

# Medium-Term Management Plan

**Takahito Tokita**

CEO

**Fujitsu Limited**

May 24, 2023



- Thank you for taking time out of your busy schedules to attend this meeting today.
- At the announcement of our financial results for fiscal year 2022, we summarized our achievements and performance for the Medium-Term Management Plan, which concluded at the end of fiscal year 2022, and gave a high-level outline of the new Medium-Term Management Plan.
- Today, I would like to explain our new Medium-Term Management Plan in more detail.

# Agenda

## I Previous Medium-Term Management Plan Summary

## II Fujitsu's Ideal State

- Fujitsu's Materiality
- Fujitsu's Value Creation Model
- Positioning of the Medium-Term Management Plan

## III Medium-Term Management Plan (FY2023 to FY2025)

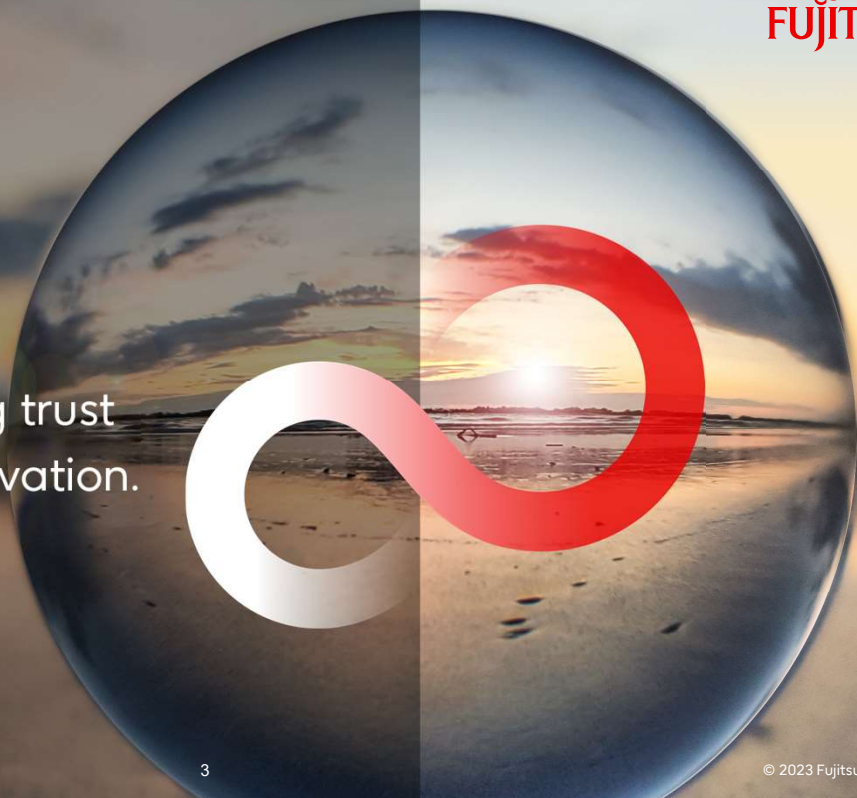
- Business Model and Portfolio Strategy
- Customer Success / Regional Strategy
- Technology Strategy
- People Strategy

## IV Company Targets for FY2025

- I will give a brief summary of the previous Medium-Term Management Plan up to fiscal year 2022, share our future vision, and explain our new Medium-Term Management Plan and targets up to fiscal year 2025.

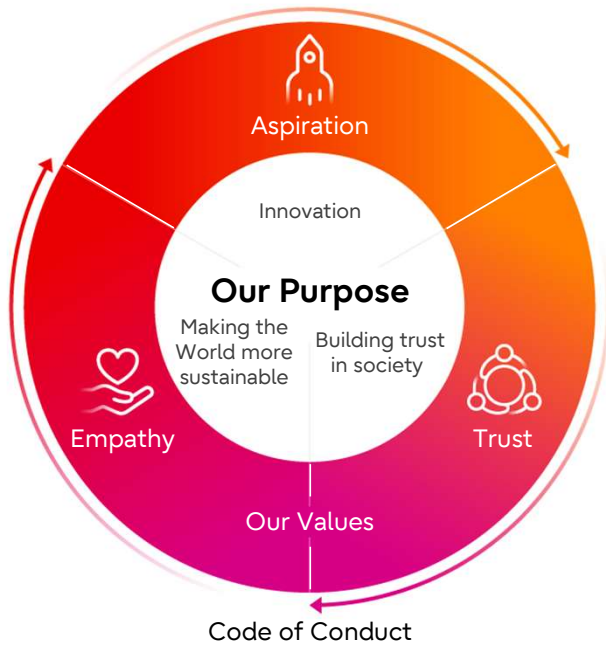
# Our Purpose

Make the world more sustainable by building trust in society through innovation.



- First, I would like to start with the Fujitsu Group's purpose, which is to “make the world more sustainable by building trust in society through innovation.” All of our corporate activities are designed to achieve this purpose, which gives meaning to our existence and what we aim to be.

# Fujitsu Way



## Three elements of the Fujitsu Way



<b>Our Purpose</b>	<b>Our purpose is to make the world more sustainable by building trust in society through innovation.</b>	
<b>Our Values</b>	Aspiration	<ul style="list-style-type: none"> <li>• Set ambitious targets and act with agility.</li> <li>• Embrace diversity and create original ideas.</li> <li>• Stay curious and learn from failures and experiences.</li> <li>• Deliver positive impact through human centric innovation.</li> </ul>
	Trust	<ul style="list-style-type: none"> <li>• Honor promises and exceed expectations.</li> <li>• Act with ethics, transparency and integrity.</li> <li>• Work autonomously and unite for common goals.</li> <li>• Contribute to a trusted society using technology.</li> </ul>
	Empathy	<ul style="list-style-type: none"> <li>• Strive for customers' success and their sustainable growth.</li> <li>• Listen to all people and act for the needs of our planet.</li> <li>• Work together to solve global challenges.</li> <li>• Generate shared value for our people, customers, partners, community and shareholders.</li> </ul>
<b>Code of Conduct</b>	<ul style="list-style-type: none"> <li>• We respect human rights.</li> <li>• We comply with all laws and regulations.</li> <li>• We act with fairness in our business dealings.</li> <li>• We protect and respect intellectual property.</li> <li>• We maintain confidentiality.</li> <li>• We do not use our position in our organization for personal gain.</li> </ul>	

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- The Fujitsu Way, which all Fujitsu Group employees must abide by, sets out the three important values of aspiration, trust and empathy, as well as a code of conduct, which are all anchored in our purpose.
- The Fujitsu Way serves as the basis for our actions and judgments and is also a promise to our customers and society.

