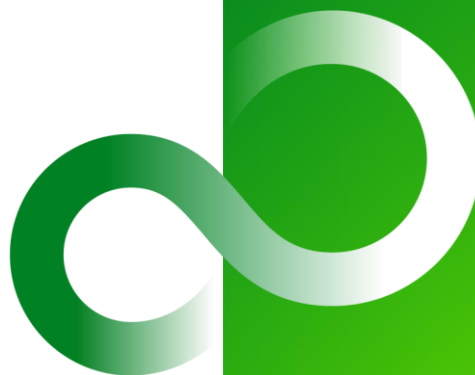


**2Q  
FY2023**

# **Consolidated Financial Results**

26/10/2023

Fujitsu Limited



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## Financial Results for 1H FY2023

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# FY 2023 1H Results: Overview



(Billions of yen)

## Service Solutions

Revenue	984.1	vs LY	+13.6%
Adjusted Operating Profit	63.4	vs LY	+44.4

## Total

Revenue	1,711.8	vs LY	+2.7%
Adjusted Operating Profit	50.7	vs LY	-24.0

Note: vs LY is excluding impact of restructuring

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## Service Solutions

Revenue grew by 13.6%, primarily from business in Japan

» 1Q +10.2% 2Q +16.8%

» Fujitsu Uvance grew by 1.6 times

» Strong growth in orders leading to higher revenue

In addition to the effects of higher revenue, our profitability improvements are proceeding as forecast, resulting in a substantial increase in operating profit

## Total

Higher revenue and lower operating profit, primarily due to decrease of 41.8 billion in operating profit for Device Solutions

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Please have a look at page 3. I will start by presenting our financial highlights for the first half of fiscal 2023.

The most important segment is Service Solutions, where revenue was 984.1 billion yen, a strong increase of 13.6% from the prior year, excluding the impact of divestiture of PFU. Primarily for business in Japan, results were driven by strong demand related to DX and modernization, and there was also a strong rise in orders.

Adjusted operating profit for Service Solutions was 63.4 billion yen, a solid rise in profit of 44.4 billion yen from the prior year because of the positive impact of higher revenue and progress as planned in improving profitability, such as from the transformation in the delivery of services.

On the other hand, on a consolidated basis, revenue was 1,711.8 billion yen, an increase of only 2.7%, with continued lower demand in Device Solutions since the second half of last fiscal year. Adjusted operating profit was 50.7 billion yen, a decrease of 24.0 billion yen from the prior year.



# Business Segment Information



(Billions of yen)

		FY2023			Change		
		1Q	2Q	1H	1Q	2Q	1H
Service Solutions	Revenue	465.4	518.7	984.1	19.7	59.2	79.0
	Excl. Impact of restructuring	465.4	518.7	984.1	43.0	74.6	117.6
	Impact of restructuring	-	-	-	-23.2	-15.4	-38.6
	Adj. Operating Profit	20.9	42.5	63.4	11.9	32.5	44.4
Hardware Solutions	Revenue	216.8	260.7	477.5	-7.3	-11.1	-18.4
	Adj. Operating Profit	2.6	14.8	17.4	-2.3	-1.2	-3.5
Ubiquitous Solutions	Revenue	59.8	70.9	130.7	-1.9	-0.5	-2.4
	Adj. Operating Profit	4.5	4.4	9.0	3.6	1.0	4.6
Device Solutions	Revenue	67.4	75.2	142.6	-36.7	-28.2	-64.9
	Adj. Operating Profit	2.2	7.0	9.3	-24.1	-17.7	-41.8
Inter-segment Elim./Corporate	Revenue	-9.9	-13.4	-23.3	7.0	6.4	13.5
	Adj. Operating Profit	-27.8	-20.7	-48.5	-14.4	-13.2	-27.6
Total	Revenue	799.6	912.2	1,711.8	-19.2	25.8	6.5
	Adj. Operating Profit	2.6	48.1	50.7	-25.4	1.3	-24.0
	[%]	[0.3%]	[5.3%]	[3.0%]	[-3.1%]	[-%]	[-1.4%]

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Page 4 shows an overview of the financial results for each business segment.

I will discuss the results for each segment starting with the next slide, and on this slide you can see an overview of the segments.

At the very top is Service Solutions, which we have positioned as a growth driver. Gaining further momentum from the first quarter, revenue in the second quarter also expanded significantly. PFU has been included in consolidated results through the first half of the previous fiscal year, but excluding the impact of restructuring, total revenue in the first half increased by 117.6 billion yen.

On the other hand, Hardware Solutions, which includes network products, and Device Solutions, which both performed well in the prior year, had lower revenue and profit.

In Intersegment Eliminations and Corporate, we are pursuing a plan of increasing growth investments to achieve growth over the medium and long-term horizon.





## Business Segment Information



Page 6 and onward show results for each segment.



	1H FY2022	1H FY2023	(Billions of yen)	
			Change	(%)
Revenue	905.1	984.1	79.0	8.7
Excl. Impact of restructuring	<b>866.4</b>	<b>984.1</b>	<b>117.6</b>	<b>13.6</b>
[Fujitsu Uvance]	[94.0]	[153.7]	[59.6]	[63.4]
Impact of restructuring	38.6	-	-38.6	-
Adjusted Operating Profit	<b>19.0</b>	<b>63.4</b>	<b>44.4</b>	<b>233.8</b>
[Adj. Operating profit margin]	[2.1%]	[6.4%]	[4.3%]	

## Revenue

- Very solid growth in DX and modernization deals in Japan
- Revenue for Fujitsu Uvance grew 63% from the prior year

## Adjusted Operating Profit

- Improved profitability from progress on development standardization in addition to the benefit of higher revenue
- Adjusted operating profit increased by 3 times over the previous year, even with higher Fujitsu Uvance-related investments

First, I will talk about Service Solutions.

