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

Working to create reference models for the new normal in society

Working with customers to envision new ways for them to do business, and striving to achieve that vision

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.
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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)

- Traditional IT
- DX and Modernization

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

Our Purpose

1. Rebuilding our global business strategy
2. Strengthening issue resolution capability in Japan
3. Contributing to greater business stability
4. Becoming our customers’ best DX partner

For Growth

1. Enforcing data-driven management
2. DX talent development and productivity improvement
3. Full participation and ecosystem-based DX promotion

For Stability

Internal Transformation

Value Creation

Internal DX
1. Rebuilding Our Global Business Strategy

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

2. Strengthening Issue Resolution Capability in Japan

- 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.
4. Becoming Our Customers’ Best Partners in Digital Transformation

Design Thinking

- Identifying essential issues in customer operations
- Finding optimal solutions using digital technology

Transforming Businesses

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
Fujitsu’s Fundamental Transformation and Evolution

**Major Initiatives**

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
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 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

- 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

7 Key Issues of GRB (Global Responsible Business)

Stable contributions over the long term

Making the world more sustainable

Creating growth opportunities

Human Rights, Diversity and Inclusion
Well-being
Environment
Compliance
Supply Chain
Health and Safety
Community

Environment
Society
Economy
Sustainable Growth and Improved Profitability

FY2022 Targets for Technology Solutions

Revenue (billions of yen)

Digital (DX, Modernization) = For Growth

Traditional IT = For Stability

Operating Profit Margin

Financial Targets

3,161.2
880 (28%)
2018

3,212.9
985 (31%)
2019

3,500.0 (CAGR 3%)
1,300 (37%)
2022

4.4%
6.0%
10%

Digital

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

- Maintaining a healthy financial foundation
- Accelerating growth investments
  - Value creation for customers and society
  - Fujitsu’s internal transformation to a digital transformation company
- Generating stable shareholder returns

In addition to the above, we will measure capital efficiency in terms of Earnings Per Share.
# Earnings Forecast for FY2020

## Consolidated Total

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>3,857.7</td>
<td>3,610.0</td>
<td>▲247.7</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>211.4</td>
<td>212.0</td>
<td>+0.5</td>
</tr>
<tr>
<td><strong>Operating Profit Margin</strong></td>
<td>5.5%</td>
<td>5.9%</td>
<td>+0.4%</td>
</tr>
<tr>
<td><strong>Profit for the Year</strong></td>
<td>160.0</td>
<td>160.0</td>
<td>-</td>
</tr>
</tbody>
</table>

## Within which, Technology Solutions (Core Business)\(^1\)

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<tr>
<td><strong>Operating Profit Margin</strong></td>
<td>6.0%</td>
<td>6.4%</td>
<td>+0.4%</td>
</tr>
</tbody>
</table>

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

\(^2\) Values based on new segments

(Units: Billions of yen)
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