## I. Previous Medium-Term Management Plan Summary

- I will now revisit and summarize our performance in the previous three-year Medium-Term Management Plan.

Provide digital services originating from cross-industry societal issues, which contribute to customer growth.

**7 Key Focus Areas**  
Achieving a Sustainable World

Vertical Areas

4 cross-industry areas that solve societal issues

Horizontal Areas

3 technical areas that support cross-industry



Sustainable Manufacturing



Consumer Experience



Healthy Living



Trusted Society



Digital Shifts



Business Applications



Hybrid IT

Key Technologies



Computing



Network



AI



Data & Security



Converging Technologies

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- In 2021, we announced Fujitsu Uvance which is designed to contribute to achieving a sustainable society through purpose-driven business activities.
- Fujitsu Uvance is not just a collection of solutions, but a framework for resolving societal issues through cross-industry cooperation with customers and partners, which is the business model we aim to establish.
- We are focusing our investments and resources on seven key focus areas in Fujitsu Uvance and five key technologies that support them.

# Examples of Fujitsu Uvance Offerings



Reduce the environmental burden across the end-to-end supply chain

Optimize the supply chain across manufacturing, distribution and sales

Secure stable supplies of goods in an emergency



## Offering

- Reducing GHG emissions by changing procurement routes
- Environmental consulting and GHG reduction Platform

- Factory production planning and management
- Logistics planning and traffic control
- Retail demand forecasting and purchasing planning
- Traceability

- Simulate the impact of hazardous scenarios
- Propose optimal transport routes to avoid affected locations

## Fujitsu Technology

Explainable AI

Social Digital Twin

Behavioral Analysis (AI Image Analysis)

Connection Chain

Proactive Optimization

Blockchain

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- Within Fujitsu Uvance, new businesses are emerging based on societal issues. Here are some examples of supply chain initiatives.
- To ensure sustainability in the supply chain, issues to be addressed include reducing environmental impact, ensuring the stable supply of materials in the event of an emergency, as well as optimizing overall supply chain operations.
- In response to this, Fujitsu provides support to visualize and enable reductions in CO2 emissions generated throughout the supply chain, as well as to simulate the impact of hazardous scenarios with proposals for workarounds. These solutions leverage Fujitsu's own technologies, including explainable AI.



# Previous Medium-Term Management Plan Performance Results

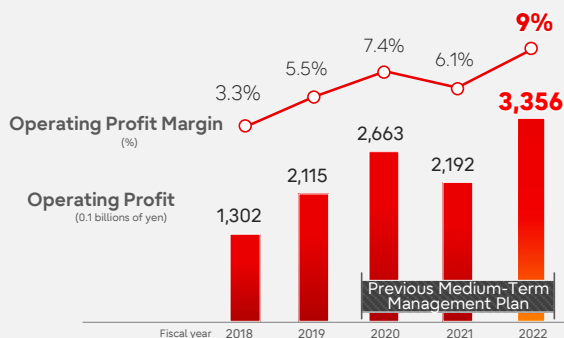


FY2020 to FY2022

Progressively improved profitability with record profit in FY2022

## Financial & Non-Financial Performance Results

## Summary: Activities and Results of the 7 Strategic Priorities



Rebuilding our global business strategy	Strengthening issue resolution capabilities	Contributing to greater stability of our customers' business	Becoming our customers' DX partner of choice
<b>Fujitsu Uvance</b>	<b>Business Producers</b>	<b>GDC &amp; JGG*</b>	<b>Ridgelinez</b>
Revenue	Reskilled	System	Consulting Proposals
<b>200 billion yen</b>	<b>8,000 people</b>	<b>30,000 people</b>	<b>250+ companies</b>

<b>Customer NPS*</b> <small>*NPS: Net Promoter Score</small>	-	-	-	+2.3	+18.1
<b>Employee Engagement</b>	-	63	68	67	69
<b>DX Promotion Index</b>	-	1.9	2.4	3.2	3.56

Strengthen data-driven management	Progression to DX employees and improved productivity	All inclusive, ecosystem-based, DX promotion
<b>OneCRM</b>	<b>Productivity</b>	<b>Company-wide DX Event</b>
Operational in	Operating income per capita	Participants
<b>31 countries</b> <b>20,000 people</b>	<b>Up 60%</b>	<b>30,000 people / event</b>

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\*GDC: Global Delivery Center  
\*JGG: Japan Global Gateway

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- Next, I would like to summarize the performance results in the previous Medium-Term Management Plan.
- Profitability progressively improved over the past 3 years, and in fiscal year 2022 we achieved a record high operating profit margin. For our non-financial indicators, we achieved both the Customer Net Promoter Score and DX Promotional Index targets.
- During this last Medium-Term Management Plan, we have identified seven strategic priorities and worked on them to advance two pillars of value creation and internal transformation.
- As part of our efforts to rebuild our global business, we launched Fujitsu Uvance with globally standard offerings, and achieved revenue of 200 billion yen during fiscal year 2022.
- We strengthened our approach to customer problem solving by re-skilling 8,000 of our 11,000 sales representatives. We strengthened our foundations for future global business expansion by now having over 30,000 employees in our Global Delivery Centers and Japan Global Gateway.
- We also established Ridgelinez as a first step to developing and expanding a standard approach to consulting throughout Fujitsu.
- For our internal transformation, we have been working on digital transformation across all areas. The results of these efforts are reflected in the Digital Promotion Index scoring, which has reached the level of a global company. We launched the OneFujitsu programs, to establish data-driven management on a global scale, as well as reforms to human resource management and adopt more flexible working styles such as Work Life Shift.
- As a result of these measures productivity increased, and operating profit per employee increased by 60% compared to fiscal year 2019.