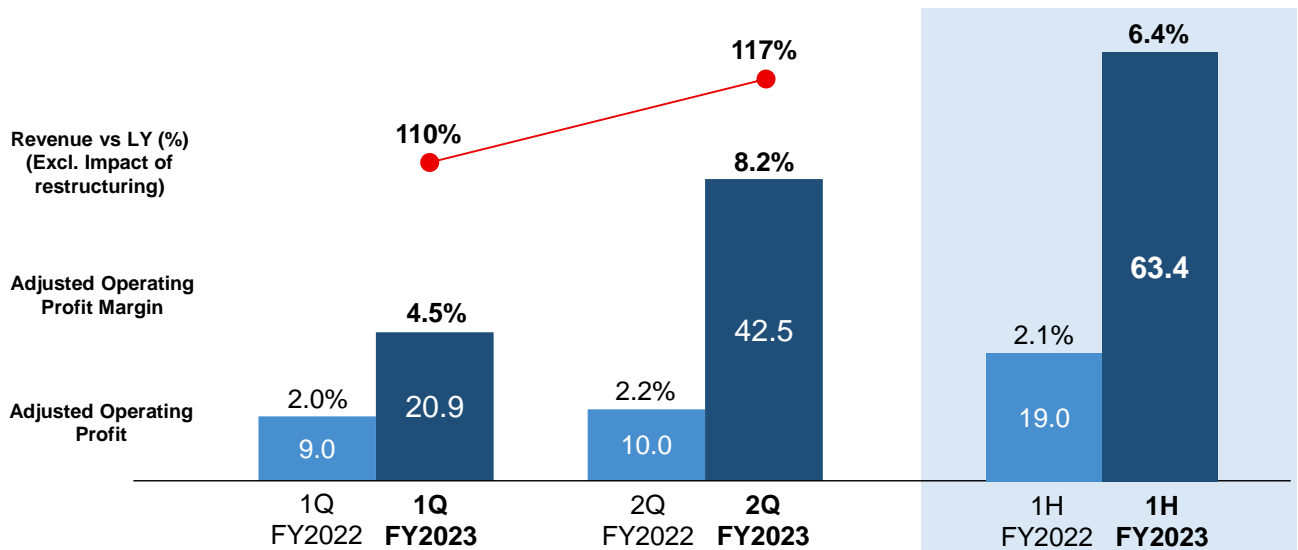
Revenue for the first half was 984.1 billion yen, which, on a continuing operations basis, represents an increase of 13.6% from the prior year. For customers both inside and outside Japan, there was an acceleration in DX initiatives and initiatives to resolve societal issues, such as dealing with climate change. As a result, there was greater demand for consulting services, modernization projects, and cloud migration support. Fujitsu Uvance was able to take advantage of this robust demand, with a 63% increase in revenue.

Adjusted operating profit was 63.4 billion yen, up 44.4 billion yen from the prior year. Although we increased growth investments related to Fujitsu Uvance, operating profit rose significantly because of the impact of strongly higher revenue and measures to improve profitability.

I will shortly explain the components of this increase in profits with a waterfall chart.



## Breakdown by Quarter



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First, I will touch upon the breakdown of results by quarter.

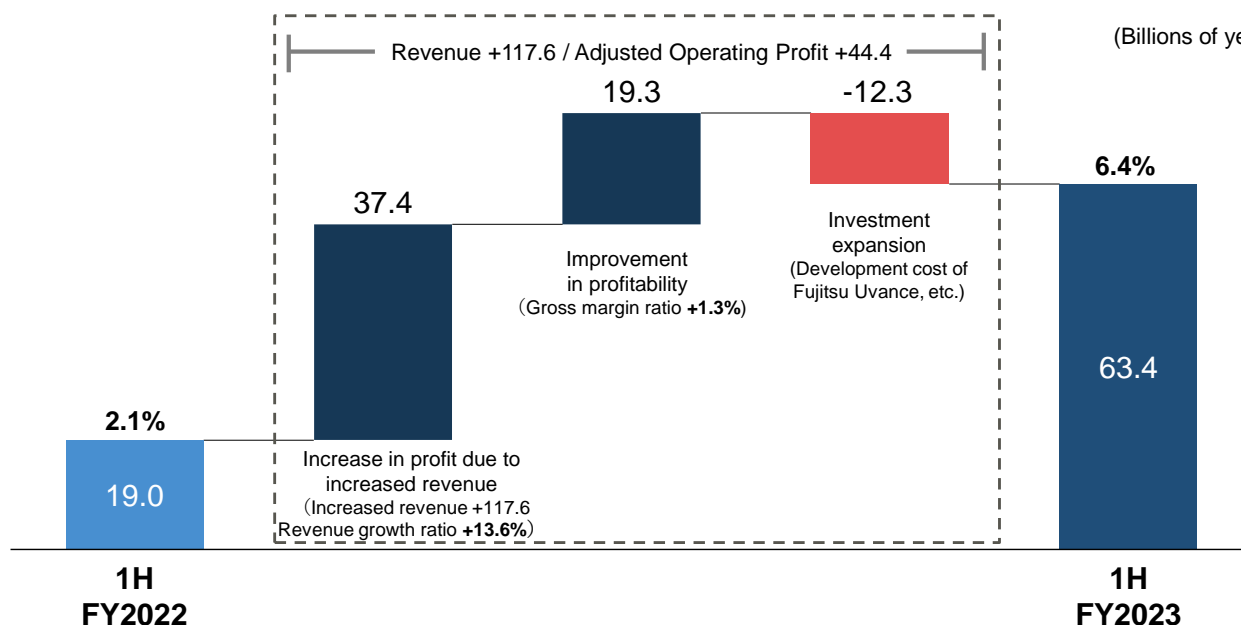
Revenue rose by 10% in the first quarter and even higher, by 17%, in the second quarter.

For adjusted operating profit, as well, the scale of the increase in profit rose from the first quarter to the second quarter, with an adjusted operating profit margin of 8.2% in the second quarter. For the first half, as well, there was a large increase in adjusted operating profit compared to the prior year.



# Factors Behind Change in Adjusted Operating Profit

(Billions of yen)



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This chart shows the factors that caused increases or decreases in first half adjusted operating profit in Service Solutions compared to the prior year.

On the far left, adjusted operating profit for the first half of fiscal 2022 was 19.0 billion yen. I will use this as the starting point for explaining changes to the right of that in adjusted operating profit in the first half.

The first factor is an increase of 37.4 billion yen in adjusted operating profit from the impact of higher revenue. Overall revenue in Service Solutions rose 13.6%, in part because of a solid increase in revenue in Fujitsu Uvance.

The second factor is an increase of 19.3 billion yen from improved profitability. We continued to make progress in initiatives to improve productivity, such as the expanded use of Global Delivery Centers and standardization in development work. The profitability improvements enabled us to fully cover the impact of higher employee costs.

The third factor is a decline of 12.3 billion yen from higher expenses, primarily investments in growth areas. We actively made investments in areas that directly promote business growth, such as the development of Fujitsu Uvance offerings, investments in employee training and development, and enhanced security.

Adding these up, adjusted operating profit for Service Solutions in the first half of fiscal 2023 was 63.4 billion yen.



