

Medium-Term Management Plan Progress Update

Takahito Tokita

CEO

Fujitsu Limited

April 24, 2025



- Hello everyone. I am Tokita, CEO. Thank you very much for taking time out of your busy schedule to join us today.

Agenda

- I Progress in FY2024
- II Progress and plans of major initiatives
- III Targets for FY2025

- First, I'll give an update on our major initiatives and results for FY2024, and our FY2025 targets in the current Medium-Term Management Plan, which concludes at the end of FY2025.

Our Purpose

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

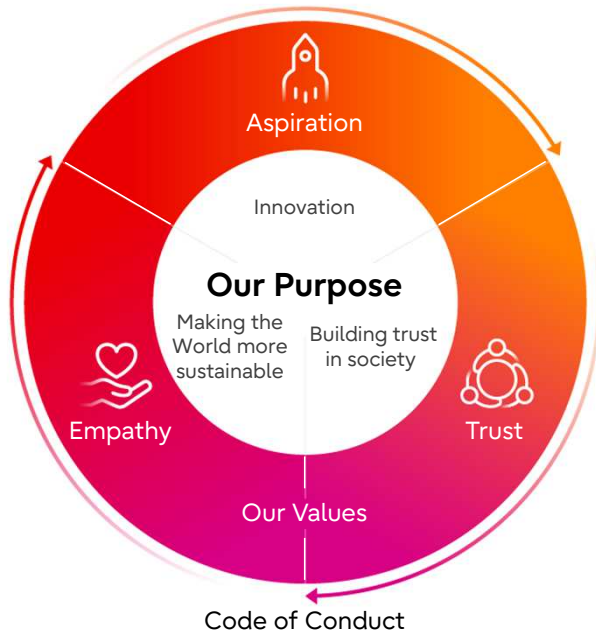


- The Fujitsu Group Purpose is to “make the world more sustainable by building trust in society through innovation.” We established our Purpose in 2022 and today, all our corporate activities are dedicated to realizing it.

Fujitsu Way



Three elements of the Fujitsu Way



Our Purpose	Our purpose is to make the world more sustainable by building trust in society through innovation.	
Our Values	Aspiration	<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.
	Trust	<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.
	Empathy	<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.
Code of Conduct	<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. 	

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- This is the Fujitsu Way which all Fujitsu Group employees are expected to follow. We adhere to our Code of Conduct, and uphold the core values of aspiration, trust, and empathy.

A vertical red bar with a gradient effect, transitioning from a darker red at the top to a lighter red at the bottom.

I. Progress in FY2024

A smaller version of the red decorative bar, positioned below the section header.

- I will now report on our initiatives and progress in FY2024.

FY2024

Progress Summary

█ Increase in consolidated revenue and profit
Adjusted profit for the year reaches a record high

