TRANSLATION

FUJITSU

Interim Report on FY2019 (120th Business Period)

(Six months ended September 30, 2019)

FUJITSU LIMITED

Note:

This English version of Interim Report on FY2019 (120th Business Period) is a translation for reference only.

(TRANSLATION FOR REFERENCE ONLY)

To Our Shareholders

We are pleased to present you this Interim Report on 120th business period (fiscal 2019, from April 1, 2019 to March 31, 2020).

Since assuming office as President in June this year, I have been working on Fujitsu's transformation from an IT company to a DX[*1] company. Our view is that, as a technology company, Fujitsu's mission is to promote the Wellbeing of as many people as possible through technology. We believe that Fujitsu must transform itself into a DX company in order to create new value through technology and resolve various issues facing society. I myself will promote Fujitsu's transformation in my role as CDXO (Chief Digital Transformation Officer).

Based on this approach, regarding performance targets, at the Management Direction Briefing held in September this year, we decided to seek to improve profitability and expand our market share in our core business of Technology Solutions, targeting revenue of 3,500 billion yen and an operating profit margin of 10% in fiscal 2022. For specific measures in order to achieve these performance targets, please refer to "From an IT Company to a DX Company - The DX Business Fujitsu is Seeking" on Page 6-7.

Revenue for the first half of fiscal 2019 increased significantly in the area of services in Japan and the PC business, but declined year on year due to the restructuring of the device business and foreign exchange effects. Operating profit benefited from increased sales mainly in the area of services in Japan and the PC business, as well as improved profitability and streamlined operating expenses, but decreased overall due to the absence of profits recorded in the same period of the previous fiscal year as a result of changes to the retirement benefit plan and business restructuring. Revenue and operating profit solely from our main business, excluding special factors such as foreign exchange effects and business restructuring, both increased. For details of the results for the first half of fiscal 2019, please refer to the Summary of FY 2019 First-Half Consolidated Results on Page 3-5. Performance forecasts were upwardly revised from the plan announced at the beginning of the year due to favorable results in our main business for the first half of fiscal 2019. However, we are continuing to consider various measures going forward, such as business model transformation, and for this reason we will pay an interim dividend of 80 yen per share as initially planned, an increase of 10 yen[*2] from the previous interim dividend, in accordance with our policy to continue stable dividends. With regard to future shareholder returns, we aim to stably pay dividends, while seeking to increase shareholder returns in accordance with our growth level, and will also carry out share buybacks as needed.

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

November 2019
Takahito Tokita, Representative Director and President

[*1] DX: Digital Transformation. Using digital technologies and data to deliver innovative services and transform business processes.

[*2] On October 1, 2018, the Company conducted consolidation of shares of common stock at a rate of one share for every ten shares. The interim dividend has been calculated by converting the interim dividend of 7 yen for fiscal 2018 to 70 yen following the consolidation.

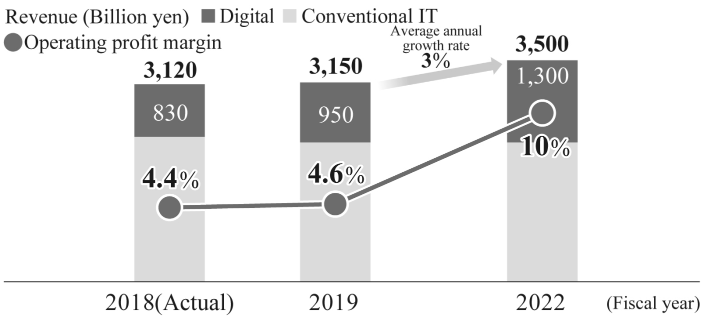
FY 2019 Full-Year Consolidated Forecast (Billion Yen)

	FY 2018	FY 2019 Forecast
Revenue	3,952.4	3,800.0
Operating Profit	130.2	160.0
Profit for the Period	104.5	125.0
Free Cash Flow	103.5	100.0

(*) In this report, profit for the period attributable to owners of the parent is presented as "Profit for the Period."