# Orders in Japan

**Significant growth of 18%, primarily an expansion of DX and modernization deals**

	FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	1H
Japan	111%	105%	100%	112%	118%	118%	118%
Private Enterprise Business [Manufacturing & Distribution & Retail]	108%	105%	101%	109%	107%	115%	111%
Finance Business [Finance & Insurance]	103%	102%	103%	110%	124%	123%	123%
Public&Healthcare [Government & Local government & Healthcare]	113%	97%	102%	108%	134%	105%	127%
Mission Critical and others [Mission Critical & National Security & others]	118%	124%	91%	128%	92%	135%	112%

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I will now provide supplemental information on each of the factors in the previous waterfall chart.

First is the status of orders in the first half of fiscal 2023, which lead to the increase in revenue. This page shows orders in Japan.

Domestic orders increased continuously during the first and second quarters, resulting in an 18% increase for the first half over the prior year. In every industry segment, we achieved double-digit growth in the first half.

I will now comment on each industry segment.

First is the Private Enterprise Business segment, in which orders were up 11% from the prior fiscal year. Momentum for growth in the second quarter exceeded that of the first quarter. Primarily for modernization projects, growth was driven by customers in the manufacturing and mobility sectors.

In the Finance Business segment, orders were up 23%.

In addition to deals to upgrade mission critical systems for megabank and insurance institutions, we also won modernization project deals, resulting in a significant increase in orders compared to the prior year.

In the Public and Healthcare segment, orders were up 27%.

We won multiple modernization deals for upgraded systems for government agencies and ministries. Among customers in the healthcare industry, as well, we are seeing a revival of investments in electronic medical record systems and healthcare information systems.

In the Mission Critical and others segment, orders were up 12%.

Orders benefited from projects including a systems integration project in the national security field.

In our business in Japan, because of strong demand that has continued from the first quarter, the order backlog is increasing, and that will lead to higher revenue in the second half.



## Orders in Regions (International)

**Declines in the Europe, primarily the result of non-recurring large-scale public sector deals in the previous year.**

**Solid growth in the Americas region, primarily from Business Application deals**

	FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	1H
Europe	101%	170%	85%	75%	104%	61%	73%
Americas	99%	87%	87%	88%	137%	247%	181%
Asia Pacific	93%	130%	242%	111%	117%	84%	99%

This page shows the orders in Regions (International).  
Trends in orders differed by region.

Orders for the Europe region declined by 27%, reflecting a pullback from the large-scale public sector deals we won in the prior year.

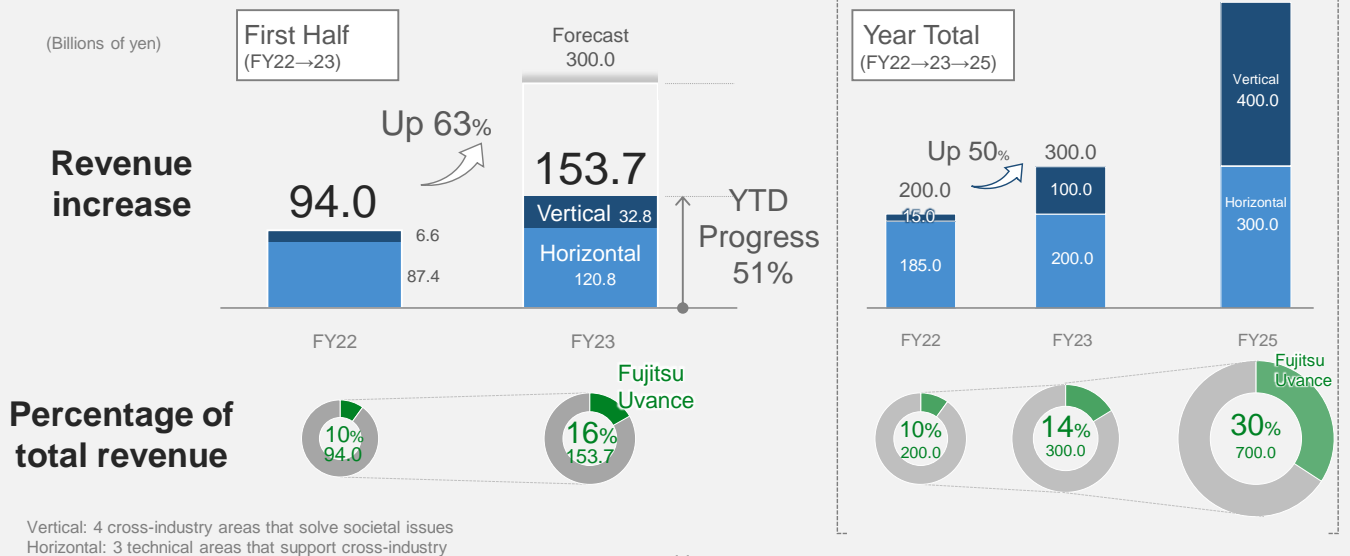
Orders in the Americas region increased by 81%, a big rise over the prior year, as we won multiple private sector Business Application deals in North America.

Orders for the Asia Pacific region were down by 1%. Despite a slight pullback from the large-scale public sector deals in the prior year, overall demand was solid.



# Fujitsu Uvance

Began releasing Vertical offerings, and revenue has exceeded our forecast



This page shows the progress of Fujitsu Uvance, which we are positioning as the most vital area for the growth of our business and the transformation of our business portfolio.

Fujitsu Uvance consists of a total of seven key focus areas, including four Vertical Areas, which are cross-industry areas that solve societal issues, and three Horizontal Areas, which are technical platforms that support the Vertical Areas.

Overall revenue in the first half was 153.7 billion yen, up 63% from the prior year. Business is progressing at a pace that should exceed our Fujitsu Uvance revenue target for the full year of 300 billion yen. In the first half of the last fiscal year, Fujitsu Uvance accounted for 10% of total revenue in the Service Solutions segment, but that increased to 16% in this fiscal year's first half.

In the Supplemental Materials we include information on the status of orders, which are extremely positive, up 70% in the first half compared to the prior year.

In the Vertical Areas, primarily in the second half of the fiscal year, we will launch multiple offerings that enable customers to achieve sustainability transformations.

In addition, in the Horizontal Areas, high demand is continuing from the first quarter for what we call the "3S" Business Applications, consisting primarily of SAP, ServiceNow, and Salesforce.


We are clearly growing our Fujitsu Uvance business, which is the key to our growth in our Medium-Term Management Plan.