█ Service Solutions growth
Driven by DX and modernization

█ Carve-out of non-core businesses announced



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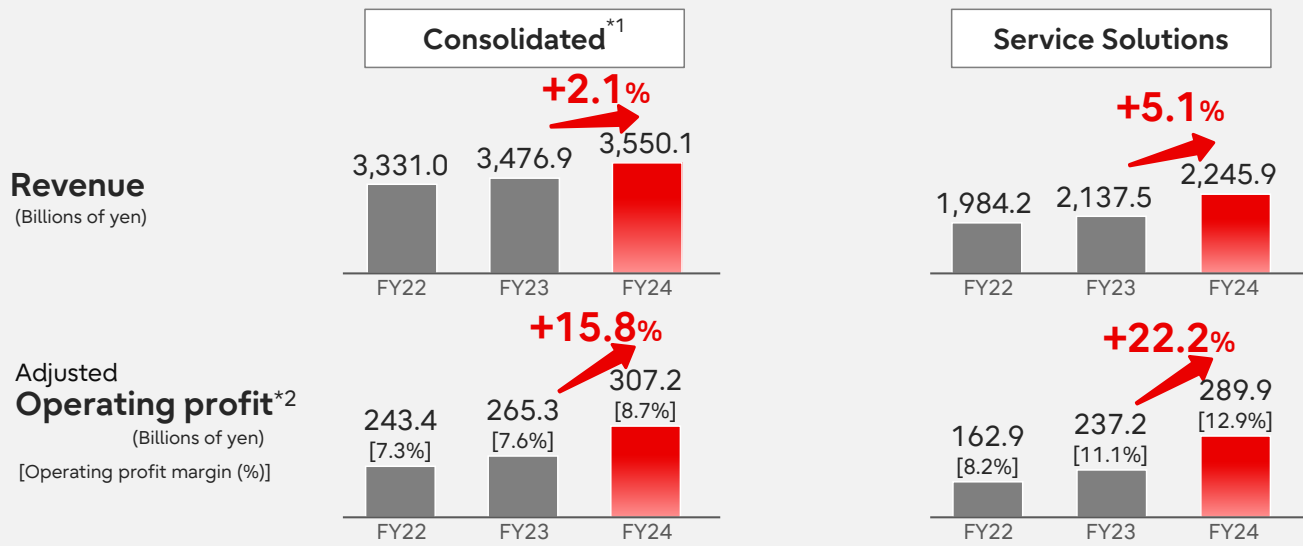
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- Let me start with a general overview.
- In FY2024, consolidated revenue and profit increased on a company-wide basis, and we achieved a record high in adjusted profit for the fiscal year.
- In our mainstay Service Solutions business, digital transformation and modernization business opportunities grew, particularly in Japan.
- At the same time, we proceeded with carve-outs of non-core businesses, including the devices business, and the transformation of our business portfolio has progressed as planned.

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.



*1 Device Solutions is excluded from our consolidated revenue and adjusted operating profit for the entire company.

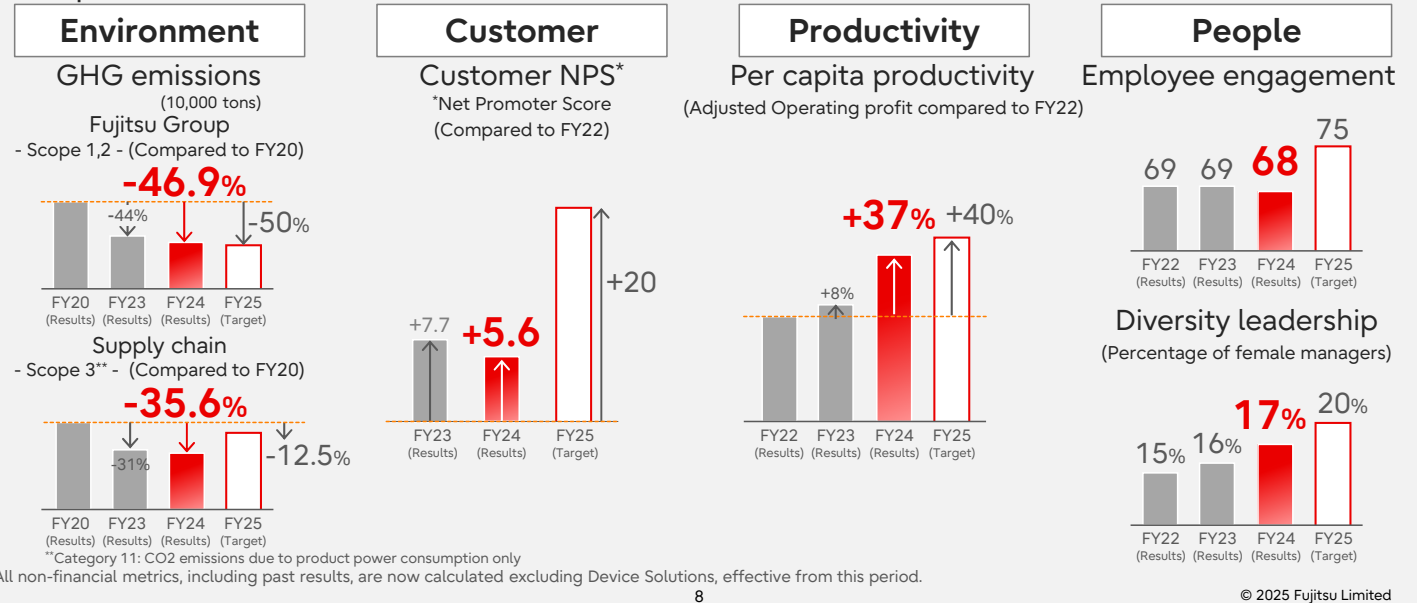
*2: Adjusted operating profit: Indicator which represents an actual profit from core business calculated by deducting profits from business restructuring, M&A, etc., and one-off profits from changes in regulations. 7