FY 2019 Plan / FY 2022 Targets (Billion Yen)

Aim to expand digital offerings, and target operating profit margin of 10%* for Technology Solutions



(*) Operating profit margin of Technology Solutions plus Other/Elimination and Corporate
(Plans and targets announced at the Management Direction Briefing held on September 26, 2019)

(TRANSLATION FOR REFERENCE ONLY)

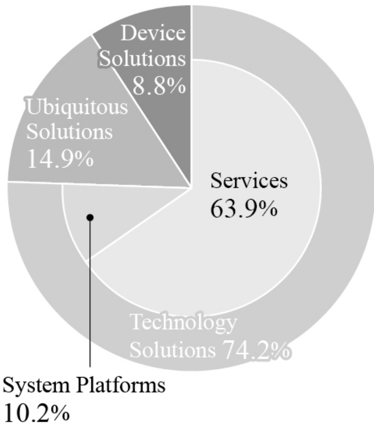
Summary of FY 2019 First-Half Consolidated Results

*For details, please refer to "FY 2019 First-Half Financial Results" available on the Fujitsu website at: https://www/fujitsu.com/global/about/ir/data/results/

Highlight (Billion Yen)

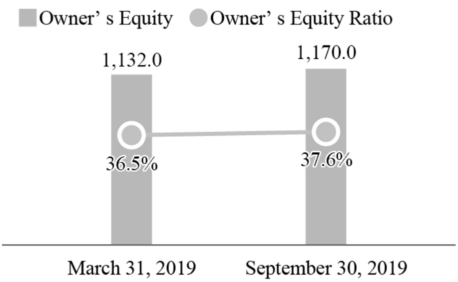
	1H FY 2018	1H FY 2019
Revenue	1,834.5	1,828.7
Operating Profit	95.2	71.0
Profit for the Period	81.1	63.6
Free Cash Flow	47.3	67.3

Breakdown of Revenue by Business Segment (%)



(*) Revenue includes intersegment revenue.

Owner's Equity Ratio (Billion Yen)

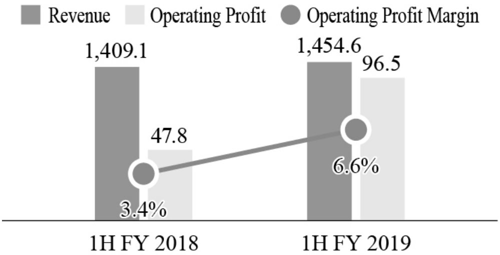


(*) Owner's Equity Ratio: Owners' Equity/Total Assets

(*) Owner's Equity consists of share capital, capital surplus, treasury stock, retained earnings and other components of equity.

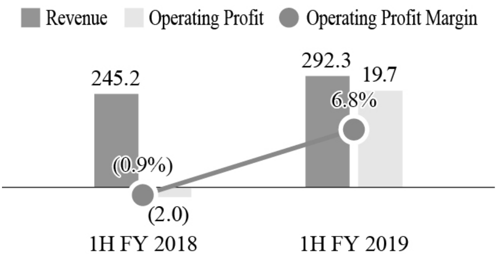
Overview by Business Segment (Billion Yen)

Technology Solutions



Revenue in the Technology Solutions segment increased on the back of a significant growth of services in Japan. Sales in Solutions/Systems Integration reached a new record high, owing to increased sales from local governments and in the field of healthcare, in addition to strong sales in the field of industrial distribution. As for Infrastructure Services, while sales of outsourcing services in Japan were robust, revenue decreased as a result of the impact from exchange rate fluctuations overseas. Revenue in the System Platforms sub-segment decreased due to weak sales of IA servers, despite increased revenue of network products and mainframes. Operating profit rose compared with the same period in fiscal 2018 due to improved profitability of the Services sub-segment and the System Platforms sub-segment, along with increased revenue from services in Japan.

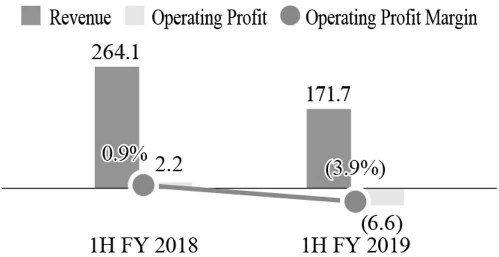
Ubiquitous Solutions



Revenue in the Ubiquitous Solutions segment increased significantly. While revenue decreased overseas due to the impact from exchange rate fluctuations, the growth in PC sales mainly in Japan led to a growth in revenue.

Operating profit rose compared with the same period in fiscal 2018 due to improved profitability as a result of reduced costs brought about by the price decrease of memories and other key devices, in addition to an increase in PC revenue.

Device Solutions



Revenue in the Device Solutions segment decreased, due mainly to the impact of business restructuring implemented in the previous fiscal year. Operating profit decreased compared with the same period in fiscal 2018 due primarily to the impact of higher yen, in addition to the recording of expenses related to the restructuring of domestic plants.