# Improvement in Profitability and Growth Investments

## Improvement in profitability +19.3 billion yen

### Trends in gross margin

FY2022 1H	FY2023 1H	vs LY 1H
31.2%	32.5%	1.3% 

### Japan Global Gateway utilization ratio

(standardization/automation)

FY22	1H FY23	FY25 Target
30%	34%	45%

**Usage of Japan Global Gateway (standardization, automation, and insourcing) is advancing smoothly, and the profitability of our services in Japan is steadily improving**

## Growth investments -12.3 billion yen



**Development expenses for offerings**



**Development of highly-skilled human resources, expansion of reskilling program, talent recruitment**



**Increased security and IT infrastructure**

**Making aggressive investments in our growth**

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I would now like to comment on profitability improvements and the status of growth investments.

Profitability increased by 19.3 billion yen, and the gross margin improved by 1.3 percentage points.

We are making steady progress in the standardization of development work, automation, the expansion of in-house work, and use of offshoring through our Japan Global Gateway and our Global Delivery Centers. The usage ratio of our Japan Global Gateway has increased from 30% in fiscal 2022 to 34% in the first half of fiscal 2023.

Growth investments and expenses increased by 12.3 billion yen.

We continued to proactively invest in areas directly related to business growth, such as the development of Fujitsu Uvance offerings, investments needed to develop specialist talent, and investments to strengthen our security.

This concludes my supplemental explanation of the increases and decreases in profit outlined in the chart on page 8.



## Breakdown by sub-segment

		(Billions of yen)			
		1H FY2022	1H FY2023	Change	(%)
Service Solutions	Revenue	905.1	984.1	79.0	8.7
	Excl. Impact of restructuring	866.4	984.1	117.6	13.6
	Impact of restructuring	38.6	-	-38.6	-
	Adjusted Operating Profit	19.0	63.4	44.4	233.8
	[%]	[2.1%]	[6.4%]	[4.3%]	
Global Solutions	Revenue	184.2	217.7	33.5	18.2
	Adjusted Operating Profit	-13.4	-2.6	10.8	-
	[%]	[-7.3%]	[-1.2%]	[6.1%]	
Regions (Japan)	Revenue	548.9	571.1	22.2	4.0
	Excl. Impact of restructuring	510.2	571.1	60.8	11.9
	Impact of restructuring	38.6	-	-38.6	-
	Adjusted Operating Profit	35.7	72.2	36.5	102.1
	[%]	[6.5%]	[12.7%]	[6.2%]	
Regions (International)	Revenue	263.5	288.4	24.8	9.4
	Adjusted Operating Profit	-3.3	-6.2	-2.8	-
Intra-seg. Elim	Revenue	-91.5	-93.2	-1.6	-

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### Global Solutions

Higher revenue, primarily from Fujitsu Uvance

Higher revenue and profitability, with a large decline in losses, even with aggressively expanding growth investments

### Regions (Japan)

Increase in DX and modernization projects in the public and healthcare sectors

Increase in profits on improved profitability and the impact of higher revenue

### Regions (International)

Higher revenue from public sector customers in Europe and the positive impact of foreign exchange movements

Continuation of difficult conditions in terms of profitability

I will now briefly touch on the status of each sub-segment in Service Solutions.

First is Global Solutions. Revenue was 217.7 billion yen, up 18.2% from the prior year. On an adjusted basis, the sub-segment posted an operating loss of 2.6 billion yen, but it is an improvement of 10.8 billion yen compared to the loss in the prior year.

Fujitsu Uvance experienced faster-than-anticipated growth, and large-scale sales of software supporting modernization also drove revenue growth.

We are currently in a phase of making aggressive growth investments, but in addition to the impact of higher revenue, profitability is also steadily improving, which resulted in a large decline in losses.

In Regions (Japan), revenue from continuing operations was 571.1 billion yen, up 11.9% from the previous fiscal year. The adjusted operating profit was 72.2 billion yen, an increase of 36.5 billion yen, roughly two times the level of the previous fiscal year.

The number of DX business deals and upgrades of mission critical systems is increasing in a wide range of sectors, primarily in the public and health care sectors.

In addition to the impact of higher revenue, we made steady progress in improving profitability.

In Regions (International), operating profit was 288.4 billion yen, up 9.4% against the backdrop of foreign exchange movements.

On an adjusted basis, the sub-segment posted an operating loss of 6.2 billion yen, a deterioration of 2.8 billion yen from the previous year.

In terms of profitability, conditions continue to be difficult, primarily in Europe.



## Hardware Solutions



	1H FY2022	1H FY2023	(Billions of yen)	
			Change	(%)
Revenue	496.0	477.5	-18.4	-3.7
System Products	383.5	404.5	20.9	5.5
Network Products	112.4	73.0	-39.4	-35.1
Adjusted Operating Profit [Adj. Operating profit margin]	21.0 [4.2%]	17.4 [3.7%]	-3.5 [-0.5%]	-17.0

### System Products

- Higher revenue from the solution of the chip shortage and higher demand for servers and storage systems

### Network Products

- Pull-back from prior year's strong demand for both mobile systems and photonics
- Higher development spending for the next growth cycle

## Ubiquitous Solutions

	1H FY2022	1H FY2023	(Billions of yen)	
			Change	(%)
Revenue	133.2	130.7	-2.4	-1.8
Adjusted Operating Profit [Adj. Operating profit margin]	4.3 [3.3%]	9.0 [6.9%]	4.6 [3.6%]	107.0

- Despite higher component prices due to foreign exchange fluctuations, profit increase through cost cuts and passing costs onto sales prices

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I will first comment on Hardware Solutions.

Revenue for the first half of fiscal 2023 was 477.5 billion yen, a decrease of 3.7% from the prior fiscal year.

The adjusted operating profit was 17.4 billion yen, down 3.5 billion yen from the previous fiscal year.

In system products, the impact of higher component procurement costs from the previous fiscal year was resolved, and along with upgrade projects for our customers' mission critical systems, there was also a higher demand for server and storage systems.

On the other hand, in network products, there was a large pullback from the strong demand of the previous fiscal year in both Japan and North America, resulting in a drop in revenue.

For this fiscal year's network products, in the midst of a decrease in sales due to the large-scale demand cycle, we are expanding our development investments for the next growth cycle, including our investments to achieve high-speed, high-capacity, low-latency and low energy consumption networks.

On the bottom of the slide you can see Ubiquitous Solutions. Revenue was 130.7 billion yen, down 1.8% from the prior fiscal year.

The adjusted operating profit was 9.0 billion yen, up 4.6 billion yen from the previous fiscal year.

With regard to the higher component costs, including the impact of foreign exchange movements, we are advancing efforts to cut costs and pass on higher costs to sales prices, and we are steadily increasing our resilience to changes in the external environment.