- Next, I will explain our financial results for FY2024.
- Fujitsu's consolidated revenue increased 2.1% year-on-year to 3,550.1 billion yen, and Service Solutions increased 5.1% year-on-year to 2,245.9 billion yen.
- Consolidated adjusted operating profit increased 15.8% year-on-year to 307.2 billion yen, and Service Solutions increased 22.2% year-on-year to 289.9 billion yen.

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.



- Next, I will explain the progress of our non-financial indicators.
- Firstly, on the left of the slide are our environment measures. Both the Fujitsu Group’s emissions and Scope 3 emissions improved year-on-year.
- Secondly, we are targeting growth in customer NPS compared to FY2022. This metric improved by 5.6 points in FY2024. Starting this fiscal year, we are restructuring our front-line organization to be more industry orientated, focusing on improving customer business engagement.
- Thirdly, productivity per employee has improved significantly, due to the substantial growth in consolidated operating profit across our company and the optimization of our workforce portfolio.
- Finally, on the far right, employee engagement remained flat, and the percentage of female managers increased by 1%. To make improvements, we are focusing on initiatives that incorporate employee feedback and particularly the well-being of each employee. We will continue to develop these initiatives throughout FY2025.

II. Progress and plans of major initiatives

- Next, I will explain the status of our major initiatives.

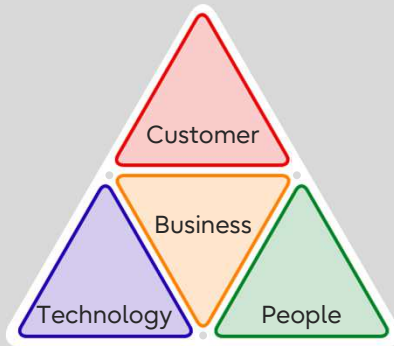
Positioning of the Medium-Term Management Plan **FUJITSU**

Evolving our model to ensure sustainable growth and improved profitability for 2030 and beyond.



- I would like to reiterate our approach to the current Medium-Term Management Plan.
- During this 3-year Medium-Term Management Plan period, we are establishing a business model for sustainable growth and improved profitability for 2025, through to 2030 and beyond.
- To achieve this, we have established four key strategies: Business Model Portfolio Strategy, Customer Success and Regional Strategy, Technology Strategy, and People Strategy. We are working to improve the profitability of our international business, including shifting towards being a services business.

Key strategies



01 Business Model and Portfolio Strategy

02 Customer Success / Regional Strategy

03 Technology Strategy

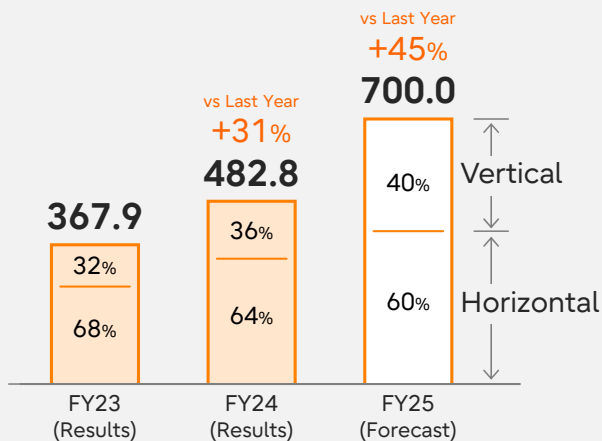
04 People Strategy

- Next, I will outline the progress we have made on our key strategies through FY2024, followed by our planned initiatives for FY2025.