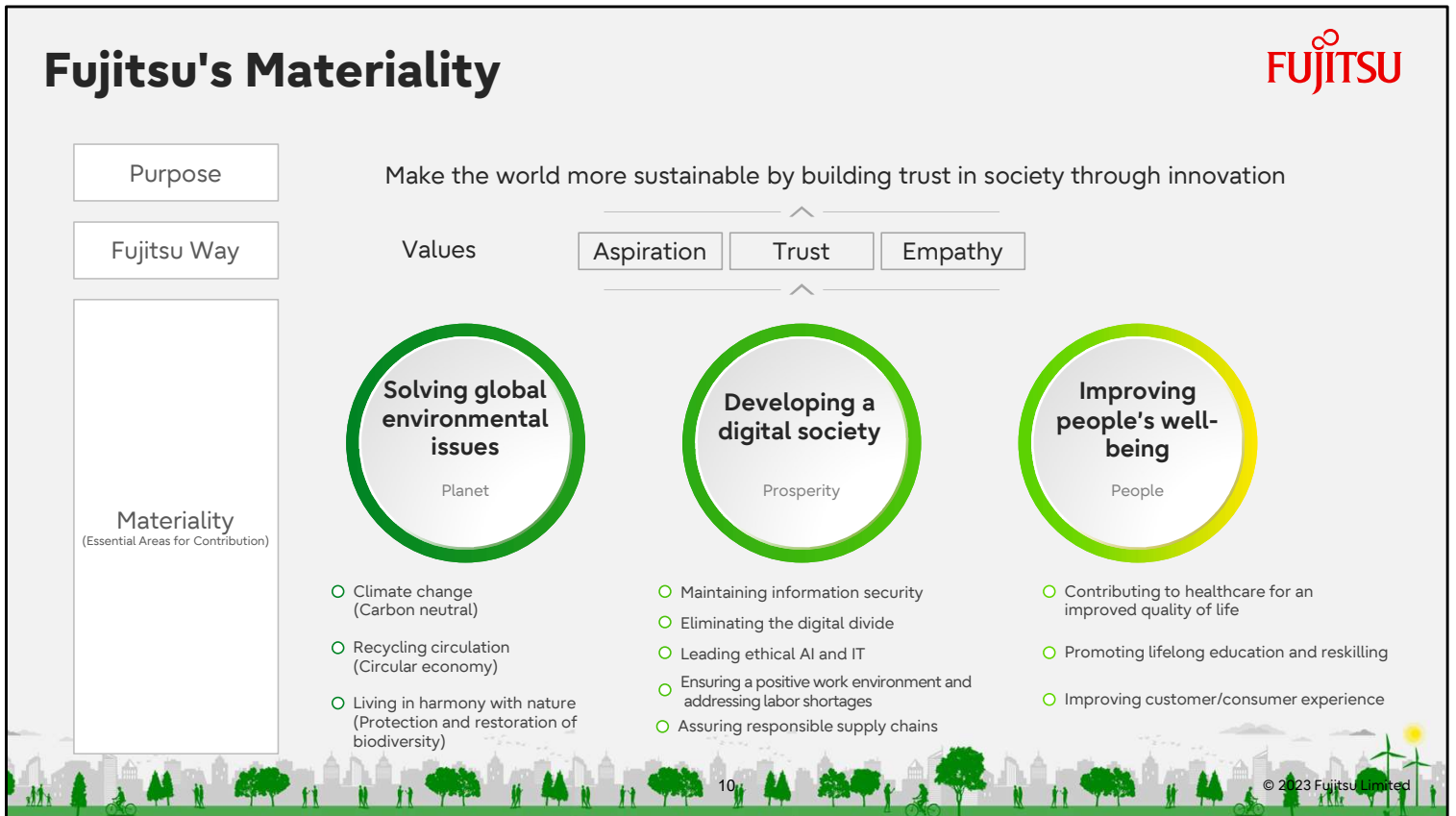


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## II. Fujitsu's Ideal State

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- I will now describe Fujitsu's ideal state.



- We have established three areas of Materiality contribution that are essential to achieving our purpose. These are solving global environmental issues, developing a digital society, and improving people’s well-being.
- We have also identified eleven key issues to focus on across these three areas, including addressing climate change, maintaining information security, and contributing to healthcare and well-being for an improved quality of life.
- Fujitsu will contribute to society by fully leveraging our capabilities, including our leading-edge technologies and diverse talent, and we will develop and create future technologies and offerings to solve the societal issues I have described.

# Value Creation Concept for 2030

\*Net positive:  
In addition to maximizing financial returns, we are committed to solving global environmental problems, developing a digital society, and improving people's well-being. Technology and innovation will have a positive impact on society as a whole.



Being a technology company that realizes net positive\* through digital services



- Next, I will explain the concept of value creation for 2030.
- We have newly established our vision for 2030 as "A technology company that provides digital services that contribute to sustainability cross-industry and realizes net positive for stakeholders including society, customers, shareholders, and employees".
- Fujitsu defines net positive as "Fujitsu, which exists in society, must address the materiality of solving global environmental problems, developing a digital society, and improving people's wellbeing, in addition to maximizing financial returns, and making a positive impact on society as a whole through technology and innovation.".
- We have set financial indicators and indicators for the three materiality items that meet the 2030 levels, and geared our activities, outputs and outcomes to achieve our vision and purpose.
- By investing capital and pursuing materiality in line with our key strategies, we will continue generating outputs and outcomes in both financial and non-financial terms, and invest them as inputs, to improve our value proposition

# Positioning of the Medium-Term Management Plan

During this 3-year Medium-Term Management Plan period, we will establish a business model for sustainable growth and improved profitability for 2025, through to 2030 and beyond



## Key Strategies

- Improved profitability
- Transforming corporate culture
- Business Model and Portfolio Strategy
- Customer Success / Regional Strategy
- Technology Strategy
- People Strategy

- This is the positioning of this Medium-Term Management Plan.
- During the 3 years of this Medium-Term Management Plan, we will work to transform our business model and business portfolio, provide reliable support for our customers' modernization needs, and improve the profitability of our international businesses, including shifting our focus to being a services business.

### III. Medium-Term Management Plan (FY2023 to FY2025)



- Next, I will explain our key strategies and major initiatives for the new Medium-Term Management Plan ending in fiscal 2025.