## ■ Device Solutions



	1H FY2022	1H FY2023	(Billions of yen)	
			Change	(%)
Revenue	207.6	142.6	-64.9	-31.3
Adjusted Operating Profit	51.2	9.3	-41.8	-81.7
[Adj. Operating profit margin]	[24.7%]	[6.6%]	[-18.1%]	

### ■ Revenue

Lower revenue on continued weak demand for semiconductor packages

### ■ Adjusted Operating Profit

Significant drop in profit from lower unit sales and a decline in capacity utilization  
Delayed recovery from continued weak demand since the second half of the fiscal year 2022

## ■ Inter-segment Elim./ Corporate

	1H FY2022	1H FY2023	(Billions of yen)	
			Change	
Adjusted Operating Profit	-20.8	-48.5	-27.6	

### ■ Continued expansion in growth investments for the medium and long-term horizon

- Fujitsu Laboratories: Enhancing advanced research in cutting-edge areas (AI, quantum computing, energy saving processors)
- Enhancing management foundation (One Fujitsu program)

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I will now comment on Device Solutions.

Revenue was 142.6 billion yen, which at 31.3% was a significant decrease from the previous fiscal year.  
The adjusted operating profit was 9.3 billion yen, down 41.8 billion yen from the previous fiscal year.

The demand for semiconductor packaging, which had been strong through the first half of the prior fiscal year, significantly decreased in the second half of the prior fiscal year. There was no recovery in the first half of the fiscal year, and the trend has continued into the first half of this fiscal year.

In addition, factory operations also declined due to a reduction in volume.

As a result, operating profit decreased significantly.

We anticipate a modest recovery by the end of this fiscal year, but the segment had a rough first half of the fiscal year.

On the bottom of the slide you can see Inter-segment Elimination and Corporate.

This segment posted an operating loss of 48.5 billion yen, with a 27.6 billion yen increase in expenses from the previous fiscal year.

We continued to expand our investments in medium to long-term business growth, including enhancing advanced research in cutting-edge areas, such as AI, quantum computing, and energy-saving processors, and promoting the One Fujitsu program for enhancing our management foundation.



# Cash Flows



(Billions of yen)

	1H FY2022	1H FY2023	Change
Core Free Cash Flow *	63.6	91.1	27.4
* Ordinary free cash flow, excluding one-time cash inflows or outflows from such activities as business restructurings, structural reforms, and acquisitions or divestitures. (Details are on page 32)			
I Cash flows from operating activities	87.7	136.4	48.6
II Cash flows from investing activities	-40.4	-101.8	-61.3
I + II Free Cash Flow	47.2	34.6	-12.6
III Cash flows from financing activities	-83.4	-43.2	40.1

**Free Cash Flow:** includes a one-time out flow of cash of 48.5 billion yen related to the acquisition of GK Software and others

This is the status of cash flows.

Core free cash flow, which excludes one-off items, was 91.1 billion yen, up 27.4 billion yen from the previous year, primarily due to greater working capital efficiencies.

At the bottom of the page you can see free cash flow, which was 34.6 billion yen.

During the first half of fiscal 2023, Fujitsu purchased GK Software, a German software company for the retailing industry, to enhance Fujitsu Uvance's offerings.

As a result of cash-out relating to the company's acquisition, among other factors, free cash flow was down 12.6 billion yen from the prior fiscal year.



# Assets, Liabilities and Equity



	Year-end FY2022	End of 2Q FY2023	(Billions of yen) Change
Total Assets	3,265.5	3,262.4	-3.1
Total Liabilities	1,528.7	1,437.9	-90.7
Total Equity	1,736.8	1,824.4	87.6
Total Equity Attributable to Owners of the Parent	1,586.8	1,665.7	78.9
Reference: Financial Indices			
Interest-bearing Loans	211.1	221.9	10.7
(Net Interest-bearing Loans)	[-144.7]	[-138.8]	[5.8]

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This page shows the status of our assets, liabilities, and equity. I will omit an explanation of these figures.

This concludes our financial results for the first half of fiscal 2023. There is not a slide for this, but I would like to share additional information about the status of our forecast for fiscal 2023.

Service Solutions is progressing in line with our forecast.

Orders and the pipeline of projected orders for the segment continued from the first quarter to be strong in the second quarter, primarily in Japan and the Americas, which matched our forecast.

Against this backdrop, our analysis shows that we can expect orders to firmly expand from the second half of the fiscal year onward.

By steadily releasing Fujitsu Uvance offerings and making progress on transforming our delivery of services through simple hard work, we think we can expand, as we planned, both the volume and profitability of our business in Service Solutions, which is our growth driver.

On the other hand, in Device Solutions, although we expected demand would be sluggish, it is taking longer than we originally anticipated for customers to adjust their inventory, so our sales volume did not meet our forecast. This resulted in the segment's base operating profit to fall short of our forecast by several billions of yen.

Starting with the next page, I will discuss our full-year financial forecast.



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## Earnings Forecast for FY2023

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# Financial Forecast



## Factoring in a delayed recovery in Device Solutions

(Billions of yen)

	FY2022 (Actual)	FY2023(Forecast)		Change	(%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	3,713.7	3,810.0	-50.0	96.2	2.6
Excl. Impact of restructuring	3,675.0	3,810.0	-50.0	134.9	3.7
Impact of restructuring	38.6	-	-	-38.6	-
Adjusted Operating Profit	320.8	320.0	-20.0	-0.8	-0.3
[Adjusted Operating Profit Margin]	[8.6%]	[8.4%]	[-0.4%]	[-0.2%]	
Adjusted Profit for the year	204.1	208.0	-10.0	3.8	1.9
Exchange Rate					
U.S. dollar / Yen	135	130	-	-5	-3.7
Euro / Yen	141	140	-	-1	-0.7
British pound / Yen	163	160	-	-3	-1.8

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This is our financial forecast for fiscal 2023.

As I previously mentioned when explaining our financial results for the first half of fiscal 2023, we anticipate that a full-scale recovery of demand in Device Solutions will be delayed until next fiscal year, and this change has been reflected in our financial forecast.

As a result, on a consolidated basis we are projecting revenue of 3,810.0 billion yen, with an adjusted operating profit of 320.0 billion yen and an adjusted profit for the year of 208.0 billion yen.

Compared to our previous forecast, the new forecast for revenue has been revised downward by 50.0 billion yen, with the adjusted operating profit being revised downward by 20.0 billion yen and the adjusted profit for the year being revised downward by 10.0 billion yen.