Expansion of Fujitsu Uvance

Vertical growth was 51% and Horizontal growth was 22% year-on-year.

Revenue (Billions of yen)



Progress and future initiatives

Progress in FY2024

- Consulting leads are improving the quality of business negotiations
- Steady improvement in standardization and recurring business ratio
- International vertical areas are expanding particularly through GK Software

Future Initiatives

- Expansion of the consulting business contributes to an increase in Uvance orders

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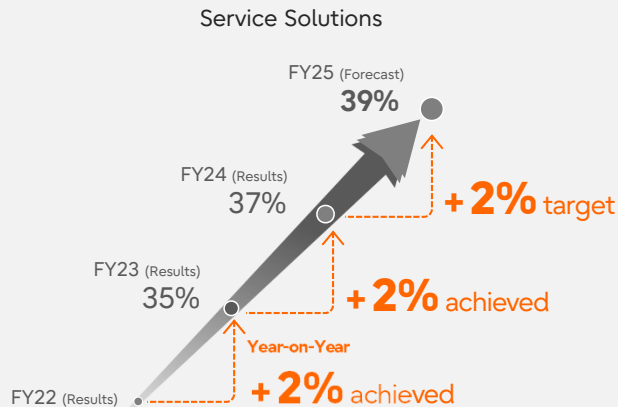
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- Regarding our business model and portfolio transformation, Fujitsu Uvance is driving this shift away from traditional Systems Integration towards cloud-based business applications and cross-industry business models and portfolios.
- In FY2024, Fujitsu Uvance revenue increased by 31% year-on-year to 482.8 billion yen, exceeding our initial plan of 450.0 billion yen. With the launch of our consulting business, Uvance Wayfinders, we have transitioned from traditional SI negotiations to engagements that lead the customer transformation agenda. These engagements are at a management level. They cover transformation from formulation through implementation and generate new types of customer discussions.
- In addition, we have seen a steady increase in the global standardization of Uvance offerings and recurring business. Internationally, the Vertical domain's growth was primarily driven by solutions from GK Software, who hold a significant market share in the retail platform sector.
- In FY2025, we will continue to expand our consulting business and enhance the quality and volume of business opportunities, to achieve our initial revenue target of 700 billion yen.

Increasing profitability of Service Solutions

Continue to transform delivery to continuously improve profitability across Service Solutions.

Gross margin ratio



Progress and future initiatives

Progress in FY2024

- Standardization and automation using JGG^{*1} and development infrastructure
- Implementation of a value-based pricing strategy

^{*1} Japan Global Gateway

Future Initiatives

- Balance generative AI utilization with security and ethical measures
- Optimize global delivery for customers

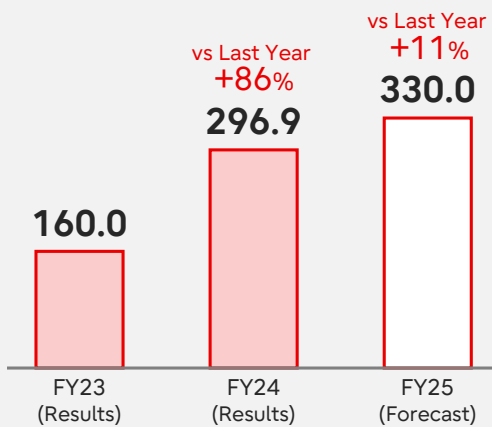
- Next, let's discuss our efforts to improve the overall profitability of Service Solutions.
- We will continue to transform our delivery services, centered on the Global Delivery Centers, Japan Global Gateway, and work to enhance the profitability of Service Solutions as a whole.
- In FY2024, we standardized and automated development by leveraging the JGG along with a common development infrastructure platform.
- We also evolved our pricing structure to be value-based and focused on increasing recurring revenue.
- As a result of these measures, the gross profit margin improved by 2% in FY2024.
- In FY2025, we aim to achieve around 2% annual improvement by establishing an optimal global delivery system. This will involve further improving efficiency and standardization by actively incorporating generative AI into delivery, while giving due consideration to cybersecurity and the ethical use of AI.