# Medium-Term Management Plan Key Strategies

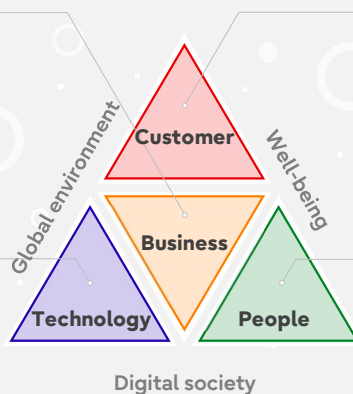
Key strategies to maximize stakeholder value and achieve Fujitsu's aspirations

## Business Model and Portfolio Strategy

- Business segments and portfolio
- Shift to growth areas
- Customer engagement model

## Technology Strategy

- Develop core technologies
- Business utilization of technologies (Enhance value delivered)



## Customer Success / Regional Strategy

- Expand consulting
- Modernization
- International focus on services
- Strategic alliances
- Further stability of customers' business

## People Strategy

- Globally unified roles
- Improve productivity (per employee)
- Strengthen management foundation

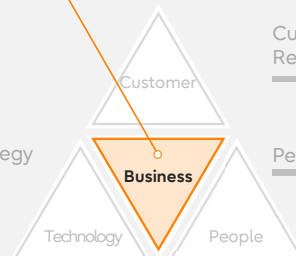
- In this Medium-Term Management Plan, we have set 4 key strategies to realize Fujitsu's ideal state for 2025 and maximize the value provided to stakeholders, while also looking to our ideal state for 2030 and beyond.
- First is our business model and portfolio strategy, second is our customer success and regional strategy, third is our technology strategy, and fourth is our people strategy.
- I will explain the activities for each strategy.

# Business Model and Portfolio Strategy

Business Model and Portfolio Strategy



Technology Strategy



Customer Success / Regional Strategy



People Strategy



- Firstly, our business model and portfolio strategy.



# Business Segment Changes

Business Segments and Portfolio

Technology Solutions separated into Service Solutions and Hardware Solutions.

Business portfolio transformation realized by dividing our business structure and increasing focus and investments in growth areas.



- Fujitsu has worked to transform its business model and portfolio. We will change our business segments in fiscal 2023 to reflect the current business conditions.
- Technology Solutions segment separates into two categories: Service Solutions, and Hardware Solutions that consists of Hardware provision and Hardware maintenance businesses.
- Service Solutions consists of Global Solutions centered on Fujitsu Uvance and the services business delivered in each region.
- By simplifying our business structure in this way, we will focus efforts and investments in growth areas and strengthen the management of our business portfolio.

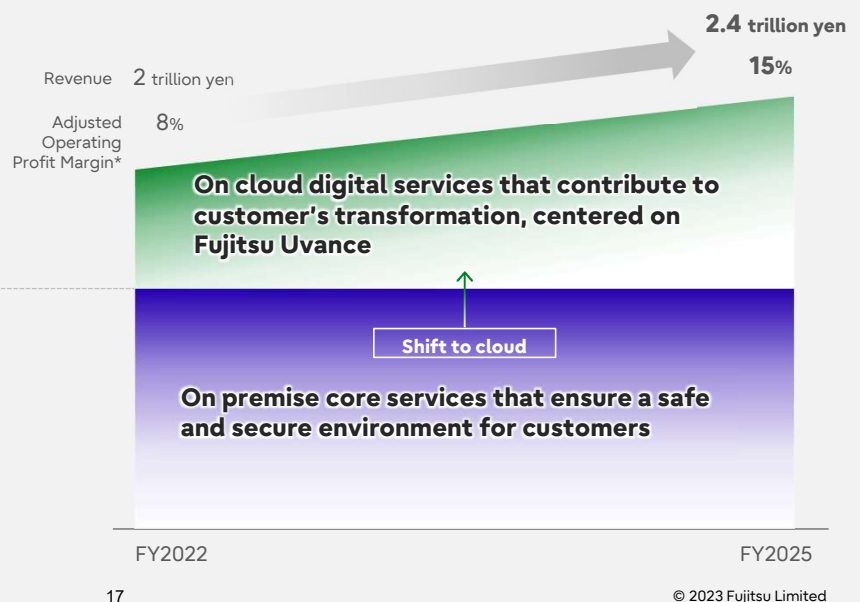
# Grow Service Solutions

Shift to Growth Areas

Target high growth and profit in cloud and digital services, including Fujitsu Uvance

## Focused Measures

- Expand consulting
  - Develop strategic alliances
  - Develop core technologies and improve business utilization and value delivered
  - Develop and reskill employees
- 
- Standardize delivery and improve productivity
  - Expand modernization
  - Stabilize and enhance quality and security



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- I will explain more about Services Solutions which will drive our company's future growth.
- This segment consists of On cloud digital services centered on Fujitsu Uvance and traditional On premise services.
- In the 3 years up to fiscal 2025, we are targeting an approximately 20% increase in revenue and approximately a 2-fold increase in the adjusted operating margin.
- On cloud digital services will increase revenue and profit, targeting high growth profitable business.
- We are focusing on further expanding our consulting capabilities, enhancing strategic partner alliances, developing leading-edge technologies for business implementation, and developing our people to provide digital services.
- For On Premise services, we aim to increase profitability by improving productivity through delivery standardization and expanding modernization that will lead to a shift to the cloud.
- For these services, we provide a number of infrastructure systems to support our customers' businesses. Across the entire company we will continue improving quality and strengthen security to ensure the stable operation of customer systems and eliminate unprofitable projects.

# Develop Long-Term Customer Engagement

Customer Engagement Model

Jointly address challenges with customers, continuously provide optimal solutions at each stage of the business model and provide long-term support for modernization and cloud shift.



## Consulting Led

Work with the CEO/CxO/LoB to address business challenges, identify solutions and propose offerings, that are connected and implemented through the Delivery Lead.

## Delivery Led

Satisfy customer's IT strategic requirements and ensure secure and reliable delivery of offerings to QCD (Quality, Cost, Delivery).

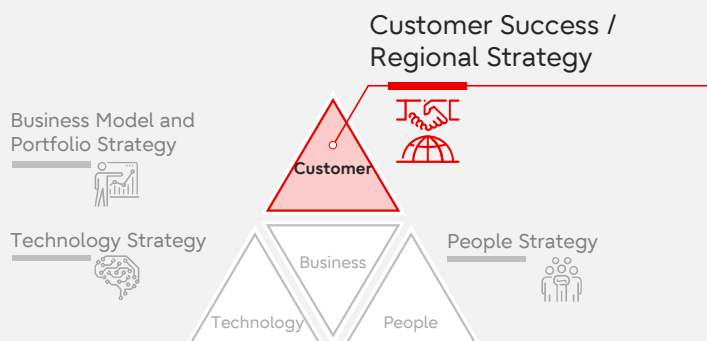
## Modernization Led

Proactively identify solutions to progress system modernization based on cloud migration and application modernization, e.g. when systems need replacing, contract renewal, and can lead to next-stage consulting opportunities.



