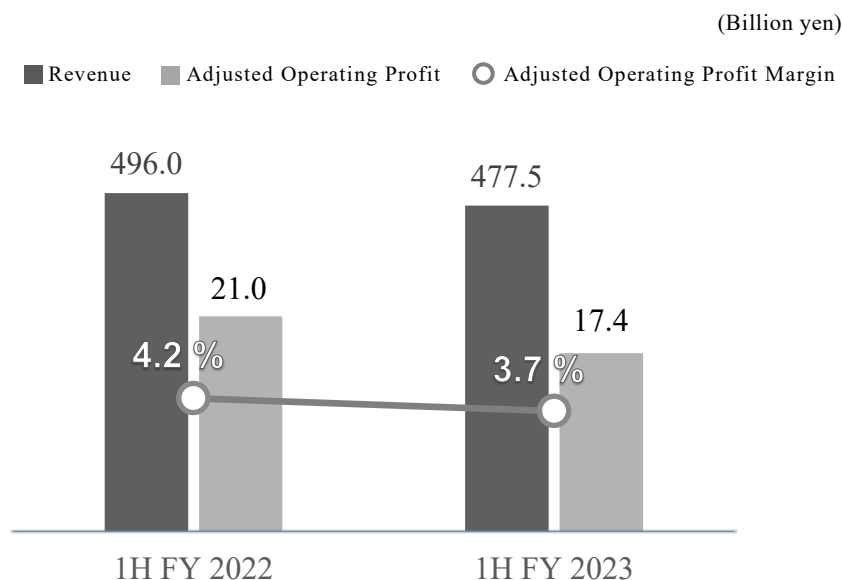
(Billion yen)	Revenue Breakdown		Adjusted Operating Profit Breakdown	
	1H FY 2022	1H FY 2023	1H FY 2022	1H FY 2023
Global Solutions	184.2	217.7	(13.4)	(2.6)
Regions (Japan)	548.9	571.1	35.7	72.2
Regions (International)	263.5	288.4	(3.3)	(6.2)
Inter-segment eliminations	(91.5)	(93.2)	–	–



(TRANSLATION FOR REFERENCE ONLY)

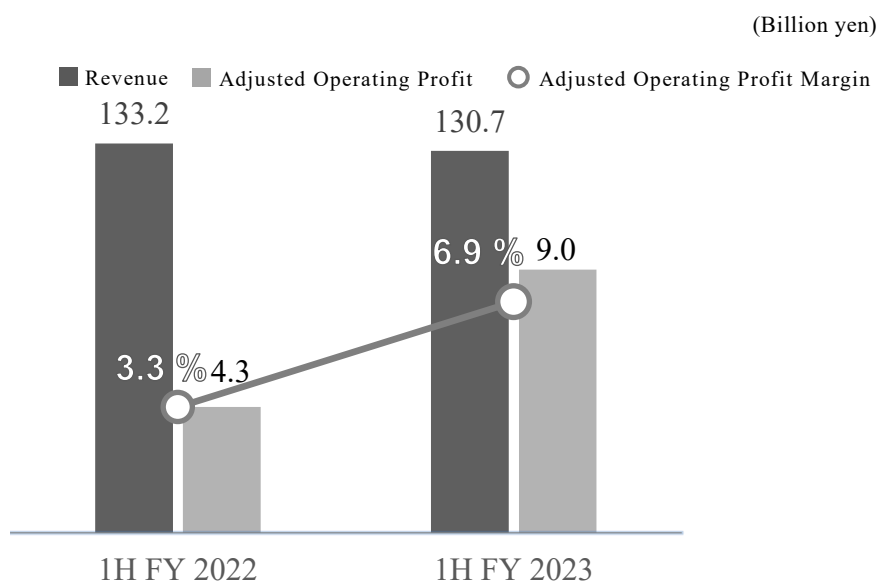
Hardware Solutions

Revenue in the Hardware Solutions segment decreased significantly, with a drop in sales of mobile systems and photonics systems due to a pullback from high demand in the previous fiscal year, despite an increase in sales of servers and storage systems as the impact of component supply shortages on manufacturing and sales volumes was resolved. Adjusted operating profit decreased due to the abovementioned decrease in revenues, as well as increased investment in development.



