

Medium-Term Management Plan Progress update

Takahito Tokita

CEO

Fujitsu Limited

April 25, 2024



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Agenda

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- I Progress in FY2023**
- II Progress and plans of major initiatives**
- III Targets for FY2024**

Our Purpose

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



Fujitsu Way



Three elements of the Fujitsu Way



<p>Our Purpose</p>	<p>Our purpose is to make the world more sustainable by building trust in society through innovation.</p>	
<p>Our Values</p>	<p>Aspiration</p>	<ul style="list-style-type: none"> • 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.
	<p>Trust</p>	<ul style="list-style-type: none"> • 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.
	<p>Empathy</p>	<ul style="list-style-type: none"> • 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.
<p>Code of Conduct</p>	<ul style="list-style-type: none"> • 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. 	

Value creation concept for 2030

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

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



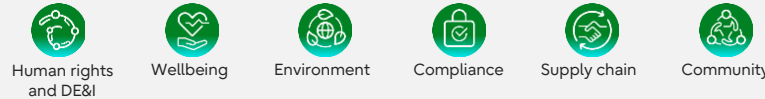
Financial capital

Human capital

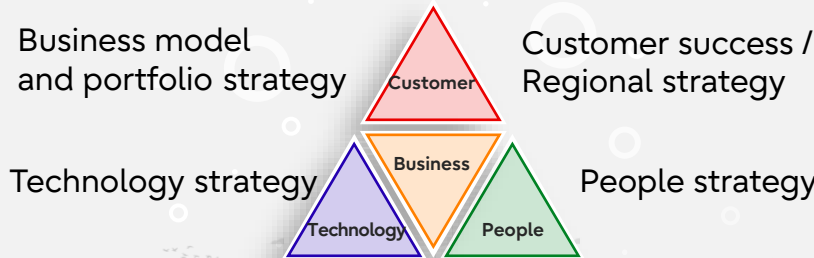
Natural capital

Technology and intellectual capital

Global responsible business



Key strategies



Financial indicators

Non-financial indicators

Materiality

- Solving global environmental issues
- Developing a digital society
- Improving people's well-being



5 Corporate Vice Presidents



Takahito Tokita
Representative Director, CEO



Takeshi Isobe
Representative Director,
Corporate Vice President,
CFO



Vivek Mahajan
Corporate Executive Officer,
Corporate Vice President,
CTO,CPO,System Platform



Yoshinami Takahashi
Corporate Executive Officer,
Corporate Vice President,
COO (Fujitsu Uvance)



Megumi Shimazu
Corporate Executive Officer,
Corporate Vice President,
COO (Service Delivery)



Shunsuke Onishi
Corporate Executive Officer,
Corporate Vice President,
COO (Regions), CRO

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I. Progress in FY2023

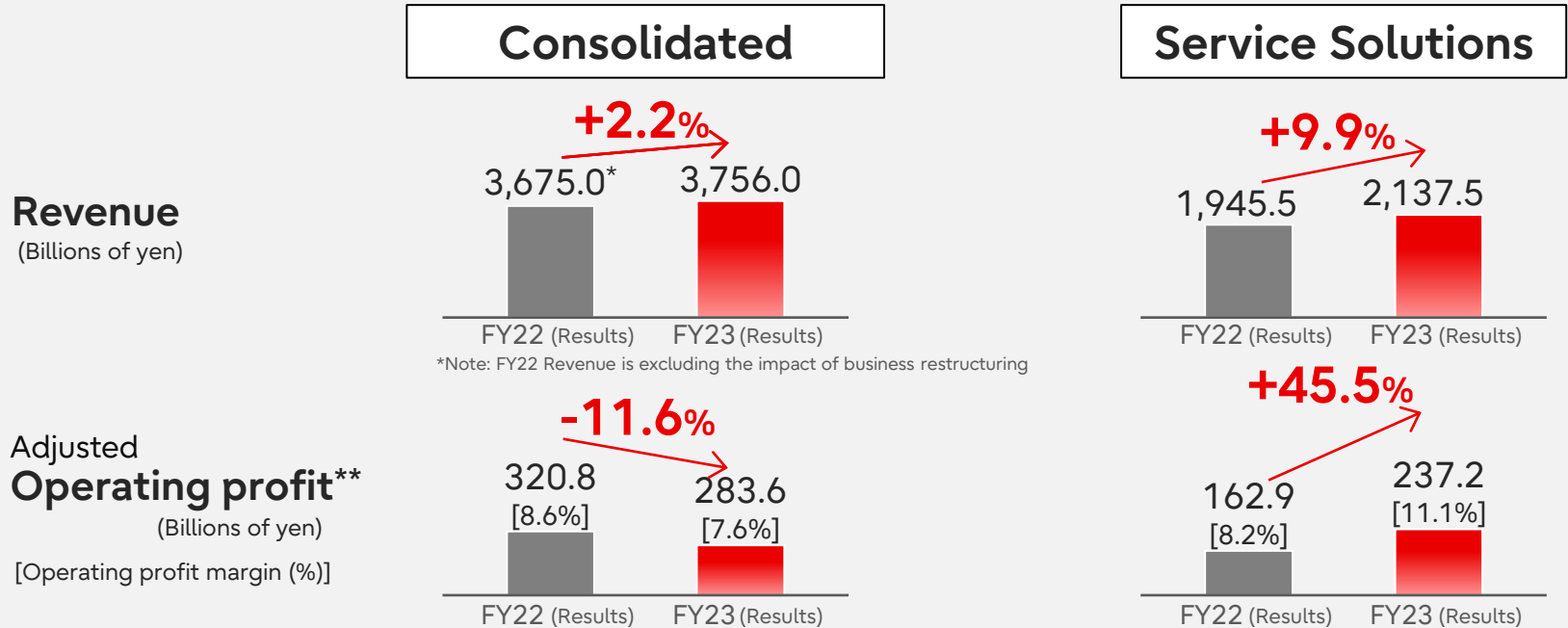
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Medium-Term Management Plan