- This is our model for building long-term engagement with customers.
- To maintain and further improve customer engagement over the long term, we have redefined the business model to build customer relationships according to each stage of the business model.
- In each of the phases of consulting, delivery, and modernization, we will work closely with our customers to meet their business challenges, continuously provide optimal solutions, and provide long-term support for them to realize DX, including modernization and cloud shift.
- We will enhance customer engagement by connecting these three aspects, which have tended to be fragmented in the past. In the current Medium-Term Management Plan, we will enhance our approach to consulting to provide effective solutions that are more appropriate to our customers' needs.

## Customer Success / Regional Strategy



- I will now explain the second of our key strategies, which is the Customer Success and Regional Strategy.

# Increase Consulting Capability to Solve Customer Issues

Expand consulting

Scale Technology Consulting and Business Consulting capabilities, expand to 10,000 employees through re-skilling, etc.

## Technology Consulting



- Fujitsu Uvance horizontal areas
- Strategic alliance partners
- Technology drivers
- Support internal IT developments

## Business Consulting



- Fujitsu Uvance vertical areas
- Ridgelinez consulting approach
- Business transformation
- Business management

- Firstly, we will expand our consulting capabilities.
- We will work with our customers to address the management and societal issues they face within their business, and with our strengthened consulting, propose solutions based on digital technology.
- We will support our customers and help them to realize their ideal state through technology consulting focusing on the Horizontal areas of Fujitsu Uvance and business consulting related to business operations, management and the Fujitsu Uvance Vertical areas.
- By fiscal year 2025, we will increase the number of employees with consulting skills to 10,000 in the areas of Technology and Business.

# Realize Customers' Optimal Modernization

Modernization

Use Fujitsu's unique strengths to create greater customer value by supporting their DX / GX\* while optimizing their existing assets.

## Value to the customer

\*GX: Green Transformation



### Safe and Secure

Optimal and appropriate modernization of existing assets to meet future business needs.



### Total Support

Total support for modernization needs, utilizing Fujitsu engineering capability cultivated from mainframe and other core systems experience.

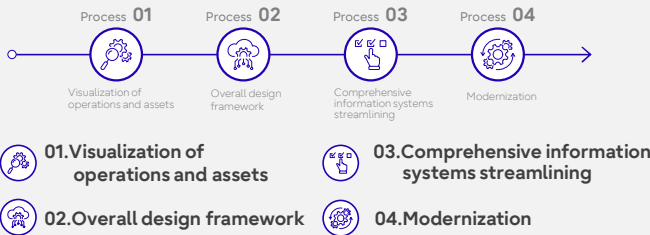


### The Right Solution

Provide global modernization services leveraging alliances with strategic partners.

## Fujitsu's modernization services

## Fujitsu capabilities



- Transformation Partner (Ridgelinez)
- Specialized function (Modernization Knowledge Center)
- Delivery structure (35,000 employees by FY2025)
- Technology

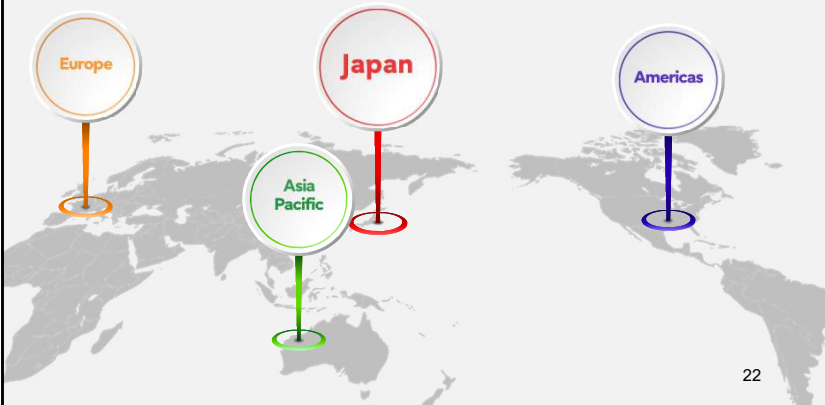
- Next is the modernization business.
- With the inherited responsibility of existing customer infrastructure assets, Fujitsu will propose optimal solutions to modernization by leveraging its unique strengths in engineering capabilities cultivated over many years from the development of mainframes and other core systems as well as a specialized modernization function and global delivery system.
- We present an overall design framework for the future and offer total support, with services ranging from operations and asset visualization through to the implementation of modernization, ensuring we optimize information systems, for DX, and GX: Green Transformation.

# Main Regional Initiatives

International Focus on Services

Provide optimal solutions for customers in Japan and strengthen service businesses globally.

	Japan		International	
Adjusted operating profit (Target)	FY22	FY25	FY22	FY25
	12%	→ 19%	1%	→ 3%



## Japan

Support customers' modernization needs across all industries and strengthen our support structures for customers with Japan-originated businesses operating globally.

## International

Grow global offerings and services centered on Fujitsu Uvance.

(Fujitsu Uvance revenue ratio in International services FY22: 20% → FY25: 45%)

- Main regional initiatives. We will continue to strengthen our services business with the aim of improving profitability across Fujitsu.
- In Japan, we will support the modernization needs of customers in all industries and strengthen our structures to provide global standard services and support for customers with Japan-originated businesses, who are now operating globally.
- In other regions, we will expand the provision of global solutions and services centered on Fujitsu Uvance to step change the quality of our business.
- As a result, in fiscal year 2025, we project that Fujitsu Uvance will account for 45% of our international revenue, an increase of approximately 2.3 times from fiscal 2022.



# Further Develop Strategic Alliances

Strategic Alliances

Enhance strategic partner alliance relationships to increase value to stakeholders.



- Global strategic partnership agreement
- Largest global SI partner in Japan



- Global program co-developing market offerings and employee skilling
- Leverage from AWS industry expertise to jointly expand globally



- Global technology partner
- Further develop and scale RISE with SAP \*



- 2023 Worldwide Elite Segment Partner of the Year Award
- Further develop highly specialized capability



- # 1 Certified Salesforce Partner Program in Japan
- Joint development of manufacturing and healthcare services

\*RISE with SAP: Comprehensive offering for business process transformation based on SAP S/4HANA Cloud

- We will also strengthen alliances with strategic partners.
- As the leading global SI partner in Japan, we will strengthen our strategic partnership with Microsoft.
- In addition to collaborating with AWS in industries where we have strengths, we will work together in offering development and skilling employees to deepen our collaboration
- We will work with SAP as a global technology partner to grow the business based on our own implementation of RISE with SAP\*, an offering for cloud migration of ERP data and process.
- We have signed an Enterprise Training Agreement with ServiceNow and introduced a system that allows all employees to take an unlimited number of training courses and acquire qualifications that enables us to acquire and strengthen ServiceNow-related skills. By the end of fiscal 2023, we aim to increase the number of in-house ServiceNow certifications to over 10,000. And we will build on our recent award of Worldwide Elite Segment Partner of the Year 2023 to grow and expand our business globally.
- With Salesforce, we are jointly developing solutions in the fields of manufacturing and healthcare, and plan to further strengthen collaborations for business expansion.