# Business Segment Information



(Billions of yen)

		FY2022 (Actual)	FY2023(Forecast)		Change	(%)
			Current Forecast	Change vs. Previous Forecast		
Service Solutions	Revenue	1,984.2	2,170.0	-	185.8	9.4
	Excl. Impact of restructuring	1,945.5	2,170.0	-	224.4	11.5
	Impact of restructuring	38.6	-	-	-38.6	-
	Adj. Operating Profit	162.9	255.0	-	92.0	56.4
[%]		[8.2%]	[11.8%]	[-%]	[3.6%]	
Hardware Solutions	Revenue	1,132.3	1,060.0	-	-72.3	-6.4
	Adj. Operating Profit	112.6	92.0	-	-20.6	-18.3
	[%]	[9.9%]	[8.7%]	[-%]	[-1.2%]	
Ubiquitous Solutions	Revenue	286.0	310.0	-	24.0	8.4
	Adj. Operating Profit	8.6	15.0	-	6.3	72.4
	[%]	[3.0%]	[4.8%]	[-%]	[1.8%]	
Device Solutions	Revenue	382.6	325.0	-50.0	-57.6	-15.1
	Adj. Operating Profit	77.4	32.0	-20.0	-45.4	-58.7
	[%]	[20.2%]	[9.8%]	[-4.1%]	[-10.4%]	
Inter-segment Elim./ Corporate	Revenue	-71.5	-55.0	-	16.5	-
	Adj. Operating Profit	-40.9	-74.0	-	-33.1	-

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This is our financial forecast for fiscal 2023 by segment.

Service Solutions has experienced very strong growth during the first half of fiscal 2023, and we believe that we will certainly achieve the high target we have set for the segment for this fiscal year.

Our projections for Hardware Solutions and Ubiquitous Solutions are the same as our previous forecast.

We have only revised our forecast for Device Solutions.



# Business Segment Information 2H



(Billions of yen)

		FY2023			Change		
		1H (Actual)	2H (Forecast)	Total (Forecast)	1H	2H	Total
Service Solutions	Revenue	984.1	1,185.8	2,170.0	79.0	106.7	185.8
	Excl. Impact of restructuring	984.1	1,185.8	2,170.0	117.6	106.7	224.4
	Impact of restructuring	-	-	-	-38.6	-	-38.6
	Adj. Operating Profit	63.4	191.5	255.0	44.4	47.5	92.0
Hardware Solutions	Revenue	477.5	582.4	1,060.0	-18.4	-53.9	-72.3
	Adj. Operating Profit	17.4	74.5	92.0	-3.5	-17.0	-20.6
Ubiquitous Solutions	Revenue	130.7	179.2	310.0	-2.4	26.4	24.0
	Adj. Operating Profit	9.0	5.9	15.0	4.6	1.6	6.3
Device Solutions	Revenue	142.6	182.3	325.0	-64.9	7.3	-57.6
	Adj. Operating Profit	9.3	22.6	32.0	-41.8	-3.5	-45.4
Inter-segment Elim./Corporate	Revenue	-23.3	-31.6	-55.0	13.5	2.9	16.5
	Adj. Operating Profit	-48.5	-25.4	-74.0	-27.6	-5.4	-33.1
Total	Revenue	1,711.8	2,098.1	3,810.0	6.5	89.6	96.2
	Adj. Operating Profit	50.7	269.2	320.0	-24.0	23.1	-0.8
	[%]	[3.0%]	[12.8%]	[8.4%]	[-1.4%]	[0.5%]	[-0.2%]

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On page 21, we break down our forecasts for the first and second halves of fiscal 2023 by segment.

I will briefly touch on the forecast for Service Solutions.

The segment posted an adjusted operating profit for the first half of fiscal 2023 of 63.4 billion yen, up 44.4 billion yen from the previous year. For the second half of fiscal 2023, we anticipate an adjusted operating profit of 191.5 billion yen, up 47.5 billion yen from the previous year.

Although the trend of operating profit being concentrated in the second half of the year remains unchanged, the progress made in the first half of fiscal 2023 was slightly better than the previous year. Also, we anticipate that the increase in operating profit for the second half of fiscal 2023 will be on par with the increase in the first half.



# Cash Flows



## Reflects the revised operating profit for Device Solutions

	FY2022 (Actual)	FY2023 (Forecast)	(Billions of yen) Change vs. Previous Forecast
Core Free Cash Flow	157.1	215.0	-10.0
Free Cash Flow	177.5	160.0	-10.0

Core free cash flow reflects the downward revision to operating profit for Device Solutions.

This concludes our financial forecast for fiscal 2023.

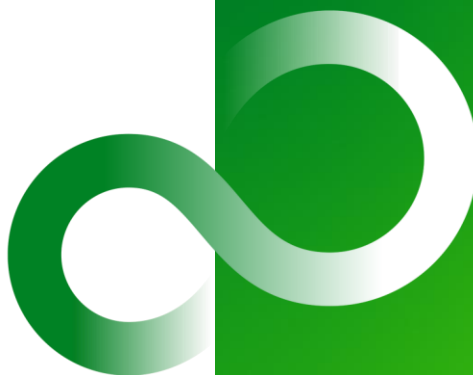
In the first half of fiscal 2023, although we saw a delay in the recovery of demand for Device Solutions, Service Solutions, our main driver of growth, made very strong progress in revenue and adjusted operating profit.

There is some uncertainty in the macroeconomic environment going forward, so it is impossible to make predictions, but we will work to achieve solid results for growth as we build up our current backlog of orders and maintain our current momentum against a backdrop of making progress on profitability improvements.

This concludes my presentation.



**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



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## Supplementary

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# Consolidated PL(1H)

(Billions of yen)

	FY2023			Change		
	1Q	2Q	1H	1Q	2Q	1H
Revenue	799.6	912.2	1,711.8	-19.2	25.8	6.5
Adjusted Operating Profit	2.6	48.1	50.7	-25.4	1.3	-24.0
[Adjusted Operating Profit Margin]	[0.3%]	[5.3%]	[3.0%]	[-3.1%]	[-%]	[-1.4%]
Adjusted items from GAAP Operating Profit*	-4.2	-1.7	-5.9	-1.8	-30.3	-32.1
Operating Profit	-1.6	46.4	44.7	-27.2	-28.9	-56.1
[Operating Profit Margin]	[-0.2%]	[5.1%]	[2.6%]	[-3.3%]	[-3.4%]	[-3.3%]
Financial income (expenses), etc	10.2	5.1	15.4	-2.5	-11.7	-14.2
Adjusted Profit for the period	7.4	34.7	42.1	-11.5	-	-11.5
Profit for the period	4.3	33.4	37.8	-12.9	-21.2	-34.1