Progress status of financial performance indicators



The business portfolio is transforming as planned. Service Solutions which is our growth area, increased in both revenue and profit.



**Note: 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.

Medium-Term Management Plan

Progress status of non-financial performance indicators

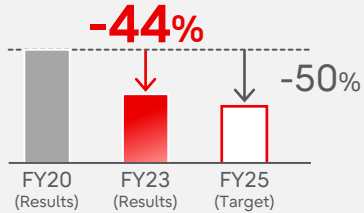


Each non-financial indicator is tracking in line with planned changes in our business model and portfolio.

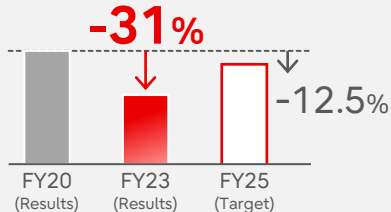
Environment

GHG emissions
(10,000 tons)

Fujitsu Group
- Scope 1,2 - (Compared to FY20)



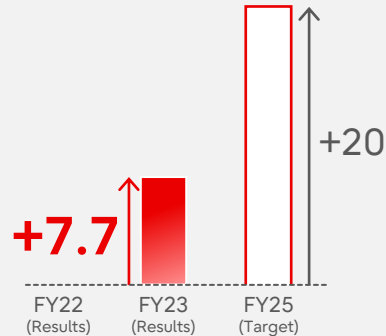
Supply chain
- Scope 3** - (Compared to FY20)



**Category 11: CO2 emissions due to product power consumption only

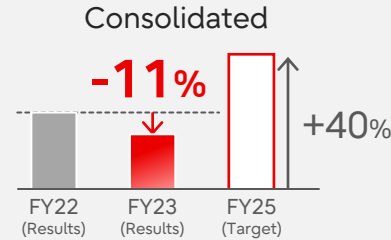
Customer

Customer NPS*
*Net Promoter Score
(Compared to FY22)

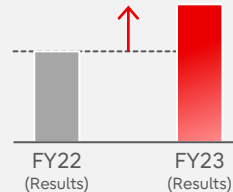


Productivity

Per capita productivity
(Operating profit compared to FY22)



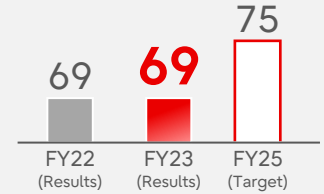
Service Solutions
Exceeded +40%



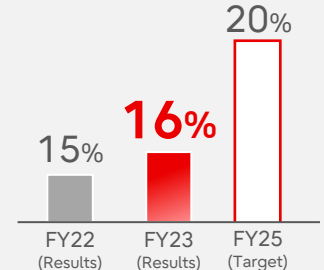
----- Comparison reference ■ FY Results

People

Employee engagement



Diversity leadership
(Percentage of female managers)