# Further Stabilizing our Customers' Business

Further Stability of Customers' Business

Company-wide measures to prevent the recurrence of information security incidents and system quality problems.

## Medium-Term Management Plan (Security and Quality)



### Strengthen management structure

- Strengthen the Risk Compliance Committee
- Appointment of Chief Quality Officer (CQO) with increased authority
- Empowered CISO (Chief Information Security Officer)

### Strengthen information security

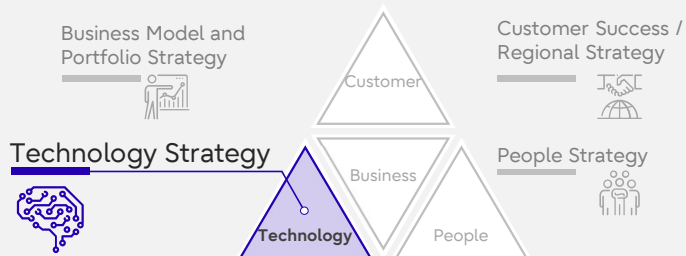
- Highly objective risk assessment and response
- Centralize security authority controls
- Increase security capability across the business

### Improve systems quality

- Centralize quality control approval
- Implement permanent quality control
- Strengthen design and operational infrastructure to support quality control

- In all of Fujitsu's business activities, I will explain our efforts to bring further stability to our customer businesses.
- We would like to express our sincere apologies for the inconvenience and concern caused by various system problems and security incidents.
- We will focus on three areas: strengthening corporate governance, strengthening information security, and improving systems quality.
- We will make permanent management improvements by implementing each measure with a sense of speed, reviewing its effect, and making any further necessary corrections.

# Technology Strategy



- The third is the Technology Strategy.

# Enhance Value through Technology

Develop Core Technologies

Develop core technologies centered around AI to create added value in the services business.

## Converging

High precision simulation



Converging

## Network

Control large scale network



Network

## Data & Security

Autonomous and decentralized social system



Data & Security

AI

## Computing

Provide massive speed with low power consumption



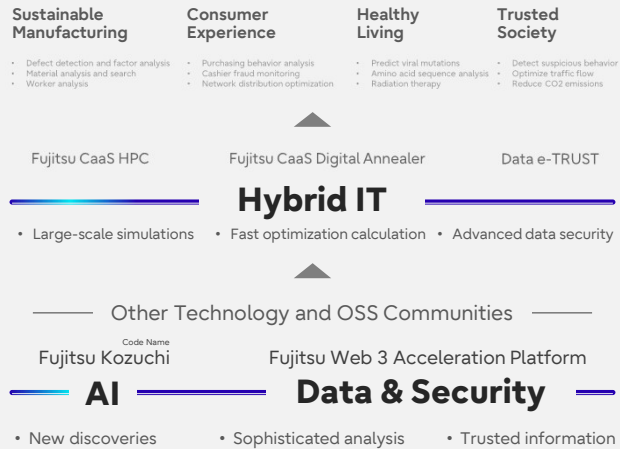
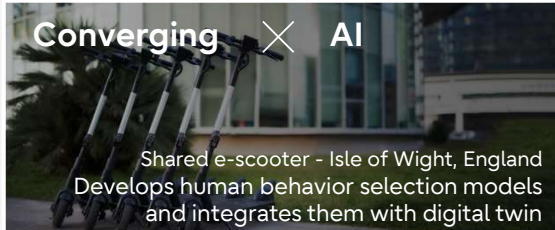
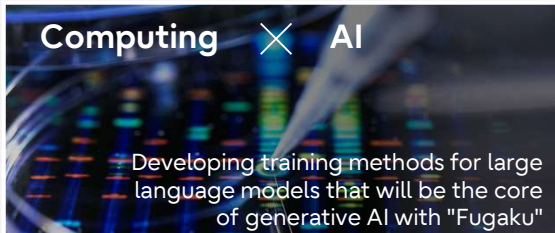
Computing

- Fujitsu has established five key technologies to support Fujitsu Uvance: Computing, Network, AI, Data & Security, and Converging.
- Going forward, we will develop these five core technologies centered on AI and implement them in our business as added value.

# Examples of Technology Utilization

Business Utilization of Technologies (Enhance Value Delivered)

Transforming technological innovation into added value for customers and society



AI combined with other key technologies results in a greater impact

Technology-based value delivery model

- These are examples of our efforts to transform technological innovations into added value provided to customers and society.
- On the left-hand side of the slide there are two examples how combining AI with other key technologies can bring greater benefit.
- Above left is an example of AI combined with Computing. Fujitsu, the Tokyo Institute of Technology, Tohoku University, and RIKEN, have begun developing training methods to enhance the performance of large-scale deep learning models similar to ChatGPT.
- We will contribute to improving AI research capabilities by creating an environment to build Large Language Models that can be widely used by companies and academia organizations.
- At the bottom left of the slide, an example of where AI in conjunction with Converging, we have developed digital rehearsal technology that combines AI behavioral economics to accurately reproduce people's behavior on a digital twin and predict changes in behavior, verifying the potential effects of measures in advance of them happening.
- This system is being used to operate a shared e-scooters pilot on the Isle of Wight, UK, to verify measures for CO2 emission reductions while also improving public convenience.
- On the right-hand side of the slide, is an example of a technology-based value delivery model. We will implement technology in Hybrid IT, one of the Horizontal areas of Fujitsu Uvance, and combine it with other companies' technologies and OSS, along with the recently announced "Fujitsu Kozuchi," a new AI platform that enables rapid testing of advanced AI technologies for practical business applications, and the "Web3 Acceleration Platform," an environment and a place where people can connect with trust in the digital space by using elemental technologies of Web3.
- Through providing offerings that combine these technologies with applications and services from Fujitsu Uvance's Vertical segment, we will work with our customers to implement technology in society.