\*Please refer to page 31



## Consolidated PL by quarter

	FY2022					(Billions of yen) FY2023	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Revenue	818.8	886.4	931.4	1,077.0	3,713.7	799.6	912.2
Adjusted Operating Profit	28.0	46.7	76.9	169.0	320.8	2.6	48.1
[Adjusted Operating Profit Margin]	[3.4%]	[5.3%]	[8.3%]	[15.7%]	[8.6%]	[0.3%]	[5.3%]
Adjusted items from GAAP Operating Profit	-2.4	28.5	-4.6	-6.7	14.7	-4.2	-1.7
Operating Profit	25.6	75.3	72.3	162.3	335.6	-1.6	46.4
[Operating Profit Margin]	[3.1%]	[8.5%]	[7.8%]	[15.1%]	[9.0%]	[-0.2%]	[5.1%]
Financial income (expenses), etc	12.7	16.9	1.6	4.9	36.2	10.2	5.1
Adjusted Profit for the period	19.0	34.6	43.7	106.6	204.1	7.4	34.7
Profit for the period	17.2	54.6	40.7	102.4	215.1	4.3	33.4



# Business Segment Information by quarter

(Billions of yen)

		FY2022					FY2023	
		1Q	2Q	3Q	4Q	Total	1Q	2Q
Service Solutions	Revenue	445.6	459.5	481.4	597.6	1,984.2	465.4	518.7
	Adj. Operating Profit	9.0	10.0	35.4	108.5	162.9	20.9	42.5
Global Solutions	Revenue	93.8	90.3	95.6	127.4	407.2	104.2	113.4
	Adj. Operating Profit	-8.2	-5.1	-	18.5	5.0	-1.2	-1.3
Regions (Japan)	Revenue	265.4	283.5	280.0	365.6	1,194.6	262.0	309.1
	Adj. Operating Profit	19.1	16.6	37.5	74.4	147.7	25.8	46.4
Regions (International)	Revenue	130.0	133.5	150.9	167.1	581.7	141.0	147.4
	Adj. Operating Profit	-1.8	-1.4	-2.0	15.6	10.3	-3.6	-2.5
Intra-seg. Elim	Revenue	-43.7	-47.8	-45.2	-62.5	-199.3	-41.9	-51.2
System Products	Revenue	178.5	205.0	228.1	250.9	862.6	185.2	219.2
Network Products	Revenue	45.6	66.8	71.7	85.4	269.7	31.6	41.4
Hardware Solutions	Revenue	224.2	271.8	299.8	336.4	1,132.3	216.8	260.7
	Adj. Operating Profit	5.0	16.0	35.8	55.6	112.6	2.6	14.8
Ubiquitous Solutions	Revenue	61.7	71.4	70.7	81.9	286.0	59.8	70.9
	Adj. Operating Profit	0.9	3.4	1.4	2.8	8.6	4.5	4.4
Device Solutions	Revenue	104.1	103.4	96.6	78.3	382.6	67.4	75.2
	Adj. Operating Profit	26.4	24.7	19.7	6.4	77.4	2.2	7.0
Inter-segment Elim./ Corporate	Revenue	-16.9	-19.8	-17.3	-17.2	-71.5	-9.9	-13.4
	Adj. Operating Profit	-13.3	-7.4	-15.5	-4.4	-40.9	-27.8	-20.7
Total	Revenue	818.8	886.4	931.4	1,077.0	3,713.7	799.6	912.2
	Adj. Operating Profit	28.0	46.7	76.9	169.0	320.8	2.6	48.1

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		FY2023			Change			(Billions of yen)	
		1Q	2Q	1H	1Q	2Q	1H	FY2022 (Actual)	FY2023 (Forecast)
Orders	Vertical	13.2	24.0	37.2	7.1	18.4	25.5	30.0	110.0
	Horizontal	59.7	74.1	133.7	11.4	33.6	44.9	220.0	250.0
	(%)	134%	213%	170%					144%
	Total	72.9	98.1	171.0	18.5	52.0	70.4	250.0	360.0
	[Japan]	[43.3]	[58.9]	[102.2]	[13.5]	[35.7]	[49.2]	[120.0]	[170.0]
	[Outside Japan]	[29.6]	[39.2]	[68.7]	[5.0]	[16.2]	[21.2]	[130.0]	[190.0]
Revenue	Vertical	10.3	22.5	32.8	7.1	19.1	26.2	15.0	100.0
	Horizontal	60.1	60.7	120.8	17.4	16.0	33.4	185.0	200.0
	(%)	153%	173%	163%					150%
	Total	70.4	83.3	153.7	24.5	35.2	59.6	200.0	300.0
	[Japan]	[35.0]	[43.3]	[78.2]	[12.9]	[21.8]	[34.6]	[90.0]	[150.0]
	[Outside Japan]	[35.4]	[39.9]	[75.4]	[11.6]	[13.3]	[24.9]	[110.0]	[150.0]

Vertical: 4 cross-industry areas that solve societal issues  
Horizontal: 3 technical areas that support cross-industry



## Breakdown of Regions (International)

		(Billions of yen)						
		FY2022					FY2023	
		1Q	2Q	3Q	4Q	Total	1Q	2Q
Regions (International)	Revenue	130.0	133.5	150.9	167.1	581.7	141.0	147.4
	Adj. Operating Profit	-1.8	-1.4	-2.0	15.6	10.3	-3.6	-2.5
Europe	Revenue	84.9	89.3	99.0	123.1	396.4	96.8	102.1
	Adj. Operating Profit	-3.8	-2.9	-3.6	11.6	1.1	-4.0	-3.2
Americas	Revenue	13.0	12.2	14.1	13.2	52.6	12.7	13.7
	Adj. Operating Profit	0.9	0.9	0.3	0.7	2.9	0.1	0.4
Asia Pacific	Revenue	23.2	22.9	24.2	24.9	95.4	25.6	25.3
	Adj. Operating Profit	1.0	0.2	0.8	2.4	4.6	-0.1	0.1
East Asia	Revenue	9.5	10.4	14.7	10.1	44.8	7.7	9.4
	Adj. Operating Profit	-	0.2	0.4	0.8	1.5	0.4	-
Others/ Eliminations	Revenue	-0.7	-1.4	-1.1	-4.3	-7.7	-1.9	-3.3
	Adj. Operating Profit	-	-	-	-	-	-	-

Note: Revenue includes Inter-region revenue.