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II. Progress and plans of major initiatives

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Major
initiatives

01 |

Business model and portfolio transformation

02 |

Reliable support of customers' modernization

03 |

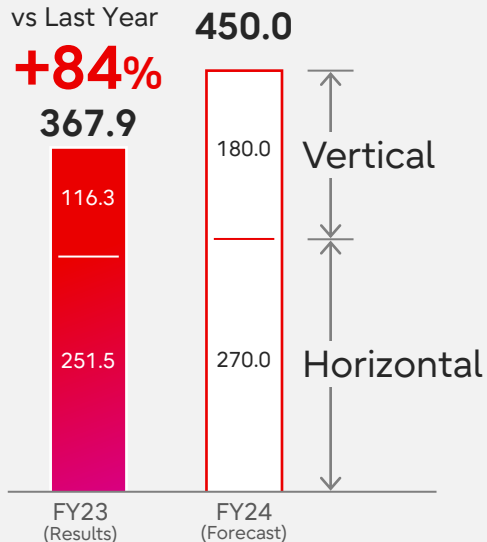
Improving international business profitability

01 | Business model and portfolio transformation

The business model transformation led by Fujitsu Uvance is progressing to plan, offerings strengthening, and business has expanded, particularly in Japan.

Revenue

(Billions of yen)



Progress and Plans

FY23 Progress

- Strengthened 22 Uvance Offerings with embedded AI
- Launched AI service with PaaS model
- GTM* expansion, initially focusing on Japan based customers

*GTM: Go to Market

Plans

- Consulting led business growth
- Providing standardized offerings to grow global common services
- GTM expansion for international based customers

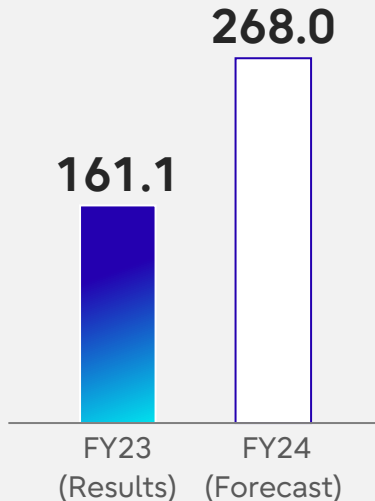


02 | Reliable support of customers' modernization

Leading the modernization of customer assets by harmonizing Fujitsu capabilities.

Revenue

(Billions of yen)



Progress and Plans

FY23 Progress

- Resource requirements are visualized to ensure effective demand fulfilment
 - Consolidated expertise in CoE* (Modernization Knowledge Center)
 - Collaboration with global partners and strengthening of tools
- *CoE: Center of Excellence

Plans

- Agile and efficient assignment of resources, appropriate to the business situation
- Continuously develop and grow the number of skilled employees (Modernization Meister)

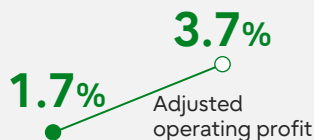
03 | Improving international business profitability

Accelerating structural reforms to being a services-based business and improve profitability.

Revenue

(Billions of yen)

Regions (International)



vs Last Year
+3.9%

604.1

540.0

FY23
(Results)

FY24
(Forecast)

Progress and Plans

FY23 Progress

- Americas Region completed the shift to being a services-based business, resulting in revenue stabilization
- Europe Region structural reforms underway
 - Separation of Germany private cloud business
 - Withdrawal from low-profit areas and downsized management
 - Corporate restructuring (service / hardware business separation)

Plans

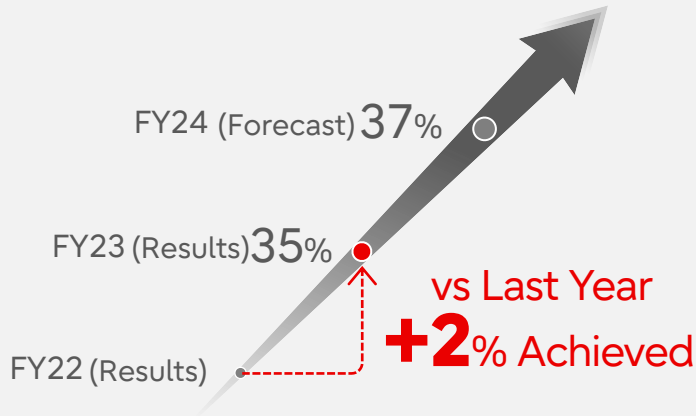
- Europe Region's structural reform will complete during FY2025 (Adjusted operating profit ratio FY2023: 0.5% → FY2024: **4.3%**)
- Asia Pacific Region is planning to commence structural reforms

Improving the profitability of Service Solutions

Driving delivery transformation and value-based pricing to ensure continued profit increases in Service Solutions.