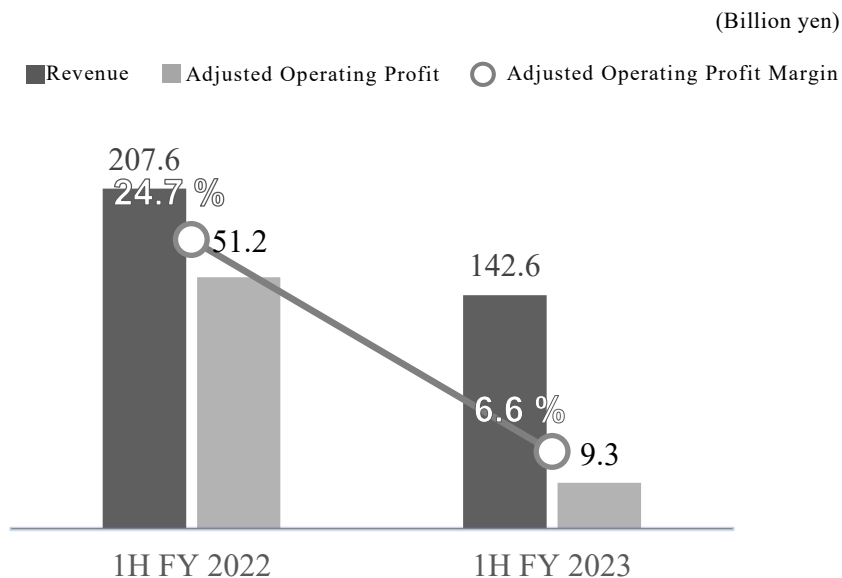
Ubiquitous Solutions

Revenue in the Ubiquitous Solutions segment decreased. Adjusted operating profit increased year on year due to progress on initiatives to cut costs and pass costs through to sales prices, despite a continued increase in procurement costs driven by exchange fluctuations, both in Japan and outside of Japan.



Device Solutions

Revenue in the Device Solutions segment decreased, reflecting continued low-levels of demand for semiconductor packages. Adjusted operating profit fell sharply year on year, partly reflecting the impact of a decrease in plant operations associated with low demand.



* For details, please refer to “FY 2023 First-Half Financial Results” available on the Fujitsu website at: <https://www.fujitsu.com/global/about/ir/data/results/>

TOPIC

Under its Medium-Term Management Plan, Fujitsu has looked ahead to its ideal state in 2030 and beyond, and determined four key strategies for realizing its ideal state in 2025 and the maximization of value provided to stakeholders: the business model and portfolio strategy, customer success/regional strategy, technology strategy, and people strategy. Among these, we will present specific initiatives regarding “Fujitsu Uvance.”

Fujitsu Uvance

As part of the business model and portfolio strategy, Fujitsu is aiming for growth centered on highly profitable digital and cloud services, including “Fujitsu Uvance.” We are targeting “Fujitsu Uvance” sales of 700.0 billion yen for fiscal 2025.

“Fujitsu Uvance” is a solution that takes on the challenge of helping customers grow their businesses and solve social issues. It combines Fujitsu’s long-established technologies with knowledge from various industries to connect processes and data that are fragmented across industries. It energizes cross-industry collaboration among companies and organizations to derive unprecedented solutions and knowledge. Through this connecting mechanism and cross-industry solutions and services, we will work with our customers to achieve Sustainability Transformation (SX)^{*1}. The following case study is one of our efforts to achieve the global standard for the SX market.

WBCSD PACT ~Succeeded in the world’s first social implementation~

Fujitsu has succeeded in visualizing CO₂ emissions throughout its supply chain through participation in the World Business Council for Sustainable Development^{*2} (WBCSD)’s Partnership for Carbon Transparency (PACT) Implementation Program^{*3}, the world’s first social implementation program to enable business-to-business data integration for product carbon footprint (PCF^{*4}) information.

This implementation leverages Fujitsu’s solution, Fujitsu Track and Trust, to link actual data and calculate CO₂ emissions in PCF across its notebook PC supply chain. Fujitsu also identified solutions to real supply chain issues, including how to improve supplier engagement and build ecosystems through PCF data exchange using actual supplier data.

Going forward, Fujitsu will continue to leverage the insights gathered through this project to contribute to the standardization of methodologies and best practices for business-to-business data linkage in the supply chain. In so doing, Fujitsu will help to address the resolution of global environmental problems, which represents one of the essential contribution areas defined under the Fujitsu Group’s approach to Materiality. Fujitsu will also provide the ESG management platform services and digital supply chain services for its “Fujitsu Uvance” portfolio.