## Adjusted items from GAAP Operating Profit

(Billions of yen)

	FY2022					FY2023	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Operating Profit	25.6	75.3	72.3	162.3	335.6	-1.6	46.4
Adjusted items from GAAP Operating Profit	-2.4	28.5	-4.6	-6.7	14.7	-4.2	-1.7
One-time Profit/Loss from business transfers	-	32.2	0.3	-	32.6	-	-
M&A related expenses	-1.7	-2.3	-1.9	-3.7	-9.8	-2.8	-1.1
Business model transformation cost	-0.6	-1.3	-3.0	-2.9	-8.0	-1.3	-0.6
Adjusted Operating Profit*	28.0	46.7	76.9	169.0	320.8	2.6	48.1

\*Adjusted operating profit: an indicator of the real profits from the business, in which one-time gains or losses from such activities as business restructurings, acquisitions or divestitures, and institutional changes are subtracted from operating profit.

### Main adjusted items

- Business transfers:(2Q of FY2022) one-time profits from the sale of PFU and other businesses
- M&A related expenses: depreciation of intangible assets recorded from acquisitions



## Adjusted items from GAAP Free Cash Flow

						(Billions of yen)	
	FY2022					FY2023	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Free Cash Flow	66.1	-18.8	2.3	127.8	177.5	125.6	-91.0
Adjusted items from GAAP Free Cash Flow	-61.0	44.6	30.1	6.5	20.4	-57.2	0.7
Business transfers	1.4	56.6	32.5	6.5	97.0	-18.8	11.9
M&A expenditures	-	-10.3	-2.1	-	-12.4	-38.4	-10.1
Business model transformation expenditures	-62.4	-1.6	-0.2	-	-64.2	-	-1.1
<b>Core Free Cash Flow*</b>	<b>127.1</b>	<b>-63.5</b>	<b>-27.7</b>	<b>121.2</b>	<b>157.1</b>	<b>182.8</b>	<b>-91.7</b>

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

### Main adjusted items

- Business transfers: (2Q of FY2022) one-time gains from the sale of PFU and cross shareholdings
- M&A expenditures: (1Q of FY2023) acquisition of GK Software in Germany, (2Q of FY2023) one-time expenditures related to acquisitions in APAC
- Business model transformation expenditures: (1H of FY2022) one-time expenditures related to DX human resource measures implemented in FY2021



# Financial Forecast(PL)

(Billions of yen)

	FY2022 (Actual)	FY2023(Forecast)		Change	(%)
		Current Forecast	Change vs. Previous Forecast		
Revenue	3,713.7	3,810.0	-50.0	96.2	2.6
Excl. Impact of restructuring	3,675.0	3,810.0	-50.0	134.9	3.7
Impact of restructuring	38.6	-	-	-38.6	-
Adjusted Operating Profit	320.8	320.0	-20.0	-0.8	-0.3
[Adjusted Operating Profit Margin]	[8.6%]	[8.4%]	[-0.4%]	[-0.2%]	
Adjusted items from GAAP Operating Profit	14.7	-	-	-14.7	-
Operating Profit	335.6	320.0	-20.0	-15.6	-4.7
[Operating Profit Margin]	[9.0%]	[8.4%]	[-0.4%]	[-0.6%]	
Adjusted Profit for the year	204.1	208.0	-10.0	3.8	1.9
Profit for the year	215.1	208.0	-10.0	-7.1	-3.3



## Business Segment Information [Service Solutions]

(Billions of yen)

		FY2022 (Actual)	FY2023(Forecast)		Change	(%)
			Current Forecast	Change vs. Previous Forecast		
Service Solutions	Revenue	1,984.2	2,170.0	-	185.8	9.4
	Adj. Operating Profit	162.9	255.0	-	92.0	56.4
	[%]	[8.2%]	[11.8%]	[-%]	[3.6%]	
Global Solutions	Revenue	407.2	455.0	-	47.7	11.7
	Adj. Operating Profit	5.0	6.0	-	0.9	18.8
	[%]	[1.2%]	[1.3%]	[-%]	[0.1%]	
Regions (Japan)	Revenue	1,194.6	1,330.0	-	135.4	11.3
	Adj. Operating Profit	147.7	237.0	-	89.3	60.5
	[%]	[12.4%]	[17.8%]	[-%]	[5.4%]	
Regions (International)	Revenue	581.7	590.0	-	8.3	1.4
	Adj. Operating Profit	10.3	12.0	-	1.7	16.5
	[%]	[1.8%]	[2.0%]	[-%]	[0.2%]	
Intra-seg. Elim	Revenue	-199.3	-205.0	-	-5.6	-



## Assumption used for FY2023 Forecasts

### 1. Exchange Rates (Average) and Impact of Fluctuation

	FY2022 (Actual)	FY2023			Impact of Exchange Rate Fluctuation 2H (Forecast)*
		1H (Actual)	2H (Forecast)	Change vs. Previous Forecast	
U.S. dollar / Yen	135	141	130	-	-0.4 Billion yen
Euro / Yen	141	153	140	-	0.0 Billion yen
British pound / Yen	163	177	160	-	0.0 Billion yen

\* Impact of 1 yen fluctuation on operating profit (yen appreciation).



## Assumption used for FY2023 Forecasts

### 2. Capital Expenditures and Depreciation (Property, Plant and Equipment)

(Billions of yen)

	1H		Full year		Change vs. Previous Forecast
	FY2022 (Actual)	FY2023 (Actual)	FY2022 (Actual)	FY2023 (Forecast)	
Service Solutions	12.4	13.5	27.8	23.0	-
Hardware Solutions	3.9	5.0	9.0	10.0	-
Ubiquitous Solutions	-	-	-	-	-
Device Solutions	32.0	42.0	72.3	75.0	-
Inter-segment Elim./ Corporate	4.8	6.4	11.7	12.0	-
Capital Expenditures	53.4	67.1	121.0	120.0	-
Depreciation	44.8	40.4	89.6	90.0	-

Capital expenditures and depreciation do not include the impact of adopting IFRS 16 (Leases).

### 3. R&D Expenses

R&D Expenses	49.0	61.5	109.5	110.0	-
[As % of Revenue]	[2.9%]	[3.6%]	[3.0%]	[2.9%]	[0.1%]



## Notice of Information Disclosure

### [Integrated Report 2023](#)

The Fujitsu Integrated Report introduces the Fujitsu Group's initiatives for business activities and value creation comprehensively.

### [Sustainability Data Book 2023](#)

Fujitsu Group Sustainability Data Book, responding international information disclosure requirements and latest domestic regulations, describes in detail about the basic stance, framework, policies, organization and internal/external activities in the Fujitsu Group.