Accelerating Modernization

By leading customer modernization, we are achieving growth in orders and revenue. We are enhancing our competitiveness and business foundation for further growth.

Revenue (Billions of yen)

Progress and future initiatives



Progress in FY2024

- Agile and efficient resource allocation
- Development of specialist expertise and automated code conversion tools

Future Initiatives

- Accelerating DX shift proposals by incorporating Uvance integration
- Enhance competitiveness by leveraging generative AI and automation

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- Next, I would like to explain our modernization efforts.
- In the modernization business, both orders and sales are growing steadily, with revenue increasingly significantly by 86% year-on-year in FY2024.
- In FY2024, we focused on enhancing the sophistication and efficiency of our operations through efficient and flexible resource allocation, developing specialist personnel certified by the company as modernization masters, and developing automated code conversion tools.
- In FY2025, we will accelerate our proposals for digital transformations that integrate Horizontal solutions as a modernization pathway leading to Fujitsu Uvance.
- In addition, we will continue to improve efficiency and automation using generative AI to further enhance our competitiveness.

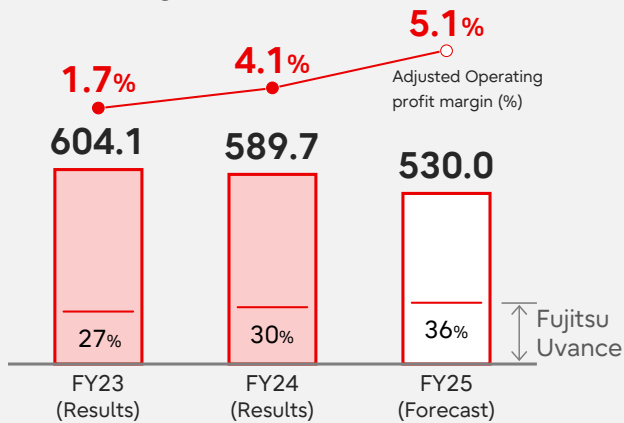
International business transformation

Structural reforms are driving a shift to a services-led business, increasing our Fujitsu Uvance ratio, and improving profitability.

Revenue (Billions of yen)

Progress and future initiatives

Regions (International)



Progress in FY2024

- Europe is making steady progress towards completing planned structural reforms
- Consulting business launched in Americas
- Structural reforms commenced in Asia Pacific

Future Initiatives

- Drive steady profit improvement by completing structural reforms and expanding the services business

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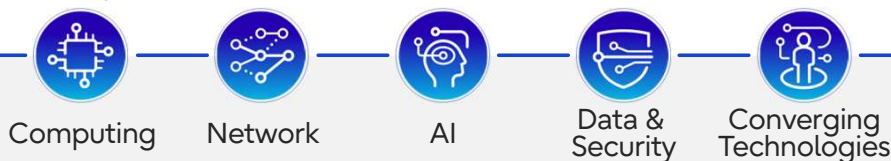
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- Next, I will explain the status of our international business.
- In FY2024, revenue in international regions was 589.7 billion yen, a decrease of approximately 2.4% compared to the previous fiscal year. However, the operating margin improved from 1.7% to 4.1%, driven by structural and business portfolio reforms.
- More specifically for each region:
 - To complete structural reforms in FY2025, the Europe region continued to carve-out unprofitable businesses and refine its focus areas.
 - The Americas region, already service focused, launched their consulting business.
 - The Asia Pacific region initiated structural reforms to focus on more profitable business areas and geographies. This includes, transitioning from a regional system to a country-specific model, which takes effect from this April.
- In FY2025, we will continue with our structural reforms to improve our profit structure and expand our Uvance-centered service business to improve profitability in all areas.