Gross margin ratio

Service Solutions



Progress and Plans

Delivery transformation

- Increase insourcing ratio and offshore ratio with scaled GDC* resource
- Drive standardization and automation by utilizing JGG** and development platforms

*GDC: Global Delivery Center

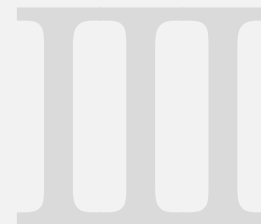
**JGG: Japan Global Gateway

Enabling value-based pricing

- Improve customer value through increased specialisms, with investment in people development
- Develop a global, value-based, pricing strategy

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III. Targets for FY2024

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Targets for FY2024

Financial



Continue progressing the business model transformation, increasing consolidated profitability predominantly in Service Solutions.

(Billions of yen)

FY2023
(Results)

FY2024
(Forecast)

vs Last Year

Consolidated

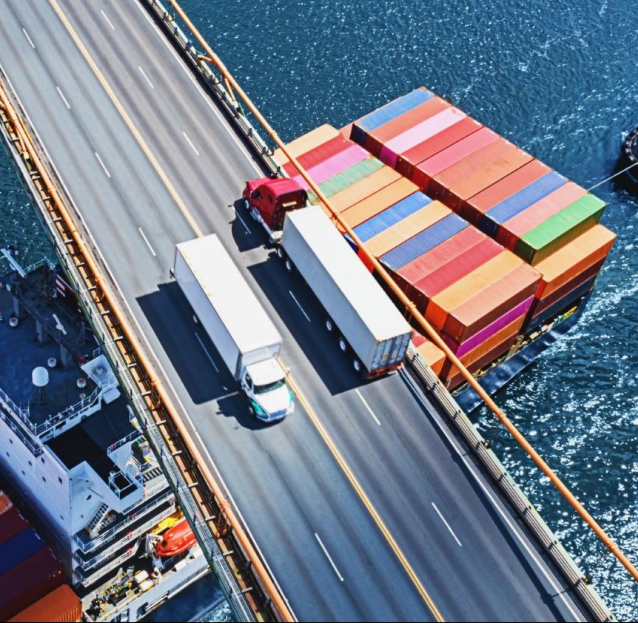
Revenue	3,756.0	3,760.0	+3.9
Adjusted operating profit*	283.6	330.0	+46.3
Adjusted operating profit margin (%)	7.6%	8.8%	+1.2%

Service Solutions

Revenue	2,137.5	2,230.0	+92.4
Adjusted operating profit*	237.2	280.0	+42.8
Adjusted operating profit margin (%)	11.1%	12.6%	+1.5%

*Note: 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.

Toward a sustainable future



Solving global environmental issues

Planet



Developing a digital society

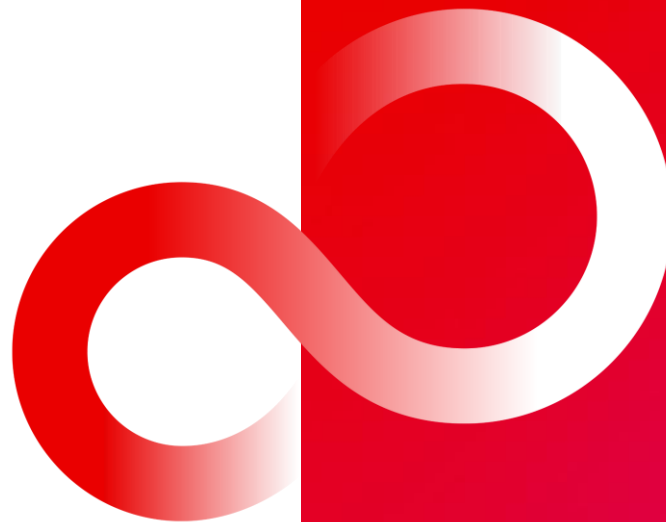
Prosperity



Improving people's well-being

People

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