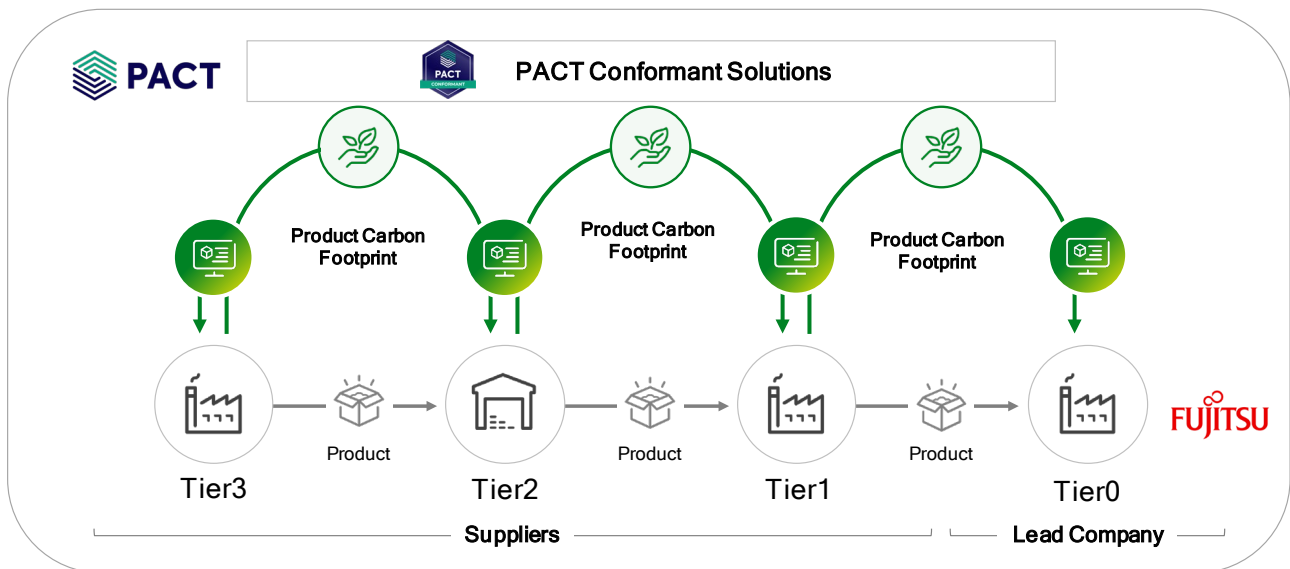


Image of Fujitsu's PACT Implementation Program

Details here: <https://www.fujitsu.com/global/about/resources/news/press-releases/2023/0913-01.html>

- *1. SX (sustainability transformation): Transforming business to bring about positive environmental, social, and economic change. Examples include reducing energy use and CO₂ emissions through continuous monitoring, and providing new public services that deliver essential services to those who need them through public-private partnerships.
- *2. World Business Council for Sustainable Development: A group led by CEOs of approximately 200 global companies with the aim of realizing a sustainable society through business activities. Fujitsu is a member of the Executive Committee.
- *3. PACT Implementation Program: A world-first initiative to enable decision making based on carbon information from actual data by having companies and their supply chains share standardized data across the entire value chain.
The initiative is working to link real suppliers in different industries with PCF data, and to identify issues and confirm the applicability and effectiveness of PACT-compliant solutions.
 - Period: April 2023 to September 2023
 - Program owner: WBCSD PACT
 - Participating companies: Eight lead companies, 11 PACT-compliant solutions companies (as of September), and approximately 500 suppliers
- *4. PCF: An initiative to calculate greenhouse gas emissions throughout the entire lifecycle of products and services, from raw material procurement to disposal and recycling, and convert them into CO₂ equivalents for easy-to-understand display on products and services.

(TRANSLATION FOR REFERENCE ONLY)

Stock (As of September 30, 2023)

Number of Authorized Shares:	500,000,000
Number of Issued Shares:	207,110,845
Stated Capital:	¥325,638,181,205
Number of Shareholders:	95,963 (3,072 decrease from the end of FY 2022)

Principal Shareholders (As of September 30, 2023)

<i>Name</i>	<i>Number of shares held (thousands)</i>	<i>Percentage of shares held (%)</i>
The Master Trust Bank of Japan, Ltd. (for trust)	31,632	16.79
Ichigo Trust Pte. Ltd.	13,599	7.22
Custody Bank of Japan, Ltd. (for trust)	10,891	5.78
GIC PRIVATE LIMITED - C	6,190	3.28
STATE STREET BANK AND TRUST COMPANY 505223	5,376	2.85
SSBTC CLIENT OMNIBUS ACCOUNT	4,023	2.14
JP MORGAN CHASE BANK 385632	3,631	1.93
Fujitsu Employee Shareholding Association	3,538	1.88
Asahi Mutual Life Insurance Company	3,518	1.87
STATE STREET BANK WEST CLIENT - TREATY 505234	3,355	1.78

Notes:

1. The investment ratio is calculated after exclusion of treasury stock holdings.
2. The shares held by The Master Trust Bank of Japan, Ltd. (for trust) and Custody Bank of Japan, Ltd. (for trust) pertain to their trust business.

Fujitsu Limited

1-1, Kamikodanaka 4-chome, Nakahara-ku, Kawasaki-shi, Kanagawa 211-8588, Japan

<https://www.fujitsu.com/global/>