Core technology enhancements

Strengthening our technologies and strategic alliances to create service differentiation, with a focus on AI and Computing.

- Enhancing our AI platform **Fujitsu Kozuchi** :
Launch of LLM* **Takane**, co-developed with Cohere
*LLM: Large Language Model
- Developed a 256-qubit superconducting quantum computer
Planning completion of new quantum facility in September 2025
Plans to develop a 1,000-qubit quantum computer in FY2026
- Development of **FUJITSU-MONAKA** underway - strategic collaboration with Supermicro and AMD



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- Next, I will share how we are progressing our technology strategy.
- With a focus on AI and computing, we are also engaged in strategic alliances to strengthen our combined technologies leading to differentiation of our services.
- We continue to strengthen our AI capabilities, focusing on generative AI. In July last year, we announced a strategic partnership with Cohere, a Canadian company, and launched Takane, a large language model (LLM), with particularly high Japanese capabilities. It is now available as part of the lineup of our AI platform, Fujitsu Kozuchi.
- We have also started providing AI agents and multi-AI agents to help our customers advance their business.
- In quantum computing, we have now developed a 256-qubit quantum computer. We plan to start providing this to companies and research institutes during this first quarter. In FY2026, we plan to develop a 1,000-qubit quantum computer and install it in a dedicated facility. This facility is scheduled to be completed in September this year at Fujitsu Technology Park, our company's headquarters.
- We are also developing the next-generation processor, FUJITSU-MONAKA, in strategic collaboration with Supermicro and AMD.
- We will continue to accelerate research and development with the aim of creating and commercializing new technologies.

Realization of a business-aligned workforce portfolio

Strengthen key business areas and improve corporate efficiency to drive business growth and productivity improvement.

Human Resource Management and compensation



Switch from mass graduate hiring to job-based recruitment in Japan*
Full switch for all employees to performance and capability-based evaluation and compensation

*With effect for new employees from April 2026

Shift to globally competitive compensation levels

Behavioral changes



Role posting systems are in place
(Facilitating circa 3,000 employees moves per annum)

Autonomous reskilling and career development are driving adoption

- Lastly, our people strategy. We are promoting the transformation of our workforce portfolio aligned with our business portfolio. And we are continuing to review the human resource management practices and systems that are necessary to support this.
- To increase global workforce mobility, we have transitioned to a job-based personnel system. Starting from April 2026, this system will be used for role-based recruitment of new graduates in Japan. We have also implemented performance-and-capability-based evaluations, aligning compensation with market rates. We have adopted globally competitive compensation levels for Japan-based employees. This resulted in a rate increase of approximately 20% over the two years from FY2023 to FY2024. We will continue reviewing compensation levels based on market trends going forward.
- The role posting system introduced in FY2020 has become a well-established career development tool. By FY2024, approximately 3,000 employees per year were utilizing this system for internal transfer opportunities. Along with this, reskilling initiatives have been gaining momentum, with employees autonomously acquiring the skills necessary for our focus business areas and their own career development. Improvements in the role opportunity posting system and learning environment have led to positive changes in employee behavior.
- Looking ahead, we will continue our efforts to achieve business growth and improve productivity by strengthening resources in our focus business areas, improving corporate efficiency, and strategically shifting resources, to create an optimal workforce portfolio aligned with our business portfolio. This includes, where appropriate, providing support to employees to further their careers outside Fujitsu.

III. Targets for FY2025



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- Next, I would like to explain our targets for FY2025.

Targets for FY2025

Financial



Increase profitability by focusing on Service Solutions, aiming to achieve record operating profit and profit for the year.