# People Strategy

Business Model and Portfolio Strategy



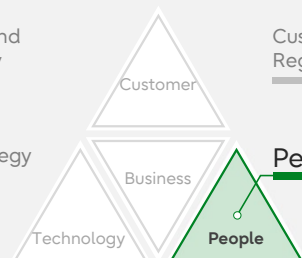
Technology Strategy



Customer Success / Regional Strategy



People Strategy



- The fourth key strategy is our People Strategy.

# Business-Aligned Workforce Portfolio

Globally Unified Roles

Develop and establish a global workforce portfolio, aligning employees to growth areas with measures centered on re-skilling and up-skilling with standard global training programs.

Globally Unified Roles



## Sales & Marketing

Continuously propose and provide optimal solutions, jointly addressing customer challenges

## Consulting

Propose solutions to customers' business challenges from a business and a technology perspective

## Delivery

Implement and deliver Fujitsu and partners' solutions in an optimal way

## Managed Service

Operate and maintain services and products for customers and assure the quality of service

## Offering Development

Plan and develop offerings that solve societal and customer challenges

## Research & Development

Research and develop technologies and apply them to solutions and business

## Corporate Functions

Provide corporate function services to the Fujitsu Group

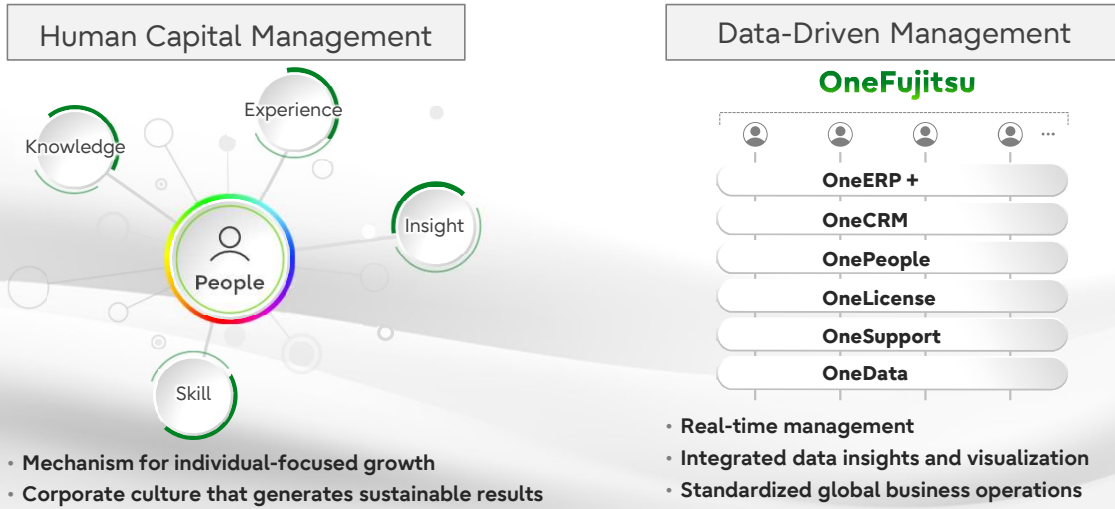
- We will strive to realize a global workforce portfolio that is connected to our business needs.
- We will define standard roles to globally unify and create the ability to visualize and manage our full workforce portfolio and implement a workforce development plan linked to our global business plans.
- We will align employees to growth areas, offering re-skilling and up-skilling opportunities.



# Increase Value to Customers by Strengthening the Management Foundation

Improve Productivity (Per Employee), Strengthen Management Foundation

Strengthen and upgrade Fujitsu's management foundation focusing on people and IT. Expand the value proposition by utilizing the experience and know-how gained through internal practices.



- We will continue to work on productivity improvements and strengthening our management foundation, taking a more sophisticated approach between the efforts of our people and digital technology.
- With regard to Human Capital Management, and in line with our efforts to align our workforce portfolio to our business portfolio, we will implement employee-based measures such as global job postings, with career design focused on the individual, and an emphasis to take personal ownership for skills and career development.
- In digital technology, we will strengthen data-driven management through the OneFujitsu programs.
- We will take the experience and expertise we have gained through these internal implementations and provide them as valuable insights to our customers.
- Fujitsu has faced many of the same issues as other companies. By taking the lessons learned from our internal implementation activities and providing them as reference models to our customers, we will promote the digital transformation of society as a whole.

## IV. Company Targets for FY2025

IV

- That concludes my explanation of our key strategies.
- Next, I will explain Fujitsu's targets for fiscal year 2025, with further details then provided by CFO Isobe.

# Targets for FY2025

Financial



Increase company profitability and drive growth in Service Solutions through Fujitsu Uvance

● ● ●  
Business growth and improved profitability

	Consolidated			Service Solutions	
	FY22		FY25	FY22	FY25
Revenue	3.7 trillion yen	→	<b>4.2 trillion yen</b>	2.0 trillion yen	→ <b>2.4 trillion yen</b>
Adjusted operating profit*	320 billion yen	→	<b>500 billion yen</b>	160 billion yen	→ <b>360 billion yen</b>
(%)	9%	→	<b>12%</b>	8%	→ <b>15%</b>
				Fujitsu Uvance Revenue	
				200 billion yen	→ <b>700 billion yen</b>

\*Adjusted operating profit: Indicator which represents an actual profit from core business calculated by deducting profits from business restructuring, M&A, etc. and one-off profits from changes in regulations. (Equivalent to previously known as operating profit excluding special items)

● ● ●  
Strengthen cash generation capabilities

	FY22		FY25
Core FCF* (company-wide)	150 billion yen	→	<b>300 billion yen</b>

\*Core FCF: Current FCF after deducting temporary income and expenses associated with business restructuring, M&A, etc.