Other/Elimination and Corporate

Other/Elimination and Corporate recorded an operating loss of 38.6 billion yen, a deterioration of 85.8 billion yen from the same period in fiscal 2018. This was due primarily to the absence of temporary profits associated with the changes to the retirement benefit plan and business restructuring, which were recorded in the same period in fiscal 2018.

Stock *(As of September 30, 2019)*

Number of Authorized Shares:	500,000,000
Number of Outstanding Shares:	207,001,821
Stated Capital:	¥324,625,075,685
Number of Shareholders:	123,516 (11,023 decrease from the end of FY 2018)

Principal Shareholders

Name	*Number of shares held (thousands)*	*Percentage of shares held (%)*
Ichigo Trust Pte. Ltd.	14,899	7.35
The Master Trust Bank of Japan, Ltd. (for trust)	12,942	6.39
Japan Trustee Services Bank, Ltd. (for trust)	10,799	5.33
Fuji Electric Co., Ltd.	5,949	2.94
SSBTC CLIENT OMNIBUS ACCOUNT	5,616	2.77
Fujitsu Employee Shareholding Association	5,134	2.53
JP MORGAN CHASE BANK 385151	3,864	1.91
Japan Trustee Services Bank, Ltd. (for trust 5)	3,863	1.91
Asahi Mutual Life Insurance Company	3,518	1.74
STATE STREET BANK AND TRUST COMPANY 505103	3,409	1.68

Note: The investment ratio is calculated after exclusion of treasury stock holdings.

TOPICS

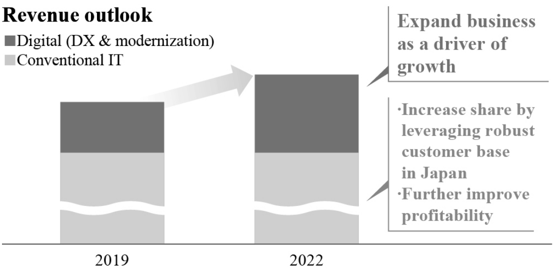
From an IT Company to a DX Company - The DX Business Fujitsu is Seeking

In order to achieve our performance targets for fiscal 2022[*1] (revenue of 3,500 billion yen and operating profit margin of 10%), the Company will transform itself and expand the DX business by contributing to the resolution of issues facing the environment, society, and customers.

[*1] Please refer to "FY 2019 Plan / FY 2022 Targets" on Page 2.

Core Policy

We will expand digital offerings[*2], including DX, and raise profitability of conventional IT, based on robust business foundation.



[*2] Digital offerings: In addition to DX, includes modernization[*3], visualization, and streamlining activities that support DX.

[*3] Modernization: Transformation to a system that can respond to changes and rapidly utilize advanced technologies, while utilizing existing assets.

The main measures to raise profitability in accordance with this core policy are as follows.

1. Expanding the DX Business

We will pursue DX that realizes the value sought by customers and society by utilizing the business knowhow that is supported by Fujitsu's technology and strong customer base. We will establish a consulting company specializing in DX to drive the DX business, aiming to create DX business worth 300 billion yen on a consolidated basis, including the ripple effect on the Fujitsu Group's business. In addition, as technology supporting DX, we will concentrate and strengthen resources in the seven key technology fields. Furthermore, we will invest 500 billion yen over the next five years in cutting-edge technologies, such as supercomputers, areas including AI and 5G networks that support the growth of DX business, the creation of new businesses, and internal transformation.

2. Increasing Profitability of the Services Business

While maintaining a robust business foundation in Japan, we aim for a 70 billion yen boost in profitability by fiscal 2022. We will accelerate the highly reliable modernization based on a wealth of knowledge of customers' systems and operations. At the same time, we will make strategic use of our Global Delivery Centers[*4] as offshore development bases to improve cost efficiency. We will improve productivity by promoting the creation of development and operation templates and automation using AI, etc.

[*4] Global Delivery Centers: Bases that provide standardized, high-quality services to customers throughout the world, including application services and multilingual service desks, located in eight countries.

3. Initiatives for the 5G Network Business

In July 2019, we started deliveries of base station control equipment and wireless equipment for 5G networks to NTT DOCOMO. We will promote the spread of 5G networks by improving development efficiency through strategic partnership with Ericsson in the area of wireless access networks, and by concentrating investments in optical high speed technology in the photonics business, which supports 5G networks. We will utilize the technologies and talent we have cultivated in our telecom carrier business over many years in various areas, including remote medical care and autonomous driving, as a network consultant in order to realize customer DX.