		(Billions of yen)	FY2024 (Results)	FY2025 (Forecast)	vs Last Year
Consolidated ^{*1}	Revenue		3,550.1	3,450.0	-100.1
	Adjusted operating profit ^{*2}		307.2	360.0	+52.7
	Adjusted operating profit margin (%)		8.7%	10.4%	+1.7%
	Adjusted profit for the year		240.9	250.0	+9.0
Service Solutions	Revenue		2,245.9	2,330.0	+84.0
	Adjusted operating profit ^{*2}		289.9	360.0	+70.0
	Adjusted operating profit margin (%)		12.9%	15.5%	+2.6%
Hardware Solutions	Revenue		1,119.9	965.0	-154.9
	Adjusted operating profit ^{*2}		61.3	55.0	-6.3
	Adjusted operating profit margin (%)		5.5%	5.7%	+0.2%

*1 Device Solutions is excluded from our consolidated revenue and adjusted operating profit for the entire company.
*2: 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.

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- For FY2025, we have set targets of 3.45 trillion yen consolidated revenue, 360 billion yen adjusted operating profit, a 10.4% adjusted operating profit margin, and 250 billion yen adjusted profit for the fiscal year. We are aiming to achieve record high adjusted operating profit and adjusted profit for the fiscal year.
- In Service Solutions, we are targeting 2.33 trillion yen in revenue and 360 billion yen in adjusted operating profit, and an adjusted operating margin of 15.5%.
- We will continue to reform our business model and portfolio, focusing on Service Solutions to drive increased profitability.

Business portfolio transformation

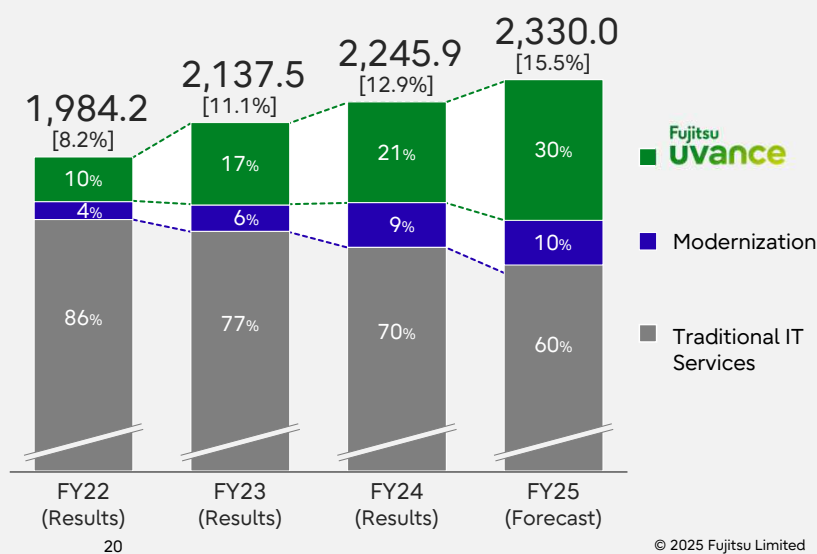
Continuing to shift our business portfolio through the expansion of Service Solutions.

Service Solutions

Revenue (Billions of yen)

[Adjusted operating profit margin (%)]