● ● ●  
Increase efficiency of corporate capital

	FY19 – FY22		FY22 – FY25
EPS CAGR	12%	→	<b>14 - 16%</b>

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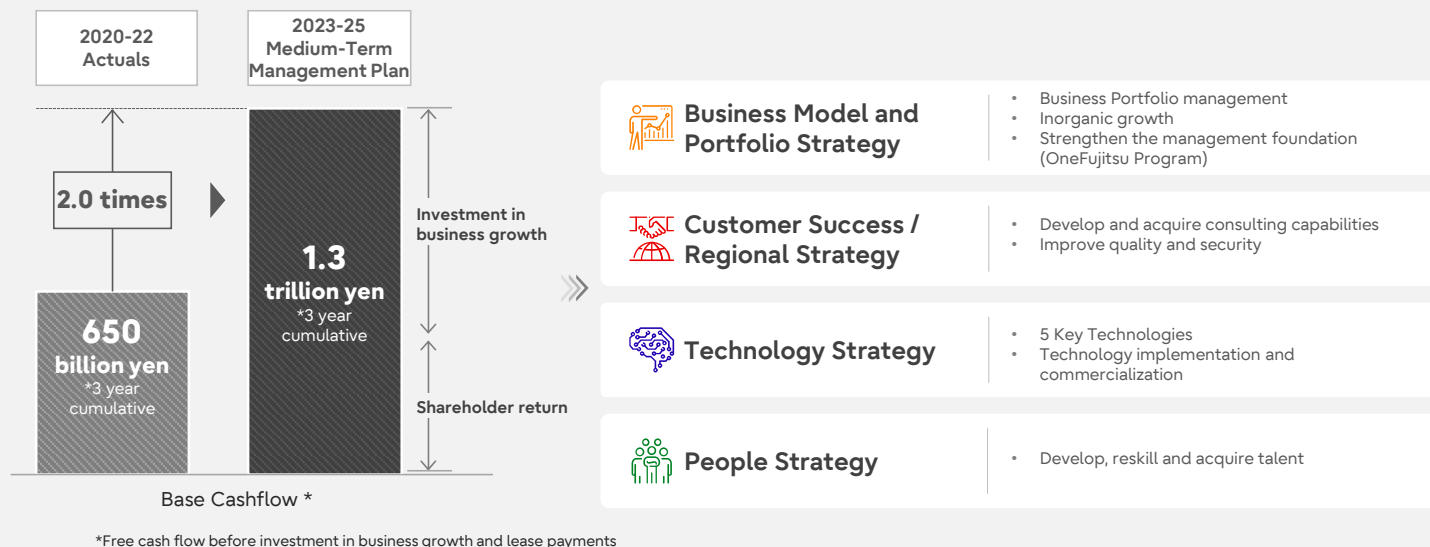
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- Let me explain our financial targets for fiscal year 2025.
- We have set the following targets: revenue of 4.2 trillion yen, adjusted operating profit of 500 billion yen, and an adjusted operating profit margin of 12%.
- With Fujitsu Uvance as a growth driver, we aim to expand earnings, mainly in the Service Solutions segment.
- In terms of cash generation, we are projecting the core free cashflow of over 300 billion yen, and for corporate capital efficiency, we set the target to achieve an annual growth rate in earnings per share of 14% to 16%.

# Financial Strategies to Enhance Corporate Value

Accelerate cash generation by focusing on Service Solutions.

Optimize allocations and increase investment in growth areas.



- Next, I will explain our financial strategy to enhance our corporate value.
- Our focus on Service Solutions will accelerate cash generation.
- We will continue to make investments which contribute to growth and optimize allocations based on our four key strategies.
- Under the previous Medium-Term Management Plan, a base cashflow of approximately 650 billion yen was generated over 3 years, over the next 3 years, the total base cashflow is expected to double to 1.3 trillion yen.

# Targets for FY2025

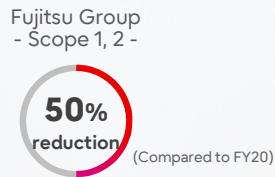
Non-financial



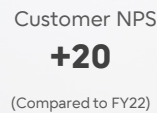
Business model and portfolio transformation is complete and 2025+ growth plans are on track.

## Environment

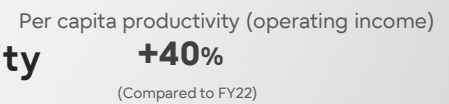
GHG emissions



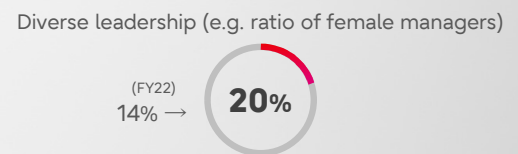
## Customer



## Productivity



## People



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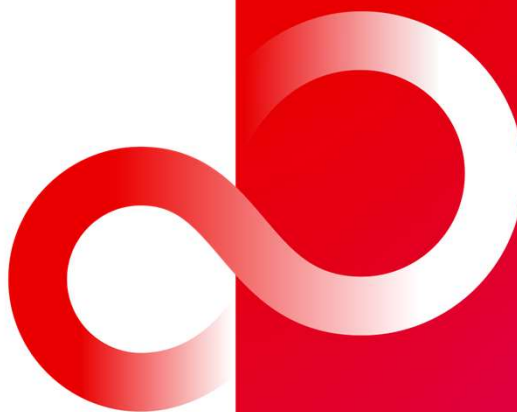
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- Finally, I will explain the non-financial targets for fiscal year 2025.
- We will set KPI targets for the environment, customers, productivity, and people.
- For environment contributions, we aim to reduce GHG emissions by 50% for Scope 1 and 2 of the Fujitsu Group and 12.5% for Scope 3 of the supply chain, compared to our levels in fiscal year 2020.
- For customer measures, we will continue to use Customer NPS as our KPI and aim to increase by 20 points from fiscal year 2022.
- For productivity, we aim to increase operating profit per employee by 40% compared to fiscal year 2022.
- For people, we will continue to measure Employee Engagement, and continue aiming to achieve a global score of 75. In addition, we will measure and improve leadership diversity. For example, we have set a KPI for the percentage of female managers in leadership positions at a global level, which we aim to increase from 14% in fiscal year 2022 to 20% in fiscal year 2025, back casting from our target of 30% for fiscal year 2030. We will also continue to conduct quantitative analysis on how non-financial initiatives contribute to our financial performance.
- We will work to achieve both the financial and non-financial targets.



- Fujitsu has a defined purpose and has already implemented reforms to realize this purpose.
- In the 3 years up to fiscal year 2022, we have significantly changed our business and organizational structure, our approach to our workforce and internal systems, and employees' mindset and corporate culture. In the new Medium-Term Management Plan, further changes will be pursued, and I am confident we have set the groundwork to achieve results.
- We have defined our new vision and materiality. As we head into 2030, Fujitsu will focus its management resources on solving three material issues: solving global environmental issues for a future where people and nature coexist; developing a reliable digital society in which global prosperity and stability are compatible; and improving people's well-being through the establishment of a human-centric life foundation.
- To establish a solid foundation as a sustainable company, we will progressively implement this Medium-Term Management Plan.

# Thank you



- This concludes my explanation.
- Thank you for your attention.



## 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