Grow on-cloud digital services focusing on Fujitsu Uvance



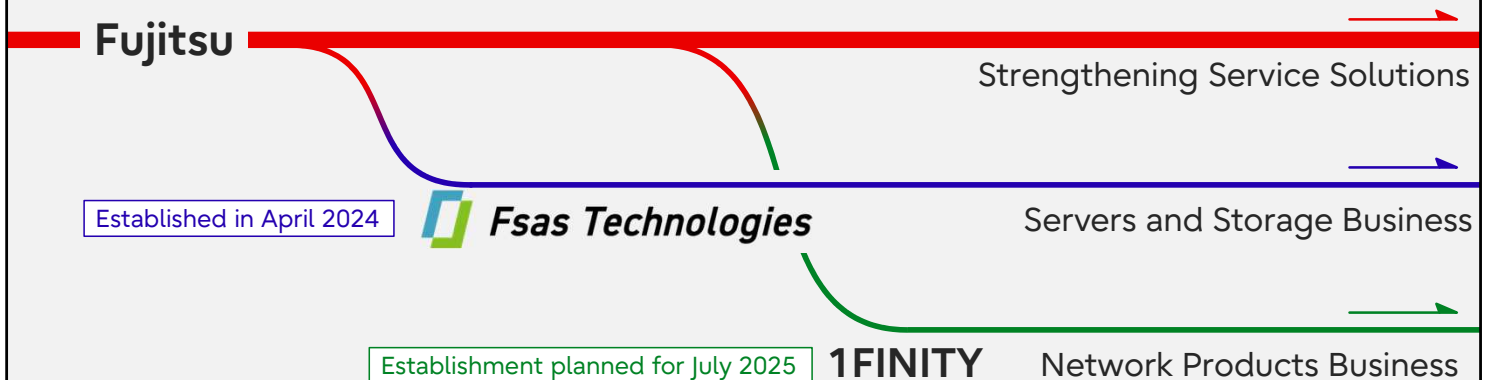
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- Next, I will explain the progress of our business portfolio transformation, beginning with an update on the Service Solutions business.
- We will continue to shift from traditional IT services to cloud-based digital services, centered on Fujitsu Uvance, through modernization.
- In FY2025, we project Fujitsu Uvance will account for 30% of Service Solutions revenue an increase from 21% in FY2024.

Hardware Solutions: Strengthening the Management Foundation



By spinning off key businesses, we aim to accelerate management decision-making and thoroughly improve efficiency.



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- Finally, I would like to explain how we are strengthening the foundation of our hardware solutions business.
- Today, we announced the transfer of our network products business to new company 1FINITY, which will be established as a wholly owned subsidiary of Fujitsu Limited on July 1st.
- The establishment of 1FINITY is based on the same thinking as the establishment of Fsas Technologies last April. The purpose is to accelerate management speed by consolidating the various functions of the network products business, such as research and development, manufacturing, sales, and maintenance, which are currently dispersed throughout the Group, into one place and thereby enhance global competitiveness
- AI is increasing in prominence at pace and is fast becoming an indispensable part of our lives. Our hardware solutions that support data utilization for AI applications must also evolve and be put into practical use at the same speed.
- We will continue to consider how to best provide each of our solutions and fulfil our role as a technology company.



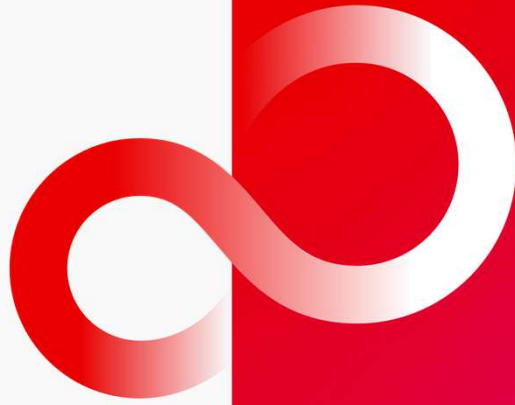
**Toward a safe, secure,
and prosperous society**

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- We will celebrate our 90th anniversary in June this year. With the support of all stakeholders, including customers, employees, and shareholders, we have been able to continue our business from 1935 to the present day.
- While the products and services we provide have evolved with the times, we value the idea of "making people happy with technology," which underpins all our corporate activities.
- The evolution of technology has the potential to create new solutions to address various social issues such as environmental and resource problems, geographic conflicts, and societal disparities.
- Going forward, we will continue to contribute to a safer, more secure, and prosperous society through technology. We also aim to transform into a company that can respond quickly to changing times and contribute sustainably over the long term.

Thank you



- This concludes my update. 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